

**Auditor General Report – Ontario Works**

| <b>Auditor's Recommendation</b>  | <b>Ministry Response</b>   | <b>DSSAB Response</b>   |
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| <p><b>Recommendation 1</b></p> <p>To ensure that an individual's initial financial eligibility for Ontario Works benefits is adequately determined and that the correct amount of assistance is paid, the Ministry of Community and Social Services should make certain that Consolidated Municipal Service Managers:</p> <ul style="list-style-type: none"><li>visually verify documents or obtain copies of all documents required to establish an individual's identity and legal status in Canada, especially Social Insurance Number cards; and</li><li>comply in all cases with the requirement to verify an applicant's declared income and assets with the third parties who have entered into information sharing agreements with the Ministry.</li></ul> | <p>The Ministry recognizes the need to ensure that only eligible persons are provided assistance through Ontario Works and that the assistance provided is in the correct amount.</p> <p>The Ministry has program verification standards in place to ensure initial and ongoing eligibility, and will take steps to ensure that service managers understand and comply with the program verification standards and requirements.</p> | <p>The Manitoulin-Sudbury DSSAB obtains copies of documents required to establish an individual's identity and legal status in Canada. This is usually done with the individual's Birth Certificate or Status Card.</p> <p>The staff also verify all applicants' declared income and assets with our third parties whom we have entered into an agreement to share information.</p> |

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| <p><b>Recommendation 2</b></p> <p>To ensure that recipients continue to be financially eligible for Ontario Works benefits and to avoid overpayments, the Ministry of Community and Social Services should make certain that Consolidated Municipal Service Managers:</p> <ul style="list-style-type: none"> <li>• complete financial reassessments on each recipient at least once every 12 months as required;</li> <li>• use the Ministry-prescribed checklist when conducting a financial reassessment and obtain sufficient documentation, including third-party verifications, to support the outcome of the review; and</li> <li>• help ensure that the risk flags in the Service Delivery Model Technology system are effective and are used to prioritize high-risk cases for review.</li> </ul> | <p>The Ministry agrees that appropriate action should be taken to verify ongoing eligibility.</p> <p>The Ministry has program verification standards in place to ensure initial and ongoing eligibility, and will take steps to ensure that service managers understand and comply with program verification standards and requirements.</p> <p>In addition, the Ministry will be implementing a risk-based approach to Ontario Works financial eligibility reassessments. This risk model will help to ensure that only eligible recipients remain on the program and that they receive the correct payments.</p> | <p>The Manitoulin-Sudbury DSSAB completes a financial reassessment on each recipient at least once every 12 months, beginning with the cases that are identified as 'high-risk'. We are using the Ministry-prescribed checklist when conducting a financial reassessment and obtaining all sufficient documentation, including the review of third-party verifications to support the outcome of the review.</p> <p>We also have a note template to facilitate the review and to ensure that nothing is missed during the reassessment.</p> |

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| <p><b>Recommendation 3</b></p> <p>To ensure that financial assistance provided by Ontario Works is in the correct amount and to minimize overpayments, the Ministry of Community and Social Services should make certain that Consolidated Municipal Service Managers receive a monthly income report from each recipient, unless they waived the requirement for sound reasons that are documented on file. If it is the Ministry's intention that Consolidated Municipal Service Managers require the report on an exception basis only, that should be more clearly communicated.</p> | <p>The Ministry recognizes the need to ensure that only eligible persons are provided assistance through Ontario Works and that the assistance provided is in the correct amount. The Ministry will reassess the current requirements for income reporting. Following this reassessment, we will clearly communicate requirements and reinforce service managers' compliance.</p> | <p>As per our policy, continued eligibility is determined in part by the participant's self-declaration which is recorded on the Statement of Income.</p> <p>Clients who have fluctuating income, pending income or earnings are required to declare all income received by means of the Income Reporting Statement on the 16<sup>th</sup> of each month. Verification of income received must be submitted with the Income Reporting Statement.</p> <p>Ontario Works Case Managers, with the approval of their Supervisor, will be given the option to implement Exception Based Income (EBI) reporting and override the monthly income reporting requirements for clients with no income or fixed/static income.</p> <p>These clients will be expected to sign a new Rights and Responsibilities Form indicating their agreement to participate in EBI reporting which will confirm their understanding that they need to report all changes to their Case Manager and meet with the Case Manager every three months to review their participation in EBI reporting.</p> |

