Table of Contents

Executive Summary .................................................................................................................. 1
  Introduction .......................................................................................................................... 1
  Summary of the Level of Completion .................................................................................. 2
  Conclusion ............................................................................................................................ 4
  Acknowledgement ............................................................................................................... 5

Detailed Follow-up Report ...................................................................................................... 6
  Introduction .......................................................................................................................... 6
  Key Findings of the Original 2012 Audit .......................................................................... 8
  Status of Implementation of 2012 Audit Recommendations ........................................... 15
  Summary of the Level of Completion ................................................................................ 40
  Conclusion .......................................................................................................................... 41
  Acknowledgement .............................................................................................................. 42
Executive Summary

Introduction

The Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process was included in the Auditor General's 2014 Audit Plan.

The key findings of the original 2012 audit included:

- The initial eligibility assessments for assistance are granted in accordance with the Ontario Works Act, Regulations and policy directives. For the most part, the receipt, verification and appropriate analysis of required information are documented accordingly for the application process.

- Within the selected sample, a total of $3,840 in payments of benefits to recipients was identified as being ineligible. This represents approximately 0.6% of the population tested. Although the sample is not necessarily statistically valid, if this error rate held consistent across the entire population of payments, the total ineligible payments during the period from January 2011 to June 2012 would be approximately $834,000.

- The audit found that by increasing the number of cases assigned to each case worker, the City could decrease the number of generic case workers to be more in line with the provincial median. This would result in a staffing reduction savings of approximately $1,549,200 annually. Total potential savings identified in the audit are $2,567,750.

- The audit also recommends that the Community and Social Services Department work with Human Resources on an Attendance Management program with the objective of reducing sick leave of case workers to the rate currently achieved in the East Service Centre (i.e., 16.5 days). Other Centres are as high as 21 days per year whereas the City-wide average of all employees is 11.

In November 2014, a new case management software - Social Assistance Management System (SAMS) was implemented by the provincial government to administer Ontario Works, Ontario Disability Support Program, Assistance for Children with Severe Disability and Emergency Assistance cases. While the process to implement functionalities is managed by the Ministry of Community and Social Services, a provincial/municipal SAMS working group was created to deal with SAMS’ challenges and associated business processes.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

The following three changes made by the Ministry in relation to the implementation of SAMS had a significant impact on the review of eligibility. Specifically:

- The requirement to verify income changed from being a standard monthly requirement, to being a risk-based decision (i.e., the caseworker checks the income "verification required" checkbox or there are new earnings);
- As a temporary workload reduction measure, the Ministry waived the requirement to update expired Outcome Plans (Participation Agreements have been renamed Outcome Plans in SAMS.); and,
- The Enhanced Verification Program (EVP) is a primary mechanism to monitor the completeness and accuracy of pay information submitted by OW clients. EVP activities were also suspended by the Ministry.

The launch of SAMS compounded with changes in how business is conducted has impacted on our follow-up of some of the audit’s recommendations. For these recommendations, management took actions to address them in the pre-SAMS environment; however the actions are no longer relevant in the SAMS environment. As well, due to on-going problems with the provincial implementation of SAMS, certain key processes have been deferred and workaround procedures are in place. As such, there is less value in assessing the procedures in place in this temporary state. We may return to review the OW eligibility assessment process at a later date after the system and procedures have normalized. For the purpose of this follow-up, in these cases where management implemented the recommendation in the pre-SAMS environment, we have assessed them as 100% completed.

**Summary of the Level of Completion**

The table below outlines our assessment of the level of completion of each recommendation as of November 30, 2015.
Table 1: OAG’s assessment of level of completion of recommendations

<table>
<thead>
<tr>
<th>Category</th>
<th>% Complete</th>
<th>Recommendations</th>
<th>Number of Recommendations</th>
<th>Percentage of Total Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little or no action</td>
<td>0 – 24</td>
<td>3, 10, 14</td>
<td>3</td>
<td>17%</td>
</tr>
<tr>
<td>Action Initiated</td>
<td>25 – 49</td>
<td>n/a</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>Partially Complete</td>
<td>50 – 74</td>
<td>12</td>
<td>1</td>
<td>6%</td>
</tr>
<tr>
<td>Substantially Complete</td>
<td>75 – 99</td>
<td>2, 13</td>
<td>2</td>
<td>11%</td>
</tr>
<tr>
<td>Complete</td>
<td>100</td>
<td>1, 4, 5, 6, 7, 8, 9, 11, 15, 16, 17, 18</td>
<td>12</td>
<td>67%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>18</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

The table below outlines management’s assessment of the level of completion of each recommendation as of September 16, 2016 in response to the OAG’s assessment. These assessments have not been audited.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

Table 2: Management's assessment of level of completion of recommendations

<table>
<thead>
<tr>
<th>Category</th>
<th>% Complete</th>
<th>Recommendations</th>
<th>Number of Recommendations</th>
<th>Percentage of Total Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little or no action</td>
<td>0 – 24</td>
<td>n/a</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>Action Initiated</td>
<td>25 – 49</td>
<td>n/a</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>Partially Complete</td>
<td>50 – 74</td>
<td>n/a</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>Substantially Complete</td>
<td>75 – 99</td>
<td>2</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Complete</td>
<td>100</td>
<td>1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18</td>
<td>17</td>
<td>95%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>18</td>
<td>100%</td>
</tr>
</tbody>
</table>

Conclusion

The City’s Community and Social Supports (CSS) unit has substantially or fully implemented 14 of the 18 recommendations from the 2012 audit as they pertained to the former SDMT system only. One recommendation is partially completed while the remaining three have not been addressed. Management indicated that this was due to ongoing technical challenges, requested enhancements to SAMS and continued provincial administrative deferral of business rules.

