

Chapter 24

Social Services

1.0 MAIN POINTS

This chapter reports the results of our audit of the Ministry of Social Services (Ministry) and its three funds (funds). The funds' 2013 financial statements are reliable. The Ministry complied with authorities governing its activities and the activities of its funds, and had effective rules and procedures to safeguard public resources except for the following.

The Ministry 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 test its effectiveness. The Ministry also needs to follow its processes to ensure only appropriate recipients receive the correct amount of social assistance.

Furthermore, the Ministry needs to continue working with community-based organizations (CBOs) to establish performance measures and targets. It also needs to ensure CBOs comply with the Ministry's reporting requirements.

In addition, the Ministry needs to work with the First Nation Child and Family Services agencies to have adequate agreements to ensure that the Ministry receives the information necessary for it to monitor the well-being of children in care.

2.0 INTRODUCTION

The mandate of the Ministry is to support at-risk citizens as they work to build better lives for themselves through economic independence, strong families, and strong community organizations. The Ministry assists these efforts through income support, child and family services, support for persons with disabilities, and safe, affordable, accessible housing.¹

2.1 Financial Overview

The Ministry spent \$851.5 million to deliver its programs (see **Figure 1**). It also had revenues totalling \$30.2 million.² Information about the Ministry's revenues and expenses appears in its annual report.

¹ Ministry of Social Services, *2012-13 Annual Report*, p. 4. (see www.socialservices.gov.sk.ca) (22 October 2013).

² *Ibid.*, p. 18-19.



Figure 1 – Major Programs and Spending

	Estimates 2012-13	Actual 2012-13
	(in millions)	
Central Management and Services	\$ 43.0	\$ 45.5
Income Assistance and Disability Services	575.0	575.6
Child and Family Services	205.9	203.9
Client Support	33.1	24.2
Housing	<u>14.6</u>	<u>11.5</u>
Total Appropriation	<u>871.6</u>	<u>860.7</u>
Capital Asset Acquisitions	(21.7)	(12.0)
Capital Asset Amortization	<u>2.8</u>	<u>2.8</u>
Total Expense	<u>\$ 852.7</u>	<u>\$ 851.5</u>

Source: Ministry of Social Services, 2012-13 Annual Report, p. 18

2.2 Special Purpose Funds and Crown Agency

The Ministry is responsible for the following funds with March 31 year ends and Crown agency with a December 31 year end:

Special Purpose Funds (funds)

Social Services Central Trust Account

Social Services Valley View Centre Grants and Donations Trust Account and Institutional Collective Benefit Fund

Social Services Valley View Centre Residents' Trust Account

Crown Agency

Saskatchewan Housing Corporation

We reported the results of our audit of the Saskatchewan Housing Corporation for the year ended December 31, 2012 in our *2013 Report – Volume 1*.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2013:

- › **The Ministry 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:**

<i>The Child and Family Services Act</i>	<i>The Benefit Adjustment Regulations</i>
<i>The Child and Family Services Regulations</i>	<i>The Disability Housing Supplement Regulations</i>
<i>The Child Care Act</i>	<i>The Employment Supplement Regulations</i>
<i>The Child Care Regulations, 2001</i>	<i>The Personal Care Home Benefit Regulations</i>
<i>The Department of Social Services Act</i>	<i>The Rental Housing Supplement Regulations</i>
<i>The Social Services Rehabilitation Institutional Collective Benefit Funds and Trust Account Regulations</i>	<i>The Saskatchewan Assistance Regulations</i>
<i>The Department of Social Services Central Trust Account Regulations</i>	<i>The Saskatchewan Assured Income for Disability Regulations, 2012</i>
<i>The Rehabilitation Act</i>	<i>The Transitional Employment Allowance Regulations, 2005</i>
<i>The Saskatchewan Rehabilitation (Mentally Retarded Persons) Regulations</i>	<i>The Saskatchewan Income Plan Act</i>
<i>The Vocational Rehabilitation Regulations</i>	<i>The Senior Income Plan Regulations</i>
<i>The Residential Services Act</i>	<i>The Government Organization Act</i>
<i>The Private-service Homes Regulations</i>	<i>The Ministry of Social Services Regulations, 2007</i>
<i>The Residential-service Facilities Regulations</i>	Orders in Council issued pursuant to the above legislation
<i>The Saskatchewan Assistance Act</i>	

› 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 elements of an organization that, taken together, support people in the achievement of an organization's objectives.

