

CONFIDENTIAL REVIEW

THE WINDSOR ESSEX CHILDREN'S AID SOCIETY

REVIEW BY

THE MINISTRY OF CHILDREN AND YOUTH SERVICES

June 2004

ACKNOWLEDGEMENTS:

The review team wishes to acknowledge the co-operation by the Board of Directors, Society management and staff to accommodate the team's requirements. The Society was able to make available the sample of case files (163 in total) and other documents within two days of request. Senior management and staff were forthcoming with information and offered additional information that they thought would be helpful during the review. These efforts were appreciated.

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REVIEW BY THE MINISTRY OF CHILDREN AND YOUTH SERVICES

INTRODUCTION:

In 1999, the province introduced Child Welfare Reform that included a number of initiatives intended to improve child protection services in Ontario. Key elements of Reform included the introduction of the *Risk Assessment Model for Child Protection in Ontario* (hereafter “the Risk Assessment Model”) and the new Funding Framework. Since 1999, child protection services in the province have grown in terms of numbers of children served, number of staff and the total cost of services.

In 1998, the Windsor Roman Catholic Children’s Aid Society and the County of Essex Children’s Aid Society amalgamated to become the Windsor Essex Children’s Aid Society (hereafter “the Society”). At that time, the two former Societies had a combined staff complement of fewer than 140 staff and operated from two separate locations on Riverside Drive and Cataraqui Street in Windsor.

The Society serves the City of Windsor and the County of Essex. These two areas have a combined child population of approximately 95,010 (2001 Census data). The Society’s service, staffing and funding experience has grown since 1999, similar to the experience of Children’s Aid Societies across the province.

Presently, the Society has a staff complement of approximately 340 and operates from two sites. A new head office building that opened in the spring of 2003 is located on Riverside Drive, the site of the former Windsor Roman Catholic Children’s Aid Society. The second site is in Leamington and was purchased in 2000. There are 315 staff at the head office and 25 staff at the Leamington location.

The Ministry of Children and Youth Services conducted a review in February 2004 of selected aspects of the Society’s operations. Reasons for the review included:

- Local news stories and complaints made to the Ministry expressed concerns over some of the service approaches used by the Society.
- Certain service volumes for the Society are much higher than provincial rates.
- Unlike the majority of societies in the province, the Society has consistently operated within the funding determined by the Funding Framework. The Ministry wanted to understand the best practices in use.
- The size and stature of the new head office building is perceived by some to be out of line with the service needs and current fiscal realities.

PURPOSE OF THE REVIEW:

The purpose of the review is to provide the Ministry and the Society with information about:

- The Society's application of processes and service interventions related to the requirements set out in the *Risk Assessment Model for Child Protection in Ontario*.
- Opportunities for improvement or corrective action if necessary.
- The Society's head office capital project and related capital processes.
- The Society's consistency and compliance with the Funding Framework definitions.

REVIEW OBJECTIVES:

Specifically, the review team reviewed and assessed the following:

- The effectiveness of the Society's service delivery mechanisms for determining and responding to service needs including compliance with legislative requirements and Ministry standards.
- The effectiveness of the Society's management and supervision structures and processes for supporting communication, planning and case decision making.
- The effectiveness of the Society's systems and processes for ensuring data integrity and utilization of data/information to assist with decision making and planning.
- The use of the Ministry capital funding and the related processes.
- Compliance with Ministry funding parameters.

METHODOLOGY AND APPROACH:

A team of Ministry staff with relevant experience including program management, financial management and direct child welfare service delivery conducted the review over a one week period from February 23rd to 27th, 2004. Information was obtained through:

- Review of a random sample of case files for the 3rd quarter of 2003-04 (approximately 10%).
- Interviews with senior management, supervisors and staff.
- Reviews of selected financial records and reports and documentation.
- Interview of the Ministry's program supervisor with responsibility for monitoring and service contract management with this Society.
- Tour of the new head office building and discussions with the architect.
- Telephone interviews with representatives from five community service providers with regular service dealings with the Society consisting of two children's mental health agencies, once violence against women prevention program, one school board and one residential group care provider.

