



Office of the Auditor General / Bureau du vérificateur général

AUDIT OF THE CHILDREN'S SERVICES DIVISION

2008

VÉRIFICATION DE LA DIVISION DES SERVICES À L'ENFANCE

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EXECUTIVE SUMMARY

Introduction

The audit of the Children's Services Division was included in the 2008 Audit Plan of the Auditor General, first presented to Council in May 2007.

Background

At the time of this audit, the Children's Services Division (CSD) was part of the Parks and Recreation Branch (the Branch). CSD administers the child care program at the City of Ottawa. CSD's mandate is to ensure that quality, affordable child care is available to the residents of the City of Ottawa. CSD works in consultation with the child care community on policy development issues to ensure the quality and safety of available services and to plan for the development of efficient services in the future.

The table below summarizes the CSD budgets and expenditures for 2006-2008.

	2006		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual
FEE SUBSIDY	\$51,726,840	\$52,436,889	\$52,157,062	\$51,423,836	\$53,076,564	\$51,077,542
CHILD CARE ADMINISTRATION	\$3,090,943	\$2,978,298	\$2,969,428	\$3,045,567	\$3,061,759	\$3,273,276
CHILD CARE ONTARIO WORKS	\$4,370,844	\$4,274,473	\$4,338,111	\$4,243,064	\$4,399,585	\$4,478,274
WAGE SUBSIDY, SPECIAL NEEDS & EARLY YR BEST START	\$20,550,872	\$20,771,623	\$20,925,867	\$19,901,053	\$20,549,180	\$20,615,652
CC SMALL WATER WORKS	\$0	\$99,515	\$0	\$70,730	\$70,730	\$70,730
TOTAL	\$86,296,631	\$84,481,659	\$88,004,857	\$88,582,315	\$91,739,050	\$90,327,496

The role of the CSD includes the management of subsidy programs and the provision of funding to community child care agencies. Although municipalities are given wide discretion in the manner in which they implement the various programs; all standards and regulations are set by the Province in order to ensure accountability, openness and fairness in allocation of child care subsidies and spaces while ensuring rigorous stewardship of these resources. The Ministry of Children and Youth Services approves licensed spaces under the Day Nurseries Act.

Child care programs fall within two broad categories: licensed and unlicensed. The Fee Subsidy Program provides child care fee subsidy / assistance for parents that are eligible within licensed child care programs. Ontario Works Child Care (OWCC) clients, through OWCC funding, are eligible for both licensed child care spaces (not subsidized) and OWCC formal and informal child care funding payments. To be eligible for subsidy, parents must be participating in approved

employment assistance activities unless the child or parent has a special need or the child has a social need.

At the City of Ottawa, informal child care funding is available only to Ontario Works clients. OWCC funding is administered by CSD while Ontario Works financial assistance is administered by the Employment and Financial Assistance (EFA) Branch. Clients must fill out an application form in order to be considered for subsidized day care. An income test and social criteria determination approach is subsequently utilized in order to determine whether the client is eligible. As OWCC clients usually need child care quickly in the evening, overnight and weekends, the City, through OWCC informal funding will provide OWCC informal payments to fund informal child care situations or utilize the Municipal Home Child Care Program. However, the City policy supports the promotion of licensed child care. If spaces permit, formal subsidized child care is offered and provided by a licensed child care agency. The key differences between the three options are as follows:

1. Informal child care – These situations involve private provision of child care between two private citizens. The client receives the OWCC informal funding via reimbursement of child care paid. Receipts are required to be filed with the City as proof of payment.
2. Municipal Home Child Care Program– In these situations, the City directly provides licensed home child care services and at times by soliciting the collaboration of other licensed home child care agencies, enters into agreements with home child care providers across the City to provide licensed home child care. These providers are paid directly by the City with OWCC formal funding.
3. The Fee Subsidy Program provides child care fee subsidy / assistance for licensed spaces under the Day Nurseries Act. When a space is available, the client is income tested and subsidies are paid directly to the child care centre / home child care agency if the client is eligible.

Limited financial assistance, under the child care subsidy, is available to families living in Ottawa where the parents are working, looking for work, or going to school and also meet certain financial requirements. According to the Fee Subsidy Guidelines issued by the Ministry of Children and Youth Services, no family pays more than the total cost of child care for all children. For example, if adjusted income is \$75,000 the family is eligible for subsidy as long as the daily cost is over \$48. The table below shows the daily parental fees based upon various levels of income:

Annual Adjusted Income	Daily Parent Fee
\$5,000-20,000	\$0.00
\$25,000	\$1.92
\$30,000	\$3.83
\$35,000	\$5.75
\$40,000	\$7.66
\$46,000	\$13.41
\$50,000	\$19.16
\$55,000	\$24.90
\$60,000	\$30.65
\$65,000	\$36.40
\$70,000	\$42.15
\$75,000	\$47.89
\$80,000	\$53.64
\$85,000	\$59.39
\$90,000	\$65.13
\$95,000	\$70.88
\$100,000	\$76.63

Subsidy Coordinators are responsible for determining income and the related parental fees based upon the criteria found in the O.Reg 262.

There are approximately 19,300 licensed child care spaces in the City of Ottawa. CSD provides funding to over 200 child care agencies under the formal child care program and over 7,200 subsidized spaces. The City has a large waiting list with 3,700 clients waiting for subsidized child care spaces. The full audit report provides additional background information regarding the subsidized child care program in Ontario.

In 2006, the City received a report to its Fraud and Waste Hotline alleging that the majority of OWCC subsidies for informal child care were fraudulently obtained and staff were aware of this fraud. No evidence of this fraud was discovered in the audit conducted by the Office of the Auditor General in response to this Hotline report. Recommendations flowed from the audit conducted in 2006 primarily with respect to communication between CSD and EFA, documentation, internal controls and processes. More recently, some concerns were raised by representatives of child care providers regarding the distribution of child care spaces across the City and the budgetary submission process utilized by the City to determine annual subsidies. This audit provides observations and recommendations in these areas.

Audit Objectives

The audit was undertaken in order to provide a professional opinion on the overall administration of child care subsidies as part of the Auditor General's overall audit plan. The audit is intended to provide an opinion on the openness, transparency and fairness of the determination of child care subsidies as well as compliance with

legislation and policies. Further, the audit is intended to assess the degree to which CSD developed and implemented improved policies, procedures and documentation requirements as a result of the recommendations contained in the 2006 audit conducted by the Auditor General with respect to OWCC subsidies. The audit is intended to assess the fairness and transparency of the allocation of subsidized spaces.

Audit Objective 1: To evaluate the degree to which the 2006 audit recommendations from the Office of the Auditor General have been implemented and documented.

- a) Eligibility criteria for OWCC subsidies are documented and effective and participation agreements are up to date.
- b) Monthly receipts are received and verified by Subsidy Co-ordinators and subsidies suspended when receipts are not provided.
- c) Participation agreements and client status changes are communicated between the CSD and the EFA and subsidies are adjusted in a timely manner.
- d) Communications between the EFA Branch and the CSD with respect to OW client eligibility are effective.
- e) Child care provider authenticity is verified.

Audit Objective 2: To evaluate the effectiveness of the current internal control framework based upon any changes undertaken by the CSD and the EFA Branch since 2006.

- a) Appropriate segregation of duties is evident and documented in policies and procedures.
- b) Internal Control Policy Framework includes such controls as segregation of duties, mandatory vacations, rotation of duties and training. Policies are adhered to by all sections of CSD and EFA Branch.

Audit Objective 3: To assess the degree to which the Branch is in compliance with the Provincial directives including delivery standards and management of the child care funding.

- a) Policies are adapted in accordance with changes required by the Ministry of Community and Social Services and Ministry of Children's and Youth Services or other governing bodies prior to effective date of regulatory/standard changes.
- b) City processes for policy changes are designed to respond to unexpected legislative and standard changes.

- c) City has implemented the regulatory changes required by August 1, 2008 with respect to the implementation of the Ontario Child Benefit and Transition Child Benefits.

Audit Objective 4: To assess the extent to which the City has maximized its fee subsidies and related cost of administration based upon the outcome based performance measures.

- a) Budgets are maximized and reconciled in accordance with Provincial guidelines.

Audit Objective 5: To evaluate the extent to which the City ensures open, equitable and transparent access to the child care spaces across the City.

- a) Subsidized spaces are allocated based upon fair and equitable policies and procedures.
- b) Child care providers are provided adequate and fair access to City staff resources. Budget submission processes are consistent between providers and years of service.

Audit Objective 6: To evaluate the budget submissions and process for Day Care Service Providers to ensure equitable treatment between providers and overall accountability of the Branch.

- a) Budget submissions for child care agencies are consistent and benchmarks are utilized to establish individual budgets.

Audit Objective 7: To assess the appropriateness of the organizational structure of the CSD within the Parks and Recreation Branch.

- a) The current organizational structure provides efficient and effective administration and delivery of children's services across the City.

Audit Scope

The scope of this audit focused on compliance with legislative authorities and policies as well as financial management and controls. In particular, the audit assessed the degree to which CSD has addressed the issues raised in the 2006 audit and the effectiveness of any changes with respect to informal child care. As such, the audit concentrated on client files for fiscal years 2007 and 2008. With respect to the allocation of subsidized child care spaces and budgetary processes, the audit included a review of budgetary submissions to assess trends and to gain sufficient information to express an audit opinion. To this end, the audit assesses policies, procedures, the allocation of spaces, the demographic information of child care spaces and the waiting list.

Audit evidence was gathered within CSD, EFA, the Ministry of Children and Youth Services (the Ministry) and the Corporate Financial Support Unit. As well, interviews with child care agencies were undertaken to understand and assess the budgetary submission process as well as the allocation methodology for subsidized spaces.

Sufficient and relevant audit evidence was gathered and analyzed through various evidentiary techniques in order to express an opinion on compliance and financial management of the CSD operations with respect to subsidies.

Summary of Key Findings

1. Currently, the City of Ottawa is the only Ontario municipality that allocates fee subsidies to child care agencies rather than directly to clients. This methodology has resulted in an under-utilization of fee subsidies and an overly complex budgetary process. As well, due to the fact that the City allocates fee subsidies to agencies rather than the client, those most in need are not necessarily receiving subsidies. As income testing simply determines whether a person meets the test, once this is the case and the client has found a subsidized spot, they are eligible for subsidy. This means that a client may occupy a subsidized space and yet receive little subsidy. This prohibits those who require significant subsidies based upon lower income from obtaining a subsidized spot. CSD should explore the elimination of the allocation of fee subsidies to child care agencies in favour of a client based fee subsidy system.
2. The child care providers interviewed expressed general dissatisfaction with the centralized waitlist system which is currently operated by Andrew Fleck Child Care Services. Interviews conducted during the audit indicated that the child care agencies that have been mandated to utilize the system find it complicated and time consuming. The expectation of the waitlist provider is that the agencies update the list each month. This expectation is unrealistic as the agencies only review the list if they have a need. Agencies also indicated that they are in fact doing the City's job in many respects such as defining child care alternatives and advising clients with respect to the day's away policies. In most cases, City staff do not provide these services and the agencies feel they are put in a difficult situation.
3. The total number of licensed child care spaces within the City of Ottawa is approximately 19,300. The total number of children waiting on the centralized waitlist totals approximately 11,800. Based upon these statistics, it would seem that, in order to meet the demand for licensed child care, it would require the City to produce 61% more spots in order to fulfill the demand. However, it is important to note that the waitlist is deceiving in three ways: (1) clients can access the waitlist before the child has arrived; (2) the waitlist does not include those looking for informal child care; and, (3) the waitlist is not regularly

updated to remove those who have found a child care space and therefore the number does not accurately reflect families waiting.

4. Child care agencies also indicated that the waitlist prohibits the City from realizing full utilization of subsidies due to the fact that clients can put themselves on the list for several agencies, and yet, an agency would not know if the client has been offered an available child care space by another agency. Child care agencies regularly have vacant child care spaces while they wait for clients to return contact when a space becomes available. In many cases, the agencies do not receive return calls from clients, particularly in cases where the client has already secured a space with another agency. As such, the current waitlist does not accurately reflect true needs within the community.
5. The centralized waitlist has also been criticized for the fact that the contract was provided to one child care provider without a competitive process and creates an unfair competitive advantage to the provider. A competitive process would provide greater transparency and allow the City to ensure the waitlist is accurate and effective.
6. The City has also been criticized in its approach to subsidized spaces in that it is not prepared to handle non-traditional services such as 24/7 operations or sporadic subsidy requirements. Although many parents require service during non-traditional hours, the City (and the OCCMS system) does not provide easy support yet many day care providers are offering this increasingly requested service.
7. Overall, there has been only limited progress to address the issues and recommendations contained in the 2006 Audit of the OWCC subsidies. In particular, the requirement for monthly receipts for informal child care is sporadic and is not enforced in a systematic manner. Ongoing proof of participation in approved activities is also irregular. Documentation within client files is unorganized and inconsistent between files and Case Coordinators. There are still significant improvements required to ensure that OWCC subsidies are appropriately administered.
8. The 2006 OWCC audit recommendation with respect to child care provider authenticity also causes some concern. In the 2006 audit, it was stated that it was inappropriate to utilize the caregiver social insurance number to determine whether or not the caregiver was an Ontario Works client in the social services system. The recommendation indicated that CSD undertake other means to determine child care provider authenticity. On this recommendation, CSD has indicated that it is using 411 and reverse telephone directories as a way of verifying caregivers. However, there is little evidence that this is occurring or that this approach is effective.

9. There are poor documentation controls contained in the physical and electronic files, both for OWCC and regular fee subsidies. The implementation of the Ontario Child Care Management System (OCCMS) has resulted in an over reliance on the system to the detriment of documentation controls within the physical files. OCCMS, although relied upon, does not contain standard requirements for file contents and file reviews such as the application form and other signed documentation. Therefore, information captured in the system is not adequately supported by required documentation. In particular, receipts are not on file consistently.
10. The implementation of income testing in 2007 has significantly simplified the financial determination for subsidies. In particular, testing of income is now based upon the Notice of Assessment from the previous year and reviewed each year. Prior to this change, financial assessment was based upon need and required much more detailed review by the Subsidy Coordinator. Although income testing is easier, it has also meant that parental contributions for child care increased in many cases. As a result, in order to continue to receive subsidies, Subsidy Coordinators have counselled clients to contribute to RRSPs in order to reduce their income and increase their subsidies.
11. Policies and procedures are out of date or under review. Some of these policies have been in draft form for over three years. Other policies date back over 10 years and refer to the pre-amalgamation structure and old regulations, prior to income testing. Although the 2006 audit recommended detailed eligibility criteria for subsidies be documented, policies and procedures are in draft form only. Further, there is currently no policy and procedure structure in place creating confusion as to the most recent version.
12. The annual subsidy review and internal review policies are documented. However, the actual reviews undertaken are not. That is, there was little or no evidence that files had been reviewed by supervisors on a regular basis or based upon a workplan. The annual reviews to be completed by Case Coordinators are done sporadically based upon individual bring forward systems.
13. The budgetary process required for child care agencies to apply for fee and wage subsidies is extremely labour intensive and overly complicated. In addition, the lack of completeness and supporting documentation in the sample files raises concerns about the consistency of treatment between providers. Recently, the City withdrew funding from a particular child care provider due to concerns regarding proper documentation and the response from the child care provider. Although this decision may be valid, the City needs to ensure that a rigorous review of files is undertaken in all cases equally to ensure that it is not criticized for inconsistency in such decisions. The audit team did not find this consistency.

14. At the outset of this audit, CSD was part of the Parks and Recreation Branch. Audit Objective 7 was intended to examine the merits of this structure versus a closer alignment to EFA. In the organizational re-structuring announced in late 2008, CSD was re-assigned to the new Social Services portfolio, which includes EFA. The audit work performed regarding organizational structure issues supports the recent change and no further observations or recommendations are required.

Recommendations

Recommendation 1

That CSD ensure a regular system of policy review and update is in place.

Management Response

Management agrees with the recommendation.

Children's Services was formalizing a policy development, review and approval process during the audit. As part of the process initiated in May 2008, Children's Services will continue to update and prioritize the list of policies for review and development on an ongoing basis. With the recent realignment of Children's Services in the new Community and Social Services department, the current branch policy development and approval process will be reviewed to see how it can be coordinated within the new departmental structure. Children's Services is targeting Q3 2010 for the completion of the process review.

Recommendation 2

That CSD develop a policy manual that encompasses all policies in a consistent framework that is accessible by all staff (electronically and/or paper format).

Management Response

Management agrees with the recommendation.

Children's Services policies and procedures are currently accessible to Children's Services staff electronically from a shared drive area. In addition, Children's Services posts new policies and procedures as they are approved on the City's Intranet (Ozone) so that all branch front-line staff, departmental and interdepartmental stakeholders are provided with an efficient and accessible self-serve information access system. Children's Services is targeting Q2 2010 to complete the transfer of existing policies to Ozone.

Recommendation 3

That, once the policies have been revitalized, CSD undertake a training program for its workers to ensure consistent understanding of these policies.

Management Response

Management agrees with the recommendation.

Information and training is currently provided to all employees through team meetings and information sessions. With the recent realignment of the Children's Services branch in the new Community and Social Services department, the availability of the Business Support and Integration branch for training and policy specific support to Children's Services, will be determined and included in the branch work plan. Children's Services is targeting Q3 2010 for implementation of an ongoing training program to ensure consistent understanding of policies.

Recommendation 4

That CSD undertake a more structured approach with respect to reviewing of OWCC client files in order to ensure that eligibility is retained and reported.

Management Response

Management agrees with the recommendation.

This recommendation is consistent with a new approach under development since January 2009 to monitor OWCC client eligibility, collect supporting information, and hold payments when documentation and proof of requirements are outstanding. The processes include: a yearly meeting with all OWCC clients to confirm participation agreements, to complete and obtain documents; quarterly confirmation of client eligibility through telephone interviews; and monthly file reviews and controls for compliance of requirements. This practice introduced in January 2009 will be formalized in a policy targeted for completion in Q4 2009.

Recommendation 5

That CSD implement improved bring forward systems to provide reminders to Case Coordinators to follow up on specific areas such as income verification.

Management Response

This recommendation is consistent with the new approach under development outlined in Recommendation 4, which includes a follow-up mechanism. In order to ensure that files requiring follow-up are identified, OWCC staff has initiated a new monthly report identifying active OWCC cases with outstanding information.

The report tracks the status of the participation agreement for all active OWCC clients and any updates received with respect to a client's information, income, and Centralized Waiting List registration status. Social Service centre staff has begun reviewing the report on a quarterly basis and follow-up as required. Issues related to specific clients are discussed with OWCC case co-ordinators.

The Branch will formalize the use of this report in the policy for reviewing OWCC files targeted for completion in Q4 2009.

Recommendation 6

That CSD develop a standardized form that provides a step-by-step approach to determine the subsidy payable in adjustment cases.

Management Response

Management agrees with the recommendation.

The current documentation system used by OWCC provides the required information on more than one form. Children's Services will modify the existing "adjustment" form to consolidate all details of the initial payment and ongoing adjustments. The targeted implementation date for use of the modified form is Q4 2009.

Recommendation 7

That, if CSD's intention is to move away from paper files, the Client's File policy be revised to reflect the documentation requirements in the clients physical file and in electronic form (OCCMS).

Management Response

Management agrees with the recommendation.

OWCC, Municipal Home Child Care programs and Community Purchase of Service programs currently use physical files. The Purchase of Service program will explore a fully electronic process that would enable the City to conduct its business electronically eliminating poor quality faxed documents and mail-outs. Children's Services is targeting an implementation date of Q2 2010 for full migration to electronic filing for the Purchase of Service component. OWCC and Municipal Home Child Care programs will continue to use physical files as it is not feasible for all clients to have access to the required technology.

Children's Services will develop a policy on file content, to formalize the process currently documented in a memo, with a target timeframe of Q3 2010.

Recommendation 8

That CSD develop standards with respect to the utilization of OCCMS, including when OCCMS is used and the syntax to be used in case notes.

Management Response

Management agrees with the recommendation.

Children's Services will develop a policy on the utilisation of OCCMS, outlining circumstances requiring the use of OCCMS, verification standards and a glossary of terms to formalize the process currently documented in a memo.

Management will present the policy at a staff meeting. Implementation is targeted for Q1 2010.

Recommendation 9

That CSD formalize the policy regarding reviews of participation agreements in order to outline the expectations for clients.

Management Response

Management agrees with the recommendation.