The SAMS implementation continues to have functionalities deficiencies and challenges for stakeholders and municipal partners. Additional effort is required from management to fully implement the remaining recommendations and address the underlying issues. Specifically, additional communication and/or monitoring is needed in the areas of eligibility documentation, using more detailed case information when monitoring workload, attendance management, using SAMS’ functionalities to create efficiencies and reduce FTEs, and, reviewing the potential of using SAMS’ functionalities to replace spreadsheets for ERP reporting.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

Acknowledgement

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

The following section is the detailed follow-up report.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

The detailed section of this report is available in English only and may be translated in whole or in part upon request. For more information, please contact Ines Santoro at 613-580-2424, extension 26052.

La section détaillée de ce rapport n’existe qu’en anglais et pourrait être traduite en partie ou en totalité sur demande. Renseignements : Ines Santoro, 613-580-2424, poste 26052.

Detailed Follow-up Report

Introduction

The Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process was included in the Auditor General’s 2014 Audit Plan.

The key findings of the original 2012 audit included:

- The initial eligibility assessments for assistance are granted in accordance with the Ontario Works Act, Regulations and policy directives. For the most part, the receipt, verification and appropriate analysis of required information are documented accordingly for the application process.

- Within the selected sample, a total of $3,840 in payments of benefits to recipients was identified as being ineligible. This represents approximately 0.6% of the population tested. Although the sample is not necessarily statistically valid, if this error rate held consistent across the entire population of payments, the total ineligible payments during the period from January 2011 to June 2012 would be approximately $834,000.

- The audit found that by increasing the number of cases assigned to each case worker, the City could decrease the number of generic case workers to be more in line with the provincial median. This would result in a staffing reduction savings of approximately $1,549,200 annually. Total potential savings identified in the audit are $2,567,750.

- The audit also recommends that the Community and Social Services Department work with Human Resources on an Attendance Management program with the objective of reducing sick leave of case workers to the rate currently achieved in the East Service Centre (i.e., 16.5 days). Other Centres are as high as 21 days per year whereas the City-wide average of all employees is 11.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

In November 2014, a new case management software - Social Assistance Management System (SAMS) was implemented by the provincial government to administer Ontario Works, Ontario Disability Support Program, Assistance for Children with Severe Disability and Emergency Assistance cases. While the process to implement functionalities is managed by the Ministry of Community and Social Services, a provincial/municipal SAMS working group was created to deal with SAMS' challenges and associated business processes.

The following three changes made by the Ministry in relation to the implementation of SAMS had a significant impact on the review of eligibility. Specifically:

- The requirement to verify income changed from being a standard monthly requirement, to being a risk-based decision (i.e., the caseworker checks the income "verification required" checkbox or there are new earnings);
- As a temporary workload reduction measure, the Ministry waived the requirement to update expired Outcome Plans (Participation Agreements (PA) have been renamed Outcome Plans (OP) in SAMS.); and,
- The EVP is a primary mechanism to monitor the completeness and accuracy of pay information submitted by OW clients. EVP activities were also suspended by the Ministry.

The launch of SAMS compounded with changes in how business is conducted has impacted our follow-up of some of the audit’s recommendations. For some recommendations, management took actions to address them in the pre-SAMS environment; however the actions are no longer relevant in the SAMS environment. As well, due to on-going problems with the provincial implementation of SAMS, certain key processes have been deferred and workaround procedures are in place. As such, there is less value in assessing the procedures in place in this temporary state. We will likely return to review the OW eligibility assessment process at a later date after the system and procedures have normalized. For the purpose of this follow-up, in these cases where management implemented the recommendation in the pre-SAMS environment, we have assessed them as 100% completed.
Operational Risk Management

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

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

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

Initial Eligibility Assessments

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

One area of exception was third party verification with Equifax Canada of eligibility related information such as income, previous employment, assets, liabilities, trends and residence. We had observed that initial assessments undertaken or Consolidated Verification Process (CVP) conducted during the period of audit were missing hard copy or electronic versions of Equifax reports on client files in three out of the four SSCs. From our sample of 72 which required the Equifax report, we found 16 instances where hard copy or electronic versions of the Equifax reports were not on file (22%).
Provincial directives required that third party verification (i.e., Equifax report) of eligibility related information (e.g., income and assets) provided by the applicant be completed and documented.

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

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

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

**Ongoing Eligibility Assessments**

**Consistency of Processes and Practices**

Overall, processes and practices were generally consistent among all SSCs in assessing ongoing eligibility. The only exception was the high rate of missing Equifax reports in three of the four SSCs.

The audit found that ongoing eligibility assessments did not fully comply with provincially mandated requirements as follows:
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

**Ineligible Payments**

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

**Monthly Income Reporting**

Overall, monthly income reporting was updated in SDMT and income assistance was adjusted based on the monthly income reviews. SDMT permitted the case worker to indicate that they had verified the accuracy of income amounts reported and entered it into the system. In our sample of 100 recipients, 14 reported income during the audit period. A total of 33 income reports were received. 2 of these income reports did not have the “Verified” box ticked on SDMT, indicating that the case worker had verified the recipient’s monthly reported income. By not indicating that the income entered in SDMT had been verified to the monthly income report provided by the recipients, the City risked recording incorrect income amounts in SDMT which could have impacted the accuracy of benefits amounts paid to recipients.

