

Child Welfare Services

The Child Welfare Services program is the largest program funded under the *Child and Family Services Act* and Regulations. Under the Act, the Ministry of Community and Social Services provides funding to 54 children's aid societies for the care and protection of children. The Societies are non-profit agencies approved by the Ministry under the *Child and Family Services Act*. Each Society is managed by a board of directors consisting of municipal representatives and persons elected from the general membership of the Society. Typically, most counties and larger municipalities in Ontario have a children's aid society to serve the needs of the local community. According to the Ministry's Estimates Briefing book the functions of the Societies include:

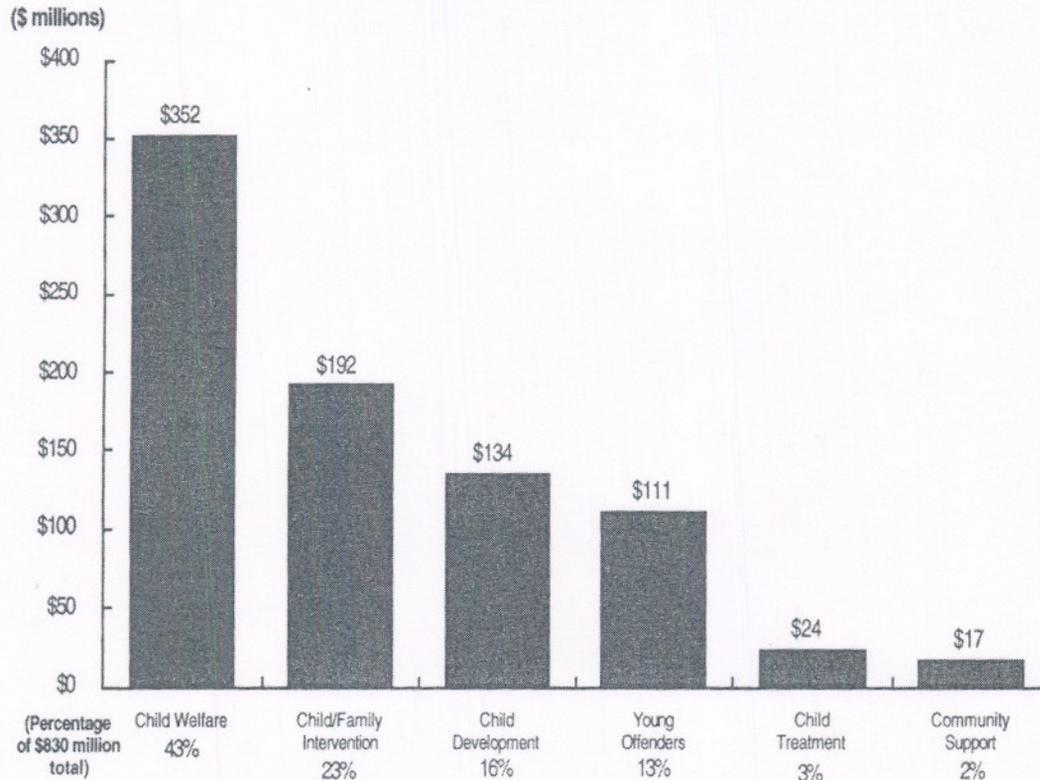
- temporary or permanent guardianship for children separated from their parents;
- counselling services for children or families;
- protection of children from physical/emotional abuse or neglect; and
- alternative care for children such as foster care, group homes, institutions or adoption.

The Ministry is responsible for:

- advocating that legislation is revised in accordance with changing needs;
- articulating minimum expectations in the form of standards, guidelines, policies, and procedures;
- assisting agencies to develop policies and procedures which meet Ministry expectations; and
- advising, inspecting and supervising agencies and their services and programs.