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| <p><b>Recommendation 4</b></p> <p>To ensure that supplemental financial assistance and benefits provided under the Ontario Works program are reasonable and appropriate, the Ministry of Community and Social Services should make certain that Consolidated Municipal Service Managers:</p> <ul style="list-style-type: none"> <li>• comply with the requirement to document the need and eligibility for supplemental financial assistance and benefits, and provide such assistance and benefits within the established maximum amounts; and</li> <li>• obtain the required documentation to assess and substantiate the reasonableness of costs reimbursed.</li> </ul> <p>In addition, the Ministry should review the special dietary allowance with a view to limiting its possible abuse.</p> | <p>The Ministry agrees that the supports provided through Ontario Works should be reasonable and appropriate. The Ministry will reinforce with service managers the requirement to have appropriate documentation to support the provision of benefits within the established maximum amounts, where applicable.</p> <p>The Ministry is continuously looking for ways to improve the Special Diet Allowance. In 2005, the Ministry introduced changes to the policy, the application process, and the application form in an effort to clarify the intent of the allowance and to reduce the potential for misuse. Since that time, the Ministry has been monitoring the allowance through consultation with municipalities and other stakeholders, and will reassess practices and procedures to identify ways to further protect against misuse.</p> | <p>Mandatory benefits are provided to all eligible OW recipients and/or members of the benefit unit.</p> <p>Case Managers can approve Mandatory Benefits provided the need for same is clearly documented and policy limits are not exceeded.</p> <p>Supervisor approval is required for the issuance of the Community Start-Up &amp; Maintenance Benefit (CSUMB).</p> <p>Discretionary Benefits can be provided to persons in receipt of Ontario Works and the Ontario Disability Support Program as per our local policy.</p> <p>Supervisor approval is required for most of the discretionary items. The reason for the requested item is documented and two estimates are attached to the request for review by the Supervisor.</p> |

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| <p><b>Recommendation 5</b></p> <p>To better utilize its limited resources and maximize the recovery of previous overpayments, the Ministry of Community and Social Services should:</p> <ul style="list-style-type: none"> <li>• ensure that Consolidated Municipal Service Managers assess the collectibility of all outstanding overpayments—particularly those designated as temporarily uncollectible—and, where warranted, recommend that the overpayments be written off so that more focus can be placed on those accounts where collection efforts are more apt to yield results; and</li> <li>• evaluate the merits of the 2006 pilot project that transferred some overpayments to the Ministry's Overpayment Recovery Unit and, if necessary, consider implementing other alternatives for bringing a more intensive and focused collection effort to bear on those inactive accounts that have a greater likelihood of collection.</li> </ul> | <p>The Ministry agrees that overpayment recovery must be maximized and has implemented business and technology changes to facilitate the recovery of overpayments.</p> <p>The Ministry is looking at the results of its 2006 pilot project on overpayment recovery, and will continue with its efforts on mitigating overpayments, including the implementation of a risk-based approach to Ontario Works financial eligibility reassessments. This risk model will help to ensure that only eligible recipients remain on the program, and that the payments they receive are in the correct amount.</p> <p>Finally, the Ministry is assessing the feasibility of accelerating the write-off of aged overpayments and prioritizing overpayment collection on the basis of past and present recipients' ability to repay.</p> | <p>The Manitoulin-Sudbury DSSAB currently has a designated staff member who reviews each newly granted or transferred case for any temporarily uncollectable overpayments and requests supporting documentation from the incurring office. Once received the documentation is reviewed and the overpayment is either made collectable (a letter is sent to the client informing them), or written off. The terminated files with temporarily uncollectable overpayments are reviewed in the same manner.</p> <p>We welcome the opportunity to participate in the Ministry's Overpayment Recovery Unit.</p> |

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| <p><b>Recommendation 6</b></p> <p>To ensure that only eligible individuals receive financial assistance and that adequate action is taken when suspected fraud is reported, the Ministry of Community and Social Services should ensure that Consolidated Municipal Service Managers:</p> <ul style="list-style-type: none"> <li>• in a timely manner, follow up on all fraud tips and investigate those that appear to be legitimate; and</li> <li>• where the investigation indicates that a potential fraud has occurred, provide sufficient evidence to justice authorities to enable them to pursue prosecution of the perpetrators.</li> </ul> | <p>The Ministry recognizes the need to ensure that only those who are eligible for social assistance receive it. Where sufficient evidence exists, social assistance staff are directed to refer all cases of suspected welfare fraud to the police. The Ministry will improve fraud investigation practices through the development of additional tools that support effective program management and oversight.</p> | <p>The Manitoulin-Sudbury DSSAB's Eligibility Review Unit ensures that entitlements are being received in accordance with the Ontario Works legislation. Investigations are conducted when allegations of fraud are received by the Manitoulin-Sudbury DSSAB.</p> <p>Once the investigation is complete, a written report is compiled by the Eligibility Review Officer (ERO) recommending action. This report is then reviewed by the ERO's Supervisor.</p> <p>Where sufficient evidence exists, the Manitoulin-Sudbury DSSAB does provide a full report with required evidence to justice authorities in order for them to pursue prosecution.</p> |

