

Social Services

18

Main points	312
Introduction	313
Special purpose funds and Crown agency	313
Audit conclusions and findings	314
General administration	314
Segregation of employees' duties	314
Adequate agreement for disaster recovery required	315
Monitoring of ITO security	316
Multi-year information technology plan required	316
Business continuity plan need testing	317
Protecting children in care	317
Caring for children residing off reserves	319
Foster care providers	320
Caring for children residing on reserves	321
Adequate agreement	323
Timely information	323
Communicating standards	324
Adequacy of the First Nations agencies' processes	324
Monitoring compliance	325
Providing social assistance	326
Social assistance payments	326
Transitional employment allowance payments	328
Employment and rental housing supplement payments	329
Supervising community-based organizations	331
Agreements with community-based organizations	331
Financial reports	332
Operational reports	333
Oyate follow-up	335
Status of other outstanding recommendations of the Standing Committee on Public Accounts	336

Main points

The Ministry of Social Services (Ministry) needs to improve its processes to ensure that all children who are the responsibility of the Minister receive proper care in an abuse free, healthy, and affectionate environment. It must implement a system to know how many children are in Minister's care, who they are, and where they reside.

The Ministry needs to test its business continuity plan to help ensure that it can continue to deliver its critical services in the event of a disaster. It must also strengthen its information technology security processes to ensure the confidentiality, integrity, and availability of its information systems and data.

In addition, the Ministry must ensure that it adequately segregates the duties of its employees responsible for the disbursement or expenditure of money and that only eligible clients receive assistance and that they receive the correct amount of assistance.

Introduction

The mandate of the Ministry of Social Services (Ministry) is to work with citizens as they build better lives for themselves through economic independence, strong families, and active involvement in the labour market and community. The Ministry invests in positive outcomes for people in the areas of income support, child and family services, support for persons with disabilities and affordable housing.¹

The Ministry received \$615 million from the General Revenue Fund to deliver its programs and had revenues of \$21 million. Information about the Ministry's revenues and expenses appears in its annual report (see www.socialservices.gov.sk.ca/).

The following is a list of the Ministry's major programs and spending:

	Original Estimates ²	Actual
	(in millions of dollars)	
Employment support and income assistance	\$ 311	\$ 294
Community inclusion	99	100
Child and youth services	88	94
Supporting families and building economic independence	64	65
Central management and services	35	33
Housing	27	27
Other	<u>1</u>	<u>2</u>
Total	<u>\$ 625</u>	<u>\$ 615</u>

Special purpose funds and Crown agency

The Ministry is responsible for the following special purpose funds (funds) and Crown agency:

¹ Saskatchewan Finance, *Saskatchewan Provincial Budget Estimates for the fiscal year ending March 31, 2008*.

² Ibid.

	<u>Year-End</u>
Social Services Central Trust Account	March 31
Valley View Trust Accounts and Fund	March 31
Saskatchewan Housing Corporation	December 31

We reported the results of our audit of the Saskatchewan Housing Corporation for the year ended December 31, 2007 in our 2008 Report – Volume 1.

Audit conclusions and findings

In our opinion, for the year ended March 31, 2008:

- ◆ **the Ministry of Social Services had adequate rules and procedures to safeguard public resources except for the matters described in this chapter**

- ◆ **the Ministry of Social Services complied with the authorities governing its activities and activities of its funds relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matters described in this chapter**

- ◆ **the financial statements of the funds are reliable**

The chapter also provides an update on recommendations previously made by the Standing Committee on Public Accounts that are not yet implemented.

We report our findings under four headings: general administration, protecting children in care, providing social assistance, and supervising community based organizations.

General administration

Segregation of employees' duties

The Ministry needs to properly segregate the duties of its employees responsible for the disbursement or expenditure of public money. Segregation of employees' duties is important to prevent the misuse of

public money. Segregation of duties is not adequate when an employee or group of employees can commit and conceal errors or fraud. Inadequate segregation of duties increases the risk that public money may be misused without ready detection.

The Ministry uses the government's centralized payment system called Multi-informational Database Applications System (MIDAS). MIDAS does not adequately segregate functions for processing payments. MIDAS allows employees to enter vendors' invoices in the system and then approve them for payment. Ministry employees are approved vendors in the MIDAS system if they have received travel or medical expense reimbursements. This deficiency allows employees to authorize payments to themselves.

- 1. We recommend the Ministry of Social Services properly segregate duties of its employees responsible for the disbursement or expenditure of public money to help prevent errors or fraud.**

Adequate agreement for disaster recovery required

In 2007, we recommended that the Ministry of Social Services sign an adequate agreement with the Information Technology Office that includes network security and disaster recovery requirements.

In January 2008, the Standing Committee on Public Accounts (PAC) considered this matter and agreed with our recommendation.