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

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

In our view, the City’s interpretation could have resulted in overpayment of assistance to recipients as a result of monthly assistance not being reduced by eligible earnings.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

Documentation of Receipt, Verification and Appropriate Analysis

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

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

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

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

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

The risk in not verifying receipts and supporting documentation was that excessive benefit amounts were granted to the recipients and/or amounts received by recipients were not used for their intended purposes.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

**Employment Participation Requirements**

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

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

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

**Eligibility Review Program**

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

**Management and Operations of the Eligibility Review Process**

**Changes Underway**

The City’s four Social Service Centres were the operational centres that delivered the Community and Social Support Branch’s programs, including OW. As of February 2013, there were a total of 418 positions at the four SSCs. At the time of the audit there were numerous changes planned and underway to the systems and processes used to deliver Community and Social Support Branch programs, including replacement of the provincial SDMT system. Management had indicated that they did not know at that point the impact in terms of resources that would be required to deliver the program once the changes were complete, although they remained committed to meeting the three FTE reduction target that had been identified in the ServiceOttawa process.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

**Number of Cases Assigned to Case Workers**

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

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

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

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

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

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

---

\(^1\) City of Hamilton 2011-12 Ontario Works Caseload Contingency Plan (CS09021(c))
Management had informed us that they believed that there are problems with using this measure to identify staffing reductions. The cost per case measure was impacted by variables such as the labour market conditions of the municipality and the cost per case may be lower due to increased case volume resulting from economic factors of the area. It should be noted that higher caseload ratios result in services focused only on crisis management, with little time for planning and preventative actions with recipients. In our opinion however, in the absence of other indicators, using OMBI Cost per Case figures was reasonable.

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

**Management of Case Worker Sick Leave**

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

**Streamlining ERP by Reducing the Use of Spreadsheets**

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

As previously indicated, SDMT had been scheduled for replacement by the Province in 2013. The specific functionality that was to be provided to the City (and other delivery agents) in support of the ERP was not known at the time of the audit. If the replacement system was able to maintain ERP information, similar to that maintained by SDMT, then there was the potential for savings through the reduction of time spent by staff entering information into spreadsheets. We had estimated a potential saving of approximately 20% of a FTE equivalent to $11,358 in salary.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

**Status of Implementation of 2012 Audit Recommendations**

In November 2014, a new case management software - Social Assistance Management System (SAMS) was implemented by the provincial government to administer Ontario Works, Ontario Disability Support Program, Assistance for Children with Severe Disability and Emergency Assistance cases. While the process to implement functionalities is managed by the Ministry of Community and Social Services, a provincial/municipal SAMS working group was created to deal with SAMS’ challenges and associated business processes.

The launch of SAMS compounded with changes in how business is conducted has impacted our follow-up of some of the audit’s recommendations. For some recommendations, management took actions to address them in the pre-SAMS environment; however the actions are no longer relevant in the SAMS environment. As well, due to on-going problems with the provincial implementation of SAMS, certain key processes have been deferred and workaround procedures are in place. As such, there is less value in assessing the procedures in place in this temporary state. We will likely return to review the OW eligibility assessment process at a later date after the system and procedures have normalized. For the purpose of this follow-up, in these cases where management implemented the recommendation in the pre-SAMS environment, we have assessed them as 100% completed.

**2012 Recommendation 1:**

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

**2012 Management Response:**

Management agrees with this recommendation.

The CSS department completed a risk assessment at the department level in 2010 and continues to monitor and report on progress as part of the corporate risk profile reporting requirement. In 2014, all departments will be completing a detailed risk assessment as part of a cyclical reporting framework that aligns with the Term of Council. As part of the cycle for the Corporate Risk Profile, departments will be required to complete an assessment of corporate, operational, strategic and project risks. This exercise is expected to be completed by Q4 2014.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

Management Representation of Status of Implementation of Recommendation 1 as of October 31, 2014:

Management considers this recommendation to be completed.

A departmental Risk Assessment (Risk Profile) was completed with input from staff and management, and submitted to the Corporate Risk Management Office April 30th 2014, as per corporate protocol.

Management: 100% complete

OAG’s Follow-up Audit Findings regarding Recommendation 1:

Community and Social Services (CSS) completed a departmental operational risk assessment. Risk mitigation plans were created for all risks identified as medium-high and high.

OAG: 100% complete

2012 Recommendation 2:

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

2012 Management Response:

Management agrees with this recommendation.

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

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

With respect to Equifax reports, management agrees that if not kept on the hard copy file, that the use of the Equifax report should be clearly noted in the electronic file, therefore staff will be reminded of this requirement, via the same e-mail described above.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

**Management Representation of Status of Implementation of Recommendation 2 as of October 31, 2014:**

Management considers this recommendation to be completed.

Management forwarded a policy reminder (email) to all CSS staff in Q3 2013 reminding them about the importance of ensuring that eligibility documentation is complete and kept on hard copy file or documented according to the verification standards in the provincial directives.

**Management: 100% complete**

**OAG’s Follow-up Audit Findings regarding Recommendation 2:**

At the time of our work, SDMT was no longer used.

In September 2013, an email sent to CSS staff highlighted documentation requirements and stated that third parties verifications (e.g., Equifax) was to be noted as visually verified in the notes in SDMT.

To assess the current procedures, we reviewed a sample of SAMS files. At the time of the follow-up, the documentation of the visual review of Equifax reports was not observed in the SAMS notes for any of the files that were reviewed.

While the OAG recognizes the efforts undertaken by CSS to communicate documentation requirement (e.g., third party verifications), additional procedures are required to ensure the visual verification is documented per the Ministry’s directives.

**OAG: 75% complete**

**Management Representation of Status of Implementation of Recommendation 2 as of September 16, 2016:**

Management considers this recommendation substantially complete.