We examined significant Ministry programs including corporate and support services, 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.

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments and the resulting recommendations.

4.1 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 – Partially Implemented

As previously reported and consistent with prior years, the Ministry continued to receive monthly service and user access reports from its service provider, the ITO. Those reports provide 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 IT systems and data. Also, the Ministry did not consistently follow its process for promptly removing user access from individuals who



are no longer its employees. We found 7 out of 10 individuals that we tested did not have their access removed promptly.

Without a complete security report, the Ministry does not know if ITO is meeting the Ministry's security and disaster recovery needs. Also, lack of timely removal of access for those who no longer work for the Ministry increases the risk of inappropriate access to the Ministry's systems and data.

4.2 Complete Business Continuity Plan Needed

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

Status – Partially Implemented

As reported in the prior year, the Ministry's memorandum of understanding (MOU) with ITO does not outline 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 – Not Implemented

In 2012-13, through its Business Continuity Management Committee, the Ministry began updating its business continuity plan³ based on a gap analysis that was conducted by an external contractor. As part of this update, the Ministry plans to test the plan.

As we reported in 2012, because the Ministry has not identified its disaster recovery needs to ITO, ITO has not done 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.

³ 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. A disaster recovery plan is part of a BCP.

4.3 Processes for Social Assistance Payments Need to be Followed

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, 2011)

Status – Partially Implemented

In 2012-13, the Ministry made payments totalling about \$286 million to social assistance clients.⁴ We have reported for many years that the Ministry's employees do not consistently follow established policies and procedures. For example, Ministry employees did not consistently assess recipients' financial needs or include adequate documentation for assistance payments in client files. We found instances where the assistance payments that were approved were not in accordance with policy.

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 that only appropriate recipients receive the correct amount of social assistance.

4.4 Some Improvements in Supervision of Community-Based Organizations Noted

We recommended that the Ministry of Social Services work with community-based organizations to establish performance measures and targets that better allow it to assess the community-based organizations' progress in achieving the Ministry's operational objectives. (2007 Report – Volume 3; Public Accounts Committee agreement January 8, 2008)

Status – Partially Implemented

The Ministry uses approximately 200 CBOs to provide, on its behalf, 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, 2013, the Ministry paid these CBOs about \$195 million.

As reported in the prior year, the Ministry's agreements with CBOs include program objectives and outcomes but do not include performance measures and targets. Performance measures and targets would allow the Ministry to assess CBO

⁴ A person who seeks social assistance is called a client.



performance (e.g., whether money paid to CBOs achieved the results the Ministry has intended).

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 – Partially Implemented

The Ministry requires, through its service agreements, CBOs to submit operational reports that describe services and activities, and quarterly and annual financial reports.

In 2012-13, although the Ministry received some CBO reports late, overall it received the required reports from CBOs sooner than the prior year. For example, for the files we reviewed, 23% of the CBOs' audited financial statements and 18% of the CBOs' quarterly financial reports were submitted late (2011-12: 30% and 18%, respectively).

Also, the Ministry improved the timeliness of its reviews of all the reports submitted by the CBOs. However, the Ministry needs to ensure that CBOs comply with reporting requirements to allow the Ministry to perform timely reviews and take corrective action when needed.

4.5 Processes for Capital Projects have Improved

We recommended 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. (2012 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Implemented

The Ministry now uses Saskatchewan Housing Corporation (SHC) to manage and distribute capital project funding for construction, major renovations or real estate. SHC is a Treasury Board Crown corporation with expertise in making payments for capital projects. SHC also assists the Ministry in developing funding agreements for capital projects. The Ministry uses SHC to perform and document all necessary due diligence before making the payments for capital projects.

We recommended that the Ministry of Social Services maintain complete and up-to-date information for all capital projects with external parties. (2012 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Implemented

As described above, SHC now manages and distributes capital project funding. SHC provides the Ministry with information on capital project funding and other related correspondence with CBOs.