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| <p><b>Recommendation 7</b></p> <p>To ensure that the Ontario Works program is effective in transitioning recipients to paid employment and self-reliance, the Ministry of Community and Social Services should monitor Consolidated Municipal Service Managers to make certain:</p> <ul style="list-style-type: none"> <li>• that participation agreements are on file for all Ontario Works recipients and that each agreement is reviewed and updated every three months as required;</li> <li>• that the reasons for deferring participation agreement requirements are adequately supported and documented on file;</li> <li>• that caseworkers assess recipients' skills and experience, and document caseworker input in determining the most appropriate activities to help recipients transition to financial independence; and</li> <li>• that the Ministry review the reasonableness of service managers' allowing—often for prolonged periods of time—independent job-search activities as the primary employment assistance activity to nearly two-thirds of all recipients.</li> </ul> | <p>The Ministry agrees that all Ontario Works recipients should have a participation agreement on file, which will be reviewed and updated at least every three months, and that any deferrals of participation agreements are supported and documented on file.</p> <p>Recognizing the diverse challenges that many Ontario Works recipients face, the Ministry is committed to providing tools and training support to help front-line staff work collaboratively with clients to address their employment-related needs and barriers. The Ministry will review the policy guidelines related to the job-search requirement to ensure that participation agreements are developed or updated appropriately.</p> | <p>Applicants and participants eligible to receive financial assistance under Ontario Works, and dependant adults or spouses receiving financial assistance under the Ontario Disability Support Program are required to participate in one or more activities that support the participant's shortest route to sustainable employment, as a condition of eligibility.</p> <p>Only those with adequate reasons for deferrals are not required to participate in an employment related activity. The reason for this deferral is documented on file.</p> <p>Also, the Case Managers use 'goal' notes which indicate the clients' immediate and future goals to assist them with future plans. The Case Managers will also complete the skills tab in the provincial database which helps them assess the recipients' skills and experience. This is completed to determine the most appropriate activities to help the recipient transition to financial independence.</p> <p>The Case Managers contact their clients every three (3) month, whether it be face-to-face or via telephone, to update their current participation agreement.</p> |

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| <p><b>Recommendation 8</b></p> <p>To ensure that Ontario Works benefits continue to be paid only to eligible individuals and in the correct amount, the Ministry of Community and Social Services should monitor whether Consolidated Municipal Service Managers are making reasonable efforts to address all system-identified tasks that require action or follow up.</p>   | <p>The Ministry recognizes the need to ensure that only eligible individuals receive assistance through Ontario Works and that the assistance provided is in the correct amount. To this end, the Ministry has simplified the technology related to system-generated tasks.</p> <p>The Ministry is also reviewing its current business processes for potential refinements and opportunities for improvement from the perspective of technology modernization.</p> | <p>To ensure that Ontario Works benefits continue to be paid only to eligible individuals and in the correct amount, the Case Managers review their system generated tasks and follow up as required.</p>  |
| <p><b>Recommendation 9</b></p> <p>To ensure that subsidy claims are reimbursed in the correct amount based on reliable information provided by the Consolidated Municipal Service Managers, the Ministry of Community and Social Services should:</p> <ul style="list-style-type: none"> <li>• conduct at least one subsidy claims examination per service manager annually as required and do so on a timely basis;</li> <li>• make certain that work conducted during subsidy claims examinations is adequately completed and demonstrates whether the claim is based on complete and accurate information about payments to assistance recipients; and</li> <li>• make certain that adequate supporting documentation is submitted by the service managers and reviewed by the Ministry prior to payment.</li> </ul> | <p>The Ministry recognizes the importance of exercising appropriate program management oversight, and has reinforced the requirement to complete annual subsidy claims examinations. In addition, the Ministry will develop additional tools and provide training to support ministry staff in completing accurate examinations based on appropriate documentation.</p>  | <p>A subsidy claims examination was performed in 2009 and there were no significant issues with our claims.</p> <p>Our claims are based on complete and accurate information as the Manitoulin-Sudbury DSSAB's Finance Department balances it to the bank reconciliation monthly.</p> <p>The Director of Social Services signs off on the Form 5 monthly to ensure accuracy.</p> |

