

Chapter 1

Section 1.02

Ministry of Children and Youth Services

Child Protection Services—Children’s Aid Societies

Follow-Up on VFM Section 3.02, 2015 Annual Report

RECOMMENDATION STATUS OVERVIEW					
	# of Actions Recommended	Status of Actions Recommended			
		Fully Implemented	In Process of Being Implemented	Little or No Progress	Will Not Be Implemented
Recommendation 1	4		4		
Recommendation 2	1	4/7		3/7	
Recommendation 3	2		1	1	
Recommendation 4	2		1		1
Recommendation 5	1		1		
Recommendation 6	1	1			
Total	11	147	7	137	1
%	100	14	64	13	9

Overall Conclusion

According to information that the Ministry of Children and Youth Services (Ministry), the Ontario Association of Children’s Aid Societies (Association), and the seven Children’s Aid Societies (Societies) that we visited during our 2015 audit provided to us, as of June 7, 2017, only one of the actions we recommended in our 2015 Annual Report has been fully implemented. The Association has developed various governance aids for Societies to ensure that funds are spent

appropriately. The board of directors of all but one of the seven Societies have specific finance committees that regularly review financial information to ensure that financial activities are in compliance with broader-public-sector requirements. The other Society’s governance policies allow for an ad hoc finance committee to be struck when needed, for example, to select an auditor and to review and approve the Society’s audited financial statements. In addition, the Society has added a member with financial background to its board to review financial matters related to the Society’s operations.

The Ministry, the Association and the Societies have made progress in implementing seven of

the recommended actions. For example, the Ministry has required each Society to submit quality improvement plans that capture compliance rates and outline the actions it will take to improve compliance with child protection standards and legislated requirements, including those identified in our audit. In addition, the Ministry has made improvements to the new province-wide information system that will enable Societies to track their compliance with history-check requirements on individuals involved with children in their care. All of the seven Societies we audited in 2015 have also either established or updated their quality assurance policies to improve their compliance with protection standards. Five of the seven Societies we audited have implemented strategies to ensure cases are not closed prematurely. However, compliance rates reported by the seven Societies we audited indicate that more work is needed to ensure that children and youth who need protection receive the services they need in accordance with legislative, regulatory and program requirements. The Ministry has also committed to explore caseloads and their impact on consistency of child protection services across the province.

The Ministry has made little progress in implementing one recommended action, to evaluate the effectiveness of providing continued care and supports for youth that are not contingent on the youth demonstrating progress toward meeting their goals. We were advised that the remaining recommended action from our 2015 audit—to analyze the impact of variable services on quality of child protection services across the province—will not be implemented because the Ministry believes the Societies are responsible for decisions regarding staffing and services to be provided. We continue to recommend that these actions be taken because we believe these are significant recommendations that, if implemented, would help ensure that children and youth receive the service they need as required under legislation and regulation.

The status of actions taken on each of our recommendations is described in the report.

Background

Child protection services in Ontario are governed by the *Child and Family Services Act* (Act), the purpose of which is to promote the best interests, protection and well-being of children. The Ministry of Children and Youth Services (Ministry) administers the Child Protection Services Program, and contracts with 48 local not-for-profit Children's Aid Societies (Societies) that deliver child protection services throughout Ontario (47 at the time of our 2015 audit). All but three of the 48 Societies are members of, and are represented by, the Ontario Association of Children's Aid Societies (Association). The Association gathers information about emerging trends and best practices in child protection, provides training for Society caseworkers, and advocates on behalf of its members.

Ministry transfer payments to Societies to fund their expenditures were \$1.48 billion in the 2016/17 fiscal year (\$1.47 billion in 2014/15). One-third of Societies' expenditures were for services for children who had been removed from their homes and placed in the care of Societies in foster, group or relatives' homes (about 40% at the time of our 2015 audit). Over the last five fiscal years, the number of children in the care of Societies has declined by more than 18% (10% at the time of our 2015 audit).