In October 2016, Management will forward a policy reminder (email) to all CSS staff to reinforce the requirement of ensuring that eligibility documentation, such as Equifax, is documented according to the verification standards in the provincial directives. To supplement the policy reminder email, Management will also release an enhanced ‘Application Note Template’. This is used by staff in SAMS to support the requirement regarding the documentation of Equifax outcomes.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

In 2017, it is anticipated that provincial changes to SAMS will include an interface of third party information that will include Equifax. This change is expected to eliminate the need to document in the Notes that Equifax was reviewed.

**Management: 95% complete**

**2012 Recommendation 3:**

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

**2012 Management Response:**

Management agrees with this recommendation.

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

**Management Representation of Status of Implementation of Recommendation 3 as of October 31, 2014:**

This recommendation has not yet been implemented.

The launch of the new provincial system, SAMS (Social Assistance Management System), was delayed until November 2014. The current functionality provided by SAMS does not support a detailed assessment of caseload complexity and allocation. Due to the unanticipated and extensive implementation challenges of the system province-wide, it is expected that it will require up to six months before the system is stabilized and functioning as planned. By Q3 2015 management would anticipate a better understanding of the capacity of the system for this type of analysis, and will be in a position to develop an approach to assess appropriate caseload size given the new business processes that are required in SAMS.

**Management: 0% complete**

**OAG’s Follow-up Audit Findings regarding Recommendation 3:**

Management indicated that progress has not been made due to ongoing technical challenges with SAMS and continued provincial administrative relief of business rules. The revised timeline for the implementation of the recommendation is Q4 2016.

**OAG: 0% complete**
Management Representation of Status of Implementation of Recommendation 3 as of September 16, 2016:

Management considers this recommendation complete.

Management is limited to the reports the Province provides, which do not support detailed assessments of case complexity or effort per case. This is due to the fact that existing SAMS reports provide limited details. However, Management and staff are able to use the existing SAMS reports that include a basic count of cases. This gives us some limited ability to balance workload. Management does not anticipate any new report functionality in the near future, however we will continue to work with the Province on improving the precision and utility of existing SAMS reports.

Management: 100% complete

2012 Recommendation 4:

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

2012 Management Response:

Management agrees with this recommendation.

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

Management Representation of Status of Implementation of Recommendation 4 as of October 31, 2014:

Management considers this recommendation to be completed.

The process to recover the identified overpayments was initiated in Q1 2013 and supervisors reviewed the policies with relevant staff.

Management: 100% complete
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

OAG’s Follow-up Audit Findings regarding Recommendation 4:
The specific cases identified in the 2012 audit as having possible ineligible payments were provided to each of the four CSS managers as applicable. The corrective actions taken in one of the four CSS (i.e., Central) were reviewed. Overpayments were created in each case that required it.

OAG: 100% complete

2012 Recommendation 5:
That the City review all cheques against the SDMT payment list in order to detect errors prior to sending cheques to recipients.

2012 Management Response:
Management agrees with this recommendation.

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

Management Representation of Status of Implementation of Recommendation 5 as of October 31, 2014:
Management considers this recommendation to be completed.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

Management forwarded a policy reminder (email) to all CSS staff in Q3 2013 to reinforce the requirement to confirm and review cheques against the payment list to ensure accurate issuance thus preventing retroactive issuances/payments. Management still anticipates that enhanced functionality will be in the new province-wide system SAMS, which was delayed until November 2014. The enhanced functionality in SAMS includes a mandatory preview function that requires staff to review payments prior to being produced. Once staff review the payment for accuracy it must be accepted before a payment is produced. In addition, there are enhanced financial transaction logs that will enable staff to review payments produced in detail prior to authorization for release to the client. These payment production enhancements in SAMS were incorporated into the training for staff that occurred from September to November 2014 and will be reinforced as a new business process upon completion of the implementation of SAMS.

Management: 100% complete

OAG’s Follow-up Audit Findings regarding Recommendation 5:

Post-SAMS, a procedure that took effect in November 2014 was implemented were all payments being requested, regardless of distribution channel, require a release slip. If any information is missing or is incorrect, the payment will not be released.

The current process is for the administrative clerk, cheque control, to match the payment list with the release slips and suspend any payment that doesn’t have a release slip signed off by the case worker, or where the amount is incorrect, or the delivery method is missing. This additional independent review has added a control to increase the probability that errors are captured before cheques are issued to clients.

OAG: 100% complete

2012 Recommendation 6:

That the City fully document decisions to override monthly reporting requirements clearly in the recipient’s file, along with the current income at the time of the waiver, how long the override is to be in place, and any supporting documentation that was reviewed.
2012 Management Response:

Management agrees with this recommendation.

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

Management Representation of Status of Implementation of Recommendation 6 as of October 31, 2014:

Management considers this recommendation to be completed.

Management forwarded a policy reminder (email) to all CSS staff in Q3 2013 reminding staff of the procedure for verifying and documenting income reporting. Training was also delivered to CSS staff in December 2013 to supplement the policy reminder email.

Management: 100% complete

OAG’s Follow-up Audit Findings regarding Recommendation 6:

The income verification (IV) policy was forwarded to staff in Q3 2013 and was part of the training that took place in December 2013. More than 360 CSS employees attended the training.

With the implementation of SAMS, the Province changed the requirement from monthly income verification, to risk-based income verification (i.e., income "verification required" checkbox is checked by the caseworker or new earnings).

The City, however, has not changed its IV Policy guidelines, and continues to verify income on a monthly basis.

As the Ministry of CSS no longer requires recipients to submit verification of their income every month, the effectiveness of the City’s current practices were not assessed.

OAG: 100% complete
2012 Recommendation 7:

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

2012 Management Response:

Management agrees with this recommendation.

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

Management Representation of Status of Implementation of Recommendation 7 as of October 31, 2014:

Management considers this recommendation to be completed.

