



## Chapter 24

### Social Services

#### 1.0 MAIN POINTS

In this chapter, we report that the Ministry of Social Services' (Ministry's) special purpose funds had reliable 2012 financial statements. Also, the Ministry complied with authorities governing its activities and it had effective rules and procedures to safeguard public resources except it needs to improve its processes in the following areas.

The Ministry provided capital funds to a community-based organization (CBO) for the construction of a proposed foster home without thoroughly performing and documenting all necessary steps and decisions. The Ministry gave money to the CBO without ensuring that the CBO could provide the intended services. As a result, the Ministry lost public money totalling \$416,610. The Ministry should improve its due diligence and documentation in the future.

Also, the Ministry did not record all payments to the CBO in its financial records. The Ministry needs to provide guidance to staff to ensure all transactions are recorded properly in the Ministry's financial records.

The Ministry must follow its processes to ensure all children who are the responsibility of the Minister receive proper care and protection. The Ministry needs to monitor quality assurance results, establish increasing and achievable targets for compliance with child protection standards, and work to achieve those targets. The Ministry also needs to continue to work with the First Nation Child and Family Services agencies to receive all of the information it needs to monitor the well-being of children in care. The Ministry should align frequency of reviews at the First Nation Child and Family Services agencies with the frequency of reviews conducted in its own service areas so that all children are afforded the same level of care.

The Ministry needs to improve its processes to ensure only eligible individuals receive social assistance and that they receive the correct amount of assistance. To help it do so, the Ministry should provide training and guidance to its employees so they understand the established policies and the reasons for those policies.

The Ministry also needs to perform timely reviews on all the performance information submitted by the CBOs to assess if they are achieving the Ministry's operational objectives. Also, it needs to sign an adequate agreement with the Information Technology Office (ITO), monitor the effectiveness of ITO's security, and complete the Ministry's business continuity planning and testing.

This chapter also provides an update on the status of previous recommendations agreed to by the Standing Committee on Public Accounts (PAC).

#### 2.0 INTRODUCTION

The mandate of the Ministry of Social Services (Ministry) is to support citizens at risk as they work to build better lives for themselves through economic independence, strong

families, and strong community organizations. The Ministry assists citizens in their efforts through income support, child and family services, services for persons with disabilities, development of affordable housing, and by building greater capacity in community-based organizations.<sup>1</sup>

## 2.1 Financial Overview

The Ministry received \$795.7 million from the General Revenue Fund to deliver its programs and had revenues of \$24.9 million.<sup>2</sup> Information about the Ministry's revenues and expenses appears in its annual report (see [www.socialservices.gov.sk.ca](http://www.socialservices.gov.sk.ca))

**Figure 1 – Major Programs and Spending**

Programs	Estimates 2011-12	Actual 2011-12
	(in millions of dollars)	
Central Management and Services	\$ 41.7	\$ 46.7
Income Assistance and Disability Services	553.8	524.2
Child and Family Services	197.8	186.9
Client Support	16.9	23.2
Housing	<u>12.8</u>	<u>14.7</u>
<b>Total Appropriation</b>	<u>823.0</u>	<u>795.7</u>
Capital Asset Acquisitions	(10.7)	(9.1)
Capital Asset Amortization	<u>1.9</u>	<u>0.7</u>
<b>Total Expense</b>	<u>\$ 814.2</u>	<u>\$ 787.3</u>

Source: Ministry of Social Services 2011-12 Annual Report, p. 38.

## 2.2 Special Purpose Funds and Crown Agency

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

Social Services Central Trust Account	<u>Year-end</u> March 31
Social Services Valley View Centre Grants and Donations Trust Account and Institutional Collective Benefit Fund	March 31
Social Services Valley View Centre Residents' Trust Account	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, 2011 in our 2012 Report – Volume 1.

<sup>1</sup> Ministry of Social Services 2011-12 Annual Report, p. 6.

<sup>2</sup> *ibid.* p. 38.