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| <p><b>Recommendation 10</b></p> <p>To ensure that Ontario Works administration is funded equitably across the province, the Ministry of Community and Social Services should:</p> <ul style="list-style-type: none"> <li>• establish more needs-based funding of administrative costs that reflects variations in caseloads; and</li> <li>• obtain better information about actual administrative costs being incurred.</li> </ul> | <p>The Ministry recognizes the concerns with program administration funding and is currently undertaking a review to develop principles for revising the funding model.</p> | <p>We agree with the Auditor's recommendation and feel a base funding model needs to be looked at as opposed to a cost per case model.</p> <p>OMSSA has developed a paper which clearly outlines the principles to be considered when developing a funding model.</p> <p>Reference Paper: <a href="#">Ontario Works Cost-of-Admin Working Group Briefing Note June 30, 2009</a></p> |

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| <p><b>Recommendation 11</b></p> <p>To ensure that employment services are effective in helping recipients find employment and represent value for money spent, the Ministry of Community and Social Services should:</p> <ul style="list-style-type: none"> <li>• assess the effectiveness of the various types of employment assistance being offered by each Consolidated Municipal Service Manager, particularly the independent job search when recipients are assigned to it for long periods of time; and</li> <li>• make certain that all employment assistance funding is spent prudently and for the intended purpose.</li> </ul> | <p>The Ministry introduced an outcomes-based funding model for Ontario Works employment assistance that requires service managers to establish performance targets and measure client outcomes.</p> <p>The Ministry recognizes the importance of exercising appropriate program management oversight and will ensure that ministry staff receives training to support effective oversight of employment assistance funding. In addition, the Ministry is currently looking at the employment assistance funding model as part of its review of administration funding.</p> | <p>It is the policy of the Manitoulin-Sudbury DSSAB that all participants (unless deferred from participation) are required to actively job search and look for gainful employment.</p> <p>Based on the participant's level of education, past work history, local job market conditions, participant goals and other factors, the Case Manager and the participant will decide upon the activity most suited to them. The overriding factor for the Case Manager will be that the option chosen will be the shortest route to sustainable employment.</p> <p>If employment assistance funds are required, the Case Manager will note the reason for the funds, the amount issued (within policy limits) and, where appropriate, verification of the reason for the funds may be required. Once the funds are utilized, the participant is required to bring in the receipts to their Case Manager who visually verifies them.</p> <p>All clients who are required to participate are normally required to actively job search along with other activities.</p> |

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| <p><b>Recommendation 12</b></p> <p>The Ministry of Community and Social Services should build on its planned results-assessment for employment assistance funding by developing performance measures that will enable it to evaluate the effectiveness of the administration of the much larger income assistance aspect of Ontario Works over time.</p>   | <p>The Ministry recognizes the importance of exercising appropriate program management oversight with respect to income assistance.</p> <p>The Ministry will continue with its efforts to maximize overpayment recovery and mitigate overpayments, including the implementation of a risk-based approach to Ontario Works financial eligibility reassessments. This risk model will help to ensure that only eligible recipients remain on the program and that they receive the correct payments.</p> <p>The Ministry will also implement a series of changes to reinforce its monitoring and controllership framework for social assistance. This framework will include performance-monitoring and risk-management strategies that will strengthen program oversight and support the improvements being made to service delivery.</p> | <p>We are looking forward to participating in the development of performance measures that will enable the evaluation of the effectiveness of the administration of income assistance.</p> |
| <p><b>Recommendation 13</b></p> <p>To ensure that Consolidated Municipal Service Managers can rely on systems and reports to produce proper payments, and accurately record and manage information regarding those payments, the Ministry of Community and Social Services should address the Service Delivery Model Technology system deficiencies noted in this report, including those that prevent service manager staff from having the information they need to effectively manage program expenditures.</p> | <p>The Ministry recognizes the need to continually improve the technology that supports the delivery of the Ontario Works program within available resources. The Ministry is also reviewing its current business processes for potential refinements and opportunities for improvement from the perspective of technology modernization.</p>  | <p>The Manitoulin-Sudbury DSSAB continues to rely on the Information Systems Department for reports that include information that we need to manage program expenditures.</p>              |