For the 1993/94 fiscal year, the Ministry's payments for children's services funded under the *Child and Family Services Act* and Regulations, consisting of the federal and provincial government shares, totalled approximately \$830 million of which \$352 million was for Child Welfare Services:

Expenditure for Children's Services



Source: Ministry of Community and Social Services

The terms of a federal/provincial cost-sharing agreement under the *Canada Assistance Plan Act* call for the federally approved costs for Child Welfare Services to be shared 50% by the federal government, 30% by the provincial government and 20% by the area municipal governments. A municipality pays its share of funds directly to the Societies. The Ministry pays both the federal and its share of funds to the Societies and then recovers the federal government's portion. However, the *Federal Government Expenditures Restraint Act* passed in February 1991 put a ceiling on the Canada Assistance Plan transfers to various provinces including Ontario. Consequently, since 1990/91, the Ministry has been receiving a smaller contribution from the federal government. For the 1993/94 fiscal year, the federal government's contribution towards the Child Welfare Services expenditures of \$352 million was approximately \$102 million, which represents about 32% of federally approved costs.

Overall, the total Child Welfare Services expenditures for the 1993/94 fiscal year were shared 32% by the federal government, 48% by the provincial government and 20% by the municipal governments.

The program's actual volume indicators for the last four calendar years were as follows:

Description	1993	1992	1991	1990
No. of protection and prevention cases	29,700	29,633	28,770	28,000
No. of foster homes	5,540	5,550	5,350	5,300
No. of children in care of societies	10,500	10,200	10,440	10,385

OBJECTIVES AND SCOPE

Our audit objectives were to assess the Ministry's procedures for monitoring children's aid societies to determine the extent to which:

- legislative requirements and Ministry policies and procedures were complied with; and
- achievement of program objectives and operational effectiveness in delivering services were measured and reported.

Our audit included interviews with Ministry officials, visits to three area offices and sending survey questionnaires to 20 children's aid societies.

AUDIT OBSERVATIONS

COMPLIANCE WITH LEGISLATION AND MINISTRY POLICIES AND PROCEDURES

POLICY FRAMEWORK

In May 1993, the Ministry released a *Children's Services Policy Framework* which sets out the directions the Ministry will take in decisions about children's services funded under the *Child and Family Services Act*. Its aim is to set a course for achieving a more effective and efficient system of support and services for children and families. To achieve this, the Ministry set out six broad policy directions:

- a cohesive, integrated service system;
- accessibility of services;
- local community participation in the planning process;
- resources targeted to specified priority groups;
- equitable distribution of resources; and
- accountability.

The Framework's underlying goal is "to ensure that children and families benefit to the greatest extent possible from available resources. This means that the benefits expected

from services must be identified and the services organized and delivered so that these benefits are achieved." Also, the Framework's covering letter from the Minister of Community and Social Services states that "the current economic climate of Ontario only makes the need for this reform more pressing."

At the completion of our audit in March 1994, the Ministry had not developed an implementation plan with specified target dates for the achievement of the six policy directions identified in the Framework. The Ministry's progress during the 1993/94 fiscal year included completing an education process at the area office level to strengthen the links between the Ministry and the local planning bodies.

A number of our audit observations that follow are similar to the observations we noted in our 1989 *Annual Report*. Although the Ministry took some corrective action in response to our 1989 observations, a number of concerns remain. Action on these concerns and on our current observations hinges on the timely implementation of the *Policy Framework*.

RECOMMENDATION:

The Ministry should develop a specific plan of action, with target dates, for the implementation of the policy directions stated in the *Policy Framework*.

MINISTRY RESPONSE:

- *The Ministry will continue to work with stakeholders in the children's services system to clarify the concepts in the Children's Policy Framework and develop practical methods for putting them into practice. Many communities have already used the directions in the Framework to guide their service planning.*
- *The Ministry has recently approved a specific plan of action, with target dates. Implementation "milestones" have been set. Each community and area office will be required by October 1994 to develop specific, concrete implementation plans to reach these milestones.*

MANDATE

As part of section 15(3) of the *Child and Family Services Act*, children's aid societies are required to "provide guidance, counselling and other services to families for protecting children or for the prevention of circumstances requiring the protection of children."

