

Institutional Services and Young Offender Operations

3.04

BACKGROUND

The Ministry of Correctional Services supervises the detention and release of inmates, parolees, probationers and young offenders. Its objectives are to ensure the protection and security of society and to motivate offenders towards positive personal change. To do this, it creates for the inmates a social environment in which they may achieve changes in attitude through training, treatment and services designed to afford them the opportunities for successful personal and social adjustment in the community.

The Ministry is authorized to incarcerate offenders under the federal *Prisons and Reformatories Act* and *Young Offenders Act*, and the Ontario *Ministry of Correctional Services Act*.

Institutional Services and Young Offender Operations (Institutional Services) is the ministry activity responsible for the operation of Ontario's correctional institutions, including jails, detention centres and correction centres. These institutions provide custody for adult offenders sentenced to terms of up to two years less a day and for accused persons on remand awaiting trial. They also provide custody for young offenders between 16 and 17 years of age.

For the 1999/2000 fiscal year, Institutional Services had operating expenditures of approximately \$463 million and about 6,200 staff. On a daily basis, there were approximately 7,400 adult and 700 young offenders in 47 correctional institutions.

AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to assess whether the Ministry had adequate procedures and systems in place to:

- ensure institutional resources were managed with due regard for economy and efficiency;
- ensure that institutional services and programs were delivered in accordance with legislative and ministry requirements; and

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- measure and report on the effectiveness of the services and programs delivered by Institutional Services.

The audit included visits to the Ministry's corporate offices, six correctional institutions operated by the Ministry and one young offender facility operated by the private sector. In addition, we sent out questionnaires to all the correctional institutions and analyzed responses from the superintendents. Prior to the commencement of our audit, we identified criteria that would be used to address our audit objectives. These were reviewed and accepted by senior management of the Ministry.

Our audit was conducted in accordance with the standards for assurance engagements, encompassing value for money and compliance, established by the Institute of Chartered Accountants, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

We reviewed relevant work performed by the Ministry's Internal Audit Services Branch. It was useful in reducing the extent of our audit work relating to security measures for the correctional institutions. Our fieldwork was substantially completed by March 2000.

OVERALL AUDIT CONCLUSIONS

In our 1993 audit of Institutional Services, we concluded that the Ministry could realize significant savings through the modernization or replacement of existing correctional institutions. In 1996, the Ministry initiated an infrastructure renewal project with approved capital costs of over \$270 million. When the institutions under the renewal project became fully operational, the Ministry expected that it would be able to significantly reduce the operating costs of incarcerating adult inmates—making Ontario one of the low cost provinces in Canada. However, we noted that in the process of implementing the renewal project, the Ministry did not properly assess the viability of alternative delivery options to ensure best value to the taxpayers.

Overall, we concluded that the Ministry's systems and procedures were not adequate to ensure institutional resources were managed with due regard for economy and efficiency, nor to ensure services and programs were delivered in accordance with legislative and ministry requirements. Regarding the infrastructure renewal project:

- The Ministry's decision to finance and construct two 1,200-bed correctional institutions that cost \$180 million was not supported by a sound business case assessing the risks, costs and benefits of all feasible alternatives.
- A proper cost-benefit analysis was not done for the building of a new cooking facility within a correctional institution under expansion to provide prepared food to a number of correctional institutions. At the time of our audit, the cost to build the facility had increased from \$5 million to \$9.5 million.
- The Ministry had yet to realize any of the anticipated savings of \$8.5 million from retrofitting its correctional institutions over a year before.

3.04

In addition, despite a decline in average inmate count in recent years, the operating expenditures for Institutional Services between 1995/96 and 1999/2000 had increased 19% from \$388 million to \$463 million. Specifically, we noted that:

- The Ministry had not effectively utilized its community programs, which are designed to provide non-violent offenders with opportunities for successful reintegration into the community. In particular, we noted that the number of offenders in the Temporary Absence Program had declined from 25,000 to 4,000 between 1991/92 and 1998/99. The under-utilization of community programs resulted in the Ministry foregoing significant potential savings of as much as \$50 million a year.
- The Ministry was not adequately monitoring staff attendance and overtime at its correctional facilities. The average number of sick days for correctional officers increased 38% from 12 days in 1995 to 16 days in 1998. Overtime expenditures increased 48% from \$11.1 million in 1996/97 to \$16.5 million in 1998/99.
- Correctional programs were offered to adult inmates without properly assessing the correctional needs of individual offenders.
- The Ministry did not ensure that its security measures were adhered to and that timely, corrective action was taken in cases of non-compliance. About 60% of its 47 correctional institutions had security non-compliance problems that had not been rectified for up to two years.