Societies are independent legal entities, each governed by an independent volunteer board of directors. By law, each Society is required to provide all mandatory child protection services to all eligible children. In other words, waiting lists are not an option for child protection services. Societies initiate a child protection investigation for any reported concern where there are reasonable and probable grounds that a child may need protection from abuse or mistreatment.

Overall, our audit found that there were differences in the levels of service and support provided by Societies, and that workers at the

various Societies had vastly different caseloads. The average number of family service cases per worker ranged from eight to 32 per month. These differences could affect the consistency of care and support received by children and families across the province.

Our significant observations include the following:

- Societies may be closing child protection cases too soon. In more than half the child protection cases we reviewed that were subsequently reopened, the circumstances and risk factors that were responsible for the reopening of the case had been present when the case was initially closed.
- Societies did not investigate child protection cases on a timely basis and did not always complete all required investigative steps. None of the child protection investigations we reviewed at the Societies we visited were completed within the required 30 days of the Society receiving the report of child protection concerns. On average, the investigations were completed more than seven months after the Society's receipt of the report. As well, safety assessments to identify immediate threats to the child were either not conducted on time or not conducted at all.
- Societies did not always conduct timely home visits and service plan reviews in cases involving children still in the care of their families. In more than half the child protection cases we reviewed, caseworkers visited the children and their families at home only once every three months, instead of every month as required by protection standards.
- Societies did not always complete plans of care—designed to address a child's health, education, and emotional and behavioural development—on a timely basis.
- Societies did not always do child protection history checks on people involved with children, increasing the risk that children are left

in the care of people with histories of domestic violence or child abuse.

- The Continued Care and Supports for Youth (CCSY) program was not achieving its objective of preparing youth for transition out of care. In almost half the child protection cases we reviewed, there was no evidence the youths were involved in reasonable efforts to prepare for independent living and adulthood.

We recommended that Societies meet all legislative, regulatory and program requirements when delivering protection services; ensure that protection cases are not closed prematurely; assist youth to transition to independent living and adulthood; develop standard caseload benchmarks; and ensure that funding is used to appropriately provide direct services to children and families while identifying opportunities to improve service delivery.

Our report contained six recommendations, consisting of 11 actions, to address our audit findings. We received commitments from the Ministry, the Association, and the Societies that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 1, 2017, and June 7, 2017. We obtained written representation from the Ministry of Children and Youth Services (Ministry), the Ontario Association of Children's Aid Societies (Association), and the seven Children's Aid Societies that we visited during our 2015 audit (Toronto, Hamilton, Durham, Kingston, Sudbury, Muskoka and Waterloo) that, effective September 1, 2017, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Societies Did Not Always Conduct Child Protection History Checks on Individuals Involved with Children

Recommendation 1

To ensure that children and youth who need protection receive timely, consistent and appropriate care and supports, Children's Aid Societies should ensure that they meet all legislative, regulatory and program requirements in the following areas:

- *conducting child protection history checks on all individuals involved with the child upon receipt of reports of child protection concerns;*

Status: In the process of being fully implemented by the seven Societies we audited by June 2019.

Details

Upon receiving a report of a child protection concern, Ministry-established protection standards require that Societies must check their internal records and the provincial database of all Societies' records to determine whether the individuals involved have had previous contact with any Society. In addition, if the report alleges that the child has suffered or may be suffering abuse, the Act requires that the Society check the Ontario Child Abuse Register (Register) for any history of abuse involving the child, the family or the alleged abuser.

In our 2015 audit, we noted that Societies did not conduct these history checks in some of the child protection reports we reviewed. In addition, in more than half the reports where a child had suffered abuse or was alleged to have suffered abuse, our review found that Societies did not check the Register as required.