The Ministry's service agreements with the Information Technology Office (ITO) do not adequately address disaster recovery.

The Ministry uses ITO to provide information technology (IT) services. ITO also manages another IT service provider on behalf of the Ministry. Even though the Ministry uses ITO, the Ministry remains responsible to have adequate policies to support its IT requirements.

The Ministry needs a service agreement that requires ITO to regularly report that the Ministry's IT systems and data will be available when needed. This includes key applications, computers, and the network used to send and receive data. ITO's managed service provider performs

disaster recovery testing twice per year for major systems. However, not all significant systems are tested. Also, the disaster recovery plan that ITO is developing for its data centre does not identify the priority or procedures required to restore applications at the Ministry.

As a result, neither the Ministry nor ITO knows whether systems and data can be restored in the event of a disaster. Lack of an adequate disaster recovery plan could result in systems, data, and services not being available to the Ministry and people of Saskatchewan.

We continue to recommend that the Ministry of Social Services sign an adequate agreement with the Information Technology Office that includes network security and disaster recovery requirements

Monitoring of ITO security

ITO provides network access to the Ministry. ITO became the custodian for the Ministry's computer systems and data in 2008. To know that its computer systems and data are secure, the Ministry needs to monitor whether ITO provides adequate security.

The Ministry did not receive adequate information about security from ITO. Moreover, we found ITO did not have processes to adequately configure, monitor, and update firewalls at the Ministry. Firewalls help to maintain security of Ministry systems and data.

As a result of these weaknesses, the Ministry's systems and data are at risk of inappropriate access. Also, because of the lack of adequate communication about security, the Ministry was not aware of the risk.

- 2. We recommend the Ministry of Social Services monitor the effectiveness of the Information Technology Office's security to protect the Ministry's computer systems and data.**

Multi-year information technology plan required

The Ministry needs an adequate IT plan to ensure its use of resources supports its strategic objectives. An IT plan can also help management to address threats and risks to the Ministry's security.

The Ministry prepared an IT operation plan for the year. However, the Ministry did not have a multi-year information technology (IT) plan that links to its strategic business objectives. The Ministry should have a multi-year IT plan to ensure it has the resources it needs to address its objectives.

3. We recommend the Ministry of Social Services establish an adequate information technology plan.

Management told us the Ministry developed a multi-year IT plan after year-end.

Business continuity plan need testing

The Ministry needs a written, tested, and approved business continuity plan³ (BCP) to help ensure that it can continue to deliver its critical programs and services in the event of a disaster.

Since 2003, we have recommended that the Ministry of Social Services complete its business continuity planning by testing its BCP.

In September 2004, PAC considered this matter and agreed with our recommendation.

The Ministry has developed a BCP for its critical programs and services. The Ministry prepared documentation to support BCP testing. The Ministry also performed some testing during the year. However, the Ministry has not tested all parts of the plan. The Ministry needs to perform additional testing to ensure the plan will work as required.

We continue to recommend that the Ministry of Social Services complete its business continuity planning by testing its BCP.

Protecting children in care

The Child and Family Services Act requires the Minister of Social Services to intervene on a child's behalf when the child is in need of

³ **Business Continuity Plan** - Plan by an organization to respond to unforeseen incidents, accidents, or disasters that could affect the normal operations of the organization's critical operations or functions.

protection due to physical, sexual, or emotional abuse, or neglect. The Ministry has services designed to protect children from abuse or neglect, support families and communities in caring for children, assist people facing family violence, and assist families to adopt children under *The Adoption Act*.

The Ministry provides care for children requiring protection and out-of-home care. Children placed in out-of-home care can be either wards or non-wards. The Minister assumes the legal responsibility for wards and acts as parent with the rights and obligation of a parent. Non-wards are those children that the Minister helps to support without having legal custody of the child.

A non-ward is a child that the courts may place in the custody of a person of sufficient interest rather than with the Minister. A person of sufficient interest is a person who is not a parent of the child but who, in the opinion of the court, has a close connection with the child. A person of sufficient interest may be an extended family member, or, in the case of a status Indian child, the chief of the Indian Band or the chief's designate.

The Ministry told us that at March 31, 2008 it was responsible for 5,677 children. This included 4,529 children who were wards of the Minister and 1,148 children who were non-wards. About 84% of all children in care were children of Aboriginal background (status and non-status First Nations, Métis, or Inuit).

The Ministry's officials told us that at year-end 1,193 of the Minister's wards resided on First Nations reserves. We cannot verify this number because the Ministry does not have a process to know how many wards the Minister has, who they are, and where they live. The Ministry cannot ensure all wards of the Minister receive proper care if it does not have this information.

4. We recommend the Ministry of Social Services implement a system to know how many children are the Minister's responsibility, who they are, and where they live.

