

Chapter 4

Ministry of Children and Youth Services

Section 4.02

Children's Mental Health Services

Follow-up to VFM Section 3.02, 2003 Annual Report

Background

The Children's Mental Health Services program funds transfer-payment agencies that provide services to children and/or the families of children who have social, emotional, or behavioural problems or psychiatric disorders. Under provisions of the *Child and Family Services Act*, approximately 250 community-based agencies are funded. The types of services offered include assessment, psychiatric therapy, counselling, crisis intervention, and skills training and education, as well as residential-based services (mental health services offered in a residential setting) to children who require more intensive assistance.

Children's Mental Health Services expenditures were \$424.4 million in the 2004/05 fiscal year (\$315 million in the 2002/03 fiscal year), a substantial increase from \$213 million in the 1996/97 fiscal year. At the time of our 2003 audit, most of the increase had been spent on several new initiatives in the previous two years that in most cases provide intensive services to relatively few individuals with complex special needs.

We concluded that the Ministry was not adequately monitoring and assessing the quality of the services provided by the community-based agen-

cies it was funding. As a result, the Ministry could not be assured that vulnerable children in need were receiving the care and assistance they required.

More specifically, we found that the Ministry:

- had not established service quality standards and service evaluation criteria to help ministry staff monitor whether or not services were of an acceptable quality and represented value for money spent;
- had not established waiting-time standards for access to service that were reasonable and commensurate with individual children's needs, and was not monitoring the extent and impact of lengthy waiting times for service; and
- was not receiving or assessing information from agencies about the outcomes of the services they were providing.

We also found that the Ministry's funding decisions were not based on sufficiently detailed and relevant financial and operational information from agencies to ensure that the amounts approved were commensurate with the demand for, and level and quality of, services to be provided.

Our findings were of particular concern because many dealt with issues we had previously raised in our 1997 audit of the program. Although the Ministry agreed with the recommendations in that audit

and agreed to implement the necessary corrective action, progress had been less than satisfactory.

We note that the Ministry again agreed with our recommendations in the 2003 audit and committed to taking the necessary corrective action.

Current Status of Recommendations

According to information received from the Ministry of Children and Youth Services, some progress has been made on most of the recommendations in our *2003 Annual Report*. However, on others, progress has been slower than anticipated. The current status of action taken on each of our recommendations is as follows.

Quality of Service

Recommendation

To ensure that agencies are aware of the Ministry's service-delivery expectations and to assist ministry staff in assessing whether services are of an acceptable quality and represent value for money spent, the Ministry should:

- *establish standards for acceptable service quality, as well as criteria for evaluating service quality, for all Children's Mental Health Services programs that it funds; and*
- *periodically evaluate the quality of services provided and work with its partner agencies to take corrective action where necessary.*

Current Status

Since the time of our *2003 Audit Report*, the government has established a new Ministry of Children and Youth Services that is responsible for the program.

The Ministry of Children and Youth Services has had discussions with various internal and external stakeholders with a view to developing a policy framework that will:

- identify and communicate vision, principles, and core functions; and
- be a foundation for the development of evidence-based standards and guidelines.

Public release of the policy framework is expected in early 2006.

In addition, a framework for monitoring and outcome analysis has been developed for the 113 new programs funded through the 2004/05 budget. The Ministry has developed and will be implementing customized data templates for these new programs.

Waiting Lists

Recommendation

In order that the necessary services are provided to children most in need on a timely basis and, when they are not, that the negative impact on children is lessened, the Ministry should:

- *establish standards for access to service that are reasonable and commensurate with individual children's needs; and*
- *assess the extent to which the standards are complied with and develop strategies to monitor and remedy situations where waiting times for service are too lengthy.*

Current Status

The Ministry is in the process of developing a policy framework for children and youth mental health services that will be a foundation for the development of evidence-based standards and guidelines, including issues of access to services. In that regard, the Ministry is working with its partners to collect reliable data on waiting times and service delivery by fall 2005.

