



Office of the Auditor General / Bureau du vérificateur général

**AUDIT OF ONTARIO WORKS ELIGIBILITY ASSESSMENT
PROCESS**

2012

**VÉRIFICATION DE DU PROCESSUS D'ÉVALUATION DE
L'ADMISSIBILITÉ AU PROGRAMME ONTARIO AU TRAVAIL**

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EXECUTIVE SUMMARY

Introduction

The Audit of Ontario Works Eligibility Assessment Process was included in the 2012 Audit Workplan of the Office of the Auditor General (OAG), approved by City Council on December 14, 2011.

It should be noted that in May 2011 a comment was made by an Ontario court judge criticizing the effectiveness of City processes in verifying the employment earnings reported by Ontario Works benefit recipients.

Background

Ontario Works (OW) is a provincial program that provides income and employment assistance to individuals in temporary financial need and who are unemployed or underemployed. OW income assistance is intended to help eligible applicants with basic living expenses such as food, clothing, personal needs, and shelter. Employment assistance for eligible applicants includes a variety of activities intended to increase their employability and help them obtain employment and become self-reliant.

OW is delivered by municipalities including the City of Ottawa. The Ministry of Community and Social Services (the Ministry) pays the majority of this cost, its share going from 81.2% in 2011 to 100% in 2018. In 2012, the City's cost-sharing percentage ratio was reduced by 1.6% compared to 2011. As such, in 2012, the provincial and City cost-sharing percentage was 82.8% and 17.2% respectively. The Ministry pays the City a fixed amount of \$2,016 per case per year for administrative costs. Table 1 provides a summary of payments and caseload under the OW program in Ottawa.

Table 1 – OW Payments and Caseload (in millions of dollars)

Year	Gross OW Financial Assistance Payment – Mandatory and Discretionary	Provincial Subsidy¹	Funded by the City	Average Monthly Caseload
2012	\$139.17	\$114.69 (82.4%)	\$24.48 (17.6%)	16,073
2011	\$135.48	\$110.63 (81.7%)	\$24.85 (18.3%)	15,783

¹ "Provincial Subsidy" does not reflect cost-sharing percentages. The "Gross OW Financial Assistance Payments" include benefits that are 100% covered by the Province.

In May 2011, while sentencing an OW recipient for underreporting their income, a judge criticized the City's system of checks and balances. A Council Member Inquiry was then raised later that month: "What City of Ottawa programs are in place to prevent fraud and ensure that all cases are dealt with in a manner that respects this Council's commitment to spend all tax dollars wisely and efficiently." City staff provided a response which outlined the control framework in place. The individual was eventually discovered by City staff as the employment income was reported to the Canada Revenue Agency through the regular T4 program and then matched by City staff. Therefore, in this case, the City's system of checks and balances functioned as designed.

The system that the City uses to manage the OW program is Service Delivery Model Technology (SDMT). SDMT is the system that municipalities are mandated to use and, given that it is a provincial system; the City has no ability to alter it to meet specific City needs. The systems of controls that ensure that only eligible individuals received the correct amount of financial assistance are changing. The Ministry has several initiatives under way, such as a new monitoring framework to assist with program oversight and compliance with program requirements, a new IT system, and a new system to prioritize high-risk cases for review to help ensure that only eligible recipients continue to receive assistance.

The key processes in place to ensure that only eligible individuals receive OW, and in the correct amount, are:

- Initial intake review;
- On-going monthly income verification;
- Eligibility Verification Process (described below); and,
- Eligibility Review Program to follow-up on external and internal allegations.

Ministry officials previously conducted annual on-site reviews at the City and other delivery organizations. They conducted financial compliance reviews of the City's application for monthly subsidy from the Ministry where they examined a sample of transactions selected from one month each year. Ministry officials also conducted annual program compliance reviews over specific program-related activities such as intake, discretionary benefits and participation agreements.

Ministry staff informed us that the last of these reviews were conducted in 2010 as they are moving to a new approach. They will be conducting analytical reviews each month on the claims submitted to identify anomalies for follow-up. As well, the Ministry is implementing its new Eligibility Verification Process (EVP) to replace its previous Consolidated Verification Process. Under EVP, changes in external information (primarily Equifax) related to OW recipients trigger more detailed reviews by City staff. EVP was implemented at the City in March 2012.

Scope and Objectives

The audit scope was the current OW Eligibility Assessment Process in all City of Ottawa Social Services Centres.

The audit objectives and criteria of this audit were to:

Objective 1: Confirm the completion of an operational risk assessment for the area to be audited.

Criterion:

- Determine if an assessment has been completed and how it has been/is being used.

Objective 2: Assess whether City processes are adequate to appropriately establish initial eligibility for OW assistance.

Criteria:

- Determine if initial eligibility assessments for assistance are in accordance with the Ontario Works Act, Regulations and policy directives;
- Determine if initial eligibility assessments are supported by the receipt, verification and appropriate analysis of required information and documented accordingly; and,
- Determine if processes and practices are consistent among all centres.

Objective 3: Assess whether City processes are adequate to ensure on-going eligibility for OW assistance.

Criteria:

- Determine if ongoing eligibility assessments comply with provincially mandated requirements;
- Determine if ongoing eligibility assessments are supported by the receipt, verification and appropriate analysis of information and documented accordingly;
- Determine if the Eligibility Review Program is effectively resolving allegations;
- Determine if processes and practices are consistent among all centres; and,
- Determine if the City's Eligibility Review Program is operating as an effective control to identify and following up on potential ineligible recipients.

Objective 4: Identify areas of potential savings for the City in the efficient and effective management and operations of the eligibility review process.

Criterion:

- Determine if potential savings are possible through more efficient and effective management and operations of the eligibility review process.

Approach

The following audit approach was taken across all four City of Ottawa Social Services Centres (SSC) and included obtaining information, data analysis; reviewing applicable directives and policies; reviewing results of previous audits; reviewing documentation; and testing of a sample of case files.

Specifically, in our testing, we reviewed OW transactions for the period January 1, 2011 to June 30, 2012 (review period) and conducted the following:

- Obtained the database of clients which have received OW assistance during the review period;
- Analyzed the database;
- Selected a random sample of 100 case files, which may not necessarily be statistically valid, (see Appendix A for more details on the Sample Selection Process) distributed across SSCs as follows:

Table 2 – Distribution of Sample Across SSCs

SSC	Number of Samples
West	25
South	30
Central	19
East	26
Total	100

- Tested the sample of case files selected against the above audit criteria. Testing was performed through file review as well as through observing information in the SDMT system through the assistance of the appropriate case worker.

Summary of Key Findings

Operational Risk Management

The Community and Social Services Department has not completed a risk assessment at either the Department level, or specifically for the Ontario Works program. Management of the Community and Social Services Department do not believe that it is required or cost beneficial to complete a separate, risk assessment specifically for the Ontario Works program. As no risk assessment has been completed at the departmental level either, the Community and Social Services Department is not in compliance with the City's Enhanced Risk Management Framework (April 2012) which requires context setting, determining risk impact, establishing likelihood, reaching a risk score prioritizing and finally establishing a plan to mitigate or prevent the risk from occurring.

While a risk assessment has not been completed, there is evidence that Community and Social Support Branch is applying risk-aware thinking in its day-to-day activities. Risk factors are identified and described during the annual budget process and the Social Services Business Continuity Plan provides a mitigation plan for certain risks. The delivery of the OW program also inherently considers the risk of making ineligible payments.

In the absence of a completed risk assessment that is in accordance with the *City's Enhanced Risk Management Framework*, OW program risks may not be properly identified and managed.

Initial Eligibility Assessments

Overall, initial eligibility assessments for assistance is granted in accordance with the Ontario Works Act, Regulations and policy directives. Processes and practices are generally consistent among all City Social Services Centres (SSCs). For the most part, the receipt, verification and appropriate analysis of required information are documented accordingly for the application process.

One area of exception is third party verification with Equifax Canada of eligibility related information such as income, previous employment, assets, liabilities, trends and residence. We observed that initial assessments undertaken or Consolidated Verification Process (CVP) conducted during the period of audit were missing hard copy or electronic versions of Equifax reports on client files in three out of the four SSCs. From our sample of 72 which required the Equifax report, a total of 16 instances were observed where hard copy or electronic versions of the Equifax reports were not maintained on file (22%).

Provincial directives require that third party verification (i.e., Equifax report) of eligibility related information (e.g., income and assets) provided by the applicant be completed and documented.

Equifax reports are considered to be a key document for verifying assets, liabilities, payment patterns, residence, employment income etc. through third party corroboration. We confirmed with the provincial Ministry of Community and Social Services and they expect that a key document, such as an Equifax report, be maintained on recipients' files or that information from Equifax reports and analysis of the information are noted in SDMT Intake/EVP notes. City management explained that, while it is their practice to maintain Equifax reports on recipients' files, it is not a mandatory requirement. However, our review of the process indicates that where such reports are not maintained on file, SDMT Intake/EVP notes are not clear enough such as to indicate the information extracted from the Equifax reports and the analysis conducted with this information.

In addition to missing Equifax reports, the audit identified instances of non-compliance with Provincial Directive 2.1: Application Process. The audit reviewed the documentation requirements for the review period (January 01, 2011 to June 30, 2012) for the sample selected.

When the 16 instances of missing Equifax reports are added to the 7 instances of non compliance, there is a total of 23 instances relating to 19 of the 100 cases examined where the application process requirements were not met. The receipt, verification, analysis and documentation of required information in support of the assessment of initial eligibility is important in order to ensure that correct amount of assistance is granted and only where eligibility is met.

Ongoing Eligibility Assessments

Consistency of Processes and Practices

Overall, processes and practices are generally consistent among all SSCs in assessing ongoing eligibility. The only exception, as noted in 5.2, of the full report, is the high rate of missing Equifax reports in three out of the four SSCs.

Our audit did find that ongoing eligibility assessments do not fully comply with provincially mandated requirements as follows:

Ineligible Payments

Within the selected sample representing total payment of \$615,629, we found a total of \$3,840 in payments of benefits to recipients were ineligible. This represents approximately 0.6% of the population tested. Although the random sample is not necessarily statistically valid, if the 0.6% error rate detailed in the full report, held consistent across the entire population of OW payments, then the dollar amount of total ineligible payments during the period from January 2011 to June 2012 would be approximately \$834,000 (0.6% X \$139 million).

Monthly Income Reporting

Overall, monthly income reporting is updated in SDMT and income assistance is adjusted based on the monthly income reviews. SDMT permits the case worker to indicate that they have verified the accuracy of income amounts reported and entered it into the system. In our sample of 100 recipients, 14 of recipients reported income during the audit period. A total of 33 income reports were received, of which 2 did not have the "Verified" box ticked on SDMT, indicating that the case worker had verified the recipient's monthly reported income. By not indicating that the income entered in SDMT was verified to monthly income reporting provided by the recipients, the City risks recording incorrect income amounts in SDMT which can impact the accuracy of benefits amounts paid to recipients.

Case workers can also waive recipients' monthly income reporting requirements. We found that the waiving of monthly income reporting requirements is not well documented on the recipient's files as is required by Provincial Directive 5.1 Income and Exemptions. City management interprets this directive differently believing that its practice of minimal documentation on the recipient's files is adequate.

We verified our understanding and obtained clarification from the Ministry of Community and Social Services. Specifically, the Ministry stated that "there must be some documentation on file to support the waiver...the documentation would need to reflect the information that led the caseworker to apply the waiver. This may be pay-stubs, tax returns, letters, bank statements etc.; basically, documents that indicate why the waiver was applied. The provincial standard is that documentation is always on file to support the decision."

In our view, the City's interpretation can result in overpayment of assistance to recipients as a result of monthly assistance not being reduced by eligible earnings.

Documentation of Receipt, Verification and Appropriate Analysis

Income assistance provided on a monthly basis also includes an amount for basic needs and shelter (or board and lodging where applicable), and can include Advanced Age Allowance, Special Diet Allowance, Pregnancy/Breast-feeding Nutritional Allowance and Special Boarder Allowance.

In addition, OW recipients, spouses and any dependents may be eligible to receive certain mandatory benefits (e.g., health benefits, prescription drug coverage; medical transportation costs \$15 and over) and health-related and non-health related discretionary benefits (e.g., dental care for adults; vision care for adults; travel and transportation that is not for health-related purposes; and moving expenses).

Provincial directives require that adequate documentation be maintained on file to support the issuance of these benefits. Adequate documentation includes, for example, receipts and proof of purchase to ensure that the amounts provided for assistance are based on actual costs and that the assistance is used for its intended purpose.

The audit found that documentation of the verification of payment of benefits relating to provincial directives Community Start-Up and Maintenance (7.5), Employment and Participation Benefits (7.4) and Health Benefits (7.2) is inadequate. Of the 1,462 benefits tested (note: a breakdown of the type of benefit was not provided), 126 or 8.6% of the payments were not supported by the required documentation.

The Provincial representative from the Ministry of Community and Social Services has indicated to the audit team that the provincial expectation is that receipts be verified to support the amount paid to the recipient and that the funds are utilized

for their intended purposes. The provincial expectation is that such verification be documented on the recipient's hard copy file or in SDMT.

The risk in not verifying receipts and supporting documentation is that excessive benefit amounts are granted to the recipients and/or amounts received by recipients are not used for their intended purposes.

Employment Participation Requirements

All Ontario Works applicants, their spouses and any dependent adults included in the benefit unit must complete and sign a Participation Agreement (PA) prior to a determination of eligibility. The PA is an action-oriented plan that identifies the approved employment assistance activities the applicant or participant will undertake in order to prepare for, find and maintain employment. After the initial PA, the agreement is reviewed, updated and signed by the participant every three months, or earlier if his or her circumstances have changed (e.g. completed an employment assistance activity).

Participation Agreements were not updated as required by provincial directives in 14 of the 100 cases reviewed. However, the financial assistance still continued.

Non-compliance with the employment participation requirements may result in the overall objective of the OW program not being achieved and a continued dependency on financial assistance as a result of not undertaking activities related to obtaining employment.

Eligibility Review Program

The Eligibility Review Program (ERP) conducts investigations of complaints of possible OW fraud. Considering both the detective nature of the control and the influence that having such a program has on deterring abuse, the provincially mandated Eligibility Review Program is an important control in identifying and following up on potential ineligible recipients. The program is delivered at all four sites on a consistent basis.

Management and Operations of the Eligibility Review Process

Changes Underway

The City's four Social Service Centres are the operational centres that deliver the Community and Social Support Branch programs, including OW. As of February 2013, there were a total of 418 positions at these four SSCs. There are numerous changes planned and underway to the systems and processes used to deliver Community and Social Support Branch programs, including replacing the provincial SDMT system. Management indicated that they do not know at this point the impact in terms of resources that will be required to deliver the program once the changes are complete, although they remain committed to meeting the three FTE reduction target identified in the ServiceOttawa process.

Number of Cases Assigned to Case Workers

The City uses an OW caseload ratio of 1:109 (staff to cases). Management uses this ratio of 1:109 as a baseline average used to monitor caseloads and to adjust staffing to meet work requirements within budget constraints and not as a performance target. The figure evolved internally and not via a formal study or benchmarking.

The ratio of generic cases per generic case workers is fairly close to 109 at three of the four sites. The West SSC ratio of 96.1 is 13% lower than the average of the other three sites (i.e., average of 110.7 generic cases per generic case worker). When asked about the variance in the West SSC, management responded that normal variation that occurs from time to time.

Reasonableness of the City's Cases per Case Worker Ratio

While we have not undertaken a benchmarking exercise as part of this audit, the City of Hamilton has published reports of its analysis of its own OW Cases per Case Worker ratio². In November 2011, the City of Hamilton's average caseload ratio to case managers was 1:155. Funding was being sought from its Council to hire more employees and bring this ratio down to 1:120. Increasing the City's target ratio to a ratio similar to the City of Hamilton's target ratio from 1:109 to 1:120 would reduce the number of generic case workers required by 10%, which equate to approximately 13.6 FTEs for a potential saving of \$832,796 (excluding benefits and overhead).

Decreasing the number of generic case workers to move in line with the OMBI median would result in a staffing reduction of 18.6% or roughly 25.3 FTEs for a potential saving of approximately \$1,549,246 in salary (not including benefits and overhead).

Other municipalities were not contacted as part of the audit to request their OW cases per case worker statistics. However the concept that the City's case workers handle fewer cases than those in other Ontario municipalities is consistent with the results of the Ontario Municipal Benchmarking Initiative (OMBI). For 2011, OMBI reported that Ottawa's "Monthly Social Assistance Administration Operating Cost per Case" of \$253.69 was \$39.70 (18.6%) higher than the median.

Management informed us that they believe that there are problems with using this measure to identify staffing reductions. The cost per case measure is impacted by variables such as the labour market conditions of the municipality and the cost per case may be lower due to increased case volume resulting from economic factors of the area. It should be noted that higher caseload ratios result in services focused only on crisis management, with little time for planning and preventative actions with recipients. In our opinion however, in the absence of other indicators, using OMBI Cost per Case figures is reasonable.

² City of Hamilton 2011-12 Ontario Works Caseload Contingency Plan (CS09021(c))

Management informed us that of the several OMBI measures in the Social Assistance area; the only one that relates to process efficiency is the response time measure for determining OW eligibility (number of days). We disagree that this is a measure of efficiency as it does not reflect the level of resources used to achieve this output. As such, we feel that Administration Operating Cost per Case is a better measure of efficiency.

Management of Case Worker Sick Leave

Our analysis found that in 2012 case workers took, on average, 19 days per year of sick leave. Given that the 2012 City-wide sick leave figure was 10.99 days, it is our opinion that the OW figure is high. As such, the Department should work with Human Resources in an effort to initially reduce the figure in all centres to, at a minimum, that of the East office (i.e., 16.5 days). Doing so would result in a savings of approximately \$167,000.

Streamlining ERP by Reducing the Use of Spreadsheets

Potential savings exists for the City through realizing efficiencies in the tracking and reporting of complaints in the Eligibility Review Process. The current process tracks and maintains the status of each complaint (approximately 250 complaints received each month) on both spreadsheets maintained by Verification Specialist in each site, as well as on SDMT.

As previously indicated, SDMT is scheduled for replacement by the province in 2013. The specific functionality that will be provided to the City (and other delivery agents) in support of the ERP was not known at the time of the audit. If the replacement system is able to maintain ERP information, similar to that maintained by SDMT, then there is the potential for savings through the reduction of time spent by staff entering information into spreadsheets. We estimate a potential saving of approximately 20% of a FTE equivalent to \$11,358 in salary.

Recommendations and Management Responses

Recommendation 1

That the City complete an operational risk assessment as required by the City's Enhanced Risk Management Framework.

Management Response

Management agrees with this recommendation.

The CSS department completed a risk assessment at the department level in 2010 and continues to monitor and report on progress as part of the corporate risk profile reporting requirement. In 2014, all departments will be completing a detailed risk assessment as part of a cyclical reporting framework that aligns with the Term of Council. As part of the cycle for the Corporate Risk Profile, departments will be required to complete an assessment of corporate,

operational, strategic and project risks. This exercise is expected to be completed by Q4 2014.

Recommendation 2

That the City ensure that all documentation required to assess eligibility by the provincial directives is on file or noted on SDMT as permitted by the provincial directives.

Management Response

Management agrees with this recommendation.

Management oversight is an ongoing activity in operations, via policy and procedure memos to staff, policy committees, training, staff meetings, as well as file reviews by supervisors.

Although the seven cases identified by the audit were single instances of errors, management will send a policy reminder to staff by Q3 2013 reminding them about the importance of ensuring that eligibility documentation is complete and kept on the hard copy file or documented according to the verification standards in the provincial directives.

With respect to Equifax reports, management agrees that if not kept on the hard copy file, that the use of the Equifax report should be clearly noted in the electronic file, therefore staff will be reminded of this requirement, via the same e-mail described above.

Recommendation 3

That the City obtain more detailed information such as case complexity, benefit unit sizes and casework effort per case to assist in monitoring caseload.

Management Response

Management agrees with this recommendation.