While the responsibilities for the delivery of Child Welfare Services by children's aid societies are stated in the legislation, the Ministry has not ensured that the Societies are complying with the above-noted legislative requirement. Six of 17 Societies that responded to our survey indicated that they were not providing all the services stipulated under Section 15(3) of the Act. For example:

- one of the larger children's aid societies indicated that "funding is not available for prevention and family support services" as defined in the Act.
- another children's aid society noted that "due to shrinking staff and program resources, as well as growing community demand for core services, our staff have very limited capacity to provide guidance/counselling/other services required as part of

our protection mandate. We receive no funding or other support to offer preventive services”;

In addition, our review of documentation at the three area offices we visited also showed the following:

- one large children’s aid society had noted that “prevention and family preservation are the keys to addressing the escalating costs of child welfare in this province. The current funding system, however, mitigates against this approach, acting more as an incentive for a children’s aid society to admit children and youth to its care rather than maintain them at home in their own community.” The Society had also noted that the average cost to serve a child in care was approximately \$18,000 per year as compared to approximately \$1,000 per year in his/her own home;
- another children’s aid society noted that its “resources continue to be disproportionately consumed by high-risk cases, thereby reducing its ability to provide protection services on a preventive or supportable level. As such, child and family problems which could be ameliorated early, go under-serviced until they escalate to a high-risk level requiring resource intensive mandatory intervention.”

Additionally, the Ontario Association of Children’s Aid Societies (OACAS) informed us that for the 1992 calendar year the Societies reduced their prevention programming expenditures by \$13.4 million. Such a reduction in services would appear to be contrary to the thrust of the *Policy Framework* to “shift resources from intrusive reactive services, to prevention and early intervention.”

RECOMMENDATION:

The Ministry should ensure that all the responsibilities of children’s aid societies outlined in Section 15(3) of the *Child and Family Services Act* are consistently carried out, especially since the Ministry’s thrust is towards prevention and early intervention.

MINISTRY RESPONSE:

- *The Ministry supports moving the total children’s services system toward a preventive services approach. The role that a children’s aid society (CAS) plays with regard to prevention is implemented within the context of the other services available in the community, including those provided by Education, Health, Recreation, and other service systems. The Ministry is working with the Ontario Association of Children’s Aid Societies to more closely define the appropriate CAS role in prevention services, and some societies have already implemented programs which emphasize prevention while still providing adequate protection services.*
- *The Ministry has taken steps to clarify and strengthen the funding guidelines related to the provision of services to children in their own homes.*
- *The Ministry believes that the overall financial cost of service to a child in his own home is less than that of providing substitute care. In addition, the Ministry believes that supporting the service at home, where that is possible, is less disruptive to the family bonds, and more effective in creating sustainable positive change in the whole family.*

RESIDENTIAL PLACEMENT NEEDS

The *Child and Family Services Act* recognizes the need for children's aid societies to provide children with appropriate care and development, such as a good parent would provide to his or her own child. Accordingly, the Ministry has established guidelines for the Societies to use in selecting the most appropriate type of care for children based upon an analysis of the child's treatment, education, recreation, medical and religious needs along with age, the sex suitability of the peer group in the placement, and expected length of stay.

In our 1989 *Annual Report* we expressed concerns that many Societies had placed children in residences which were not considered most appropriate due to a shortage of suitable residences. We also noted that children were not receiving needed mental health treatment and that they had been placed in temporary facilities for extended periods or placed outside their home communities, or had been frequently transferred between residences.

From our current review of documentation at three area offices, we found that many of the concerns we noted in 1989 still persist. For example:

- the OACAS indicated that 18% of all children in care in 1992 were placed in resources outside of the community while one area office indicated that these placements were as high as 30% for the three children's aid societies within its jurisdiction. Furthermore, the OACAS indicated that family reunification was more difficult to achieve when the child, family and agency were separated by great distances;
- the OACAS also informed us that access to mental health beds for children in care was a concern of children's aid societies across the province. One Society noted that it had at least 15 children in its care that should have been receiving mental health treatment, but were placed in outside paid institutions in other communities; and
- at one large children's aid society, the Ministry's Crown Ward Review Unit had identified 14 cases where, in its opinion, there was a need to consider more appropriate placements. At another large Society, the Unit had further noted that, in some cases, overloading of foster homes with seriously disturbed, and often sexually abused children, had become a destructive situation for all.

All 17 children's aid societies responding to our survey indicated that adequate and appropriate residential facilities were not available in their area to meet the assessed needs of some of their children.

Overall, the Ministry does not collect, consolidate, or monitor information on a provincial level about the differing characteristics and needs of children in care or about its placement capacity to enable it to match the children with the most appropriate setting to meet their needs.