## 3.0 AUDIT CONCLUSIONS, SCOPE AND FINDINGS

In our opinion, for the year ended March 31, 2012:

- › **The Ministry and its funds had effective rules and procedures to safeguard public resources except for the matters described in this chapter**
- › **The Ministry and its funds complied with the following authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matters described in this chapter**

*The Child and Family Services Act*  
*The Child and Family Services Regulations*  
*The Child Care Act*  
*The Child Care Regulations, 2001*  
*The Department of Social Services Act*  
*The Social Services Rehabilitation Institutional*  
*Collective Benefit Funds and Trust Account*  
*Regulations*  
*The Department of Social Services Central Trust*  
*Account Regulations*  
*The Rehabilitation Act*  
*The Saskatchewan Rehabilitation (Mentally*  
*Retarded Persons) Regulations*  
*The Vocational Rehabilitation Regulations*  
*The Residential Services Act*  
*The Private-service Homes Regulations*

*The Residential-service Facilities Regulations*  
*The Saskatchewan Assistance Act*  
*The Benefit Adjustment Regulations*  
*The Disability Housing Supplement Regulations*  
*The Employment Supplement Regulations*  
*The Rental Housing Supplement Regulations*  
*The Saskatchewan Assistance Regulations*  
*The Transitional Employment Allowance*  
*Regulations, 2005*  
*The Saskatchewan Income Plan Act*  
*The Senior Income Plan Regulations*  
*The Government Organization Act*  
*The Ministry of Social Services Regulations, 2007*  
Orders in Council issued pursuant to the above  
legislation

- › **The financial statements of the funds are reliable**

We used the control framework developed by the Canadian Institute of Chartered Accountants (CICA) to make our judgments about the effectiveness of the Ministry's controls. The CICA defines control as comprising those elements of an organization that, taken together, support people in the achievement of the organization's objectives.

We examined significant programs of the Ministry including child welfare, income support for low income families, seniors and people with disabilities, social assistance for people out of work, housing, and services to support families and people with disabilities.

To assess the Ministry's controls to protect children in care, we examined various files, reports, and documents in the Ministry's offices and had discussions with senior officials. Our work did not include directly examining files of children the Ministry placed in out-of-home care on reserves.

We report our findings under five headings: loss of public money, protection of children, income assistance programs, supervision of community-based organizations, and corporate services.

## 4.0 LOSS OF PUBLIC MONEY—CONSTRUCTION OF A PROPOSED FOSTER HOME

*The Provincial Auditor Act* requires us to report any losses to the Crown due to fraud, default or mistake of any person. We report that the Ministry lost public money totalling \$416,610.

We examined the circumstances under which this money was paid. We describe below our findings. We based our findings on correspondence and interviews with Ministry officials.

In 2009, a community-based organization (CBO) approached the Ministry proposing to provide a residential group care program designed to assist children needing care under *The Child and Family Services Act*. On September 14, 2009, the Ministry signed a service contract with the CBO and agreed to provide approximately \$345,000 to help assist with the construction and startup costs of the new residential facility. On September 24, 2009, the Ministry paid a one-time capital funding grant of \$344,250 to the CBO. The Ministry did not ensure that the CBO had obtained proper zoning permission from the local municipality for construction and operation of a foster care home for children. There is no documented evidence that due diligence was conducted by Ministry officials before the funds were released.

Documents that we examined show that the CBO had made an application for local zoning stating clearly “new home construction” under the proposed development column. The municipality granted the zoning indicating, “**Approved for home construction only, not for foster care facility**”.

Had the Ministry reviewed the necessary zoning document before releasing the funds, it would have become aware of the zoning issues with the municipality. Management told us that the municipality had informed the Ministry officials verbally that the municipality would grant necessary zoning for operating a group foster home on the site. We have not been provided with documented evidence corroborating this assertion.

On February 12, 2010, the municipality informed the Ministry that:

- › The land in question was not zoned for a group home
- › The municipality granted the development permit based on the developer’s representation that the use of the building would be in accordance with the zoning bylaws
- › The current zoning bylaws did not permit the use of land for operating a group home

During 2010-11, the Ministry also erroneously paid a \$92,160 operating grant to the CBO. In June 2010, the Ministry wrote the CBO asking it to return the amount as the Ministry had paid this money in error. However, the Ministry did not record this amount as receivable in its accounting records. So far, the Ministry has recovered only \$29,000 of the amount paid.

In April 2011, the Ministry paid an additional \$9,200 to the CBO to cover the costs relating to the CBO’s mortgage, utilities, and vehicle loans for the period April 1, 2011 to



May 31, 2011. We understand the Ministry was attempting to assist the CBO in avoiding foreclosure by a financial institution.