Management agrees that detailed case information may be useful in monitoring and balancing caseloads. Following implementation of the new province-wide system (SAMS), which is anticipated to be in place by Q2 2014, CSS will be in a better position to identify available caseload information and assess its value for workload management by Q2 2015.

Recommendation 4

That the City proceed with collecting from recipients ineligible payments, where deemed appropriate.

Management Response

Management agrees with this recommendation.

Management took immediate corrective action when the cases referenced in the audit were identified, including initiating overpayments to recover any ineligible payments. In addition, to prevent further recurrence of error, supervisors reviewed the relevant policies with staff.

Recommendation 5

That the City review all cheques against the SDMT payment list in order to detect errors prior to sending cheques to recipients.

Management Response

Management agrees with this recommendation.

Management took immediate corrective action to recover the ineligible payment related to the case referenced in the audit. Management reviewed the case in great detail, including system functionality and, identified to the Province a need for improved controls to prevent data entry from producing a retropayment in error. Management anticipates that enhanced functionality will be in the new province-wide system SAMS, which is planned for release in Q2 2014. In the interim, management agrees that reviewing cheques against the payment list is an effective internal control to detect errors, and therefore will send a reminder to staff by Q3 2013 to continue this important procedure.

Recommendation 6

That the City fully document decisions to override monthly reporting requirements clearly in the recipient's file, along with the current income at the time of the waiver, how long the override is to be in place, and any supporting documentation that was reviewed.

Management Response

Management agrees with this recommendation.

Verifying and documenting decisions regarding income reporting must meet the requirements as per the provincial directives. Management oversight is an ongoing activity in operations, via policy and procedure memos to staff, policy committees, training, staff meetings, as well as file reviews by supervisors. Further to this, a reminder with respect to this procedure will be sent to staff in Q3 2013. This will be supplemented with staff training to clarify requirements for notations to file regarding supporting documents reviewed as part of the decision to waive income reporting, e.g., bank statements and tax returns.

Recommendation 7

That the City verify the amount of benefit expense and that payment of benefits was used for their intended purpose, by verifying receipts when required by the provincial directives.

Management Response

Management agrees with this recommendation.

Management provides ongoing policy support and oversight to ensure compliance to policy, through memos, training, staff meetings, as well as file reviews by supervisors. Further to this, an e-mail will be sent to staff in Q3 2013 to remind them of the requirement to verify receipts as required and to ensure that verification is documented on file.

Recommendation 8

That City staff document verification on file or note it clearly on SDMT to support the type of benefit issued including (as appropriate) receipts, confirmation from health provider, other documentation and/or verification to support payment for expenses as required by the provincial directives.

Management Response

Management agrees with this recommendation.

Management took immediate corrective action to ensure follow-up by supervisors and applicable staff when the cases referenced in the audit were identified. Management provides ongoing policy support and oversight to ensure compliance to policy, through memos, training, staff meetings, as well as file reviews by supervisors. In addition to these activities, an e-mail will be sent to staff in Q3 2013 to reinforce the requirement to document verification used to support benefits issued, including confirmation from health providers when required, as prescribed in the provincial directives.

Recommendation 9

That the City ensure full compliance with the participation requirements as stipulated in the provincial directives.

Management Response

Management agrees with this recommendation.

Dates reflecting participation discussions must be kept up to date. Management provides ongoing policy support and oversight to ensure compliance to policy, through memos, training, staff meetings, as well as file reviews by supervisors. To further emphasize policy requirements, an e-mail will be sent to staff in Q3 2013.

Recommendation 10

That the City, when implementing the provincial SDMT replacement system and new model of service delivery, review the potential to use the system to create efficiencies in the delivery of the program and further reducing FTEs.

Management Response

Management agrees with this recommendation.

In addition to various changes in the department's service delivery model, the anticipated implementation of the province-wide system (SAMS) in Q2 2014 will be used as an opportunity to review service delivery processes by Q2 2015 with a view toward becoming more efficient in workload management, including use of resources.

Recommendation 11

That the City conduct an analysis of generic case workers with the goal of:

- a) **Reducing their numbers to be more in line with OMBI median and in so doing review the number of supervisory positions required for this reduced complement of case workers; and,**
- b) **Increasing the ratio of OW cases per case worker.**

Management Response

Management agrees with this recommendation.

As indicated in the management response to Recommendation 10, management will review the department's service delivery model to identify efficiencies, which will include a workload management review for case workers and supervisors.

However, the cost per case OMBI measure should not be the only indicator used when assessing resource levels. As noted in the audit, the measure is "impacted by variables such as the labour market conditions of the municipality and the cost per case may be lower due to increased case volume resulting from economic factors of the area" which could affect the results. Furthermore, the measure only includes 12 of the 47 Ontario Works delivery agents. Also, the audit notes "that higher caseload ratios result in services focused only on crisis management, with little time for planning and preventative actions with recipients." As such, management will undertake a benchmarking exercise with other comparable municipalities to determine an optimal ratio of cases per worker by Q1 2014.

Management will ensure that the optimal ratio continues to allow case workers to correctly assess and monitor eligibility, meet verification and documentation requirements, and provide case management plans that help recipients find and maintain employment, housing and childcare supports. Furthermore, the optimal ratio that will be determined will also reflect the staff required for the program's detection and control mechanisms, which ensures only eligible recipients receive benefits and that ineligible recipients and fraudulent activities are identified and addressed.

However, in the near term, to bring the Ottawa OMBI result closer to the median, management commits to finding efficiency savings of 12 FTEs in 2014, valued at \$960,000, with additional savings to be identified in 2015.

Recommendation 12

That the City support the branch by means of the Attendance Management program with the objective of reducing sick leave of generic case workers at a minimum to the rate currently achieved in the East Service Centre (i.e., 16.5 days).

Management Response

Management agrees with this recommendation.

Management's initial review has identified variances between the centres and further analysis is required to determine which factors impact the results. As well, a thorough review will establish any best practices which could be incorporated and applied to the centres. These factors and best practices will help to establish an action plan to identify the organizational changes needed, and will provide supervisors with additional tools and supports to improve absenteeism in their teams. Furthermore, the 18-month cycle of the Attendance Management Program will also provide useful past attendance information for supervisors and managers.

Management will utilize the Attendance Management Program along with other supports such as the Employee Assistance Program and Employee Health and Wellness to develop, implement and monitor a plan to reduce the amount of sick leave in all four service centres by Q4 2014 to the average reflected in the East Community and Social Support Centre.

Recommendation 13

That the City investigate the possibility of using SDMT information and eliminate the use of spreadsheets to track and report on ERP complaints.

Management Response

Management agrees with this recommendation.

Management will review SDMT information by Q3 2013 to determine any possibilities to eliminate the use of spreadsheets for tracking and reporting Eligibility Review Program complaints.

Recommendation 14

That when implementing the SDMT replacement system, the City review the potential to use the new system to replace spreadsheets for ERP reporting.

Management Response

Management agrees with this recommendation.

Management will review the potential of using the new province-wide system (SAMS) to replace spreadsheets for Eligibility Review Program reporting by Q4 2014.

Recommendation 15

That the City identify OW assistance clients in possession of business and trade licenses issued by the City or employed with the City. Such data is to be considered during eligibility review and on an ongoing basis.

Management Response

Management agrees with this recommendation.

It is noted that the findings of the audit confirm that eligibility and entitlement were correctly assessed and issued for those with business and taxi licences, as there were no overpayments reported in Table 12.

Furthermore, CSS was aware of all clients who were employed by the City and that employment was used in determining correct eligibility. The overpayments noted were not a result of lack of awareness of the employment, but were a result of some cases not accurately reporting all earnings.

CSS will further examine processes involving the verification of income from employment, regardless of employer. Management sent a reminder notice to staff with respect to this procedure in Q3 2013. Further, the risk area is not specific to clients with employment with the City, but to any client with employment earnings. As a result, CSS will conduct a targeted review of files with employment earnings in Q1 2014, to ensure compliance and further assess risk in this area.

Recommendation 16

That, until SDMT flags retroactive changes to benefit months, the City review all transactions retroactively affecting a prior benefit month and ensure that payments issued to participants were eligible.

Management Response

Management agrees with this recommendation.

As previously stated in the management response to Recommendation 5, management anticipates that enhanced functionality will be in the new province-wide system SAMS, which is planned for release in Q2 2014.

In the interim, management agrees that reviewing cheques against the payment list is an effective internal control to detect errors and as such, sent a reminder notice to staff in Q3 2013. The notice included clear direction to review payments that retroactively affect a prior benefit month.

Recommendation 17

That the City verify the accuracy and completeness with Payroll of the pay information submitted by OW recipients.

Management Response

Management agrees with this recommendation.

Management agrees with verifying the accuracy and completeness of pay information submitted by OW recipients with their employer. In the cases identified in this audit, verification was not as complete as required. Corrective action was taken immediately and overpayments are in the process of being recovered.

A reminder notice has been sent to staff in Q3 2013 emphasizing the importance of fully and accurately verifying all employment earnings by using the methods that are already available (e.g. reviewing pay stubs, reviewing third-party information such as Equifax reports, etc.).

Furthermore, as outlined in Recommendation 16, a targeted review of files with employment earnings from any employer will be conducted in Q1 2014 to ensure compliance and to further assess risk in income verification processes.

Recommendation 18

That the City develop a tool describing the financial information which an administrator requires to obtain/review to assess the eligibility to EA and that this be documented in each file for each application.

Management Response

Management agrees with this recommendation.

Currently, staff conducts a line of enquiry in order to correctly assess an applicant's eligibility for Emergency Assistance. However, notation on file does not document all of the assessment of questions and answers with regard to confirming that no other financial resources were available to deal with the financial emergency.

Management anticipates that enhanced functionality will be available in the new province-wide system SAMS, which is planned for release in Q2 2104. The enhanced functionality will improve documentation regarding the line of enquiry in the application process for Emergency Assistance (EA). In the interim, management will develop and implement, by Q4 2013, a tool for staff to use to improve documentation of the Emergency Assistance assessment.

Potential Savings

As detailed below, during the course of this audit, we have identified potential savings ranging from \$1,851,488 to \$2,567,938.

Ineligible OW Payments

Although the sample is not necessarily statistically valid, if the error rate observed while testing the audit sample held consistent across the entire population of OW payments, then the dollar amount of total ineligible payments from January 2011 to June 2012 would be approximately \$834,000 (0.6% X \$139 million).

Number of Generic Case Workers

To be more in line with an OMBI median, the number of generic case workers could be reduced by 10.0% to 18.6%. This would be equivalent to a decrease of 13.6 to 25.3 positions equivalent to approximately \$832,796 to \$1,549,246 in salary (not including benefits and overhead).

Sick Leave Management

Improved sick leave management could reduce staffing requirements and improve client service. While the average sick leave for the City was 10.99 days in 2012, reducing sick leave days, at a minimum to 16.5, which is the average in SSC East, would result in a savings of approximately \$167,000.

Tracking and Reporting of ERP complaints

Efficiencies can be realized in the tracking and reporting of complaints in the Eligibility Review Process. Our preliminary estimate is that approximately 20% of a full-time equivalent employee or approximately \$11,358 in salary (not including benefits and overhead) could be saved.

Comparison of City Databases to Ontario Works Recipient

As detailed in Section 5.6.3 of the full report, our sample of 50 OW recipients also employed by the City resulted in the identification of nine overpayments totalling \$6,149. Two additional overpayments totalling \$185 were identified but C&SS informed us they are not recoverable.

Conclusion

We found a high rate of missing Equifax reports in three out of the four SSCs.

Our audit did find instances where ongoing eligibility assessments did not fully comply with provincially mandated requirements. The audit also found a total of \$3,840 (0.6%) of ineligible payments made to recipients was identified as being ineligible, several instances where documentation, verification and appropriate analysis was not documented as required by provincial directives.

Potential savings exists for the City through:

- Stopping ineligible OW payments;
- Increasing the cases per case worker ratio;
- Improving the management of sick leave;

- Realizing efficiencies in the tracking and reporting of complaints in the ERP;
- Comparing City databases (such as payroll information) to Ontario Works Recipients; and,
- Verify the pay information of City employees applying for OW programs.

Overall, initial eligibility assessments for assistance is granted in accordance with the Ontario Works Act, Regulations and policy directives. Room for improvement exists in ensuring that all documentation required by the provincial directives is on file or noted on SDMT as permitted by the provincial directives.

Community and Social Services department does not currently compare City of Ottawa databases (e.g., payroll information, business licenses, taxi licenses, etc.) to verify that OW recipients' income is fully declared.

We reviewed 50 of the 246 City employee matches and found overpayments with 11 of these:

- Six cases underreport income - overpayments totalling \$10,046 of which \$4,852 was found during the audit (Community and Social Services informed us that they had identified \$5,195 of the \$6,397 overpayment in 2011 and that the case is now under consideration to be referred to the Ottawa Police due to the misrepresentation.);
- Two cases ERE transportation were issued twice for the same benefit month unrecoverable overpayment totalling \$185; and,
- Three cases, SSC confirmed that a cheque was issued in error overpayment totalling \$1,297.

In addition, there was inadequate information on file to demonstrate that the applicant met the criteria for emergency assistance for 15 samples we reviewed. As such, we could not determine from the files documentation that the applicant had made reasonable efforts to access all other available resources; or that the applicant did not have enough money or assets, and was unable to obtain credit to meet the basic needs and shelter needs of his or her benefit unit. In short, we could not determine if the applicants we reviewed met the criteria for emergency assistance.

For the 15 emergency assistance cases of our sample, we extended our review to the previous five years to determine frequency or pattern. In 10 of the 15 cases we reviewed, the applicant had applied and been granted emergency assistance more than once.

The issues raised in this audit could be addressed by completing a risk assessment, as per City policy, at either the department level, or specifically for the Ontario Works program.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

We also appreciate the time taken by provincial staff at the Ministry of Community and Social Services to meet with us provide clarification.

RÉSUMÉ

Introduction

La vérification du processus d'évaluation de l'admissibilité au programme Ontario au travail s'inscrit dans le cadre du plan de vérification de 2012 du Bureau du vérificateur général (BVG), approuvé par le Conseil municipal le 14 décembre 2011.

Il convient de noter qu'en mai 2011, un juge de la Cour de l'Ontario a critiqué l'efficacité des processus municipaux de vérification des revenus d'emploi déclarés par les bénéficiaires du programme Ontario au travail.

Contexte

Le programme provincial Ontario au travail (OT) offre une aide au revenu et à l'emploi aux personnes sans emploi ou sous-employées qui sont, de façon temporaire, financièrement dans le besoin. L'aide au revenu offerte aux bénéficiaires admissibles vise à couvrir les frais de subsistance de base tels que la nourriture, les vêtements, les besoins personnels et le logement, tandis que l'aide à l'emploi comprend une variété d'activités conçues pour accroître l'employabilité des bénéficiaires et les aider à obtenir un emploi afin de devenir autonomes.

Le programme OT est offert par les municipalités, dont la Ville d'Ottawa. Le ministère des Services sociaux et communautaires (le Ministère), qui assume la majorité des coûts du programme, soit 81,2 % des coûts en 2011, en assumera l'intégralité des coûts en 2018. En 2012, la part des coûts assumés par la Ville a diminué de 1,6 % par rapport à 2011. Ainsi, en 2012, les taux de partage des coûts entre la province et la Ville s'établissaient à 82,8 % et à 17,2 % respectivement. Le Ministère verse à la Ville un montant annuel fixe de 2 016 \$ par cas pour couvrir les frais administratifs. Le tableau 1 résume les versements et le nombre de cas pris en charge par le programme OT à Ottawa.

Tableau 1 – Versements et cas traités par OT (en millions de dollars)

Année	Versements bruts d'aide financière par OT – obligatoires et facultatifs	Subvention provinciale ¹	Part de la Ville	Nombre de cas moyen mensuel
2012	139,17 \$	114,69 \$ (82,4 %)	24,48 \$ (17,6 %)	16 073
2011	135,48 \$	110,63 \$ (81,7 %)	24,85 \$ (18,3 %)	15 783

¹ Le terme « subvention provinciale » ne reflète pas les pourcentages du partage des coûts. Les « versements bruts d'aide financière par OT » incluent les prestations qui sont couvertes à 100 % par la province.

En mai 2011, lors de la condamnation d'une bénéficiaire du programme OT accusée d'avoir sous-déclaré ses revenus, un juge a critiqué le système de freins et de contrepoids de la Ville. Plus tard ce mois-là, une question a été soulevée par un membre du Conseil, à savoir la suivante : « La Ville a-t-elle des programmes en place pour prévenir la fraude et veiller à ce que tous les cas soient traités d'une manière qui respecte les engagements pris par le Conseil de dépenser sagement et efficacement l'argent des contribuables? » Dans sa réponse, le personnel municipal a décrit le cadre de contrôle en place. Les employés de la Ville ont découvert le cas de fraude en mettant en correspondance les revenus d'emploi déclarés par la personne sur ses feuilles T4 à l'Agence du revenu du Canada avec les renseignements détenus par la Ville. Ainsi, dans ce cas, le système de freins et de contrepoids de la Ville a fonctionné comme il devait.

La Ville utilise le Système de gestion du modèle de prestation des services (SGMPS) pour gérer le programme OT. Ce système est celui que les municipalités sont tenues d'utiliser. Celui-ci étant un système provincial, la Ville ne peut pas le modifier pour l'adapter à ses besoins. Les systèmes de vérification de l'admissibilité à l'aide financière et de prévention des trop-payés sont en constante évolution. Le Ministère a lancé plusieurs initiatives, comme un nouveau cadre de suivi pour faciliter la supervision du programme et le respect de ses exigences, un nouveau système de TI et un nouveau système de priorisation des cas à risque élevé à des fins d'examen afin d'aider à faire en sorte que seuls les bénéficiaires admissibles continuent de recevoir une aide.

Les principaux processus en place permettant de vérifier l'admissibilité aux prestations d'OT et de prévenir les trop-payés sont les suivants :

- évaluation initiale au moment de l'admission;
- vérification continue des revenus mensuels;
- processus de vérification de l'admissibilité (décrit ci-après);
- Programme d'évaluation de l'admissibilité visant à assurer le suivi des allégations de fraude émanant de l'interne ou de l'externe.

Par le passé, les fonctionnaires du Ministère procédaient à des examens annuels sur place, à la Ville et auprès d'autres organismes de prestation. Ils effectuaient des examens de la conformité financière de la demande de subvention mensuelle déposée par la Ville à l'intention du Ministère au cours desquels ils étudiaient un échantillon de transactions tirées d'un mois de chaque année. Ils effectuaient également des examens annuels de la conformité de certaines activités liées au programme telles que l'admission, les prestations discrétionnaires et les ententes de participation.

Les fonctionnaires du Ministère nous ont informés que le dernier de ces examens remontait à 2010 et qu'ils travaillent à l'adoption d'une nouvelle approche. À l'avenir, ils analyseront chaque mois les demandes présentées afin d'en relever les

anomalies à des fins de suivi. De même, le Ministère met en œuvre son nouveau processus de vérification de l'admissibilité (PVA) pour remplacer son ancien processus de vérification consolidé. En vertu du PVA, la constatation de changements touchant les renseignements externes (provenant principalement d'Equifax) associés aux bénéficiaires du programme OT suscite le lancement d'examens plus poussés par le personnel de la Ville. Le PVA a été mis en œuvre à la Ville en mars 2012.

Objectifs et portée

La vérification a porté sur le processus actuel d'évaluation de l'admissibilité au programme OT dans l'ensemble des centres de services sociaux de la Ville d'Ottawa.

Les objectifs et les critères de la vérification étaient les suivants.

Objectif no 1 – Confirmer l'exécution d'une évaluation du risque opérationnel pour le secteur visé par la vérification.

Critère :

- déterminer si une évaluation a été effectuée et de quelle façon ses résultats ont été/sont utilisés.

Objectif no 2 – Évaluer si les processus de la Ville permettent d'établir adéquatement l'admissibilité initiale à l'aide offerte par le programme OT.