In response to our recommendation, in December 2015 the Ministry sent a letter to all Societies, reminding them of the legislated requirement to check the Child Abuse Register when they receive reports alleging that a child has suffered abuse. However, the Ministry did not follow up with the Societies—nor has it requested Societies to report back—to confirm that they have been performing the required history checks.

But, in April 2017, the Ministry added a useful function to the Child Protection Information Network (CPIN)—the province-wide information system that Societies are currently implementing in scheduled phases—to enable Societies to track their own compliance with history-check requirements. One purpose of the CPIN functionality that was added in April 2017 is to prevent a protection case from moving forward if the required history checks are not completed. Three of the seven Societies we visited during our 2015 audit have implemented CPIN, although one informed us that it has not been able to produce reports due to technical difficulties. The two Societies that were able to generate reports from CPIN had compliance rates of 98% and 100% respectively since our 2015 audit. The third Society manually checked for compliance with the requirement for a Child Abuse Register check and found that its compliance rate decreased from 100% to 72% between February and December 2016.

Of the other four Societies that have not implemented CPIN, two have been monitoring their compliance with protection standards, either monthly or biennially, using either their current case management system or their manual review of a sample of protection cases. Their results note compliance rates ranging from 87% to 100% since 2015.

In addition to tracking compliance through CPIN, all of the seven Societies have also either established quality assurance committees or updated their internal policies in order to improve compliance with history-check requirements. The Ministry estimates that CPIN will be fully implemented across the province by June 2019.

Societies Did Not Complete Child Protection Investigations on a Timely Basis

- *conducting child protection investigations within the required response time;*

Status: In the process of being fully implemented by the seven Societies we audited by December 2020.

Details

Ministry standards require Societies to conduct a child protection investigation for any reported concern where the Societies' history checks and initial assessment of a reported child protection concern indicate that there are reasonable and probable grounds that a child may need protection. The investigation—intended to assess immediate and long-term risks to the child and determine if the child needs protection services—must begin within 12 hours or seven days, depending on the Societies' initial assessment of the level of threat to the child's safety.

Our 2015 audit found that about one-quarter of the investigations we reviewed were not started within the required response time. On average, these investigations began five days after the required time.

In response to our audit, the Ministry instructed all Societies to submit quality improvement plans by February 2016. The plans were to identify the actions a Society plans to take to address the audit findings. Societies were subsequently required to submit quarterly progress reports beginning in May 2016. The progress reports include each Society's compliance rate for key protection standards, status of planned actions described in the quality improvement plan, and any additional actions that the Society plans to undertake for each protection standard where its compliance rate is less than 100%. Compliance rates must be calculated based on a review of a sample size large enough to make statistically significant conclusions, which may require hundreds of protection cases to be sampled.

Based on the latest progress reports (submitted in March 2017), at the time of this follow-up report, compliance rates varied greatly among the seven Societies. For example, in cases where standards required an investigation to begin within 12 hours of the Society receiving a report of a child protection concern, compliance rates ranged from 77% to 100% (median of 93%). In protection cases where standards required an investigation within 48 hours of the Society receiving a report, compli-

ance rates ranged from 50% to 100% (median of 71%). Finally, in protection cases where standards required an investigation to begin within seven days of the Society receiving a report, compliance rates ranged from 68% to 99% (median of 93%). Considering both the implementation of CPIN and the business processes that need to be put in place, the Societies not yet fully compliant estimate that they will achieve 100% compliance between December 2017 and December 2020.

Societies Did Not Always Conduct Timely Home Visits and Service Plan Reviews in Cases Involving Children Still in the Care of Their Family

- *conducting home visits and Service Plan reviews in cases involving children still in the care of their family within required time frames;*
Status: In the process of being fully implemented by the seven Societies we audited by December 2020.