In early 2012, we asked the Ministry for copies of its communications with this CBO. The Ministry provided us with files containing copies of emails, letters, contracts, and notes. However, the files were incomplete and not in chronological order. We held meetings and discussions with Ministry officials to gather information that was often not available on paper. Lack of complete and up-to-date correspondence with external parties increases the risk of errors and incorrect decisions that could result in monetary losses or legal challenges.

Management stated that the Ministry has recently reorganized its operations and now keeps centralized contract files that systematically maintain correspondence on all projects.

Management told us on October 29, 2012, that the financial institution has foreclosed on the property and the property has been sold. The Ministry does not expect to collect any money that was given to the CBO for capital and startup costs. Management also told us that the CBO no longer exists. The Ministry cannot collect the money for payment in error or the money paid to avoid foreclosure. Accordingly, the Ministry paid \$416,610 as below and received nothing in return.

Capital and startup costs	\$ 344,250
Payment in error net of recovery (\$92,160-29,000)	63,160
Additional—mortgage and utilities	<u>9,200</u>
Total	<u>\$ 416,610</u>

**1. We recommend that the Ministry of Social Services establish a process to perform and document all necessary due diligence before making payments for capital projects to external parties.**

**2. We recommend that the Ministry of Social Services maintain complete and up-to-date information for all capital projects with external parties.**

**3. We recommend that the Ministry of Social Services provide guidance to staff to ensure all transactions are recorded properly in the Ministry's financial records.**

## 5.0 PROTECTION OF CHILDREN

### 5.1 Background

*The Child and Family Services Act* requires the Minister of Social Services to intervene on a child's behalf if the child is in need of 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 legal responsibility for wards and acts as a parent with the rights and obligations 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<sup>3</sup> rather than with the Minister.

Also, the Ministry has delegated authority to 17 First Nation Child and Family Services agencies (First Nation agencies) to care for children who are wards of the Minister and reside on reserves.<sup>4</sup> Under the law, First Nation agencies can obtain custody of a child on behalf of the Minister in one of the following ways:

- › Using the Minister's powers specified in 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 Nation agency's care
- › Accept transfer of First Nation children from the Ministry that were apprehended off reserve when the Ministry considers the transfer desirable

To obtain custody of a child in need of protection, First Nation agencies use the Minister's powers specified in agreements 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 of the Minister. However, the child remains in the care of the First Nation agency.

For children who are wards of the Minister, the Ministry continues to be responsible for ensuring those children receive appropriate care whether on or off reserve.

At March 31, 2012, the Ministry reported it had 5,714 children in out-of-home care. Of those children, 1,627 children were non-wards and 4,087 children were wards of the Minister. Of those children who were wards of the Minister, the Ministry's staff (caseworkers) cared for 73% of the children and First Nation agencies cared for 27% of the children. **Figure 2** shows a breakdown of the number of children in out-of-home care.

<sup>3</sup> 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 to the child, and in the case of a Status Indian child, is Chief of the Indian Band or his or her designate.

<sup>4</sup> First Nation agencies are not-for-profit community-based organizations that individual First Nations establish to carry out child and family service programs on related First Nation reserves. In 2011-12, one First Nation agency closed, reducing the total number of First Nation agencies to 17.



**Figure 2—Children in Care**

Fiscal Year End	Non-wards Living in Out-of-Home Care	Children in Care On Reserve	Children in Care Off Reserve	Total Children in Out-of-Home Care
March 31, 2009	1,297	1,206	3,593	6,096
March 31, 2010	1,428	1,176	3,348	5,952
March 31, 2011	1,538	1,124	3,217	5,879
March 31, 2012	1,627	1,123 <sup>5</sup>	2,964	5,714

Source for March 31, 2009 to March 31, 2011: Ministry of Social Services *2010-11 Annual Report*, p. 22. Source for March 31, 2012: Ministry of Social Services *Child and Family services statistics as at March 31, 2012* located at [www.socialservices.gov.sk.ca/children-first](http://www.socialservices.gov.sk.ca/children-first)

The Ministry has established rules and procedures (standards) to protect children in out-of-home care. The Ministry’s standards apply to all children, including those who are in the care of First Nation agencies.