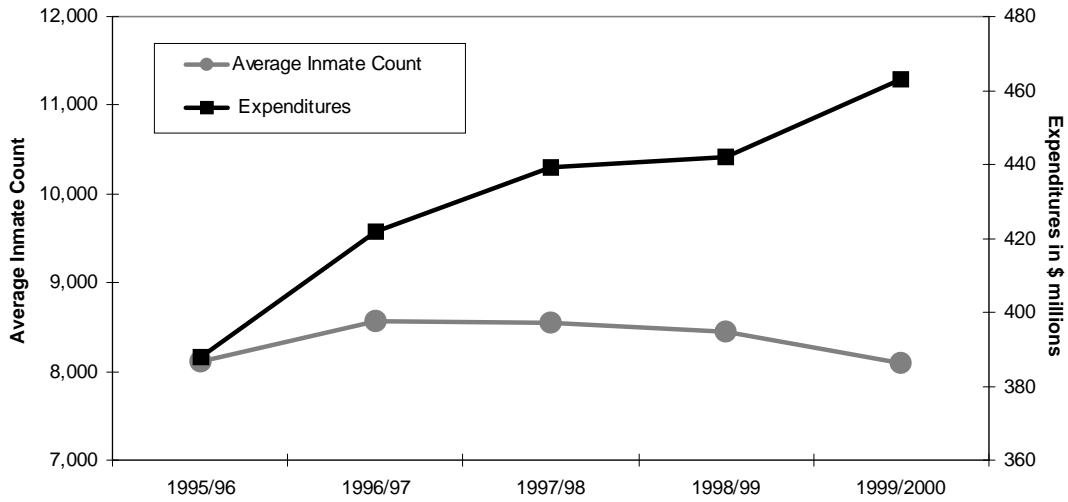
We also concluded that the Ministry needed to measure and report on its effectiveness in protecting society and motivating offenders towards positive personal change.

DETAILED AUDIT OBSERVATIONS

DUE REGARD FOR ECONOMY AND EFFICIENCY

According to ministry data, the average daily inmate count (including both adult and young offenders) peaked in the 1996/97 fiscal year. Since then, the average count has dropped 6% from 8,600 to 8,100. However, operating expenditures for Institutional Services between 1995/96 to 1999/2000 have increased 19% from \$388 million to \$463 million.

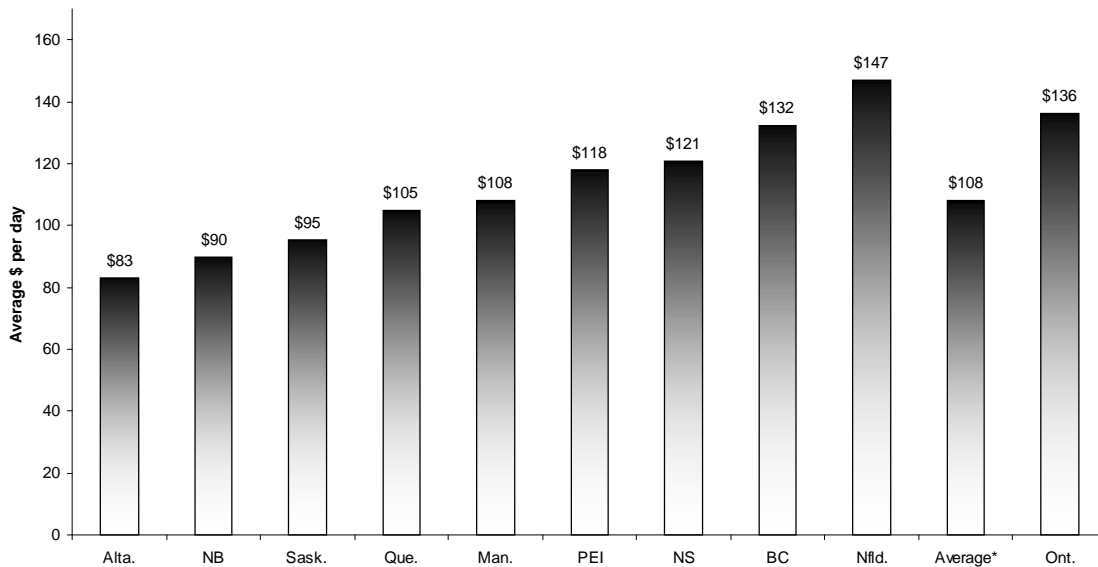
**Average Daily Inmate Count and Operating Expenditures
1995/96 to 1999/2000**



