

Chapter 1

Section 1.11

Ministry of Children, Community and Social Services

Ontario Works

Follow-Up on VFM Section 3.11, 2018 Annual Report

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	2			2		
Recommendation 2	4			4		
Recommendation 3	5			5		
Recommendation 4	1			1		
Recommendation 5	3			3		
Recommendation 6	2			2		
Recommendation 7	4		1	3		
Recommendation 8	2		1	1		
Recommendation 9	3	1		2		
Recommendation 10	2			2		
Recommendation 11	1			1		
Recommendation 12	3		1	2		
Recommendation 13	3	1	0.75	1.25		
Recommendation 14	1	0.50	0.50			
Recommendation 15	2	0.75	0.50	0.75		
Recommendation 16	1		1			
Recommendation 17	2		1.25	0.50		0.25
Recommendation 18	2	0.50	0.25	0.75		0.50
Recommendation 19	2	1		1		
Total	45	4.75	7.25	32.25	0	0.75
%	100	11	16	71	0	2

Overall Conclusion

According to the information the Ministry of Children, Community and Social Services (Ministry) and service managers provided to us, as of August 31, 2020, only 11% of actions we recommended in our *2018 Annual Report* have been fully implemented. The Ministry and service managers have made progress in implementing an additional 16% of the recommendations, and 2% of the recommendations are no longer applicable due to changes in government policy.

The Ministry and service managers have fully implemented or made progress in implementing recommendations such as referring to the College of Physicians and Surgeons of Ontario (College) physicians that service managers and the Ministry suspect of approving questionable applications for a special diet. The Ministry completed a review of special diet application forms and identified doctors completing an unusually high number of special diet allowance forms. As a result of this review, the Ministry referred to the College three doctors who had completed over 900 forms each in 2017/18, including one who had completed over 2,000 forms.

The Ministry was also working with Immigration, Refugees and Citizenship Canada (IRCC) and the Canada Border Services Agency (CBSA) on a pilot test to determine whether the Ministry has recorded in its systems the correct immigration status of existing clients, which may impact their eligibility for Ontario Works. The Ministry expected to receive the results of this pilot test in January 2021, and to review the eligibility of cases where there is a change in immigration status relative to that recorded in its systems by June 2021.

All four service managers were also in the process of addressing our recommendation to ensure that they waive the requirement for recipients to participate in employment support activities in eligible circumstances only when supported by the necessary documentation. The four service

managers were all in the process of implementing audits of recipient case files that would assess their compliance in doing so.

However, the Ministry and service managers have made little progress on 71% of the recommendations, including re-instituting Ministry reviews of service managers' compliance with Ontario Works requirements to reinforce to service managers the need to comply with requirements designed to ensure financial assistance is provided in the correct amount and only to eligible individuals, and that recipients progress toward obtaining employment.

The Ministry has yet to enhance its systems and processes to determine and record the cause of overpayments to recipients to enable service managers to analyze and act to minimize their occurrence. In addition, it has yet to review and compare service manager practices in recovering overpayments to determine if they are effective, and to take corrective action where they are not.

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

Background

About 241,000 (250,000 in 2017/18) unemployed or underemployed Ontarians and over 200,000 of their family members received financial aid in 2019/20 from the Ontario Works program of the Ministry of Children, Community and Social Services (Ministry) to help with basic living expenses.

Ontario Works provides temporary financial assistance and employment supports to help recipients find work and become self-reliant. To be eligible, applicants must prove that they live in Ontario and that their income and assets are below specified amounts. Applicants are also generally required to participate in activities to help them find work.

The Ministry contracts with 47 service managers (these are large municipalities or groups of smaller municipalities) and 102 First Nations

(101 in 2017/18) to deliver Ontario Works. In 2019/20 the Ministry provided over \$3 billion (almost \$3 billion in 2017/18) to service managers to deliver the program.

Our audit concluded that the Ministry and service managers do not have effective systems and procedures in place to ensure that only eligible recipients receive financial assistance, or that recipients receive the employment supports required to find jobs and become self-reliant. Our audit also concluded that the Ministry does not have effective systems and processes to measure, evaluate and publicly report on the effectiveness of the Ontario Works program.

The following were some of our specific concerns:

- Although Ontario Works is intended to be a temporary assistance program, the length of time people depend on the program had nearly doubled since our last audit of the program, from an average of 19 months in 2008/09 to almost three years in 2017/18. Service managers have identified that 36% of recipients have barriers affecting their employability, such as homelessness and mental health concerns, that they need help to address.
- We found significant differences in employment outcomes for recipients depending on their service managers. In 2017/18, for example, we noted that the percentage of recipients across all service managers who found employment was just 10%—but this ranged from a low of 2% at one service manager to a high of 29% at another. In addition, the Ministry’s performance measures did not track whether individuals leaving the program retain employment over time or later return to Ontario Works.
- We found that service managers did not consistently meet with recipients on a timely basis to review their progress in activities designed to help them find employment. In addition, service manager decisions to temporarily exempt recipients from participating in such activities were not always supported with sufficient evidence to confirm that recipients were unable to participate.
- We found that the Ministry’s IT system, called the Social Assistance Management System (SAMS), did not have the functionality to allow caseworkers to record recipient skills, barriers to employment or referrals to training or community services in a way that would enable service managers to analyze such factors for their entire caseload. This functionality would help service managers better understand the profiles and needs of recipients in their caseload.
- Ministry contracts with service managers lacked meaningful targets for recipient employment, and mechanisms to hold them accountable for program delivery.
- Service managers often overlooked or did not obtain and review critical applicant information, increasing the risk of errors in determining eligibility for Ontario Works. In addition, we found that not all service managers reassessed recipients every two years as required to confirm their eligibility for Ontario Works, increasing the risk of overpayments.
- The underlying cause of overpayments to recipients was not tracked in the Ministry’s IT system. Without data to understand the most common causes of overpayments, service managers were unable to identify which of their processes they needed to improve to prevent or reduce overpayments in the future.
- Service managers across Ontario were approximately one year behind in investigating approximately 6,000 benefit-fraud tips. We noted that service managers investigated about 17,000 fraud tips in the last three years, and more than 25% of these identified overpayments and another 10% resulted in termination of benefits.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2020 and August 2020. We obtained written representation from the Ministry and service managers that effective October 6, 2020, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Cost of Ontario Works Increasing but Ministry Does Not Effectively Oversee or Hold Service Managers Accountable

Recommendation 1

We recommend that the Ministry of Children, Community and Social Services (Ministry) re-institute its reviews of service managers' compliance with Ontario Works requirements, or implement a suitable process, to reinforce to service managers the need to comply with requirements designed to ensure:

- financial assistance is provided in the correct amount and only to eligible individuals; and
- recipients progress toward obtaining employment to become self-sufficient.