RECOMMENDATION:

The Ministry should collect sufficient information to help it identify, in consultation with children's aid societies, provincial placement needs to facilitate the placement of children in the most appropriate setting according to their needs.

MINISTRY RESPONSE:

The Ministry agrees that the consistent collection and systematic analysis of information would be helpful in planning; however, the Ministry believes information is best collected on a local basis, so that it can be used to inform the community plans being developed in each area. Information can then be rolled up at the area level and the provincial level. The aggregate data would be used to monitor the distribution of resources in the province.

FOSTER CARE

Foster homes provide a family-like setting for a child that is both less intrusive and less expensive than other forms of residential care such as private group homes and institutions. Therefore, the Ministry considers foster care to be the best alternative, particularly for younger children. Approximately one half of the 10,500 children in the care of children's aid societies are in foster homes.

We raised concerns in our 1989 *Annual Report* regarding recruitment of foster homes, support provided and inequity in compensation to foster parents. In April 1992, the Ministry issued a consultation paper entitled *A Proposed Framework for Residential Family Resources*. This was a comprehensive framework for residential services with a focus on family support. The paper noted that the changing expectations of providers of family-based support/care services had made it increasingly difficult to retain and recruit such providers. The paper also noted that the need for training, support, relief and compensation to reflect the diverse roles performed by foster care providers had intensified.

The Ministry informed us that it was currently consulting with the OACAS and that as part of its initiatives under the *Policy Framework*, consideration was being given to changing rates to reflect varying levels of residential services including foster care.

The Ministry has been aware of the issues relating to foster care since 1988, but has yet to provide any firm policy direction in this area.

RECOMMENDATION:

The Ministry should develop and implement a policy specifically relating to the recruitment, training, support and retention of, and compensation for, foster care providers.

MINISTRY RESPONSE:

- *The role of the Ministry is to provide broad policy parameters within which the Societies and the Ontario Association of Children's Aid Societies (OACAS) develop more specific agency policies and procedures. The Ministry is currently involved with the OACAS in the development of their "Foster Care Vision" project, which builds on the Residential Family Resources policy framework developed by the Ministry, and addresses all the above foster care issues.*
- *The Foster Care Funding Initiative, begun in 1989, has put \$8 million per year into the children's aid societies specifically for the purpose of strengthening foster*

care. This money has been used to establish a minimum rate, foster care training and support services, and demonstration projects. In addition, some funding went to the OACAS for the development of a provincial foster care recruitment program.

OUTSIDE PAID INSTITUTIONS

Many children with special needs are placed by children's aid societies in outside paid institutions (OPIs) which provide services such as programs to deal with behavioural or developmental problems. The Societies are responsible for ensuring that the OPIs provide the agreed upon services to the children.

We noted that 6 of 17 Societies that responded to our survey did not evaluate their OPIs to ensure that services contracted were being provided.

Of the Societies that evaluated OPIs, two informed us that action was taken to correct the deficiencies noted from their review. In particular, one Society concluded that the services purchased were inappropriate and not those agreed to between the OPIs and the Society. Consequently, in 1992, the Society decided to remove 26 of its 49 children it had living at the OPIs. For instance, at one OPI, treatment plans were not followed, counselling/therapy services were not provided as agreed and appropriate discharge plans had not been developed.

RECOMMENDATION:

The Ministry should, in consultation with the children's aid societies, consider implementing procedures for periodic evaluations of Outside Paid Institutions to verify that children are being properly cared for.

MINISTRY RESPONSE:

- ***As set out in the Child and Family Services Act, the responsibility for monitoring the quality of care received by a child under its supervision clearly lies with the children's aid societies.***
- ***The Ministry will meet with the Ontario Association of Children's Aid Societies (OACAS) to discuss the procedures in place to ensure that this responsibility is being carried out.***
- ***The Ministry will also discuss with the OACAS how to build on the self-assessments already done by many facilities.***

NON-CROWN WARD REVIEWS

There are approximately 5,800 non-Crown Wards in the temporary care of children's aid societies. The legislative requirements for Crown Wards (children placed under permanent Society care by a court order), such as periodic visits by social workers, review of children's plan of care, and medical and dental examinations, also apply to these children. However, the Act does not specifically require the Ministry to monitor compliance with

these requirements by children's aid societies. Therefore, the Ministry has limited its review of children's files to Crown Wards only.