We recommended that the Ministry of Social Services provide guidance to staff to ensure all transactions are recorded properly in the Ministry's financial records.
(2012 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Implemented

The Ministry uses the *Financial Administration Manual (FAM)* to provide its staff with guidance on how to account for transactions in its financial records. In 2012-13, the Ministry's training for staff involved in making payments to CBOs included guidance on relevant FAM sections.

5.0 PROTECTION OF CHILDREN

For many years, we have annually audited the Ministry's processes to protect children and have made recommendations for improvement. In the future, we may examine more in-depth specific aspects of the Ministry's child protection processes.

This section provides the results of our examination of the Ministry's processes to protect children in its care. To assess the processes, 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.

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. Wards are those children for which the Minister has assumed legal responsibility and must act 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. Also, non-wards are children that the courts may place in the custody of a person of sufficient interest,⁵ rather than with the Minister.

⁵ 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.



For children who are wards of the Minister and reside on reserves, the Ministry has delegated authority to 17 First Nation Child and Family Services agencies (First Nation agencies) to care for them.⁶ **Figure 2** describes how First Nation agencies can obtain custody of those children. 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.

Figure 2—First Nation Agency Custody Process

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.

Source: *The Child and Family Services Act*, sections 37, 46, and 61

At March 31, 2013, the Ministry reported it had 5,621 children in out-of-home care of which almost 30% (2011-12: 28%) were non-wards and 70% (2011-12: 72%) were wards of the Minister. Of those children who were wards of the Minister, the Ministry’s staff (caseworkers) provided case management services for 72% of the children and First Nation agencies provided case management services for 28% of the children. **Figure 3** shows a breakdown of the number of children in out-of-home care.

Figure 3—Children in Out-of-Home Care from 2011 to 2013

Fiscal Year End	Non-wards Living in Out-of-Home Care	Wards in Care On Reserve	Wards in Care Off Reserve	Total
March 31, 2011	1,538	1,139	3,217	5,894
March 31, 2012	1,627	1,123	2,964	5,714
March 31, 2013	1,660	1,117	2,844	5,621

Source: Ministry of Social Services, *2012-13 Annual Report*, p. 8

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 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).

⁶ 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.

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 – Partially Implemented

The Ministry, through its quality assurance group, carries out quality assurance reviews each year to monitor compliance with its child protection standards both on and off reserve. **Figure 4** sets out the average compliance rates with various standards that the Ministry found during its 2012-13 quality assurance reviews of three service areas and four First Nation agencies, as compared to the results of its 2011-12 quality assurance reviews of three service areas and nine First Nation agencies. As in prior years, the Ministry has not yet achieved an acceptable level of compliance with its established standards both at First Nation agencies and in its own service areas.

Figure 4—Examples of Compliance with Child Protection Standards

Child Protection Standard	2012-13 Four First Nation Agencies	2011-12 Nine First Nation Agencies	2012-13 Three Service Areas	2011-12 Two Service Areas
Maintaining current child development plans every 120 days	35%	26%	51%	83%
Having contact with the child within the first two days of placement	21%	21%	55%	59%
Having contact with the child every six weeks	4%	8%	23%	51%
Completing home safety checks	52%	64%	81%	62%
Completing criminal record checks at the time of homestudy	66%	64%	86%	87%
Reviewing foster homes on an annual basis	20%	56%*	78%	56%
Reviewing and approving foster homes when placing more than four children in the foster home	100%	92%*	100%	100%

Source: Quality assurance reports for three service areas and four First Nation agencies for 2012-13 and for two service areas and nine First Nation agencies for 2011-12

*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 - the Saskatoon Tribal Council



We recommended that 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. (2012 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Partially Implemented

Starting in 2012-13, the quality assurance reports for the First Nation agencies and service areas include baseline data that was reported in previous quality assurance reports. The reports compare the baseline data to the current compliance rates. However, the reports do not provide reasons for the differences in compliance rates.

The Ministry indicated that it informally sets targets for increasing compliance when working with First Nation agencies and service areas. However, the Ministry has not formally established these targets or the action plans to achieve the targets.