The standards set out detailed processes for providing appropriate out-of-home care. For example, standards state how often caseworkers must meet with foster parents and children and define requirements for child development plans. The standards also set out approval requirements for foster homes caring for more than four children. In addition, the standards provide guidelines on how to assess potential new foster parents (including obtaining reference and criminal record checks).

Notwithstanding the location of the foster homes (off reserve or on reserve), the Ministry requires that each child must have an assigned caseworker. The Ministry has established standards setting out qualifications and requirements for reference and criminal record checks to hire such caseworkers. Management stated that the Ministry approves the hiring of all caseworkers on and off reserve.

## 5.2 Need Better Compliance with Protection Standards for Children in Out-of-Home Care

We recommended that the Ministry of Social Services follow its processes to ensure that children in care are protected and the payments to custodians are authorized. (2003 Report – Volume 3; Public Accounts Committee agreement September 28, 2004)

**Status** – We continue to make this recommendation. The Ministry’s compliance with its own standards needs improvement.

The Ministry has adequate processes to ensure payments to custodians are authorized.

To help improve compliance with its standards to protect children in out-of-home care, the Ministry established a quality assurance process in 2009. The Ministry’s quality assurance group monitors compliance with the established child protection standards. The quality assurance group reports to a senior official of the Ministry.

<sup>5</sup> The number of children in care on reserve for all First Nation agencies was provided to the Ministry by Aboriginal Affairs and Northern Development Canada.

The quality assurance group monitors compliance with child protection standards both on and off reserves. The group assesses how well Ministry staff and First Nation agencies comply with the Ministry's child protection standards. The group assesses compliance of the Ministry's service areas<sup>6</sup> every year. The agreements with First Nation agencies require assessments to be done once every three years.

The Ministry has staff specifically dedicated to work with First Nation agencies to resolve any issues the quality assurance group identifies. It requires staff and First Nation agencies to prepare written plans to address the issues identified. The Ministry also has processes to work with care providers on reserves to improve compliance with the established child protection standards. For example, Ministry officials provide training to caseworkers on reserves and regularly meet with them to help resolve any issues they may face.

During 2011-12, the Ministry carried out its reviews of the three service areas and nine First Nation agencies (eight were completed in 2010-11). We reviewed the Ministry's quality assurance reports for two service areas and nine First Nation agencies. The Ministry is currently in the process of finalizing the quality assurance report for the third service area.

In October 2011, the Ministry developed and rolled out a new system called The Structured Decision Making (SDM) model for child protective services. SDM provides policies, procedures, guidelines, and assessment tools to help caseworkers identify critical decision points and to target resources to families at highest risk. It includes checklists and sets out requirements for completing assessments. These assessments require, for example, assessing the likelihood of any current threats to a child's well-being and the interventions needed to protect the child or the likelihood of future maltreatment of a child and how to prevent it. SDM also sets out the minimum service levels and contact guidelines based on the risk levels assessed. For example, if the assessed risk level is high or very high it requires three to four face-to-face visits per month (including at least one visit per month unannounced). The Ministry now uses SDM in its own service areas. However, First Nation agencies do not use SDM yet. Two First Nation agencies volunteered to pilot the SDM model and other First Nation agencies have expressed interest. Next year, we will examine how well the Ministry complies with its new policies and procedures in this area.

The Ministry has set numerous standards to protect children in out-of-home care and has assessed the level of compliance with those standards. However, the Ministry has not yet achieved an acceptable level of compliance with established standards both at First Nation agencies and in its own service areas. **Figure 3** sets out the average compliance rates with various standards that the Ministry found during its quality assurance reviews.

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<sup>6</sup>The Ministry has divided the province into three service areas, i.e., South, Centre, and North.





**Figure 3—Examples of Compliance with Child Protection Standards**

Child Protection Standard	First Nation Agencies	Service Areas
Maintaining current child development plans every 120 days	26%	83%
Having contact with the child within the first two days of placement	21%	59%
Completing home safety checks	64%	62%
Completing criminal record checks at the time of homestudy	64%	87%
Reviewing foster homes on an annual basis	56% <sup>7</sup>	56%
Reviewing and approving foster homes when placing more than four children in the foster home	92% <sup>7</sup>	100%

The quality assurance reports require First Nation agencies and service areas to include a response and action plan for addressing the findings and recommendations. The quality assurance process, along with the new SDM model that includes risk assessments, should help the Ministry more consistently and effectively protect children in care. However, the Ministry now needs to establish increasing and achievable targets for the level of compliance with the standards in its own service areas and for First Nation agencies.