SUMMARY OF KEY FINDINGS:

The following summary of key findings provides an overall context for the recommendations that follow in this report.

Service Delivery:

- The organizational structure implemented by the Society provides clear direction for service delivery.
- The Society's procedures to deal with complaints comply with the requirements of Section 68 of the *Child and Family Services Act*.
- The Society's work relies on teamwork and co-operation from many other service sectors. Some protocols have been established however, several more need to be completed.
- The Society's service statistics related to investigations and cases transferred to ongoing service are much higher than provincial experience. Society practices and service delivery philosophy contribute to these higher rates. The Society must ensure that its decisions comply with the Risk Assessment Model and are fully documented in the case files.
- Risk Assessments are not completed consistently and Plans of Service do not have the level of detail to guide the actions and activities to be taken by Society staff and families to address identified protection concerns.
- Improvements are required in the coding of cases for Funding Framework purposes and the classification of specialized foster care services must comply with expectations of the Funding Framework.

Capital Funding:

- The size and design of the new head office building support effective service delivery.
- The total cost of the new head office building project exceeded the most recent proposal approved by the Ministry and fundraising is below the level committed in the proposal. The Society must develop alternatives to address the difference of \$1,559,077 (less the proceeds from the anticipated sale of the Cataraqui Street facility estimated at \$609,000)
- The capital agreement related to the Spago group home must be completed in compliance with Ministry policy.

Funding Framework:

- The Society has demonstrated continuous attention to effective fiscal management. A plan is developed in advance of the fiscal year to deliver services and manage resources within the Funding Framework. Effective processes are in place to monitor expenditures and services against plan.
- The Society has made a significant investment in technology to support case management. The Business Plans should clearly document the annual charges to operations and the related administrative and efficiency savings that will be achieved as a result of this technology.
- The Society has made extensive use of debt financing to acquire technology and capital assets to support ongoing service delivery. Debt charges to operations must be consistent with Funding Framework cost groupings and business cases approved by the Ministry.

SERVICE DELIVERY:

INTRODUCTION:

To address the review objectives relating to the effectiveness of service delivery mechanisms and compliance with Ministry funding parameters, a random sample of 163 files was reviewed. The review team employed the Services and Financial Data Review tool as the primary guide for the file review. The review of the files was further enhanced by incorporating a clinical approach to assess the comprehensiveness of file documentation to support key decision points as set out in the Risk Assessment Model.

This work, combined with information compiled from staff interviews and a review of internal Society documents, led to the identification of key findings and recommendations.

KEY FINDINGS AND RECOMMENDATIONS:

Organization:

The organizational structure implemented by the Society provides clear direction for service delivery. Roles and expectations for staff and management are clearly articulated at the various levels within the organization. Case management systems, staff supervision, quality assurance mechanisms and communication patterns are well integrated into the organization. The review team was impressed at the level of successful integration that has occurred in a short time period since amalgamation.

The workload distribution model used by the Society has recently shifted from a specialist approach to a generic model. The Society believes that this approach provides greater continuity of service. The Society's after-hours service is provided by day staff that rotate to cover an evening shift on weekdays. Staff reported that this model provides the expertise and level of service to better meet the needs of clients. The Society also reported a substantial cost saving in using this model.

Complaints:

Section 68 of the *Child and Family Services Act* requires that a Society must have a written procedure for hearing and dealing with complaints by any person regarding the services sought or received from the Society. The complaint procedure must provide an opportunity for the complaint to be heard by the Society's Board of Directors.

The Society is in compliance with the requirements noted above and furthermore, a copy of the written complaint form is provided to all clients at the time of Intake.

The Society provided a report that chronicled the nature and status of all service complaints received by the Society since April 1, 2003. Of the 111 complaints received during that period, four reached Step 4 in the Society's complaint process whereby the Executive Director undertook a review and none proceeded to the Board of Directors.