Source: Ministry of Correctional Services

A review of the latest information provided by Statistics Canada showed that the average daily cost per adult inmate for all provinces except Ontario was \$108 in the 1997/98 fiscal year. Ontario's per diem cost of \$136 was the second highest of all the provinces, as shown on the following chart.

**Average Per Diem Cost per Adult Inmate
by Province, 1997/98**



* Weighted average of all other provinces

Source: Statistics Canada

3.04

Canada-wide cost information for young offenders was not available from Statistics Canada. According to the Ministry, the annual cost of incarcerating a young offender in Ontario amounted to over \$95,000 compared to \$50,000 for an adult offender.

In our audit of Institutional Services in 1993, we reported that the high per diem cost in Ontario was due to factors relating to the inefficiency of certain smaller and older correctional facilities, a lower utilization of alternative community programs than other provinces, and high staffing costs.

To provide guidelines for ministries in implementing the government policy of pursuing better alternatives in delivering services, the Management Board of Cabinet issued an Alternative Service Delivery (ASD) Framework in 1996. All ministries were directed to consider alternative service delivery options, including privatization, of all their programs and activities to limit expenditures and provide better services.

Under the ASD Framework, the choice of delivery method should be supported by a sound business case, which includes the assessment of:

- the costs and benefits of all feasible alternatives, including consideration of all relevant factors;
- the risks associated with the proposed delivery option, including risks allocated between the province and service provider, as well as those transferable to the private sector; and
- the protection of public interest.

As part of our audit, we assessed whether Management Board's guidelines in exploring alternative service delivery of existing programs and new initiatives were being followed. As indicated in the following sections of our report, we found that the guidelines, highlighting prudent business practices, generally were not followed. Specifically:

- Business cases to support the Ministry's choices of delivery methods were either not done or were prepared without proper consideration of all relevant factors.
- In assessing the viability of private sector involvement, the level of risks that could be transferred to the private sector had not been adequately considered.
- Proper consideration had not been given to balancing private sector objectives with the interests of the public.

ADULT INFRASTRUCTURE RENEWAL PROJECT

In 1993, we found that Ontario's smaller adult institutions had higher per diem costs than average. These institutions tended to be older with inefficient design that resulted in some staff to inmate ratios 2.5 times higher than the average of larger institutions. We observed that improving the efficiency of the smaller institutions could require considerable long-term capital investment. We concluded that significant savings could be realized through modernization or replacement of existing facilities.

In 1996, the Ministry engaged two external consulting firms to verify the merits of proceeding with the modernization and replacement of its adult correctional facilities. In the fall of 1996, the Ministry initiated the Adult Infrastructure Renewal Project with approved total costs of over \$270 million for various capital projects to reduce operating costs and increase the efficiency of

adult correctional facilities. We reviewed the following capital projects which had been started or completed at the time of our audit:

- Construction of two new 1,200-bed facilities in Penetanguishene and Lindsay—approved total costs amounted to \$87 million for each of the two facilities. The construction contracts were tendered and awarded to contractors in 1998 at \$83 million and \$79 million respectively. At the completion of our audit in March 2000, the Penetanguishene project was near two-thirds completion and the Lindsay project was at one-quarter completion.
- Expansion of an existing facility in Milton to increase the capacity from 600 beds to 1,500 beds—approved total costs amounted to \$90 million. The construction contract was tendered and awarded to a contractor at \$79 million in 1998. The Milton expansion project was near three-quarters completion.
- Retrofit of three existing detention centres (including Metro Toronto East, Metro Toronto West and Hamilton-Wentworth) with a combined capacity of 1,400 beds—approved total costs amounted to \$8 million. The contracts were tendered and awarded in 1998 at a total contract cost of about \$7 million. The project in Hamilton-Wentworth was close to completion, while the two projects in Metro Toronto had been completed in March 1999.