Details

When a Society's investigation has determined that a child is in need of protection but does not need to be taken into the Society's care, the child and family receive the Society's services while the child remains at home. Ministry protection standards require Society caseworkers to visit the child's home once per month. In addition, Societies must develop a service plan—outlining the goals for the child's safety and well-being—within one month of completing the investigation. Society caseworkers must review the service plan with the family every six months while the child and family are receiving child protection services.

Our 2015 audit found that although caseworkers made attempts to make scheduled and unannounced home visits, home visits did not occur every month in more than half the cases we reviewed. In addition, in almost two-thirds of the cases we reviewed, the Societies had not developed

a service plan within the first month of service as required. In more than half the cases we reviewed, caseworkers did not review the service plans every six months, including some instances where caseworkers did not review the service plans at all.

Societies' quarterly progress reports on their quality improvement plans include their compliance rates for home visits and service plan completion and reviews. Similar to the compliance rates for conducting investigations, compliance rates for home visits and service plan reviews also varied greatly among the seven Societies we had previously visited. For example, the March 2017 progress reports indicated that compliance rates for conducting monthly home visits ranged from 28% to 75% (median of 59%). In addition, compliance rates for completing service plans within one month of the investigation ranged from 15% to 83% (median of 68%). Finally, compliance rates for service plan reviews ranged from 44% to 64% (median of 57%). The seven Societies we audited plan to have the appropriate processes in place to achieve 100% compliance by September 2018 to December 2020.

Societies Did Not Always Conduct Timely Visits and Reviews of Plans of Care in Cases Involving Children in Societies' Care

- *conducting Plan of Care reviews in cases involving children in the care of Societies within required time frames.*

Status: In the process of being fully implemented by the seven Societies we audited by March 2020.

Details

When a Society's investigation has determined that the child must be removed from home, the child is taken into the Society's care and may be placed with relatives, in a foster home, or in a group home. In these cases, Society caseworkers must prepare a plan of care—designed to meet the child's needs—within 30 days of a child being placed in the foster,

group or relative's home. Caseworkers must review the plan of care with the child and family within three months of the placement, and every six months thereafter, until the child is discharged from the Society's care or turns 18.

At the time of our audit in 2015, we found that in about one-quarter of cases we reviewed the Societies did not develop plans of care within 30 days of the child's placement in a foster or group home. In addition, in over 10% of cases we reviewed, caseworkers did not review the plans of care within the required time frames.

Societies' quarterly progress reports on their quality improvement plans include their compliance rates for plan of care completion. Compliance rates for completing plans of care also varied greatly among the seven Societies we had visited. For example, the March 2017 progress reports indicated that compliance rates for completing plans of care within one month of placement ranged from 46% to 100% (median of 87%). Societies with low compliance rates plan to achieve 100% compliance by September 2018 to March 2020.

Societies May Be Closing Child Protection Cases Too Soon

Recommendation 2

To ensure that protection cases are not closed prematurely, Children's Aid Societies should ensure that risk factors that are present are appropriately addressed before they close these cases. As well, an annual review and analysis of all reopened cases should be performed to determine if any corrective action is necessary to minimize premature case closures.

Status: Four Societies have fully implemented this recommendation. Three Societies have made little or no progress on this recommendation.

Details

Societies are supposed to close child protection cases—involving children receiving protection services while remaining with their families as well

as children in the Societies' care—only when protection concerns have been resolved and the child is no longer at risk. During our 2015 audit, our review of a sample of child protection cases that had been reopened after initially being closed found that in almost half of the reopened cases, risk factors were still present or not completely addressed at the time the case was initially closed.

Six of the seven Societies participated in a province-wide study to determine why some children end up requiring protection services from Societies again after their protection cases have been closed. The study, led by the University of Toronto, found that chronic issues, such as neglect, were the most common reason those children required further protection. The study also found that the same issues or risk factors, and not the emergence of new issues or risks, cause those children to require protection services again. As a result of this study, in March and April 2017, the Association provided information to all Societies regarding risk factors associated with reopened cases. The Association also provided a framework to help Societies identify strategies to ensure risk factors associated with reopened cases are addressed before they close child protection cases. All seven Societies have completed the framework, and five have implemented strategies such as providing guidance and reference tools for staff when closing child protection cases. The other two Societies stated that they will need to collect more information to determine the appropriate strategy.