Critères :

- déterminer si les évaluations de l'admissibilité initiale à l'aide sont conformes à la *Loi sur le Programme Ontario au travail*, à ses règlements et aux directives de principe applicables;
- déterminer si les évaluations de l'admissibilité initiale sont appuyées par la réception, la vérification et l'analyse appropriée des informations requises et étayées en conséquence;
- déterminer si les pratiques et les processus sont appliqués de manière cohérente entre les différents centres.

Objectif no 3 – Évaluer si les processus de la Ville permettent de vérifier adéquatement l'admissibilité continue à l'aide offerte par le programme OT.

Critères :

- déterminer si les évaluations de l'admissibilité continue sont conformes aux exigences prescrites par la province;

- déterminer si les évaluations de l'admissibilité continue sont appuyées par la réception, la vérification et l'analyse appropriée des informations et étayées en conséquence;
- déterminer si le Programme d'évaluation de l'admissibilité permet de traiter efficacement les allégations reçues;
- déterminer si les pratiques et les processus sont appliqués de manière cohérente entre les différents centres;
- déterminer si le Programme d'évaluation de l'admissibilité de la Ville permet un repérage et un suivi efficaces des bénéficiaires potentiels non admissibles.

Objectif no 4 – Relever des secteurs dans lesquels la Ville pourrait réaliser des économies grâce à une gestion et à une utilisation efficaces et efficientes du processus de réexamen de l'admissibilité.

Critère :

- déterminer si des économies sont possibles grâce à une gestion et à une utilisation plus efficaces et plus efficientes du processus de réexamen de l'admissibilité.

Approche

L'approche de vérification suivante a été adoptée dans l'ensemble des centres de services sociaux de la Ville d'Ottawa et portait notamment sur l'obtention d'information et l'analyse de données, l'examen des directives et des politiques applicables, l'examen des résultats des vérifications antérieures, l'examen de la documentation et l'analyse d'un échantillon de dossiers.

Plus précisément, dans notre analyse, nous avons examiné les transactions effectuées dans le cadre du programme OT entre le 1^{er} janvier 2011 et le 30 juin 2012 (période d'examen) et nous avons :

- obtenu la base de données des clients qui ont reçu une aide du programme OT pendant la période d'examen;
- analysé cette base de données;
- sélectionné un échantillon aléatoire de 100 dossiers, qui n'est peut-être pas nécessairement valide sur le plan statistique (voir l'annexe A pour plus de détails sur le processus de sélection des échantillons), dont la répartition entre les centres de services sociaux est donnée ci-après.

Tableau 2 – Répartition des échantillons entre les centres de services sociaux

Centre de services sociaux	Nombre d'échantillons
Ouest	25
Sud	30
Centre	19
Est	26
Total	100

- Nous avons analysé l'échantillon de dossiers sélectionnés en fonction des critères de vérification ci-dessus. Cette analyse a été menée dans le cadre de l'examen des dossiers ainsi que par la consultation des informations enregistrées dans le SGMPS, de concert avec le chargé de cas concerné.

Résumé des principales constatations

Gestion des risques opérationnels

Les Services sociaux et communautaires (SSC) n'ont pas effectué une évaluation des risques à l'échelon du service ni plus précisément à celui du programme Ontario au travail. La direction des SSC n'estime pas qu'il soit nécessaire ou économique de réaliser une évaluation distincte des risques expressément pour Ontario au travail. Comme aucune évaluation des risques n'a pas non plus été réalisée à l'échelon du service, les SSC ne sont pas en conformité avec le cadre amélioré de gestion des risques de la Ville (avril 2012), qui exige que soient menées des activités de détermination du contexte, des répercussions et de la probabilité de concrétisation du risque, d'évaluation des risques, d'établissement d'un ordre de priorité et, enfin, de préparation d'un plan d'atténuation ou de prévention de la concrétisation du risque.

Bien qu'une évaluation des risques n'ait pas été réalisée, les SSC font clairement preuve de prudence à l'égard des risques encourus dans le cadre de leurs activités quotidiennes en relevant et en décrivant les facteurs de risque au cours du processus d'établissement du budget annuel et en prévoyant, dans leur plan de continuité des opérations, la mise en place d'un plan d'atténuation pour certains risques. L'exécution du programme OT tient aussi compte, de façon intrinsèque, du risque que des paiements non admissibles soient versés à des bénéficiaires.

En l'absence d'une évaluation des risques conforme au cadre amélioré de gestion des risques de la Ville, il est possible que les risques associés au programme OT ne soient pas correctement établis et gérés.

Évaluations de l'admissibilité initiale

Dans l'ensemble, l'évaluation de l'admissibilité initiale est exécutée conformément à la *Loi sur le Programme Ontario au travail*, à ses règlements et aux directives de principe applicables. Les pratiques et les processus sont généralement appliqués de manière cohérente entre les différents centres de services sociaux de la Ville. Pour l'essentiel, la réception, la vérification et l'analyse appropriée des informations requises sont étayées en conséquence dans le cadre du processus de demande.

Un domaine d'exception concerne la vérification par un tiers, Equifax Canada, des informations déterminant l'admissibilité telles que les revenus, les emplois antérieurs, l'actif, le passif, les tendances et le lieu de résidence. Nous avons noté que les versions sur support papier ou électronique des rapports d'Equifax demandées dans le cadre des évaluations initiales entreprises ou du processus de vérification consolidé (PVC) ne figuraient pas au dossier du client dans trois centres de services sociaux sur quatre. Dans notre échantillon de 72 dossiers exigeant la production d'un rapport d'Equifax, nous en avons compté 16 (22 %) dans lesquels les versions de ces rapports sur support papier ou électronique n'avaient pas été versées au dossier.

Les directives provinciales exigent que les vérifications effectuées auprès d'un tiers (c.-à-d. le rapport d'Equifax) des informations déterminant l'admissibilité (p. ex., revenus et actif) fournies par le demandeur soient consignées et étayées.

Le rapport d'Equifax est considéré comme un document clé pour la vérification de l'actif, du passif, des habitudes de paiement, du lieu de résidence, des revenus d'emploi, etc., reposant sur la corroboration d'une tierce partie. Le ministère provincial des Services sociaux et communautaires nous a confirmé qu'il s'attend à ce qu'un document clé comme un rapport d'Equifax figure au dossier du bénéficiaire ou, encore, que les informations tirées des rapports d'Equifax et les données d'analyse de ces informations soient consignées dans les notes du SGMPS relatives à l'admission au programme et au PVA. La direction municipale a expliqué que, bien que la pratique soit de verser les rapports d'Equifax aux dossiers des bénéficiaires, celle-ci n'est pas obligatoire. Cependant, notre examen du processus nous indique que lorsque ces rapports ne figurent pas au dossier, les notes du SGMPS relatives à l'admission au programme et au PVA ne sont pas suffisamment claires pour indiquer la nature des informations extraites des rapports d'Equifax et de l'analyse qui en a été faite.

Outre l'absence des rapports d'Equifax, la vérification a permis de relever des cas de non-conformité à la directive provinciale 2.1 – Processus de demande d'aide. La vérification a porté sur les exigences en matière de documentation pour la période d'examen (du 1^{er} janvier 2011 au 30 juin 2012) de l'échantillon sélectionné.

Si l'on ajoute les 16 cas d'absence du rapport d'Equifax aux 7 cas de non-conformité, cela nous donne un total de 23 cas touchant 19 des 100 cas examinés pour lesquels les exigences du processus de demande d'aide n'étaient pas remplies. La réception,

la vérification, l'analyse et la consignation des informations requises à l'appui de l'évaluation de l'admissibilité initiale sont des activités importantes afin de vérifier que le bon montant d'aide est octroyé et que cette dernière n'est accordée qu'aux bénéficiaires admissibles.

Évaluations de l'admissibilité continue

Cohérence des processus et des pratiques

Dans l'ensemble, les pratiques et les processus sont généralement appliqués de manière cohérente entre les différents centres de services sociaux aux fins de l'évaluation de l'admissibilité continue. La seule exception, indiquée au point 5.2 du rapport complet, est le taux élevé de rapports d'Equifax absents constaté à trois des quatre centres de services sociaux.

Il est ressorti de notre vérification que les évaluations de l'admissibilité continue ne sont pas entièrement conformes aux exigences ci-après prescrites par la province.

Paiements non admissibles

Nous avons constaté, à l'intérieur de l'échantillon sélectionné qui représente un montant total de 615 629 \$, des versements totalisant 3 840 \$ en prestations non admissibles aux bénéficiaires. Cela représente environ 0,6 % de la population analysée. Bien que cet échantillon aléatoire ne soit pas nécessairement valide sur le plan statistique, si l'on applique le taux d'erreur de 0,6 % mentionné dans le rapport complet de façon uniforme à l'ensemble de la population desservie par le programme OT, on obtient un montant total des paiements non admissibles au cours de la période s'échelonnant de janvier 2011 à juin 2012 d'environ 834 000 \$ (0,6 % X 139 millions de dollars).

Déclaration des revenus mensuels

Dans l'ensemble, les revenus mensuels déclarés sont mis à jour dans le SGMPS, et l'aide au revenu est ajustée en fonction des résultats des examens de ces revenus. Le SGMPS permet aux chargés de cas de préciser s'ils ont vérifié l'exactitude des revenus déclarés et s'ils les ont entrés dans le système. Dans notre échantillon de 100 bénéficiaires, 14 ont déclaré des revenus au cours de la période visée par la vérification. Un total de 33 déclarations de revenus ont été reçues, et sur deux d'entre elles, la case indiquant que le chargé de cas avait vérifié les revenus mensuels déclarés par le bénéficiaire n'était pas cochée dans le SGMPS. En n'indiquant pas si les revenus entrés dans le SGMPS ont été comparés aux revenus mensuels déclarés par les bénéficiaires, la Ville risque de consigner des revenus incorrects dans le SGMPS, ce qui peut influencer sur l'exactitude des prestations versées aux bénéficiaires.

Les chargés de cas peuvent également déroger aux exigences relatives à la déclaration des revenus mensuels par les bénéficiaires. Nous avons constaté que la dérogation aux exigences de déclaration des revenus mensuels n'est pas bien

consignée dans les dossiers des bénéficiaires, contrairement à ce qui est prescrit dans la directive provinciale 5.1 – Revenu et exemptions. La direction municipale interprète cette directive différemment, estimant que sa pratique de consignation minimale au dossier du bénéficiaire est adéquate.

Nous avons vérifié notre interprétation et obtenu des précisions de la part du ministère des Services sociaux et communautaires. Plus précisément, le Ministère a déclaré que la dérogation doit, dans une certaine mesure, être étayée au dossier par certains documents justificatifs reflétant les informations qui ont mené le chargé de cas à décider de cette dérogation. Il peut s'agir de bordereaux de paie, de déclarations de revenus, de lettres, de relevés bancaires, etc. Ces documents indiquent essentiellement pourquoi la décision de dérogation a été prise. Selon la norme provinciale, la documentation doit toujours figurer au dossier à l'appui de la décision.

À notre avis, l'interprétation de la Ville peut entraîner des versements excédentaires de l'aide financière aux bénéficiaires, les gains admissibles n'ayant pas été déduits des versements mensuels.

Consignation de la réception, de la vérification et de l'analyse appropriée de l'information

L'aide mensuelle au revenu comprend aussi un montant pour les besoins de base et le logement (ou le gîte et le couvert, le cas échéant) et peut inclure une allocation en raison de l'âge avancé, une allocation de régime alimentaire spécial, une allocation nutritionnelle en période de grossesse et d'allaitement et une allocation spéciale de pension.

En outre, les bénéficiaires du programme OT, leurs conjoints et toute personne à charge peuvent être admissibles à certaines prestations obligatoires (p. ex., prestations pour services de santé, couverture des médicaments d'ordonnance, couverture des frais de déplacement à des fins médicales de 15 \$ et plus) ainsi qu'à des prestations discrétionnaires connexes liées et non liées à la santé (p. ex., soins dentaires et de la vue pour adultes, déplacement et transport à des fins non liées à la santé, frais de déménagement).

Les directives provinciales exigent que des documents justificatifs adéquats figurent au dossier à l'appui de la délivrance de ces prestations. Il est question ici, par exemple, de reçus et de preuves d'achat indiquant que les montants d'aide offerts correspondent aux coûts réellement payés et que l'aide est utilisée aux fins prévues.

Il est ressorti de la vérification que les documents utilisés pour la vérification du versement des prestations rattachées aux directives provinciales 7.5 (Prestation pour l'établissement d'un nouveau domicile et le maintien dans la collectivité), 7.4 (Prestations d'emploi et prestations pour la participation à des activités d'aide à l'emploi) et 7.2 (Prestations de soins de santé) sont inadéquats. Parmi les 1 462 prestations analysées (remarque : une ventilation par type de prestation n'est

pas fournie), 126 ou 8,6 % des versements n'étaient pas étayés par les documents requis.

Le représentant du ministère provincial des Services sociaux et communautaires a déclaré à l'équipe de vérification que la province s'attendait à ce que les reçus soient vérifiés à l'appui des sommes versées au bénéficiaire et à ce que les fonds soient utilisés conformément à leurs fins prévues. Le gouvernement provincial s'attend à ce que les détails de cette vérification soient consignés sur la version papier du dossier du bénéficiaire ou dans le SGMPS.

En cas de non-vérification des reçus et des pièces justificatives, il existe un risque que des prestations soient versées en trop aux bénéficiaires ou que les sommes reçues par les bénéficiaires ne soient pas utilisées pour les fins prévues.

Exigences relatives à la participation aux activités d'aide à l'emploi

Toute personne qui présente une demande d'aide au programme Ontario au travail, son conjoint ou sa conjointe ainsi que tout adulte à charge inclus dans le groupe de bénéficiaires doivent remplir et signer une entente de participation avant que leur admissibilité au programme ait été établie. L'entente de participation consiste en un plan concret qui décrit les activités d'aide à l'emploi approuvées que le demandeur ou le participant entreprendra pour se préparer à obtenir et à garder un emploi. Après la signature de l'entente de participation initiale, celle-ci sera examinée, mise à jour et signée par le participant tous les trois mois ou plus souvent si sa situation change (p. ex., si le participant a pris part à une activité d'aide à l'emploi).

Dans 14 des 100 cas examinés, les ententes de participation n'avaient pas été mises à jour conformément aux exigences des directives provinciales. Malgré cela, l'aide financière avait été maintenue.

La non-conformité aux exigences relatives à la participation aux activités d'aide à l'emploi peut nuire à l'atteinte de l'objectif global du programme OT et favoriser un maintien de la dépendance à l'égard de l'aide financière du fait que le bénéficiaire n'aura pas participé à des activités d'aide à l'emploi.

Programme d'évaluation de l'admissibilité

Le Programme d'évaluation de l'admissibilité (PEA) mène des enquêtes sur les plaintes de fraudes possibles mettant en cause le programme OT. Compte tenu de la nature investigatrice des activités de contrôle et de l'effet dissuasif qu'a l'existence d'un tel programme à l'égard des fraudes, le Programme d'évaluation de l'admissibilité, dont la création a été prescrite par la province, constitue un moyen de contrôle important pour le repérage et le suivi des bénéficiaires potentiellement non admissibles. Le programme est appliqué de manière cohérente entre les quatre centres.

Gestion et utilisation du processus de réexamen de l'admissibilité

Changements en cours

Les quatre centres de services sociaux de la Ville sont les centres opérationnels responsables de la prestation des programmes de la Direction du soutien social et communautaire Services sociaux et communautaires, y compris le programme Ontario au travail. En février 2013, ces quatre centres comptaient 418 positions au total. L'on prévoit d'apporter – et l'on a déjà apporté – de nombreux changements aux systèmes et processus utilisés pour l'exécution des programmes du ministère des Services sociaux et communautaires, y compris le remplacement du Système de gestion du modèle de prestation des services (SGMPS) de la province. La direction ne sait pas à ce moment-ci quelle sera l'ampleur de la diminution des ressources requises pour l'exécution du programme une fois que les changements auront tous été apportés, mais elle réitère son engagement à l'égard de l'atteinte de la cible visant à réduire de trois le nombre d'ÉTP mentionnée durant le processus de Service Ottawa.

Nombre de cas assignés aux chargés de cas

La Ville a un ratio du nombre de cas par chargé de cas de 109 pour l'exécution du programme OT. La direction utilise également ce ratio de 109 comme moyenne de référence aux fins de la surveillance du nombre de cas à traiter et de l'adaptation de ses effectifs aux exigences du travail dans un contexte de contraintes budgétaires. Ce ratio n'est donc pas une cible de rendement. Il est le résultat d'un calcul interne et non d'une étude formelle ou d'une analyse comparative.

Le ratio du nombre de cas génériques par chargé de cas génériques est assez près de 109 à trois des quatre centres de services sociaux. Au centre de l'Ouest, ce ratio est de 96,1, soit 13 % de moins que la moyenne obtenue pour les trois autres centres (moyenne de 110,7 cas génériques par chargé de cas génériques). Interrogée quant à l'écart enregistré au centre de services sociaux de l'Ouest, la direction a répondu qu'il s'agissait d'un écart normal qui se produit de temps à autre.

Caractère raisonnable du ratio du nombre de cas par chargé de cas de la Ville

Nous n'avons pas mené une évaluation comparative dans le cadre de la présente vérification, mais la Ville d'Hamilton a publié des rapports d'analyse de son ratio du nombre de cas par chargé de cas pour l'exécution du programme OT². En novembre 2011, le ratio du nombre de cas par chargé de cas de la Ville d'Hamilton était de 155 en moyenne. Une demande de financement a été soumise au Conseil municipal afin de permettre l'embauche d'un plus grand nombre d'employés et d'abaisser ce ratio à 120. Si la Ville d'Ottawa augmentait son ratio de 109 à 120 (ratio que souhaite atteindre la Ville d'Hamilton), cela lui permettrait de réduire le nombre de ses chargés de cas génériques de 10 %, ce qui équivaldrait à 13,6 ÉTP

² Ville d'Hamilton 2011-12 – *Ontario Works Caseload Contingency Plan* (CS09021(c))

environ et à des économies salariales potentielles de l'ordre de 832 796 \$ (à l'exclusion des avantages sociaux et des frais généraux).

Une diminution du nombre de chargés de cas génériques permettant l'atteinte du ratio moyen ciblé dans l'Initiative d'analyse comparative des services municipaux (IACSM) se traduirait par une réduction d'effectifs de 18,6 %, ou d'environ 25,3 ETP, et entraînerait des économies salariales potentielles de l'ordre de 1 549 246 \$ (à l'exclusion des avantages sociaux et des frais généraux).

Nous n'avons pas joint d'autres municipalités dans le cadre de la présente vérification pour leur demander des statistiques relatives au nombre de cas par chargé de cas participant à l'exécution du programme OT. Cependant, l'idée voulant que les chargés de cas de la Ville d'Ottawa traitent moins de cas que ceux d'autres municipalités de l'Ontario est compatible avec les résultats de l'IACSM. En 2011, selon des données recueillies dans le cadre de l'IACSM, la Ville d'Ottawa consacrait un montant de 253,69 \$ pour couvrir les coûts administratifs mensuels par cas d'aide sociale, soit 39,70 \$ (18,6 %) de plus que la moyenne.

La direction estime que l'utilisation de cette mesure des coûts par cas pour déterminer des réductions d'effectifs pose problème. Des variables telles que les conditions du marché du travail dans une municipalité peuvent influencer sur cette mesure, et une diminution des coûts par cas peut découler d'une augmentation du volume de cas en raison des conditions économiques qui sévissent dans une municipalité. N'oublions pas que lorsque le ratio du nombre cas par chargé de cas est plus élevé, la prestation des services se met en mode de gestion de crise, ce que laisse peu de place à la mise en œuvre de mesures de planification et de prévention avec les bénéficiaires. Selon nous, cependant, en l'absence d'autres indicateurs, il est raisonnable d'utiliser les données recueillies dans le cadre de l'IACSM.

