

Chapter 28

Social Services

1.0 MAIN POINTS

This chapter reports the results of our 2015 audits of the Ministry of Social Services (Ministry) and its three special purpose funds. The 2015 financial statements of each fund are reliable. The Ministry and its funds complied with authorities governing their activities, and had effective rules and procedures to safeguard public resources except for the following. The Ministry needs to follow its established procedures for removing unneeded user access to its computer systems and data and to ensure only appropriate recipients receive the correct amount of social assistance. It also needs to continue to work with community-based organizations (CBOs) to establish performance measures and targets, and monitor CBOs compliance with the Ministry's reporting requirements on a more timely basis.

2.0 INTRODUCTION

The mandate of the 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 these efforts through income supports, child and family services, supports for people with disabilities, efforts to develop affordable housing, and by building greater capacity in community-based organizations.¹

2.1 Financial Overview

In 2014-15, the Ministry spent \$980.5 million to deliver its programs (see **Figure 1**). It also had revenues totalling \$33.4 million primarily from transfers from the federal government (e.g., special allowance for children in care).² Further information about the Ministry's revenues and expenses is available in its annual report.

Figure 1—Expense by Major Programs

	Estimates 2014-15*	Actual 2014-15
		(in millions)
Central Management and Services	\$ 50.1	\$ 50.6
Income Assistance and Disability Services	660.4	675.8
Child and Family Services	218.4	234.3
Client Support	19.4	17.9
Housing	14.6	6.3

¹ Ministry of Social Services, 2014-15 Annual Report, p. 3. www.finance.gov.sk.ca/PlanningAndReporting/2014-15/2014-15SocialServicesAnnualReport.pdf (8 September 2015).

² Ibid, pp. 20-22.



	Estimates 2014-15*	Actual 2014-15
		(in millions)
Total Appropriation	<u>962.9</u>	<u>984.9</u>
Capital Asset Acquisitions	(11.1)	(8.6)
Capital Asset Amortization	4.7	4.2
Total Expense	<u>\$ 956.5</u>	<u>\$ 980.5</u>

Source: Ministry of Social Services 2014-15 Annual Report, p. 20.

* During 2014-15, the Ministry received a budget increase through a special warrant of \$29.6 million.

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 2014 audit of the Saskatchewan Housing Corporation in our *2015 Report – Volume 1*.

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, 2015:

- › **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 related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matter 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 Rehabilitation Act
The Rehabilitation 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 Personal Care Home Benefit Regulations
The Rental Housing Supplement Regulations
The Saskatchewan Assistance Regulations, 2014
The Saskatchewan Assured Income for Disability Regulations, 2012
The Transitional Employment Allowance Regulations, 2005
The Saskatchewan Income Plan Act
The Seniors Income Plan Regulations
The Social Services Administration Act
The Executive Government Administration Act
The Ministry of Social Services Regulations, 2007
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation*

- › **The financial statements of each fund are reliable**

We used the control framework published by CPA Canada 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 the Ministry's financial management of its significant 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

4.1 Timely Removal of User Access Needed

The Ministry did not consistently follow its procedures for promptly removing unneeded user access to its computer systems and data.

During the audit, we found the Ministry did not request timely removal of access to the financial and payroll systems for 4 out of 5 individuals we tested. One user did not have their access removed until 19 days after the individual left the Ministry's employ. Additionally, the Ministry did not request timely removal of network access for 4 out of 10 of the individuals we tested. For example, one user did not have their network access removed until 45 days after the individual left the Ministry's employ.

Without following its established procedures for removing user access, the Ministry is exposed to the risks of loss of public money and inappropriate access to confidential information (e.g., details about children in care, social insurance numbers, or banking information about individuals collecting social assistance).

1. We recommend that the Ministry of Social Services follow its established procedures for removing unneeded user access to its computer systems and data promptly.

4.2 Certain Information Technology Controls Improved

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

Status – Implemented



In 2014-15, the Ministry received reports from the Ministry of Central Services outlining known security issues including issues resulting from Ministry legacy applications³ without vendor support.⁴ For example, these applications include those used to support social benefit programs such as Saskatchewan Assistance Program, Saskatchewan Assured Income for Disability, and family and youth programs. Regular receipt of information on security issues helps the Ministry make decisions about the security of its information technology systems. In the fall of 2015, the Ministry expects to complete its work to replace certain key legacy applications with a vendor-supported application.

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 – Implemented

In September 2014, the Ministry approved its business continuity plan. This plan included a risk-based approach to determine the frequency and type of testing at its various locations. During 2014-15, the Ministry completed its testing consistent with the approach and the schedule set out in the plan.

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, 2001)

Status – Partially Implemented

In 2014-15, the Ministry paid social assistance clients⁵ about \$349 million.

As we have reported since 2001, the Ministry's employees do not consistently follow the Ministry's legislation or its detailed policies and procedures for making payments to social assistance clients.⁶ In 2014-15, we found the following:

- › 9 out of 15 files with home repair expenses did not include adequate documentation (e.g., invoices, estimates)
- › 6 out of 14 files with funeral expenses did not include adequate documentation (e.g., support for transportation costs)

³ Legacy applications are those that run critical business operations but struggle to efficiently support current business needs. The applications have been superseded by newer and often more effective technologies.

⁴ Applications without vendor support are those for which vendors no longer provide technical support or updates to fix known security problems or vulnerabilities.

⁵ A person who seeks social assistance is called a client.

⁶ These policies and procedures set out how to calculate, verify, and authorize payments to social assistance clients.

- › 3 out of 36 files had assistance payments that were not appropriately approved in accordance with policy
- › 11 out of 41 files did not include adequate documentation (e.g., utilities) and 18 out of 41 files did not have the recipients' financial needs correctly assessed (e.g., rent, allowances)

The lack of compliance with Ministry legislation and policies could result in some recipients receiving incorrect amounts 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 (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

For the year ended March 31, 2015, the Ministry paid about \$235 million to over 200 community-based organizations (CBOs) that provide services on the Ministry's behalf. CBOs provide services to people to enable them to live in their own homes (who otherwise could not). CBOs also provide programs such as group homes and youth-at-risk intervention programs.

As previously reported, none of the Ministry's agreements with CBOs include performance measures and targets for the program objectives and outcomes set out in the agreements. Use of performance measures and targets (i.e., performance measurement systems) allows the Ministry to assess CBO performance and track progress in achieving results. It would also help the Ministry determine whether money it paid to CBOs achieved the results the Ministry has intended. Successful performance measurement systems measure key drivers of success without creating an administrative burden. Determining the key drivers of success can be challenging.

To address the challenge of deciding what to measure, during 2014-15, the Ministry piloted a test program for developing performance outcomes and measurement tools with nine Child and Family Services CBOs. As part of this pilot program, the Ministry identified appropriate outcomes, tested different outcome measurement tools, evaluated the results, and made recommendations to management on how to best expand this program to other CBOs.

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

In 2014-15, the Ministry received all the required reports from CBOs and completed timely reviews of those reports. However, CBOs continued to submit the reports later than deadlines set out in the agreements. For example, for the files we reviewed, 40% of the CBOs' audited financial statements and 18% of the CBO's quarterly financial reports were submitted late (2013-14: 23% and 13% respectively).

The Ministry needs to work with CBOs to identify and address reasons for reports being submitted later than required. Not receiving reports from CBOs when expected increases the risk that the Ministry cannot take timely corrective action as needed.