The March 2017 progress reports for six of the seven Societies reported a decrease in reopen rates, from an average of 20% to 17%, between 2010/11 and 2014/15. The seventh Society could not report its reopen rates due to limitations in its previous case management system. The Society has since implemented CPIN, which will allow it to track and report its reopen rates.

Since our audit, four of the seven Societies have reviewed a sample of reopened protection cases to determine the reasons for the reopening. The reviews found that up to half of the protection cases

had the same risks, such as emotional harm or exposure to conflict, at reopening as at the time the protection case was created. One of these Societies found that one-fifth of the cases it reviewed were potentially closed prematurely. Another conducted a one-time detailed analysis to determine which risks were most likely to be present at reopening. This Society also reviewed high-risk protection cases to determine whether the reasons for closure were documented, and found that 40% of high-risk protection cases did not include an explanation for the closure. The Societies indicated that they plan to continue monitoring these risk factors to determine where improvements are necessary to further decrease the reopen rates.

Of the three Societies that have not analyzed reopened cases, one has stated it could not perform the analysis due to CPIN limitations, and expects it will be able to perform such an analysis by December 2020. One Society has developed a case-analysis template, which staff should use to ensure protection cases are not closed prematurely, and plans to review the implementation of this template in December 2017. The third has begun analysis of the information provided by the province-wide study in June 2017.

Plans to Help Youth Prepare for Independent Living Are Not Always in Place or Monitored by Societies

Recommendation 3

To help improve the Continued Care and Support for Youth (CCSY) program's effectiveness in assisting youth to transition to independent living and adulthood:

- *Children's Aid Societies should ensure that signed agreements are in place, and Youth Plans are created, reviewed and updated accordingly;*

Status: In the process of being fully implemented by the seven Societies we audited by December 2018.

Details

The Continued Care and Support for Youth (CCSY) program is meant to provide financial and non-financial support to youth (18 to 20 years old inclusive) to help them transition to independent living. Ministry policies require Societies to enter into an agreement with the youth receiving supports and develop a youth plan to establish goals based on the youth's strengths and needs within 30 days of the agreement being finalized. Society caseworkers must check in every three months to discuss the youth's progress toward meeting those goals.

In some of the cases we reviewed during our 2015 audit, we found that the agreements were either not in place or not signed by all parties (that is, the youth, caseworker and the Society's executive director). We also found that in about one-quarter of the cases we reviewed, the youth plan was either not developed within 30 days of the agreement being finalized, or not created at all. In addition, in almost half of the cases we reviewed, the Society caseworker did not review the youth plan with the youth every three months as required.

Five of the seven Societies we visited have monitored their compliance with Ministry policies through their case management systems or audits. Compliance rates ranged from 38% to 98% between 2015 and 2017. The Societies that have been monitoring their compliance advised us that compliance with this requirement is contingent on external factors. For example, the Society cannot withhold supports from youth who refuse to sign the youth plan. The two Societies that do not yet track their compliance with this requirement expect to be able to do so by December 2017 to December 2018.

In January 2017, one of the seven Societies created a working group to examine issues and potential outcome measures related to youth plans. In the long term, the working group aims to work with higher-level education institutions to develop outcome measures to evaluate how well the CCSY program is helping youth who are leaving Societies' care transition to independent living.

Societies' Ability to Influence Youth Is Limited by Lack of Requirement for Youth to Actively Participate in Transition Planning

- *The Ministry of Children and Youth Services should evaluate whether providing supports through the CCSY program that are not contingent on a youth demonstrating progress toward meeting his or her goals for transitioning to independent living and adulthood is resulting in better youth outcomes (as opposed to requiring these supports to be contingent on such progress).*

Status: Little or no progress.