The above facilities with a total of 5,300 beds would accommodate almost two thirds of Ontario's adult inmates. When the new facilities become fully operational, the Ministry expects that it will be able to significantly reduce the operating costs of incarcerating adult inmates. For example, the per diem cost of the two new facilities was projected to be between \$56 and \$60, which would be among the lowest in Canada.

NEW FACILITIES

The two new correctional facilities in Penetanguishene and Lindsay were designed to be virtually identical. This would enable more meaningful comparison of capital costs, operating costs and other performance measures. As part of exploring alternative service delivery options, in August 1996, Management Board directed the Ministry to prepare a draft request for qualification (RFQ) for the two new facilities. The RFQ was to obtain information regarding private sector qualification and feedback on the financing and ownership of the facilities.

The Ministry informed us that the RFQ was never prepared due to time constraints, although it did meet with the interested private sector consortia. Ultimately, both of the facilities were financed, constructed and owned by the province without private sector participation.

According to ministry officials, private financing and ownership was not viable in 1998. However, at the completion of our audit, the Ministry indicated that it was exploring the possibility of having the private sector operate at least one of the facilities. We were informed that the Ministry was preparing an RFQ to gauge private sector interest in operating the Penetanguishene facility, which was scheduled to be completed in the fall of 2000.

The Ministry indicated that the reasons for not having private sector financing and ownership of the facilities included the following:

- In the meetings, the private sector consortia indicated they would be willing to provide the financing to win the contract. However, they were more interested in obtaining the operating component of the package.

3.04

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- With provincial financing and ownership, the cost of financing would be at the province's interest rate, which was 15 to 40 basis points lower than that of the private sector.
 - If a facility were to be owned and operated by the private sector, the province's ability to regain possession and/or ownership in the case of inadequate performance could be problematic.
 - The release of a request for qualification (RFQ) or a request for proposal (RFP) for private sector proponents to finance, design/build, own and/or operate the facility could result in significant time delays caused by union grievances.

Despite the reasons provided above, we noted that the Ministry's decision regarding the choice of financing and ownership was not based on a sound business case to ensure "best value for the tax dollar" as recommended under the ASD Framework issued by Management Board. Specifically, there was no cost/benefit analysis done using the recommended approach (that is, net present value) to choose the option with the highest net benefit. As well, there was no consideration of risks to be transferred or managed with respect to each option.

For the private sector to finance, build and own correctional facilities would require significant capital investment. As well, the private sector would have to assume the risk of cost overruns, which could significantly affect the return on the investment to their shareholders if the risk was not properly managed. It is therefore understandable that private sector operators would prefer to obtain only the operating contract in running the facilities. However, in other jurisdictions such as the U.S. and U.K., a major investment of private sector capital is common practice when private operators compete for the operating contracts of correctional facilities.

When the marginally higher interest rate of 0.15% to 0.4% was mentioned as one reason for having the province finance, construct and own the facilities, there was no consideration of transferring the risk of cost overruns to the private sector. Based on our review of change orders and revised cost projections provided by the Ministry, we noted that the Penetanguishene project, at about two-thirds completion and with a construction contract price of \$83 million, will cost \$92 million to complete. This would be \$5 million more than the total cost of \$87 million approved by Management Board.

The Ministry's concern regarding the possibility of inadequate performance of the private sector owner/operator is a valid concern. However, without the long-term commitment of private sector equity, the risk of inadequate performance or non-performance could be even higher. Since there is no risk of losing any investment of capital, a private sector operator would not have as much to lose, other than the operating contract, in case of inadequate performance. In addition, to increase profit for the operator, regular building maintenance could be deferred if the operator did not also have an interest in ownership. This could result in significant capital expenditures to repair infrastructure in the long run when operation is returned to the province. Private operators would have more incentive to ensure proper upkeep of facilities that they also own.