Management forwarded a policy reminder (email) to all CSS staff in Q3 2013 to remind them of the requirement to verify receipts as required and to ensure that verification is documented on file.

Management: 100% complete

OAG’s Follow-up Audit Findings regarding Recommendation 7:

As it relates to SDMT, management has emailed a policy reminder in Q3 2013 to all CSS staff. It included the requirement to verify the benefits through receipts, and record the verification in the notes.

Directive 7.4: Employment and Participation Benefits was last updated in May 2016. The Directive’s audit requirements that adequate documentation is to be retained on file to support the decisions and the type of benefit issued, including receipts, other documentation and the verification of these to support that the payment of expenses, has not changed.

For the case observed where Other Employment or Employment Assistance Activities was issued, the OAG noted the recording of the issuance of funds, along with the description of what the funds were released for in the notes in SAMS. No additional testing was performed.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

We did not verify current procedures regarding documenting the verification used to support benefits issued. Problems with the SAMS implementation have resulted in workaround procedures that are not expected to continue indefinitely. There is limited benefit in testing these controls in this temporary state.

OAG: 100% complete

2012 Recommendation 8:

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

2012 Management Response:
Management agrees with this recommendation.

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

Management Representation of Status of Implementation of Recommendation 8 as of October 31, 2014:
Management considers this recommendation to be completed.

Management forwarded a policy reminder (email) to all CSS staff in Q3 2013 to reinforce the requirement to document verification used to support benefits issued, including confirmation from health providers when required.

Management: 100% complete

OAG’s Follow-up Audit Findings regarding Recommendation 8:
The nine cases identified in the original audit were reviewed by management and corrective actions were taken as appropriate. Moreover, the verification standards memo was sent to CSS staff in Q3 2013.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

We did not verify current procedures regarding documenting the verification used to support benefits issued. Problems with the SAMS implementation have resulted in workaround procedures that are not expected to continue indefinitely. There is limited benefit in testing these controls in this temporary state.

OAG: 100% complete

2012 Recommendation 9:

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

2012 Management Response:

Management agrees with this recommendation.

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

Management Representation of Status of Implementation of Recommendation 9 as of October 31, 2014:

Management considers this recommendation to be completed.

Management forwarded a policy reminder (email) to all CSS staff in Q3 2013 to emphasize the requirement that dates reflecting participation discussions are to be kept up to date on file.

Management: 100% complete

OAG’s Follow-up Audit Findings regarding Recommendation 9:

In September 2013, management sent a reminder to staff and also trained them in December 2013 on the requirement that documentation be kept on file to demonstrate participation agreement was reviewed and updated 30 days from its signing during the intake appointment.

Participation agreements (PA) have been renamed outcome plans (OP) in SAMS. As a temporary workload reduction measure, the Ministry waived the requirement to update expired PA/OP. However, the provincial directive has not changed with regards to PA/OP and it is expected that the waiver will eventually be lifted.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

Management informed us that staff are conducting and documenting OPs in SAMS to the extent possible, in order to minimize the number outstanding.

We did not verify current PA/OP procedures. Problems with the SAMS implementation have resulted in the temporary waiving the requirement to update expired PA/OP that is not expected to continue indefinitely. There is limited benefit in testing these controls in this temporary state.

OAG: 100% complete

2012 Recommendation 10:

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

2012 Management Response:

Management agrees with this recommendation.

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

Management Representation of Status of Implementation of Recommendation 10 as of October 31, 2014:

This recommendation has not yet been implemented.

The launch of the new provincial system, SAMS (Social Assistance Management System), was delayed until November 2014. The CSSD implementation of a new model of service delivery was delayed due to the provincial SAMS roll-out. Due to the unanticipated and extensive implementation challenges of the system province-wide, it is expected that it will require up to six months before the system is stabilized and functioning as planned. By Q3 2015, management would anticipate a return to a focus on the new service delivery model that will include consideration of the new business processes required in SAMS.

Management: 0% complete
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

OAG’s Follow-up Audit Findings regarding Recommendation 10:

Management indicated that progress has not been made due to ongoing technical challenges, requested enhancements to SAMS and continued provincial administrative relief of business rules. The revised timeline for the implementation of the recommendation is Q4 2016.

OAG: 0% complete

Management Representation of Status of Implementation of Recommendation 10 as of September 16, 2016:

Management considers this recommendation complete.

The implementation of SAMS has created more effort and workload for staff. SAMS has proved to be a more complex system that requires extensive training and refresher training for staff than its replacement. As a result, staff require more time to complete assigned tasks and duties related to administration of cases; therefore management does not anticipate any future FTE reductions.

Management: 100% complete

2012 Recommendation 11:

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

a) Reducing their numbers to be more in line with OMBI median and in so doing review the number of supervisory positions required for this reduced complement of case workers; and,

b) Increasing the ratio of OW cases per case worker.

2012 Management Response:

Management agrees with this recommendation.

As indicated in the management response to Recommendation 10, management will review the department’s service delivery model to identify efficiencies, which will include a workload management review for case workers and supervisors.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

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

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

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

Management Representation of Status of Implementation of Recommendation 11 as of October 31, 2014:

Management considers this recommendation to be complete.

a) In Q1 2014, 12 FTE positions were eliminated. These organizational changes stimulated a broader review of the management structure, which resulted in the reduction of an additional 5 FTE supervisory positions by June, 2014. The review and identification of potential future efficiencies is an ongoing practice as the service delivery model constantly evolves. Please note, the staffing reductions from 2014 will not be reflected in the OMBI Report (Monthly Social Assistance Administration Operating Cost per Case) until 2015 as there is a one-year lag in reporting.

b) The benchmarking exercise to compare the average number of cases per case worker across other municipalities was completed in July 2014. Following the above-noted reductions in staffing, the City’s generic ratio of cases per casework increased and is now comparable to that of Hamilton.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

Management: 100% complete

OAG’s Follow-up Audit Findings regarding Recommendation 11:

Management eliminated 17 positions: 8 caseworkers, 2 verification specialist, 1 employment specialist, 1 systems and resource support worker and 5 supervisors. Two positions were eliminated in Q1 2013, and the balance were eliminated in 2014.