Details

During our 2015 audit, we noted that supports provided to youth are not contingent on the youth's progress toward meeting his or her goals, as stated in the youth plan. In almost half of the cases we reviewed, we found no evidence that youth had made reasonable efforts to prepare for independent living. The Ministry stated that it would consider evaluating the merits of making supports contingent upon progress as well as other opportunities to support youths through the program.

At the time of this follow-up report, the Ministry had not yet changed its position that CCSY supports would not be tied to a youth's goals. However, in April 2016, the Ministry hired a consultant to review and recommend improvements to the existing performance indicators for the child protection services program. The review also involves assessing other areas, including the CCSY program, where performance should be measured. Output measures include the total number of youth receiving financial supports, the average sum of financial support received by youth, and the type of financial support provided. The Ministry is currently working to identify potential outcome data for the CCSY program that is collected by the Societies.

Variations in Worker Caseloads between Societies May Affect Consistency of Service Delivery

Recommendation 4

To ensure the effective and efficient delivery of child protection services in accordance with legislative, regulatory, and policy and program requirements, the Ontario Association of Children’s Aid Societies should work with the Ministry of Children and Youth Services to:

- develop standard caseload benchmarks for child protection services against which both Children’s Aid Societies and the Ministry can periodically compare caseloads and ensure that Society caseloads are reasonable;

Status: In the process of being fully implemented by fall 2019.

Details

At the time of our 2015 audit, the Ministry had not established caseload standards that Societies could use to assess their staff’s workload and ensure that they are effectively staffed to deliver timely and appropriate child protection services. Our analysis of staff and service data reported by all 47 Societies in Ontario for 2014/15 noted a wide range of caseload ratios among the Societies. For example, the total number of open investigations during the year ranged from a low of 50 to a high of 111 per caseworker. The Association indicated that it would work with the Ministry to develop caseload benchmarks.

At the time of this follow-up report, neither the Ministry nor the Association has taken any action on this recommendation. According to the Ministry, it is responsible for setting the overall strategy, goals and priorities for the protection services program. Because Societies are independent legal entities governed by independent boards of directors, the Ministry states that it cannot direct Societies regarding their staffing structures. The Ministry also advised us that Societies are best positioned to identify appropriate staffing structures in order

to meet their legislative obligations and provide responsive services to children and youth. This, despite the fact that—as we noted in **Section 3.02, Children’s Aid Societies**, of our *2006 Annual Report*—prior to April 2003, the Ministry had established caseload benchmarks upon which Society funding was based. The Association has not acted, and has informed us that it cannot act on the recommendation until it receives support from the Ministry.

The Ministry advised us that it will explore caseloads and their impact on consistency of child protection services across the province, engaging the child welfare sector in this work. This work is expected to be completed by fall 2019.

Differences in Services Offered by Societies Result in Inconsistencies in Supports Received by Families

- determine what impact the differences in supports provided by Societies have on the quality of child protection services across the province, and develop a plan to ensure that children and families have equitable access across Ontario to the supports they need.

Status: Will not be implemented.

Details

The seven Societies we visited during our 2015 audit varied in size and the services they provided. Some of the Societies we visited, for example, had on-site medical and dental clinics, registered nurses to complement their frontline staff, and specialized in-home supports (such as assisting with parent-teen conflicts). At the time of our audit, the Association stated that it would be pleased to work with the Ministry to assess the impact that differences in supports provided by Societies have on the quality of child protection services across the province.

Since our 2015 audit, the Association has facilitated sessions between Societies to determine the

reasons for differences in service. However, the Association has not received the Ministry's support to conduct a comprehensive analysis of the impact of these differences. The Ministry stated that it is up to the Association and the Societies to act on this recommendation, as the Ministry believes each Society should develop staffing models that address its unique needs. The Ministry has committed to reviewing the funding model in 2017/18, including the allocation of funding according to each Society's needs.