Protocols and Community Linkages:

The Society's work relies on teamwork and co-operation with many other service sectors in performing its child protection functions. The Ministry requires protocols to be developed with service partners including the police and Public Health Units. The protocols help to confirm how case situations will be handled and the communication that can be expected between the Society and the partners.

The Society reports that more than thirty protocols are in place. Of the ten protocols reviewed, four were still in draft form and one required finalization.

Recommendation:

1. The Society must complete protocols with service partners as required by the Risk Assessment Model.

Referrals and Investigation (Intake):

a) Application of the Eligibility Spectrum:

When a referral is received, the Risk Assessment Model requires that the Society determine eligibility for service. The "Eligibility Spectrum" is a tool designed in Ontario to assist Society staff to make consistent and accurate decisions about eligibility for service at the time of referral. It assists in interpreting the legal requirement for initial and ongoing child welfare intervention. Society staff are required to use the Eligibility Spectrum to determine which referrals will result in an investigation and which investigated cases will be transferred to ongoing service

The Society's service statistics related to investigations and cases transferred to ongoing service are much higher than the provincial experience as follows:

- Referrals are received at a rate of 4.7 referrals per thousand child population compared to a provincial rate of 5.5 referrals per thousand (at 85% of the provincial rate).
- More than 80% of referrals result in an investigation, 1.5 times the provincial rate of 53%.
- More than 24% of referrals result in a transfer to ongoing service, 2.2 times the provincial rate of 11%.

The Society has directed staff to investigate all domestic violence referrals. This practice is contrary to the Ministry requirement that cases proceed to investigation based on the application of the Eligibility Spectrum. The interviews with the service providers expressed concern that some domestic violence referrals were being investigated when not warranted.

The Society's service delivery philosophy was described by staff as child-focused, with an emphasis on family preservation. Society stated practice is to "err on the side of caution".

Interviews with staff indicated their uncertainty concerning the Society's role in many cases, especially domestic violence.

The Society policy to investigate all domestic violence cases and its prevailing philosophy to "err on the side of caution" likely result in service decisions that are not based on application of the Eligibility Spectrum and contribute to rates of service that are higher than provincial experience. Funding available to the Society through the Funding Framework has reflected these higher rates of service.

b) Professional Judgement:

File documentation for every case must clearly document service decisions. The Risk Assessment Model acknowledges that judgement is an important factor in using the Eligibility Spectrum. Eligibility decisions that do not correspond to the Eligibility Spectrum rating must be appropriately documented.

The review team found that file documentation at times lacked a level of comprehensiveness that would support the decision to investigate a referral and to transfer a case to ongoing service.

Recommendations:

2. Society decision making practices to investigate and transfer cases to ongoing service, including practices for investigation of domestic violence cases, must comply with the Eligibility Spectrum.
3. File documentation must clearly support case decisions.

Cases Transferred to Ongoing Service:

a) Risk Assessments:

The Risk Assessment Model requires that a Risk Assessment be completed when:

- an investigation exceeds 30 days,
- a case is transferred to Ongoing Protection,
- a case is closed.

Many of the files reviewed did not contain a completed Risk Assessment at time of closure as required. At Intake, the Society has a one-page “blue” form that it uses, at times, to replace the Risk Assessment. These practices do not meet Ministry requirements.

b) Plans of Service:

A key component of the Risk Assessment is the Plan of Service that identifies specific, measurable outcomes and timeframes to address the identified protection concerns.

The Plans of Service reviewed frequently lacked the details and specifics that would guide the actions and activities by Society staff and families. Consequently, the level to which outcomes had been achieved when the case was closed was not evident. In some files, the documentation stated that cases were closed at the request of the family.

In a small number of cases that were well above the intervention line, the level of service intervention did not reflect a more intrusive involvement that would have been expected for these more severe cases.