Status: Little or no progress.

Details

In our 2018 audit, we found that the Ministry did not conduct inspections of service managers to confirm their compliance with legislation and Ministry policies designed to ensure that the Ontario Works program is effective. The Ministry stopped completing reviews that assess service managers' compliance with Ontario Works requirements in 2011 with the intent of replacing them with a new risk-based program. However, as of 2018, seven years after it stopped completing reviews, it had yet to implement a process to replace these reviews. Our audit found several areas where the Ministry needed to

take steps to improve service managers' compliance to ensure that only those who are eligible for the program receive assistance and that individuals progress toward obtaining employment.

In our follow-up, we found that the Ministry was in the early stages of addressing this recommendation. The Ministry identified that it is working to transform the accountability model for social assistance, and that the new model would include a series of new program-monitoring mechanisms that would be put into operation through revised agreements with service managers by January 2022. The Ministry indicated that in the meantime it planned to introduce new accountability measures, including an interim performance-monitoring strategy. The Ministry had also established a provincial-municipal working group to support the work toward a transformed outcomes-based approach to social assistance accountability.

Recommendation 2

To hold service managers accountable for delivering the Ontario Works program in compliance with the program's requirements, and to improve program outcomes, we recommend that the Ministry of Children, Community and Social Services (Ministry) update its contracts with service managers to include:

- requirements to comply with Ontario Works legislation, Ministry directives and policies;
- additional performance indicators and meaningful targets to measure service managers' progress in assisting Ontario Works recipients find employment and become self-sufficient;
- targets for service delivery, including reducing and preventing overpayments; and
- mechanisms to hold service managers accountable for meeting the terms of the agreements.

Status: Little or no progress.

Details

In our 2018 audit, we found that the Ministry's contracts with service managers for the delivery of Ontario Works did not include a requirement for

service managers to comply with Ontario Works legislation, Ministry program directives or key Ministry policies. In addition, the contracts did not include measures and targets for service delivery such as reducing overpayments, improved overpayment collection and timely investigation of fraud referrals.

We noted as well that contracts with service managers included a requirement to achieve performance targets for indicators relating to recipient employment earnings and the percentage of recipients who find employment. These contracts allowed the Ministry to recover funds when service managers did not achieve these targets. However, the Ministry advised us that it had never exercised its ability to recover funding from service managers for failing to achieve these targets. In addition, we noted that service managers were required to pick and set targets for only two of the Ministry's four indicators. We found that almost 30% of service managers did not have any targets in their contracts for the number of recipients expected to leave the program for employment.

In our follow-up, we found that the Ministry was in the early stages of addressing this recommendation. It informed us that the new outcomes-based approach to social assistance accountability it was working to develop, noted in **Recommendation 1**, would include a series of new program-monitoring mechanisms that would be put into operation through revised agreements with service managers by January 2022.

Ministry Lacks Targets and Performance Indicators to Improve the Effectiveness of Ontario Works

Recommendation 3

To improve the effectiveness of the Ontario Works program in helping people to obtain employment and become self-sufficient, and to assess the effectiveness of the service managers it funds, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- *establish performance indicators and targets for recipients' length of time on assistance;*
- *establish performance indicators and targets to measure whether recipients obtain sustainable employment;*
- *establish performance indicators and targets that provide sufficient information to help the Ministry measure the progress of service managers in helping recipients resolve their barriers to employment;*
- *monitor the performance of the program and service managers to identify and take corrective action where targets and expectations are not being met; and*
- *publicly report on the effectiveness of the Ontario Works program in helping recipients to find and retain employment.*

Status: Little or no progress.

Details

In our 2018 audit, we found that the Ministry had not set provincial targets for the number of Ontario Works recipients it expects to find employment. We determined that province-wide, only 10% of Ontario Works recipient cases left the program for employment in 2017/18. We also found significant differences between service managers' employment results. However, we found the Ministry did not compare the employment results it collected from service managers to identify best practices and instances that required corrective action. In addition, we found that the Ministry's performance indicators relating to whether an individual has found employment did not measure whether recipients find stable employment. This is because these indicators do not distinguish between those who leave Ontario Works temporarily—such as for seasonal work or a temporary contract—and those who have found long-term employment.

We noted in our 2018 audit that the intent of the Ontario Works program is to provide temporary financial assistance to those in need to help them find employment and become self-sufficient. However, we found that recipient time on Ontario Works

assistance had almost doubled, from an average of 19 consecutive months in 2008/09 to nearly three years in 2017/18. Despite this trend, we found that the Ministry had not established province-wide or service manager-specific targets and performance indicators for recipient time on assistance.

We also noted that the Ministry required service managers to assist recipients on Ontario Works to overcome barriers that hinder their ability to prepare for or search for employment. However, we found that the Ministry did not have performance indicators and related targets to measure the effectiveness of service managers' efforts in assisting recipients to overcome those barriers. According to our analysis of data from the Ministry, about 100,000 individuals, equivalent to 36% of adults receiving Ontario Works as of March 31, 2018, had been categorized as needing to stabilize their life and requiring assistance to overcome their employment barriers.

We noted as well in our 2018 audit that the Ministry reported various statistics on the Ontario Works program publicly on its website. However, we found that the Ministry did not publicly report on the number and proportion of Ontario Works recipients who find employment each year.

In our follow-up, the Ministry informed us, as noted in **Recommendation 1**, that it was working toward putting in place an outcomes-based approach to social assistance accountability. However, we found that the Ministry's progress toward implementing this recommendation was otherwise limited. The Ministry informed us that it was working to transform the accountability model for social assistance, which includes creating an outcomes framework with corresponding performance indicators and related targets that are intended to address our recommendation. However, the Ministry did not have a timeline for the framework's completion. The Ministry also indicated that it planned to incorporate the performance indicators and related targets it would develop into service manager contracts by January 2022, and that it would subsequently monitor service manager results and take

corrective actions where warranted. Finally, the Ministry indicated that it would explore mechanisms to report performance publicly and develop a plan for doing so.

Recommendation 4

To improve the efficiency and effectiveness of the Ontario Works program, which is intended to provide temporary assistance, we recommend that the Ministry of Children, Community and Social Services (Ministry) assess the suitability of the program as it is currently designed and take steps to improve its effectiveness in meeting the needs of recipients who have significant employment barriers and require extensive assistance to become employed, or who received assistance for lengthy periods of time without successfully obtaining employment.

Status: Little or no progress.

Details

We noted in our 2018 audit that the intent of the Ontario Works program is to provide temporary financial assistance to those in need to help them find employment and become self-sufficient. However, as we discuss in more detail in connection to **Recommendation 3**, we found that recipient time on Ontario Works assistance had almost doubled, and the Ministry had not established targets and performance indicators for recipient time on assistance. We also found that the Ministry did not measure the effectiveness of service managers' efforts in assisting recipients to overcome barriers that hinder their ability to prepare for or search for employment.