Children's Services will finalize an internal policy outlining expectations for clients with respect to participation agreements. It will include an OWCC rights and responsibilities document that will be dated and signed annually by parents and OWCC Coordinator and placed on the physical file. Management will present this policy and document to staff at team meetings. Implementation is targeted by Q4 2009.

Recommendation 10

That CSD undertake increased diligence to ensure that monthly receipts be submitted, be date stamped and put on the required physical files.

Management Response

Management agrees with the recommendation

This recommendation is consistent with the new approach under development since January 2009, outlined in Recommendation 4, which includes processes to monitor OWCC client eligibility and the collection of supporting information. All files missing receipts will be forwarded to OWCC Pending Files and reviewed monthly. OWCC clients, whose file is pending verification, will be notified by telephone that payments will be withheld until receipts are submitted. A significant amount of receipts are received by fax and are, therefore, automatically date stamped. Other receipts will be manually date stamped by the verification specialist before being added to the physical file. Training will be provided at staff meetings. The process that will include a biannual file review is targeted for implementation in Q4 2009.

Recommendation 11

That CSD use OCCMS to identify inconsistencies with regard to receipts and follow-up being completed.

Management Response

Management agrees with the recommendation.

Children's Services will implement a process using the "custom reminder feature" of OCCMS to flag inconsistencies with regard to receipts to ensure that

the existing follow-up process is initiated. The process will require OWCC staff to print weekly "reminder reports" in order for the supervisor to verify that actions have been completed. Implementation is targeted for Q2 2010.

Recommendation 12

That CSD redesign the OWCC receipt to include the number of children and the number of hours they were cared for.

Management Response

Management agrees with the recommendation.

Children's Services will redesign the "OWCC receipt" form to include the number of children, the child's name and the number of hours of care they receive. Implementation of the new form is targeted for Q3 2009.

Recommendation 13

That EFA and CSD work to address changes in participation agreements and seek an increased automated approach to notification.

Management Response

Management agrees with the recommendation.

OWCC staff has begun generating a monthly report that identifies the status of the participation agreement for all active OWCC clients and updates to the client's information, income and Centralized Waiting List registration status in January. This report is provided to Social Services centre staff for review on a quarterly basis. Issues related to specific clients are discussed with OWCC case co-ordinators. In addition, the report is used internally to update client eligibility status. This practice has resulted in the closing of up to 50% of OWCC cases.

OWCC will identify the need for training new Social Services centre employees as to where to access OWCC information on SDMT and to understand the implications and the required follow-up. Implementation of the new Social Services staff training is targeted for Q2 2010.

Recommendation 14

That CSD ensure that any documentation received from EFA, including emails and SDMT profiles, form part of the OWCC files.

Management Response

Management Response

Management agrees with the recommendation.

Children's Services will add all documentation, including messages and SDMT profiles received from Social Services centre staff to the OWCC physical files on a go forward basis by Q3 2009.

Recommendation 15

That CSD ensure that OWCC Case Coordinators review files on a more regular basis, particularly in instances where attendance reports are not being filed by OWCC clients.

Management Response

Management agrees with the recommendation.

Consistent with recommendation 4, Children's Services' new approach to monitor OWCC client eligibility and to collect supporting information under development since January 2009, includes monthly file reviews to ensure receipt of proper documentation prior to releasing payments. Attendance report/activity schedules are required when care is provided outside regular schedules such as in the case of shift work. Confirmation of receipts is determined prior to OWCC funding being released or suspended. This practice introduced in January 2009 will be formalized in a policy targeted for completion in Q4 2009.

Recommendation 16

That CSD provide Case Coordinators with increased training to assist them in detection of potential issues with respect to authenticity of child care providers.

Management Response

Management agrees with the recommendation.

Children's Services will review the current mechanisms available to determine the authenticity of informal child care providers. A policy will be formalized based on the outcome of the review and staff training will be done through regular staff meetings. The implementation of this recommendation is targeted for Q3 2010.

Recommendation 17

That CSD supervisors perform a regular review of files on a sample basis, particularly with respect to informal child care and that these reviews be properly documented on file and within OCCMS.

Management Response

Management agrees with the recommendation.

Children's Services supervisors currently review a sample of files for each subsidy coordinator as part of the Performance Development Process but do not

record the results of the review in the client file. Children's Services is targeting Q2 2010 to develop an administrative policy that requires supervisors to record client file reviews in OCCMS and/or within the physical file.

Recommendation 18

That CSD ensure that documentation controls be improved to incorporate new forms that include a section for the Case Coordinator's name and signature in order to clearly show the responsible Case Coordinator; and appropriate documentation of any adjustments or changes.

Management Response

Management agrees with the recommendation.

Children's Services is revising all forms to include the name and signature of the case co-ordinator. Children's Services is targeting Q4 2009 to introduce the revised forms. Children's Services will also develop a documentation requirement policy targeted for completion in Q2 2010.

Recommendation 19

That CSD ensure that the policies regarding self-employment and special circumstances for OWCC subsidies be revised to include more rigorous requirements for documentation, particularly with respect to participation.

Management Response

Management agrees with the recommendation.

The provisions of the Ontario Works program have been set by the Ministry of Community and Social Services. Participation agreements are determined between the client and Social Services centre staff. OWCC relies on an active participation agreement to determine client eligibility. OWCC will continue to ensure that a copy of the active participation agreement is present on the physical file.

The Child Care Subsidy program is revising its policy on self-employment including special circumstances and is targeting completion in Q4 2009.

Recommendation 20

That CSD undertake a review of its appeal process to ensure appropriate segregation of duties and to provide the appearance of fairness and transparency.

Management Response

Management agrees with the recommendation.

Children's Services have reviewed the appeal process to ensure transparency, and will have a supervisor from a different team review files in cases of an

appeal. This practice will be effective June 2009 and will be included in the revised appeal policy targeted for completion by Q3 2009.

Recommendation 21

That CSD implement a system of rotation of files to different Case Coordinators.

Management Response

Management agrees with the recommendation.

Management agrees that different staff members should manage active files and has an informal system of rotation. In the case of subsidy co-ordinators, a rotation of files currently occurs at the time the reapplication appointments are set as these are scheduled to the first available subsidy co-ordinator. This, combined with the policies regarding vacations and carryover, in that staff must take their annual vacations do provide adequate controls. With respect to OWCC, both case co-ordinators manage all of the files thereby ensuring adequate controls.

Recommendation 22

That CSD undertake a rigorous approach to policy changes and that the policy review plan be executed in order to reflect recent changes to legislation.

Management Response

Management agrees with the recommendation.

Consistent with recommendation 1, Children's Services was formalizing a policy development, review and approval process at the time of the audit. As part of this process initiated in May 2008, Children's Services will continue to update and prioritize the list of policies for review and development on an ongoing basis. With the recent realignment of Children's Services in the new Community and Social Services department, the current branch policy development and approval process will be reviewed to see how it can be coordinated within the new departmental structure. Children's Services is targeting Q3 2010 for the completion of the process review.

Recommendation 23

That CSD explore the elimination of the allocation of fee subsidies to child care agencies in favour of a client based fee subsidy system.

Management Response

Management agrees with this recommendation.

In April 2009, City Council approved the Child Care Fee Subsidy Stabilization Plan - Phase 1 (ref. ACS2009-COS-SOC-0003). Among other issues, the Plan examined the benefits and drawbacks of each allocation system and ultimately

recommended implementing a fee subsidy stabilization plan using the current Council approved system of fee subsidy distribution in Ottawa. The Plan also proposes the introduction of portable spaces as part of Phase 2 of the fee subsidy stabilization plan to add flexibility and responsiveness in the current system. Consideration will be given to directing retrieved funds not used for the indexation of rates and any future funding for subsidized child care towards client based portable spaces. Phase 2 is targeted for completion in Q1 2010 with a report to Committee and Council. That report will include a comparison and assessment of different municipal subsidy systems (i.e., parent-based versus provider-based) and take into consideration the impact of the recent announcement respecting full day early learning and care for 4 and 5 year olds.

Recommendation 24

That CSD undertake an updated demographic analysis of the child care requirements.

Management Response

Management agrees with this recommendation.

Children's Services is presently conducting a demographic analysis using the 2006 Statistics Canada census information. Children's Services is also revising the methodology to be used to analyze the Francophone demographic using the same statistical information. Phase 2 of the Child Care Fee Subsidy Stabilization Plan calls for this analysis to be completed every five years to coincide with the release of new Statistics Canada data. Phase 2 is targeted for completion in Q1 2010 with an information report to Committee and Council.

Recommendation 25

That CSD ensure that the analysis of subsidized spaces include francophone and anglophone demographics on a regular basis.

Management Response

Management agrees with this recommendation.

Children's Services has been reviewing Francophone and Anglophone funding distribution on an annual basis since 2005 in order to meet Council's direction with respect to the Francophone Catch-up Plan. As mentioned in the response for recommendation 24, Phase 2 of the stabilization plan calls for a demographic analysis to be completed every five years to coincide with the release of new Statistics Canada data. Phase 2 is targeted for completion in Q1 2010 with an information report to Committee and Council.

Recommendation 26

That CSD undertake a review of the agencies providing bilingual services to determine if these agencies are providing adequate francophone services.

Management Response

Management agrees with this recommendation.

Children's Services had identified in its workplan the need to develop a criteria-based designation mechanism to recognize the provision of quality Francophone child care programs. The designation process currently being developed in consultation with the child care community will include a review of child care programs using established criteria. The new process is targeted for implementation in Q4 2009.

Recommendation 27

That, should the current approach to subsidy allocation be retained, CSD review the budgetary processes to reduce the burden on the child care agencies and streamline the process to reduce the timeframe for approval and that final approved copies of budgets be placed on the agency files.

Management Response

Management agrees with this recommendation.

For the 2009 Purchase of Service budget process, Children's Services has developed a more efficient and streamlined process. The new process documents decision-making and funding adjustments. The required supporting documentation is analysed and correlated to the budget approval process.

As part of the City Council approved Child Care Fee Subsidy Stabilization Plan - Phase 1 and new Fee Subsidy Management Policy, Council approved the staff recommendation for the development of the Child Care Service Provision Price Index (CCSPPI). The price index identifies changes in costs that affected the provision of child care services in Ottawa over the previous twelve months and will determine the annual Purchase of Service rate increase beginning with the 2010 budget process. The CCSPPI increase for 2010 will be announced in September 2009.

As the amount of each agency's increase to operating expenses is now pre-calculated using the CCSPPI, the budget process will require that the agency identify the expense distribution of any new funding. Agencies will have the option to accept the indexed per diem rate(s) calculated automatically or submit revised daily rates that respect the total amount of approved expenses. The 2009 User Guidelines have been updated to reflect the new budget approval process.

This updated budget process will allow Children's Services to finalize the 2010 budget process by Q4 2009, apply new per diem rates beginning January 2010

and ensure final approved copies of budgets are placed on the agency physical and electronic files. Child care agencies can now plan budgets in a predictable environment knowing that the City will provide annual rate increases to be paid at the start of each year.

Recommendation 28

That CSD supervisors take a more rigorous approach to quality assurance and review of budget files to ensure consistency of application and treatment of child care providers.

Management Response

Management agrees with this recommendation.

Children's Services is currently developing a framework for Purchase of Service funding initiatives and budget file reviews that will include quality controls mechanisms, procedures and tools to ensure consistency. Completion is targeted for Q4 2009.

Conclusion

The City of Ottawa continues to strive to administer child care subsidies effectively, nevertheless there is room for improvement. With the implementation of the recommendations presented herein, the audit team believes that the City will be well on its way to better utilizing essential subsidy funds.

That being said, in our opinion, the current approach of fee subsidy allocation to the child care agencies rather than to families is not necessarily providing the best service for Ottawa citizens. The City should consider restructuring the way in which it allocates fee subsidies to follow the client rather than the child care provider. All other Ontario jurisdictions follow this approach. This will allow for a redirection of funds away from administering these fee subsidy agreements to providing direct fee subsidies to clients. A policy review also will assist the City in improving documentary controls to ensure that those most in need receive the limited fee subsidies.

It is recommended that the City review the effectiveness of the current centralized waitlist system. A competitive procurement process should be considered to assess options for providing this important service to City parents.

Child care provider files are currently not kept up to date and all required documentation was not on file. The recent decision to eliminate subsidies from one particular child care provider for lack of proper documentation seems to be inconsistent with the approach taken with other providers given that many of the child care provider files were incomplete and lacked supporting documentation. Consequently, CSD should ensure that it develops policies that provide more

detailed direction to Child Care Specialists. These practices should be monitored and tested on regular basis by supervisors.

With respect to the recommendations contained in the 2006 Audit of the OWCC subsidies, CSD have made only limited improvements in the requirement for receipts from child care providers or policy reform. CSD need to continue to improve these processes and ensure that ongoing reviews of files are undertaken. Supervisors need to take on a greater role in regularly monitoring child care files.

Finally, the City has taken a different approach to providing child care services than seen in other municipalities. Although there is some merit to this approach, it has created challenges in administering the programs and there are valid concerns from those contacted during the audit. These concerns should be analyzed in the context of delivering the best value for tax dollars while fulfilling the policy objectives of the City.

Acknowledgement

We wish to express appreciation to the staff and management of the CSD; the EFA, the various child care agencies that were interviewed; the waitlist provider (Andrew Fleck Children's Services), the Ministry of Children and Youth Services and the Financial Support Unit (FSU), for their cooperation and assistance throughout the audit process.

RÉSUMÉ

Introduction

La vérification de la Division des services à l'enfance était incluse dans le plan de vérification 2008 présenté par le vérificateur général au Conseil municipal en mai 2007.

Contexte

Au moment de la vérification, la Division des services à l'enfance (DSE) faisait partie de la Direction des parcs et loisirs (la Direction). La DSE administre le programme de garde d'enfants à la Ville d'Ottawa. Le mandat de la DSE est de veiller à ce que des services de garde abordables et de qualité soient disponibles pour les résidents de la ville d'Ottawa. La DSE travaille en collaboration avec le milieu des services de garde sur les questions touchant l'élaboration de politiques, afin d'assurer la qualité et la sécurité des services disponibles et de planifier la mise en place de services efficaces à l'avenir.

Le tableau ci-dessous résume les budgets et les dépenses réelles de la DSE pour 2006-2008.

	2006		2007		2008	
	Budget	Réel	Budget	Réel	Budget	Réel
SUBVENTIONS DE FRAIS DE GARDE	51 726 840 \$	52 436 889 \$	52 157 062 \$	51 423 836 \$	53 076 564 \$	51 077 542 \$
ADMINISTRATION DES SERVICES DE GARDE	3 090 943 \$	2 978 298 \$	2 969 428 \$	3 045 567 \$	3 061 759 \$	3 273 276 \$
SUBVENTION POUR SERVICES DE GARDE/ONTARIO AU TRAVAIL	4 370 844 \$	4 274 473 \$	4 338 111 \$	4 243 064 \$	4 399 585 \$	4 478 274 \$
SUBVENTION POUR SERVICES DE GARDE, BESOINS SPÉCIAUX ET PETITE ENFANCE	20 550 872 \$	20 771 623 \$	20 925 867 \$	19 901 053 \$	20 549 180 \$	20 615 652 \$
MEILLEUR DÉPART	6 557 132 \$	3 920 861 \$	7 614 389 \$	9 898 065 \$	10 581 232 \$	10 812 022 \$
PETITS RÉSEAUX D'ALIMENTATION EN EAU DES SG	0 \$	99 515 \$	0 \$	70 730 \$	70 730 \$	70 730 \$
TOTAL	86 296 631 \$	84 481 659 \$	88 004 857 \$	88 582 315 \$	91 739 050 \$	90 327 496 \$

Le rôle de la DSE comprend la gestion des programmes de subventions et le versement de soutien financier aux agences communautaires de service de garde. Même si les municipalités disposent d'une grande marge de manœuvre quant à la façon de mettre en œuvre les divers programmes, l'ensemble des normes et des règlements est précisé par la province en vue d'assurer la reddition de comptes, la transparence et l'équité dans la répartition des subventions aux services de garde et des places disponibles, tout en assurant une gestion rigoureuse de ces ressources. Le ministère des Services à l'enfance et à la jeunesse approuve les places accréditées conformément à la *Loi sur les garderies*.

Les programmes de services de garde se classent dans deux grandes catégories : les services accrédités et les programmes de services non accrédités. Le programme de subventions pour frais de garde permet aux parents qui y sont admissibles de bénéficier d'une subvention ou d'aide financière pour les services de garde accrédités. Grâce au financement offert par Ontario au travail, les clients des services de garde d'enfants d'Ontario au travail sont admissibles à la fois à des places dans les services de garde accrédités (non subventionnés) et au versement d'une aide financière pour des services de garde d'enfants formels ou informels. Pour être admissibles à une subvention, les parents doivent participer à des activités approuvées d'aide à l'emploi, à moins que le parent ou l'enfant aient des besoins spéciaux ou que l'enfant ait un besoin social.

À la Ville d'Ottawa, l'aide financière pour les services de garde informels n'est consentie qu'aux clients d'Ontario au travail. Le financement des services de garde d'enfants d'Ontario au travail est administré par la DSE, alors que la gestion de l'aide financière d'Ontario au travail est assurée par la Direction des Services d'emploi et d'aide financière. Les clients doivent remplir une demande pour pouvoir bénéficier de services de garde subventionnés. Une évaluation de l'état des revenus et l'établissement des critères sociaux sont par la suite utilisés en vue de déterminer l'admissibilité du client ayant soumis une demande. Puisque les clients des services de garde d'Ontario au travail ont souvent besoin de services de garde rapidement, les soirs, la nuit ou les fins de semaine, la Ville, par l'intermédiaire du financement informel des services de garde d'enfants d'Ontario au travail, versera une aide financière pour les cas où les parents ont recours à un service de garde informel ou aura recours au Programme de garderies municipales à domicile. Toutefois, la politique de la Ville appuie la promotion de services de garde accrédités. Lorsque le nombre de places le permet, les services de garde officiels subventionnés sont offerts et assurés par une agence de service de garde accréditée. Les principales différences entre ces trois options sont les suivantes :

1. Service de garde informel. Dans ce cas, il y a échange de services entre deux citoyens, à titre privé. Le client reçoit une aide financière d'Ontario au travail, qui correspond au remboursement des frais de garde d'enfants déjà acquittés. Il doit soumettre ses reçus à la Ville, à titre de preuve que des sommes ont bien été versées.
2. Programme de garderies municipales à domicile. Ici, la Ville assure directement des services de garde d'enfants à domicile, selon le besoin et, pour ce faire, demande à l'occasion la collaboration d'autres agences de garde d'enfants accréditées ou conclut des ententes avec des responsables de garde à domicile d'un peu partout dans la ville. Ces responsables sont payés directement par la Ville grâce au financement officiel versé par Ontario au travail.

3. Le Programme de subventions pour frais de garde offre des subventions ou de l'aide financière pour les places accréditées en vertu la *Loi sur les garderies*. Lorsqu'une place est disponible, les vérifications d'usage concernant le revenu du client sont effectuées, puis la subvention est versée directement à la garderie ou au service de garde à domicile si le client y est admissible.

Dans le cadre des subventions pour frais de garde, on accorde une aide financière limitée aux familles vivant à Ottawa et dans lesquelles les deux parents travaillent, sont en recherche d'emploi ou aux études, et répondent à certaines exigences sur le plan financier. Selon les directives en matière de subventions stipulées par le ministère des Services à l'enfance et à la jeunesse, aucune famille ne débourse plus que la totalité des coûts des services de garde pour tous les enfants. Ainsi, si le revenu annuel rajusté d'une famille est de 75 000 \$, la famille sera admissible à une subvention si les frais de garde pour la journée s'élèvent à plus de 48 \$. Le tableau ci-dessous fait état des frais quotidiens à déboursier par les parents, en fonction de leur revenu.

Revenu annuel rajusté	Tarif quotidien pour les parents
5 000 \$ à 20 000 \$	0,00 \$
25 000 \$	1,92 \$
30 000 \$	3,83 \$
35 000 \$	5,75 \$
40 000 \$	7,66 \$
46 000 \$	13,41 \$
50 000 \$	19,16 \$
55 000 \$	24,90 \$
60 000 \$	30,65 \$
65 000 \$	36,40 \$
70 000 \$	42,15 \$
75 000 \$	47,89 \$
80 000 \$	53,64 \$
85 000 \$	59,39 \$
90 000 \$	65,13 \$
95 000 \$	70,88 \$
100 000 \$	76,63 \$

Les coordonnateurs des subventions sont chargés d'établir le revenu des parents et les autres coûts défrayés par les parents conformément aux critères exposés dans le *Règlement de l'Ontario 262*.