We could not determine if the eliminated positions impacted the number of active FTEs (e.g., case coordinators, verification specialists, supervisors).

In terms of Monthly Social Assistance Administration Operating Cost per Case, in 2011\textsuperscript{2}, Ottawa had the highest cost per case, compared to 2014\textsuperscript{3} when it had the fourth highest (out of 10 municipalities who reported against the performance measure). Considering the impact of the implementation of SAMS as well as the progress made in terms of aligning its Monthly Social Assistance Administration Operating Cost per Case to other Ontario municipalities, we consider this recommendation to be fully implemented.

OAG: 100% complete

2012 Recommendation 12:

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

2012 Management Response:

Management agrees with this recommendation.

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

\textsuperscript{2} 2013 OMBI Performance Measurement Report, p. 160

\textsuperscript{3} 2014 OMBI Performance Measurement Report, p. 158
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

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

**Management Representation of Status of Implementation of Recommendation 12 as of October 31, 2014:**

Management considers this recommendation complete.

In March 2014, the City launched the new Workplace Wellness and Productivity Strategy that focuses on providing workplace supports and resources to both managers and employees. In May 2014 a CSSD work group of operational managers was formed to develop a common approach to implement the corporate strategy for accommodation and attendance management practices across the department. Implementation training for respective management teams on managing attendance was completed by Q2 2014. Comprehensive attendance reports are shared on a quarterly basis with management teams. They include City, Departmental, and Branch absence averages and are used as benchmarks for monitoring attendance. From January 1 to October 31, 2014, the average number of sick days across all four Community and Social Support Centres was 13.5 days. With increased staff stress and workload associated with the November implementation of SAMS it is anticipated that sick leave usage will increase in the last two months of 2014.

**Management: 100% complete**

**OAG’s Follow-up Audit Findings regarding Recommendation 12**

As part of the City’s Workplace Wellness and Productivity Strategy, a workgroup of 10 managers developed a common approach for accommodations and attendance management practices within CSS. In June 2014, managers were informed of the possible steps for attendance management and provided with quarterly comprehensive reports on unplanned leaves (by centre).

However, for one of the CSS reviewed (i.e., West), the number of sick days did not decrease compared to the number of sick days identified during the audit.

While we appreciate that the SAMS implementation resulted in unanticipated challenges for CSS unit, additional efforts should be undertaken to manage absences.

**OAG: 50% complete**
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

Management Representation of Status of Implementation of Recommendation 12 as of September 16, 2016:

Management considers this recommendation complete.

The implementation of SAMS in November 2014 resulted in an increased workload and a corresponding increase in sick leave usage in 2015 for all the Community and Social Support Centres (CSSC). As we continue to move forward with our workplace wellness and productivity strategy the sick leave usage across the CSSC has improved and continues to stabilize.

In Q1 2015 the IPP average usage for the CSSC was at 6.97 days and in Q1 2016 the IPP average usage had decreased to 5.37 days. In particular, the CSSC West had the second lowest IPP average usage for the four CSSC for Q1 2016 with 5.4 days. Furthermore, in Q2 2016 the CSSC West had the lowest IPP average usage for the four CSSC with 3.9 days. Sick leave management will remain a management priority going forward.

Management: 100% complete

2012 Recommendation 13:

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

2012 Management Response:

Management agrees with this recommendation.

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

Management Representation of Status of Implementation of Recommendation 13 as of October 31, 2014:

Management considers this recommendation to be completed.

Management reviewed the possibility of using SDMT exclusively to track Eligibility Review Program complaints and concluded that due to limitations and incorrect information in SDMT it is necessary to maintain excel spreadsheets.
SDMT reports are generated by caseload number, not by Eligibility Review Officer assigned and there is no ability to sort by date or type of complaint. A review of four other municipalities determined that for similar reasons, they all use a secondary method to track complaints.

Management anticipates that enhanced functionality will be available in the new province-wide system, SAMS. This implementation was delayed until November, 2014. Due to the unanticipated and extensive implementation challenges of the system province-wide, this functionality will not be reviewed until Q3 2015.

Management: 100% complete

OAG’s Follow-up Audit Findings regarding Recommendation 13:
The spreadsheets are still used since SAMS cannot sort the cases by ERO, date of complaint, etc. Management indicated that they will revisit the implementation of this recommendation in Q4 2016.

OAG: 75% complete

Management Representation of Status of Implementation of Recommendation 13 as of September 16, 2016:
Management considers this recommendation complete.
Management did review the possibility of using SDMT exclusively to track Eligibility Review Program complaints and concluded that due to limitations and incorrect information in SDMT it was necessary to maintain excel spreadsheets.

The implementation of SAMS has not provided any functionality to support Eligibility Review Officers (ERO) to track complaints. Management is not anticipating any future enhancements to provide the ability to track eligibility review complaints through the use of SAMS and therefore, find it necessary to maintain the use of spreadsheets as a secondary method.

Management: 100% complete

2012 Recommendation 14:
That when implementing the SDMT replacement system, the City review the potential to use the new system to replace spreadsheets for ERP reporting.
2012 Management Response:

Management agrees with this recommendation.

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

Management Representation of Status of Implementation of Recommendation 14 as of October 31, 2014:

This recommendation has not yet been implemented.