In our 1989 *Annual Report* we expressed concern that Crown Wards were the only group of children being formally reviewed by the Ministry. We recommended that the Ministry also periodically review non-Crown Ward files. The Ministry indicated that the OACAS was developing standards in 1989/90 as part of an accreditation process for Societies and that as mechanisms were put in place, the Societies would report on the results of their audits and the measures they were taking to address non-compliance. However, as of the completion of our audit in March 1994, the accreditation process had not been implemented.

RECOMMENDATION:

The Ministry should take the necessary steps to accelerate the implementation of the accreditation process by the Ontario Association of Children's Aid Societies.

MINISTRY RESPONSE:

- *The accreditation process developed by the Ontario Association of Children's Aid Societies is an internal quality assurance mechanism. Implementation is beginning this fall. It is expected that all 50 member societies will go through the first full accreditation review process over the next six years, and then will continue to be reviewed on a four-year cycle.*
- *There are several mechanisms in the Child and Family Services Act which provide safeguards for children, including non-Crown wards, in the child welfare system. Among these are society and residential facility complaint procedures, the Advocacy Office, Residential Placement Advisory Committee reviews, and the file reviews and interviews involved in licensing.*

LICENSING OF RESIDENTIAL FACILITIES

The licensing provisions of the Regulations under the *Child and Family Services Act* set out minimum acceptable standards for the provision of residential care to children. As such, the Ministry annually licenses group homes and institutions and ensures that the residences are in good condition and meet fire safety and health standards.

In April 1993 a revised Children's Residential Licensing Manual improved and clarified the procedures for Ministry staff carrying out the licensing inspections.

Generally, we found that the Ministry's procedures for residential licensing were adequate to ensure compliance with the Regulations under the *Child and Family Services Act*.

MEASURING AND REPORTING ON PROGRAM AND OPERATIONAL EFFECTIVENESS

AGENCY ACCOUNTABILITY

The need for transfer payment recipients to be held accountable for the manner in which public funds are spent is outlined in a 1988 Management Board of Cabinet Directive. An underlying principle of the Directive is that the expenditure of public funds should be managed prudently to meet planned objectives and results, for effective program delivery. The Directive specifically requires each Ministry to establish an accountability framework that includes setting expectations, contracting for service, monitoring performance, and taking corrective action.

The Ministry indicated that accountability is currently designed to be achieved through service planning, legal agreements, the licensing process, and the Ministry's working relationship with the Societies.

We noted that in the area of monitoring performance, the Ministry did not have procedures to measure and report the effectiveness of the programs provided by children's aid societies. We also noted weaknesses in the contracting for services, which is part of the service planning aspect of the accountability framework.

EFFECTIVENESS MEASUREMENT

Many children's aid societies, on their own accord, attempt to measure the effectiveness of specific programs, using child assessment criteria, staff feedback, community surveys or consultant reviews. We noted that a few Societies were considering developing child well-being scales and specific outcome indicators for the clients being served.

The Ministry's *Policy Framework* has also identified a need for the measurement of effectiveness in improving accountability. In its initial efforts, the Ministry intends to focus on clearly identifying appropriate client benefit/outcome indicators in providing services to children and/or families. However, as of the date of completion of our audit in March 1994, the Ministry had not developed any outcome indicators.

We will follow up on the Ministry's efforts in developing and implementing effectiveness measures in conjunction with our follow-up of the Ministry's progress in implementing its policy directions stated in the *Policy Framework*.

SERVICE PLANNING

In 1979, a Ministry report entitled *Funding of Children's Services in the 1980s* indicated that the goals of service funding were to improve the Ministry's capacity to allocate resources according to priorities and identified needs, and ensure a more equitable distribution of resources consistent with these needs. This was to be achieved through a child population/social indicator allocation formula. However, this initiative was discontinued due to a lack of consensus regarding the application of the formula. Consequently, children's aid societies are continuing to be funded on the basis of historical budgets plus an annual percentage increase or decrease, rather than on an assessment of needs and priorities.