La direction nous a fait remarquer que parmi toutes les mesures de l'IACSM associées à l'aide sociale, la seule qui concerne l'efficacité du processus était liée au délai de traitement requis pour déterminer l'admissibilité au programme OT (nombre de jours). Nous ne sommes pas d'accord pour dire que la mesure du délai de traitement est véritablement une mesure de l'efficacité, car elle n'a rien à voir avec la quantité de ressources requises pour déterminer l'admissibilité au programme. Nous estimons donc que les coûts administratifs par cas d'aide sociale constituent une meilleure mesure de l'efficacité.

Gestion des congés de maladie utilisés par les chargés de cas

Selon notre analyse, en 2012, les chargés de cas se sont prévalus de 19 jours de congé de maladie en moyenne. Cette même année, le nombre de congés de maladie obtenus par les travailleurs municipaux dans leur ensemble était de 10,99 jours en moyenne. Nous estimons donc que le nombre de congés de maladie associé à l'exécution du programme OT est élevé. Aussi la direction devrait-elle, en collaboration avec les Ressources humaines, faire en sorte que tous les centres de

services sociaux enregistrent initialement un nombre au moins égal à celui du bureau de l'Est (c.-à-d. 16,5 jours). Les économies réalisées seraient de l'ordre de 167 000 \$.

Rationalisation du processus de réexamen de l'admissibilité par l'utilisation de tableurs

Pour la Ville, des économies sont possibles grâce à des gains d'efficacité dans le suivi et la déclaration des plaintes déposées dans le cadre processus de réexamen de l'admissibilité. Dans le cadre du processus actuel, on effectue un suivi et détermine le statut de chaque plainte (environ 250 plaintes reçues chaque mois) sur deux tableurs mis à jour par le spécialiste de la vérification à chaque site ainsi que dans le SGMPS.

Comme il a été indiqué précédemment, la province prévoit de remplacer le SGMPS en 2013. Les fonctions particulières dont pourra bénéficier la Ville (et d'autres agents d'exécution) pour l'exécution du processus de réexamen de l'admissibilité n'étaient pas connues au moment où nous avons effectué notre vérification. Si le système de remplacement permet la consignation de données relatives au processus de réexamen de l'admissibilité semblables à celles recueillies dans le SGMPS, des économies seront possibles puisque le personnel devra consacrer moins de temps à saisir l'information dans les tableurs. Nous estimons qu'il serait possible d'éliminer environ 20 % des heures travaillées par un ETP, ce qui équivaut à 11 358 \$ en salaire.

Recommandations et réponse de la direction

Recommandation 1

Que la Ville effectue une évaluation des risques opérationnels en conformité avec son cadre amélioré de gestion des risques.

Réponse de la direction

La direction accepte cette recommandation.

Les Services sociaux et communautaires (SSC) ont effectué en 2010 l'évaluation des risques à l'échelle du service et continue de surveiller les progrès réalisés et d'en rendre compte, dans le cadre des exigences relatives à l'évaluation du profil de risque opérationnel. En 2014, tous les services vont procéder à une évaluation du risque détaillée dans un cadre de préparation de rapports cyclique, axé sur le mandat du Conseil. Dans le cadre du cycle du profil de risque opérationnel, les services devront réaliser une évaluation des risques organisationnels, opérationnels, stratégiques et des projets. Cet exercice devrait être réalisé d'ici le 4^e trimestre 2014.

Recommandation 2

Que la Ville s'assure que la documentation nécessaire à l'évaluation de l'admissibilité conformément aux directives provinciales est versée à ses dossiers ou mentionnée dans le SGMPS, conformément aux directives provinciales.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La supervision exercée par la direction est une activité opérationnelle continue. Elle est menée par l'entremise de notes de service sur les procédures et les politiques à l'intention du personnel, de comités responsables de l'élaboration des politiques, de séances de formation, de réunions du personnel ainsi que d'examens de dossiers par les superviseurs.

Même si les sept cas identifiés dans le cadre de la présente vérification sont des erreurs qui ne se sont pas répétées, la direction s'engage à envoyer un courriel, d'ici le troisième trimestre de 2013, pour rappeler au personnel qu'il est important d'assurer que la documentation sur l'admissibilité est complète et que celle-ci est présentée sur support papier ou enregistrée selon les normes de vérification énoncées dans les directives provinciales.

Pour ce qui est des rapports d'Equifax, la direction convient que s'ils ne sont pas versés dans le dossier papier, on devrait clairement indiquer le recours à ces rapports dans un dossier électronique. Il faudrait donc rappeler clairement cette exigence au personnel dans le courriel mentionné précédemment.

Recommandation 3

Que la Ville obtienne de l'information plus détaillée (complexité des cas, montant des prestations, effort de traitement par cas) à des fins de surveillance du nombre de cas à traiter.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction convient que de l'information détaillée sur chaque cas peut être utile pour la surveillance et l'équilibrage du nombre de cas à traiter. À la suite de la mise en œuvre du nouveau système panprovincial (Système automatisé de gestion de l'aide sociale - SAGAS), qui devrait être mis en place d'ici le deuxième trimestre de 2014, les centres de services sociaux seront mieux placés pour dégager l'information disponible sur le nombre de cas à traiter et évaluer son utilité pour la gestion des cas d'ici au deuxième trimestre de 2015.

Recommandation 4

Que la Ville procède au recouvrement des paiements non admissibles perçus par les bénéficiaires, lorsque cela est jugé approprié.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction a pris des mesures correctives immédiates à l'égard des cas mentionnés dans le rapport de vérification, y compris le recouvrement des paiements non admissibles. En outre, pour éviter la répétition des mêmes erreurs, les superviseurs ont examiné les politiques applicables avec le personnel.

Recommandation 5

Que la Ville compare tous les chèques à la liste de paiements du SGMPs afin que les erreurs soient détectées avant l'envoi de chèques aux bénéficiaires.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction a pris des mesures correctives immédiates pour recouvrer les paiements non admissibles pour ce qui est du cas mentionné dans la vérification. La direction a examiné le cas d'une manière approfondie, en évaluant notamment la fonctionnalité du système, ce qui l'a amenée à demander à la province d'améliorer les mesures de contrôle prises pour prévenir la production accidentelle de paiements rétroactifs au moment de la saisie des données. La direction prévoit qu'une fonctionnalité améliorée sera intégrée au nouveau système panprovincial SAGAS, dont le lancement est prévu pour le deuxième trimestre de 2014. En attendant, la direction convient que la comparaison des chèques à la liste des paiements est une mesure de contrôle interne efficace pour la détection des erreurs. Elle enverra donc au personnel un avis d'ici le troisième trimestre de 2013 lui rappelant de continuer à exécuter cette procédure importante.

Recommandation 6

Que la Ville consigne dûment et clairement ses décisions de dérogation aux exigences de déclaration mensuelle dans le dossier du bénéficiaire ainsi que les revenus du bénéficiaire au moment de l'octroi de la dérogation, la période pendant laquelle la dérogation sera en vigueur ainsi que toutes les pièces justificatives examinées.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les procédures de vérification et de consignation des décisions concernant la déclaration des revenus doivent respecter les exigences énoncées dans les directives provinciales. La supervision exercée par la direction est une activité opérationnelle continue. Elle est menée par l'entremise de notes de service sur les procédures et les politiques à l'intention du personnel, de comités responsables de l'élaboration des politiques, de séances de formation, de réunions du personnel ainsi que d'examen de dossiers par les superviseurs. En outre, un rappel sur cette procédure sera envoyé au personnel au cours du troisième trimestre de 2013. À ce rappel s'ajoutera une formation offerte au personnel pour clarifier les exigences relatives aux notes consignées dans le dossier concernant les pièces justificatives examinées avant de rendre une décision de dérogation aux exigences de déclaration des revenus (p. ex. relevés bancaires et déclarations de revenus).

Recommandation 7

Que la Ville vérifie que le montant des prestations est exact et que les prestations sont utilisées aux fins prévues, en faisant une vérification des reçus au besoin, conformément aux directives provinciales.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction offre un soutien et assure une surveillance pour assurer la conformité aux politiques, par l'entremise de notes de service, de séances de formation, de réunions de personnel et d'examen de dossiers par les superviseurs. En outre, un courriel sera envoyé au personnel au cours du troisième trimestre de 2013 pour lui rappeler qu'il doit vérifier les reçus au besoin et s'assurer que la vérification est consignée aux dossiers.

Recommandation 8

Que le personnel de la Ville consigne au dossier ou note clairement dans le SGMPS les activités de vérification réalisées à l'appui du type de prestation accordée, y compris (selon le cas) les reçus, la confirmation du fournisseur de soins de santé, les autres documents fournis ou les vérifications effectuées à l'appui du paiement des dépenses, conformément aux directives provinciales.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction a pris des mesures correctives immédiates pour assurer le suivi par les superviseurs et le personnel concerné lorsque les cas mentionnés dans le rapport de vérification ont été repérés. Elle fournit également des services continus de soutien stratégique et de surveillance pour assurer le respect de la politique par l'entremise de notes de service, de séances de formation, de

réunions du personnel ainsi que d'examens de dossiers par les superviseurs. En plus de ces activités, un courriel sera envoyé au personnel au troisième trimestre de 2013 afin de rappeler l'obligation de consigner les mesures de vérification prises à l'appui des prestations accordées, y compris la confirmation reçue des fournisseurs de soins de santé au besoin, conformément aux directives provinciales.

Recommandation 9

Que la Ville veuille au plein respect des exigences de participation stipulées dans les directives provinciales.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les dates des discussions portant sur la participation doivent être tenues à jour. La direction fournit également des services continus de soutien stratégique et de surveillance pour assurer le respect de la politique par l'entremise de notes de service, de séances de formation, de réunions du personnel ainsi que d'examens de dossiers par les superviseurs. Un courriel insistant sur l'importance du respect des exigences prescrites par la politique sera envoyé au personnel au troisième trimestre de 2013.

Recommandation 10

Que la Ville, au moment de la mise en œuvre du système provincial qui remplacera le SGMPS et du nouveau modèle de prestation de services, examine la possibilité d'utiliser ce système pour augmenter l'efficacité de l'exécution du programme et réduire les ÉTP requis.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Outre les divers changements apportés au modèle de prestation de services des Services sociaux et communautaires, la mise en œuvre du Système automatisé de gestion de l'aide sociale (SAGAS) prévue au deuxième trimestre de 2014 dans la province sera l'occasion de revoir les processus de prestation de services d'ici le deuxième trimestre de 2015 en vue d'accroître l'efficacité de la gestion de la charge de travail, y compris l'utilisation des ressources.

Recommandation 11

Que la Ville procède à une analyse du nombre de chargés de cas génériques dans le but :

- a) **d'en réduire le nombre afin de se rapprocher davantage de la valeur médiane de l'Initiative d'analyse comparative des services municipaux de l'Ontario (IACSM) et, ce faisant, d'examiner le nombre de postes de supervision requis pour cet effectif réduit**

b) d'augmenter le nombre de cas par chargé de cas pour l'exécution du programme OT

Réponse de la direction

La direction est d'accord avec cette recommandation.

Comme l'indique la réponse à la recommandation 10, la direction examinera le modèle de prestation de services des Services sociaux et communautaires pour relever les gains d'efficacité potentiels, ce qui inclura un examen de la gestion de la charge de travail pour les chargés de cas et les superviseurs.

Toutefois, la mesure de l'IACSM relative au coût par cas ne devrait pas constituer l'unique indicateur utilisé pour évaluer le niveau de ressources. Comme mentionné dans le rapport de vérification, la mesure est « influencée par des variables comme les conditions du marché du travail de la municipalité et le coût par cas peut être moindre à cause d'une hausse du volume de cas résultant de facteurs économiques régionaux », des facteurs qui pourraient avoir une incidence sur les résultats. De plus, la mesure inclut uniquement 12 des 47 agents de prestation du programme Ontario au travail. Aussi, le rapport de vérification indique « que lorsque les ratios de cas sont plus élevés, les services visent uniquement la gestion de crise, laissant peu de temps pour la planification et la mise en œuvre de mesures préventives avec les bénéficiaires ». Cela étant, la direction procédera d'ici le T1 2014 à une analyse comparative avec d'autres municipalités similaires afin de déterminer le ratio de cas optimal par travailleur.

La direction fera en sorte qu'en vertu de ce ratio optimal, les chargés de cas puissent continuer d'évaluer et de surveiller correctement l'admissibilité, de répondre aux exigences de vérification et de documentation et de produire des plans de gestion de cas qui aident les bénéficiaires à trouver et à conserver un emploi, un logement et des services de garde à l'enfance. De plus, le ratio optimal établi comprendra le personnel requis pour gérer les mécanismes de détection et de contrôle du programme. Ces mécanismes assurent que seuls les bénéficiaires admissibles reçoivent des prestations et que les bénéficiaires non admissibles et les activités frauduleuses sont détectés et la situation, corrigée.

Toutefois, à court terme, pour rapprocher davantage les résultats de l'IACSM fournis par la Ville d'Ottawa de la médiane, la direction s'engage à trouver des économies d'efficacité représentant 12 postes ÉTP en 2014, soit des économies de 960 000 dollars, et d'autres économies pour 2015.

Recommandation 12

Que la Ville soutienne la Direction par l'entremise du programme de gestion des présences afin de réduire le nombre de congés de maladie pris par les chargés de cas génériques à un taux au moins égal à celui actuellement enregistré dans le centre de services de l'Est (16,5 jours).

Réponse de la direction

La direction est d'accord avec cette recommandation.

L'examen initial de la direction a permis de repérer des écarts entre les centres, et une analyse plus approfondie est nécessaire pour déterminer quels sont les facteurs qui ont une incidence sur les résultats. Ainsi, un examen approfondi permettra d'établir la nature des pratiques optimales qui pourraient être adoptées dans les centres. Ces facteurs, ainsi que les pratiques optimales, contribueront à l'établissement d'un plan d'action permettant de relever les changements organisationnels nécessaires et fourniront aux superviseurs d'autres outils et mesures de soutien leur permettant de réduire les taux d'absentéisme dans leurs équipes. En outre, le cycle de 18 mois du programme de gestion des présences fournira également aux superviseurs et aux gestionnaires des informations utiles sur les dossiers de présences antérieurs.

La direction utilisera le programme de gestion des présences ainsi que d'autres mesures de soutien (p. ex., Programme d'aide aux employés, Santé et Mieux-être des employés) pour élaborer, mettre en œuvre et surveiller un plan visant à ramener le nombre de jours de congé de maladie dans les quatre centres de services d'ici le quatrième trimestre de 2014 à la moyenne enregistrée dans le Centre de soutien social et communautaire de l'Est.

Recommandation 13

Que la Ville étudie la possibilité d'utiliser les informations extraites du SGMPS et élimine l'utilisation des feuilles de calcul pour suivre les plaintes adressées au Programme d'évaluation de l'admissibilité (PEA) et produire des rapports sur ces dernières.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction examinera l'information extraite du SGMPS d'ici le troisième trimestre de 2013 afin de déterminer s'il est possible d'éliminer l'utilisation de tableurs pour le suivi des plaintes adressées au PEA et la production de rapports sur ces dernières.

Recommandation 14

Qu'à la mise en œuvre du système qui remplacera le SGMPS, la Ville examine la possibilité d'utiliser le nouveau système pour remplacer les feuilles de calcul pour la production de rapports aux fins du PEA.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction examinera si le nouveau système provincial (SAGAS) pourrait remplacer les feuilles de calcul pour la production de rapports aux fins du Programme d'évaluation de l'admissibilité d'ici le quatrième trimestre de 2014.

Recommandation 15

Que la Ville recense les clients qui ont reçu une aide du programme OT et qui possèdent un permis d'entreprise ou commercial délivré par la Ville ou utilisé dans des échanges avec la Ville. Ces données devront être prises en compte pendant l'examen de l'admissibilité et de manière permanente.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Il est noté que les conclusions de la vérification confirment que l'admissibilité et les droits ont été correctement évalués et émis dans le cas de ceux qui possèdent un permis d'entreprise ou de taxi, car aucun versement excédentaire n'est noté dans le tableau 12.

Qui plus est, les SSC étaient au courant de tous les clients qui étaient à l'emploi de la Ville et que l'emploi a été utilisé pour déterminer les critères d'admissibilité appropriés. Les versements excédentaires mentionnés ne sont pas le résultat d'un manque d'attention par rapport à l'emploi, mais sont plutôt le fait que certains clients n'ont pas déclaré tous leurs revenus.

Les SSC vont examiner de manière plus approfondie les processus liés à la vérification des revenus d'emploi, sans égard à l'employeur. La direction a envoyé un avis de rappel concernant cette procédure au 3^e trimestre de 2013. De plus, cette zone de risque n'est pas exclusive aux clients qui occupent un emploi à la Ville, mais concerne tous les clients qui ont des revenus d'emploi. En conséquence, au 1^{er} trimestre de 2014, les SSC vont procéder à un examen ciblé des dossiers où sont inscrits des revenus d'emploi pour vérifier la conformité et approfondir l'évaluation dans ce domaine.

Recommandation 16

Que jusqu'à ce que le SGMPS indique que des changements sont apportés de manière rétroactive aux mois où une prestation est versée, la Ville examine rétroactivement toutes les transactions affectant la prestation mensuelle précédente et s'assure que les paiements émis aux participants étaient admissibles.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Comme il a été dit dans la réponse de la direction à la recommandation 5, la direction prévoit qu'une fonctionnalité améliorée sera intégrée au nouveau système panprovincial SAGAS, dont le lancement est prévu pour le deuxième trimestre de 2014.

En attendant, la direction convient que la comparaison des chèques à la liste des paiements est une mesure de contrôle interne efficace pour la détection des erreurs. Elle a donc envoyé au personnel un avis de rappel à cet égard au troisième trimestre de 2013. L'avis comportait des directives claires portant sur l'examen des paiements qui ont influence rétroactive sur un mois de prestation précédent.

Recommandation 17

Que la Ville vérifie auprès du service de la paie l'exactitude et l'exhaustivité des renseignements concernant la paie soumis par les bénéficiaires d'OT.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction est d'accord avec le principe de la vérification de l'exactitude et de l'exhaustivité des renseignements concernant la paie soumis par les bénéficiaires d'OT à leur employeur. Dans les cas cités dans la présente vérification, les activités de vérification n'ont pas été aussi complètes qu'elles l'auraient dû. Des mesures correctives ont été prises immédiatement et le recouvrement des paiements excédentaires est en cours.

Un avis de rappel a été envoyé au personnel au 3^e trimestre de 2013 qui insistait sur l'importance de bien vérifier, avec grande précision, tous les revenus d'emploi, en ayant recours aux méthodes à leur disposition (p. ex., examen des fiches de paie, examen des renseignements de tiers comme les rapports Equifax, etc.).

Qui plus est, comme il est expliqué dans la recommandation 16, au 1^{er} trimestre de 2014, les SSC vont procéder à un examen ciblé des dossiers où sont inscrits des revenus d'emploi, peu importe l'employeur pour vérifier la conformité et approfondir l'évaluation du risque dans les processus de vérification des revenus.

Recommandation 18

Que la Ville élabore un outil décrivant les renseignements financiers que doit obtenir/réviser l'administrateur afin d'évaluer l'admissibilité aux programmes d'Aide en cas d'urgence et que le tout soit consigné dans chaque dossier pour chaque demande.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Actuellement, le personnel procède à un interrogatoire ciblé afin d'évaluer correctement l'admissibilité d'un demandeur à l'aide en cas d'urgence. Cependant, les renseignements au dossier ne consignent pas tous les résultats d'évaluation des questions et réponses qui pourraient confirmer qu'aucune autre ressource financière n'était disponible pour pouvoir réagir à la situation d'urgence.

La direction prévoit qu'une fonctionnalité améliorée sera intégrée au nouveau système panprovincial SAGAS, dont le lancement est prévu pour le deuxième trimestre de 2014. Cette fonctionnalité améliorera la documentation concernant l'interrogatoire ciblé dans le processus de demande d'aide en cas d'urgence. Entretemps, la direction va élaborer et mettre en œuvre, d'ici le 4^e trimestre de 2013, un outil que le personnel pourra utiliser pour améliorer la documentation de l'évaluation de l'aide en cas d'urgence.