Staff report that the majority of cases are served on a voluntary basis. Documentation provided by the Society noted that 21% of cases have court involvement and that 1% go to trial. The file review confirms that the Society manages a wide range of protection severity within a voluntary context, including the specific case noted above. A more intensive involvement by the Society especially in more severe cases may, by necessity, require court ordered involvement.

Recommendations:

4. Risk Assessments must be completed by the Society as required by the Risk Assessment Model.
5. The content and quality of Plans of Service must be enhanced to identify the actions and activities to be taken by Society staff and families to address the identified protection concerns.
6. The Society’s approach to voluntary and court ordered involvement should be reviewed to ensure that the Society has the means necessary to address protection concerns specific to each case.

Data Integrity:

a) Compliance with Funding Framework Definitions:

The sample of 163 files reviewed was compared to the Funding Framework service definitions. Nine of 163 files were not coded in compliance with the Funding Framework service definitions. Appendix 2 contains the detailed results from the file review and the specifics of the nine files.

Two of the nine files were kinship care cases where concurrent files were open for the kinship home and the family of origin. Only one file should be open for each protection case.

Improper coding of cases impacts the funding to the Society as determined by the Funding Framework.

b) Specialized Foster Care

According to the Funding Framework, specialized foster care is intended to meet the needs of children with identified developmental, emotional, medical or physical exceptionalities. The Society has developed a child in care rating tool that it uses to determine the residential care requirements. The criteria used results in all new admissions being identified as requiring specialized foster care. This is not consistent with the expectation in the Funding Framework.

The Society records 5.8% of foster care days as “Regular”, 68.4% as “Specialized” and 25.8% as “Treatment” compared to provincial rates of 47.6%, 35.0% and 17.4% respectively. This practice increased the Boarding Cost funding provided to the Society by \$337,318 in 2003-04. This is further noted in the Funding Framework section of this report.

Recommendations:

7. Society recording practices must be reviewed to ensure that all cases are properly coded according to Funding Framework definitions.
8. Classification practices for foster care must be revised to comply with the Funding Framework expectations.

CAPITAL FUNDING:

Project Proposals and Approvals:

In 1998 the Ministry's Windsor Area Manager approved a capital grant of \$3,000,000 to support the acquisition or construction of a new building for the newly amalgamated Society. This original approval was based on a staffing complement of 136 and would replace the two existing buildings from the previous societies that were more than 35 years old. The proposal noted that neither original building was large enough to accommodate the larger amalgamated Society and that it was not cost effective to renovate either building due to a number of factors including structural, health and safety concerns. This original proposal anticipated a new building with private offices for most staff.

With Child Welfare Reform, the size and operation of the Society quickly grew, similar to the experience of all societies across the province. In November 1999, the Society revised its capital proposal based on an anticipated staff complement of 210. The proposal anticipated a project cost of \$8,220,000 (excluding land). The Regional Director of the Ministry's South West Region approved a capital grant of \$3,700,000 and a mortgage of \$2,500,000 to be paid from the Building Occupancy line in the Funding Framework.

In October 2001, the Society presented an updated proposal to the Ministry. The proposal reflected a staff complement of 260, and a cost of \$12,058,000. The Regional Director approved a capital grant of \$3,750,000 and an increase to the mortgage to \$4,558,000.

In April 2002, the proposal was further updated to reflect the results of the Requests for Proposals process. The low bid was accepted but was approximately \$900,000 higher than anticipated in the October 2001 proposal. The Regional Director approved an increase of the mortgage to \$5,600,000. This proposal also noted that the Society's project financing would be up to \$7,600,000 (including the mortgage) in anticipation that collection of pledges from a fundraising campaign would continue over a five-year period up to 2006-07.

Each revised and updated proposal demonstrated that the debt and principal payments could be managed within the building occupancy line in the Funding Framework.