The Ministry also advised us that it requires Societies to comply with child protection standards to ensure that child protection services are delivered using a consistent mandatory framework.

Auditor General's Response

We believe this is a significant recommendation and that the Ministry should work with the Association to move toward children and families having access to consistent protection services across Ontario. The Ministry is responsible for administering the child protection services program, which includes ensuring that children and families across the province have access to the same services.

Cost Efficiencies Could Potentially Be Achieved through Amalgamations of Societies and Shared Service Arrangements

Recommendation 5

To ensure that funding for child protection services is used appropriately to provide direct services to children and families, Children's Aid Societies should work with the Ministry of Children and Youth Services to identify opportunities to improve service delivery (including further amalgamation and shared services), with children's needs as the focal point.

Status: In the process of being fully implemented by August 2019.

Details

At the time of our 2015 audit, we noted that the direct costs of providing child protection services

varied widely among Societies across the province. Our analysis of Society data found that about 13% of Societies' expenditures were related to back-office functions, training and recruitment, promotion and publicity, and specialized assessments such as drug testing and psychological services. Savings could potentially be achieved by implementing these business functions and perhaps others as shared services across all Societies so that they could redirect more funds toward direct services for children and their families.

In August 2016, the Association, the Ministry, and the Ministry of Government and Consumer Services entered into a transfer payment agreement for a Shared Services Program Implementation Project. Through this program, the Association will provide common services—such as procurement of goods and services, training, communications, and data management and analysis—to participating Societies. The program will also give Societies the option to sign up for additional services—for example, an after-hours call centre, background checks and translation services—on a fee-for-service basis.

At the time of our follow-up report, 32 societies have signed agreements with the Association to participate in the program, and an additional five societies were in the process of signing agreements. All of the seven Societies we visited during our 2015 audit have signed, or plan to sign, agreements with the Association to participate in the program. In the meantime, one of the Societies has also entered into a shared-services agreement with a neighbouring Society for training, annual review of its group homes, and therapeutic family care.

The project is expected to be fully implemented by August 2019. See **Section 1.03 (Child Protection Services – Ministry)** of this Follow-Up Volume of our Annual Report for more details on the Shared Services Program.

Excessive and Questionable Spending by an Executive Director Was Approved by One Society's Board

Recommendation 6

The board of directors of each Children's Aid Society should ensure that it oversees Society expenditures with sufficient care to ensure that funds are spent appropriately for child protection services.

Status: Fully implemented.

Details

During our 2015 audit, our review of executive credit card expenses at one of the Societies we visited identified excessive and questionable spending by its former executive director. The expenses lacked documentation to support that they were incurred for Society business, but were nonetheless approved by the Society's board of directors. The board acknowledged that it should have been more disciplined in its oversight of expenses. The Ministry also highlighted—in a separate review that was already underway during our 2015 audit—similar concerns with oversight of CEO expenses at another Society.

Since our audit, the Association has developed various governance aids for all Societies. For

example, the Association introduced a self-assessment tool in 2015 to measure how board members believed they were performing. In June 2016, the Association also provided a guide to all Society boards on good governance practices.

Three of the seven Societies we visited during our 2015 audit also made changes to their policies. One Society, where our 2015 audit identified excessive and questionable spending by its former executive director, engaged an external consultant to help improve its procurement, reimbursement and expense policies. The board of directors of all but one of the seven Societies we had previously visited have standing finance committees that regularly review financial information to ensure that financial activities were in line with broader-public-sector requirements. The other Society has added a member with financial background (the treasurer) to its board to review financial matters related to the Society's operations. The Society has also updated its governance policies to allow for an ad hoc finance committee to be struck when needed, for example, to select an auditor and to review and approve the Society's audited financial statements. The ad hoc committee will be led by the board treasurer.