Économies potentielles

Comme mentionné ci-après, au cours de la présente vérification, nous avons identifié des économies potentielles variant de 1 851 103 à 2 567 753 dollars.

Paiements non admissibles d'OT

Bien que l'échantillon ne soit pas nécessairement valide sur le plan statistique, si l'on applique le taux d'erreur observé durant l'analyse de l'échantillon examiné dans le cadre de la vérification de façon uniforme à l'ensemble de la population desservie par le programme OT, on obtient un montant total des paiements non admissibles au cours de la période s'échelonnant de janvier 2011 à juin 2012 d'environ 834 000 \$ (0,6 % X 139 millions de dollars).

Nombre de chargés de cas génériques

Afin de se rapprocher davantage de la médiane de l'IACSM, il serait possible de réduire le nombre de chargés de cas génériques de l'ordre de 10 % à 18,6 %, ce qui équivaldrait à une baisse de 13,6 à 25,3 postes ainsi qu'à des économies salariales approximatives de l'ordre de 832 796 \$ à 1 549 246 \$ (à l'exclusion des avantages sociaux et des frais généraux).

Gestion des congés de maladie

Une gestion améliorée des congés de maladie pourrait se traduire par une réduction des besoins en personnel et une amélioration du service à la clientèle. Alors que le nombre moyen de congés de maladie à la Ville s'est établi à 10,99 jours en 2012, une réduction du nombre de congés de maladie à au moins 16,5 jours (ce qui correspond à la moyenne au bureau de l'Est) se traduirait par une économie d'environ 167 000 \$.

Suivi et rapports relatifs aux plaintes touchant le processus de réexamen de l'admissibilité

Il est possible de réaliser des économies dans le cadre du suivi des plaintes et de la production de rapports à leur égard dans le cadre du processus de réexamen de l'admissibilité. Selon nos estimations préliminaires, il serait possible d'éliminer environ 20 % des heures travaillées par un ETP, ce qui équivaut à approximativement 11 358 \$ en salaire (à l'exclusion des avantages sociaux et des frais généraux).

Comparaison des bases de données de la Ville avec la liste de bénéficiaires d'Ontario au travail

Comme mentionné au point 5.6.3, l'examen de notre échantillon de 50 bénéficiaires d'Ontario au travail (OT) qui sont également des employés de la Ville nous a permis de constater neuf paiements excédentaires pour un montant total de 6 148 \$. Nous avons relevé deux autres cas de paiements excédentaires pour un montant total de 185 \$, mais les Services sociaux et communautaires nous ont informés qu'il s'agissait d'un montant non recouvrable.

Conclusion

Nous avons constaté qu'un nombre élevé de rapports Equifax ne figuraient pas au dossier dans trois centres des services sociaux sur quatre.

Notre vérification a trouvé des cas où les évaluations de l'admissibilité en cours n'étaient pas conformes aux exigences provinciales. La vérification a également constaté qu'un montant total de 3 840 \$ (0,6 %) a été versé en prestations non admissibles à des bénéficiaires, ainsi que plusieurs cas où la documentation, la vérification et l'analyse appropriée n'avaient pas été consignées conformément aux directives provinciales.

Plusieurs économies sont réalisables pour la Ville :

- Arrêts des paiements non admissibles de l'OT;
- Augmentation du ratio de cas par chargé de cas;
- Amélioration de la gestion des congés de maladie;
- Gains d'efficacité dans le suivi et la déclaration des plaintes déposées dans le cadre du processus de réexamen de l'admissibilité;
- Comparaison des bases de données de la Ville (p. ex., renseignements concernant la paie) avec la liste de bénéficiaires d'Ontario au travail ;
- Vérification des renseignements concernant la paie pour les employés de la Ville qui font une demande en vertu des programmes d'OT.

Globalement, les premières évaluations de l'admissibilité à l'aide sont effectuées conformément à la *Loi sur le Programme Ontario au travail*, à ses règlements et aux directives de principe applicables. Il faudrait veiller à ce que toute la documentation requise en vertu des directives provinciales soit au dossier ou consignée dans le SGMPs comme le permettent les directives provinciales.

Actuellement, les Services sociaux et communautaires n'effectuent pas la comparaison entre les bases de données de la Ville (p. ex., renseignements concernant la paie, permis d'entreprise, permis de taxi, etc.) pour vérifier que le revenu des clients d'OT a été entièrement déclaré.

Nous avons examiné 50 des 246 employés de la Ville et constaté des paiements excédentaires dans 11 de ces cas :

- Six cas ont déclaré des revenus inférieurs, pour des versements excédentaires de 10 046 \$ dont 4 852 \$ a été constaté au cours de la vérification (les Services sociaux et communautaires nous ont informés qu'ils avaient identifié 5 195 \$ du trop-payé de 6 397 dollars en 2011 et que le cas est à l'étude et sera porté à l'attention du Service de police d'Ottawa en raison de fausse représentation);
- Dans deux cas, les frais de transport couverts par l'aide à l'emploi ont été payés deux fois pour un même mois pour un montant total non recouvrable de 185 \$;
- Dans trois cas, les SSC ont confirmé qu'un chèque a été émis par erreur pour un paiement excédentaire de 1 297 \$.

De plus, l'information au dossier ne faisait pas la démonstration que le demandeur répondait aux critères d'aide d'urgence dans 15 des cas examinés. À ce titre, nous ne pouvions déterminer en nous fondant sur la documentation au dossier que le demandeur avait fait tous les efforts raisonnables pour avoir accès à toutes les autres ressources disponibles; ou que le demandeur n'avait pas suffisamment d'argent ou d'actifs, et ne pouvait obtenir de crédit pour combler ses besoins de base et les besoins en logements de son unité de prestation. En bref, nous n'avons pu établir si les demandeurs dont nous avons examiné le dossier répondaient aux critères d'aide d'urgence.

Pour les 15 cas d'aide en cas d'urgence de notre échantillon, nous avons élargi l'examen aux cinq années précédentes afin de déterminer la fréquence des schémas. Dans 10 des 15 cas examinés, la personne avait demandé et avait reçu de l'aide en cas d'urgence plus d'une fois.

Les problèmes relevés dans la présente vérification pourraient être réglés par une évaluation du risque, conformément à la politique de la Ville, qui serait effectuée à l'échelle du service, ou plus spécifiquement pour le programme Ontario au travail.

Remerciements

Nous souhaitons remercier la direction de son concours et de l'aide qu'elle a apportée à l'équipe de vérification.

Nous remercions également le personnel du ministère des Services sociaux et communautaires de l'Ontario d'avoir pris le temps de nous rencontrer pour fournir des éclaircissements.

1 INTRODUCTION

The Audit of Ontario Works Eligibility Assessment Process was included in the 2012 Audit Workplan of the Office of the Auditor General (OAG), approved by City Council on December 14, 2011.

It should be noted that in May 2011 a comment was made by an Ontario court judge criticizing the effectiveness of City processes in verifying the employment earnings reported by Ontario Works benefit recipients.

2 BACKGROUND

Ontario Works (OW) is a provincial program that provides income and employment assistance to individuals in temporary financial need and who are unemployed or underemployed. OW income assistance is intended to help eligible applicants with basic living expenses such as food, clothing, personal needs, and shelter. Employment assistance for eligible applicants includes a variety of activities intended to increase their employability and help them obtain employment and become self-reliant. The OW program is delivered together with other programs by the Community and Social Service Department, primarily by four Social Services Centres (SSCs). These are significant centres with a total of 418 staff positions.

OW is delivered by municipalities including the City of Ottawa. The Ministry of Community and Social Services (the Ministry) pays the majority of this cost, its share going from 81.2% in 2011 to 100% in 2018. In 2012, the City’s cost-sharing percentage ratio was reduced by 1.6% compared to 2011. As such, in 2012, the provincial and City cost-sharing percentage was 82.8% and 17.2% respectively. The Ministry pays the City a fixed amount of \$2,016 per case per year for administrative costs. Table 1 provides a summary of payments and caseload under the OW program in Ottawa.

Table 1 – OW Payments and Caseload (in millions of dollars)

Year	Gross OW Financial Assistance Payment – Mandatory and Discretionary	Provincial Subsidy ¹	Funded by the City	Average Monthly Caseload
2012	\$139.17	\$114.69 (82.4%)	\$24.48 (17.6%)	16,073
2011	\$135.48	\$110.63 (81.7%)	\$24.85 (18.3%)	15,783

¹ “Provincial Subsidy” does not reflect cost-sharing percentages. The “Gross OW Financial Assistance Payments” include benefits that are 100% covered by the Province.

In May 2011, while sentencing an OW recipient for underreporting their income, a judge criticized the City's system of checks and balances. A Council Member Inquiry was then raised later that month: "What City of Ottawa programs are in place to prevent fraud and ensure that all cases are dealt with in a manner that respects this Council's commitment to spend all tax dollars wisely and efficiently." A response was provided by City staff to the Councillor who outlined the checks and balances in place.

In this particular case, an individual was convicted of fraud for failing to report employment income to the City. Reporting this income would have reduced the individual's OW benefits. The individual was eventually discovered by City staff as the employment income was reported to the Canada Revenue Agency through the regular T4 program and then matched by City staff. Therefore, in this case, the City's system of checks and balances functioned as designed.

The system that the City uses to manage the OW program is Service Delivery Model Technology (SDMT). SDMT is the system that municipalities are mandated to use and, given that it is a provincial system; the City has no ability to alter it to meet specific City needs. The systems of controls that ensure that only eligible individuals received the correct amount of financial assistance are changing. In 2009 the Provincial Auditor General audited the OW program and concluded that the Ministry had inadequate assurance that only eligible individuals receive financial assistance and in the correct amount. During its follow-up audit in 2011, it found that the Ministry had several initiatives under way, such as a new monitoring framework to assist with program oversight and compliance with program requirements, a new IT system, and a new system to prioritize high-risk cases for review to help ensure that only eligible recipients continue to receive assistance. However, the Provincial Auditor General concluded that it would take more time before the initiatives would be fully implemented and could be assessed.²

The key processes in place to ensure that only eligible individuals receive OW, and in the correct amount, are:

- Initial intake review;
- On-going monthly income verification;
- Eligibility Verification Process (described below); and,

² "As already noted, the Ministry advised us that it is developing a new, more effective computer system, to be implemented by April 2013, and a risk-based monitoring framework to strengthen program monitoring and compliance with legislation, regulations, and policy directives, which is expected to be rolled out in April 2012. When implemented, these new initiatives are expected to help identify areas of non-compliance with program requirements, which will provide a basis for taking corrective action." - Office of the Auditor General of Ontario 2011 report

- Eligibility Review Program to follow-up on external and internal allegations.

It should be noted that the recovery of the overpayments that have been identified is performed by the City's Revenue Branch.

Ministry officials previously conducted annual on-site reviews at the City and other delivery organizations. They conducted financial compliance reviews of the City's application for monthly subsidy from the Ministry where they examined a sample of transactions selected from one month each year. Ministry officials also conducted annual program compliance reviews over specific program-related activities such as intake, discretionary benefits and participation agreements. Ministry staff informed us that the last of these reviews were conducted in 2010 as they are moving to a new approach. They will be conducting analytical reviews each month on the claims submitted to identify anomalies for follow-up. As well, the Ministry is implementing its new Eligibility Verification Process (EVP) to replace its previous Consolidated Verification Process. Under EVP, changes in external information (primarily Equifax) related to OW recipients trigger more detailed reviews by City staff. EVP was implemented at the City in March 2012.

3 AUDIT SCOPE, OBJECTIVES AND CRITERIA

The audit scope was the current OW Eligibility Assessment Process in all City of Ottawa Social Services Centres. The audit objectives and criteria of this audit were to:

3.1 Audit Objective 1: Confirm the completion of an operational risk assessment for the area to be audited.

Criterion:

- Determine if an assessment has been completed and how it has been/is being used.

3.2 Audit Objective 2: Assess whether City processes are adequate to appropriately establish initial eligibility for OW assistance.

Criteria:

- Determine if initial eligibility assessments for assistance are in accordance with the Ontario Works Act, Regulations and policy directives;
- Determine if initial eligibility assessments are supported by the receipt, verification and appropriate analysis of required information and documented accordingly; and,
- Determine if processes and practices are consistent among all centres.

3.3 Audit Objective 3: Assess whether City processes are adequate to ensure on-going eligibility for OW assistance.

Criteria:

- Determine if ongoing eligibility assessments comply with provincially mandated requirements;
- Determine if ongoing eligibility assessments are supported by the receipt, verification and appropriate analysis of information and documented accordingly;
- Determine if the Eligibility Review Program is effectively resolving allegations;
- Determine if processes and practices are consistent among all centres; and,
- Determine if the City's Eligibility Review Program is operating as an effective control to identify and following up on potential ineligible recipients.

3.4 Audit Objective 4: Identify areas of potential savings for the City in the efficient and effective management and operations of the eligibility review process.

Criterion:

- Determine if potential savings are possible through more efficient and effective management and operations of the eligibility review process.

4 APPROACH

The following audit approach was taken across all four City of Ottawa Social Services Centres (SSC) and included obtaining information, data analysis; reviewing applicable directives and policies; reviewing results of previous audits; reviewing documentation; and testing of a sample of case files.

Specifically, in our testing, we reviewed OW transactions for the period January 1, 2011 to June 30, 2012 (review period) and conducted the following:

- Obtained the database of clients which have received OW assistance during the review period;
- Analyzed the database;
- Selected a random sample of 100 case files, which may not necessarily be statistically valid, (see Annex A for more details on the Sample Selection Process) distributed across SSCs as follows:

Table 2 – Distribution of Sample Across SSCs

SSC	Number of Samples
West	25
South	30
Central	19
East	26
Total	100

- Tested the sample of case files selected against the above audit criteria. Testing was performed through file review as well as through observing information in the SDMT system through the assistance of the appropriate case worker.

5 DETAILED FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

5.1 Operational Risk Management

The Community and Social Services Department has not completed a risk assessment at either the Department level, or specifically for the Ontario Works program. Management of the Community and Social Services Department do not believe that it is required or cost beneficial to complete a separate, risk assessment specifically for the Ontario Works program. As no risk assessment has been completed at the departmental level either, the Community and Social Services Department is not in compliance with the *City’s Enhanced Risk Management Framework* (April 2012) which requires context setting, determining risk impact, establishing likelihood, reaching a risk score prioritizing and finally establishing a plan to mitigate or prevent the risk from occurring.

The *City’s Enhanced Risk Management Policy* states that “Departmental Managers own, and are therefore accountable for the effective management of risk within their department. They are responsible for the application of risk-aware thinking in day-to-day activities.” While a risk assessment has not been completed, there is evidence that Community and Social Support Branch is applying risk-aware thinking in its day-to-day activities. Risk factors are identified and described during the annual budget process and the Social Services Business Continuity Plan provides a mitigation plan for certain risks. The delivery of the OW program also inherently considers the risk of making ineligible payments.

In the absence of a completed risk assessment that is in accordance with the *City’s Enhanced Risk Management Framework*, OW program risks may not be properly identified and managed.

Recommendation 1

That the City complete an operational risk assessment as required by the City's Enhanced Risk Management Framework.

Management Response

Management agrees with this recommendation.

The CSS department completed a risk assessment at the department level in 2010 and continues to monitor and report on progress as part of the corporate risk profile reporting requirement. In 2014, all departments will be completing a detailed risk assessment as part of a cyclical reporting framework that aligns with the Term of Council. As part of the cycle for the Corporate Risk Profile, departments will be required to complete an assessment of corporate, operational, strategic and project risks. This exercise is expected to be completed by Q4 2014.

5.2 Initial Eligibility Assessments

Overall, initial eligibility assessments for assistance is granted in accordance with the Ontario Works Act, Regulations and policy directives. Processes and practices are generally consistent among all City SSCs. For the most part, the receipt, verification and appropriate analysis of required information are documented accordingly for the application process.

One area of exception is third party verification with Equifax Canada of eligibility related information such as income, previous employment, assets, liabilities, trends and residence. We observed that initial assessments undertaken or Consolidated Verification Process (CVP) conducted during the period of audit were missing hard copy or electronic versions of Equifax reports on client files in three out of the four SSCs. Specifically, we observed that SSC West maintained hard copy Equifax reports on file, while SSC South, Central and East each had numerous instances, as indicated in Table 3 below, where neither hard copy nor electronic versions of the Equifax reports were maintained on file:

Table 3: Instances of Missing Equifax Reports

Social Services Centre	Number of Instances Missing	Total Sample Cases Requiring Reports	Percentage Missing
West	0	12	0%
South	4	25	16%
Central	6	14	43%
East	6	21	29%
Total	16	72	22%

Provincial directives require that third party verification (i.e., Equifax report) of eligibility related information (e.g., income and assets) provided by the applicant be completed and documented. Equifax reports are considered to be a key document for verifying assets, liabilities, payment patterns, residence, employment income etc. through third party corroboration. We confirmed with the Ministry of Community and Social Services and they expect that a key document, such as an Equifax report, be maintained on recipients' files or that information from Equifax reports and analysis of the information be noted in SDMT Intake/EVP notes.

It is a City practise to maintain Equifax reports on recipients' files. The audit has indicated an inconsistent application of this requirement as not all files contained the required hard copy or electronic version of the report. City management explained that, while it is their practice to maintain Equifax reports on recipients' files, it is not a mandatory requirement. However, our review of the process indicates that where such reports are not maintained on file, SDMT Intake/EVP notes are not clear enough such as to indicate the information extracted from the Equifax reports and the analysis conducted with this information.

In addition to missing Equifax reports, Table 4 identifies instances of non-compliance with Provincial Directive 2.1: Application Process. The audit reviewed the documentation requirements for the review period (January 01, 2011 to June 30, 2012) for the sample selected. It should be noted that the information requirements vary among samples depending on the application grant date and whether or not EVPs were conducted:

Table 4: Instances of Non Compliance with Directive 2.1: Application Process

Social Services Centre	Compliance Issue	Number of Instances	Sample Items Requiring the Information	Non-Compliance Percentage
West	None	0	12	0%
South	Birth certificate or equivalent not on file	1	16	6.30%
	Certified true copies of documents not on file	1	16	6.30%
Central	Health card information entered incorrectly in SDMT	1	7	14%
East	Application not signed by recipient	1	22	4.50%
	Consent form not signed by recipient	1	15	6.70%
	No proof of identity on file	1	15	6.70%
	Recipient's identity was not legible	1	15	6.70%
	Total	7	n/a	n/a

When the 16 instances of missing Equifax reports are added to the 7 instances of non compliance, there are a total of 23 instances relating to 19 of the 100 cases examined where the application process requirements were not met. The receipt, verification, analysis and documentation of required information in support of the assessment of initial eligibility is important in order to ensure that correct amount of assistance is granted and only where eligibility is met.

Recommendation 2

That the City ensure that all documentation required to assess eligibility by the provincial directives is on file or noted on SDMT as permitted by the provincial directives.

Management Response

Management agrees with this recommendation.

Management oversight is an ongoing activity in operations, via policy and procedure memos to staff, policy committees, training, staff meetings, as well as file reviews by supervisors.

Although the seven cases identified by the audit were single instances of errors, management will send a policy reminder to staff by Q3 2013 reminding them about the importance of ensuring that eligibility documentation is complete and kept on the hard copy file or documented according to the verification standards in the provincial directives.

With respect to Equifax reports, management agrees that if not kept on the hard copy file, that the use of the Equifax report should be clearly noted in the electronic file, therefore staff will be reminded of this requirement, via the same e-mail described above.

5.3 Workload Management

Practices employed by the City in managing and monitoring workload are consistent among all four SSCs. Overall the City has information to manage caseload, however, greater benefit and more precise workload management could be derived from more detailed information such as case complexity, benefit unit sizes and case worker effort per case.

The City's Application Screening Unit screens and assigns cases to SSCs based on either the geographical location of the recipient or the recipient's request to deal with a specific SSC. Within each SSC, cases are assigned to generic case workers randomly, unless the case is assigned to a specialized case worker such as addiction or self-employment specialists.