Consideration of Alternatives for the Project:

The Board expended considerable effort to identify and consider alternatives to achieve the objectives of the new building. Early on the Board developed principles to guide its decision making. These were:

- Safe, secure and friendly family environment
- Transportation/bus access
- Access to schools and medical services
- Sufficient parking

- Room for further development
- Good visibility in the community
- Economical

The Board also acknowledged the historic significance of the site of the former Windsor Catholic CAS on Riverside Drive. The property was donated by the Diocese for the purpose of supporting services to children.

In 2000, the Society obtained appraisals of its properties to assist in sound decision making and consideration of alternatives. The Riverside property was appraised at \$2 million.

In December 1998 a real estate search identified potential alternate sites for the project. The intent was to determine whether another site was available that could meet the principles and could be acquired at less cost than the proceeds of the Riverside site. The net proceeds would be applied against the project. Six sites were available but none of the sites demonstrated a program of financial advantage as compared to the Riverside site.

In March 2000 the Society issued an Expression of Interest to explore alternatives such as joint ventures and property exchanges. These alternatives would not have been identified by a repeat of the real estate search conducted earlier. Eight proposals were received and reviewed with the assistance of a prominent city architect. The two proposals that best met the principles consisted of firms assisting the Society to redevelop the Riverside site with a building designed to meet its needs.

The Board and the Ministry's Regional Director were then satisfied that the Riverside site was the most appropriate location and that the best approach was to construct a building that met Society needs. The Board and the Ministry agreed that an open call for tenders was necessary to have a fully competitive process for the use of public funds and donations. Separate processes were used to select the architect and the contractor. Six stipulated price proposals were received for construction and the lowest bid was selected.

Building Size and Design:

The new building is approximately 76,000 square feet. In addition to office space assigned to staff use, the building provides programming space for intake, supervised visits and sufficient meeting space to avoid the need to go off-premises for training and staff meetings. The meeting space is made available to other social service providers free of charge when not needed by the Society.

The site includes sufficient outdoor parking spaces to meet staff and client needs. This avoided the construction of a parking garage at an additional cost to the project. The building has a

number of quality features that improve the building's functionality and reduce its operation and maintenance costs.

In 1998, the Society anticipated a building with private offices for most staff. The current design is predominantly open concept. The modular furniture selected allows re-configuration at limited cost and affords the Society some capacity to respond to additional growth.

The building's stature and modern design are noticed on Riverside Drive. Location of the building at streetfront was requested by the City to avoid locating parking adjacent to a main thoroughfare. The modern design includes glass panels that the architect advises is \$97,500 more expensive than stone facing. Management advises that certain other prominent features such as the fountain in the reception area and the extensive play area are the specific result of donations for these purposes.

The architect provided a comparison of construction costs for the building with other recent projects in Windsor. At \$120 per square foot, the building compares favourably with other recent projects completed in Windsor.

The Board is satisfied that the new building has met the objective of raising the visibility of the Society and its work. Management notes that there is increased awareness and response within the community to requests for supports such as summer camps. The Society currently has a large number of active foster parent applications that management attributes to this increased profile.

KEY FINDINGS AND RECOMMENDATIONS:

Building Size, Design and Cost Effectiveness:

The building size is appropriate to its use. Consideration was given to allow for a moderate amount of future growth. The Board expended considerable effort in exploring all alternatives to ensure that the "best deal" was secured for the new building. Interviews with management and staff alike confirmed that the move to a common head office site has significantly aided the shift to a common organizational culture.

The design supports effective program delivery through features such as space for on-site meetings and training, appropriately designed interview rooms and space for supervised visits.

Senior management demonstrated leadership to move the organization from a culture that expected private offices to an open concept that is more flexible and cost effective.

Project Cost and Financing:

The total project cost has exceeded the most recent proposal approved by the Ministry. In

addition, fundraising is below the level anticipated in the proposal. The difference as outlined below had not been communicated to the Ministry's regional office. Debt financing is supporting these differences.