On trouve environ 19 300 places dans des garderies accréditées à Ottawa. La DSE offre une aide financière à plus de 200 services de garde, dans le cadre d'un programme pour les services de garde formels, et plus de 7 200 places subventionnées. La liste d'attente de la Ville regroupe 3 700 clients en attente d'une

place subventionnée. Le rapport de vérification complet dresse un tableau complet de la situation des programmes de services de garde d'enfants subventionnés en Ontario.

En 2006, la Ville a reçu un rapport par l'entremise de sa Ligne directe de fraude et d'abus en alléguant que la majorité des subventions versées par Ontario au travail pour des services de garde informels étaient perçues de manière frauduleuse et que le personnel était au courant de cette fraude. Aucune preuve d'une telle fraude n'a été découverte lors de la vérification menée par le Bureau du vérificateur général à la suite de ce rapport à la Ligne directe. Les recommandations qui ont suivi la vérification réalisée en 2006 portaient avant tout sur la communication entre la DSE et la Direction des services d'emploi et d'aide financière, la documentation, les contrôles internes et les processus. Plus récemment, certaines questions ont été soulevées par des représentants des fournisseurs de services de garde d'enfants concernant la répartition des places en garderie dans l'ensemble de la ville et le processus de soumission budgétaire utilisé par la Ville pour établir le montant des subventions annuelles. La présente vérification comporte des observations et des recommandations sur ces questions.

Objectifs de la vérification

La vérification a été entreprise en vue d'obtenir une opinion professionnelle sur l'ensemble de l'administration des subventions pour la garde d'enfants dans le cadre du plan de vérification global du vérificateur général. La vérification vise à obtenir une opinion sur la transparence et l'équité dans l'établissement des subventions pour la garde d'enfants, et sur la conformité aux lois et politiques à cet effet. Elle permet, en outre, de déterminer à quel point la DSE a élaboré et mis en œuvre des exigences améliorées en matière de politiques, de procédures et de documentation, à la suite des recommandations formulées lors de la vérification de 2006 du vérificateur général concernant les subventions des services de garde d'enfants d'Ontario au travail. La vérification a pour but d'évaluer l'équité et la transparence de la répartition des places subventionnées.

Objectif de vérification 1 : Évaluer à quel point les recommandations de la vérification de 2006 du Bureau du vérificateur général ont été mises en œuvre et documentées.

- a) Les critères d'admissibilité aux subventions des services de garde d'enfants d'Ontario au travail sont documentés et efficaces; les ententes de participation sont à jour.
- b) Les reçus mensuels sont bien acheminés et vérifiés par les coordonnateurs des subventions, et les subventions sont suspendues lorsque des reçus ne sont pas produits comme il se doit.

- c) Les ententes de participation et les changements au statut des clients sont transmis entre la DSE et à la Direction des services d'emploi et d'aide financière; les subventions sont rajustées en temps opportun.
- d) Les communications entre la Direction des services d'emploi et d'aide financière et la DSE concernant l'admissibilité des clients d'Ontario au travail sont efficaces.
- e) L'authenticité des fournisseurs de services de garde d'enfants est vérifiée.

Objectif de vérification 2 : Évaluer l'efficacité du cadre de contrôle interne actuel en fonction de tout changement apporté par la DSE et la Direction des services d'emploi et d'aide financière depuis 2006.

- a) Une séparation des tâches appropriée est évidente, et elle est documentée dans les politiques et procédures.
- b) Le cadre des politiques de contrôle interne comprend des mesures de contrôle telles que la séparation des tâches, les vacances obligatoires, la rotation des tâches et la formation. Toutes les sections de la DSE et de la Direction des services d'emploi et d'aide financière se conforment aux politiques.

Objectif de vérification 3 : Évaluer à quel point la Direction se conforme aux directives provinciales sur les normes de prestation et sur la gestion du financement des services de garde d'enfants.

- a) Les politiques sont adaptées en fonction des changements exigés par le ministère des Services sociaux et communautaires et par le ministère des Services à l'enfance et à la jeunesse ou par d'autres instances dirigeantes avant la date d'entrée en vigueur des changements apportés à la réglementation ou aux normes.
- b) Les processus de la Ville en matière de modification des politiques sont conçus pour répondre aux changements inattendus des normes ou des règlements.
- c) La Ville a mis en place les changements réglementaires exigés pour le 1^{er} août 2008, concernant la mise en œuvre de la Prestation ontarienne pour enfants (POE) et de la Prestation transitoire pour enfants.

Objectif de vérification 4 : Évaluer à quel point la Ville a maximisé ses subventions pour frais de garde et les coûts d'administration qui s'y rattachent en fonction de mesures de rendement fondées sur les résultats.

- a) Les budgets sont maximisés et rapprochés conformément aux directives provinciales.

Objectif de vérification 5 : Évaluer à quel point la Ville assure un accès transparent, ouvert et équitable aux places en service de garde de la ville.

- a) Les places de garde subventionnées sont réparties suivant des politiques et procédures justes et équitables.
- b) Les fournisseurs de services de garde d'enfants disposent d'un accès juste, équitable et adéquat au personnel ressource de la Ville. Les processus de soumission des budgets sont harmonisés entre fournisseurs et années de service.

Objectif de vérification 6 : Évaluer les soumissions budgétaires et le processus pour les fournisseurs de services de garde d'enfants, afin d'assurer le traitement équitable des fournisseurs et le respect de l'obligation de rendre compte de la Direction.

- a) La soumission budgétaire pour les services de garde est cohérente et des modèles de référence sont utilisés pour établir les budgets individuels.

Objectif de vérification 7 : Évaluer si la structure organisationnelle de la DSE est adéquate au sein de la Direction des parcs et loisirs.

- a) La structure organisationnelle actuelle assure une administration efficace et rentable et la prestation de services à l'enfance dans toute la Ville.

Portée de la vérification

Cette vérification se concentre sur la conformité aux autorisations législatives et aux politiques, à la gestion et aux contrôles financiers. Elle évalue particulièrement à quel point la DSE a pris en compte les questions soulevées lors de la vérification de 2006 et se penche sur l'efficacité de tout changement en matière de services informels de garde d'enfants. À ce titre, la vérification a examiné les dossiers de clients pour les exercices 2007 et 2008. Pour ce qui est de la répartition des places en service de garde subventionné et des processus budgétaires, la vérification comprenait un examen des soumissions budgétaires dans le but d'évaluer les tendances et de recueillir suffisamment de renseignements pour exprimer une opinion de vérification. À cette fin, la vérification s'est aussi penchée sur les politiques, les procédures, la répartition des places, sur les renseignements démographiques liés aux places en service de garde d'enfants et sur la liste d'attente.

Les éléments probants ont été recueillis au sein de la DSE, de la Direction des services d'emploi et d'aide financière, du ministère des Services à l'enfance et à la jeunesse (le ministère) et de l'Unité du soutien financier. Des entrevues ont aussi été réalisées auprès des agences de services de garde afin de comprendre et d'évaluer le

processus de soumission budgétaire et la méthodologie de répartition des places subventionnées.

Des éléments probants suffisants et pertinents ont été recueillis puis analysés à l'aide de diverses techniques de preuve, en vue d'exprimer une opinion quant à la conformité et à la gestion financière des activités de la DSE en matière de subventions.

Résumé des principales constatations

1. Présentement, la Ville d'Ottawa est la seule municipalité en Ontario à allouer des subventions de frais de garde aux agences de garde d'enfants, au lieu de les offrir directement aux clients. Cette façon de faire a donné lieu à une sous-utilisation des subventions de frais de garde et à un processus budgétaire beaucoup trop complexe. De même, parce que la Ville alloue des subventions de frais de garde aux agences au lieu de les allouer aux clients, les familles qui en ont le plus besoin ne reçoivent pas nécessairement de subventions. Puisqu'une évaluation des revenus permet seulement de déterminer si la personne répond aux critères, une fois les critères confirmés et que la personne a déniché une place subventionnée, elle est admissible à recevoir la subvention. Ainsi, un client peut occuper une place subventionnée tout en ne recevant qu'une petite subvention, alors que les personnes à faible revenu ayant besoin d'une subvention importante ne peuvent obtenir une place subventionnée. La DSE devrait envisager l'élimination de l'attribution des subventions de frais de garde aux agences de garde d'enfants et privilégier un mécanisme de subventions versées directement aux clients.
2. Les fournisseurs de services de garde d'enfants interviewés se sont généralement déclarés insatisfaits du système de liste d'attente centralisé présentement administré par les Services à l'enfance Andrew Fleck. Les entrevues réalisées au cours de la vérification ont révélé que les agences de garde d'enfants, qui doivent obligatoirement utiliser le système actuel, le jugeaient compliqué et estimaient qu'il nécessite beaucoup trop de temps. Le fournisseur de la liste d'attente s'attend à ce que les agences mettent leur liste à jour chaque mois. Cette attente est irréaliste, puisque les agences ne revoient leur liste qu'au besoin. Les agences ont également indiqué qu'elles effectuent, en fait, le travail de la Ville à plusieurs titres, notamment en proposant des solutions de rechange pour la garde d'enfants et en conseillant les clients à propos de la politique du nombre de jours d'absence. La plupart du temps, le personnel de la Ville n'assure pas ces services et les agences jugent que cela les place dans une situation difficile.
3. Le nombre total de places en service de garde accrédité dans la Ville d'Ottawa est présentement d'environ 19 300, et le nombre d'enfants sur la liste d'attente centralisée est d'environ 11 800. Selon ces statistiques, il semblerait que, pour

suffire à la demande de services de garde accrédités, la Ville doit créer 61 % plus de places de garde. Toutefois, il est important de noter que le concept de la liste d'attente est trompeur de trois façons : (1) les clients peuvent accéder à la liste d'attente avant même que l'enfant soit né; (2) la liste d'attente n'inclut pas les personnes à la recherche d'un service de garde informel, et (3) cette liste n'est pas régulièrement mise à jour afin d'en retirer les personnes ayant trouvé une place, ce qui fait qu'elle n'est pas représentative du nombre de familles en attente.

4. Les agences de garde d'enfants ont également fait savoir que la liste d'attente empêche la Ville d'utiliser au maximum les subventions, parce que les clients peuvent mettre leur nom sur la liste de plusieurs agences et que, malgré cela, une agence ne pourra pas savoir si le client s'est fait offrir une place par une autre agence. Les agences de garde d'enfants ont régulièrement des places vacantes, parce que des clients ne donnent pas suite à leur appel lorsqu'une place se libère. Dans bien des cas, le client ne rappelle pas l'agence, particulièrement lorsqu'il a déjà trouvé une place avec une autre agence. Par conséquent, la liste d'attente actuelle ne reflète pas les besoins réels de la communauté.
5. La liste d'attente centralisée a également fait l'objet de critiques, sa gestion ayant été confiée à un fournisseur de services de garde d'enfants sans passer par un processus concurrentiel, ce qui donne un avantage concurrentiel injuste à ce fournisseur. Un processus concurrentiel assurerait plus de transparence et permettrait à la Ville de veiller à ce que la liste d'attente soit efficace et précise.
6. La Ville a également été critiquée pour son approche en matière de places subventionnées, parce qu'elle n'est pas prête à prendre en charge les demandes de services non traditionnels tels que des services de garde tous les jours, 24 heures sur 24, et qu'elle n'a pas non plus de critères pour des subventions sporadiques. Bien que de nombreux parents aient besoin de services en dehors des heures normales, la Ville (et le Système de gestion des services de garde d'enfants de l'Ontario) n'offre pas beaucoup d'aide à ce chapitre, même si plusieurs fournisseurs de services de garde offrent ce service de plus en plus en demande.
7. Dans l'ensemble, on a fait peu de progrès pour résoudre les problèmes et aborder les recommandations formulées dans la vérification de 2006 des subventions des services de garde d'enfants d'Ontario au travail. Plus particulièrement, en ce qui a trait à l'obligation de produire des reçus mensuels dans les cas de services de garde informels : de tels reçus sont produits de façon sporadique et aucune mesure systématique ne vient faire en sorte que cette mesure soit respectée. La production de preuves continues de participation à des activités se fait elle aussi de façon irrégulière. Les documents dans les dossiers des clients sont désorganisés et souvent différents d'un dossier et d'un

coordonnateur de cas à un autre. Des améliorations considérables sont encore nécessaires pour que les subventions aux services de garde d'enfants d'Ontario au travail soient adéquatement administrées.

8. La recommandation de 2006, à la suite de la vérification des services de garde d'enfants d'Ontario au travail concernant l'authenticité des fournisseurs de services de garde d'enfants, pose également problème. Dans la vérification de 2006, on indique qu'il est inapproprié d'utiliser le numéro d'assurance sociale de la personne chargée d'assurer les soins de l'enfant pour vérifier si elle est ou non un client d'Ontario au travail dans le réseau des services sociaux. La recommandation précise que la DSE devrait avoir recours à d'autres moyens pour vérifier l'authenticité d'un fournisseur. Concernant cette recommandation, la DSE a fait savoir qu'elle avait recours au 411 et à des annuaires permettant une recherche à partir du numéro de téléphone pour effectuer ces vérifications. Toutefois, il y a peu de preuves que les vérifications sont bien effectuées de cette façon ou que cette approche est efficace.
9. On constate que l'on exerce un piètre contrôle sur la documentation contenue dans les dossiers imprimés ou électroniques, tant du côté des services de garde d'enfants d'Ontario au travail, que des subventions de frais de garde régulières. La mise en place du Système de gestion des services de garde d'enfants de l'Ontario (SGSGEO) a fait en sorte que l'on a trop tendance à se fier au système, au détriment d'un véritable contrôle de la documentation dans les dossiers sur place. Même si l'on se fie au SGSGEO, il ne répond pas aux exigences de base relatives au contenu des dossiers et à leur examen comme, par exemple, la présence du formulaire de demande et d'autres documents signés. Par conséquent, l'information saisie dans le système n'est pas appuyée par les documents requis, tout particulièrement dans le cas des reçus, qui ne sont pas toujours portés au dossier.
10. En 2007, l'instauration d'une méthode pour la vérification des revenus a beaucoup simplifié l'établissement du droit aux subventions en fonction de la situation financière. Ces vérifications reposent, en particulier, sur l'avis d'évaluation de l'année précédente et sont revues chaque année. Avant ces changements, l'évaluation de la situation financière se faisait au besoin, et nécessitait une analyse beaucoup plus détaillée par le coordonnateur des subventions. Même si la vérification des revenus s'effectuent plus facilement, cela veut aussi dire que le montant de contribution des parents pour les services de garde a augmenté dans bien des cas. Par conséquent, pour qu'ils continuent de recevoir des subventions, certains coordonnateurs ont donc conseillé à des clients d'investir dans un REÉR afin de réduire leurs revenus et ainsi d'augmenter leurs subventions.
11. Les politiques et procédures sont désuètes ou en cours de révision. Certaines de ces politiques sont sous forme d'ébauche depuis plus de trois ans. D'autres

politiques datent de plus de 10 ans et font référence à la structure et aux vieux règlements antérieurs à la fusion et à la vérification des revenus. Même si la vérification de 2006 recommandait que des critères détaillés d'admissibilité aux subventions soient consignés, les politiques et procédures demeurent, pour le moment, en forme ébauche seulement. De plus, il n'y a actuellement aucune structure de politiques et de procédures en place, ce qui sème la confusion quant à la version la plus récente.

12. Les politiques concernant l'examen annuel des subventions et la révision interne sont documentées. Toutefois, les examens qui ont effectivement lieu ne le sont pas. Bref, il existe peu ou pas de preuves que les dossiers sont vérifiés par des superviseurs de façon régulière, ou en fonction d'un plan de travail précis. Les examens annuels que doivent réaliser les coordonnateurs de cas se font de manière sporadique, en fonction de mécanismes de rappel individuel.
13. Le processus budgétaire exigé des agences de garde d'enfants dans le cadre de demandes pour des subventions de frais de garde ou de salaires exige énormément de travail et s'avère excessivement compliqué. De plus, le manque de documents à l'appui des demandes et les dossiers incomplets de l'échantillon de dossiers revu permettent de douter que les fournisseurs sont traités de façon égale. Récemment, la Ville a retiré son financement à un fournisseur de services de garde d'enfants en raison de problèmes relatifs aux documents de son dossier et de la réponse que ce fournisseur a donnée par la suite. Même si cette décision peut être appropriée, la Ville doit s'assurer qu'un examen rigoureux des dossiers est entrepris et se fait de manière équitable pour tous, afin d'éviter qu'elle ne soit critiquée pour son incohérence lors de telles décisions. L'équipe de vérification n'a pas trouvé de signes de cohérence.
14. Au début de la vérification, la DSE faisait partie de la Direction des parcs et loisirs. L'objectif de la vérification 7 consistait à vérifier les avantages de cette structure comparativement à un rapprochement avec la Direction des services d'emploi et d'aide financière. Dans la restructuration organisationnelle annoncée à la fin de 2008, la DSE a été réaffectée au nouveau portefeuille des Services sociaux, qui inclut la Direction des services d'emploi et d'aide financière. Le travail de vérification réalisé concernant les questions de structure organisationnelle appuie ce récent changement et aucune autre observation ou recommandation n'est requise.

Recommandations

Recommandation 1

Que la DSE s'assure qu'un système régulier d'examen des politiques et de mises à jour est en place.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Au moment de la vérification, les Services à l'enfance travaillaient à officialiser un processus d'élaboration, d'examen et d'approbation des politiques. Dans le cadre de la démarche amorcée en mai 2008, les Services à l'enfance continueront de mettre à jour et d'accorder la priorité à la liste de politiques à examiner ou à élaborer de façon continue. Avec le réalignement récent des Services à l'enfance dans les nouveaux Services sociaux et communautaires de la Ville, les processus actuels d'élaboration et d'approbation des politiques de cette direction seront examinés afin de déterminer comment ils pourront être coordonnés à l'intérieur de la nouvelle structure de ce service. Les Services à l'enfance prévoient terminer le processus d'examen au cours du troisième trimestre de 2010.

Recommandation 2

Que la DSE élabore un guide des politiques englobant toutes les politiques dans une structure logique et accessible à tout le personnel (qu'il soit en format électronique ou imprimé).

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les politiques et procédures des Services à l'enfance sont présentement accessibles au personnel du service par voie électronique, sur un disque partagé. De plus, dès qu'elles sont approuvées, les nouvelles politiques et procédures sont affichées sur le réseau intranet de la Ville (Ozone) par les Services à l'enfance, afin que tout le personnel de première ligne de la direction et les intervenants du service et interservices puissent bénéficier d'un service d'accès à l'information aussi efficace que possible. Les Services à l'enfance projettent de terminer le transfert des politiques existantes vers Ozone d'ici le deuxième trimestre de 2010.

Recommandation 3

Une fois que les politiques auront été remises à jour, que la DSE mette en place un programme de formation pour ses employés, afin que tous saisissent bien la nature de ces nouvelles politiques.

Réponse de la direction

La direction est d'accord avec cette recommandation.

L'information et la formation sont présentement offertes à tous les employés dans le cadre de rencontres d'équipe et de séances d'information. Avec le réalignement récent des Services à l'enfance dans les Services sociaux et communautaires de la Ville, la disponibilité de la Direction du soutien opérationnel et de l'intégration pour offrir de la formation et du soutien aux politiques propres aux Services à l'enfance sera établie, puis incluse dans le plan

de travail de la direction. Les Services à l'enfance prévoient qu'un programme de formation continue pour bien saisir la nature des politiques sera en place à compter du troisième trimestre de 2010.

Recommandation 4

Que la DSE mette en place une approche plus structurée pour l'examen des dossiers de clients des services de garde d'enfants d'Ontario au travail, afin de garantir que l'admissibilité est préservée et rapportée.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Cette recommandation est conforme à une nouvelle approche en cours d'élaboration depuis janvier 2009, visant à assurer une surveillance accrue de l'admissibilité des clients des services de garde d'enfants d'Ontario au travail, à recueillir les renseignements à l'appui et à retenir les paiements lorsque les documents et les preuves exigés ne sont pas produits. Ce processus comprend, notamment, une rencontre annuelle avec tous les clients des services de garde d'enfants d'Ontario au travail, afin de confirmer les ententes de participation et de remplir ou d'obtenir des documents; une confirmation tous les trois mois de l'admissibilité du client par le biais d'une entrevue téléphonique; et des contrôles et des examens mensuels des dossiers afin de s'assurer qu'ils répondent à ces exigences. Cette pratique, établie en janvier 2009, sera officialisée dans une politique dont le dépôt est prévu au cours du quatrième trimestre de 2009.