The City does not monitor the complexity of caseload assigned to case workers, only the number of cases. However, all SSC managers interviewed agreed that over time, on average, the case workers are generally assigned the same number of complex cases.

Case workload is monitored through a Benefit Units Summary Report generated from SDMT. This report lists all cases being administered by a case worker; however, it does not make any distinction between cases with large or small benefit units. A Staffing Supervisor in each SSC uses this report to monitor workload of each case worker on a regular basis. Each SSC office targets a ratio of 109 cases for each case worker. This is a City-wide target.

The Supervisor will recommend redistribution of cases where the factor of 1:109 is not maintained or where there are other factors such as case worker absenteeism (due to vacation, illness or training) or specific request for redistribution by case workers. The decision to redistribute and the impact of the redistribution of cases is presented and generally discussed at staff meetings.

Within Social Services, there is a Staffing Committee that reviews caseloads for all SSC sites combined. The Staffing Committee's focus is on larger planning issues over a longer-term including economic and demographic trends and the impact on future City caseloads. Significant changes in forecasted caseloads could result in redrawing SSC boundaries.

Recommendation 3

That the City obtain more detailed information such as case complexity, benefit unit sizes and casework effort per case to assist in monitoring caseload.

Management Response

Management agrees with this recommendation.

Management agrees that detailed case information may be useful in monitoring and balancing caseloads. Following implementation of the new province-wide system (SAMS), which is anticipated to be in place by Q2 2014, CSS will be in a better position to identify available caseload information and assess its value for workload management by Q2 2015.

5.4 Ongoing Eligibility Assessments

5.4.1 Consistency of Processes and Practices

Overall, processes and practices are generally consistent among all SSC in assessing ongoing eligibility. The only exception, as noted in 5.2 above, is the high rate of missing Equifax reports in three of the four SSCs.

Our audit did find that ongoing eligibility assessments do not fully comply with provincially mandated requirements as noted in the following sections.

5.4.2 Ineligible Payments

Within the selected sample representing total payment of \$615,629, we found a total of \$3,840 in payments of benefits to recipients were ineligible. This represents approximately 0.6% of the population tested. The details of ineligible payments are provided in Table 5 below:

Table 5: Instances of Non Compliance with Ongoing Eligibility Requirements

Ineligible Benefits	Total Number of Instances	Number of Instances SSC Central	Number of Instances SSC East	Number of Instances SSC South	Number of Instances SSC West	Total Amount (\$)
Basic Needs (6.2)	13	1	1	11	-	1,023
Emergency Hostel Services (2.7)	5	5	-	-	-	755
Employment and Participation Benefits (7.4)	6	1	-	4	1	1,114
Health Benefits (7.2)	3	2	-	-	1	279
Pregnancy/Breast-Feeding Nutritional Allowance (6.5)	3	-	-	-	3	120
Shelter (6.3)	2	1	-	-	1	113
Special Diet Allowance (6.6)	1	-	1	-	-	10
Transition Child Benefit (7.7)	1	-	-	1	-	426
Total - Ineligible Benefits	34	10	2	16	6	3,840
Total Amount of Benefits Included in the Audit Sample						615,629
Percentage Error						0.6%

Ineligible payments that the audit detected fall into the following categories:

System functionality: As a result of data entry error, one of the cases had a dependent child changed to a dependent adult without an effective date of change. This resulted in one instance of arrears benefits erroneously created for benefit period 2005 and 2006 and \$418 paid out to a recipient. This error was not detected by the City as an internal control whereby the case worker reviews the payment list from SDMT for anomalies prior to a cheque being sent out was not effectively performed. As a result, the cheque (created the following day in error), was not discovered and was paid out to the recipient.

Human error/Knowledge of directives: the remainder of the payments (approximately \$3,400) were granted by case workers to recipients in error, as a result of incorrectly interpreting or applying the provincial directives.

The City must undertake corrective action to determine if and how these ineligible payments will be recovered.

Although the random sample is not necessarily statistically valid, if the 0.6% error rate detailed above, held consistent across the entire population of OW payments, then the dollar amount of total ineligible payments during the period from January 2011 to June 2012 would be approximately \$834,000 (0.6% X \$139 million).

Recommendation 4

That the City proceed with collecting from recipients ineligible payments, where deemed appropriate.

Management Response

Management agrees with this recommendation.

Management took immediate corrective action when the cases referenced in the audit were identified, including initiating overpayments to recover any ineligible payments. In addition, to prevent further recurrence of error, supervisors reviewed the relevant policies with staff.

Recommendation 5

That the City review all cheques against the SDMT payment list in order to detect errors prior to sending cheques to recipients.

Management Response

Management agrees with this recommendation.

Management took immediate corrective action to recover the ineligible payment related to the case referenced in the audit. Management reviewed the case in great detail, including system functionality and, identified to the Province a need for improved controls to prevent data entry from producing a retropayment in error. Management anticipates that enhanced functionality will be in the new province-wide system SAMS, which is planned for release in Q2 2014. In the interim, management agrees that reviewing cheques against the payment list is an effective internal control to detect errors, and therefore will send a reminder to staff by Q3 2013 to continue this important procedure.

5.4.3 Monthly Income Reporting

Overall, monthly income reporting is updated in SDMT and income assistance is adjusted based on the monthly income reviews. SDMT permits the case worker to indicate that they have verified the accuracy of income amounts reported and entered into the system. In our sample of 100 recipients, 14 of recipients reported income during the audit period. A total of 33 income reports were received, of which 2 did not have the "Verified" box ticked on SDMT, indicating that the case worker had verified the recipient's monthly reported income. By not indicating that the income entered in SDMT was verified to monthly income reporting provided by

the recipients, the City risks recording incorrect income amounts in SDMT which can impact on the accuracy of benefits amounts paid to recipients.

Case workers can also waive recipients' monthly income reporting requirements. We found that the waiving of monthly income reporting requirements is not well documented on the recipient's files as is required by Provincial Directive 5.1 Income and Exemptions.

This directive requires that:

All decisions to override monthly reporting requirements must be clearly documented in the recipient's file, along with the current income at the time of the waiver, how long the override is to be in place, and any supporting documentation.

The override should be reviewed on a regular basis and recipients should be reminded of their responsibility to report any changes in income.

City management interprets this directive differently believing that its practice of minimal documentation on the recipient's files is adequate. We were informed that City practice is to include the words "no income" in the application notes section of SDMT.

We verified our understanding and obtained clarification from the Ministry of Community and Social Services. Specifically, the Ministry stated that "there must be some documentation on file to support the waiver...the documentation would need to reflect the information that led the caseworker to apply the waiver. This may be pay-stubs, tax returns, letters, bank statements etc.; basically, documents that indicate why the waiver was applied. The provincial standard is that documentation is always on file to support the decision."

In our view, the City's interpretation can result in overpayment of assistance to recipients as a result of monthly assistance not being reduced by eligible earnings.

Recommendation 6

That the City fully document decisions to override monthly reporting requirements clearly in the recipient's file, along with the current income at the time of the waiver, how long the override is to be in place, and any supporting documentation that was reviewed.

Management Response

Management agrees with this recommendation.

Verifying and documenting decisions regarding income reporting must meet the requirements as per the provincial directives. Management oversight is an ongoing activity in operations, via policy and procedure memos to staff, policy committees, training, staff meetings, as well as file reviews by supervisors. Further to this, a reminder with respect to this procedure will be sent to staff in

Q3 2013. This will be supplemented with staff training to clarify requirements for notations to file regarding supporting documents reviewed as part of the decision to waive income reporting, e.g., bank statements and tax returns.

5.4.4 Documentation of Receipt, Verification and Appropriate Analysis

Income assistance provided on a monthly basis also includes an amount for basic needs and shelter (or board and lodging where applicable), and can include Advanced Age Allowance, Special Diet Allowance, Pregnancy/Breast-feeding Nutritional Allowance and Special Boarder Allowance.

In addition, OW recipients, spouses and any dependents may be eligible to receive certain mandatory benefits such as:

- health benefits;
- prescription drug coverage;
- dental and vision care for dependent children and children in temporary care;
- diabetic supplies, surgical supplies and dressings;
- medical transportation costs \$15 and over;
- routine eye examinations once every 24 months (ages 20-64);
- extended health benefits;
- Full-time Employment Benefit;
- Other Employment and Employment Assistance Activities Benefit;
- Advance (up front) child care; and,
- Transition Child Benefit.

OW recipients may also be eligible to received discretionary benefits such as:

- Health-related:
 - dental care for adults;
 - vision care for adults;
 - prosthetic appliances;
 - funerals and burials; and,
 - heating payments and payments for low-cost heating energy conservation measures.
- Non-health-related:
 - vocational training and retraining;
 - travel and transportation that is not for health-related purposes;
 - moving expenses; and,
 - any other special service, item or payment authorized by the Director.

Provincial directives require that adequate documentation be maintained on file to support the issuance of these benefits. Adequate documentation includes, receipts and proof of purchase to ensure that the amounts provided for assistance are based on actual costs and that the assistance is used for its intended purpose. For example, if a participant is given \$40 to buy a pair of pants for a job interview, the file could contain either the receipt for the purchase or a note in the electronic file that the receipt was reviewed.

The audit found that documentation of the verification of payment of benefits relating to provincial directives Community Start-Up and Maintenance (7.5), Employment and Participation Benefits (7.4) and Health Benefits (7.2) is inadequate. Of the 1,462 benefits tested (note: a breakdown of the type of benefit was not provided), 126 or 8.6% of the payments were not supported by the required documentation. Table 6 provides additional detail:

Table 6: Instances of Non Compliance with Documentation/Verification Requirements

Supporting Documentation/Verification Requirements Not Met	Total Number of Instances	Number of Instances SSC Central	Number of Instances SSC East	Number of Instances SSC South	Number of Instances SSC West	Total Amount (\$)
Community Start-Up and Maintenance (7.5)	27	8	9	6	4	9,174
Employment and Participation Benefits (7.4)	51	13	16	18	4	8,522
Health Benefits (7.2)	31	13	7	7	4	6,649
Other Benefits (7.8)	2	1	-	1	-	590
Pregnancy/Breast-Feeding Nutritional Allowance (6.5)	4	1	-	3	-	840
Shelter (6.3)	6	3	1	2	-	4,240
Special Diet Allowance (6.6)	4	4	-	-	-	764
Transition Child Benefit (7.7)	1	1	-	-	-	880
Total - Supporting Documentation/Verification Requirements Not Met	126	44	33	37	12	31,659
Total Benefits Tested	1,462					615,629
Percentage	8.6%					5.0%

The City's interpretation of directives relating to CSUM, Employment and Participation Benefits and Health Benefits is that benefits may be issued to recipients, as long as they are justified (i.e., meet the requirements of the directive) and amounts appear reasonable. The City does not interpret the directives as requiring, in all cases, that supporting documentation through receipts or notation of verification on file or in SDMT to ensure that the appropriate amount of benefit is provided and that funds were utilized for their intended purposes.

The Provincial representative from the Ministry of Community and Social Services has indicated to the audit team that the provincial expectation is that receipts be verified to support the amount paid to the recipient and that the funds are utilized for their intended purposes. The provincial expectation is that such verification be documented on the recipient's hard copy file or in SDMT.

The risk in not verifying receipts and supporting documentation is that excessive benefit amounts are granted to recipients and/or amounts received by recipients are not used for their intended purposes.

Recommendation 7

That the City verify the amount of benefit expense and that payment of benefits was used for their intended purpose, by verifying receipts when required by the provincial directives.

Management Response

Management agrees with this recommendation.

Management provides ongoing policy support and oversight to ensure compliance to policy, through memos, training, staff meetings, as well as file reviews by supervisors. Further to this, an e-mail will be sent to staff in Q3 2013 to remind them of the requirement to verify receipts as required and to ensure that verification is documented on file.

Recommendation 8

That City staff document verification on file or note it clearly on SDMT to support the type of benefit issued including (as appropriate) receipts, confirmation from health provider, other documentation and/or verification to support payment for expenses as required by the provincial directives.

Management Response

Management agrees with this recommendation.

Management took immediate corrective action to ensure follow-up by supervisors and applicable staff when the cases referenced in the audit were identified. Management provides ongoing policy support and oversight to ensure compliance to policy, through memos, training, staff meetings, as well as file reviews by supervisors. In addition to these activities, an e-mail will be sent to staff in Q3 2013 to reinforce the requirement to document verification used to support benefits issued, including confirmation from health providers when required, as prescribed in the provincial directives.

5.4.5 Employment Participation Requirements

All Ontario Works applicants, their spouses and any dependent adults included in the benefit unit must complete and sign a Participation Agreement (PA) prior to a determination of eligibility. The PA is an action-oriented plan that identifies the approved employment assistance activities the applicant or participant will undertake in order to prepare for, find and maintain employment. After the initial PA, the agreement is reviewed, updated and signed by the participant every three months, or earlier if his or her circumstances have changed (e.g., completed an employment assistance activity).

Participation Agreements were not updated as required by provincial directives in 14 of the 100 cases reviewed. However, the financial assistance still continued. Table 7, below, indicates the number of instances for each SSC where PAs were not updated.

Table 7: Instances of PA Requirements Not Met by SSC

	<i>Total Number of Instances</i>	SSC Central	SSC East	SSC South	SSC West
PA Requirements Not Met	14	6	3	4	1

OW provincial directive 2.5 requires that adults receiving financial assistance under Ontario Works are required to participate in approved employment assistance activities as a condition of eligibility for assistance. Some exceptions exist. PAs updated at appropriate intervals are a key requirement of the directive.

Non-compliance with the employment participation requirements may result in the overall objective of the OW program not being achieved and a continued dependency on financial assistance as a result of not undertaking activities related to obtaining employment.

Recommendation 9

That the City ensure full compliance with the participation requirements as stipulated in the provincial directives.

Management Response

Management agrees with this recommendation.

Dates reflecting participation discussions must be kept up to date. Management provides ongoing policy support and oversight to ensure compliance to policy, through memos, training, staff meetings, as well as file reviews by supervisors. To further emphasize policy requirements, an e-mail will be sent to staff in Q3 2013.

5.4.6 Eligibility Review Program (ERP)

The Eligibility Review Program (ERP) conducts investigations of complaints of possible OW fraud. Considering both the detective nature of the control and the influence that having such a program has on deterring abuse, the provincially mandated *Eligibility Review Program* is an important control in identifying and following up on potential ineligible recipients. The program is delivered at all four SSCs on a consistent basis.

The City has not formally reviewed the effectiveness of the program however; monthly statistics are gathered and reviewed with the Manager responsible for the program. Complaints are received and allocated to seven Eligibility Review Officers (EROs) located in all four SSCs (three SSCs have two EROs, one site has one ERO). The allocation is based on the site responsible for the applicable recipient. Complaints are received from a variety of sources. Results of investigations are recorded by EROs in both SDMT and in local spreadsheets. The source of the complaint is not tracked on the City's spreadsheets although it is tracked in SDMT.

Tracking cases and results in both SDMT and in spreadsheets is a duplication of effort. Refer to Section 5.5.5 for observations on the potential for savings by using SDMT information for internal management reporting and replacing the current system of spreadsheets. Prior to this audit, City staff were not generating any reports using the ERP data in SDMT nor were they reconciling data in SDMT with data as per their spreadsheets.

Given the differences in the data sources, the audit did not attempt to reconcile the data on the City's spreadsheets. However, a review of the average number of monthly complaints suggests that the two data sources are reasonably close.

A review of the City's statistics for one month (see Table 8) indicates that approximately two-thirds of the complaints received are supported and two-thirds of these result in follow-up action.

Table 8: Monthly Complaint Resolution – Snapshot (June 2012)³

Complaints:	
Unsupported	53
Supported	99
Follow-up Action:	
Cases - Overpayments Identified	53
Cases - OW Terminated	11
Cases - Police Referrals	1
Value of Overpayments:	
All Overpayments	\$167,379
Police Referral	\$24,961

SDMT data from the City indicates that the majority of complaints are received from local hotline and information shared by the Ministry of Correctional Services. This is summarized in Table 9:

Table 9: Source and Number of Complaints January 2011-June 2012

Source	Number of Complaints	Percentage
Consolidated Verification Program	213	5%
Provincial Hotline	202	5%
Ministry of Correctional Services	1,564	37%
Local Hotlines ⁴	1,731	41%
All other	<u>546</u>	<u>13%</u>
	4,256	100%

New cases are promptly reviewed, based on a priority ranking made by the EROs. In September 2012 EROs had a current caseload of 752 cases. EROs indicated that the majority of these cases have been, at the very least, initially reviewed and with most of them awaiting information or having been referred to the police and are awaiting their action.

³ All figures provided by Community and Social Services Department

⁴ There are hotlines to report OW fraud at each of the four SSCs

5.5 Management and Operations of the Eligibility Review Process

5.5.1 Changes Underway

The four Social Service Centres are the operational centres that deliver the Community and Social Support Branch programs, including OW. As of February 2013, there were a total of 418 positions on the organization charts of these four SSCs. This includes managers, supervisors, case workers/coordinators and supporting verification specialists and administrative staff.

The system and process for delivering Community and Social Support Branch programs, has many changes planned and underway, including replacing the provincial SDMT system. Management indicated that they do not know at this point the impact in terms of resources that will be required to deliver the program once the changes are complete, although they remain committed to meeting the three FTEs reduction target identified in the Service Ottawa process.

Recommendation 10

That the City, when implementing the provincial SDMT replacement system and new model of service delivery, review the potential to use the system to create efficiencies in the delivery of the program and further reducing FTEs.

Management Response

Management agrees with this recommendation.

In addition to various changes in the department's service delivery model, the anticipated implementation of the province-wide system (SAMS) in Q2 2014 will be used as an opportunity to review service delivery processes by Q2 2015 with a view toward becoming more efficient in workload management, including use of resources.

5.5.2 Number of Cases Assigned to Case Workers

The City uses an OW caseload ratio of 1:109 (staff to cases). Management uses this ratio of 1:109 as a baseline average used to monitor caseloads and to adjust staffing to meet work requirements within budget constraints and not as a performance target. The figure evolved internally as a result of Community and Social Support Branch's experience in attempting to balance the effective use of human resources while providing quality client service.

We enquired as to the source of this ratio and were told that no formal study was done. Management believes the ratio of 1:109 to be the optimal workload for a worker to assess applicants for eligibility, and review and monitor eligibility for ongoing clients, as well as determine eligibility and entitlement for ongoing health, housing and employment benefits, develop employment plans that assist clients to prepare for, find and keep employment, while maintaining proper documentation and case notes.

The number of case assigned to case works depends of the case workers role in the Service Centre. Some are assigned to specific specialties such as addiction or self-employment. In one of the Service Centres (Central), some case workers are assigned to do intake interview and then hand off the cases to generic case workers or specialty case workers as appropriate.

Table 10: – December 31, 2012 OW Cases per Case Worker⁵

	Caseload	Central	East	South	West	Total
A	Cases as per SDMT Benefit Unit Summary report	3,524	4,155	3,956	4,475	16,110
B	OW Cases (excludes 369 EEHB (post OW job retention cases) and OPT4Jobs (ODSP participants - employment) cases	3,287	4,097	3,922	4,435	15,741
C	OW Speciality cases (e.g., Addiction Services, Self-Employment)	301	333	265	397	1,296
D	OW Generic cases (B – C = D)	2,986	3,764	3,657	4,038	14,445
	Case Workers					
E	Total number of caseload-carrying case workers	33	42	39	50	164
F	Speciality case workers	7	7	6	8	28
G	Generic case workers (E – F = G)	26	35	33	42	136
H	Generic cases per generic case workers (D / G = H)	114.8	107.5	110.8	96.1	106.2

OW Speciality cases (C) and Speciality case workers (F) are excluded from the generic cases per case worker calculation. These cases require a specific skill sets and often more casework involvement per case.