**4. We recommend the Ministry of Social Services monitor quality assurance results, establish increasing and achievable targets for compliance with child protection standards in its own service areas and at First Nation Child and Family Services agencies, and work to achieve those targets.**

### **5.3 Agreements with First Nation Agencies Needed for Caring for Children Residing on Reserves**

We recommended that the Ministry of Social Services make agreements with First Nation Child and Family Services agencies to require timely and relevant information to ensure proper care for children who are wards of the Minister. (2008 Report – Volume 3; Public Accounts Committee agreement December 9, 2008)

**Status** – We continue to make this recommendation. The Saskatoon Tribal Council and the Yorkton Tribal Council do not have revised signed agreements.

Under Section 61 of *The Child and Family Services Act*, the Ministry initially signed agreements with all of the 17 First Nation agencies to provide childcare services to children residing on reserves on the Ministry's behalf. In our past reports, we stated that those agreements were not adequate because the agreements did not require First

<sup>7</sup> This is the result of the Ministry's review of eight First Nation agencies because the Ministry did not receive complete information from one First Nation agency.

Nation agencies to provide timely and relevant information to ensure proper care for wards of the Minister.

The Ministry has now signed revised agreements with 15 of the 17 First Nation agencies. The updated agreements require First Nation agencies to provide the Ministry with information on agency staff, foster homes, and the well-being of children in care. For example, the agreements require First Nation agencies to provide a listing of children in care, including a description of the court order in place regarding the child and basic information such as how long the child has been in care.

The remaining two First Nation agencies refuse to sign the new agreement. The Ministry is continuing to work with these agencies to obtain the information that would be required under the new agreement. Although it has not signed a revised agreement, the Yorkton Tribal Council has agreed to work with the Ministry on the outstanding matters relating to the reporting and accountability provisions and currently provides monthly reports on children in care. The other agency, the Saskatoon Tribal Council, has also not signed the revised agreement and still does not provide the information the Ministry receives from the 16 other First Nation agencies, including a listing of children in care. We encourage the Ministry to finalize agreements and to continue working with the Saskatoon Tribal Council to receive timely and relevant information consistent with what it receives from other First Nation agencies.

The Ministry now receives monthly reports on children in care from 16 of the 17 First Nation agencies. Monthly reports include information such as the child's name, admission date, type of care, etc. The Ministry continues to work with the one remaining agency, Saskatoon Tribal Council, to receive this information. During 2011-12 we found that the Ministry received these reports from First Nation agencies on a more timely basis than the previous year. The Ministry received about 77% (2010-11: 53%) of these reports within 90 days of the month-end.

## 5.4 Tracking of Children in Care On and Off Reserves Needed

We recommended that the Ministry of Social Services implement a system to know how many children are the Minister's responsibilities, who they are, and where they live. (2008 Report – Volume 3; Public Accounts Committee agreement December 9, 2008)

**Status** – We continue to make this recommendation.

In 2011-12, the Ministry used its new broad-based technology system (LINKIN) to assist in monitoring and tracking children. For children in care off reserve, the Ministry tracks them by foster home. For children in care on reserve, the Ministry tracks them by each First Nation agency. If the Ministry requires more information on a child (i.e., the foster home of a child), the Ministry staff contacts each First Nation agency to get more detailed information.



However, as noted earlier, the Ministry does not receive monthly reports on children in care for one First Nation agency, Saskatoon Tribal Council. We encourage the Ministry to continue working with this agency to obtain timely and relevant information to monitor the well-being of children in care.

## 5.5 Non-Compliance with Ministry Standards

We recommended that the Ministry of Social Services adequately monitor the First Nation Child and Family Services agencies' compliance with the Ministry's standards for approval of out-of-home care providers. (2008 Report – Volume 3; Public Accounts Committee agreement December 9, 2008)

**Status** – We continue to make this recommendation.

The Ministry, through the quality assurance group, continues to make good progress in this area. During the year, the Ministry completed its reviews of the remaining nine First Nation agencies (eight were completed in 2010-11). The results show that those agencies had varying levels of compliance with established standards. While some agencies had good compliance with some standards, others had poor compliance. For example, on an overall basis, the nine agencies completed criminal record checks in 64% (2010-11: 61%) of the foster homes and other care providers reviewed. As we highlighted in Section 5.2, the Ministry now needs to establish targets for levels of compliance with the standards and work towards achieving those targets.

