Action Taken

The Department indicated that monthly statistical flash sheets are posted on the Department's website and distributed to the Minister and Executive. The Department also indicated that its 2002-03 annual report was tabled in the House of Assembly and that its 2003-04 annual report was expected to be tabled in Fall 2004. The report will outline activities within the OHS inspections program, including Stop Work Orders, directives, prosecutions, and inspections.

Department of Health and Community Services

3.2.6 Direct Program Costs-Child Welfare Program (2001 Annual Report, Part 3.20)

Introduction

Effective 1 April 1998, Government transferred responsibility for the Child Welfare Program from the Department of Human Resources and Employment to the Department of Health and Community Services. Government directed that the direct client service portion of the program be integrated and delivered by the Province's four health and community services boards and as separate components of the Grenfell Regional Health Services Board and the Health Labrador Corporation.

The Child Welfare Program delivered by Health and Community Services St. John's Region is responsible for the provision of protection and support services to children, youth and their families in the greater St. John's region from seven locations encompassing Conception Bay South in the North to Ferryland in the South and including Bell Island. The direct program costs related to the Child Welfare Program increased from $6.9 million in 1999 to $9.7 million in 2001 or 41%.

In 2001, we performed a review of the Child Welfare Program at Health and Community Services - St. John's Region (the Board). The objective of our review was to determine whether client files contained sufficient documentation to ensure that all payments are in accordance with Board policy and are properly approved, adequately supported and accurately recorded in the Board's financial records. Our review concluded that payments made by the Board were not always approved and supported. Specifically:

- Client files were often poorly organized, incomplete and not consistent regarding the documentation included therein. For example, most of the files examined did not contain adequately supported needs assessments or the required case plans and family financial assessments.

- The Board was not adequately reviewing expenditure summaries related to the Provincial pay system. Our audit identified $99,295 paid by the Board that actually belonged to another board.

- There were inadequate financial controls and procedures in place to ensure that only authorized payments occurred. This sometimes resulted in overpayments. We also noted the following:

    - Payments were not always approved or were approved in arrears.

    - Supplier invoices were not always on file to support payments.

    - Annual foster home studies were not carried out on a timely basis.

    - There were no formal procedures in place to manage damage deposits paid on behalf of youth.

- The Board did not have a system in place to monitor, collect and report overpayments for all of the Board offices.

- Existing internal controls were not in place in all of the Board offices.

- The Board did not have adequate financial information systems in place to adequately monitor and control expenditures. In particular, the systems were not able to produce financial information showing total payments by child on a comparative year basis. The following were noted with respect to monitoring of client costs:

    - Social workers were not always aware of all the payments being made to a foster home.

    - At the time of the implementation of the *Child, Youth and Family Services Act*, the Board increased the regular foster care rate for 69 of 78 clients to a proposed rate that was ultimately not approved by the Department of Health and Community Services.

Update

In October 2004, we contacted Health and Community Services - St. John's Region requesting an update as to further progress on the comments and recommendations included in our 2001 report. The information provided by the Board in response to our request is outlined below.

2001 Recommendations

The Board should ensure that only properly approved and supported payments are processed.

The Board should ensure that there are adequate systems in place to detect and manage the recovery of overpayments made to or on behalf of clients.

Action Taken

Payment System Errors

Board officials indicated that the Board continues to be significantly involved in the development and implementation of the client pay system. However, the implementation of this Provincial system has been "put on hold" pending further clarification of developmental costs and further analysis of the impacts of the restructuring of health boards, announced in September 2004. The lack of a comprehensive client payment system continues to present challenges in monitoring payments to clients.

Client's Files

The Board indicated that they have encountered significant challenges doing annual audits due to an increased workload. However, to address this issue, each Manager is now doing a quality audit ensuring all documentation is present and in order for every file where there is a request for disclosure, a file transfer or a file closure. This process is being complied with and represents a significant number of files.

Supporting Payment Documentation

The Board indicated that there was direction given to supervisors in March 2002 to ensure the presence of a case plan prior to providing financial approval. Compliance with this is monitored by a monthly chart audit completed by all program managers and reviewed by the Director of Child, Youth and Family Services. Program Supervisors and staff have also been given direction to ensure a child's eligibility for maintenance and other financial entitlements is fully monitored. This is also audited through the chart audit process noted above. In emergency situations, verbal approval is still granted for case related expenditures. Social

workers were advised to record this approval appropriately and compliance is monitored through the audit process. Finally, in order to improve clarity with respect to the Board's delegation practices, a delegation of authority chart was developed and distributed to all managers. In the Board's 2002-03 audit, the provision of service without supervisor approvals was raised. Memos and emails reminding staff of the importance of appropriate approval were sent to all social work staff.

Special Foster Care

The Board indicated that a tracking system was implemented by 1 May 2002 to ensure special rate approvals have a review date that is being adhered to.

Monitoring Payments to Foster Parents

The Board indicated that a resource person was placed at the office in question for a six month period. The manager for this office now maintains a list of all children in foster care and all funding provided to foster parents on behalf of each child.

Independent Living Arrangements (ILAs)

The Board indicated that the existence of ILAs continues to be a challenge for the Board with the number of cases and clients increasing annually. The Board continues to seek more cost efficient and effective ways of meeting the needs of young people whose behavior is too complex for existing systems of care. Specifically, the Associate Executive Director for Client Services chaired a Provincial committee that presented a report to the Department of Health and Community Services outlining more cost effective residential options for this client group. This report is under review in the Department of Health and Community Services. The Board indicated that it continues to highlight ILAs as an area of deficit on budget submissions.

Youth Services

The Board indicated that policies it developed regarding damage deposits and overpayments have been implemented.

Child Welfare

The Board acknowledges that the rates for the Child Welfare Allowance were adjusted prior to the *Act* coming into effect, but all new Child Welfare Allowances since May 2000 have been in compliance with policy.