	April 2002 Proposal Approved by the Ministry	Project as at time of the Review	Difference
Project Cost (see Note 1)	\$12,800,000	\$13,524,709	(\$724,709)
Society Contribution (See Note 2)	\$3,450,000	\$2,615,632	(\$834,368)
Capital Grant	\$3,750,000	\$3,750,000	\$0
Mortgage/Debt (See Note 3)	\$5,600,000	\$7,498,293	(\$1,559,077)

Note 1:

- Land owned by the Society and appraised at \$2,000,000 is not reflected in these figures.

Note 2:

- Society Contribution at the time of the review consisted of \$1,040,465 capital fund plus \$1,575,167 fundraising collections and pledges.
- Fundraising collections included \$350,536 in pledges to be collected in 2004-05 through 2006-07. Bank financing is supporting this amount. (These future collections have not been discounted in this schedule.)

Note 3:

- The Society has not converted construction financing into a mortgage as term loan interest rates are more advantageous and provide an increasing level of flexibility.
- Does not reflect debt of \$350,536 related to fundraising pledges that will be collected over future years (see Note 2 above)

The original November 1999 proposal to the Ministry indicated that the Society intended to sell its existing property on Cataraqui Street and apply the proceeds to the project. In 2000 this property had an appraised value of \$609,000. The proceeds from the anticipated sale of this property have not been reflected in the figures above.

Recommendation:

9. The Society must develop alternatives to address the project difference of \$1,559,077 less the proceeds of the anticipated sale of the Cataraqui Street facility.

The Building Occupancy Line within the Funding Framework:

The Society's business cases demonstrated that the building occupancy line provided sufficient funding to support the anticipated level of mortgage financing. Further, the business case and materials presented to the Board anticipated that savings within the line would be used to accelerate the principal payments.

Accelerated principal payments will provide more flexibility in the medium to long term. Alternatively, these savings could be used to address service delivery pressures.

Recommendation:

10. Through the annual Business Plan, the Society and the Ministry's South West Region should consider whether to use potential savings within the building occupancy line to accelerate debt retirement, to address service delivery pressures or to do a combination of these two alternatives.

Spago Group Home:

The Society submitted a business case supporting the purchase of the Spago group home. The Ministry's Regional Director approved the business case in 2001. Financing for the purchase was to come through a mortgage to be charged to the Boarding Rate line in the Funding Framework.

Recommendation:

11. A capital agreement with the Ministry must be completed for the Spago group home to support the interest and principal payments charged to the Boarding Rate line in the Funding Framework.

FUNDING FRAMEWORK:

INTRODUCTION:

The Funding Framework was designed to be responsive to changes in service volumes. In 2003-04 the Boarding Cost component was modified to provide among other things, greater flexibility to societies to manage cost pressures. Each Society's 2003-04 Boarding Cost funding was set at the greater of its 2002-03 actual cost or its 2002-03 Funding Framework eligibility. This change was made subsequent to the Society establishing its Business Plan.

In addition to other costs referenced in this report, in 2004-05 the Society will be faced with a number of cost pressures including the end of the pension plan "contribution holiday" and negotiation of its main collective agreement. Pension costs will be \$400,000 higher than 2003-04 and each one-percent salary increase negotiated will add \$120,000 to the Society's salary and benefit expense.

KEY FINDINGS AND RECOMMENDATIONS

Note: For 2003-04 the province has committed to funding the actual expenditures for all societies (lesser of actuals at March 15 or April 1, 04), including expenditure levels that exceed the Funding Framework.

Decision Making and Planning:

The Society has developed effective processes to plan for service delivery and manage resources within the Funding Framework. The Board and senior management demonstrate continuous attention to effective fiscal management.

The Director of Finance and Administration has developed a range of planning tools and monthly reports to assist senior management and the Board to manage the operation within the parameters of the Funding Framework. Senior management develops strategies in advance of the fiscal year based on projected trends in service volumes. Cost pressures and opportunities are identified such as salary rates above Funding Framework benchmarks, lower salary rates due to new staff at the bottom of the salary scales and the Ontario Municipal Employee's Retirement System (OMERS) holiday. Service priorities are established. The Board approves the strategic directions according to its direction to balance the budget within the Funding Framework.