In our follow-up, we found that the Ministry had not taken specific steps to implement this recommendation, but it advised us it still intended to implement it.

Ministry Does Not Know Whether Service Managers Are Delivering Ontario Works Cost-Effectively

Recommendation 5

To ensure that service managers deliver the Ontario Works program efficiently, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- collect, analyze and compare service manager staffing and recipient caseloads both among service managers and with Ministry guidelines, and then to follow up on significant differences to identify promising practices and instances that require corrective action to improve outcomes;

Status: Little or no progress.

Details

In our 2018 audit, we found that the Ministry did not obtain data on service manager staffing levels, such as the number of caseworkers employed, to analyze and assess whether service managers were staffed according to Ministry guidelines, and allocate sufficient staff to deliver the Ontario Works program effectively. We obtained data on service manager staffing and determined that there were significant differences between service managers' caseworker-to-recipient caseloads, and that the caseload at one of the service managers we visited was significantly higher than the caseload at the other three service managers we visited. In addition, we noted that this service manager's caseload—which reached as high as 214 cases per caseworker in 2015—significantly exceeded the Ministry's guideline in each of the last five years. The Ministry's guideline indicates that a suitable caseload is between 90 and 120 recipients per caseworker, and also suggests that for recipients with significant barriers to employment, a ratio of 45:1 may be necessary. We found that, based on the percentage of adults at the service managers we visited who had significant employment barriers, it is possible that all four of the service managers we visited exceeded what the Ministry considers an optimal recipient-to-caseworker ratio.

In our follow-up, we found that the Ministry had not taken specific steps to address this recommendation, but it advised us it still intended to implement it.

- compare the costs of service managers to deliver the Ontario Works program to understand and identify the reasons for such differences and to take corrective action where necessary; and
- evaluate whether the proportion of service managers' program delivery costs that it funds is effective in improving outcomes for Ontario Works recipients.

Status: Little or no progress.

Details

In our 2018 audit, we found that there were significant differences between administration costs to deliver the Ontario Works program at the service managers. The Ministry funded at least 50% of service managers' administration costs, but it did not analyze the costs to identify whether they were reasonable and if not, what corrective measures were needed. As well, the Ministry had not investigated the impact of these differences on the quality of services provided to Ontario Works recipients. We analyzed and compared service managers' administration costs and found differences between service managers, including significant differences that ought to be followed up by the Ministry. Specifically, we found costs for internal services, such as legal, accounting and human resources averaged less than \$100 per Ontario Works case at 21 service managers, whereas at 12 service managers the cost per case was over \$200, and as high as \$700 at one service manager.

In our follow-up, we found that the Ministry was in the early stages of addressing this recommendation. As noted in **Recommendation 1**, the Ministry was working to develop a new outcomes-based approach to social assistance accountability. The Ministry informed us that this would include a new program delivery funding model intended to ensure the efficient and effective delivery of the Ontario

Works program and the achievement of intended outcomes. It noted that when developed, the funding model would be supported by a new outcomes framework and levers to promote continuous performance improvement. The Ministry indicated that the new funding model, which it expected to develop by January 2022, would also reflect the most effective approach to cost sharing to maximize recipient outcomes.

Ministry Efforts to Prevent Overpayments and Improve Their Collection Is Limited

Recommendation 6

To reduce the number and size of overpayments to recipients, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- *revisit its decision that extended the timeframe for reassessing recipient eligibility from every 12 months to every 24 months with a view to selecting a risk-based time period that most effectively prevents overpayments;*

Status: Little or no progress.

Details

In our 2018 audit, we noted that in January 2012, the Ministry revised its policy for how frequently service managers are required to reassess a recipient's eligibility to continue to receive Ontario Works benefits from every 12 months to every 24 months. However, we found that one of the four service managers we visited had its own policy to continue to perform eligibility reassessments every 12 months in order to better prevent large overpayments that could otherwise be made if changes in recipient circumstances went undetected. In addition, in response to our survey, 15% of service managers indicated that their policy for financial reassessments continued to be every 12 months.

In our follow-up, we found that the Ministry had not taken specific steps to implement this recommendation, but it advised us it still intended to

implement it. The Ministry indicated that as a result of COVID-19, it expected a surge in the Ontario Works caseload and was considering its response, including implementing a risk-based approach to address the recommendation.

- *enhance its systems and processes to determine and record the cause of overpayments to enable service managers to analyze and take action to minimize their occurrence.*

Status: Little or no progress.

Details

We found in our 2018 audit that service managers did not have the ability to record in their information systems the reasons for overpayments. The Ministry's IT system determined the reasons, but these system-generated reasons have insufficient detail to understand why an overpayment occurred. Without data to understand the most common systemic causes of overpayments, along with data to analyze how caseworkers or the information system identified the overpayments, service managers were unable to identify how to prevent or reduce systemic overpayments in the future.

In our follow-up, we found that the Ministry had not taken specific steps to implement the recommendation; it advised us that it needed more time to enhance its systems and processes to determine and record the cause of overpayments. The Ministry also indicated that it was planning to review overpayments to determine their primary causes, and to take corrective action to address them by March 2021.

Recommendation 7

To increase the rate at which service managers recover overpayments, and to have the necessary information to assess service manager efforts to recover overpayments, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- *analyze and reconsider the default recovery rate from active Ontario Works recipients to the*

extent that it does not cause undue financial hardship;

Status: In the process of being implemented by August 2021.

Details

In our 2018 audit, we found that the Ministry decided not to go ahead with a planned change to increase the default recovery rate for the repayment of overpayments by active Ontario Works recipients from 5% to 10%. The Ministry estimated that if the 10% default recovery rate had been implemented, it would have recovered additional overpayments of at least \$35 million between April 2016 and March 2018 from active Ontario Works recipients.

In our follow-up, we found that in May 2019, the Ministry changed its guidelines to indicate that the standard overpayment recovery rate should be established at 10% when the cause of the overpayment is deemed to have been within the recipient's control to prevent. The Ministry noted that it has been monitoring the implementation of the policy and planned to evaluate the impact and effectiveness of the revised policy in achieving savings by August 2021.

- *expand the use of the Canada Revenue Agency's program to recover overpayments from former recipients through tax refunds;*

Status: Little or no progress.