Issues of non-compliance identified in the quality control group's assessments are starting to be addressed under the new process. The new process requires the Ministry's staff and First Nation agencies to prepare written plans to address the issues identified.

As we noted earlier, during the year the Ministry developed and implemented a new model called SDM. SDM provides policies, procedures, guidelines, and assessment tools to help caseworkers to identify critical decision points and to target resources to families at highest risk. It also sets out face-to-face contact guidelines based on the assessed level of risk. Two First Nation agencies volunteered to pilot the SDM model and other First Nation agencies have expressed interest.

While the quality assurance processes and the new policy and procedures are positive steps, the Ministry needs to complete its review of First Nation agencies on a timely basis. We found that Ministry staff can take up to a year to finalize reports.

**5. We recommend that the Ministry of Social Services finalize reports of its quality control assessments of First Nations Child and Family Services agencies on a timely basis.**

## 5.6 Process to Review All Child Protection Files Needed

We recommended that the Ministry of Social Services seek regular personal contact with children who are wards of the Minister and regularly review the First Nation Child and Family Services agencies' child protection files. (2008 Report – Volume 3; Public Accounts Committee agreement December 9, 2008)

**Status** – We continue to make this recommendation.

The Ministry's quality assurance group visits each First Nation agency and examines its case management practices and compliance with established child protection standards. For example, the quality assurance group would assess if caseworkers maintained regular personal (face-to-face) contact with children in care. During the visits, the quality assurance group also reviews the child protection files at the First Nation agencies. The Ministry then requires its staff and First Nation agencies to prepare written plans to address the issues the quality assurance group identifies. Although the quality assurance group's formal assessment is required once every three years, the Ministry's staff specifically dedicated to work with First Nation agencies meet with caseworkers frequently based on the risks assessed under the new SDM system. Under the SDM system, the Ministry could examine those agencies that have the most significant challenges more often.

During the quality assurance reviews, the Ministry had access to all child care files and other resource files (e.g., foster care home files) for all First Nation agencies except for the Saskatoon Tribal Council. The Ministry was only able to review the child care files of the children who were transferred from the Ministry to the Saskatoon Tribal Council. The quality assurance group was unable to review other child care files, family service files, or resource files.

## 5.7 Monitoring of Compliance with Child Protection Standards Not Uniform

As highlighted in Section 5.2, the quality assurance group monitors compliance with child protection standards both on and off reserves. However, the timing of the reviews is not consistent between the Ministry's own service areas and the First Nation agencies. The Ministry conducts reviews in its own service areas once a year. It only conducts reviews at the First Nation agencies once every three years, as required by the agreements. To ensure equality of safety for all children both on and off reserves, the Ministry should also conduct annual reviews at the First Nation agencies.

The agreements with First Nation agencies are coming up for renewal. The Ministry should consider revising the agreements to require reviews to be conducted annually so that all children are afforded the same level of care.



**6. We recommend that the Ministry of Social Services conduct reviews to monitor compliance with child protection standards at First Nation Child and Family Services agencies as often as it does for its own service areas.**

## 6.0 INCOME ASSISTANCE PROGRAMS

In this section, we report on the Ministry's management of various income assistance programs.

### 6.1 Social Assistance Payments

In the year ended March 31, 2012, the Ministry made payments totalling \$255.8 million to social assistance clients.

A client's need for food, clothing, and shelter may require an immediate payment that day, or within a few days.<sup>8</sup> In such cases, the Ministry must later verify the client's eligibility for assistance and the amount that was required. The Ministry has established detailed policies and procedures that set out how the Ministry's employees should calculate, verify, and authorize payments to social assistance clients.

We recommended 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. (2000 Report – Volume 3; Public Accounts Committee agreement June 6, 2001)

**Status** – We continue to make this recommendation.

We have reported for many years that the Ministry's employees do not consistently follow established policies and procedures. Non-compliance with policies could result in financial loss.

We found that Ministry employees did not consistently assess assistance recipients' employability or financial needs. The lack of compliance with Ministry policies could result in some recipients receiving incorrect amounts of assistance. The Ministry needs to follow its policies and procedures to ensure only appropriate recipients receive the correct amount of social assistance.