In the interim, \$25 million in new funding for children and youth mental health services (annualized to \$38 million) was announced in the 2004/05 budget. Incremental funding allocations to 113 new programs and the expansion of 96 existing

programs are expected to significantly reduce waiting times for services.

The Ministry is also working with the Hospital for Sick Children and Children's Mental Health Ontario to develop baseline data for current waiting times. The first report on such data has already been received. The intent is to use the baseline data to develop an annual report on children's mental health services in Ontario.

Performance Measurement

Recommendation

In order that children who are receiving mental health services are provided with the care and assistance they require, the Ministry should:

- regularly obtain and assess information about the level and outcomes of the services provided by its community-based service-delivery agencies; and
- take the necessary steps to ensure that the existing quarterly reporting process is effective in providing reliable and useful information on both expenditures and service outputs.

Current Status

The Ministry established a new Research and Outcome Measurement Branch in spring 2005. The Branch is in the process of developing outcome measures for children's mental health services. Once the outcome measures are completed, the Branch will also be responsible for monitoring them and for incorporating them into ministry-level reporting.

Agency Funding Requests and Approvals

Recommendation

In order to help ensure that agency funding is equitable and based on meeting the needs of children in every community, the Ministry should:

- ensure that all agencies include sufficiently detailed, reliable, and relevant information in their program budget submissions;

- assess all requests for funding and ensure that the amounts approved are commensurate with the demand for and value of the services to be provided; and
- ensure that funding provided is spent for the purposes intended.

Current Status

The Ministry is in the process of revising the service description schedules in its agency service contracts to make ministry expectations clearer. It is anticipated that the revised service description schedules will be included in the 2006/07 budget package. Once these schedules are revised, the Ministry will be in a better position to assess the reasonableness of funding requests and ensure that funding provided is being spent for the purposes intended.

Annual Program Expenditure Reconciliations

Recommendation

In order to strengthen its financial accountability process, the Ministry should ensure that Annual Program Expenditure Reconciliations (APERs) and audited financial statements contain sufficiently detailed and comparable information to allow for the detection of ineligible or inappropriate expenditure items and funding surpluses. Secondly, the Ministry should develop a more effective process for the review and approval of APERs.

Current Status

The 2004/05 Transfer Payment Budget Package sent to the agencies included a specific section containing APER policies for easier reference. In addition, to make the process more effective, in 2003/04 and 2004/05, regional office staff received training on the APER process. Included in the training material was a review of admissible and inadmissible expenditures.

Surplus Recovery

Recommendation

The Ministry should not enter into service agreements that span two fiscal years, since doing so circumvents Management Board Secretariat's requirement to identify and recover annual funding surpluses.

Current Status

In 2003/04 and 2004/05, the Ministry provided accrual accounting training to regional office staff. In addition, revised business practices are intended to ensure that funding provided is consistent with subsidies earned on an annual basis.

Based on the Ministry's Internal Audit Services' review of a sample of agreements, it was found that the agreement terms generally did not extend beyond the related fiscal year. In addition, the Ministry has emphasized to its staff through its training courses in 2003/04 and 2004/05 that annual surplus recoveries must be identified through the year-end reconciliation process.

Information Systems

Recommendation

The Ministry should ensure that its management information systems provide sufficiently detailed, relevant, and accurate information in order to help determine whether services provided by transfer-payment agencies are effective and represent value for money spent.

Current Status

To enhance the quality of Service Management Information System (SMIS) data, the Ministry implemented two types of exception and variance reports in the SMIS to assist in the validation of the data provided and entered into the system. These reports are available to the regional office staff for review and follow-up.

As of February 2005, the regional directors were required to complete an Enhanced Sign-off Protocol, which is a quarterly confirmation by each

regional director that the information contained in the SMIS is complete, has been verified, and is reliable for use as corporate data.

The Ministry's long-term goal is to automate the receipt of data from service providers. The Ministry believes that such automation should significantly reduce the number of data entry errors.