Management anticipates that enhanced functionality will be in the new province-wide system, SAMS, which was delayed until November 2014. Due to the unanticipated and extensive implementation challenges of the system province-wide, this functionality will not be reviewed until Q3 2015.

Management: 0% complete

OAG’s Follow-up Audit Findings regarding Recommendation 14:

This recommendation has not been implemented. Management indicated that progress has not been made due to ongoing technical challenges, requested enhancements to SAMS and continued provincial administrative relief of business rules. The revised timeline for the implementation of the recommendation is Q4 2016.

OAG: 0% complete

Management Representation of Status of Implementation of Recommendation 14 as of September 16, 2016:

Management considers this recommendation complete.

Management did review the potential of using SAMS for Eligibility Review Program reporting, however the new system does not provide any functionality to support eliminating the use of spreadsheets at this time. Therefore, management finds it necessary to maintain the use of spreadsheets for reporting purposes.

Management: 100% complete

2012 Recommendation 15:

That the City identify OW assistance clients in possession of business and trade licenses issued by the City or employed with the City. Such data is to be considered during eligibility review and on an ongoing basis.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

2012 Management Response:

Management agrees with this recommendation.

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

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

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

Management Representation of Status of Implementation of Recommendation 15 as of October 31, 2014:

Management considers this recommendation to be completed.

Management forwarded a policy reminder (email) to all CSS staff in Q3 2013 on the procedure for verifying earnings reporting. CSS Management completed its own internal audit of files with employment earnings in Q1 2014. A review of files (1,280) with employment earnings that were referred to the Enhanced Verification Program (EVP) was conducted in Feb 2014. The results of this review guided the revision of protocols on income reporting and note documentation by staff. Finally, a communication was sent to CSS Management teams on Sept 29, 2014 advising that a follow-up be scheduled with staff to review and ensure compliance with policy. A second reminder of key requirements was sent to staff on September 30, 2014 to ensure increased compliance to reporting guidelines.

Management: 100% complete
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

OAG’s Follow-up Audit Findings regarding Recommendation 15:

Management has examined the processes for verifying earnings for all claimants in 2014 and 2015. No specific procedures have been put in place for City employees or licensees. We support this approach provided solid procedures are in place to verify earnings for all claimants.

One of the key procedures to verify earnings is the Enhanced Verification Program (EVP). The Ministry has temporarily suspended the EVP across the province as it addresses the SAMS implementation. As such we would not expect the City to have instituted an EVP on its own.

When the City undertook these two reviews of files with employment earnings, it identified opportunities to improve its processes. However, by conducting the reviews, management demonstrated a commitment to improving its verification processes regardless of the temporary suspension of EVP.

OAG: 100% complete

2012 Recommendation 16:

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

2012 Management Response:

Management agrees with this recommendation.

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

In the interim, management agrees that reviewing cheques against the payment list is an effective internal control to detect errors and as such, sent a reminder notice to staff in Q3 2013. The notice included clear direction to review payments that retroactively affect a prior benefit month.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

Management Representation of Status of Implementation of Recommendation 16 as of October 31, 2014:

Management considers this recommendation to be completed.

Management forwarded a policy reminder (email) to all CSS staff in Q3 2013 to reinforce the requirement to confirm and review cheques against the payment list to ensure accurate issuance. As previously stated in the status update to Recommendation 5, Management still anticipates that there will be enhanced functionality in the new province-wide system, SAMS, which was delayed until November, 2014. The enhanced functionality in SAMS includes a mandatory preview function that requires staff to review payments prior to being produced. Once staff review the payment for accuracy, it must be accepted before a payment is produced. In addition, there are enhanced financial transaction logs that will enable staff to review payments produced in detail prior to authorization for release to the client. These payment production enhancements in SAMS are incorporated in the training for staff underway from Sept to Nov 2014 and will be reinforced as a new business process upon completion of the implementation of SAMS. Due to the unanticipated and extensive implementation challenges of the system province-wide, this functionality will not be reviewed until Q3 2015.

Management: 100% complete

OAG’s Follow-up Audit Findings regarding Recommendation 16:

In Q3 2013 Management forwarded a communication to staff describing the steps to be followed to avoid unexpected overpayments and arrears; and, the steps to identify if an overpayment has inadvertently been created.

As part of the transition to SAMS, SDMT data for 2 years preceding the implementation was transferred. As indicated by management, in some cases, the payment calculated by SAMS is different than the payment that would have been in SDMT and the case worker has to determine which amount is correct. Management also indicated that the number of payments affected will decrease the further the City gets from November 2014 (transition).

As previously noted (recommendation 5), management has also implemented a process whereby all payments being requested, regardless of distribution channel, require a release slip to be issued.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

We did not verify the current procedures regarding transactions retroactively affecting a prior benefit month. Problems with the SAMS implementation have resulted in a suspension by the Ministry of the Eligibility Verification Process and the City implementing workaround procedures that are not expected to continue indefinitely. There is limited benefit in testing these controls in this temporary state.

**OAG: 100% complete**

**2012 Recommendation 17:**

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

**2012 Management Response:**

Management agrees with this recommendation.

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

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

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

**Management Representation of Status of Implementation of Recommendation 17 as of October 31, 2014:**

Management considers this recommendation to be completed.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

Management forwarded a policy reminder (email) to all CSS staff in Q3 2013 to emphasize the importance of fully and accurately verifying all employment earnings. CSS Management completed its own internal review of files with employment earnings in Q1 2014. A random sample of files was reviewed with only 1.4% declaring earnings from the City of Ottawa. CSS Management have stated that those employed with the City should be identified by the same process used for other non-City OW recipients. This targeted review highlighted the need for additional training for CSS staff with respect to income reporting policies and procedures for all OW clients. A second reminder of key requirements was sent to staff Sept 30, 2014 and a communication was sent to CSS Management teams Sept 29, 2014 advising that a follow-up be scheduled with staff to review and ensure compliance with policy.