The ratio of generic cases per generic case workers is fairly close to 1:109 at three of the four sites. The West SSC ratio of 96.1 is 13% lower than the average of the other three sites (i.e., average of 110.7 generic cases per generic case worker). When asked about the variance in the West SSC, management responded that normal variation that occurs (e.g., due to staffing changes such as decentralizing the Learning, Earning and Parenting and Enhanced Verification Program team in fall of 2012). The re-balancing activity takes place twice a year, and they try to avoid displacing staff and moving them to different offices as caseloads vary monthly. During the re-balancing is when the lower ratio at West will be addressed, or any other site, if need be.

Management view the 1:109 ratio as a baseline average that is used to monitor caseloads and to adjust staffing. Their current service delivery model is based on

⁵ All figures provided by Community and Social Services Department

this and they plan to review the caseloads and service delivery model moving forward in 2013.

5.5.3 Reasonableness of the City's Cases per Case Worker Ratio

While we have not undertaken a benchmarking exercise as part of this audit, the City of Hamilton has published reports of its analysis of its own OW Cases per Case Worker ratio⁶. In November 2011 the City of Hamilton's average caseload ratio to case managers was 1:155. Funding was being sought from its Council to hire more employees and bring this ratio down to 1:120.

Increasing the City's target ratio to a ratio similar to the City of Hamilton's target ratio could result in significant cost savings. A 10% increase would bring the target ratio from 1:109 to 1:120. This could reduce the number of generic case workers by 10%, or roughly 13.6 positions or approximately \$832,796 in salary (not including benefits and overhead). As the province pays the City a fixed amount per case for administration (\$2,016), all savings from reducing the number of case workers would accrue to the City.

Other municipalities were not contacted as part of the audit to request their OW cases per case worker statistics. However the concept that the City's case workers handle fewer cases than other Ontario municipalities is consistent with the results of the Ontario Municipal Benchmarking Initiative (OMBI). For 2011 the OMBI reported that Ottawa's "Monthly Social Assistance Administration Operating Cost per Case" of \$253.69 was \$39.70 (18.6%) higher than the median⁷.

Further reducing the number of generic case workers to move in line with the OMBI median, an 18.6% reduction or roughly 25.3 positions would save approximately \$1,549,246 in salary (not including benefits and overhead).

Reducing the number of generic case workers will also require a review of the current number of supervisory positions to determine what level of supervision is required for a lower complement of case workers.

Management informed us that of the several OMBI measures in the Social Assistance area; the only one that relates to process efficiency is the response time measure for determining OW eligibility (number of days). We disagree that this is a measure of efficiency as it does not reflect the level of resources used to achieve this output. As such, we feel that Administration Operating Cost per Case is a better measure of efficiency. During the course of the audit, the City's Fraud and Waste Hotline received one complaint related to the overall management of the program; specifically alleging that the number of supervisors was excessive for the number of case workers in the Social Service Centres. While a complete review of resourcing

⁶ City of Hamilton 2011-12 Ontario Works Caseload Contingency Plan (CS09021(c))

⁷ Ontario Municipal Benchmarking Initiative 2011 Performance Measurement Report – Figure 16.6 Monthly Social Assistance Cost Per Case

was not a part of the scope of this audit, SSC should undertake a review of the current number of supervisory positions to determine the optimal supervision required.

Recommendation 11

That the City conduct an analysis of generic case workers with the goal of:

- a) Reducing their numbers to be more in line with OMBI median and in so doing review the number of supervisory positions required for this reduced complement of case workers; and,**
- b) Increasing the ratio of OW cases per case worker.**

Management Response

Management agrees with this recommendation.

As indicated in the management response to Recommendation 10, management will review the department's service delivery model to identify efficiencies, which will include a workload management review for case workers and supervisors.

However, the cost per case OMBI measure should not be the only indicator used when assessing resource levels. As noted in the audit, the measure is "impacted by variables such as the labour market conditions of the municipality and the cost per case may be lower due to increased case volume resulting from economic factors of the area" which could affect the results. Furthermore, the measure only includes 12 of the 47 Ontario Works delivery agents. Also, the audit notes "that higher caseload ratios result in services focused only on crisis management, with little time for planning and preventative actions with recipients." As such, management will undertake a benchmarking exercise with other comparable municipalities to determine an optimal ratio of cases per worker by Q1 2014.

Management will ensure that the optimal ratio continues to allow case workers to correctly assess and monitor eligibility, meet verification and documentation requirements, and provide case management plans that help recipients find and maintain employment, housing and childcare supports. Furthermore, the optimal ratio that will be determined will also reflect the staff required for the program's detection and control mechanisms, which ensures only eligible recipients receive benefits and that ineligible recipients and fraudulent activities are identified and addressed.

However, in the near term, to bring the Ottawa OMBI result closer to the median, management commits to finding efficiency savings of 12 FTEs in 2014, valued at \$960,000, with additional savings to be identified in 2015.

5.5.4 Management of Case Worker Sick Leave

Table 11 summarizes the case worker sick leave figures by Social Services Centre. Our analysis found that in 2012 case workers took, on average, 19 days per year of sick leave. Given that the 2012 City-wide sick leave figure was 10.99 days it is our opinion that the OW figure is high. As such, the Department should work with Human Resources in an effort to initially reduce the figure in all centres to that of the East office (i.e., 16.5 days). Doing so would result in a savings of approximately \$167,000.

Table 11: 2012 Average Number of OW Cases and Days of Sick Leave per Case Worker

Social Service Centre	Days Sick Leave per Case Worker ⁸
Central	19.6
East	16.5
South	20.4
West	20.5
Average SSC	19.1

Recommendation 12

That the City support the branch by means of the Attendance Management program with the objective of reducing sick leave of generic case workers at a minimum to the rate currently achieved in the East Service Centre (i.e., 16.5 days).

Management Response

Management agrees with this recommendation.

Management’s initial review has identified variances between the centres and further analysis is required to determine which factors impact the results. As well, a thorough review will establish any best practices which could be incorporated and applied to the centres. These factors and best practices will help to establish an action plan to identify the organizational changes needed, and will provide supervisors with additional tools and supports to improve absenteeism in their teams. Furthermore, the 18-month cycle of the Attendance Management Program will also provide useful past attendance information for supervisors and managers.

Management will utilize the Attendance Management Program along with other supports such as the Employee Assistance Program and Employee Health and Wellness to develop, implement and monitor a plan to reduce the amount of sick

⁸ SAP days of sick leave for the list of case workers provided by Community and Social Services Department.

leave in all four service centres by Q4 2014 to the average reflected in the East Community and Social Support Centre.

5.5.5 Streamlining ERP by Reducing the Use of Spreadsheets

Potential savings exists for the City through realizing efficiencies in the tracking and reporting of complaints in the Eligibility Review Process. The current process tracks and maintains the status of each complaint (approximately 250 complaints received each month) on both spreadsheets maintained by Verification Specialist in each site, as well as on SDMT.

The EROs use spreadsheets to manage their day-to-day work and update the status of the complaints. At the end of the month, the results are summarized from the spreadsheets and forwarded to the ERP supervisor. The ERP supervisor compiles the results of the four spreadsheets into a summary spreadsheet which is submitted to the manager responsible for ERP.

At the same time, it appears as though similar information is maintained in, and can be reported from SDMT. The potential exists to develop SDMT reports as a replacement to the spreadsheets and eliminate the effort spent in entering and maintaining the information on both the spreadsheets and in SDMT. A detailed analysis is required to confirm this with certainty. At the time of the audit, staff had not investigated the potential for using the SDMT information.

SDMT is scheduled for replacement by the Province in 2013. The specific functionality that will be provided to the City (and other delivery agents) in support of the ERP was not known at the time of the audit. If the replacement system is able to maintain ERP information, similar to that maintained by SDMT, then there is the potential for savings through the reduction of time spent by staff entering information into spreadsheets. We estimate a saving of approximately 20% of a FTE or approximately \$11,358 in salary (not including benefits and overhead).

Recommendation 13

That the City investigate the possibility of using SDMT information and eliminate the use of spreadsheets to track and report on ERP complaints.

Management Response

Management agrees with this recommendation.

Management will review SDMT information by Q3 2013 to determine any possibilities to eliminate the use of spreadsheets for tracking and reporting Eligibility Review Program complaints.

Recommendation 14

That when implementing the SDMT replacement system, the City review the potential to use the new system to replace spreadsheets for ERP reporting.

Management Response

Management agrees with this recommendation.

Management will review the potential of using the new province-wide system (SAMS) to replace spreadsheets for Eligibility Review Program reporting by Q4 2014.

5.6 Comparison of City Databases to Ontario Works Claimants

We compared the City's business; taxi cab; and, employee databases to the Ontario Works recipients' database for the period from January 1, 2011 to June 30, 2012. We tested a sample of 75 of the 314 matches to assess if Community and Social Services was aware of the licence or City employment; and, to determine if the individual had provided the required licence and employment income information to permit C&SS to accurately calculate their OW benefits. Appendix B provides detailed information on the sampling approach.

The database provided by Community and Social Services is a listing of SDMT benefits eligible to an OW recipient. The transaction may or may not have been paid/issued (see non-payments/adjustments); or the benefit issued may be lower. In addition, it did not contain assistance provided using other means such as the payment of a water arrear where a requisition is issued directly to water services at the City of Ottawa.

For each sample examined, through review of information in SDMT and interviews with Community and Social Services staff, a determination was made as to whether:

- C&SS was aware that the OW recipient had a license or was employed by the City; and,
- The OW recipient reported all income from the licence or employment during the review period.

As noted in Table 12 below, we found one instance where Community and Social Services was not aware of the licence and a number of instances where employment income was not fully reported during the review period. In 11 of the 75 samples reviewed, the missing information or a change made to SDMT in error indicated that an overpayment of benefits occurred.

Table 12: Matches and Sample: City Databases to Ontario Works Recipients

Category	Matches	Sampled	Coverage	Instances C&SS not Aware of Licence/ Employment	Instances of Possible Over-Payment
City Business Licence	13	13	100%	0	0
Taxi Cab Licence	55	12	22%	1	0
City Employees	246	50	20%	0	11**
Total	314	75	24%	1	11

** Overpayments: 9 confirmed; 2 unrecoverable.

In interpreting the above results, it should be noted that:

- Possessing a business licence does not necessarily mean that income is being earned;
- Earnings (from business licenses or taxi activities or from City employment) periods may not coincide with the period of receipt of OW assistance. For example, income received from the August 16 to September 15 would be considered when granting assistance for October benefit month; and,
- Earnings do not preclude receiving certain types of assistance such as OW Emergency Assistance or Rent Bank Assistance.

5.6.1 Business Licenses

A review of the Business Licences matches identified three cases where Community and Social Services was not aware that the recipient held a business licence, and no income from the business relating to the licence was reported. These three cases were referred to Community and Social Services Eligibility Review Officers (EROs) for further review to assess possible overpayments. Management informed us that the ERO finished the reviews; and found no eligibility concerns and no overpayments on these files. All three files were found not to be the business license owner and were listed in error in the licence database as the licence holder.

5.6.2 Taxi Licenses

A review of the Taxi Cab Licences matches identified two cases where Community and Social Services was not aware that the individual held a taxi licence, and no income from taxi driving was reported. The two cases were referred to EROs for further review to assess possible overpayments. Management informed us that the ERO finished the reviews; and found no eligibility concerns and no overpayments on these files.

In addition to these two cases, there were nine additional cases where no income from taxi cab driving was reported. In these nine cases, Community and Social Services were aware of existing taxi cab licences and the lack of reported income did not indicate possible overpayments. The reasons that these cases were not problematic are that the taxi cab driving occurred outside of the benefit period under review period (e.g., noted in OW file that the individual held a taxi license

but was no longer able to drive and therefore was not earning income during the benefit period) or the OW benefits ceased when taxi work commenced.

Recommendation 15

That the City identify OW assistance clients in possession of business and trade licenses issued by the City or employed with the City. Such data is to be considered during eligibility review and on an ongoing basis.

Management Response

Management agrees with this recommendation.

It is noted that the findings of the audit confirm that eligibility and entitlement were correctly assessed and issued for those with business and taxi licences, as there were no overpayments reported in Table 12.

Furthermore, CSS was aware of all clients who were employed by the City and that employment was used in determining correct eligibility. The overpayments noted were not a result of lack of awareness of the employment, but were a result of some cases not accurately reporting all earnings.

CSS will further examine processes involving the verification of income from employment, regardless of employer. Management sent a reminder notice to staff with respect to this procedure in Q3 2013. Further, the risk area is not specific to clients with employment with the City, but to any client with employment earnings. As a result, CSS will conduct a targeted review of files with employment earnings in Q1 2014, to ensure compliance and further assess risk in this area.

5.6.3 Employment with the City of Ottawa

We matched 246 City employees to the OW recipient database (January 1, 2011 to June 30, 2012) provided by Community and Social Services. We reviewed a sample of 50 cases which we selected based on payment(s) for a benefit month prior to the review period or City salary earnings greater than \$21,800 during the 18-month period under review. The results of our review are presented under three headings:

- Non-payments/adjustments (23 cases);
- OW On-going Assistance (12 cases plus 1 case also under E.A.); and,
- OW Emergency Assistance (15 cases).

5.6.3.1 Non-payments/Adjustments

In 23 of the 246 City employee matches, payments affecting one or more benefit months, retroactive to the period under review, appeared to have been issued.

Each time new information is entered in the system, SDMT recalculates the eligible benefit to the OW recipient. Where no effective date is entered, changes to income, number of dependant, accommodation, etc., may produce a retroactive overpayment or arrears on a client's file.

SDMT fails to flag or warn a worker entering a change that it will affect one or more previous benefit months.

The new information causes SDMT to retroactively reassess a benefit month and the level of eligibility a particular client was entitled to. If SDMT determines that the amount of eligibility received by the client in this retroactive benefit month was greater than the new eligibility amount an overpayment is created; conversely, if the client's eligibility was greater than the amount paid, an arrears is created (i.e., the client was underpaid the amount of eligible assistance). In the later case, payment for the difference in eligibility for that month is automatically issued by SDMT.

Community and Social Services informed us that if this is in error, it should be identified by either the worker making the change; the cheque-control group; BASS (Business Application System Support); or EVP.

When the information is corrected (e.g., effective date is entered), SDMT creates reconciling transactions. These constitute a permanent audit trail within SDMT.

In 20 of the 23 cases reviewed no cheques were actually issued, and the SDMT entry related to reconciling transactions. In three cases, SSC confirmed that a cheque was issued in error and was not detected by the worker making the change; the cheque-control group; BASS or EVP. Management informed us that they created an overpayment in the files to recover the overpayments. These totalled \$1,297.

Table 13: Transactions Affecting Previous Benefit Months: Overpayments Identified

	OAG Ref	Branch	Dept	Sum of O/P already on file July 2013	Sum of O/P Identified by audit
1	4	Community & Social Supports	C&SS	38	-
2	9	Community & Social Supports	C&SS	-	-
3	11	Community & Social Supports	C&SS	-	789
4	13	Community & Social Supports	C&SS	614	-
5	15	Community & Social Supports	C&SS	-	42
6	17	Community & Social Supports	C&SS	193	-
7	19	Community & Social Supports	C&SS	787	-
8	20	Community & Social Supports	C&SS	-	-
9	1	Community & Social Supports	C&SS	163	-
10	18	Community & Social Supports	C&SS	1,587	-
11	5	Community & Social Supports	C&SS	-	-
12	12	Operations	C&SS	-	466

	OAG Ref	Branch	Dept	Sum of O/P already on file July 2013	Sum of O/P Identified by audit
13	24	Operations	C&SS	4,921	-
14	22	Operations	C&SS	1,336	-
15	16	By-law & Regulatory Services	EPS	955	-
16	14	Environment & Health Protection	OPH	4,711	-
17	23	Aquatic Services	Parks, R&C	5,769	-
18	10	Community Recreation Programs	Parks, R&C	-	-
19	7	Community Recreation Programs	Parks, R&C	1,095	-
20	6	Community Recreation Programs	Parks, R&C	104	-
21	8	City-Wide Recreation Programs	Parks, R&C	1,445	-
22	3	Roads & Traffic Ops & Mtce	Public Works	18	-
23	2	Client Operations	Service Ottawa	130	-
Grand Total				23,867	1,297

Management advised us that the City of Ottawa, as well as other municipalities, have identified this issue to the Province and lobbied to have the upcoming version of the software address this oversight. Community and Social Services did not have any information as to if this had been addressed in the new version. They reported that their understanding was that the Province would begin rolling-out the new SDMT version in Q2 of 2014; however, not necessarily starting with Ottawa.

Recommendation 16

That, until SDMT flags retroactive changes to benefit months, the City review all transactions retroactively affecting a prior benefit month and ensure that payments issued to participants were eligible.

Management Response

Management agrees with this recommendation.

As previously stated in the management response to Recommendation 5, management anticipates that enhanced functionality will be in the new province-wide system SAMS, which is planned for release in Q2 2014.

In the interim, management agrees that reviewing cheques against the payment list is an effective internal control to detect errors and as such, sent a reminder notice to staff in Q3 2013. The notice included clear direction to review payments that retroactively affect a prior benefit month.

5.6.3.2 OW On-going Assistance

In 6 of the 13 sample cases reviewed, the OW recipients had not reported accurate information to Community and Social Services.

As noted previously, eligible persons can receive Ontario Works financial assistance for such things as food and housing costs temporarily. Provincial directives: 5.1: *Income and Exemptions*; 5.3 *Earnings Exemptions*; and 9.1: *Reviewing Eligibility* are

applicable to assess OW ongoing assistance. The level of assistance is determined based on various factors, including income.

Community and Social Services does not verify the accuracy and completeness of the pay information with the City's Payroll Unit when the recipient is also an employee of the City of Ottawa.

One of the fundamental principles of administering OW is that all information which a recipient shares with the worker in the course of an application or on-going OW verification is kept confidential. Community and Social Services place a "flag" on all electronic files (SDMT) of City employees that apply for financial assistance under any Ontario Works program to protect confidentiality.

Management informed us that this is not done as they believe these would be identified by the same process used for other non-City OW recipients. Their premise is that during the first six months of new employment, something would cause a financial change (e.g., application for a credit card, etc.) which would result in an Equifax report to be produced and sent to the City. However, in 46% of the cases we reviewed, additional overpayments were identified during the course of the audit.

As a result, in 6 of the 13 cases reviewed the recipient submitted incomplete pay information. An eligibility reassessment resulted in overpayments totalling \$10,046 (\$4,852 identified during the course of the audit) being added to the client's files. In addition, warnings that income reporting waiving was not permitted was added to the files. In one of these files, the eligibility review function was successful in identifying in 2011 the original income discrepancy of \$5,195. During the course of the audit, the overpayment was reassessed by another ERO and increased to \$6,397 due to undeclared earnings. Community and Social Services department informed us that this file is now under consideration to be referred to the Ottawa Police due to the misrepresentation.

In two cases, the employment assistance benefit for ERE-Transportation totalling \$91.50 and \$94.00 was overpaid but C&SS informs us it is unrecoverable.

Table 14: Inaccurate Income Reporting Resulting in Overpayments

	OAG Ref	Branch	Dept	Sum of O/P already on file July 2013	Sum of O/P Identified by audit
1	25	Operations	C&SS	84	0
2	33	Operations	C&SS	0	0
3	37	Operations	C&SS	46	0
4	21 *	Operations	C&SS	5,195 **	1,202 **
5	40	Operations	C&SS	0	832
6	32	Operations	C&SS	0	0
7	36	Aquatic Services	Parks, R&C	1,143	0
8	28	Community Recreation Programs	Parks, R&C	28,641	343
9	41	Parks, Bldg & Grounds Ops & Mtce	Public Works	0	1,184
10	42	Roads & Traffic Operations & Mtce	Public Works	0	0
11	30	Transit Operations	Transit Servs	0	418
12	34	Transit Operations	Transit Servs	0	873
13	31	Transit Operations	Transit Servs	11,476	0
Grand Total				46,585	4,852

* Also under emergency assistance

** Overpayment totalled \$6,391 at the time of writing this report

Recommendation 17

That the City verify the accuracy and completeness with Payroll of the pay information submitted by OW recipients.

Management Response

Management agrees with this recommendation.

