

## Chapter 26

### Social Services

#### 1.0 MAIN POINTS

This chapter reports the results of our audits of the Ministry of Social Services (Ministry) and its three special purpose funds. The 2014 financial statements of each fund 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 the Ministry needs to:

- › Monitor the effectiveness of its information technology service provider's security to protect the Ministry's systems and data
- › Test the effectiveness of its business continuity plan
- › Follow its processes to ensure only appropriate recipients receive the correct amount of social assistance
- › Work with community-based organizations (CBOs) to establish performance measures and targets and ensure CBOs comply with the Ministry's reporting requirements

#### 2.0 INTRODUCTION

The mandate of the Ministry is to support vulnerable citizens as they work to build better lives for themselves through economic independence, strong families, and strong community organizations. The Ministry assists these efforts with income supports, child and family services, supports for people with disabilities, and safe, affordable, accessible housing.<sup>1</sup>

#### 2.1 Financial Overview

The Ministry spent \$935.0 million from the General Revenue Fund to deliver its programs (see **Figure 1**). It also had revenues totalling \$28.7 million primarily from transfers from the federal government (e.g., special allowance for children in care).<sup>2</sup> Further information about the Ministry's revenues and expenses is available in its annual report.

<sup>1</sup> Ministry of Social Services, *2013-14 Annual Report*, p. 3. [www.socialservices.gov.sk.ca](http://www.socialservices.gov.sk.ca) (9 September 2014).

<sup>2</sup> *Ibid.*, p. 14 – 16.

**Figure 1 – Major Programs and Spending**

	Estimates 2013-14	Actual 2013-14
	(in millions)	
Central Management and Services	\$ 48.4	\$ 50.5
Income Assistance and Disability Services	607.1	636.2
Child and Family Services	209.9	219.6
Client Support	24.2	24.9
Housing	14.7	10.2
<b>Total Appropriation</b>	<b>904.3</b>	<b>941.4</b>
Capital Asset Acquisitions	(18.3)	(11.4)
Capital Asset Amortization	3.6	4.4
Capital Asset Write-Down	-	0.6
<b>Total Expense</b>	<b>\$ 889.6</b>	<b>\$ 935.0</b>

Source: Ministry of Social Services, 2013-14 Annual Report, p. 14.

## 2.2 Special Purpose Funds and Crown Agency

The Ministry is responsible for the following funds with March 31 year-ends and the Saskatchewan Housing Corporation which has a December 31 year-end. We reported the results of our 2013 audit of the Saskatchewan Housing Corporation in our 2014 Report – Volume 1.

### Special Purpose 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

## 3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2014:

- ▶ **The Ministry had effective rules and procedures to safeguard public resources except for the matters described in this chapter**
- ▶ **The Ministry complied with the following authorities governing its and the funds' activities related 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 Rehabilitation Act*

*The Employment Supplement Regulations*  
*The Personal Care Home Benefit Regulations*  
*The Rental Housing Supplement Regulations*  
*The Saskatchewan Assistance Regulations*  
*The Saskatchewan Assured Income for Disability Regulations, 2012*

*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 Transitional Employment Allowance Regulations, 2005*  
*The Saskatchewan Income Plan Act*  
*The Seniors 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 each fund is reliable

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

We examined significant programs of the Ministry 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 Information Technology Division of the Ministry of Central Services (ITD).<sup>3</sup> Those reports provided limited information on the security or availability of the Ministry's systems, and no information on the adequacy of ITD's controls or how weaknesses at ITD could impact the Ministry's IT systems and data.

Also, the Ministry did not consistently follow its process for promptly removing user access to its IT systems and data for individuals who are no longer under its employment. We found 6 out of 10 individuals that we tested did not have their access removed promptly. These individuals' access were removed 13 to 118 days after their last day of employment.

<sup>3</sup> Formerly called the Information Technology Office (ITO).



Without a complete security report, the Ministry does not know if ITD 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 Adequate Agreement Signed

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** – Implemented

During the year, the Ministry communicated specific Ministry disaster recovery requirements (e.g., time to restore, testing requirements) to ITD. Also, it improved its agreement with ITD to include its network security and disaster recovery requirements.

As reported in **Section 4.1**, the Ministry needs to monitor the effectiveness of ITD to meet the Ministry's security and disaster recovery needs.

## 4.3 Tested Business Continuity Plan 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** – Partially Implemented

In 2013-14, the Ministry reviewed and updated its business continuity plan.<sup>4</sup> The updated plan includes a risk-based approach to determine the frequency of testing of the plan at the Ministry's various locations. On October 6, 2014, management indicated that the Ministry approved the plan in September 2014 and has begun testing its effectiveness.

The Ministry needs an approved and tested business continuity plan to ensure that it can continue operations and its critical systems can be recovered in a timely way in the event of a disaster.

<sup>4</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. A disaster recovery plan is part of a BCP.

## 4.4 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 2013-14, the Ministry made payments totalling about \$320 million to social assistance clients.<sup>5</sup>

The Ministry has established detailed policies and procedures that set out how its staff should calculate, verify, and authorize payments to social assistance clients. However, as we have reported for many years, the Ministry's employees do not consistently follow these 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 social assistance.

## 4.5 Some Improvements in Supervision of Community-Based Organizations Noted

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** – Partially Implemented

Community-based organizations (CBOs) provide, on the Ministry's 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, 2014, the Ministry paid about \$225 million to over 200 CBOs that provide services on its behalf.

As with our prior year report, the Ministry's agreements with CBOs do not include performance measures and targets for the program objectives and outcomes set out in the agreements. Management advised us that the Ministry is piloting a test program of

<sup>5</sup> A person who seeks social assistance is called a client.



performance measures and targets for nine CBOs during 2014-15. If successful, the Ministry expects to expand the program to all CBOs.

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).

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 2013-14, the Ministry received all the required reports from CBOs and completed timely reviews of those reports. However, the Ministry continues to receive reports late. For example, for the files we reviewed, 23% of the CBOs' audited financial statements and 13% of the CBOs' quarterly financial reports were submitted late (2012-13: 23% and 18% respectively).

The Ministry needs to enforce its agreements with CBOs to receive reports by the deadlines set out in the agreements. Not receiving reports from CBOs when expected increases the risk that the Ministry will not be able to take timely corrective action as needed.