Details

We found in our 2018 audit that the Ministry had not taken steps to implement the Canada Revenue Agency's Refund Set-Off program (Program) across all service managers to help recover overpayments from former recipients. We noted that the Ministry had previously reported to us in 2011 that a working group it had established to review overpayment policies had recommended that the Program be expanded to all service managers because the amounts that were being collected exceeded the costs of the collection efforts. However, during our audit in 2018, only one service manager was using the Program. Between 2013 and 2017, this service

manager had recovered overpayments totalling \$4.5 million from over 6,000 former Ontario Works recipients.

In our follow-up, we found that the Ministry had not taken specific steps to implement the recommendation, but it advised us it still intended to address it. The Ministry indicated that by November 2021 it would complete an assessment of expanding the use of the Program for former Ontario Works recipients and that it would develop recommendations and options based on the assessment by November 2021.

- *implement the necessary changes to its systems to separate overpayments to, and recoveries from recipients recorded in error;*

Status: Little or no progress.

Details

We found in our 2018 audit that in the previous five years, the Ministry's data from its Social Assistance Management System (SAMS) indicated that overpayments to Ontario Works recipients totalled almost \$900 million. However, the Ministry confirmed that there may be overpayments recorded in error and that it was unable to determine what proportion of the \$900 million relates to these erroneous overpayment records.

In our follow-up, we found that the Ministry had not taken specific steps to address the recommendation to implement changes to its systems to separate overpayments to, and recoveries from recipients recorded in error, but it advised us it still intended to do so.

- *review and compare service manager practices to recover overpayments to determine if they are effective, and to take corrective action where they are not.*

Status: Little or no progress.

Details

We found in our 2018 audit that the Ministry did not review the effectiveness of service managers' practices for recovering overpayments, despite the fact that service managers recovered overpayments

at rates that differed significantly. In 2017/18, recovered amounts ranged from \$160 per case at one service manager, to an average of \$2,700 at another service manager. This lack of oversight can have an impact on the amount of money recovered and paid back to the government. In addition, starting in January 2018, the Ministry has funded 100% of payments to Ontario Works recipients. As a result, any money owed by current and former recipients is due in full to the province.

In our follow-up, we found that the Ministry had not taken specific steps to address the recommendation, but it advised us it still intended to implement it.

Ministry Efforts to Ensure Only Eligible Applicants Receive Funding for a Special Diet Are Insufficient

Recommendation 8

So that all Ontario Works recipients are treated fairly and only receive allowances for a special diet if they have a medical condition that requires it, we recommend that the Ministry of Children, Community and Social Services (Ministry) review the proportion of recipients that the special diet allowance is provided at different service managers to:

- *identify, investigate, and address improbably high trends in the proportion of recipients who receive the special diet allowance;*

Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we analyzed data provided by the Ministry and identified that at one of the service managers we visited, which had the largest caseload in Ontario, 26% of Ontario Works cases in 2017/18 were receiving an allowance for a special diet. By comparison, our analysis identified that for the rest of the province's 46 service managers, an average of just 13% of Ontario Works cases received this allowance.

We analyzed the number of special diet applications completed between January 2015 and March 2018 at the service manager with the largest caseload in Ontario and found that 10 individuals (nine doctors and one dietician) approved 23% of all applications at this service manager—including one doctor who approved 6% of all applications.

We found that six of these doctors had been subject to disciplinary action from the College of Physicians and Surgeons of Ontario (College) for a variety of allegations and charges, including one for signing off on special diet applications that recipients did not require. We also identified that another doctor who had signed off on the most special diet applications in the province during this period had a disciplinary hearing notice issued against him dated June 2018, and that some of the charges against him related to special diet applications. We noted that the Ministry was not aware of the disciplinary hearing scheduled for this doctor and had not issued instructions to service managers to flag special diet applications from this doctor pending the outcome of the hearing. Service managers have the option to confirm the need for a special diet by requesting an additional application completed by a different health-care professional.

In our follow-up, we found that the Ministry had completed a review of special diet allowance forms signed off on by doctors from 2015 to 2018. The Ministry identified doctors completing an unusually high number of special diet allowance forms and isolated three doctors who completed over 900 forms each in 2017/18, including one who completed over 2,000 forms. The Ministry referred these three doctors to the College, which subsequently launched an investigation.

The Ministry advised us that by December 2020 it intended to begin repeating its review of special diet allowance forms completed by doctors for anomalies in their prescribing practices twice a year, and where necessary it would refer doctors to the College. The Ministry also advised us that these reviews would include reviewing regional disparities in approved special diet allowances.

- *reinforce with service managers the need to be diligent in providing the special diet allowance, and in the case of unusual trends, request medical records or a second application completed by a different health-care professional.*

Status: Little or no progress.

Details

In our follow-up, we found that the Ministry had not yet taken steps to implement the recommendation, but advised us that it still intended to address it.

Recommendation 9

We recommend that the Ministry of Children, Community and Social Services (Ministry) work with the College of Physicians and Surgeons of Ontario (College) and that the Ministry:

- *refer physicians to the College suspected by service managers and the Ministry of approving questionable applications for a special diet allowance;*

Status: Fully implemented.

Details

In our 2018 audit, we analyzed the number of special diet applications completed between January 2015 and March 2018 at the service manager with the largest caseload in Ontario. As we discuss in more detail in connection to **Recommendation 8**, we found a questionable pattern of approvals.

In our follow-up, we found that the Ministry had completed a review of special diet allowance forms signed off on by doctors from 2015 to 2018. As we discuss in **Recommendation 8**, the Ministry identified doctors completing an unusually high number of special diet allowance forms and isolated three doctors who completed over 900 forms each in 2017/18, including one who completed over 2,000 forms. The Ministry referred these three doctors to the College, which subsequently launched an investigation.

The Ministry also advised us that by December 2020 it intended to begin repeating its review of special diet allowance forms completed by doctors

for anomalies in their prescribing practices twice a year, and where necessary it would refer additional doctors to the College.

- *work with the College to share information with the Ministry on physicians that the College is currently investigating or has previously sanctioned in regard to the special diet application;*

Status: Little or no progress.

Details

In our follow-up, we found that the Ministry had not yet taken steps to implement the recommendation. The Ministry advised us that it still intended to do so but would require more time and had not yet set a timetable for its implementation.

- *distribute to all service managers a list of doctors the Ministry suspects of approving questionable applications for a special diet allowance, including doctors the College is investigating or has previously sanctioned.*

Status: Little or no progress.

Details

In our follow-up, the Ministry advised us that it was exploring the legal implications of sharing doctor information with service managers before determining its next steps toward implementing the recommendation.

Service Managers Offer Different Benefits, Resulting in Inequities Across the Province

Recommendation 10

So that Ontarians in financial need are treated fairly and have access to benefits that support their progression towards employment regardless of where in Ontario they seek assistance from the Ontario Works program, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- review and analyze the differences in discretionary benefits provided by service managers, and their impact on recipient outcomes; and
- based on this analysis, establish guidelines for issuing these benefits to support local decision-making.