The Ministry was directed to explore alternative service delivery options including privatization as far back as 1996. We were concerned that a properly prepared business case was not available to address all significant issues, such as the cost/benefit of private sector involvement, repossession in case of inadequate performance, union grievances and protection of the public interest.

EXPANSION PROJECT

The expansion project would increase the existing capacity of the institution in Milton from 600 beds to 1,500 beds, making it the largest correctional facility in Canada.

Our examination of change orders and revised projected cost figures provided by the Ministry revealed the following:

- At about three-quarters completion, the expansion project with a construction contract price of \$79 million will require about \$93 million to complete. This would be \$3 million more than the total cost of \$90 million approved by Management Board.
- Much of the cost increase was due to underestimating the costs of building a cooking facility (called cook-chill) when the expansion project was originally approved.

Cook-Chill Facility

Cook-chill utilizes a food processing system that prepares food to a “just done” state followed by rapid chilling. The facility was to provide prepared food to ten correctional institutions at a capital cost of \$5 million.

Originally, the facility was to be financed and operated by the private sector. However, the Ministry subsequently decided against private sector involvement because there were no experienced private sector operators, labour costs would be higher should unpaid inmate labour not be used, and any problems with the quality of the food could result in inmate unrest in all the institutions served by the cook-chill facility. As well, the private sector could choose not to use inmate labour, resulting in inmates being deprived of a useful vocational training experience.

At the time of our audit, we noted that the estimated costs of the cook-chill facility had increased from \$5 million to \$9.5 million. Instead of serving the needs of ten institutions, the food prepared would only serve six. In addition, the equipment to retrofit three existing institutions alone would cost \$3.9 million, when equipment costs for these institutions were originally estimated to be less than \$100,000.

Our review of the cook-chill project showed that the cost-benefit analysis was not properly done before making the decision to build the facility. Specifically:

- The existing institutions to be served already have food costs as low as that projected for cook-chill, about \$1.80 per meal. However, the cook-chill facility could supply only about 60% of food items. Certain types of fresh food would have to be purchased locally at additional cost.
- The capacity required to serve the needs of the six institutions was 16,000 meals daily, seven days a week. However, the daily production capacity was limited to 15,000 meals because the water chilling mechanism could operate only 8 to 12 hours per day. Cold storage space availability also limited production capacity.
- The original plan was for five days of production per week. Staffing costs would increase significantly if production were to be increased to seven days per week. In addition, there was no consideration of the additional costs required to purchase food from alternative sources should transporting food from the cook-chill facility become impossible due to bad weather.

3.04

At the completion of our audit, the Ministry had not decided whether it would reduce the number of institutions to be served, cut down the number of hot meals or supplement the food requirement from other sources. Also, Ministry officials indicated that they were in the process of preparing a RFQ/RFP to invite private sector operators to bid for an operating contract, as they were doubtful that the Ministry would have sufficient internal expertise to run the facility.

With a properly prepared business case, the Ministry would have been able to more properly assess needs, and address risks and other logistical requirements as an integral part of its planning process.

RETROFIT PROJECTS

The retrofit projects at the three detention centres were initiated in 1996, with tendered contract costs totalling about \$7 million. At the time of our audit, the project in Hamilton-Wentworth had not yet been finished while the two projects in Metro Toronto had been completed for over a year. Our examination of retrofit projects was confined to the two completed projects.

The scope of retrofit work for these two projects included installing electric locks, control stations, closed circuit television monitoring, and security and extended emergency systems. With the new technology in security and monitoring, the Ministry originally anticipated a total cost saving of \$8.5 million per year due to the reduced staff level required. Our examination of the two projects indicated that, although the retrofits had been completed for almost a year, neither of the two institutions had realized any of the anticipated savings.

- In the case of the Metro Toronto East Detention Centre, the technological improvements were installed but had yet to be utilized at the time of our audit.
- In the case of the Metro Toronto West Detention Centre, the institution had started to use the new monitoring technology and security equipment but the staffing level had not been reduced.