Management told us the Ministry will use the funding it received for an automated Case Management System to develop a new system to support child welfare work in the province. The Ministry also told us that

its goal is to develop a system that would be used by staff and management of both the Ministry and First Nations Child and Family agencies.

Caring for children residing off reserves

A child can be placed in the care of the Minister on a temporary or permanent basis through a court order or a voluntary agreement with the parent(s). The Minister places those children in the care of foster families, alternate care providers (e.g., extended family members), a residential group home, or other facilities. Care providers must meet the child's basic developmental and special needs.

To provide care for the 3,336 wards of the Minister residing off reserves, the Ministry has arranged for 1,948 of those children to reside with foster care providers and 505 to reside with alternate care providers. The remaining children reside in group homes and other facilities. The Ministry is responsible to reimburse the care providers (custodians) for expenses incurred for these children.

Foster care providers usually do not have any prior relationship with the child. Alternate care providers are extended family members or other persons who have a close connection to the child.

The Ministry has policies, standards, and procedures (processes) to ensure it places children requiring care with appropriate caregivers. It also has processes to transfer a First Nations child apprehended off reserve to a First Nations Child and Family Services Agency. The agency places the child with a caregiver on reserve.

The Ministry has established adequate processes for placing and protecting children. However, employees do not always follow those processes. Because employees do not always follow those processes, the Ministry does not know if children in care are safe and receiving proper care.

Since 2003, we have recommended that the Ministry of Social Services follow its rules and procedures to ensure children in care are protected and the payments to custodians are authorized.

In September 2004, PAC considered this matter and agreed with our recommendation.

The exhibit below shows the results of our work on how well employees of the Ministry followed its established processes.

Exhibit 1—Percentage of client files we sampled not complying with child protection policies

	2008	2007	2006	2005	2004
No criminal record check*	17%	27%	13%	20%	31%
Inadequate contact with children	39%	35%	21%	35%	54%
No agreement with foster care provider	10%	0%	13%	13%	33%
Inadequate home study	0%	0%	0%	13%	31%

* Non-compliance generally relates to non-care providers in the home

The exhibit shows that the Ministry continues to make progress, but it needs to do more work to ensure children in care are safe. For example, one of the Ministry’s policies regarding social worker contact (visits) with children in care requires that, if the child is 5 years or older, the social worker should meet alone (separate from the caregiver) with the child once every six months. We found that 33% of the children received half or less than half of the required number of such visits.

We continue to recommend that the Ministry of Social Services follow its processes to ensure that children in care are protected and the payments to custodians are authorized.

Foster care providers

The Ministry has policies to limit the number of children in the care of a foster parent. Generally, the policies do not allow placing more than four children in one foster home. The policies only allow placing more than four children with one foster parent if:

- ◆ it prevents siblings from being separated
- ◆ the child/children have previously lived with that foster parent

- ◆ emergency short-term care is required until more permanent placement arrangements can be made
- ◆ short-term respite is required.

Under the established policies, senior managers are required to review and approve the placement of more than four children in a foster home. Senior managers are also required to review and re-approve the placement every two weeks. The review and re-approval help ensure compliance with policy conditions, proper assessments of the situation, safety and proper care of children, and adequate support for the foster family.

We found that more than half of the foster home files that we examined had periodically more than four children. Of those homes with more than four children, we found that 67% did not have evidence of review and re-approval from senior managers allowing more than four children.

5. We recommend the Ministry of Social Services follow its policies to review and approve foster homes when placing more than four children in the foster home.

Caring for children residing on reserves

The Ministry makes agreements with First Nations Child and Family Services Agencies⁴ (First Nations agencies) to provide child welfare services on the Ministry's behalf for First Nations children residing on reserves. Section 61 of *The Child and Family Services Act* allows the Minister to make such agreements allowing the First Nations agencies to exercise the powers of the Minister specified in the agreement. The Ministry has such agreements with 17 First Nations agencies. These First Nations agencies report to their boards. The Government of Canada pays most of the operating costs for on-reserve services provided by the First Nations agencies.

Under the law, First Nations agencies can obtain custody of a child on behalf of the Minister in one of the following ways:

⁴ First Nation agencies are not-for-profit community based organizations that individual First Nations established to carry out child and family service programs on related First Nation reserves.

- ◆ using the Minister's powers specified in the agreements, obtain either a court order for a child apprehended on reserve or accept a child whose parent(s) voluntarily place the child in the First Nations agency's care
- ◆ accept transfer of First Nations children from the Ministry that it apprehended off reserve when the Ministry considers the transfer is desirable

To obtain custody of a child in need of protection, First Nations agencies use the Minister's powers specified in the agreement to approach a court of law to seek custody of the child. When the court is satisfied that the child needs protection and there is no person of sufficient interest, it grants custody to the Minister and the child becomes a ward.