5.3 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 – Partially Implemented

As we reported in 2012, the Ministry uses a broad-based technology system (LINKIN) to assist in monitoring and tracking children. Because, as noted in **Section 5.4**, the Ministry does not receive monthly reports on children in the care of the Saskatoon Tribal Council, it cannot monitor and track those children. 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.

5.4 Agreements with All 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 – Partially Implemented

In 2011-12, we reported that the Ministry had signed adequate agreements with 15 of the 17 First Nation agencies that require these agencies to provide the Ministry with information on agency staff, foster homes, and the well-being of children in care. The remaining two First Nation agencies (Yorkton Tribal Council and Saskatoon Tribal Council) continue to refuse to sign these agreements. These two agencies continue to operate under older, inadequate agreements that do not require the agencies to provide timely and relevant information to ensure proper care for wards of the Minister. The Ministry is continuing to work with them to obtain the information that is required under the new agreement.

The Yorkton Tribal Council continues to work with the Ministry on outstanding matters related to the reporting and accountability provisions, and currently gives the Ministry monthly reports on children in its care.

The Saskatoon Tribal Council continues to not give the information the Ministry receives from the other 16 First Nation agencies, including a listing of children in its care. In 2012-13, the Ministry received monthly reports on children in care from 16 of the 17 First Nation agencies.

We encourage the Ministry to seek adequate agreements with the remaining two First Nation agencies and, in the intervening period, to continue working with the Saskatoon Tribal Council to receive timely and relevant information consistent with information provided by other First Nation agencies.

During 2012-13, we found that the Ministry received about 56% (2011-12: 77%, 2010-11: 53%) of the monthly reports within 90 days of the month-end, and these reports did not always include the requested information such as admission date or caregiver name. Also, the Ministry does not receive all of the other information required under the agreements. For example, we found that the Ministry did not receive annual lists of agency staff with qualifications, criminal record checks, and clearances from the child abuse registry.



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 – Partially Implemented

As discussed in **Section 5.2**, the Ministry's monitoring of the First Nation Child and Family Services agencies show that those agencies reviewed had varying levels of compliance with established standards. For example, as part of the standards for approval of out-of-home care providers, criminal record checks are to be completed for all adults living in the home. The reviews of the four First Nation agencies found that compliance with this standard ranged from 50% to 92%.

5.6 Quality Control Assessments Completed on a Timely Basis

We recommended that the Ministry of Social Services finalize reports of its quality control assessments of First Nation Child and Family Services agencies on a timely basis. (2012 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Implemented

During our audit, we found that the Ministry completed its review of the First Nation agencies on a timely basis (i.e., the four quality assurance reports were completed within approximately four months).

5.7 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 – Partially Implemented

Consistent with the prior year, during its 2012-13 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 (see **Section 5.4** for further information).

5.8 Monitoring of Compliance with Child Protection Standards Not Uniform

We recommended 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. (2012 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Not Implemented

As reported in 2012, the timing of the Ministry's quality assurance reviews is not consistent between its service areas and the First Nation agencies. The Ministry conducts reviews of service areas once a year and, consistent with its agreements, reviews First Nation agencies once every three years. To ensure quality of safety for all children both on and off reserves, the Ministry should also conduct annual reviews at the First Nation agencies.

Seven of the agreements with First Nation agencies are coming up for renewal during 2013-14. We encourage the Ministry to revise these agreements to require annual reviews so that all children are afforded the same level of care.

6.0 EXHIBIT

6.1 Status of Previous Recommendation of the Standing Committee on Public Accounts

The following exhibit provides an update on a recommendation agreed to by the Standing Committee on Public Accounts (PAC) that is not yet implemented and is not discussed earlier in this chapter. Our intent is to follow up this outstanding recommendation in upcoming reports.

PAC Report Year	Outstanding Recommendation	Status
Ministry of Social Services – Saskatchewan Housing Corporation (2004 Report – Volume 1)		
2005	15-1 that the Saskatchewan Housing Corporation's capital plan should show: <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); - What the Corporation expects to achieve with the housing portfolio and by when (i.e., targets). 	Partially Implemented (as of March 31, 2013) See Chapter 3 in our <i>2013 Report – Volume 1</i> for a status update.