Status: Little or no progress.

Details

We found in our 2018 audit that the Ministry allows service managers to determine which discretionary benefits they wish to provide and in what amount. However, we found that the Ministry is not aware of the extent of the differences between service managers or the impact of such differences on recipients. At the four service managers we visited, we found that discretionary benefits Ontario Works recipients were eligible to receive varied. For example, we found that two service managers offered orthotics and orthopaedic footwear, one service manager offered orthotics only, and the other service manager did not provide either orthotics or orthopaedic footwear.

In our follow-up, we found that the Ministry had not yet taken steps to implement the recommendation. The Ministry advised us that, to support local decision-making, it planned to analyze the provision of discretionary benefits across service managers to identify local strategies that have a positive impact on recipient outcomes. Based on this analysis, the Ministry would develop best practice guidelines. However, the Ministry had not set a timeline for completing these actions.

Service Managers Not Satisfied with IT System for Recipient Case Management

Recommendation 11

To ensure that service managers are able to monitor and track recipients' progress toward finding employment, we recommend that the Ministry of Children, Community and Social Services (Ministry) improve its systems to strengthen its case management capabilities

for service managers to better track recipients' skills, barriers to employment, referrals to employment and community programs, and recipient progress.

Status: Little or no progress.

Details

We found in our 2018 audit that 45 service managers (96%) reported in our survey that they were not satisfied with the Social Assistance Management System (SAMS) for recipient case management. The service managers indicated that SAMS is not designed to record and track key information they need to effectively manage the progress of their Ontario Works recipients. For example, although service managers can record notes about individual recipients in SAMS, they cannot generate reports on these notes to analyze recipients' skills, barriers to employment, or referrals to training or community services for their entire caseload. This recipient information can only be reviewed in SAMS on a case-by-case basis. Without this data, service managers face challenges to understand the profile of recipients on their caseload, track recipients' progress or design suitable training and employment programs to help recipients work toward obtaining employment.

In our follow-up, we found that the Ministry had not yet made progress toward implementing this recommendation. The Ministry indicated that it plans to enhance functionality in SAMS by January 2021 to support improved tracking of recipients' skills, barriers to employment and referrals.

Information Affecting Recipient Eligibility Is Not Consistently Verified with the Federal Government

Recommendation 12

To confirm that only eligible individuals receive financial assistance from Ontario Works, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- *identify recipients with risk factors related to their eligibility and utilize its agreement with the federal government to validate the immigration status of these recipients. Where recipients are determined to be ineligible for Ontario Works, take appropriate action to terminate them and recover any overpayments;*

Status: In the process of being implemented by June 2021.

Details

We found in our 2018 audit that the Ministry had an agreement with the federal government's Immigration, Refugees and Citizenship Canada (IRCC) to obtain information on the immigration status of Ontario Works recipients. However, we found the Ministry did not use this agreement to check that all recipients of Ontario Works (who cannot demonstrate their legal status in Canada) are still eligible.

In our 2018 audit, we also reviewed Ontario Works recipient data in the Ministry's Social Assistance Management System (SAMS), and identified over 500 individuals where there is a risk that they may no longer be eligible for Ontario Works. We asked the Ministry to request that IRCC check the status of these 500 individuals; however, because the process had to be done manually the Ministry informed us IRCC would only be able to check 50 individuals. Although the Ministry received only summary results of these checks, the results identified eligibility concerns for one-quarter of these individuals.

In our follow-up, the Ministry indicated that in 2019 it put in place a new process by which it verifies the immigration status of all new foreign-born applicants with IRCC.

We also found in our follow-up that the Ministry was in the process of conducting a pilot test with IRCC and the Canada Border Services Agency (CBSA) to confirm the technical feasibility of an automated exchange of personal information between the Ministry, IRCC and the CBSA, and to determine whether the Ministry has a record of

the correct immigration status of existing clients, which may impact their eligibility for Ontario Works. A sample of cases was sent to IRCC as part of this pilot where the immigration status in SAMS had been recorded as refugee claimants, family class immigrants, and other/blank. The Ministry expected to receive results from the pilot in January 2021. The Ministry planned to review the eligibility of cases where there was a change in immigration status relative to that recorded in SAMS by June 2021. Based on these results, the Ministry planned to also determine by June 2021 the need for another data-matching exercise for other existing Ontario Works cases.

- *work with the federal government to increase the efficiency of their information sharing to allow for timely checks of the immigration status of all applicable Ontario Works recipients;*

Status: Little or no progress.

Details

In our 2018 audit, we found that while the Ministry had an information sharing agreement in place with IRCC to obtain information on the immigration status of Ontario Works recipients, the process in place to do so involved manually checking the immigration status of individuals on a case-by-case basis.

In our follow-up, we found that the Ministry had made some progress toward addressing this recommendation. As noted earlier, the Ministry was in the process of conducting a pilot test with IRCC and the Canada Border Services Agency (CBSA), one of whose aims is to confirm the technical feasibility of an automated exchange of personal information between the Ministry, IRCC and the CBSA relating to Ontario Works clients' immigration status for the purposes of verifying their eligibility. The intent is to use the results of this pilot to inform analysis on whether and how to move forward with an automated information sharing process to replace the manual information sharing process currently in place between IRCC and the Ministry.

The Ministry expected to receive results from the pilot in January 2021, and to subsequently use the results to determine the cost/benefit of automating the information sharing process. However, it had not set a timeline for when it expects to decide on the automation of this process, or on when it plans to fully implement the recommendation.

- *work with the Canada Border Services Agency to establish an information sharing agreement to obtain information about the travel history of Ontario Works recipients and to identify recipients who are no longer eligible for Ontario Works.*

Status: Little or no progress.

Details

We found in our 2018 audit that the Ministry did not have an information sharing agreement with the federal government's Canada Border Services Agency (CBSA) to be able to find out details about the travel history of other Ontario Works recipients and therefore could not check whether Ontario Works recipients were in the country.

In our follow-up, we found that the Ministry had made some progress toward addressing this recommendation. The Ministry was in the process of conducting a pilot test with IRCC and the Canada Border Services Agency (CBSA). Through this pilot, the Ministry expected to receive aggregate information from the CBSA relating to Ministry clients who have departed from Canada. The Ministry advised us that by June 2021 it intended to use results of this pilot to determine whether establishing an information sharing agreement with the CBSA would be beneficial in helping to identify Ontario Works recipients who are no longer eligible for Ontario Works. However, at the time of our follow-up, the Ministry did not have a timeline of when it expected to fully implement this recommendation.