Management agrees with verifying the accuracy and completeness of pay information submitted by OW recipients with their employer. In the cases identified in this audit, verification was not as complete as required. Corrective action was taken immediately and overpayments are in the process of being recovered.

A reminder notice has been sent to staff in Q3 2013 emphasizing the importance of fully and accurately verifying all employment earnings by using the methods that are already available (e.g. reviewing pay stubs, reviewing third-party information such as Equifax reports, etc.).

Furthermore, as outlined in Recommendation 16, a targeted review of files with employment earnings from any employer will be conducted in Q1 2014 to ensure compliance and to further assess risk in income verification processes.

5.6.3.3 Ontario Works Emergency Assistance

Inadequate Documentation in File:

The emergency assistance program allows for the immediate provision of financial assistance to an applicant in a crisis or emergency situation. This may include an amount for basic needs, shelter and benefits. The administrator determines the amount of Emergency Assistance payable, subject to certain exceptions. The criteria for eligibility are provided within Ontario Works' Policy Directives 2.3 – *Emergency Assistance* (refer to Appendix C for full policy). In part, the directive states that:

- the applicant is not currently in receipt of social assistance;
- the applicant is not serving a period of ineligibility;
- the applicant has not received emergency assistance in the past six months; and
- the Administrator is satisfied, based on available information regarding living conditions, finances, employment and other relevant circumstances, that:
 - the applicant has made reasonable efforts to access all other available resources;
 - the applicant does not have enough money or assets, and is unable to obtain credit to meet the basic needs and shelter needs of his or her benefit unit;
 - failure to provide the emergency assistance will result in danger to the physical health of a member of the benefit unit; or at least one dependent child being unable to continue to reside with his or her parent who requested the assistance.

There was inadequate information on file to demonstrate that the applicant met the criteria for emergency assistance for 15 samples we reviewed.

Management informed us that they did not have a tool that outlined the information that a worker was to request from an applicant. However, they did state that they were confident that this line of inquiry took place.

As such, we could not determine from the files documentation that the applicant had made reasonable efforts to access all other available resources; or that the applicant did not have enough money or assets, and was unable to obtain credit to meet the basic needs and shelter needs of his or her benefit unit. In short, we could not determine if the applicants we reviewed met the criteria for emergency assistance.

With the exception of City income, bank account information (which we could not determine if the information was complete and verified) and vehicles, the notes did not include information relating to property, credit application, assets or other resources available (relative/third party loan, etc.). Management agreed that the

files did not contain sufficient documented information for us to confirm that the eligibility criteria had been met, specifically the assessment that “the Administrator is satisfied, based on available information” that applicants have made reasonable efforts to access all other resources. Management acknowledges that this assessment could be better documented.

Repeatedly Applying for Emergency Assistance:

For the 15 emergency assistance cases of our sample, we extended our review to the previous five years to determine frequency or pattern. In 10 of the 15 cases we reviewed, the applicant had applied and been granted emergency assistance more than once.

As previously noted, the emergency assistance directive stipulates that to be eligible the applicant cannot currently be in receipt of social assistance; is not serving a period of ineligibility; and, has not received emergency assistance in the past six months. In two cases (ref. # 44 and #49) six months had not passed between assistance being granted.

The provincial directive does not delineate the number of times or the level of assistance (dollar limit) an individual can apply for and be granted assistance. In our opinion, this can lead to possible abuse of the program.

As noted in table 15, we found that over a period of five years, our sample of 15 cases applied and were granted emergency assistance 37 times totalling \$44,948 and other types of assistance 14 times totalling \$22,203.

Table 15: Emergency Assistance Recipient with City of Ottawa Employment

#	OAG Ref	Branch	Dept.	2008-09-10 Not obtained; 2011 full year; 2012 1/2 year		Emergency Assistance		Other Types of Assistance		TOTAL Assistance	
				CITY INCOME	YEAR	Times	\$	Times	\$	Times	\$
1	21 **	Operations	C&SS		2008			1	1,898		
					2009						
					2010						
				\$8,304	2011	1	1,319				
				\$5,716	2012	1	2,350	1	279		
					TOTAL	2	3,669	2	2,177	4	5,847
2	26	Operations	C&SS		2008						
					2009						
					2010						
				\$15,763	2011	1	1,500				
				\$7,862	2012						
					TOTAL	1	1,500	0	0	1	1,500
3	38	Operations	C&SS		2008						
					2009						
					2010						
				\$29,749	2011	1	661	1	1,825		
				\$16,567	2012						
					TOTAL	1	661	1	1,825	2	2,486
4	43	Community & Social Supports	C&SS		2008						
					2009						
					2010	1	884				
				\$44,291	2011						
				\$23,382	2012	2	2,421				
					TOTAL	3	3,305	0	0	3	3,305
5	45	Community & Social Supports	C&SS		2008	3	2,058	1	563		
					2009	1	890				
					2010	1	1,480	1	1,528		
				\$49,569	2011	1	915	1	1,302		
				\$25,339	2012						
					TOTAL	6	5,343	3	3,392	9	8,735
6	48	Housing	C&SS		2008						
					2009						
					2010	1	1,673				
				\$54,353	2011	1	1,158				
				\$27,691	2012						
					TOTAL	2	2,831	0	0	2	2,831
7	50	Community & Social Supports	C&SS		2008						
					2009						
					2010						
				\$58,158	2011			2	2,736		
				\$30,038	2012	1	738				
					TOTAL	1	738	2	2,736	3	3,475
8	51	Community & Social Supports	C&SS		2008						
					2009						
					2010						
				\$58,966	2011	1	1,200				
				\$30,043	2012						
					TOTAL	1	1,200	0	0	1	1,200
9	27	Community Recreation Programs	Parks, Rec. & Cultural Svc		2008						
					2009						
					2010						
				\$15,652	2011	1	2,062				
					2012						

#	OAG Ref	Branch	Dept.	2008-09-10 Not obtained; 2011 full year; 2012 1/2 year		Emergency Assistance		Other Types of Assistance		TOTAL Assistance	
				CITY INCOME	YEAR	Times	\$	Times	\$	Times	\$
				\$8,297	2012						
					TOTAL	1	2,062	0	0	1	2,062
10	29	Community Recreation Programs	Parks, Rec. & Cultural Srvs		2008						
					2009						
					2010						
				\$20,936	2011	2	1,064				
				\$7,111	2012						
					TOTAL	2	1,064	0	0	2	1,064
11	47	Operations	Public Works		2008	2	986				
					2009						
					2010	1	1,509				
				\$50,185	2011	1	985				
				\$26,513	2012			1	2,710		
					TOTAL	4	3,480	1	2,710	5	6,190
12	44	Transit Operations	Transit Services		2008						
					2009						
					2010	1	197	1	272		
				\$42,405	2011	2	864				
				\$27,230	2012						
					TOTAL	3	1,061	1	272	4	1,333
13	46	Transit Operations	Transit Services		2008						
					2009	1	1,581				
					2010						
				\$49,386	2011	1	987				
				\$25,793	2012	1	1,614				
					TOTAL	3	4,183	0	0	3	4,183
14	49	Transit Operations	Transit Services		2008			1	6,000		
					2009	1	1,887	1	575		
					2010	2	3,259	1	1,598		
				\$56,912	2011	1	2,355				
				\$28,428	2012	1	1,782				
					TOTAL	5	9,283	3	8,173	8	17,456
15	52	Transit Operations	Transit Services		2008						
					2009						
					2010						
				\$65,693	2011	2	4,568	1	917		
				\$31,875	2012						
					TOTAL	2	4,568	1	917	3	5,485

** Also Under Inaccurate Income Reporting

Recommendation 18

That the City develop a tool describing the financial information which an administrator requires to obtain/review to assess the eligibility to EA and that this be documented in each file for each application.

Management Response

Management agrees with this recommendation.

Currently, staff conducts a line of enquiry in order to correctly assess an applicant's eligibility for Emergency Assistance. However, notation on file does not document all of the assessment of questions and answers with regard to confirming that no other financial resources were available to deal with the financial emergency.

Management anticipates that enhanced functionality will be available in the new province-wide system SAMS, which is planned for release in Q2 2104. The enhanced functionality will improve documentation regarding the line of enquiry in the application process for Emergency Assistance (EA). In the interim, management will develop and implement, by Q4 2013, a tool for staff to use to improve documentation of the Emergency Assistance assessment.

6 POTENTIAL SAVINGS

As detailed below, during the course of this audit, we have identified potential savings ranging from \$1,851,488 to \$2,567,938.

6.1 Ineligible OW Payments

Although the sample is not necessarily statistically valid, if the error rate observed while testing the audit sample held consistent across the entire population of OW payments, then the dollar amount of total ineligible payments from January 2011 to June 2012 would be approximately \$834,000 (0.6% X \$139 million).

6.2 Number of Generic Case Workers

To be more in line with an OMBI median, the number of generic case workers could be reduced by 10.0% to 18.6%. This would be equivalent to a decrease of 13.6 to 25.3 positions equivalent to approximately \$832,796 to \$1,549,246 in salary (not including benefits and overhead).

6.3 Sick Leave Management

Improved sick leave management could reduce staffing requirements and improve client service. While the average sick leave for the City was 10.99 days in 2012, reducing sick leave days, at a minimum to 16.5, which is the average in SSC East, would result in a savings of approximately \$167,000.

6.4 Tracking and Reporting of ERP complaints

Efficiencies can be realized in the tracking and reporting of complaints in the Eligibility Review Process. Our preliminary estimate is that approximately 20% of a full-time equivalent employee or approximately \$11,358 in salary (not including benefits and overhead) could be saved.

6.5 Comparison of City Databases to Ontario Works Recipients

As detailed in Section 5.6.3 of the full report, our sample of 50 OW recipients also employed by the City resulted in the identification of nine overpayments totalling \$6,149. Two additional overpayments totalling \$185 were identified but C&SS informed us they are not recoverable.

6.6 CONCLUSION

We found a high rate of missing Equifax reports in three out of the four SSCs.

Our audit did find instances where ongoing eligibility assessments did not fully comply with provincially mandated requirements. The audit also found a total of \$3,840 (0.6%) of ineligible payments made to recipients was identified as being ineligible, several instances where documentation, verification and appropriate analysis was not documented as required by provincial directives.

Potential savings exists for the City through:

- Stopping ineligible OW payments;
- Increasing the cases per case worker ratio;
- Improving the management of sick leave;
- Realizing efficiencies in the tracking and reporting of complaints in the ERP;
- Comparing City databases (such as payroll information) to Ontario Works Recipients; and,
- Verify the pay information of City employees applying for OW programs.

Overall, initial eligibility assessments for assistance is granted in accordance with the Ontario Works Act, Regulations and policy directives. Room for improvement exists in ensuring that all documentation required by the provincial directives is on file or noted on SDMT as permitted by the provincial directives.

Community and Social Services department does not currently compare City of Ottawa databases (e.g., payroll information, business licenses, taxi licenses, etc.) to verify that OW recipients' income is fully declared.

We reviewed 50 of the 246 City employee matches and found overpayments with 11 of these:

- Six cases underreport income - overpayments totalling \$10,046 of which \$4,852 was found during the audit (Community and Social Services informed us that they had identified \$5,195 of the \$6,397 overpayment in 2011 and that the case is now under consideration to be referred to the Ottawa Police due to the misrepresentation.);
- Two cases ERE transportation were issued twice for the same benefit month unrecoverable overpayment totalling \$185; and,

- Three cases, SSC confirmed that a cheque was issued in error overpayment totalling \$1,297.

In addition, there was inadequate information on file to demonstrate that the applicant met the criteria for emergency assistance for 15 samples we reviewed. As such, we could not determine from the files documentation that the applicant had made reasonable efforts to access all other available resources; or that the applicant did not have enough money or assets, and was unable to obtain credit to meet the basic needs and shelter needs of his or her benefit unit. In short, we could not determine if the applicants we reviewed met the criteria for emergency assistance.

For the 15 emergency assistance cases of our sample, we extended our review to the previous five years to determine frequency or pattern. In 10 of the 15 cases we reviewed, the applicant had applied and been granted emergency assistance more than once.

The issues raised in this audit could be addressed by completing a risk assessment, as per City policy, at either the department level, or specifically for the Ontario Works program.

7 ACKNOWLEDGEMENT

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

We also appreciate the time taken by provincial staff at the Ministry of Community and Social Services to meet with us provide clarification.

Appendix A - Sample Selection Process

In order to test the eligibility of payments, we requested 2 list from City management. The first was a list of all OW “recipients” that were active during the 18 month audit scope period (January 1, 2011 to June 30, 2012). The second was a list of all payments made to these participants during the audit scope period.

The first list we received consisted of 31,428 recipients. The second list consisted of 630,803 benefits issued to these recipients totalling \$244.6M.

From the first listing we selected a random sample of 100 recipients for testing. We then identified the benefits issued from the second listing to these 100 recipients. There were 1,778 benefits issued to these recipients totalling \$694,990 on the original list.

During our testing of these payments, we identified 3 types of items that were included on the listing that were not actually OW payments made to OW recipients:

- Direct payments made to landlords and utility companies were double-counted. For example, if a recipient were entitled to \$100, there may be an arrangement whereby the City pays \$40 directly to the landlord for the recipient’s rent. The recipient is thereby paid \$60 and the landlord is paid \$40. However, on the listing of benefits issued that we were provided, the payment to the recipient appears as \$100 together with a \$40 payment to the landlord. To avoid double-counting we removed direct payments from our list.
- Benefits that were cancelled and not paid were on our listing. We identified cases where a payment was generated for a recipient, a later cancelled (the recipient did not receive the money). The cancellation of the payment was recorded in the SDMT system; however the cancelled payments were included on our list of benefits so we removed them.
- Payments made under the Rent Bank program were included on our list. Rent Bank payments are processed through SDMT, although the Rent Bank program is not part of Ontario Works. Rent Bank payments were removed from our list.

Audit Sample	Payments	
	Number	Total Amount (\$)
Original Sample	1,778	694,990
Less:		
• Direct Payments	275	46,900
• Benefits not issued	38	27,619
• Rent Bank benefit	3	4,842
Revised Sample	1,462	615,629

In addition to these differences, while conducting our testing, we identified a payment that was made to a sample recipient that was not included on the listing of benefits that was provided to us. Upon investigation, this payment was excluded because there was another payment for the same amount, date and payee that was included in the listing.

We were informed that the software program that was used to generate listing that was provided to us has an automated 'remove duplicates' functionality. This functionality is generally used by City staff for all their queries, and it was used when generating the listing that was provided to us. City staff report that they re-ran the query and removed without the 'remove duplicates' functionality and it resulted in only 2 additional payments; the payment we identified and another payment that we had already reviewed as part of a cancel/re-issue scenario.

While our request from the City was for all payments made under the Ontario Works program, the City instead provided a listing of all benefits to which recipients were entitled to under the program. The listing of benefits is different from a listing of payments as payments to recipients are made after adjustments such as monthly overpayment recovery amounts. In addition, payments appearing on SDMT may also include those made under non-Ontario Works programs (e.g. Rent Bank and ODSP) and Ontario Works payments while the recipient resided in an Ontario municipality other than the City of Ottawa.

Based on the differences described above, our restricted access to the full SDMT (including related notes) and the nature of the way that payment and benefit information is separately recorded and stored in the SDMT system including the absence of a unique identifier between the payment and the benefit, we were unable to reconcile the total listing of payments that we received to the City's financial system to ensure its accuracy.

Appendix B – Sampling Approach for Database Matches

The audit approach was to compare the City’s databases of Business and Taxi Cab Licence holders and City employees to the database of Ontario Works recipients for the period from January 1, 2011 to June 30, 2012 (the review period). A sample of these matches (25%) were tested to assess if the Social Services was aware of the licence or City employment and whether the individuals had provided the required licence and employment income information to properly calculate their OW benefits.

Specifically, the following three sources of information were compared to SDMT:

- City Business Licence in effect at any time during the period from January 1, 2011 to June 30, 2012;
- Taxi Cab Licences in effect at any time during the review period; and,
- Listing of individuals that were earning income as City employees at any time during the review period.

The table below presents the number of records, of matches from each of the three sources and the sampling approach undertaken.

Population, Number of Matches and Sampling Approach

<i>Category</i>	<i>Number of</i>			<i>Percentage Reviewed</i>	<i>Sample Selection Method</i>
	<i>Records</i>	<i>Matches</i>	<i>Sample</i>		
<i>City Business Licence</i>	7,324	13	13	100%	Full coverage
<i>Taxi Cab Licence</i>	2,564	55	12	22%	Random sample
<i>City Employees</i>	20,834	246	50	20%	Earned greater than \$21,816 in City salary during 18-month period; and/or, payments for benefit month prior to review period
Total	30,722	314	75	24%	

Appendix C – Ontario Works Policy Directives - 2.3 Emergency Assistance

Legislative Authority

Sections 2, 5, 8, 9 and 26(2) of the Act.

Sections 16(2), 22, 55, 56 and 59 of Regulation 134/98.

Audit Requirements

Adequate documentation is on file to demonstrate the applicant meets the criteria for emergency assistance.

Emergency assistance is not provided more than once in a six month period (except in the case of a woman entering an interval or transition home for abused women).

Emergency assistance is not issued for a period of more than sixteen days.

Application of Policy

Emergency assistance enables the immediate provision of financial assistance to an applicant in a crisis or emergency situation. The provision of financial assistance in an emergency may include an amount for basic needs, shelter and benefits.

Requests for Emergency Assistance

A request for emergency assistance may be made in the geographic area where the applicant normally resides or in another area if the Administrator is satisfied he or she cannot reasonably apply in the area in which they ordinarily live.

A request for emergency assistance may be made when an applicant initially contacts an Ontario Works office or at any point during the application process for income assistance.

When a request for emergency assistance is received, staff should obtain and document the available information to support the provision of emergency assistance. A full application for assistance is not required in order to issue emergency assistance.

Eligibility for Emergency Assistance

Emergency assistance may be provided where:

- the applicant is not currently in receipt of social assistance;
- the applicant is not serving a period of ineligibility;

- the applicant has not received emergency assistance in the past six months. (Please note: emergency assistance may be provided more than once in a six month period for women entering an interval or transition home for abused women); and
- the Administrator is satisfied, based on available information regarding living conditions, finances, employment and other relevant circumstances, that:
 - the applicant has made reasonable efforts to access all other available resources;
 - the applicant does not have enough money or assets, and is unable to obtain credit to meet the basic needs and shelter needs of his or her benefit unit;
 - failure to provide the emergency assistance will result in danger to the physical health of a member of the benefit unit; or at least one dependent child being unable to continue to reside with his or her parent who requested the assistance.

Emergency assistance cannot be provided while in receipt of income assistance; however, if a person in receipt of social assistance is faced with an emergency situation where additional funds are necessary, funds may be available through mandatory and/or discretionary benefits ([see Directive 7.1: Summary of Benefits](#) for more information).

A person who receives emergency assistance does not have participation requirements, and cannot appeal decisions regarding the provision of emergency assistance or the amount of assistance issued.

A refugee claimant pending determination of their claim may be eligible for emergency assistance; however, emergency assistance may not be provided to tourists or visitors.

Emergency assistance may be provided to an applicant in situations where information or documentation required to complete an application for assistance is outstanding, and an eligibility decision has not been made.

Issuing Emergency Assistance

The Administrator determines the amount of emergency assistance payable, which may include an amount for basic needs and shelter, as well as an amount for benefits.

Emergency assistance may be provided for a period of not more than sixteen days; however, more than one payment may be issued within the sixteen day period.

Once emergency assistance has been issued for sixteen days, assistance will only continue to be provided after a full application for income assistance has been completed, including all required consents and a Participation Agreement. Arrangements should be made for the application to be completed at the earliest opportunity where it is likely that ongoing assistance will be required.

Where emergency assistance is provided in the same month that a benefit unit is found to be eligible for income assistance, the amount of emergency assistance already issued should not be deducted from the amount of income assistance. However, income assistance for basic needs and shelter may be pro-rated based on the circumstances of the case.

November 2008