We also found instances where the assistance payments did not have proper approval. In some instances assistance payments were not approved in accordance with policy and in some other cases the payments were approved by individuals who did not have authority for such approval.

<sup>8</sup>A person who seeks social assistance is called a client.

## 6.2 Employment and Rental Housing Supplement Payments Accurate

The Saskatchewan Employment Supplement (SES) and Saskatchewan Family Rental Housing Supplement (RHS) programs help support low-income working parents. SES helps parents with child related costs of working (e.g., childcare). The Ministry pays RHS to eligible working parents with low income to promote access to safe and affordable housing.

In the year ended March 31, 2012, the Ministry paid approximately \$47 million in total for both programs. On average, 5,985 and 5,524<sup>9</sup> families received monthly payments from the SES and RHS programs, respectively. Some low-income families are eligible to receive both supplements at the same time.

Applicants (clients) inform the Ministry about their employment income, family composition, and rental information when they apply for assistance under SES and RHS, and monthly thereafter. These factors affect the amount of assistance a client is eligible to receive on a monthly basis.

We recommended that the Ministry of Social Services ensure that only eligible persons receive the correct amount of Saskatchewan Employment Supplement. (2005 Report – Volume 3; Public Accounts Committee agreement October 5, 2008)

**Status** – Implemented.

We recommended that the Ministry of Social Services establish adequate processes to ensure that only eligible persons receive Saskatchewan Family Rental Housing Supplement assistance and that they receive the correct amount of Saskatchewan Rental Housing Supplement assistance. (2007 Report – Volume 3; Public Accounts Committee agreement January 8, 2008)

**Status** – Implemented.

Due to the nature of the programs, overpayments to clients may occur. Therefore, the Ministry set a target error rate of 4%. The Ministry audited SES and RHS clients to assess eligibility and verify the accuracy of amounts paid. Each month, the Ministry audits benefits paid to approximately 150 SES/RHS clients. These audits require clients to provide the Ministry with documented support of their monthly income (e.g., pay stubs). Most clients provide the necessary information, but some do not. Because the amount of a client family's monthly income determines the level of monthly SES and RHS assistance, incorrect income information or lack of such information increases the risk of incorrect monthly assistance.

Based on its audit results, the Ministry estimates that 4.18% of clients who received payments were not entitled to the amounts they received. Our test of the Ministry's

<sup>9</sup> Ministry of Social Services 2011-12 Annual Report, p. 29 (SES) and p. 12 (RHS).



client files resulted in similar findings. The Ministry has continued to reduce its error rate for SES and RHS over the past few years and has substantially met its target error rate of 4%.

## 7.0 SUPERVISION OF COMMUNITY-BASED ORGANIZATIONS

Community-based organizations (CBOs) provide programs such as group homes, services to enable people to live in their own homes (who otherwise could not), and youth-at-risk intervention programs. For the year ended March 31, 2012, the Ministry paid \$171.2 million to over 200 CBOs that provide services on the Ministry's behalf.

### 7.1 Performance Measures and Targets Needed

We recommended that 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. (2007 Report – Volume 3; Public Accounts Committee agreement January 8, 2008)

**Status** – We continue to make this recommendation.

The Ministry revised its CBO agreements to include program objectives and outcomes. However, the agreements do not include performance measures and targets. Performance measures and targets would allow the Ministry to assess CBO performance (e.g., whether money paid to CBOs achieved the results the Ministry has intended).

### 7.2 Review Needed of Performance Information Submitted

We recommended that the Ministry of Social Services perform timely reviews on all the performance information submitted by the community-based organizations. (2007 Report – Volume 3; Public Accounts Committee agreement January 8, 2008)

**Status** – We continue to make this recommendation.

The Ministry requires CBOs to submit operational reports that describe services and activities. It also requires CBOs to provide the Ministry with quarterly and annual financial reports. The service agreements specify what the Ministry must receive and when.

We found the Ministry did not always receive the required reports from some CBOs. Also, the Ministry received the required reports from some CBOs late. The Ministry needs to ensure CBOs comply with reporting requirements.

The Ministry did not complete timely reviews on the information submitted by the CBOs. We found that 43% of the reports the CBOs submitted were not reviewed within six months of their receipt.