Recommandation 5

Que la DSE mette en place des systèmes de rappel ayant pour but d'aider les coordonnateurs de cas à assurer le suivi de points précis tels que la vérification des revenus.

Réponse de la direction

Cette recommandation appuie la nouvelle approche en cours d'élaboration dont il est question à la Recommandation 4, et qui comprend un mécanisme de suivi. En vue de s'assurer que les dossiers nécessitant un suivi sont bien identifiés, le personnel des services de garde d'enfants d'Ontario au travail a mis en place un nouveau rapport mensuel précisant les dossiers actifs des services de garde d'enfants d'Ontario au travail auxquels il manque encore des renseignements.

Ce rapport indique le statut des ententes de participation pour tous les clients actifs des services de garde d'enfants d'Ontario au travail et mentionne aussi toutes les modifications aux renseignements sur le client, à son revenu et à son statut figurant sur la liste d'attente centralisée. Le personnel du centre de services sociaux a commencé à étudier des rapports tous les trois mois et à en assurer le

suivi au besoin. Les questions liées à des clients en particulier sont discutées avec les coordonnateurs de cas des services de garde d'enfants d'Ontario au travail. La Direction officialisera l'utilisation de ce rapport dans la politique portant sur l'examen des dossiers des services de garde d'enfants d'Ontario au travail, qu'elle prévoit achever au cours du quatrième trimestre de 2009.

Recommandation 6

Que la DSE élabore un formulaire normalisé comportant une approche par étape pour établir le montant de la subvention payable dans les cas de rajustement.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Le système de documentation actuel utilisé par les services de garde d'enfants d'Ontario au travail fait en sorte que l'information nécessaire figure sur plus d'un formulaire. Les Services à l'enfance modifieront les formulaires « de rajustement » actuels afin d'y regrouper tous les détails du paiement initial et des modifications apportées par la suite. L'utilisation du formulaire modifié est prévue au cours du quatrième trimestre de 2009.

Recommandation 7

Si l'intention de la DSE est de cesser d'utiliser des dossiers en format papier, que la politique concernant les dossiers des clients soit révisée en vue de refléter les nouvelles exigences en matière de documentation, tant pour le dossier imprimé que pour le dossier électronique du client (SGSGEO).

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les services de garde d'enfants d'Ontario au travail, les programmes de garderies municipales à domicile et le programme d'achat de services communautaires utilisent présentement des dossiers physiques. Le programme d'achat de services explorera la possibilité d'avoir recours à des processus entièrement électroniques qui permettraient à la Ville de poursuivre ses activités par voie électronique afin d'éliminer les documents télécopiés, dont l'impression est de mauvaise qualité, et les envois postaux. Les Services à l'enfance ont comme objectif de terminer la migration complète vers les dossiers électroniques d'ici le deuxième trimestre de 2010, pour la composante d'achat des services. Les services de garde d'enfants d'Ontario au travail et les programmes de garderies municipales à domicile continueront d'utiliser des dossiers physiques, car ce ne sont pas tous les clients qui ont présentement accès à la technologie nécessaire.

Les Services à l'enfance élaboreront une politique sur le contenu des dossiers, en vue d'officialiser le processus présentement décrit dans une note de service, le tout d'ici le troisième trimestre de 2010.

Recommandation 8

Que la DSE élabore des normes relatives à l'utilisation du SGSSEO, y compris quand utiliser le système et la syntaxe à privilégier dans les notes des cas.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les Services à l'enfance élaboreront une politique sur l'utilisation du SGSSEO, laquelle décrira les circonstances d'utilisation du SGSSEO, les normes de vérification et un glossaire visant à officialiser le processus actuellement précisé dans une note de service. La direction présentera la politique lors d'une rencontre du personnel. Le déploiement de cette politique est prévu pour le premier trimestre de 2010.

Recommandation 9

Que la DSE officialise la politique sur la révision des ententes de participation afin de mieux décrire les attentes des clients.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les Services à l'enfance finaliseront une politique interne résumant les attentes des clients concernant les ententes de participation. Cette politique comprendra un document précisant les droits et les devoirs des services de garde d'enfants d'Ontario au travail, lequel sera signé et daté chaque année par les parents et par le coordonnateur des services de garde d'enfants d'Ontario au travail, puis placé dans le dossier physique. La direction présentera cette politique et ce document au personnel lors de rencontres d'équipe. Son déploiement est prévu d'ici le quatrième trimestre de 2009.

Recommandation 10

Que la DSE fasse preuve d'une plus grande diligence afin que les reçus soient soumis chaque mois, estampillés à la date de réception et versés dans les dossiers physiques pertinents.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Cette recommandation est conforme à la nouvelle approche en cours d'élaboration depuis janvier 2009, dont il est fait mention à la Recommandation 4, qui inclut les processus de surveillance de l'admissibilité des clients des services de garde d'enfants d'Ontario au travail et la collecte des renseignements à l'appui. Tous les dossiers où il manque des reçus seront transférés vers les dossiers en suspens des services de garde d'enfants d'Ontario au travail, puis vérifiés mensuellement. Les clients des services de garde d'enfants d'Ontario au

travail dont les dossiers sont en attente de vérification seront avisés par téléphone que les paiements seront retenus jusqu'à ce que les reçus manquants aient été produits. Une quantité importante de reçus sont envoyés par télécopieur et sont automatiquement datés. Les autres devront être estampillés manuellement par un spécialiste de la vérification avant d'être versés au dossier physique. La formation nécessaire sera assurée lors des rencontres d'équipes. Le processus, qui comprendra une vérification des dossiers deux fois l'an, sera mis en place au cours du quatrième trimestre de 2004.

Recommandation 11

Que la DSE utilise le SGSGEO pour cerner les incohérences dans les reçus, et que l'on assure un suivi à cet effet.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les Services à l'enfance instaureront un processus utilisant le « rappel personnalisé » du SGSGEO pour signaler les incohérences dans les reçus, afin de veiller à ce que le processus de suivi actuel soit entamé. Ce processus exigera du personnel des services de garde d'enfants d'Ontario au travail qu'il imprime des « rapports de rappel » hebdomadaires, afin que le superviseur puisse vérifier si des mesures ont bel et bien été prises. La mise en place de cette mesure est prévue au cours du deuxième trimestre de 2010.

Recommandation 12

Que la DSE modifie le reçu des services de garde d'enfants d'Ontario au travail et précise le nombre d'enfants et le nombre d'heures de garde.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les Services à l'enfance modifieront les formulaires de « reçus des services de garde d'enfants d'Ontario au travail » afin d'inclure le nombre d'enfants, le nom de chaque enfant et le nombre d'heures de garde pour chacun d'entre eux. On prévoit l'utilisation du nouveau formulaire à compter du troisième trimestre de 2009.

Recommandation 13

Que la Direction des services d'emploi et d'aide financière et la DSE collaborent en vue de s'atteler aux modifications des ententes de participation et de faire en sorte de favoriser une approche plus automatisée pour les avis.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Le personnel des services de garde d'enfants d'Ontario au travail a entrepris la préparation d'un rapport mensuel précisant le statut des ententes de participation des clients des services de garde d'enfants d'Ontario au travail et les mises à jour des renseignements sur le client, de leur revenu et de leur statut sur la liste d'attente centralisée en janvier. Ce rapport est fourni au personnel des centres de services sociaux, à des fins d'examen trimestriel. Les questions liées à des clients en particulier sont discutées avec les coordonnateurs de cas des services de garde d'enfants d'Ontario au travail. Le rapport est aussi utilisé à l'interne pour réviser le statut d'admissibilité des clients. Cette pratique a permis de fermer 50 % des dossiers des services de garde d'enfants d'Ontario au travail.

Les services de garde d'enfants d'Ontario au travail préciseront les besoins en matière de formation des employés des nouveaux centres de services sociaux pour savoir où trouver l'information, dans le logiciel SGMPs (système de gestion du modèle de prestation de services), sur les services de garde d'enfants d'Ontario au travail et pour comprendre les conséquences et le suivi nécessaire. La mise en place de ce nouveau programme de formation pour les employés des Services sociaux est prévue au cours du deuxième trimestre de 2010.

Recommandation 14

Que la DSE veille à ce que toute documentation provenant de la Direction des services d'emploi et d'aide financière, y compris les courriels et les profils réalisés à l'aide la technologie du SGMPs, soient inclus aux dossiers des services de garde d'enfants d'Ontario au travail.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les Services à l'enfance transféreront automatiquement toute la documentation, y compris les messages et les profils réalisés à l'aide du SGMPs envoyés par le personnel des centres de services sociaux, vers les dossiers des services de garde d'enfants d'Ontario au travail, et ce, d'ici le troisième trimestre de 2009.

Recommandation 15

Que la DSE veille à ce que les coordonnateurs de cas des services de garde d'enfants d'Ontario au travail vérifient les dossiers de façon plus régulière, particulièrement lorsque les rapports de présence des enfants ne sont pas remplis par les clients des services de garde d'enfants d'Ontario au travail.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Conformément à la Recommandation 4, la nouvelle approche des Services à l'enfance en matière de surveillance de l'admissibilité des clients aux services de garde d'enfants d'Ontario au travail et de collecte des renseignements visant à

l'appuyer, en cours d'élaboration depuis janvier 2009, comprend des examens mensuels des dossiers dans le but de s'assurer que les documents exigés ont été reçus avant que les paiements soient effectués. Le rapport des présences et les calendriers d'activités sont nécessaires lorsque les services de garde sont offerts en dehors des horaires réguliers, comme c'est le cas pour les travailleurs de quarts. La présence des reçus doit être confirmée avant que le financement des services de garde d'enfants d'Ontario au travail soit versé ou suspendu. Cette pratique, instaurée en janvier 2009, sera officialisée dans une politique qui devrait être achevée au cours du quatrième trimestre de 2009.

Recommandation 16

Que la DSE offre aux coordonnateurs de cas une formation supplémentaire pour les aider à repérer les éventuels problèmes d'authenticité des fournisseurs de service de garde.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les Services à l'enfance étudieront les mécanismes actuels visant à vérifier l'authenticité des fournisseurs de services de garde informels. Une politique à cet effet sera officialisée en fonction des résultats de l'examen des mécanismes, et la formation du personnel sera assurée dans le cadre des rencontres régulières avec le personnel. La mise en œuvre de cette recommandation est prévue pour le troisième trimestre de 2010.

Recommandation 17

Que les superviseurs de la DSE effectuent régulièrement l'examen d'un échantillon de dossiers, particulièrement dans le cas de services de garde informels, et que ces examens soit bien documentés dans les dossiers et dans le SGSSEO.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les superviseurs des Services à l'enfance font présentement l'examen d'un échantillon de dossiers de chaque coordonnateur des subventions, dans le cadre du processus d'amélioration du rendement, mais ne consignent pas le résultat de ces examens dans le dossier du client. Les Services à l'enfance prévoient élaborer, d'ici le deuxième trimestre de 2010, une politique administrative qui exigera des superviseurs qu'ils consignent les résultats de leur examen de dossiers de clients dans le SGSSEO ou dans le dossier imprimé.

Recommandation 18

Que la DSE veille à ce que les contrôles touchant la documentation soient améliorés pour inclure de nouveaux formulaires comprenant une section pour le nom et la signature du coordonnateur de cas, afin que celui-ci soit précisé, et la documentation appropriée concernant tout rajustement ou changement apporté.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les Services à l'enfance révisent tous les formulaires afin que puissent y figurer le nom et la signature du coordonnateur de cas. Les Services à l'enfance ont comme objectif de commencer à utiliser les formulaires révisés au cours du quatrième trimestre de 2009. Les Services à l'enfance élaboreront aussi une politique sur les exigences en matière de documentation, qui devrait être achevée au cours du deuxième trimestre de 2010.

Recommandation 19

Que la DSE veille à ce que les politiques touchant le travail autonome et les circonstances particulières liées aux subventions des services de garde d'enfants d'Ontario au travail soient révisées et comportent des exigences plus rigoureuses en matière de documentation, particulièrement en ce qui a trait à la participation.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les dispositions du programme Ontario au travail ont été élaborées par le ministère des Services sociaux et communautaires. Les ententes de participation sont établies entre le client et le personnel des centres de services sociaux. Les services de garde d'enfants d'Ontario au travail comptent sur une entente de participation active pour établir l'admissibilité du client. Les services de garde d'enfants d'Ontario au travail continueront de veiller à ce qu'une copie de l'entente de participation soit versée au dossier physique du client.

Le programme de subventions aux services de garde d'enfants revoit présentement sa politique concernant le travail autonome, notamment pour ce qui touche les circonstances particulières, et estime que ce travail sera achevé au cours du quatrième trimestre de 2009.

Recommandation 20

Que la DSE effectue un examen de son processus d'appel afin de veiller à ce que les tâches soient séparées de manière appropriée et d'offrir une image d'équité et de transparence.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les Services à l'enfance ont révisé le processus d'appel afin d'en assurer la transparence, et feront en sorte qu'un superviseur d'une équipe différente étudie les dossiers lorsqu'il y a appel d'une décision. Cette pratique entrera en vigueur en juin 2009 et sera incluse dans la politique révisée concernant la procédure d'appel, qui devrait être achevée au cours du troisième trimestre de 2009.

Recommandation 21

Que la DSE mette en place un mécanisme de rotation des dossiers entre les différents coordonnateurs de cas.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction convient que des personnes différentes devraient assurer la gestion des dossiers actifs, et elle dispose déjà d'un mécanisme informel de rotation. Dans le cas des coordonnateurs des subventions, une rotation des dossiers est habituellement prévue lorsque les rendez-vous pour le renouvellement d'une demande sont fixés, et ces rendez-vous étant fixés auprès du premier coordonnateur disponible. Cette façon de faire, alliée aux politiques relatives aux vacances et aux reports, puisque les membres du personnel doivent prendre des vacances annuelles, permet d'assurer un contrôle adéquat. Pour ce qui est des services de garde d'enfants d'Ontario au travail, les deux coordonnateurs de cas assurent la gestion de l'ensemble des dossiers, ce qui permet d'exercer les contrôles adéquats.

Recommandation 22

Que la DSE mette en place une approche rigoureuse concernant les changements apportés aux politiques, et que le plan de révision des politiques soit mis en œuvre afin de refléter les changements récents apportés à la législation.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Conformément à la Recommandation 1, au moment de la vérification, les Services à l'enfance travaillaient à officialiser un processus d'élaboration, d'examen et d'approbation des politiques. Dans le cadre de la démarche amorcée en mai 2008, les Services à l'enfance continueront de mettre à jour la liste de politiques à étudier ou élaborer de façon continue et d'y accorder la priorité. Avec le réalignement récent des Services à l'enfance dans les nouveaux Services sociaux et communautaires de la Ville, les processus actuels d'élaboration et d'approbation des politiques au sein de cette direction seront examinés afin de voir comment ils pourront être coordonnés à l'intérieur de la nouvelle structure de ce service. Les Services à l'enfance prévoient terminer le processus d'examen au cours du troisième trimestre de 2010.

Recommandation 23

Que la DSE envisage l'élimination de l'attribution des subventions pour frais de garde aux agences de garde d'enfants et privilégie un système de subventions versées directement aux clients.

Réponse de la direction

La direction est d'accord avec cette recommandation.

En avril 2009, le Conseil municipal a approuvé la phase 1 du Plan de stabilisation des subventions pour frais de garde (réf. ACS2009-COS-SOC-0003). Ce plan se penche, entre autres, sur les avantages et les inconvénients de chaque système d'attribution et recommande, au bout du compte, la mise en place d'un plan de stabilisation des subventions qui aurait recours au système actuel de distribution des subventions pour frais de garde à Ottawa, approuvé par le Conseil. Le plan propose également l'introduction de places transférables dans le cadre de la phase 2 du Plan de stabilisation des subventions, afin de donner une plus grande flexibilité au système actuel et de faire en sorte qu'il réponde mieux aux besoins. On étudiera également l'affectation des fonds recouverts n'ayant pas servi à l'indexation des tarifs ainsi que tout financement futur des services de garde subventionnés aux places transférables destinées directement aux clients. On prévoit que la phase 2 du plan sera terminée au cours du premier trimestre de 2010, et qu'un rapport sera alors déposé au comité et au Conseil. Ce rapport comprendra une comparaison et une évaluation des divers systèmes de subvention (c.-à-d. directement aux parents par opposition à des fournisseurs) et tiendra compte des répercussions des récentes annonces concernant les journées complètes d'apprentissage pour les enfants âgés de quatre et cinq ans.

Recommandation 24

Que la DSE effectue une analyse démographique des besoins en matière de services de garde d'enfants.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les Services à l'enfance réalisent présentement une analyse démographique à l'aide des données du recensement de 2006 de Statistique Canada. Les Services à l'enfance révisent également la méthodologie à utiliser pour l'analyse des données démographiques concernant les francophones, à l'aide des mêmes renseignements statistiques. La phase 2 du Plan de stabilisation des subventions pour frais de garde exige que cette analyse soit réalisée tous les cinq ans, en même temps que sont publiées les nouvelles données de Statistique Canada. La phase 2 devrait être terminée au cours du premier trimestre de 2010; elle s'accompagnera d'un rapport transmis au comité et au Conseil à titre d'information.

Recommandation 25

Que la DSE veille à ce que l'analyse des places subventionnées comprenne des données démographiques sur les francophones et sur les anglophones, et ce, de façon régulière.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les Services à l'enfance ont examiné la répartition du financement entre les francophones et les anglophones annuellement depuis 2005, afin de se conformer à la directive du Conseil municipal concernant le Plan de rattrapage pour les francophones. Comme on le mentionne dans la réponse à la Recommandation 24, la phase 2 du Plan de stabilisation exige une analyse démographique qui sera effectuée tous les cinq ans, en même temps que sont divulguées les nouvelles données de Statistique Canada. La phase 2 devrait être achevée au cours du premier trimestre de 2010; elle s'accompagnera d'un rapport transmis au comité et au Conseil à titre d'information.

Recommandation 26

Que la DSE entreprenne un examen des agences offrant des services bilingues afin de vérifier si ces agences assurent des services en français adéquats.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Dans leur plan de travail, les Services à l'enfance ont fait état de la nécessité de mettre en place un mécanisme de désignation par critères afin de déterminer si des programmes de services de garde de qualité sont offerts en français. Le processus de désignation en cours d'élaboration, en consultation avec le milieu des services de garde, comprendra un examen des programmes de garde d'enfants déjà en place suivant des critères déjà établis. La mise en place du nouveau processus est prévue pour le quatrième trimestre de 2009.

Recommandation 27

Si l'approche actuelle en matière d'attribution des subventions est retenue, que la DSE revoie les processus budgétaires afin d'alléger le fardeau qu'ils constituent pour les agences de garde d'enfants, de simplifier le processus en vue de réduire les délais d'approbation et que des copies définitives approuvées des budgets soient placées dans les dossiers des agences.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Au cours du processus budgétaire d'achat de services pour 2009, les Services à l'enfance ont élaboré un processus plus efficace et plus simple. Ce nouveau

processus documente la prise de décision et les rajustements au financement. Les documents justificatifs exigés sont analysés et corrélés avec le processus d'approbation du budget.

Dans le cadre de la phase 1 du Plan de stabilisation des subventions pour frais de garde et de la nouvelle politique de gestion des subventions pour frais de garde, le Conseil a approuvé la recommandation du personnel pour la mise en place d'un Indice des prix pour la prestation des services de garde d'enfants. Cet indice fait état des changements de coûts dans la prestation des services de garde d'enfants à Ottawa au cours des douze mois précédents et servira à fixer l'augmentation annuelle des tarifs pour l'achat de services dès le début du processus budgétaire de 2010. La hausse de l'indice des prix des services de garde de 2010 sera annoncée en septembre 2009.

Puisque le montant de la hausse des frais d'exploitation de chaque agence est maintenant précalculé à l'aide de ce nouvel indice, le processus budgétaire nécessitera que l'agence précise la répartition des dépenses pour tout nouveau financement qui lui sera versé. Les agences auront la possibilité d'accepter le ou les taux d'allocation quotidienne calculés automatiquement, ou de soumettre des tarifs quotidiens révisés respectant le montant total des dépenses approuvées. Les directives de 2009 pour les utilisateurs ont été mises à jour en vue de refléter ce nouveau processus d'approbation budgétaire.