On a monthly basis, senior management and the Board's Finance and Fundraising Committee monitor action plans for the strategies, service trends and financial performance using reports compiled from the financial systems and service data. Management decisions such as hiring are made reflecting the plan developed at the start of the fiscal year and year-to-date performance. Senior management and supervisors understand the Business Plan within the parameters of the Funding Framework.

Boarding Cost Funding:

As noted in the Service Management section of this report, the placement of all new admissions into specialized foster care is inconsistent with Funding Framework expectations. If the 2002-03 distribution of foster care days was at provincial averages, the Boarding Cost approved funding for 2003-04 would have been \$337,318 lower.

As a result of the funding approach for 2004-05, the coding of regular and specialized foster care days has no impact on the 2004-05 funding provided to the Society. Coding of foster care days may have a funding impact for future years.

Recommendation:

12. The Business Plan for 2004-05 and future years must reflect the coding of foster care days consistent with resolution of Recommendation 8.

Funding for Technology:

For the last two years, the Society has been actively working to develop a comprehensive case management system that it calls MATRIX. The system is designed to be a single tool that captures case transactions and makes the information immediately available for use across the organization. MATRIX is scheduled for implementation early in 2004-05.

Software and development costs to date for MATRIX are approximately \$261,000. In addition the Society has purchased servers, desktops, other technology and office equipment to support MATRIX and operations in general. Total technology investments are \$2.4 million. Further investments will be required with the continued development of MATRIX.

The Society intends to charge this investment to operations over a period of years. This approach makes good financial sense due to the size of the investment and because the related benefit and administrative savings will be achieved over a number of years. In 2003-04 the charge to operations will be \$695,000. The Funding Framework allocation for technology is \$440,000.

It appears that the amounts that have not yet been charged to operations or financed through fundraising are being supported using the Society's line of credit. Interest on this borrowing has not been factored into the annual charges to operations.

Recommendations:

13. The annual Business Plan and year-end funding reconciliations should clearly document through a continuity schedule the proposed and actual charge for technology to operations.

14. The Society as part of its Business Plan should demonstrate the administrative and efficiency

savings to be achieved through the use of MATRIX that will be applied to the annual charge.

Debt Financing:

The Society has a mortgage on the Leamington property, an operating line of credit and an interim construction loan related to the Riverside property. The mortgages identified in the business cases for the Spago group home and the head office project have not yet been put in place. Management has indicated that the Society continues to operate with term loans as these provide better financing rates and greater flexibility to use excess Funding Framework eligibility to reduce the indebtedness as opportunities arise.

Information provided indicates the following:

- Interest rate assigned to debt related to the Spago purchase is excessive at 9.8% and there is no principal reduction assigned to the debt on this property.
- Part of the line of credit balance is assigned to the Leamington property. However, the business case for this purchase indicated that the down payment would be made with funds available in the Boarding Rate line in the Funding Framework.
- There is no debt assigned to the purchase of information technology although there is no other source of funding for these investments.

Recommendations:

15. Charges to the Boarding Rate line for the Spago group home must be consistent with a mortgage and include both interest and principal payments.
16. For the Leamington property, no costs related to the line of credit are to be charged to the Building Occupancy as the down payment was provided within the Funding Framework.
17. An appropriate part of the line of credit must be assigned to information technology and charged to operations in accordance with Recommendation 13 above.
18. Debt charges assigned to the Building Occupancy line that relate to the Riverside project must be consistent with the resolution of Recommendation 9.