Lack of timely review of CBOs' performance information increases the risk that the Ministry may not be able to take corrective actions when needed.

## 8.0 CORPORATE SERVICES

This section reports on the management of the corporate and support services of the Ministry.

### 8.1 Better IT Monitoring Needed

We recommended that the Ministry of Social Services monitor the effectiveness of the Information Technology Office's security to protect the Ministry's computer systems and data. (2008 Report – Volume 3; Public Accounts Committee agreement December 9, 2008)

**Status** – We continue to make this recommendation.

During 2011-12, the Ministry continued to receive monthly service and user access reports from Information Technology Office (ITO). The reports provided limited information on the security or availability of the Ministry's systems and no information on the adequacy of ITO's controls or how weaknesses at ITO could impact the Ministry's system and data. Without a complete security report, the Ministry does not know if ITO is meeting the Ministry's security and disaster recovery needs.

As in the prior year, the Ministry did not follow its processes for promptly removing user access from individuals who no longer work for the Ministry. For example, 7 out of 10 individuals that we tested did not have their access removed promptly.

Lack of timely removal of access of those who no longer work for the Ministry increases the risk of inappropriate access to the Ministry's systems and data.

### 8.2 Information Technology Plan Complete

We recommended that the Ministry of Social Services establish an adequate information technology plan. (2008 Report – Volume 3; Public Accounts Committee agreement December 9, 2008)

**Status** – Implemented.





The Ministry developed and approved an adequate information technology plan in January 2012. The plan outlines the Ministry's technology needs and links to its strategic objectives.

### 8.3 Complete Business Continuity Plan Needed

We recommended that the Ministry of Social Services sign an adequate agreement with the Information Technology Office (ITO) that includes network security and disaster recovery requirements. (2007 Report – Volume 3; Public Accounts Committee agreement January 8, 2008)

**Status** – We continue to make this recommendation.

The Ministry signed a new memorandum of understanding (MOU) with ITO effective July 2011. The MOU requires ITO to advise the Ministry of all incidents or issues pertaining to the security of Ministry systems and data. The MOU does not specify specific Ministry disaster recovery requirements (e.g., time to restore, testing requirements). Lack of agreed-upon disaster recovery requirements could result in the Ministry's systems and data not being available when needed.

We recommended that the Ministry of Social Services complete its business continuity planning by testing its business continuity plan. (2003 Report – Volume 3; Public Accounts Committee agreement September 28, 2004)

**Status** – We continue to make this recommendation.

The Ministry has a Business Continuity Management Committee. The Ministry is currently identifying the threats and assessing the risks it faces. Once complete, the Ministry plans to update its business continuity plan<sup>10</sup> including appropriate disaster recovery strategies required.

During 2011-12, the Ministry completed disaster recovery testing for some of its critical systems. However, as noted above, the Ministry has not identified its disaster recovery needs to ITO. Therefore, ITO does not perform disaster recovery testing to ensure that the Ministry's critical systems (e.g., LINKIN) can be recovered in a timely way in the event of a disaster. Without an adequate tested disaster recovery plan, the Ministry cannot have a completely tested BCP.

<sup>10</sup> Business Continuity Plan (BCP)–Plan by an organization to respond to unforeseen incidents, accidents, and disasters that could affect the normal operation of the organization's critical operations and functions including normal operations of computerized systems.

## 9.0 EXHIBITS

### 9.1 Status of Previous Recommendations of the Standing Committee on Public Accounts

The following exhibit provides an update on recommendations agreed to by PAC that are not discussed earlier in this chapter.

PAC Report Year	Outstanding Recommendation	Status
<b>Ministry of Social Services – Saskatchewan Housing Corporation</b> (2004 Report – Volume 1)		
2005	15-1 that the Saskatchewan Housing Corporation's capital plan should show: <ul style="list-style-type: none"> <li>- the specific measures the Corporation would use to determine the appropriate size, mix, and condition of the housing portfolio (i.e., performance measures);</li> <li>- the starting point of each measure (i.e., baseline);</li> <li>- what the Corporation expects to achieve with the housing portfolio and by when (i.e., targets).</li> </ul>	<b>Partially implemented</b> (as of March 31, 2012)  See Chapter 25 in our 2012 Report – Volume 1 for a status update.