Ce processus budgétaire mis à jour permettra aux Services à l'enfance de finaliser le processus budgétaire pour 2010 d'ici le quatrième trimestre de 2009, d'appliquer les nouveaux taux d'allocation quotidienne dès janvier 2010 et de s'assurer que des copies définitives approuvées des budgets sont placées dans les dossiers physiques et électroniques des agences. Les agences de garde d'enfants pourront désormais planifier leur budget dans un cadre prévisible, en sachant que la Ville leur consentira des hausses de tarifs annuelles, qui seront versées au début de chaque année.

Recommandation 28

Que les superviseurs de la DSE adoptent une approche plus rigoureuse de l'assurance de la qualité et de l'examen des dossiers de budget afin d'assurer un traitement équivalent et uniforme de tous les fournisseurs de services de garde d'enfants.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les Services à l'enfance sont présentement en train d'élaborer un cadre conceptuel pour les initiatives de financement liées à l'achat de services et pour l'examen des dossiers de budget, qui comprendra des mécanismes de contrôle de

la qualité ainsi que des procédures et des outils qui en assureront l'uniformité. Ce cadre devrait être terminé au cours du quatrième trimestre de 2009.

Conclusion

La Ville d'Ottawa continue de s'efforcer d'administrer les subventions pour la garde d'enfants de manière efficace. Il y a, néanmoins, place à amélioration. Avec la mise en œuvre des recommandations présentées dans ce document, l'équipe de vérification estime que la Ville sera bien placée pour mieux utiliser les fonds essentiels à ces subventions.

Cela dit, à notre avis, l'approche actuelle d'attribution des subventions de frais de garde aux agences de garde d'enfants au lieu des familles n'assure pas nécessairement les meilleurs services possible aux citoyens d'Ottawa. La Ville devrait repenser la façon dont elle attribue les subventions de frais de garde pour aller vers le client au lieu du fournisseur de services de garde; toutes les autres autorités en Ontario privilégient d'ailleurs cette approche. Un tel changement permettrait de réorienter les fonds de l'administration de ces ententes pour les subventions pour frais de garde vers l'attribution directe de subvention de frais de garde aux clients. Une révision de la politique aidera également la Ville à améliorer le contrôle des documents afin de s'assurer que ceux qui en ont le plus besoin profitent des subventions limitées de frais de garde.

Nous recommandons également que la Ville examine l'efficacité du système de liste d'attente centralisée actuelle. Un processus d'achat concurrentiel devrait être envisagé dans le but d'évaluer des solutions de rechange pour offrir cet important service aux parents de la Ville.

À l'heure actuelle, les dossiers des fournisseurs de services de garde d'enfants ne sont pas mis à jour, et les documents requis ne s'y trouvent pas tous. La récente décision d'abolir les subventions d'un fournisseur de services de garde d'enfant particulier en raison de l'absence de documents adéquats ne concorde pas avec l'approche mise de l'avant auprès d'autres fournisseurs, puisque plusieurs dossiers de fournisseurs de services de garde étaient incomplets et qu'il y manquait des documents justificatifs. Par conséquent, la DSE devrait s'assurer d'élaborer des politiques offrant des directives plus précises aux spécialistes des services de garde. Ces pratiques devraient être surveillées et faire régulièrement l'objet de tests par les superviseurs.

Quant aux recommandations contenues dans la vérification de 2006 des subventions pour les services de garde d'enfants d'Ontario au travail, il appert que la DSE n'a apporté, à ce jour, que peu d'améliorations aux exigences en matière de reçus des fournisseurs de services de garde ou à la réforme des politiques. La DSE doit continuer d'améliorer ces processus et de veiller à ce que les dossiers fassent l'objet de vérifications constantes. Les superviseurs doivent jouer un rôle plus important dans la revue régulière des dossiers de services de garde d'enfants.

Enfin, la Ville a adopté une approche différente de celle des autres municipalités pour la prestation de services de garde d'enfants. Même si cette approche a certains mérites, elle suscite des défis dans l'administration des programmes et des appréhensions fondées de la part de personnes avec qui nous avons communiqué dans le cadre de cette vérification. Ces préoccupations devraient être analysées dans le contexte de la prestation des meilleurs services possible en fonction de l'argent des contribuables, tout en réalisant les objectifs poursuivis dans les politiques de la Ville.

Remerciements

Nous souhaitons exprimer notre reconnaissance au personnel et à la direction de la DSE, de la Direction des services d'emploi et d'aide financière et des représentants des diverses agences de garde d'enfants que nous avons interviewés dans le cadre de cette vérification. Nous tenons également à remercier le fournisseur de la liste d'attente (Services à l'enfance Andrew Fleck), le ministère des Services à l'enfance et à la jeunesse et l'Unité du soutien financier pour leur collaboration et l'aide qu'ils nous ont apportée au cours de la réalisation de cette vérification.

1 INTRODUCTION

The audit of the Children's Services Division was included in the 2008 Audit Plan of the Auditor General, first presented to Council in May 2007.

2 BACKGROUND

At the time of this audit, the Children's Services Division (CSD) was part of the Parks and Recreation Branch (the Branch). CSD administers the child care program at the City of Ottawa. This includes the Child Care Fee Subsidy Program and the Ontario Works child care (OWCC) Program which includes both informal and formal OWCC funding. CSD's mandate is to ensure that quality, affordable child care is available to the residents of the City of Ottawa. The Division works in consultation with the child care community on policy development issues to ensure the quality and safety of available services and to plan for the development of efficient services in the future.

The table below summarizes CSD budgets and expenditures for 2006-2008.

	2006		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual
FEE SUBSIDY	\$51,726,840	\$52,436,889	\$52,157,062	\$51,423,836	\$53,076,564	\$51,077,542
CHILD CARE ADMINISTRATION	\$3,090,943	\$2,978,298	\$2,969,428	\$3,045,567	\$3,061,759	\$3,273,276
CHILD CARE ONTARIO WORKS	\$4,370,844	\$4,274,473	\$4,338,111	\$4,243,064	\$4,399,585	\$4,478,274
WAGE SUBSIDY, SPECIAL NEEDS & EARLY YR	\$20,550,872	\$20,771,623	\$20,925,867	\$19,901,053	\$20,549,180	\$20,615,652
BEST START	\$6,557,132	\$3,920,861	\$7,614,389	\$9,898,065	\$10,581,232	\$10,812,022
CC SMALL WATER WORKS	\$0	\$99,515	\$0	\$70,730	\$70,730	\$70,730
TOTAL	\$86,296,631	\$84,481,659	\$88,004,857	\$88,582,315	\$91,739,050	\$90,327,496

The role of the CSD includes the management of subsidy programs and the provision of funding to community child care agencies, with all the program costs funded 80 per cent by the Provincial Government and 20 per cent by the City. The cost of the administration of these programs is split 50/50 between the two governments. The Division provides 100 per cent of the available government funding for child care capital maintenance and development. The City of Ottawa also directly operates 17 child care centres and a licensed Municipal Home Child Care Program.

Municipalities are given discretion in the manner in which they allocate child care subsidies. The Province sets and applies all standards and regulations to issue licensed spaces and sets guidelines for the allocation of child care subsidies.

The City of Ottawa is designated as the Consolidated Municipal Service Manager (CMSM) for child care in the region. Recent legislative and policy directive changes that impact program delivery and funding of child care programs continues to be a challenge for CMSMs. The 2004 Review of Employment Assistance Programs in Ontario Works and the Ontario Disability Support Plan undertaken by the Ministry of Community and Social Services identified significant shortcomings in the system at the time. One key area of concern was the lack of affordable child care to allow social assistance recipients to participate in employment and retraining opportunities. The report called on a more flexible approach to child care in order to enhance opportunities within the Fee Subsidy Program in licensed child care and for OWCC formal and informal child care funding. This allows municipalities the flexibility to ensure that the services provided are aligned to the community's and Council's objectives as well as complying with legislative requirements and to look for opportunities to develop new forms of service delivery. More recently, however, the Ontario government has developed outcome based funding formulas as well as standards. These measures are intended to promote the most efficient and effective utilization of subsidies by municipalities and provide for key performance indicators to measure the success of the Ontario Works program(s).

Child care programs and subsidies administered by municipalities fall within two broad categories: Child Care Fee Subsidy Program and OWCC Informal and Formal funding. The key difference between the child care options is as follows:

1. Informal child care – These situations involve private provision of child care between two private citizens. The client receives the OWCC funding via reimbursement of child care paid. Receipts are required to be filed with the City as proof of payment.
2. Municipal Home Child Care Program– In these situations, the City directly provides licensed home child care services and at times solicits the collaboration of other licensed home child care agencies, enters into agreements with child care providers across the City to provide licensed home child care. These providers are paid directly by the City with OWCC formal funding.
3. The Fee Subsidy Program provides child care fee subsidy / assistance for licensed spaces under the Day Nurseries Act. When a space is available, the client is income tested and subsidies are paid directly to the child care centre / home child care agency if the client is eligible.

Limited financial assistance, under the child care subsidy, is available to families living in Ottawa where the parents are working, looking for work, or going to school and also meet certain financial requirements. Child care subsidies are available in licensed child care programs for children aged 0 to nine years (10 to 13 years in special circumstances). The City administers the child care subsidy

program and will pay for all or part of the client's fee once the client has found an available subsidized space in a child care program and qualifies for a subsidy.

Generally, child care costs are the responsibility of parents. Child care subsidies are available to families living in Ottawa that meet certain employment and financial qualifications. The amount of subsidy provided to families is determined through the use of an "income test" determined by Line 236 of the most recent Federal Notice of Assessment for each parent or the total family income from the Canada Child Tax Benefit.

In order to be eligible for child care subsidies, clients must access a subsidized child care space through the centralized waitlist. Generally, the City does not perform eligibility assessments until the client has secured a subsidized space. In these cases, clients must fill out an application form in order to be considered for subsidized day care. An income test approach is subsequently utilized in order to determine whether the client is eligible. Income testing is regulated and based upon the Notice of Assessment. Those earning less than \$20,000 or those on assistance are eligible for full fee subsidy, provided a space is available.

The table below shows the daily parental fees based upon various levels of income:

Annual Adjusted Income	Daily Parent Fee
\$5,000-20,000	\$0.00
\$25,000	\$1.92
\$30,000	\$3.83
\$35,000	\$5.75
\$40,000	\$7.66
\$46,000	\$13.41
\$50,000	19.16
\$55,000	\$24.90
\$60,000	\$30.65
\$65,000	\$36.40
\$70,000	\$42.15
\$75,000	\$47.89
\$80,000	\$53.64
\$85,000	\$59.39
\$90,000	\$65.13
\$95,000	\$70.88
\$100,000	\$76.63

The Ontario Works Act, 1997 (the Act), makes provisions for child care for social assistance recipients in order to allow participation in employment measures, satisfy community participation requirements, undertake education and job skills training and accept and maintain employment. These child care programs take on the form of up front/emergency payments as outlined in subsection 55(7) of O.Reg 134/98 and ongoing fee subsidies based upon income, which are available to both Ontario Works clients as well as low income working families. The recent

introduction of the new Ontario Child Benefit and Transition Child Benefits has required some regulatory changes in the calculation of income. These changes came into effect on August 1, 2008.

There are approximately 15,000 licensed child care spaces in the City. The Branch provides funding to over 200 child care agencies under the formal child care program and over 7,200 subsidized spaces. The City has a large waiting list with 3,700 clients waiting for subsidized child care spaces.

At the City of Ottawa, child care programs are administered by the CSD and the Ontario Works programs are administered by the Employment and Financial Assistance (EFA) Branch. In 2006, the City received a report to its Fraud and Waste Hotline alleging that the majority of Ontario Works child care clients for informal child care were fraudulently obtained and staff were aware of this fraud. No evidence of this fraud was discovered in the audit conducted by Office of the Auditor General. Recommendations flowed from the audit conducted in 2006 primarily with respect to communication between the two branches, documentation, internal controls and processes. More recently, some concerns were raised by representatives of child care providers regarding the distribution of child care spaces across the City and the budgetary submission process utilized by the City to determine annual subsidies. This audit provides observations and recommendations in these areas.

3 AUDIT OBJECTIVES

The audit objectives are:

Audit Objective 1: To evaluate the degree to which the 2006 audit recommendations from the Office of the Auditor General have been implemented and documented.

- a) Eligibility criteria for OWCC subsidies are documented and effective and participation agreements are up to date.
- b) Monthly receipts are received and verified by Subsidy Co-ordinators and subsidies suspended when receipts are not provided.
- c) Participation agreements and client status changes are communicated between the CSD and the EFA and subsidies are adjusted in a timely manner.
- d) Communications between the EFA Branch and the CSD with respect to OW client eligibility are effective.
- e) Child care provider authenticity is verified.

Audit Objective 2: To evaluate the effectiveness of the current internal control framework based upon any changes undertaken by the CSD and the EFA Branch since 2006.

- a) Appropriate segregation of duties is evident and documented in policies and procedures.
- b) Internal Control Policy Framework includes such controls as segregation of duties, mandatory vacations, rotation of duties and training. Policies are adhered to by all sections of CSD Branch.

Audit Objective 3: To assess the degree to which the Branch is in compliance with the Provincial directives including delivery standards and management of the child care funding.

- a) Policies are adapted in accordance with changes required by the Ministry of Community and Social Services and Ministry of Children's and Youth Services or other governing bodies prior to effective date of regulatory/standard changes.
- b) City processes for policy changes are designed to respond to unexpected legislative and standard changes.
- c) City has implemented the regulatory changes required by August 1, 2008 with respect to the implementation of the Ontario Child Benefit and Transition Child Benefits.

Audit Objective 4: To assess the extent to which the City has maximized its fee subsidies and related cost of administration based upon the outcome based performance measures.

- a) Budgets are maximized and reconciled in accordance with Provincial guidelines.

Audit Objective 5: To evaluate the extent to which the City ensures open, equitable and transparent access to the child care spaces across the City.

- a) Subsidized spaces are allocated based upon fair and equitable policies and procedures.
- b) Child care providers are provided adequate and fair access to City staff resources. Budget submission processes are consistent between providers and years of service.

Audit Objective 6: To evaluate the budget submissions and process for Day Care Service Providers to ensure equitable treatment between providers and overall accountability of the Branch.

- a) Budget submissions for child care agencies are consistent and benchmarks are utilized to establish individual budgets.

Audit Objective 7: To assess the appropriateness of the organizational structure of the CSD within the Parks and Recreation Branch.

- a) The current organizational structure provides efficient and effective administration and delivery of children's services across the City.

4 AUDIT SCOPE

The scope of this audit focused on compliance with legislative authorities and policies as well as financial management and controls. In particular, the audit assessed the degree to which CSD has addressed the issues raised in the 2006 audit and the effectiveness of any changes with respect to informal child care. As such, the audit concentrated on client files for fiscal years 2007 and 2008. From 2006 to the date of the audit, the CSD handled 803 OWCC files of which 542 were terminated and 261 remained active on the date of sample selection. The team audited 88 client files (49 active, 39 inactive) representing 10% of the population, 19% of the active OWCC client files and 7% of inactive files.

With respect to the allocation of subsidized child care spaces and budgetary processes, the audit required a review of budgetary submissions over a longer period of time to assess trends and to gain sufficient information to express an audit opinion. To this end, the audit assesses policies, procedures, the allocation of spaces, the demographic information of child care spaces and the waiting list.

Audit evidence was gathered within CSD, EFA and the Corporate Centres of Excellence. During the audit planning stage, it became apparent, that the Centres of Excellence provide significant amount of financial services to CSD, particularly with respect to Provincial funding and formal child care. As well, interviews with child care providers were undertaken to understand and assess the budgetary submission process.

Sufficient and relevant audit evidence was gathered and analyzed through various evidentiary techniques in order to express an opinion on compliance and financial management of the CSD operations with respect to subsidies.

5 APPROACH

The audit team utilized a combination of interviews, documentary, observation and analytical procedures in order to complete this audit. Interviews included staff within the CSD, EFA, FSU, the waitlist provider and with child care providers throughout the Ottawa area. Documentation review consisted of policies, procedures, reports and sampling client and day care provider files.

6 OBSERVATIONS AND RECOMMENDATIONS

6.1 *Audit Objective: To evaluate the degree to which the 2006 audit recommendations from the Office of the Auditor General have been implemented and documented.*

6.1.1 Audit Criteria

- Eligibility criteria for OWCC subsidies are documented and effective and participation agreements are up to date.
- Monthly receipts are received and verified by Subsidy Co-ordinators and subsidies suspended when receipts are not provided.
- Participation agreements and client status changes are communicated between the CSD and the EFA Branch and subsidies are adjusted in a timely manner.
- Communications between the EFA Branch and the CSD with respect to OW client eligibility are effective.
- Child care provider authenticity is verified.

6.1.2 Observations

Eligibility Criteria and Policies and Procedures

Although the Auditor General's recommendations contained in the 2006 audit of OWCC subsidies were accepted by management, the policies with respect to eligibility for OWCC are still in draft form. Some of these policies have been in draft form for over three years. Other policies date back over 10 years and refer to the pre-amalgamation structure and old regulations, prior to income testing. Many of these policies are no longer relevant, and yet, form part of the policy suite. Staff and management were aware of the existence of the draft policies and appeared to have a good understanding of the eligibility requirements.

There are many eligibility requirements for OWCC clients to obtain and maintain child care funding. For example, in order for a client to be eligible for OWCC, the client must complete an application form and must attend a mandatory information session before the OWCC Case Coordinator continues with the application. As well, the client must participate and maintain participation in approved activities. Clients who are in receipt of OWCC funding must sign the rights and responsibilities document every three years. Other requirements include the requirement to review eligibility every 3-6 months. The draft policies regarding eligibility criteria have been developed but are incomplete.

Based upon the sample of files reviewed, there were inconsistencies in physical and electronic files. There were no complete physical files in the sample of 88 cases. Only 22% (19) of the physical files revealed the attendance at the mandatory information session. It is also important to note that the application form was

rarely signed by the Case Coordinator or the client. In fact, the form is not conducive for this signature. In most cases, we were unable to determine the name of the Case Coordinator in the file without referring to the Ontario Child Care Management System (OCCMS). Further, file reviews by supervisory staff were inconsistent and follow-up regarding payment sheets and activities were sporadic.

Based upon these observations, there has been very little change since the 2006 audit and further work needs to be undertaken to ensure that policies are followed and decisions are properly documented. Although staff seem to understand the documents required, in practice, documentary controls have not significantly improved. Without clear policies and documentation the City is at risk of being challenged based on inconsistent decisions made by child care workers. As well, the likelihood of appeals could increase and decisions may seem arbitrary to the clients

Participation Agreements

In the 2006 audit, the lack of up to date participation agreements was an issue. Currently, OW participants who are actively participating in an approved activity (e.g., employment, training, community placement, school, etc.) must complete and sign a child care service plan. According to the Record of Activity/Employment hours (ROAEH) draft policy, the OWCC Case Coordinator is required to utilize the ROAEH to determine the appropriate rate of formal funds issued to the client for the month. The monthly payment sheets must be attached to the monthly ROAEH and placed on the physical file. However, payment sheets for informal child care were only found in 72% (or 63) of the cases and where found, were generally only one or two months.

In this audit, the audit team also reviewed the process that was undertaken by the OWCC Case Coordinators to ensure eligibility. The OWCC Case Coordinators review the OW system (SDMT) and obtain their profiles from that system and re-enter this information into OCCMS. The procedure indicates that the OWCC Case Coordinator is required to print the SDMT profile, undertake a Child Care Service Plan and ensure active participation in approved activities. This requires regular reviews every three to six months. Unfortunately, all of these processes are manual resulting in inconsistent approaches and significant workload to ensure participation is ongoing. Further, SDMT and OCCMS are not integrated and there are no alerts from SDMT to indicate that a participation agreement has changed. Consequently, CSD must continue to rely on EFA to provide information through emails and telephone calls.

There were no files with complete payment sheets. Attendance records were also rarely found within client files. As well, it was very difficult to ascertain whether or not OWCC Case Coordinators were following up on attendance and participation requirements. Although OCCMS is being utilized to track reviews, it does not

provide OWCC Case Coordinator specific reminders based upon criteria. Most of these types of reminders are done manually by the OWCC Case Coordinators.