For children residing on reserves that are wards of the Minister, the Ministry must have adequate processes to ensure those children receive appropriate care similar to those residing off reserves. To ensure the proper care of children, we expected the Ministry would:

- ◆ make adequate agreements with those First Nations agencies that the Ministry authorized to act on the Minister's behalf
- ◆ establish processes to receive timely information about children who become wards of the Minister and any conditions of court orders
- ◆ communicate standards that the First Nations agencies must follow to care for the Minister's wards residing on reserves (foster care, alternate care, and residential care standards)
- ◆ assess adequacy of those First Nations agencies' processes for approving foster parents, alternate caregivers, and group homes to provide child welfare
- ◆ monitor the First Nations agencies' on-going compliance with approved child welfare standards and take action including periodic personal contact with children

We provide our findings for each of these five expectations.

Adequate agreement

As stated earlier, the Ministry has made agreements with 17 First Nations agencies to administer child welfare services on their respective reserves. At March 31, 2008, eight of the First Nations agencies had signed new standardized agreements. The new standardized agreements are more comprehensive than the old agreements, but the new agreements are not adequate for the reasons described below.

The agreements require the First Nations agency to provide certain information about children in care as at March 31 of each year. Under this reporting, the Ministry does not receive timely information about children that become wards of the Minister during the year.

The agreements do not ask First Nations agencies to provide the Ministry with any regular information about the well-being of the Minister's wards, or the case plans for reunification with the child's family or permanent placement. Nor do the agreements allow the Ministry's staff to have personal contacts with the children in care.

Also, under the agreements, First Nations agencies are required to provide the Ministry with a copy of any evaluation of its programs and operations that the First Nations agencies might complete with funding from the Government of Canada. However, the Ministry does not have a process to determine when and how often it must require an evaluation of the First Nations agencies' operations.

Timely information

The Ministry's agreements require First Nations agencies to provide certain information in annual reports as at March 31 each year including:

- ◆ the names of children in care as at March 31, how long they have been in care, and a description of the order or agreement in place regarding the child
- ◆ a summary of the services provided by the First Nations agency during the year
- ◆ a list of approved foster homes, persons of sufficient interest, and alternative care homes at March 31

Neither the information requested nor the frequency of the requested information is adequate. The Ministry does not know who and how many wards of the Minister a First Nations agency cared for during the year. It does not know when and why a First Nations agency took custody of a child and any conditions of court orders that made the child a ward of the Minister. Also, it does not know who provides care to the child or where the child lives.

Accordingly, the Ministry does not know who or how many wards of the Minister the First Nations agencies had under their care on an ongoing basis. Nor does the Ministry know whether all wards of the Minister received proper care in an abuse free, healthy, and affectionate environment. An abuse free, healthy, and affectionate environment is essential for children's emotional and behavioural development, and self-care skills. This is particularly important for those children with special needs.

Communicating standards

The Ministry's agreements require the First Nations agencies to use the Ministry's Family Centred Case Management Policy manual and the Children's Services Policy manual or equivalent approved standards to guide the First Nations agency in the delivery of out-of-home care. These standards include principles and practice guidelines for delivering care in a safe and nurturing environment with adequate food, clothing, and shelter.

Adequacy of the First Nations agencies' processes

The Ministry has established standards to approve foster parents, alternate care providers, and group homes to provide out-of-home care off reserves. It also requires the First Nations agencies to follow those standards when approving foster parents, alternate care providers, or group homes on reserves. The Ministry needs to ensure that First Nations agencies do their utmost to choose appropriate caregivers, because caregivers interact and nurture children under difficult circumstances. It must also establish an adequate process to help ensure that the First Nations agencies comply with those standards. Without this information, the Ministry does not know if the Minister's wards on reserves receive proper care.

Monitoring compliance

The agreements between the First Nations agencies and the Ministry allow for periodic review of the First Nations agencies' child protection files.⁵ The agreements also allow for a review if a complaint is received.

A standard review ensures adequate documentation of the mandate (reason for seeking custody), legal status, and risk assessment for the child that support the custody of the child. A standard review also includes reviewing the child planning, resource file (placement with caregiver), service provision, and evidence of supervision of the caseworker. The review may result in recommendations for First Nations agencies to improve processes.

The Ministry has not established a plan for the frequency of reviews. Without regular reviews, the Ministry cannot know if First Nations agencies meet established standards.

The agreement with the First Nations agencies also requires that Ministry staff and employees of the First Nations agencies must meet when required to discuss issues relating to the provision of child services and long-term case planning for First Nations children the Ministry apprehended off reserve and subsequently placed on reserve. The Ministry does not require the First Nations agencies to discuss long-term case planning for the Minister's wards the First Nations agencies apprehended on reserve. Also, the Ministry does not have a process to ensure that the First Nations Agencies have adequate long-term case planning for all wards residing on reserve. The Ministry must do so.