Service Managers Do Not Consistently Assess Recipients' Relevant Information to Ensure They Are Eligible

Recommendation 13

So that only people who are eligible for Ontario Works receive financial assistance and in the correct amount, we recommend that service managers:

- *work with the Ministry of Children, Community and Social Services (Ministry) to confirm and formalize the requirement to use the third-party verification checks that will be most effective in verifying an individual's financial circumstances;*

Status: Little or no progress.

Details

In our 2018 audit, we noted that service managers were required to check whether information provided by applicants regarding their assets and income is accurate by using outside sources, such as the Canada Revenue Agency and Equifax Canada Inc. They were also required to do a similar verification when they reassessed financial information provided by current recipients to ensure that they were still eligible for the program and were receiving the appropriate financial assistance. However, we found that the Ministry did not prescribe which specific third-party verification checks service managers must complete, though it identified the Canada Revenue Agency and Equifax Canada as the most important resources during the application process.

In our follow-up, we found that service managers had not worked with the Ministry to confirm and formalize the requirement to use the third-party verification checks that would be most effective in verifying an individual's financial circumstances.

- *take steps to reinforce the requirement that caseworkers review and document their review of all relevant information required by the Ministry when determining applicant eligibility and financial assistance;*

Status: One service manager has made little or no progress and three service managers are in the process of implementing the recommendation by January 2021.

Details

In our 2018 audit, we found that Ontario Works caseworkers did not always obtain documents that established an applicant's eligibility for the program—such as documents that prove the applicant was legally entitled to reside in Canada. We also found that caseworkers did not always investigate red flags in applications, leading to potential mistakes in determining an applicant's eligibility for the program and the correct amount of financial assistance. At the four service managers we visited, we found that in 20% to 60% of the files we reviewed, caseworkers either did not obtain or did not review relevant application information.

In our follow-up, we found that three service managers were in the process of implementing the recommendation. One service manager advised us that in 2019 it started to complete audits of its files every other month to assess program compliance and facilitate improvement; these audits include eligibility and financial assistance. The service manager advised that it had paused its reviews but was in the process of developing an accountability framework that would include audits to ensure Ministry directives and policies are complied with. The service manager expected to implement its ongoing audits by November 2020 and to achieve 75–80% compliance in this area at that time.

Another service manager had conducted a pilot project in December 2019 to assess its compliance in key program areas including assessing eligibility. This service manager advised us that it began to conduct regular audits on an ongoing basis in July 2020 to assess its compliance—including with respect to ensuring that all relevant information required to assess eligibility and financial assistance is reviewed and documented—and was targeting 100% compliance by December 2020. A third service manager indicated that its supervisors

conducted audits of files to assess compliance until April 2019, and intended to begin conducting audits again on an ongoing basis by January 2021.

The remaining service manager had implemented a checklist that newer caseworkers are required to complete and supervisors are required to review, to show that they have considered all key areas in determining eligibility. Although this service manager's progress was otherwise limited, it indicated that it planned to put in place a file review process to assess compliance by the end of 2020.

- *reassess the ongoing eligibility of Ontario Works recipients in the time period required by Ministry policy.*

Status: Two service managers have fully implemented the recommendation, and two service managers are in the process of implementing the recommendation by December 2020.

Details

In our 2018 audit, we found that at two of the four service managers we visited, in 20% to 35% of the files we reviewed, caseworkers did not meet with recipients at least once every two years to obtain updated information and assess whether the recipients continued to be eligible for Ontario Works, and the amount of financial assistance they were receiving. The remaining two service managers we visited reviewed the continued eligibility of recipients at least once every two years as required.

In our follow-up, we found that the two service managers we identified concerns at in our 2018 audit were in the process of addressing the recommendation. One service manager indicated it had identified almost 3,000 cases in the spring of 2020 that were overdue for a reassessment, and had completed a review of almost all of them by August 2020. The service manager also indicated it expected to implement ongoing audits by November 2020 that would assess its compliance in completing reassessments on a timely basis.

The other service manager indicated that it had focused on reducing the number of overdue

client reassessments, reducing the number from almost 56,000 in May 2019 to under 24,000 in February 2020. This service manager also conducted a pilot project in December 2019 to assess its compliance in key program areas, including whether it was completing recipient reassessments on a timely basis, and found that based on the pilot it was doing so only 45% of the time. This service manager advised us that it subsequently began to conduct regular audits on an ongoing basis in July 2020 to assess its compliance—including with respect to ensuring that reassessments are done on a timely basis—and was targeting 100% compliance by December 2020.

Recommendation 14

So that only eligible recipients are provided with Ontario Works financial assistance and in the correct amount, and to prevent overpayments to recipients from increasing, we recommend that service managers complete the eligibility verification reviews assigned to them by the Ministry of Children, Community and Social Services (Ministry) on a timely basis.

Status: Two service managers are in the process of implementing the recommendation by March 2021, and two service managers have fully implemented the recommendation.

Details

In our 2018 audit, we noted that through its Eligibility Verification Process, the Ministry assigns service managers recipient files to review that the Ministry identifies as being most at risk of being ineligible. We found that between April 2017 and March 2018, service managers across Ontario completed only 57% of the 43,650 eligibility verification cases assigned to them within the 2017/18 fiscal year as required. The four service managers we visited completed between 24% and 88% of the cases assigned to them.

In our follow-up, we found that two service managers had completed 100% of the cases assigned to them in the 2019 calendar year, and they met the Ministry's target to complete 90%

of the reviews assigned to them within 60 days in January 2020. Another service manager also completed 100% of the reviews it was assigned in the 2019 calendar year, and it completed 73% of the reviews it was assigned by the Ministry in January 2020 within 60 days. This service manager indicated that it planned to meet the Ministry's target to complete reviews within 60 days by December 2020.

The remaining service manager had made some progress toward implementing the recommendation. The service manager identified that following our 2018 audit, it added an additional 14 staff in December 2018 and managed to complete 48% of the cases assigned to it in 2019. This service manager subsequently added an additional 16 staff in June 2020 to complete eligibility verification reviews, and completed 68% of the cases assigned to it in July 2020 within the Ministry's target of 60 days. The service manager indicated that it plans to meet the Ministry's target to complete 90% of the cases it is assigned within 60 days by March 2021.

Recommendation 15

To ensure that only eligible individuals receive Ontario Works financial assistance and that overpayments to recipients are identified and minimized, we recommend that service managers take steps to:

- *review and investigate allegations of fraud within the Ministry of Children, Community and Social Services' required timeframe;*

Status: Three service managers have made little or no progress and one is in the process of implementing the recommendation by December 2021.