As noted above, staff indicated that they utilize manual bring forward systems and reminders from OCCMS with respect to ensuring participation agreements are up to date. OCCMS does not currently automate or alert the OWCC Case Coordinators that reviews are required or when the next review is to be completed. Consequently, it is incumbent upon the workers to enter these reminders in the system. Time frames for reviews of participation agreements range from monthly to semi-annually. There is no clear direction or policy, which outlines the timeframe for reviews for OWCC clients. The attendance reporting policy requires attendance to be filed monthly, however, as observed earlier, sample files did not contain complete and/or consistent attendance reporting.

OCCMS Implementation

The change to OCCMS has led to an overall reduction in paper documentation in favour of electronic documentation. Although this can be very effective and efficient, there are inconsistencies between the paper and electronic documentation in OWCC files. As a result, it is extremely difficult for reviewers to determine the communications and documents utilized to make decisions.

Overall, documentation standards are not formalized and are not understood by staff. There is no consistency in documentation or case notes requirements within physical or electronic files. As well, most files are incomplete and notes are often illegible. Although CSD implemented a checklist for the completion of files, it is not used consistently and is not confirmed by supervisors. For example, in the sample of files, adjustment/termination papers are present in some cases. Where available, there is no documentary evidence reflecting proof of changes in income. Timeframes are difficult to determine as there is no documentary evidence as to when the client identified that there was an adjustment to their income. Accuracy is difficult to determine as in most cases figures are not properly documented and if they are it is written on a sheet of paper, which was impossible to decipher.

It was also noticed that many short forms and acronyms were used in OCCMS. Now that OCCMS is utilized exclusively as the corporate record rather than paper, short forms and acronyms cause confusion for reviewers, particularly over time when there is staff turnover. The move to OCCMS has caused some issues with differences in documentation within physical files and electronic files. Some of the draft policies are attempting to address these requirements. However, the policy regarding physical files has not been modified to reflect the changes in the utilization of OCCMS.

Monthly Receipts

In the 2006 audit, it was found that monthly receipts were often not on file and/or verified. CSD revised its policy in May 2008 with new procedures, which required

monthly receipts to be on file before further payments were to be made. The policy requires that the Verification Specialist date stamp each receipt and perform follow-up with the clients when receipts are not received. CSD also designed a standard receipt that is to be used by all clients.

Although staff and managers indicated in interviews that CSD had introduced a new policy that monthly receipts must be filed and verified each month, the audit showed that these new practices have not been consistently put in place or audited by supervisors. Although the revised policy states that monthly receipts are required before payment, sampling indicated that this was not enforced. Of files sampled, approximately 35% had no receipts present, 52% had receipts on file but were incomplete and 13% had a complete set of required receipts. If and when receipts were found on the sample files, they were incomplete, as they did not include all required months.

In many instances, the sample files only included one or two months receipts and some files had no documentation of receipts. The lack of documented receipts seemed to have no correlation with terminated cases or those being removed temporarily from OWCC subsidies. The dates receipts were received were unidentifiable as the vast majority of receipts were not date stamped. Approximately, 7% (6/88) of client files sampled had receipts that were date stamped.

The audit team also noted that the number of children, child's name and number of hours of care was not required on the receipt given by the client and signed by the caregiver. Consequently, there would be no way for the OWCC Case Coordinators or Verification Specialists to know if the receipt referred to the child approved or what the number of hours of participation encompassed. It is also important to note that the revised policy does not indicate what is to be done when a client produces a receipt late. However, staff indicated that in these cases, they would issue the cheque late. The policy is silent in this regard.

The current draft policy and training does not provide adequate guidance to staff with respect to monthly receipts. As well, staff have received little training on the types of issues and clues that indicate that receipts should be investigated.

Communications with EFA

The 2006 audit recommended that EFA and CSD improve communications between the two areas, particularly to ensure that both are aware of changes in OW client eligibility for child care. Changes to the participation agreement with OW can impact the eligibility for OWCC and these changes must be communicated to CSD OWCC Case Coordinators.

There have been moderate changes in communication mechanisms. The current method of communication involves the use of SDMT and emails. These mechanisms are not integrated with OCCMS and therefore, there is no corporate record for management to be able to ensure that OWCC Case Coordinators have the

most up-to-date information. CSD and EFA recently formed a team to address client service issues with respect to OWCC clients. In essence, the group is responsible for addressing changes in client files and participation agreements. This group is new and only a few meetings have occurred. Although there seems to be interest in the success of this working group, the momentum appears to be sporadic.

The OWCC Case Coordinators generally take the lead to ensure that child care information and data is up-to-date utilizing SDMT. However, without documented processes and an agreed upon protocol, OWCC will continue to be challenged to ensure that documentation is complete and participation agreements are up to date.

Child Care Provider Authenticity

There was no documentary evidence to suggest that the child care provider authenticity is verified. The auditors found significant inconsistencies with regard to receipts from child care providers. In the sample files that contained receipts (52%), in many cases names and signatures tended to vary from month to month without accompanying documentation. Management indicated that there are currently no formalized procedures for the verification of authenticity of the child care provider. It was mentioned that reverse 411 was utilized in some cases but there was no specific policy or procedure outlining requirements for verification.

The audit team found cases of child care provider names changing from month to month with no documentation on file. In some instances, the child care provider's signature did not match from month to month. These findings indicate that the staff are not reviewing and analyzing monthly receipts on a consistent basis or they are unaware of the signals that they should be aware of for follow-up.

It should be acknowledged that ensuring child care provider authenticity is challenging in that there may be many transitional situations. It was very difficult to determine if the OWCC Case Coordinators verified the child care provider as this was not documented in the file. As well, Verification Specialists have not been trained on the type of issues to look for within client files.

Recommendation 1

That CSD ensure a regular system of policy review and update is in place.

Management Response

Management agrees with the recommendation.

Children's Services was formalizing a policy development, review and approval process during the audit. As part of the process initiated in May 2008, Children's Services will continue to update and prioritize the list of policies for review and development on an ongoing basis. With the recent realignment of Children's Services in the new Community and Social Services department, the current

branch policy development and approval process will be reviewed to see how it can be coordinated within the new departmental structure. Children's Services is targeting Q3 2010 for the completion of the process review.

Recommendation 2

That CSD develop a policy manual that encompasses all policies in a consistent framework that is accessible by all staff (electronically and/or paper format).

Management Response

Management agrees with the recommendation.

Children's Services policies and procedures are currently accessible to Children's Services staff electronically from a shared drive area. In addition, Children's Services posts new policies and procedures as they are approved on the City's Intranet (Ozone) so that all branch front-line staff, departmental and interdepartmental stakeholders are provided with an efficient and accessible self-serve information access system. Children's Services is targeting Q2 2010 to complete the transfer of existing policies to Ozone.

Recommendation 3

That, once the policies have been revitalized, CSD undertake a training program for its workers to ensure consistent understanding of these policies.

Management Response

Management agrees with the recommendation.

Information and training is currently provided to all employees through team meetings and information sessions. With the recent realignment of the Children's Services branch in the new Community and Social Services department, the availability of the Business Support and Integration branch for training and policy specific support to Children's Services, will be determined and included in the branch work plan. Children's Services is targeting Q3 2010 for implementation of an ongoing training program to ensure consistent understanding of policies.

Recommendation 4

That CSD undertake a more structured approach with respect to reviewing of OWCC client files in order to ensure that eligibility is retained and reported.

Management Response

Management agrees with the recommendation.

This recommendation is consistent with a new approach under development since January 2009 to monitor OWCC client eligibility, collect supporting information, and hold payments when documentation and proof of requirements

are outstanding. The processes include: a yearly meeting with all OWCC clients to confirm participation agreements, to complete and obtain documents; quarterly confirmation of client eligibility through telephone interviews; and monthly file reviews and controls for compliance of requirements. This practice introduced in January 2009 will be formalized in a policy targeted for completion in Q4 2009.

Recommendation 5

That CSD implement improved bring forward systems to provide reminders to Case Coordinators to follow up on specific areas such as income verification.

Management Response

Management agrees with the recommendation.

This recommendation is consistent with the new approach under development outlined in Recommendation 4, which includes a follow-up mechanism. In order to ensure that files requiring follow-up are identified, OWCC staff has initiated a new monthly report identifying active OWCC cases with outstanding information.

The report tracks the status of the participation agreement for all active OWCC clients and any updates received with respect to a client's information, income, and Centralized Waiting List registration status. Social Service centre staff has begun reviewing the report on a quarterly basis and follow-up as required. Issues related to specific clients are discussed with OWCC case co-ordinators. The Branch will formalize the use of this report in the policy for reviewing OWCC files targeted for completion in Q4 2009.

Recommendation 6

That CSD develop a standardized form that provides a step-by-step approach to determine the subsidy payable in adjustment cases.

Management Response

Management agrees with the recommendation.

The current documentation system used by OWCC provides the required information on more than one form. Children's Services will modify the existing "adjustment" form to consolidate all details of the initial payment and ongoing adjustments. The targeted implementation date for use of the modified form is Q4 2009.

Recommendation 7

That, if CSD's intention is to move away from paper files, the Client's File policy be revised to reflect the documentation requirements in the clients physical file and in electronic form (OCCMS).

Management Response

Management agrees with the recommendation.

OWCC, Municipal Home Child Care programs and Community Purchase of Service programs currently use physical files. The Purchase of Service program will explore a fully electronic process that would enable the City to conduct its business electronically eliminating poor quality faxed documents and mail-outs. Children's Services is targeting an implementation date of Q2 2010 for full migration to electronic filing for the Purchase of Service component. OWCC and Municipal Home Child Care programs will continue to use physical files as it is not feasible for all clients to have access to the required technology.

Children's Services will develop a policy on file content, to formalize the process currently documented in a memo, with a target timeframe of Q3 2010.

Recommendation 8

That CSD develop standards with respect to the utilization of OCCMS, including when OCCMS is used and the syntax to be used in case notes.

Management Response

Management agrees with the recommendation.

Children's Services will develop a policy on the utilisation of OCCMS, outlining circumstances requiring the use of OCCMS, verification standards and a glossary of terms to formalize the process currently documented in a memo. Management will present the policy at a staff meeting. Implementation is targeted for Q1 2010.

Recommendation 9

That CSD formalize the policy regarding reviews of participation agreements in order to outline the expectations for clients.

Management Response

Management agrees with the recommendation.

Children's Services will finalize an internal policy outlining expectations for clients with respect to participation agreements. It will include an OWCC rights and responsibilities document that will be dated and signed annually by parents and OWCC Coordinator and placed on the physical file. Management will present this policy and document to staff at team meetings. Implementation is targeted by Q4 2009.

Recommendation 10

That CSD undertake increased diligence to ensure that monthly receipts be submitted, be date stamped and put on the required physical files.

Management Response

Management agrees with the recommendation

This recommendation is consistent with the new approach under development since January 2009, outlined in Recommendation 4, which includes processes to monitor OWCC client eligibility and the collection of supporting information. All files missing receipts will be forwarded to OWCC Pending Files and reviewed monthly. OWCC clients, whose file is pending verification, will be notified by telephone that payments will be withheld until receipts are submitted. A significant amount of receipts are received by fax and are, therefore, automatically date stamped. Other receipts will be manually date stamped by the verification specialist before being added to the physical file. Training will be provided at staff meetings. The process that will include a biannual file review is targeted for implementation in Q4 2009.

Recommendation 11

That CSD use OCCMS to identify inconsistencies with regard to receipts and follow-up being completed.

Management Response

Management agrees with the recommendation.

Children's Services will implement a process using the "custom reminder feature" of OCCMS to flag inconsistencies with regard to receipts to ensure that the existing follow-up process is initiated. The process will require OWCC staff to print weekly "reminder reports" in order for the supervisor to verify that actions have been completed. Implementation is targeted for Q2 2010.

Recommendation 12

That CSD redesign the OWCC receipt to include the number of children and the number of hours they were cared for.

Management Response

Management agrees with the recommendation.

Children's Services will redesign the "OWCC receipt" form to include the number of children, the child's name and the number of hours of care they receive. Implementation of the new form is targeted for Q3 2009.

Recommendation 13

That EFA and CSD work to address changes in participation agreements and seek an increased automated approach to notification.

Management Response

Management agrees with the recommendation.

OWCC staff has begun generating a monthly report that identifies the status of the participation agreement for all active OWCC clients and updates to the client's information, income and Centralized Waiting List registration status in January. This report is provided to Social Services centre staff for review on a quarterly basis. Issues related to specific clients are discussed with OWCC case co-ordinators. In addition, the report is used internally to update client eligibility status. This practice has resulted in the closing of up to 50% of OWCC cases.

OWCC will identify the need for training new Social Services centre employees as to where to access OWCC information on SDMT and to understand the implications and the required follow-up. Implementation of the new Social Services staff training is targeted for Q2 2010.

Recommendation 14

That CSD ensure that any documentation received from EFA, including emails and SDMT profiles, form part of the OWCC files.

Management Response

Management agrees with the recommendation.

Children's Services will add all documentation, including messages and SDMT profiles received from Social Services centre staff to the OWCC physical files on a go forward basis by Q3 2009.

Recommendation 15

That CSD ensure that OWCC Case Coordinators review files on a more regular basis, particularly in instances where attendance reports are not being filed by OWCC clients.

Management Response

Management agrees with the recommendation.

Consistent with recommendation 4, Children's Services' new approach to monitor OWCC client eligibility and to collect supporting information under development since January 2009, includes monthly file reviews to ensure receipt of proper documentation prior to releasing payments. Attendance report/activity schedules are required when care is provided outside regular schedules such as in the case of shift work. Confirmation of receipts is determined prior to OWCC funding being released or suspended. This practice introduced in January 2009 will be formalized in a policy targeted for completion in Q4 2009.

Recommendation 16

That CSD provide Case Coordinators with increased training to assist them in detection of potential issues with respect to authenticity of child care providers.

Management Response

Management agrees with the recommendation.

Children's Services will review the current mechanisms available to determine the authenticity of informal child care providers. A policy will be formalized based on the outcome of the review and staff training will be done through regular staff meetings. The implementation of this recommendation is targeted for Q3 2010.

6.2 *Audit Objective: To evaluate the effectiveness of the current internal control framework based upon any changes undertaken by the CSD and the EFA Branch since 2006.*

6.2.1 Audit Criteria

- Appropriate segregation of duties is evident and documented in policies and procedures.
- Internal Control Policy Framework includes such controls as segregation of duties, mandatory vacations, rotation, rotation of duties and training. Policies are adhered to by all sections of CSD and EFA Branch.

6.2.2 Observations

Controls Over Subsidy Approvals

Section 6.1 presented the results of the follow-up to the 2006 audit of OWCC funding. The following section discusses findings related to all child care files reviewed during this audit.

The current internal control framework for child care subsidies has some weaknesses. There are no policies with respect to rotation of files to different Case Coordinators or supervisors. When a client is scheduled for an interview, the Case Coordinator is assigned and retains the client during the time that they are on child care subsidies. However, the policies regarding vacations and carryover do provide some controls in that staff must take their annual vacations. In these cases, inquiries into client files would be handled by Verification Specialists or other Case Coordinators. For OWCC child care, the controls are stronger in this regard than in regular subsidies as clients are not necessarily assigned to one Case Coordinator.

Other controls exist in that Verification Specialists are also required to verify information with respect to receipts and payments to clients and child care agencies. The child care agencies also serve a control function in that their desire to retain their subsidized spaces encourages them to report any issues with respect to the client to CSD.

Based upon interviews and sampling, it is apparent that there are no approval processes beyond the Child Care Coordinator for informal child care. Informal child care refers to child care provided by private citizens. In the City, informal

child care is only subsidized for Ontario Works clients. In these cases, funding is paid directly to the client who in turn is required to provide proof of payment through the provision of receipts from the provider. Although the supervisors indicated that they perform random samples, there was no evidence of this in the files or on OCCMS that they were audited.

Documentation Controls

Through interviews and physical inspection of files it was discovered that there are no specific policies regarding special circumstances for discretionary subsidies. Although there are draft policies for some of these issues, such as self-employment, the Case Coordinators have not received sufficient training in order to ensure that subsidies and participation is legitimate. In cases where participation is questionable or income is difficult to determine, there are risks in legitimacy of subsidies. With limited funds available for child care subsidies, CSD must be diligent in ensuring subsidies are going to those most in need.

Within the sample of client files, it was found that in about 60% of the files reviewed, changes to client information was improperly documented as it was hand written or posted with an attached note to indicate the required adjustment. There was no documentary evidence accessible to indicate why the specific adjustments to client files were completed.

Within the sample files the auditors also found at least two cases where clients receiving child care subsidies were working as home child care providers. There was no indication that the CSD asked for verification of their business income to determine whether they are still eligible for their child care subsidy. Although there is no regulation prohibiting subsidies to flow to those working from home, it does seem somewhat questionable that the City, with limited fee subsidy funds, is providing subsidies to those at home providing child care services to other children.

Throughout client files there was no indication that any verification of marital status had taken place at the time of application for subsidy. There was however, documented verification of separation or divorce if it commenced subsequent to the application for subsidy.

The file closure procedures and contents of files are also not well documented. The sampling of files clearly shows a lack of documentary structure and requirements.

Although Ministry guidelines and directives require an internal review process, the guidance on how this is to be done is left to CSD. Policies have not been completed to detail the review processes.

Appeal Processes

The appeal process is documented in policies and involves a review by the Case Coordinators' supervisor. If the client continues to be dissatisfied, it escalates to the Manager of CSD. There are no formal appeal mechanisms outside the City.

Interviews with staff and supervisors indicate that most appeals surround the participation agreements and decisions with respect to eligibility. Rarely have there been appeals with respect to income testing.

As the appeal procedures are undertaken by supervisors of Case Coordinators and up through the ranks, there is some segregation. However, from the client's perspective, this may not appear to be arm's length in that the Case Coordinators' own supervisor undertakes the review. This could be viewed as a lack of transparency from the public and/or client. As well, the policies regarding internal reviews are vague and do not provide sufficient guidance to supervisors on the approach to internal reviews.

Annual Reviews

A lack of clear policy with respect to annual file reviews creates a risk that decisions are not necessarily reviewed by supervisors on a regular and strategic basis. These reviews serve as an excellent control through segregation of duties as well as the identification of training requirements.

Recommendation 17

That CSD supervisors perform a regular review of files on a sample basis, particularly with respect to informal child care and that these reviews be properly documented on file and within OCCMS.

Management Response

Management agrees with the recommendation.

Children's Services supervisors currently review a sample of files for each subsidy coordinator as part of the Performance Development Process but do not record the results of the review in the client file. Children's Services is targeting Q2 2010 to develop an administrative policy that requires supervisors to record client file reviews in OCCMS and/or within the physical file.

Recommendation 18

That CSD ensure that documentation controls be improved to incorporate new forms that include a section for the Case Coordinator's name and signature in order to clearly show the responsible Case Coordinator; and appropriate documentation of any adjustments or changes.

Management Response

Management agrees with the recommendation.

Children's Services is revising all forms to include the name and signature of the case co-ordinator. Children's Services is targeting Q4 2009 to introduce the revised forms. Children's Services will also develop a documentation requirement policy targeted for completion in Q2 2010.

Recommendation 19

That CSD ensure that the policies regarding self-employment and special circumstances for OWCC subsidies be revised to include more rigorous requirements for documentation, particularly with respect to participation.

Management Response

Management agrees with the recommendation.

The provisions of the Ontario Works program have been set by the Ministry of Community and Social Services. Participation agreements are determined between the client and Social Services centre staff. OWCC relies on an active participation agreement to determine client eligibility. OWCC will continue to ensure that a copy of the active participation agreement is present on the physical file.

The Child Care Subsidy program is revising its policy on self-employment including special circumstances and is targeting completion in Q4 2009.

Recommendation 20

That CSD undertake a review of its appeal process to ensure appropriate segregation of duties and to provide the appearance of fairness and transparency.

Management Response

Management agrees with the recommendation.

Children's Services have reviewed the appeal process to ensure transparency, and will have a supervisor from a different team review files in cases of an appeal. This practice will be effective June 2009 and will be included in the revised appeal policy targeted for completion by Q3 2009.

Recommendation 21

That CSD implement a system of rotation of files to different Case Coordinators.

Management Response

Management agrees with the recommendation.

Management agrees that different staff members should manage active files and has an informal system of rotation. In the case of subsidy co-ordinators, a rotation of files currently occurs at the time the reapplication appointments are set as these are scheduled to the first available subsidy co-ordinator. This, combined with the policies regarding vacations and carryover, in that staff must take their annual vacations do provide adequate controls. With respect to OWCC, both case co-ordinators manage all of the files thereby ensuring adequate controls.