Management: 100% complete

OAG’s Follow-up Audit Findings regarding Recommendation 17:

Management has examined the processes for verifying earnings for all claimants in 2014 and 2015. No specific procedures have been put in place for City employees. We support this approach provided solid procedures are in place to verify earnings for all claimants.

One of the key procedures to verify earnings is the Enhanced Verification Program (EVP). The Ministry has temporarily suspended the EVP across the province as it addresses the SAMS implementation. As such we would not expect the City to have instituted an EVP on its own.

When the City undertook these two reviews of files with employment earnings, it identified opportunities to improve its processes. However, by conducting the reviews, management demonstrated a commitment to improving its verification processes regardless of the temporary suspension of EVP.

OAG: 100% complete

2012 Recommendation 18:

That the City develop a tool describing the financial information which an administrator requires to obtain/review to assess the eligibility to EA and that this be documented in each file for each application.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

2012 Management Response:

Management agrees with this recommendation.

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

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

Management Representation of Status of Implementation of Recommendation 18 as of October 31, 2014:

Management considers this recommendation to be completed.

Management forwarded a policy reminder (email) to all CSS staff in Q4 2013 to reinforce the requirement to ensure that complete and accurate notes were on file as well as the assessment required to determine eligibility for Emergency Assistance. Management anticipated that there would be enhanced functionality in the new province-wide system, SAMS, which was delayed until November, 2014. To complement this, in Q4 2013, Management developed and implemented a tool for staff to use to improve documentation of the Emergency Assistance assessment. CSS Management also completed a targeted review and looked at all Emergency Assistance grants for the month of March 2014. Although there was no associated financial impact, the review highlighted that 20% of files had coding errors when granting eligible benefits. This issue will be mitigated with the enhanced functionality of SAMS as it will only allow a user to select Emergency Assistance (EA) as a distinct program to issue the benefit thus eliminating the risk of these errors. A second reminder of key policy requirements was sent to CSS staff July 31, 2014. A communication was sent to CSS Management teams on October 7, 2014 advising that a follow-up be scheduled with staff to review and ensure compliance with policy.

Management: 100% complete
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

OAG’s Follow-up Audit Findings regarding Recommendation 18:

As it pertained to SDMT, an email was sent to all CSS employees in December 2013 advising employees that starting in January 2014 a new Emergency Assistance (EA) note template was to be used for all issuances of EA. It reinforced the requirement to ensure that complete and accurate notes were on file as well as the assessment required to determine eligibility for Emergency Assistance.

For SAMS, an EA Intake Process job aid was rolled out in November 2014.

OAG: 100% complete

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of November 30, 2015.

Table 3: OAG’s assessment of level of completion of recommendations (Repeat of Table 1 in Executive Summary)

<table>
<thead>
<tr>
<th>Category</th>
<th>% Complete</th>
<th>Recommendations</th>
<th>Number of Recommendations</th>
<th>Percentage of Total Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little or no action</td>
<td>0 – 24</td>
<td>3, 10, 14</td>
<td>3</td>
<td>17%</td>
</tr>
<tr>
<td>Action Initiated</td>
<td>25 – 49</td>
<td>n/a</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>Partially Complete</td>
<td>50 – 74</td>
<td>12</td>
<td>1</td>
<td>6%</td>
</tr>
<tr>
<td>Substantially Complete</td>
<td>75 – 99</td>
<td>2, 13</td>
<td>2</td>
<td>11%</td>
</tr>
<tr>
<td>Complete</td>
<td>100</td>
<td>1, 4, 5, 6, 7, 8, 9, 11, 15, 16, 17, 18</td>
<td>12</td>
<td>67%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>18</td>
<td>100%</td>
</tr>
</tbody>
</table>

The table below outlines management’s assessment of the level of completion of each recommendation as of September 16, 2016 in response to the OAG’s assessment. These assessments have not been audited.
Table 4: Management’s assessment of level of completion of recommendations (Repeat of Table 2 in Executive Summary)

<table>
<thead>
<tr>
<th>Category</th>
<th>% Complete</th>
<th>Recommendations</th>
<th>Number of Recommendations</th>
<th>Percentage of Total Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little or no action</td>
<td>0 – 24</td>
<td>n/a</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>Action Initiated</td>
<td>25 – 49</td>
<td>n/a</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>Partially Complete</td>
<td>50 – 74</td>
<td>n/a</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>Substantially Complete</td>
<td>75 – 99</td>
<td>2</td>
<td>1</td>
<td>5%</td>
</tr>
</tbody>
</table>

Complete 100 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 17 95%

Total 18 100%

Conclusion

The City’s Community and Social Supports (CSS) unit has substantially or fully implemented 14 of the 18 recommendations from the 2012 audit as they pertained to the former SDMT system only. One recommendation is partially completed while the remaining three have not been addressed. Management indicated that this was due to ongoing technical challenges, requested enhancements to SAMS and continued provincial administrative deferral of business rules.

The SAMS implementation continues to have functionalities deficiencies and challenges for stakeholders and municipal partners. Additional effort is required from management to fully implement the remaining recommendations and address the underlying issues. Specifically, additional communication and/or monitoring is needed in the areas of eligibility documentation, using more detailed case information when monitoring workload, attendance management, using SAMS’ functionalities to create efficiencies and reduce FTEs, and, reviewing the potential of using SAMS’ functionalities to replace spreadsheets for ERP reporting.
Follow-up to the 2012 Audit of Ontario Works Eligibility Assessment Process

Acknowledgement

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