Also, to help determine the well-being of children under care of the First Nations agencies, the Ministry must seek periodic personal contacts with children under the First Nations agencies' care.

To help ensure children under the First Nations agencies' care receive abuse-free, affectionate, and need-based care, the Ministry must oversee the First Nations agencies' operations relating to childcare. It must establish processes to help ensure First Nations agencies comply with

⁵ Child protection files include the child's case file, case planning, family history, and related caregiver's file.

childcare standards and communicate zero tolerance for non-compliance with approved standards.

6. **We recommend the Ministry of Social Services make agreements with First Nations Child and Family Services agencies to require timely and relevant information to ensure proper care for children who are wards of the Minister.**
7. **We recommend the Ministry of Social Services adequately monitor the First Nations Child and Family Services agencies' compliance with the Ministry's standards for approval of out-of-home care providers.**
8. **We recommend the Ministry of Social Services implement a process to ensure the adequacy of First Nations Child and Family agencies' long-term case planning for children who are wards of the Minister.**
9. **We recommend the Ministry of Social Services seek regular personal contact with children who are wards of the Minister and regularly review the First Nations Child and Family Services agencies' child protection files.**

Management told us the Ministry has been entering into agreements with First Nations agencies over a period of 14 years and that the Ministry is working on increasing accountability provisions to ensure quality care is provided to First Nations children on reserves.

Providing social assistance

Social assistance payments

Since 2000, we have recommended that the Ministry of Social Services follow its established processes to ensure that only eligible persons receive social assistance and that they receive the correct amount of assistance.

In June 2001, PAC considered this matter and agreed with our recommendation.

In 2007-08, the Ministry made payments totalling \$210 million for social assistance. The Ministry must make many of these payments quickly. A client's need for food, clothing, and shelter often requires payment that day, or within a few days. In such cases, the Ministry must later verify the client's eligibility for assistance and the amount that was required.

Also, a client's eligibility for assistance (i.e., living arrangements, levels of income) often changes, which may affect the amount of required assistance. If the client does not promptly inform the Ministry of such changes, the Ministry may make incorrect payments until it re-assesses the client's needs. The Ministry's processes require this re-assessment of every client at least once each year.

The exhibit below shows the results of our work on how well employees of the Ministry followed the Ministry's established process.

Exhibit 2—Percentage of client files we sampled where the annual reassessment was not completed within a year and/or was incomplete

	2008	2007	2006	2005	2004
Annual reassessment not timely and/or incomplete	19%	8%	22%	30%	43%

The Ministry needs strong processes to identify incorrect payments after they have been made and to recover any overpayments. We assessed the Ministry's compliance with the established processes to identify incorrect payments. Exhibit 3 shows the results of our work.

Exhibit 3—Percentage of client files we sampled containing inadequate support for and/or payments not made in accordance with regulations

	2008	2007	2006	2005	2004
Needs and expenses	16%	24%	30%	26%	29%
Client identification	0%	2%	0%	10%	18%
Living arrangements	0%	4%	13%	10%	16%
Child support ⁶	0%	0%	8%	29%	33%

⁶ Clients must pursue other means of support before being eligible for assistance. A custodial parent receiving assistance is required to pursue child support from the other parent if obtaining such support is possible.

The exhibit shows that the Ministry has significantly improved compliance with its processes.

We continue to recommend that the Ministry of Social Services follow its established processes that ensure only eligible clients receive assistance and that they receive the correct amount of assistance.

Transitional employment allowance payments

Since 2007, we have recommended that the Ministry of Social Services follow its processes to ensure that only eligible persons receive Transitional Employment Allowance (TEA) assistance and that they receive the correct amount of assistance.

In January 2008, PAC considered this matter and agreed with our recommendation.

In 2005, the Government passed the *Transitional Employment Regulations, 2005*. The program helps move employable people from the social assistance system into the workforce. Under the program, qualifying individuals receive assistance while they participate or are eligible to participate in pre-employment programs and services. In 2007-08, the Ministry made payments totalling \$29 million for transitional employment assistance.

The Ministry has processes for paying TEA clients. Clients give the Ministry information such as family composition and changes in employment. This information affects the amount of assistance clients are eligible to receive.

The processes to ensure clients submit proper documentation help the Ministry to determine eligibility for payments. The processes also help ensure that the Ministry pays correct assistance in accordance with the TEA regulations and policy manual. The Ministry uses documentation on board and room information, utilities costs, assets, and income to verify claims.

We assessed the Ministry's compliance with the established processes. The exhibit below shows the results of our work.

