



News Release

For Immediate Release

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Social-assistance IT System (SAMS) Launched Prematurely with Serious Defects: Auditor General

(TORONTO) The Ministry of Community and Social Services (Ministry) knowingly assumed the significant risk of launching a new computer system that was not functioning properly, Auditor General Bonnie Lysyk says in her *2015 Annual Report*. The system distributes payments to about 900,000 Ontarians receiving social assistance from Ontario Works, the Ontario Disability Support Program and Assistance for Children with Severe Disabilities.

“At its launch in November 2014, the Social Assistance Management System (SAMS) had many serious defects that caused numerous errors, including benefit calculation errors and the issuance of many letters and tax information slips with incorrect information,” Lysyk said after the Report was tabled in the Legislature.

“In fact, until most of the serious defects are identified and fixed, the system will continue to generate errors,” added Lysyk. As of October 2015, the consequences of launching a defective system so far included a total of \$140 million in benefit calculation errors, comprising \$89 million in potential overpayments and \$51 million in potential underpayments, as well as thousands of hours of front-line workers’ time to deal with system-related problems.

The errors often resulted in hardship to clients—in one case, a client with mental disabilities who did not catch the overpayment spent the money, and the bank froze the client’s account when the Ministry tried to recoup the excess amount, leaving the client without any money until a front-line worker worked around SAMS and issued the client’s payments by hand.

Although the Committee overseeing the development of SAMS launched the system knowing that all launch criteria and other requirements had not been met, it was not made aware of additional key information, including that the actual number of serious defects were higher and that some crucial tests had produced poorer results than reported.

Among our findings:

- As a result of operational problems with SAMS, front-line workers had to spend much of their time performing “workarounds” to deal with complex errors that SAMS was generating, and so had less time to serve clients.
- Nine months after launch, there were still 771 serious defects in SAMS that had been identified but not fixed. Until most of the serious defects are identified and fixed, SAMS will continue to generate errors.
- SAMS cannot generate reports with accurate information, which affects the ability of the Ministry and municipalities to administer social assistance.

- The SAMS project was initially approved in 2009 at a cost of \$200 million to help improve and modernize the administration and delivery of social assistance. It was launched a year late and about \$40 million over budget. Including the costs incurred since launch and the estimated additional costs to fix the defects by spring 2016, the total costs of SAMS are expected to reach \$290 million.
- The Ministry did not properly oversee the external consultants involved in SAMS' development; instead, consultants oversaw other consultants through most of the system's development.
- Training in SAMS provided to front-line workers prior to launch was inadequate.
- According to the Office of the Provincial Controller, SAMS is the only computer system ever connected to the government's accounting system without passing government-mandated payment testing.

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For more information and to view the full report, please visit www.auditor.on.ca