Details

In our 2018 audit, we found that Ontario's 47 service managers had a backlog of more than 6,000 fraud tips that they had not reviewed, including approximately 2,000 fraud tips at the four service managers we visited. Approximately 90% of these tips had not been reviewed within the required

30 days to determine whether further investigation was warranted. (If fraud tips are not reviewed within the 30-day requirement, there is a risk that ineligible people could be receiving payments for a long period of time, leading to the need to recover even larger overpayments when the service manager completes the investigation.) Ministry data indicates that between January 2015 and March 2018, service managers across Ontario completed 17,000 reviews and fraud investigations, and that more than 25% of them resulted in the service manager identifying an overpayment, and 10% resulted in the service manager terminating the recipient.

In our follow-up, we found that, based on Ministry reports of fraud reviews completed between January 2019 and April 2020, three of the service managers reviewed between just 19% and 43% of fraud tips within 30 days as required. We found that the remaining service manager reviewed approximately 80% of fraud tips within 30 days and expected to review 100% of fraud tips within 30 days by the end of 2021.

- *refer cases of suspected fraud to authorities for investigation and prosecution.*

Status: Three service managers have fully implemented the recommendation and one is in the process of implementing the recommendation by March 2021.

Details

In our 2018 audit, we noted that Ministry policies state that if there is sufficient evidence to suspect intent to commit fraud, service managers must refer these cases to the police for investigation and possible prosecution under the Criminal Code. In addition, Ministry policy requires every service manager to develop protocols and procedures with local police services and the Crown Attorney's Office for the effective investigation and prosecution of cases of suspected social assistance fraud. We found that one of the four service managers we visited did not have such a protocol in place, and had not referred any cases of suspected Ontario Works fraud to the police.

In our follow-up, we found that this service manager had developed guidelines for referral of suspected fraud cases to the police in November 2019, and had referred its first case of suspected fraud to police in February 2020. The service manager indicated that it intended to fully implement this recommendation and begin referring all pertinent cases of suspected fraud to authorities for investigation by March 2021.

Decisions to Waive Recipient Participation Requirements Are Questionable When Not Supported with Evidence

Recommendation 16

To help Ontario Works recipients progress toward obtaining sustainable employment, we recommend that service managers take steps to ensure that they only waive the requirement to participate in employment support activities in eligible circumstances when supported by the necessary documentation.

Status: In the process of being implemented by January 2021.

Details

In our 2018 audit, at the four service managers we visited, our review of recipient files found examples where the requirement for individuals to participate in activities to work toward obtaining employment had been deferred without appropriate documentation to support the deferral. This varied from about 5% of the recipient files we reviewed at one service manager to 40% of the files at another.

In our follow-up, we found that three service managers were in the process of implementing the recommendation. One service manager advised us that in 2019 it started to complete audits of its files every other month to assess program compliance and facilitate improvement; these audits included reviewing whether individuals who were waived from participating in employment support activities had supported their eligibility with appropriate documentation. The service manager advised us

that it had paused its reviews but was in the process of developing an accountability framework that would include audits to ensure compliance with Ministry directives and policies. The service manager expected to implement its ongoing audits by November 2020 and to achieve 75–80% compliance in this area at that time.

Another service manager had conducted a pilot project in December 2019 to assess its compliance in key program areas including assessing the appropriateness of deferrals from participating in employment support activities. The pilot project identified that deferrals were appropriate in length and supported by documentation in 74% of the cases reviewed. This service manager advised us that it also began to conduct regular audits on an ongoing basis in July 2020 to assess its compliance—including with respect to ensuring that individuals are only waived from participating in employment support activities in eligible circumstances with appropriate documentation. The service manager is targeting 100% compliance by December 2020.

The other two service managers had provided training to their caseworkers on participation agreements, including on requirements relating to waiving a recipient's participation in employment support activities. These service managers indicated that between 82% and 100% of their caseworkers attended this training. In addition, both service managers indicated they planned to begin conducting audits of recipient case files by January 2021 that would include assessing whether the requirement to participate in employment support activities is waived only in eligible circumstances and supported by the necessary documentation.

Service Managers Do Not Always Work with Recipients to Help Them Progress Toward Obtaining Employment as Required

Recommendation 17

To help Ontario Works recipients to progress toward becoming self-sufficient and find employment, we recommend that service managers take steps to:

- *meet with recipients regularly in accordance with the Ministry of Children, Community and Social Services (Ministry) requirements to review and update their participation agreements;*

Status: Two service managers have made little or no progress and two are in the process of implementing the recommendation by December 2021.

Details

In our 2018 audit, based on our review of a sample of recipient files at the four service managers we visited, we found that in 20% to 50% of the files we reviewed, caseworkers did not meet with recipients on a timely basis to review and update their participation agreements as recipients progressed toward their goals or their circumstances changed. The participation agreement is a plan that sets out the activities that the recipient will undertake. Ministry policy requires that caseworkers meet with recipients to review their participation agreement at least once every three, four or six months. Periods of four to six months require a documented explanation for extending the review period.

In our follow-up, we found that one service manager had conducted a pilot project in December 2019 to assess its compliance in key program areas including assessing whether participation agreements were updated on a timely basis. The pilot project identified that 72% participation agreements reviewed were current. This service manager advised us that it also began to conduct regular audits on an ongoing basis in July 2020 to assess its compliance, including with respect to

ensuring that caseworkers meet with recipients in the Ministry's prescribed timelines and that participation agreements are reviewed and updated. The service manager was targeting 100% compliance by December 2020.

Another service manager identified that it had reduced the percentage of outdated participation agreements from 83% of all cases in January 2018 to 20% in January 2020. This service manager indicated it was targeting 100% compliance by December 2021.

The third service manager identified that although it had made some progress in this area, as of July 2020 over 40% of participation agreements were still outdated. The service manager indicated that it would implement ongoing audits of recipient case files by November 2020 that would include assessing whether participation agreements are reviewed and updated on a timely basis. However, the service manager noted that it had not yet set a target for compliance in this area.

The remaining service manager indicated that it had assigned a supervisor to address outdated participation agreements and was targeting updating all outdated participation agreements by the end of 2020. However, the service manager could not identify the progress it had made in this area in reducing the proportion of outdated participation agreements since the time of our 2018 audit.

- *assign appropriate employment support activities to all participants.*

Status: Three service managers are in the process of implementing this recommendation by December 2021. The recommendation is no longer applicable for one service manager.

Details

In our 2018 audit, we analyzed data from the Ministry's Social Assistance Management System to identify recipients who were required to participate in employment support activities but did not have such activities assigned to them. As of March 2018, we found that between 5% and 19% of recipients at

the four service managers we visited did not have employment support activities assigned to them as required. As a result, there was also no evidence that these individuals were working toward obtaining employment as required.