Exhibit 4—Percentage of client files we sampled containing inadequate support for payments

	2008	2007	2006
Inadequate documentation of eligibility	0%	21%	33%
Inadequate documentation for rates paid	11%	21%	16%

The exhibit shows that the Ministry has significantly improved compliance with established processes for documenting eligibility and making payments.

We continue to recommend that the Ministry of Social Services follow its processes to ensure that only eligible clients receive Transition Employment assistance and that they receive the correct amount of Transition Employment assistance.

Employment and rental housing supplement payments

Since 2005, we have recommended that the Ministry of Social Services establish adequate processes to ensure that only eligible persons receive Saskatchewan Employment Supplement assistance and that they receive the correct amount of Saskatchewan Employment Supplement assistance.

In October 2006, PAC considered this matter and agreed with our recommendation.

Also, since 2007, we have recommended that the Ministry of Social Services establish adequate processes to ensure that only eligible persons receive Saskatchewan Rental Housing Supplement assistance and that they receive the correct amount of Saskatchewan Rental Housing Supplement assistance.

In January 2008, PAC considered this matter and agreed with our recommendation.

Under the Saskatchewan Employment Supplement (SES) program, the Ministry gives money to low-income working parents. The purpose of the program is to help ensure that low-income parents (clients) are better off

working than on social assistance. In 2007-08, the Ministry made payments totalling \$17.4 million under the SES program.

Under the Saskatchewan Rental Housing Supplement (SRHS) program, the Ministry gives money to low-income tenant families and people with disabilities to help them obtain accessible, affordable, and quality housing. In 2007-08, the Ministry made payments totalling \$5.6 million under the SRHS program.

The Ministry has processes for making payment to clients under its SES and SRHS programs. It uses one system to pay assistance under these two programs. Clients tell the Ministry their employment income, family composition, and rental information when they apply for assistance under SES and SRHS. Clients provide this information monthly and after that if there are any changes to their eligibility. These factors affect the amount of assistance a client is eligible to receive.

The Ministry regularly monitors SES and SRHS payments by testing a sample of clients. Selected clients' accounts are put on hold (i.e., no further payments are made) until they submit documents to support their claim. If a client does not submit the required documents, the Ministry closes the account.

Every year the Ministry tests about one-quarter of clients receiving SES and SRHS assistance. In 2007–08, the Ministry found that 14% of the 2,397 clients tested did not respond or provide written evidence to support their reported income. As a result, the Ministry stopped paying those clients. Of those that responded, the Ministry determined that it had overpaid 8% of those clients. The Ministry has processes to collect the overpayments.

The Ministry has set a target error rate of 4% of total SES and SRHS payments. As the actual error rate exceeded the Ministry's target, the Ministry needs to strengthen its processes to reduce the error rate for overpayments to below 4%.

We continue to recommend that the Ministry of Social Services establish adequate processes to ensure that only eligible persons receive Saskatchewan Employment Supplement assistance and that they receive

the correct amount of Saskatchewan Employment Supplement assistance.

We continue to recommend that the Ministry of Social Services establish adequate processes to ensure that only eligible persons receive Saskatchewan Rental Housing Supplement assistance and that they receive the correct amount of Saskatchewan Rental Housing Supplement assistance.

Management told us that the higher than target error rate reflects those clients who were receiving assistance prior to the pre-screening process the Ministry implemented in April 2007. Management also told us that the Ministry expects to have lower error rates as more clients are pre-screened.

Supervising community-based organizations

The Ministry needs to strengthen its supervision of community-based organizations (CBOs).

The Ministry paid \$95 million to over 300 CBOs that provide services on its behalf. CBOs provide programs including income assistance, group homes, services to enable people to live in their own homes (who otherwise could not), and youth-at-risk intervention programs.

We organize our findings on CBOs into three sections:

- ◆ agreements with CBOs
- ◆ financial performance reports
- ◆ operational performance reports

Agreements with community-based organizations

Since 2002, we have recommended that the Ministry of Social Services strengthen its agreements with CBOs by clearly setting out the CBOs' operating objectives.

In September 2004, PAC considered this matter and agreed with our recommendations.

The Ministry makes annual agreements with all CBOs setting out the Ministry's objectives for complying with the law and safeguarding resources. The agreements also give the Ministry the right to verify the CBOs' reports. However, the agreements do not clearly set out the CBOs' operating objectives (i.e., what CBOs intend to achieve with the money they receive from the Ministry).

We continue to recommend that the Ministry strengthen its agreements with CBOs by clearly setting out the CBOs' operating objectives.

In 2007, we also recommended that the Ministry of Social Services work with CBOs to establish performance measures and targets that better allow it to assess the CBOs' progress in achieving the Ministry's operational objectives.

In January 2008, PAC considered this matter and agreed with our recommendations.