SERVICES AND FINANCIAL AUDIT

INTRODUCTION:

The review team undertook a review of 163 agency files, randomly selected from the agency database representing 3rd Quarter activity. Files were selected from the seven relevant file types, namely:

<u>Type</u>	<u>Description</u>
1	Report Received - Not Investigated
2	Completed Investigation - No Further Action
3	Completed Investigation - Transferred to Ongoing
4	Investigation in Open Protection
5	Closed to Open Protection
6	Children Admitted to Care
7	Children Discharged from Care

The format of the file review was consistent with the Services and Financial Audit, which is annually conducted by the Regional Office.

SUMMARY:

Overall, 154 of the 163 files reviewed were classified correctly in adherence to the Funding Framework service definitions.

While a file may qualify for a particular file type, there may be remarks from the reviewers that indicate late documentation or lack of comprehensiveness of the documentation with respect to file openings, closures, Risk Assessments or Plans of Service. Issues associated with these findings are contained within the body of the report as key findings or recommendations.

SPECIFIC FINDING BY FILE TYPE:

FILE TYPE 1 - Report Received - Not Investigated

- 17 files reviewed
- all files met the service definition for the category

FILE TYPE 2 – Completed Investigation - No Further Action

- 56 files reviewed
- 52 met the service definition for the category
- 4 files did not meet the criteria of the category in that these should have been coded as a File Type I.
- Documentation issues:
 - 4 files were noted to have late documentation.
 - In 6 files, although the investigation was not completed within 30 days, a completed Risk Assessment was not on file as required under Risk Decision 6.

NOTE: There appears to be an agency approved practice to utilize a one-page blue form in place of the Risk Assessment. This does not meet the requirements of the standards.

- In 3 files, the documentation was not comprehensive enough to fully support the verification decision and subsequent action by the Society.

FILE TYPE 3 – Completed Investigation - Transferred to Ongoing

- 25 files reviewed
- 24 files met the service definition for the category
- 1 file did not meet the criteria for an open protection file. It was a file outlining a kinship care placement arrangement related to another protection file. Incidentally, the team found no homestudy documentation on the kinship care file.
- Documentation issues:
 - 3 files had late documentation.
 - 4 files had no Plan of Service completed.
 - 2 files were found to have documentation in the Plan of Service that did not adequately address risk factors .
 - 1 file lacked specificity regarding court information such as status of the court application.
 - 3 files were noted to be borderline cases regarding the need for ongoing protection services and lacked supporting documentation as to the reason for rating the case above the intervention line.

FILE TYPE 4 – Investigation in Open Protection

- 20 files reviewed
- 18 met the service definition for the category
- 2 files did not meet the file definition, as new investigations had not been done.

- Documentation issues:
 - 2 files had late documentation.
 - 2 files noted lack of comprehensive plans of service or identified goals for improvement.

FILE TYPE 5 – Closed to Open Protection

- 24 files reviewed
- 23 met the service definition
- 1 file did not meet the criteria for an open protection file as it was a kinship care file and there was no homestudy documentation on file

- Documentation issues:
 - 7 files did not address whether the outcomes and goals in the Plans of Service were achieved. This finding includes the one file that did not meet the criteria.
 - In 4 files, the goals and objectives in the Plans of Service were vague and did not adequately address the identified risk factors.

FILE TYPE 6 – Children Admitted to Care

- 11 files were reviewed (one of which was an Extended Care and Maintenance)
- 10 met the service criteria
- 1 file did not meet the criteria; child was not admitted to care

- Documentation issues:
 - 1 file had late and limited documentation.
 - 8 files did not identify the foster care type.

NOTE: The Society does utilize a child in care rating tool, the outcome of which results in a classification. It seems that the Society rating tool identifies all new admissions as specialized foster care. It is the opinion of the team that the criteria used is not consistent with the Funding Framework definitions.

FILE TYPE 7 – Children Discharged from Care

- 10 files were reviewed
- all files met the service definition

- Documentation issues:
 - In 5 files, the Risk Assessment was not reviewed or revised prior to discharge.
 - 7 files did not clearly identify the foster care type.
 - In 1 file, the documentation was insufficient to determine if there had been a review of the child's placement.