In our follow-up, we found that one service manager had conducted a pilot project in December 2019 to assess its compliance in key program areas, including assessing whether recipients were referred to reasonable activities. The pilot project identified that 75% of referrals were reasonable. This service manager advised us that it also began to conduct regular audits on an ongoing basis in July 2020 to assess its compliance—including with respect to ensuring that recipients are assigned appropriate employment support activities. The service manager was targeting 100% compliance by December 2020, depending on the impact economic conditions may have on its ability to make appropriate referrals to employment support activities.

Another service manager indicated that it had increased the proportion of recipients assigned employment support activities from 92% in January 2018 to 95% in January 2020 and indicated that it was targeting assigning 100% of recipients' employment support activities by December 2021. The third service manager indicated that as of February 2020, it had assigned 94% of recipients' employment support activities. This service manager indicated that it expected to improve in this area with a planned implementation of a stand-alone case management system by the end of 2020 that is intended to improve its ability to match recipients with employment support activities.

Starting in January 2021, the remaining service manager will no longer be responsible for assigning employment support activities to recipients. Instead, this service manager will be responsible for referring those who are ready to participate in employment support activities to the Employment Ontario service system manager in its catchment area who will be responsible for delivering employment services.

Employment Supports and Recipient Employment Results Differ Between Service Managers

Recommendation 18

To increase the proportion of Ontario Works recipients who obtain employment, we recommend that service managers:

- take steps to identify opportunities to increase the proportion of recipients referred to employment supports that have successfully assisted recipients to obtain employment;

Status: One service manager has fully implemented the recommendation, two service managers have made little or no progress, and the recommendation is no longer applicable for the remaining service manager.

Details

In our 2018 audit, we found that the four service managers we visited offered between three and 50 employment support programs (employment placement and job-specific skills training). We also found that the percentage of Ontario Works recipients participating in these programs at all four service managers ranged from just 2% to 5%. Across all four service managers we visited, the number of those finishing such programs who found employment ranged from approximately 50% to more than 75%. This was significantly higher than the provincial average for recipients leaving Ontario Works for employment, which in 2017/18 was just 10%.

In our follow-up, we found that one service manager had increased the number of referrals to programs that led to successful employment outcomes between 2017 and 2019 by 15%. Another service manager informed us anecdotally that it had increased referrals to programs with successful employment outcomes, but it had not yet obtained the information to be able to quantify the additional referrals it had made to such programs subsequent to our 2018 audit.

The third service manager had not yet identified the employment supports that have been

most successful in assisting its recipients to obtain employment in order to pursue opportunities to increase referrals to those programs. However, this service manager noted that it planned to implement a stand-alone case management tool by the end of 2020 that is intended to better match recipients with employment support activities and employment opportunities.

Starting in January 2021, the remaining service manager will no longer be responsible for referring recipients to employment support activities. Instead, this service manager will be responsible for referring those who are ready to participate in employment support activities to the Employment Ontario service system manager in its catchment area who will be responsible for delivering employment services.

- investigate the possibility and assess the merits of becoming a delivery agent for Employment Ontario.

Status: One service manager has made little or no progress, one service manager is in the process of implementing the recommendation, one service manager has fully implemented the recommendation, and the recommendation is no longer applicable to the remaining service manager.

Details

In our 2018 audit, we found that one of the four service managers we visited was an Employment Ontario delivery agent. This service manager noted several benefits to being a delivery agent, including increased communication between the staff of the two programs, shared cost in training for staff, and a larger network of employer relationships. While this service manager's local area had a similar unemployment rate to the other three service managers we visited, it had the highest percentage of recipients exiting to employment in 2017/18, at 15%.

We also noted in our 2018 audit that the 2012 report from the Commission for the Review of Social Assistance in Ontario,

Brighter Prospects: Transforming Social Assistance in Ontario, recommended that the province expand the number of municipalities designated as Employment Ontario deliverers, where there is interest and capacity.

In our follow-up, we found that one of the service managers had applied to become an Employment Ontario service system manager for its catchment area but was not successful. Another service manager requested to become an Employment Ontario delivery agent but was informed by the Ministry of Labour, Training and Skills Development (MLTSD) that applications were not being accepted at this time. MLTSD indicated that service system managers selected in catchment areas across the province would be responsible for establishing networks with other service providers in their areas. This service manager advised us that once the service system manager was selected in its catchment area, it would apply again to become an Employment Ontario delivery agent.

The third service manager indicated it has not yet determined whether it would seek to become an Employment Ontario delivery agent or a service system manager. As at the time of our 2018 audit, the remaining service manager continued to be an Employment Ontario delivery agent.

Recommendation 19

To help increase the proportion of Ontario Works recipients who obtain employment, we recommend that the Ministry of Children, Community and Social Services (Ministry) work with the Ministry of Training, Colleges and Universities to:

- *share information between Employment Ontario and Ontario Works that would help service managers to monitor the progress of Ontario Works recipients they refer to Employment Ontario services in obtaining employment;*
Status: Little or no progress.

Details

We found in our 2018 audit that, in addition to offering employment support programs funded through Ontario Works, the service managers we visited told us that they referred Ontario Works recipients to Employment Ontario. Employment Ontario delivery agents, funded by the Ministry of Training, Colleges and Universities (now the Ministry of Labour, Training and Skills Development), provide employment and training services and related information for job seekers. However, we found that while three service managers could tell us the percentage of recipients they referred to Employment Ontario, only one was able to provide information on the success of the recipients they referred. Service managers told us that once a client is referred to Employment Ontario, the Employment Ontario delivery agent has no requirement to report to Ontario Works service managers on the client's outcome.

The Ministry advised us that it was developing an interface between SAMS and MLTSD's case management system that is intended to share client-level information between the two systems so that service managers can monitor and track client activities and their outcomes. The Ministry expects this interface to be operational by January 2021. However, the Ministry advised that only nine of the 47 service managers will be able to use the interface at that time. A timeline for the rest of the service managers has not yet been established.

- *investigate opportunities to integrate the employment services offered by Ontario Works and Employment Ontario.*

Status: Fully implemented.

Details

In our 2018 audit, we noted that the 2012 report by Don Drummond and the Commission on the Reform of Ontario's Public Services recommended streamlining and integrating employment services, such as those offered by Ontario Works, with Employment Ontario.

In February 2019, Ontario announced a plan to transform employment services. The plan includes a new service delivery model to integrate social assistance employment services into Employment Ontario. In our follow-up, the Ministry advised us that through these changes, the responsibility for the provision of employment supports and services would gradually transition from Ontario Works service managers to Employment Ontario service system managers. Service system managers would be selected by the Ministry of Labour, Training and Skills Development (MLTSD). MLTSD selected three service system managers in 2020 for three different catchment areas where the prototype for the new employment services model will begin. According to the Ministry, these three service system managers were scheduled to begin providing services in January 2021, at which point Ontario Works service managers in these catchment areas would no longer be delivering employment services.