The Ministry does not require the CBOs to set performance measures and targets to enable them to report their progress in meeting the Ministry's objectives. As a result, it does not know if CBOs are achieving the Ministry's operational objectives.

We continue to recommend the Ministry of Social Services work with community-based organizations (CBOs) to establish performance measures and targets that better allow it to assess the CBOs' progress in achieving the Ministry's operational objectives.

Financial reports

Since 1998, we have recommended that the Ministry of Social Services ensure all CBOs submit timely financial performance reports to it as required by agreements.

In January 1999, PAC considered this matter and agreed with our recommendation.

Service agreements require the CBOs receiving more than \$100,000 to provide to the Ministry quarterly and annual financial reports and explain in writing the reasons for differences between actual and budgeted

spending. The service agreements also set out the dates by when the CBOs must provide these reports to the Ministry.

We examined how well the CBOs were complying with the agreements. The exhibit below shows the results of our work for the past four years.

Exhibit 5—Percentage of CBO files we examined that were not received within the required time

	2008	2007	2006	2005
Prior year annual financial reports not received within 3 months of the fiscal year-end	21%	50%	83%	46%
Quarterly financial reports not received within 30 days of quarter end	33%	49%	72%	55%

The exhibit shows that the Ministry has significantly improved compliance for timely financial reporting.

We continue to recommend that the Ministry of Social Services ensure all CBOs submit timely financial performance reports to it as required by agreements.

Operational reports

Since 1998, we have recommended that the Ministry of Social Services ensure all CBOs submit timely operational performance reports to it as required by agreements.

In January 1999, PAC considered this matter and agreed with our recommendations.

The Ministry requires CBOs to submit annual operational performance reports describing their services and activities. The exhibit below shows the results of our work for the past four years.

Exhibit 6—Percentage of CBO files we examined that were not received within the required time

	2008	2007	2006	2005
Prior year annual operational report not received within 3 months of the fiscal year-end	18%	50%	Not available	Not available

The exhibit shows that the Ministry has significantly improved compliance for timely operational reporting.

We continue to recommend that the Ministry ensure all CBOs submit timely operational performance reports as required by agreements.

In 2007, we recommended that the Ministry of Social Services perform timely review on all the performance information submitted by the CBOs.

In January 2008, PAC considered this matter and agreed with our recommendations.

The Ministry did not do timely reviews of those CBOs’ financial or operational performance reports that it received on time. Lack of timely reviews of performance reports increases the risk that the Ministry may not take corrective actions when needed.

Exhibit 7 shows the Ministry’s progress to review CBOs’ performance reports within six months of the CBOs’ fiscal year-end.

Exhibit 7—Percentage of CBO information received within the required time but not reviewed within 6 months of the fiscal year-end

	2008	2007	2006	2005
Financial information received but not reviewed	59%	90%	100%	Not available
Operational information received but not reviewed	48%	93%	50%	Not available

The Ministry has made good progress since 2005. It needs to continue to make improvements in this area.

We continue to recommend the Ministry of Social Services perform timely reviews on all the performance information submitted by the community-based organizations.

Oyate follow-up

This section describes the actions taken by the Ministry of Social Services on recommendations made as a result of our audit of Oyate ataya WaKanyeja OwicaKiyapi Inc. (Oyate).

In June 2006, we reported to PAC the result of our special investigation of Oyate residential care home. Oyate stopped operating as a residential care home on April 13, 2006.

In our report, we made 20 recommendations to help improve processes to safeguard and control public money related to the operations of residential care facilities. In January 2008, PAC considered and agreed with our recommendations.

Fifteen of those recommendations related to Oyate's processes for governance, service delivery, human resource management, control of public money, and compliance with the service agreement. Oyate is now permanently closed.

We made five recommendations for the Ministry for monitoring and overseeing community-based organizations (CBOs) that deliver child and family services for the Ministry.

In September 2007, we assessed the progress the Ministry had made to address our recommendations. In our 2007 Report - Volume 3, we reported that the Ministry had:

- ◆ developed and approved the Children's Services Residential Policy Manual as guidance to CBOs
- ◆ approved the Procedural Manual for Monitoring CBO Accountability Standards for the Ministry's employees to use for monitoring CBOs' service delivery
- ◆ formed a risk assessment committee to assess the risk that CBOs may not be delivering services as the agreements specify

However, we cannot assess the adequacy of these processes as at March 31, 2008 because the Ministry has not used these processes for a sufficient period. We plan to assess adequacy of these processes in 2009 and report our findings in a future report.

