Council Direction:
Not Applicable.

Information:
Annually, the Office of the Auditor General of Ontario (OAGO) examines selected provincial programs and services. The 2009 report, released on December 7, 2009, examines the value for money in the administration of the Ministry of Community and Social Services' (MCSS) Ontario Works (OW) program. The specific questions being asked are: Is the program working? Is there appropriate oversight? Are there tools in place to support effective delivery? Although MCSS is responsible for setting the policies and providing the tools to deliver the OW program, it is the municipalities that deliver the program and manage the service provided. As such, Hamilton was one of three Consolidated Municipal Service Managers (CMSM's) that the OAGO selected for review in the audit process. The following lists the OAGO’s key findings and the efforts that the Community Services Department has undertaken to address the issues presented in the report.

Is the Ontario Works Program working?

The OAGO reported concerns regarding the effectiveness of the OW program. While MCSS considers OW financial assistance to be a temporary measure, about one-third
of the participants were receiving payments for longer than two years and (13%) for more than five years.

Although the local length of time on social assistance is comparable with other municipalities, the Community Services Department has recognized this as an area for improvement. In March 2008, the Employment Services Transition Project was initiated to enhance the employment services provided by the Hamilton OW program. The new service delivery model separates responsibility for employment planning for participants who are determined to be employment-ready from participants who have significant personal, social or health challenges to overcome. This separation of responsibilities allows staff to develop expertise in community based resources; thereby, providing more effective case management.

In addition, in-house programs have been redesigned and collaboration with Inform Hamilton has improved ease of access to information. The expectation is that these changes will have a positive impact on the length of time that participants will be dependent on OW assistance. However, with the economic downturn beginning in late 2008, it is still too early to determine if the changes are resulting in the desired outcome; and, even when the economy improves, there are many other factors that impact on the length of time that recipients collect benefits. Such issues as the inadequacy of funding for the cost of administration (addressed later in this report), changes in local demographics, and the application and approval process for the Ontario Disability Support Program, all have an impact on the length of time that social assistance recipients remain on the OW program. Some of these factors are largely out of the control of the municipality.

Is there an appropriate level of oversight to ensure that the Ontario Works Program is delivered as intended?

It remains the view of the OAGO that the MCSS still has inadequate assurance that only eligible individuals receive financial assistance and in the correct amount. The report cites the following evidence to support their finding:

- An increase in the cost of supplementary benefits such as the Special Diet Allowance, and,
- An increase in the number and amount of overpayments.

In Hamilton, the OW standard is to obtain written verification and complete third party checks, where possible, on any information given by participants concerning their income and assets; and, the costs of items to be purchased using supplementary benefits. These requirements are detailed in our local policies and processes, and developed and monitored by the Training and Program Review Unit in partnership with
OW Program Managers. Local policies and processes along with MCSS directives and communications are communicated to frontline staff and management via the OWNet, an internal internet portal that consolidates information and provides for the standardization of work flow activity. OWNet, a locally developed tool, ensures consistency in service delivery. Additionally, individual case files are reviewed on a regular basis to ensure compliance with local policies and processes as well as MCSS directives. For its part, in addition to developing and updating policy directives, MCSS completes regular compliance audits and the Community Serviced Department develops and monitors action plans to address issues identified in the audits.

In 2007, the department conducted a review of the mandatory Special Diet Allowance. The purpose of the review was two fold: a compliance review to ensure we were consistent with MCSS direction and an analysis of applications and expenditures. The compliance review found that 93% of all applications were processed correctly, and the allowance was paid correctly 99% of the time. The review also indicated that a disproportionate number of:

- applications are completed by a small number of Health Care Professionals;
- medical conditions per recipient are recognized by a small number of Health Care Professionals; and,
- specific medical conditions are routinely noted by a few Health Care Professionals.

This information was shared with the MCSS.

As reported by the OAGO, the bulk of overpayments (over 80%) are inactive, meaning that the cases are no longer receiving social assistance. The City of Hamilton has recognized this issue as reported by Audit Services in 2007 (Audit Report 2007-15 – Ontario Works – Non-Active Clients and Overpayments). Report 2007-15, contained a number of recommendations to address the issue. As of September 2009, the Community Services Department has established criteria for determining overpayments that are temporarily uncollectible and ensured that they are regularly reviewed. A write-off policy has been developed; and, through the creation of in-house reports and SDMT data extracts, staff is focusing their collection efforts on inactive clients with overpayments exceeding $25,000. A policy is currently being drafted regarding repayment terms and staff is monitoring the impact of portability of overpayments. Because the SDMT does not adequately track overpayments, the Department has partnered with 19 other CMSM’s to look at obtaining a new system to enable pursuit of inactive overpayments. The Community Services Department is working with the City’s Legal Services Division to explore the use of collection agencies and are meeting with them in March 2010 to review their recommendations. Staff has also contacted MCSS about participating in the Canada Revenue Agency Refund Set-Off Program, which the City of Toronto is currently piloting. In December 2009, the MCSS Director of Ontario Works advised all OW delivery sites that the MCSS is moving forward with an
evaluation of the pilot, which will support the MCSS in its decision to proceed with the provincial roll out. Until such times as the evaluation is completed, any future roll out is on hold.

**Are the tools in place to ensure the Ontario Works Program’s success?**

The OAGO cited numerous issues with the Service Delivery Model Technology and its ability to support the delivery of social assistance. Specifically, concerns were raised regarding unexplained system errors, access and security controls, and user satisfaction. The OAGO reported that CMSM’s have developed stand alone systems to address performance and data deficiencies in the SDMT, and recommended that the MCSS address the issue to ensure that CMSM’s can adequately manage expenditures and caseloads.

In December 2009, the MCSS informed CMSM’s that they were preparing to proceed with a multi-year project to modernize the technology used to deliver social assistance by acquiring a commercial, off-the-shelf solution.

The OAGO reiterated its 2002 recommendation that the MCSS consider caseload information in its annual funding decision to ensure that administration costs are allocated equitably. Without a caseload to caseworker ratio, the current funding model makes it impossible to assess the appropriateness of staffing levels. The report stated that some CMSM’s are absorbing all of the incremental costs such as salary increases, which results in cost sharing that differs from the intended 50:50 ratio.

In 2008, the Community Services Department conducted a review of the OW Cost of Administration budget. The review indicated that the actual cost sharing ratio is equivalent to 53% municipal; 47% provincial. This means that more resources are spent managing an increasingly complex program and less resources are spent on oversight. However, since 2003, the City of Hamilton has experienced a gradual reduction in the cost of benefits, beyond the provincial average. The prime beneficiary of these savings at the 80:20 cost sharing ratio is the MCSS.

**Conclusion**

The Community Services Department welcomes the findings and recommendations of the OAGO with respect to the delivery of the OW program. While the OW program becomes increasingly complex, caseloads and administrative costs increase, we look forward to the anticipated direction from MCSS regarding how the recommendations, contained in the annual audit, will be implemented to the benefit of all Consolidated Municipal Services. In the meantime, we continue to meet and in some areas exceed Ministry guidelines.