Children's aid societies submit service plans annually to the Ministry for funding in the upcoming year. These plans link a Society's activities and programs to its financial re-

quirements. Ministry program supervisors act as liaisons between the Societies and the Ministry, and are responsible for monitoring a Society's performance. Subsequent to a Society's year end of December 31, Regulations require the Society to submit audited financial statements and Annual Program Expenditure Reconciliations (APERs). The Ministry uses these documents to ensure that funds have been appropriately expended and properly recorded.

At the three area offices we visited, we reviewed service plans and financial information submitted by the ten children's aid societies coming within their jurisdiction. We noted that:

- service plans were not used as a basis for funding the Societies and Ministry approval for funding was not given until half way through the financial year of the Societies;
- all of the plans were incomplete, missing descriptions of goals and achievements and financial and statistical information on services;
- the funding approval letter did not clearly specify the services that the Ministry was funding;
- 65% of the service plans reviewed for 1992 and 1993 were submitted between one and eleven months after the due date of February 28;
- eight of the ten financial statements for 1992 were submitted between one and eight months after the due date of April 30; and
- all ten APERs for 1992 were submitted between one and ten months late. In one case, a Society's 1991 and 1992 APERs had not been reconciled to Ministry records as of March 1994. Also, three of the ten APER reports had not been audited as required by Regulations.

Completion and timely receipt and review of the above information is essential for proper planning and for the Ministry to evaluate a Society's performance and take corrective action where necessary.

In March 1990, a Ministry report entitled *Strategic Directions in Child and Family Services* noted that problems such as late approval of service plans, and the difficulty of all parties to meet time frames within the service planning cycle, had resulted in a loss of credibility for this planning approach. The Ministry has made little progress in remedying these deficiencies.

We also noted that, according to one children's aid society, "the current situation reflects an after-the-fact approach to service planning which is not an effective budgeting strategy and does not allow for any forward planning on the part of agencies."

RECOMMENDATIONS:

To facilitate the funding decisions called for by the *Policy Framework*, the Ministry should review the usefulness of the present service planning system as a timely funding, monitoring and evaluation process.

The Ministry should also ensure that financial information is received and reconciled on a timely basis.

MINISTRY RESPONSE:

- *The Service Plan is the means by which the ministry contracts with agencies. The intent is to establish service expectations in relation to budget approvals and eventually to specify outcomes expected. This intent is compatible with the Children's Policy framework.*
- *The Ministry has been working on improving service planning by developing better definitions and reporting formats, conducting province-wide training, and instituting a new Chart of Accounts and In-Year Reports. All of these changes have been developed in collaboration with the agencies involved, including the Ontario Association of Children's Aid Societies.*
- *The Ministry remains committed to the service planning process. The Ministry will take the necessary steps to improve the process and ensure that financial information is received and reconciled on a timely basis.*

MUNICIPAL SHARING OF CHILD WELFARE SERVICE COSTS

We noted that the Ministry, in calculating the costs to be shared, does not include all costs related to Child Welfare Services, resulting in the municipalities not contributing their full share of such costs. Children sometimes receive Child Welfare Services through the Ministry's Child and Family Intervention (CFI) program, costs for which are shared by the Ministry and the federal government. We noted that:

- many residential facilities funded through the CFI program are used as free beds by children's aid societies. However, the costs for these residential services are not tracked and recorded by the Ministry as Child Welfare Service costs; and
- at one area office, approximately \$1.1 million of non-residential programs provided by a Society for Child Welfare Services for children under its care were funded through the CFI program. Conversely, similar programs provided by another Society, within the jurisdiction of the same area office, were funded through the Child Welfare Services program budget.

RECOMMENDATION:

The Ministry should review its accounting process to ensure that all Child Welfare Service costs are properly recorded, thereby making it possible for municipalities to contribute their full and appropriate share of such costs.

MINISTRY RESPONSE:

- *The Ministry agrees that there are some inconsistencies in the way costs are recorded, and has made some changes to the Service Planning in-year reports which clarify the definitions for recording service costs. These definitions will be used in the next fiscal year.*
- *The fact that a child's access to the system is through Child Welfare does not mean that the service the child requires is solely Child Welfare. Many children need basic Child Welfare services plus Child and Family intervention or Child Treatment or Developmental services.*