Status of other outstanding recommendations of the Standing Committee on Public Accounts

The following table provides an update on recommendations previously made by the Standing Committee on Public Accounts (PAC) that are not yet implemented and are not discussed earlier in this chapter.⁷

PAC REPORT YEAR ⁸	OUTSTANDING RECOMMENDATION	STATUS
Ministry of Social Services (formerly the Department of Community Resources)		
1997	PAC concurs: O.4 When a system that captures the necessary information and consistently records case plans is in place, the Department of Community Resources and Employment should evaluate the effects of case planning.	Partially implemented (as at March 31, 2008). The Ministry does not yet evaluate the effect of case planning. No progress made in current year.
2005	PAC concurs: 6-5 that the Department of Community Resources and Employment should assess the risk of loss of public money by employees in positions of trust (i.e. responsible for collection, receipt, disbursement or expenditure of public money) and reduce the risk to an acceptable level (e.g., increasing insurance coverage or requiring criminal record checks).	Partially implemented (as at March 31, 2008). In 2005, the Public Service Commission (PSC) began the process of identifying positions of trust and ensuring incumbents in those positions provide a criminal record check. PSC is in the 3 rd year of the five year process. See our assessment of PSC’s progress in Chapter 15.

⁷ For the definitions of the key terms used in the table, see Chapter 21 – Standing Committee on Public Accounts.

⁸ PAC Report Year refers to the year that PAC first made the recommendation in its report to the Legislative Assembly.

PAC REPORT YEAR ⁸	OUTSTANDING RECOMMENDATION	STATUS
Ministry of Social Services (Saskatchewan Housing)		
2005	<p>PAC concurs:</p> <p>15-1 that the Saskatchewan Housing Corporation's capital plan should show:</p> <ul style="list-style-type: none"> - the specific measures the Corporation would use to determine the appropriate size, mix, and condition of the housing portfolio (i.e. performance measures); - the starting point of each measure (i.e. baseline); and - what the Corporation expects to achieve with the housing portfolio and by when (i.e. targets). 	<p>Partially implemented (as at March 31, 2007).</p> <p>We have not done a follow-up on this recommendation.</p>
Ministry of Social Services (Welfare to Work)		
2005	<p>PAC concurs:</p> <p>4-2 that the Department of Community Resources and Employment should select additional performance measures that directly assess its progress in moving people from welfare to work.</p>	<p>Partially implemented (as at March 31, 2006).</p> <p>The 2006 government reorganization created the Department of Advanced Education and Employment (now the Ministry of Advanced Education, Employment and Labour). Within the Ministry of Social Services, work has continued on the development of a draft strategic plan that better reflects the mandate of income assistance programs.</p> <p>We plan a follow-up of the Ministry's progress in 2009.</p>
2005	<p>PAC concurs:</p> <p>4-3 that the Department of Community Resources and Employment should establish baseline results and targets for each measure.</p>	<p>Partially implemented (as at March 31, 2006).</p> <p>The Ministries of Social Services and Advanced Education, Employment and Labour continue to refine the service catalogue, services standards, and performance measures.</p> <p>We plan a follow-up of the Ministry's progress in 2009.</p>

Chapter 18 – Social Services

PAC REPORT YEAR⁸	OUTSTANDING RECOMMENDATION	STATUS
2005	<p>PAC concurs:</p> <p>4-4 that the Department of Community Resources and Employment should communicate to employees its measures, baseline results, and targets.</p>	<p>Partially implemented (as at March 31, 2006).</p> <p>The strategic plan and service catalogue are being developed with active participation from staff and management.</p> <p>We plan a follow-up of the Ministry's progress in 2009.</p>
2005	<p>PAC concurs:</p> <p>4-5 that the Department of Community Resources and Employment should collect relevant and reliable information related to its performance measures.</p>	<p>Partially implemented (as at March 31, 2006).</p> <p>The Ministry of Social Services continues to collect data related to service indicators while work on 4-2 and 4-3 progress. In addition, client surveys have been undertaken to gather outcome information. Service agreements with CBOs (since transferred to the Ministry of Advanced Education, Employment and Labour) require detailed client outcomes.</p> <p>We plan a follow-up of the Ministry's progress in 2009.</p>
2005	<p>PAC concurs:</p> <p>4-6 that the Department of Community Resources and Employment should establish policies and procedures for evaluating data to assess its progress in moving people from welfare to work.</p>	<p>Partially implemented (as at March 31, 2006).</p> <p>The Ministry has introduced analysis into management reports but has not yet set policies and procedures for data evaluation and analysis.</p> <p>We plan a follow-up of the Ministry's progress in 2009.</p>
2005	<p>PAC concurs:</p> <p>4-7 that the Department of Community Resources and Employment should prepare reports that show its progress in helping welfare recipients, and others seeking financial assistance, to find and keep work.</p>	<p>Not implemented (as at March 31, 2006).</p> <p>Creation of reports is dependent upon the choice of performance measures.</p> <p>We plan a follow-up of the Ministry's progress in 2009.</p>