6.3 Audit Objective: To assess the degree to which the Branch is in compliance with the Provincial directives including delivery standards and management of the child care funding.

6.3.1 Audit Criteria

- Policies are adapted in accordance with changes required by the Ministry of Community and Social Services and Ministry of Children's and Youth Services or other governing bodies prior to effective date of regulatory/standard changes.
- City processes for policy changes are designed to respond to unexpected legislative and standard changes.
- City has implemented the regulatory changes required by August 1, 2008 with respect to the implementation of the Ontario Child Benefit and Transition Child Benefits.

6.3.2 Observations

Compliance with Provincial Legislative Requirements, Regulations and Standards

The Provincial representatives contacted during the audit indicated that the City of Ottawa provides good service and were recently audited with respect to compliance. This review showed no major issues and indicates that the City has been in compliance with the funding formulas and program services as required by the Province.

According to Ministry staff, all recent legislative changes have been implemented within the required timeframes although it was noted that these changes were not documented within policies. Staff and management indicated that this was communicated through meetings and email messages. As all policies are under review, these changes will be included in these re-drafted policies.

It is important to note that the Provincial compliance reviews are generally intended to ensure that funds that have been provided to the City are being utilized in the funding envelopes intended and approved through the Child Care Service Agreement. To support CMSMs in fulfilling their fee subsidy management responsibilities, the Ministry of Children and Youth Services has provided guidelines to assist in the interpretation of the legislation, regulations, standards and policies established by the Province. CMSMs are, however, given wide discretion in planning and managing child care fee subsidies in Ontario.

Policy Review Process

Staff interviews revealed that when policy changes are being implemented, the supervisors and managers define a schedule for notification, training and the direct implications for staff. Documentary reviews indicated that policies are incomplete and are difficult to follow. The most significant change that has occurred in the past few years was the implementation of income testing in 2007. Although the initial

change resulted in an increased workload during transition, overall, this change has resulted in a decrease in workload. Of significance, however, is the fact that it has taken almost two years to introduce revised policies and procedures as a result of these legislative changes. Many policies are over 13 years old without review or revision. That being said, CSD has a policy review plan including milestones and deliverables. Changes in policies and legislation are communicated through meetings and training sessions. As well, supervisors and managers are active in the Ontario Municipal Social Services Association (OMSSA), which provides for ongoing training and forum to discuss regulatory changes.

Recommendation 22

That CSD undertake a rigorous approach to policy changes and that the policy review plan be executed in order to reflect recent changes to legislation.

Management Response

Management agrees with the recommendation.

Consistent with recommendation 1, Children's Services was formalizing a policy development, review and approval process at the time of the audit. As part of this process initiated in May 2008, Children's Services will continue to update and prioritize the list of policies for review and development on an ongoing basis. With the recent realignment of Children's Services in the new Community and Social Services department, the current branch policy development and approval process will be reviewed to see how it can be coordinated within the new departmental structure. Children's Services is targeting Q3 2010 for the completion of the process review.

6.4 *Audit Objective: To assess the extent to which the City has maximized its fee subsidies and related cost of administration based upon the outcome based performance measures.*

6.4.1 Audit Criteria

- Budgets are maximized and reconciled in accordance with Provincial guidelines.

6.4.2 Observations

The City's Investment in Child Care Subsidies

The City of Ottawa provides both wage subsidies and fee subsidies directly to child care agencies. Wage subsidies provide agencies with funding in order to attract and retain qualified staff to provide child care services.

Interviews with Ministry officials indicated general satisfaction with the services provided by CSD. However, the Ministry does find difficulty in the length of time that it takes to finalize budget information with the City. This is partly due to the

fact that the Provincial and municipal fiscal years are different as well as the fact that service agreements must be passed by City Council. The fact that the City requires child care agencies to file budgets in order to receive fee subsidy spaces also delays this process. This is not the case in the other municipalities in that subsidies are provided directly to clients and not to providers.

Provincial funding covers 80% of fee and wage subsidies with the expectation that municipalities will fund 20%. Of course, this is based upon available funds at the Provincial level. Cost of administration is funded at 50%. The City's 2008 fee subsidy budget is \$43 million with the City's share at 30% (\$13.9 million). Consequently, CSD has exceeded fee subsidy requirements and currently funds child care well above that provided by the Province. Most other municipalities in Ontario do not fund programs above those funded by the Province. However, most other municipalities do not have a waiting list that is as extensive as that found in the City of Ottawa. That being said, CSD has been working on a new approach to funding its subsidies due to the increased pressures on property taxes. This is contained in a new Fee Subsidy Stabilization Plan expected to be released in early 2009 which provides a funding policy for subsidized child care fees using approved budgets to index City payments for subsidized service from licensed child care providers.

As well, it is important to note that the current approach to allocation of fee subsidies may also play a part in this extended funding. As mentioned, in the City, fee subsidies are allocated to the child care agencies rather than the client. In this model, child care agencies must apply to the City for a purchase of services agreement to attain subsidized spaces. This also requires that the child care providers file detailed budgets with the City to justify their funding. One implication of this method is that the subsidized spaces may not exist where the client requires the subsidy. For example, if a client requires a subsidized space but the only available space is located with a provider on the opposite side of the City, the client is not likely to accept that space. If the subsidies follow the client, the space is effectively created where the client requires it. Further implications of the current approach are discussed later in this report.

Fee Subsidy Utilization

The Financial Support Unit (FSU) plays a key role in the analysis and reconciliation of program funding. Once the CSD Child Care Specialists have determined wage subsidies and fee subsidies payable to child care agencies, the FSU arranges payment on a monthly basis. Child care agencies are responsible to enter attendance by clients in OCCMS directly, which provides the information to the FSU that the clients actually attend the agency. The FSU also provides the quarterly budgetary information to CSD who in turn submits to the Province.

A review of the budgetary information from 2007 and 2008 indicates that fee subsidy utilization has not been 100%. In 2007, the utilization of subsidized

licensed child care was at 97% and projected to be 86% in 2008 at the time of this report. This represented approximately \$3 million in unused fee subsidies. In other words, although fee subsidies are attached to the agencies, full utilization has not been realized.

In interviews with the provider of the waitlist, Andrew Fleck Child Care Services, and with other child care agencies, the lack of 100% utilization was seen as partly due to the mechanism in which clients access subsidized spaces. In all interviews with child care agencies, they indicated that the waitlist system has resulted in spaces remaining open for some time. In one child care agency, subsidized spaces had been vacant for over three weeks. This was attributed to the waitlist system in that clients have a choice of several agencies. This has led to situations where child care agencies, with subsidized spaces, contact clients with a space and wait for response. There is no way for the child care agency to know if the client already has accepted another space. This would not occur if the fee subsidy followed the client.

See recommendations at the end of Section 6.5.

6.5 Audit Objective: To evaluate the extent to which the City ensures, open, equitable and transparent access to the child care spaces across the City.

6.5.1 Audit Criteria

- Subsidized spaces are allocated based upon fair and equitable policies and procedures.
- Child care providers are provided adequate and fair access to City staff resources. Budget submission processes are consistent between providers and years of service.

6.5.2 Observations

Section 6.5 discusses in greater detail a number of issues and implications related to the City's current provider-based approach to subsidy allocations.

Allocation of Subsidized Spaces

As noted earlier, the City has taken a unique approach to providing child care fee subsidies, as it is the only municipality in Ontario that provides fee subsidies to agencies through subsidized spaces allocated to child care agencies rather than the subsidy being provided to the client. This entails additional work for the child care agencies which some believe actually deters agencies from seeking subsidized spaces.

As well, by allocating subsidized spaces by agency, there is a sense that these spaces do not necessarily reflect the demographic need for spaces. In other words, subsidized spaces could be allocated to agencies where the waitlist for the spaces is not as high as other areas.

In cases where fee subsidies are attached to the client, this does not occur. The client would be able to go to the agency of choice, provided a space was available, and retain the subsidy if the client moved or required different child care programs. Although this appears to be a more viable option, there are issues with this approach as well. Where there are limited funds, the client-based fee subsidy approach would result in a first come first served approach. This again may not reflect the demographic requirements or provide subsidies to those most in need.

It is also important to note that the approach taken by the City adds a layer of administration that does not exist in other municipalities. These funds could be redirected towards increased fee subsidies or savings. Because subsidized spaces are allocated to child care agencies rather than clients, agencies must submit budgets to justify spending to maintain the subsidized spaces. The agencies are required to submit actual expenses as well. All of this requires that Child Care Specialists review the budgets and submission as well as perform ongoing monitoring. This adds additional resources to the City's administration, which is not fully funded by the Province. Although some municipalities continue to review child care agency rates, the fee subsidy process is simply administered with the client and the income testing.

As mentioned earlier, the cost of administration is funded 50% by the Province up to the maximum allocated to the City. Consequently, additional resources are funded through property taxes. Therefore, the City's approach to fee subsidies results in additional costs that are not directed at providing service to clients. The section in CSD that currently administers the child care agency budgets undertakes reviews for both fee and wage subsidies. Therefore, a change in fee subsidy approach to follow the client could reduce the complement by at least two FTEs.

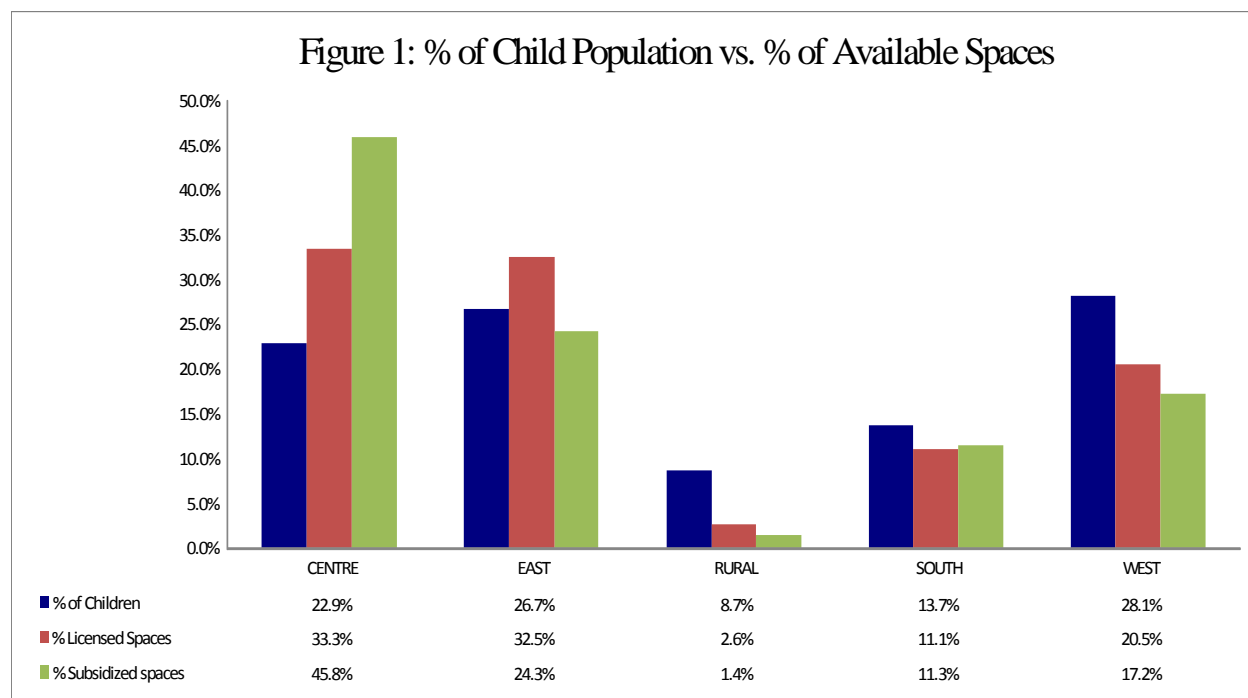
Alignment of Subsidized Spaces with Population or Apparent Need

In 2008, the total number of licensed child care spaces within the City of Ottawa was 19,300, with 7,200 subsidized spaces available. The total number of children waiting on the centralized waitlist totals approximately 11,800. Based upon these statistics, it would seem that, in order to meet the demand for licensed child care, it would require the City to produce 61% more spots in order to meet the demand. However, it is important to note that the waitlist is deceiving in three ways: (1) clients can access the waitlist before the child has arrived; (2) the waitlist does not include those looking for informal child care; and, (3) the waitlist is not regularly updated to remove those who have found a child care space and therefore the number does not accurately reflect families waiting.

The number of children on the centralized waiting list requiring a subsidized space is approximately 3,700. This would require 51% additional subsidized spaces in order to meet the current demand of the city. During economic uncertainty and challenges, these numbers will likely increase.

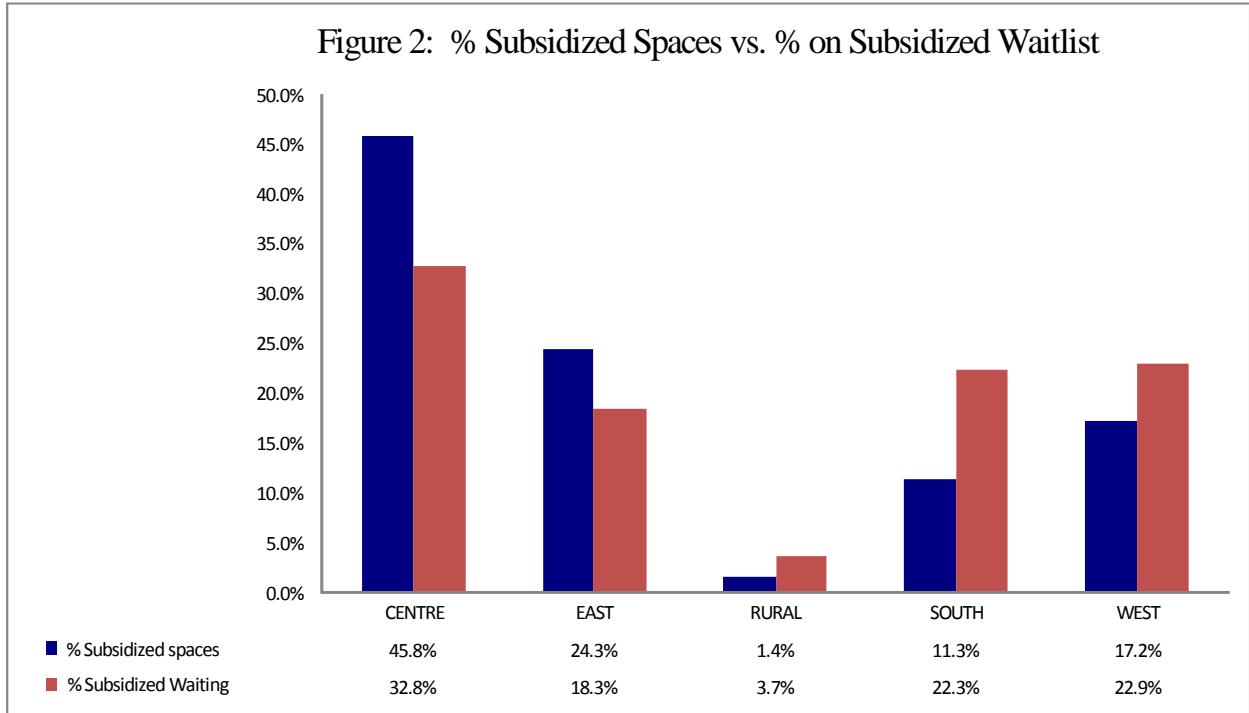
Although there is clearly more demand than supply of child care spaces and subsidies, the need is not proportional to child population or the subsidized spaces available. This is partly due to the fact that subsidized spaces are allocated to child care agencies and as such there are limited opportunities to match the subsidies with the needs of the community.

Based upon the chart below, it would appear that licensed spaces and subsidized spaces do not align with the child population. In particular, it appears that there are significantly more subsidized spaces available in Ottawa centre in comparison with the number of children. One will note that in the rural areas, there are few subsidies available in comparison to the child population. This is true in the west part of the City in general.



Source: Population: 2006 Census, Statistics Canada
 Subsidies Available: Children Services Division, City of Ottawa

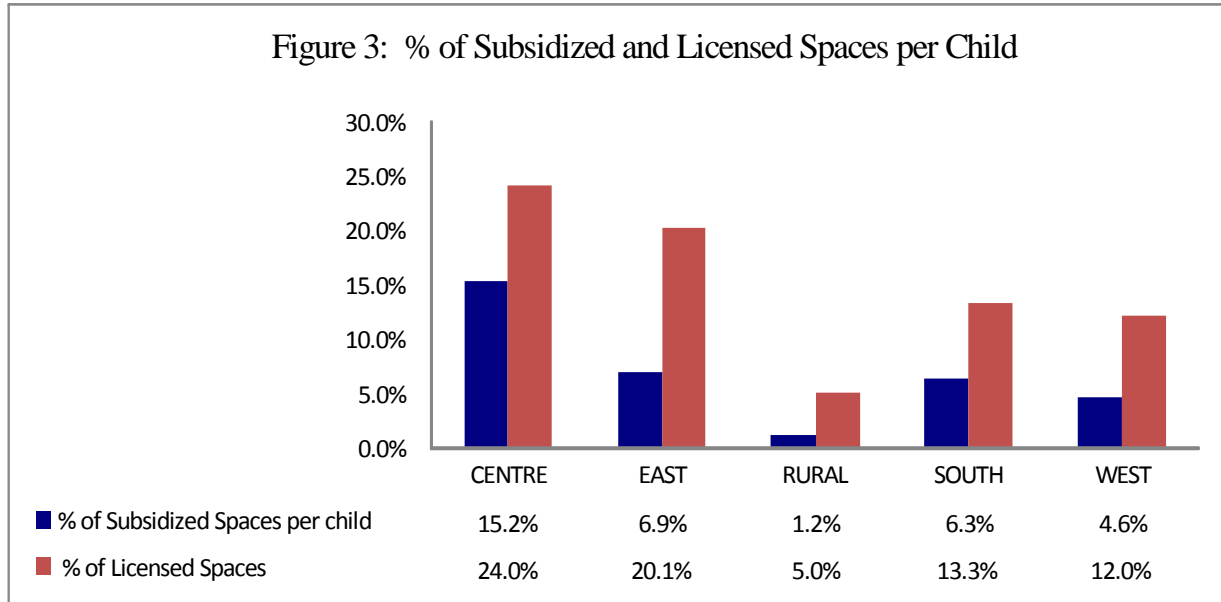
One could argue that perhaps this is due to parents desire to access day care closer to where they work. However, if one reviews the chart below, it is apparent that the subsidized waiting list in Ottawa centre does not support this hypothesis. In fact, the percentage of subsidized waitlist clients per subsidized space is the lowest in Ottawa centre. The chart also shows that the west and south end of the City requires an increase in subsidized spaces in comparison to the downtown core.



Source: Subsidized Spaces on Waitlist: Andrew Fleck Child Care Services
 Subsidies Available: Children Services Division, City of Ottawa

The next chart further illustrates the point. The number of subsidized spaces per child in Ottawa centre far exceeds the number of subsidized children on the waitlist. This is likely due to historical determination of allocation of child care spaces as well as changing demographics. It is well known that the demographics indicate that the City is growing in the outlying areas and yet, the child care subsidies have not changed to reflect this reality and growth.

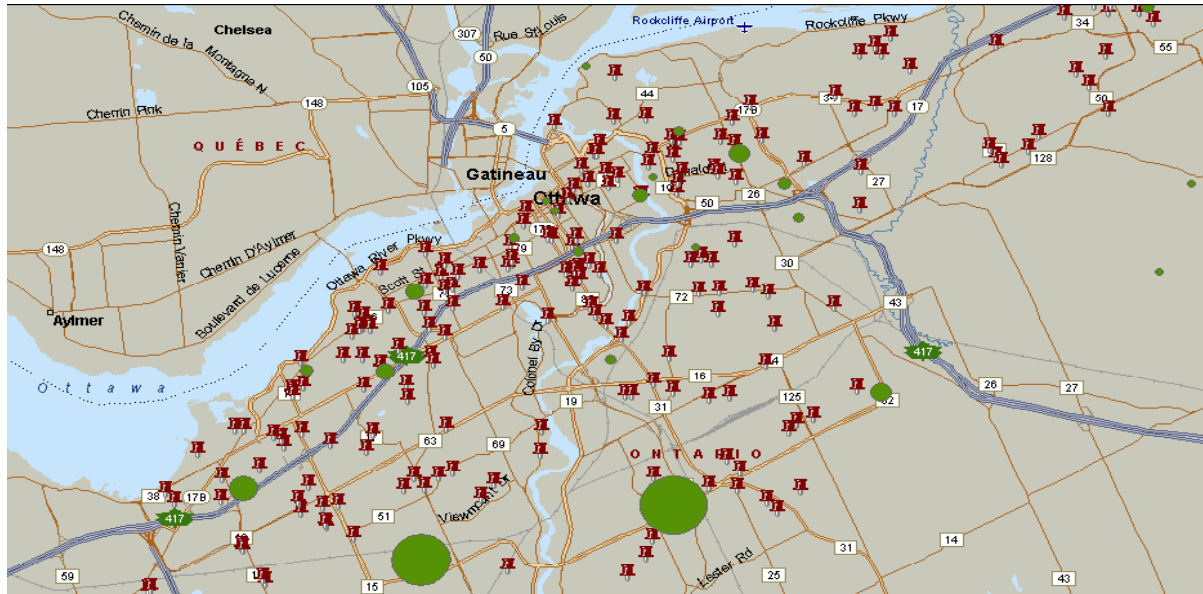
This further supports the idea that if fee subsidies follow the client rather than being attached to the child care agency this may improve the allocation of subsidies. It would seem that if fee subsidies follow the client as funds become available, they would naturally tend to areas where there are shortages in spaces currently. As well, the statistics support the issue brought up by the agencies that they are sometimes not able to fill their subsidized spaces for some time. That is, the lower percentage of clients requesting subsidized spaces as compared to those available, could lead to under-utilization. The utilization reports also support this finding.




Source: Population: 2006 Census, Statistics Canada
 Subsidized Spaces on Waitlist: Andrew Fleck Child Care Services
 Subsidies Available: Children Services Division, City of Ottawa

The following map illustrates the current day care providers plotted with pushpins and the number of children waiting for a day care spot in circles. The larger the circle, the more children waiting in the particular district. This map clearly demonstrates that the demand for child care is growing in the outlying areas of the City. This provides further evidence that the allocation of funding for subsidized child care spaces does not reflect the need.

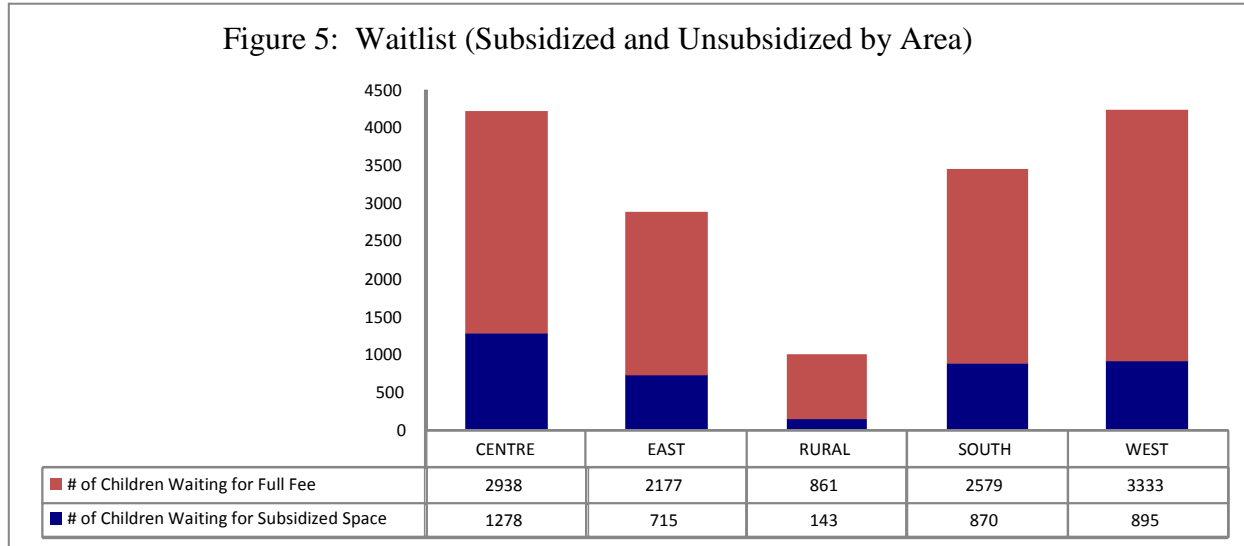
Figure 4: Current Providers vs. Children Awaiting Subsidy



 Child Care Providers
 Number of Children Awaiting Child Care Space

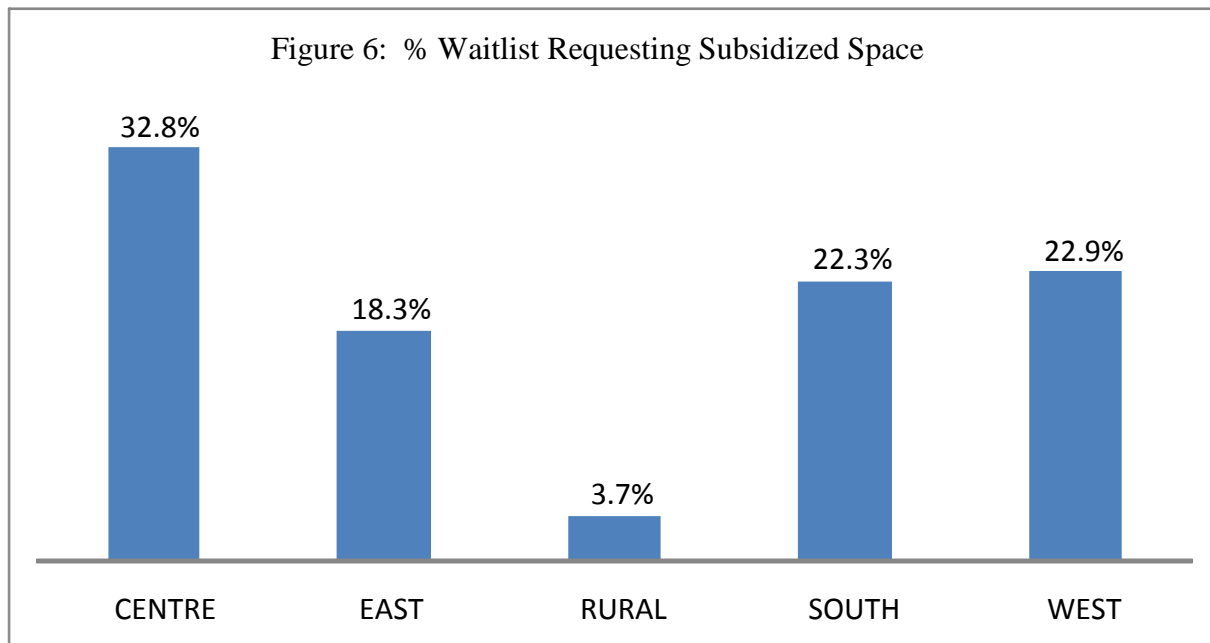
The maps suggest that there are numerous child care facilities available in the City of Ottawa but the demand of child care spots still exceeds the supply.

The following chart also illustrates the demand for subsidized child care spaces as compared to the total waitlist. This illustrates how many children are on the waitlist that are waiting for subsidies compared to those who are waiting for unsubsidized spaces in their electoral district. Although the chart illustrates that there are significant differences between districts, the reader is cautioned by the fact that those requesting subsidized spaces are not necessarily eligible for subsidies. However, the chart does show potential demographic differences that are not being met by the City's approach to allocation of fee subsidies.



The following graph represents those children who are on the waitlist and the percentage of those who are waiting for subsidies. There is quite a high demand for subsidized spaces in Ottawa, Nepean, Ottawa South and Vanier in comparison to the total waitlist requirements. However, it is important to note that the clients may not necessarily be eligible for the subsidized spaces depending upon their income. That is, income testing generally does not occur until a subsidized space is available.

This further skews the waitlist information because those on the waitlist for subsidized spaces may not be eligible. Further, the waitlist allows clients to choose both subsidized and full fee spaces.



These statistics indicate that the current method of allocating fee subsidies to child care agencies does not reflect the true needs of the client base. In addition, it is much more costly to operate the fee subsidies in the current manner. Although there are challenges with administering fee subsidies at the client level, the reduced administration fees can be allocated to fee subsidies and direct client advantage.

Francophone Spaces

The total number of 2008 francophone child care subsidized spaces is 977. This is exclusive of bilingual spaces. The total number of subsidized spaces is 7,245; therefore the percentage of francophone subsidized child care spaces is 13.5%. According to Statistics Canada, in 2006 the number of French speaking citizens in Ottawa was 119,445 with the total population totalling 801,275. Therefore 15% of the population in Ottawa's mother tongue is French or non-official. This has grown since the 2001 census, which indicated that the francophone population represented 13.8%.

Accordingly, the number of francophone-subsidized spaces is falling slightly short of the demand based upon the current demographics for the City of Ottawa francophone community. A challenge that currently exists for the City is the review of "bilingual" child care agencies. There are some agencies that indicate that they provide bilingual services but the City does not have a policy on the definition of bilingual services. In particular, the ability to provide full bilingual services by all staff causes concern for the City and the francophone community as well.

Provider Budget Process

A final issue related to the City's current approach to space allocation involves the associated budget review process. Currently, the budget processes and the requirements for wage and fee subsidies are overly complicated and take a significant amount of time and resources. In most cases, agencies indicated that they were fortunate if their budgets were approved by the summer. This makes it very difficult to plan and make decisions.

That being said, part of the issue for the City rests with the fact that the fiscal year for municipalities is different than that for the Province. This makes it difficult for the City to finalize child care agency budgets in a timely fashion. However, since the Province has come up with a stable and fixed budget for the child care envelope, it would seem that budgets should be relatively simple to complete from year to year, provided that the reporting requirements do not constantly change.

In the review of child care files, we found it extremely difficult to follow the decision-making process or the purpose for much of the documentation filed with the City, for both fee and wage subsidies. Although the City has a requirement that the child care agencies provide detailed documentation of salaries (e.g., T4s) and operations (e.g., utility bills), there was very limited evidence that this information was reviewed, verified or analyzed in the files. It was also very rare to find a final

approved budget signed by the City. Several versions were found in each file and it was difficult to determine the actual final approved version. In interviews with staff and management, it was indicated that these were contained in spreadsheets with the approved payments sent to the FSU. These spreadsheets were not provided to the audit team nor were they found in any files.

The lack of completeness and supporting documentation in the sample files raises concerns about the consistency of treatment between providers. Recently, the City withdrew funding from a particular child care provider due to concerns about documentation and the response from the child care provider. Although this decision may be valid, the City needs to ensure that a rigorous review of files is undertaken in all cases equally to ensure that it is not criticized for inconsistency in such decisions. The audit team did not find this consistency.

Agencies also expressed some concerns with regard to the varying knowledge of the Child Care Specialists. There appears to be different treatment depending upon the Specialist assigned to the agency. However, agencies did indicate that they preferred to retain the same Specialist over several years as it takes time to establish rapport, gain an understanding of the services provided, and recognize financial circumstances.

Overall, agencies felt that the budget process was time consuming and appeared to be repetitive and irrelevant. The child care agencies indicated that if fee subsidies followed the client rather than be attached to the agency, this would reduce workload for all involved and would also remove some of the stigma felt by the client with respect to subsidization. In fact, there have been occasions in the past where providers have withdrawn their application for subsidized spots due to the complexity of the budgetary process.

Based on these observations, the case for changing the current approach to subsidy allocation to a client-based mechanism is compelling. A combination of allocated spaces to child care agencies and subsidies that are attached to the client may be a good transition in order to maintain some control over the demographic access to subsidies. In the case of OWCC clients, client based subsidies would encourage these clients to move towards formal child care and away from informal child care.

Recommendation 23

That CSD explore the elimination of the allocation of fee subsidies to child care agencies in favour of a client based fee subsidy system.

Management Response

Management agrees with this recommendation.

In April 2009, City Council approved the Child Care Fee Subsidy Stabilization Plan - Phase 1 (ref. ACS2009-COS-SOC-0003). Among other issues, the Plan examined the benefits and drawbacks of each allocation system and ultimately

recommended implementing a fee subsidy stabilization plan using the current Council approved system of fee subsidy distribution in Ottawa. The Plan also proposes the introduction of portable spaces as part of Phase 2 of the fee subsidy stabilization plan to add flexibility and responsiveness in the current system. Consideration will be given to directing retrieved funds not used for the indexation of rates and any future funding for subsidized child care towards client based portable spaces. Phase 2 is targeted for completion in Q1 2010 with a report to Committee and Council. That report will include a comparison and assessment of different municipal subsidy systems (i.e., parent-based versus provider-based) and take into consideration the impact of the recent announcement respecting full day early learning and care for 4 and 5 year olds.

Recommendation 24

That CSD undertake an updated demographic analysis of the child care requirements.

Management Response

Management agrees with this recommendation.

Children's Services is presently conducting a demographic analysis using the 2006 Statistics Canada census information. Children's Services is also revising the methodology to be used to analyze the Francophone demographic using the same statistical information. Phase 2 of the Child Care Fee Subsidy Stabilization Plan calls for this analysis to be completed every five years to coincide with the release of new Statistics Canada data. Phase 2 is targeted for completion in Q1 2010 with an information report to Committee and Council.

Recommendation 25

That CSD ensure that the analysis of subsidized spaces include francophone and anglophone demographics on a regular basis.

Management Response

Management agrees with this recommendation.

Children's Services has been reviewing Francophone and Anglophone funding distribution on an annual basis since 2005 in order to meet Council's direction with respect to the Francophone Catch-up Plan. As mentioned in the response for recommendation 24, Phase 2 of the stabilization plan calls for a demographic analysis to be completed every five years to coincide with the release of new Statistics Canada data. Phase 2 is targeted for completion in Q1 2010 with an information report to Committee and Council.

Recommendation 26

That CSD undertake a review of the agencies providing bilingual services to determine if these agencies are providing adequate francophone services.

Management Response

Management agrees with this recommendation.

Children's Services had identified in its workplan the need to develop a criteria-based designation mechanism to recognize the provision of quality Francophone child care programs. The designation process currently being developed in consultation with the child care community will include a review of child care programs using established criteria. The new process is targeted for implementation in Q4 2009

Recommendation 27

That, should the current approach to subsidy allocation be retained, CSD review the budgetary processes to reduce the burden on the child care agencies and streamline the process to reduce the timeframe for approval and that final approved copies of budgets be placed on the agency files.

Management Response

Management agrees with this recommendation.

For the 2009 Purchase of Service budget process, Children's Services has developed a more efficient and streamlined process. The new process documents decision-making and funding adjustments. The required supporting documentation is analysed and correlated to the budget approval process.

As part of the City Council approved Child Care Fee Subsidy Stabilization Plan - Phase 1 and new Fee Subsidy Management Policy, Council approved the staff recommendation for the development of the Child Care Service Provision Price Index (CCSPPI). The price index identifies changes in costs that affected the provision of child care services in Ottawa over the previous twelve months and will determine the annual Purchase of Service rate increase beginning with the 2010 budget process. The CCSPPI increase for 2010 will be announced in September 2009.

As the amount of each agency's increase to operating expenses is now pre-calculated using the CCSPPI, the budget process will require that the agency identify the expense distribution of any new funding. Agencies will have the option to accept the indexed per diem rate(s) calculated automatically or submit revised daily rates that respect the total amount of approved expenses. The 2009 User Guidelines have been updated to reflect the new budget approval process.

This updated budget process will allow Children's Services to finalize the 2010 budget process by Q4 2009, apply new per diem rates beginning January 2010

and ensure final approved copies of budgets are placed on the agency physical and electronic files. Child care agencies can now plan budgets in a predictable environment knowing that the City will provide annual rate increases to be paid at the start of each year.

Recommendation 28

That CSD supervisors take a more rigorous approach to quality assurance and review of budget files to ensure consistency of application and treatment of child care providers.

Management Response

Management agrees with this recommendation.

Children's Services is currently developing a framework for Purchase of Service funding initiatives and budget file reviews that will include quality controls mechanisms, procedures and tools to ensure consistency. Completion is targeted for Q4 2009.

6.6 Audit Objective: To evaluate the budget submissions and process for Day Care Service Providers to ensure equitable treatment between providers and overall accountability of the Branch.

6.6.1 Audit Criteria

- Budget submissions for child care agencies are consistent and benchmarks are utilized to establish individual budgets.

6.6.2 Observations

This section of the report presents some final observations regarding the current provider budget process.

Management indicated that a final budget signed by the City is to be on the child care agencies file. It was found that only 13% (2/16) of the audited child care agencies had a signed final copy of their budget submission included on their physical file. There were numerous versions of budget submissions and this made it difficult to determine which one was the final copy.

The procedures and supporting documentation for day care service providers proved significantly inadequate. The inconsistencies with procedures and required documentation is troubling. Budget submissions were typically present for the year 2007. A copy of the day care service provider's audited financial statements was available in some files but was not consistent throughout. Requirements such as expense evidence (i.e., receipts) were inconsistent and many files had no proof of expenses. There was no noticeable improvement in documentation procedures from 2007 to 2008.

The child care providers interviewed questioned these requirements in that if no additional funding exists for fee subsidies; why have such a complex and lengthy budgeting process? If the percentage increase is consistent from year to year, the interviewees indicated, what need is there to review the budget submissions a number of times? Although the stabilization plan has not been released, it was mentioned numerous times and it was expected that it would address some of the inefficiencies within the budgeting process. Please see recommendations 23 and 27.

6.7 Audit Objective: To assess the appropriateness of the organizational structure of the CSD within the Parks and Recreation Branch.

6.7.1 Audit Criteria

- The current organizational structure provides efficient and effective administration and delivery of children's services across the City.

6.7.2 Observations

Organizational Structure and Alliance to EFA

At the outset of this audit, CSD was part of the Parks and Recreation Branch. Audit Objective 7 was intended to examine the merits of this structure versus a closer alignment to Employment and Financial Assistance.

In the organizational re-structuring announced in late 2008, CSD was re-assigned to the new Social Services portfolio, which includes EFA. The audit work performed regarding organizational structure issues supports the recent change and no further observations or recommendations are required.

7 CONCLUSION

The City of Ottawa continues to strive to administer child care subsidies effectively, nevertheless there is room for improvement. With the implementation of the recommendations presented herein, the audit team believes that the City will be well on its way to better utilizing essential subsidy funds.

That being said, in our opinion, the current approach of fee subsidy allocation to the child care agencies rather than to families is not necessarily providing the best service for Ottawa citizens. The City should consider restructuring the way in which it allocates fee subsidies to follow the client rather than the child care provider. All other Ontario jurisdictions follow this approach. This will allow for a redirection of funds away from administering these fee subsidy agreements to providing direct fee subsidies to clients. A policy review also will assist the City in improving documentary controls to ensure that those most in need receive the limited fee subsidies.

It is recommended that the City review the effectiveness of the current centralized waitlist system. A competitive procurement process should be considered to assess options for providing this important service to City parents.

Child care provider files are currently not kept up to date and all required documentation was not on file. The recent decision to eliminate subsidies from one particular child care provider for lack of proper documentation seems to be inconsistent with the approach taken with other providers given that many of the child care provider files were incomplete and lacked supporting documentation. Consequently, CSD should ensure that it develops policies that provide more detailed direction to Child Care Specialists. These practices should be monitored and tested on regular basis by supervisors.

With respect to the recommendations contained in the 2006 Audit of the OWCC subsidies, CSD have made only limited improvements in the requirement for receipts from child care providers or policy reform. CSD need to continue to improve these processes and ensure that ongoing reviews of files are undertaken. Supervisors need to take on a greater role in regularly monitoring child care files.

Finally, the City has taken a different approach to providing child care services than seen in other municipalities. Although there is some merit to this approach, it has created challenges in administering the programs and there are valid concerns from those contacted during the audit. These concerns should be analyzed in the context of delivering the best value for tax dollars while fulfilling the policy objectives of the City.

8 ACKNOWLEDGEMENT

We wish to express appreciation to the staff and management of the CSD, the EFA Branch, the various child care agencies that were interviewed; the waitlist provider (Andrew Fleck Children's Services), the Ministry of Children and Youth Services and the Financial Support Unit (FSU), for their cooperation and assistance throughout the audit process.