The Ministry informed us at the completion of our audit that the equipment would be used at both facilities and that staffing reductions had been announced. However, ministry officials indicated that the savings would be significantly less than originally anticipated as the staffing reductions originally planned were found to be overstated, based on a subsequent review performed by an external consultant.

Recommendation

When evaluating alternative services delivery options, the Ministry should prepare sound business cases, including needs analysis and requirement definitions, to ensure that the option chosen will result in best value to the taxpayers. At the minimum, business cases should include an assessment of:

- **the costs and benefits of all feasible alternatives;**
- **the kind of risks and the level of risks that can be transferred from the province to private sector partners as well as how such risks should be managed; and**
- **the proper balance between the objectives of the private sector and the interests of the public.**

To ensure realization of anticipated benefits, the Ministry should establish procedures for the proper planning and implementation of the chosen service delivery option.

Ministry Response

The Ministry reviewed and analyzed information concerning private sector financing, ownership and operation of correctional facilities. This included risk assessment and transfer, review of studies comparing private and public sector financing, ownership and operation, as well as a review of other jurisdictions that have opted for private sector financing and ownership.

- *In February 2000, the Ministry established an Alternative Services Delivery (ASD) Unit to manage the implementation of ASD directions approved by Cabinet. This unit is to operate within the parameters of the Management Board ASD Framework and the Guide to Implementing a Change in Service Delivery.*
- *In August 2000, a request for qualification (RFQ) was issued to solicit expressions of interest by private or non-profit service providers to operate the correctional centre in Penetanguishene. The information obtained from these submissions and the subsequent proposals submitted by qualified bidders will assist the Ministry in its cost/benefit analysis of this ASD initiative.*

With respect to the retrofit projects, in February 2000 the Ministry gave OPSEU notice, in accordance with the collective agreement, that staffing reductions would occur at the Metro Toronto West and East Detention Centres. These staffing reductions were implemented at the Metro Toronto West Detention Centre in May 2000 and at the Metro Toronto East Detention Centre in July 2000.

PRIVATIZATION OF YOUNG OFFENDER FACILITY

In 1997, the Ministry initiated a pilot project, known as Project Turnaround, which introduced a more disciplined approach to the incarceration of young offenders. A Request for proposal was issued in February 1997 and the pilot project was awarded to the successful private bidder in April 1997. The project, with a capacity to accommodate 32 young offenders in Barrie, was turned over to a private operator in July 1997 for three years.

The three-year contract was for \$8.3 million. At the end of the contract in July 2000, the pilot project was to be evaluated in terms of its impact on young offender recidivism, academic achievement, employment success and other factors.

Our review of the contract and payments made to the contractor showed that:

- An additional \$400,000 was paid to the contractor beyond the contract price for security custody services. Ministry officials informed us that the amount was for additional staffing

3.04

not anticipated in the original contract. Our examination of the contract did not reveal any provision for payments beyond the contract price.

- The Ministry was not verifying invoiced amounts against the contract. It had been overpaying the contractor by \$24,000 per year for aftercare services until we brought the overpayment to its attention.

We noted at the time of our audit that while the pilot contract had yet to be completed and the evaluation carried out, the Ministry had already announced its decision to expand the use of the strict discipline program being run by private operators.

Recommendation

To ensure proper control over payments to private service providers, the Ministry should more closely monitor the operations and billings of private sector partners that are providing alternative services to the province.

To better ensure future outsourcing provides value for money, the Ministry should complete its evaluation of the effectiveness of the pilot project before deciding whether more young offender facilities should be turned over to private sector operators.

Ministry Response

The Ministry will undertake to more closely monitor all contracts with private sector partners.

In mid-September, the Ministry will receive the final evaluation report on the effectiveness of Project Turnaround; preliminary reports have indicated positive results. On the basis of these evaluations, the Ministry will be extending the operation of Project Turnaround and establishing similar young offender facilities in partnership with the private sector.

COMMUNITY PROGRAMS

To provide opportunities for the successful reintegration of inmates into the community, Canadian provinces have established community programs, such as the Temporary Absence Program or the Electronic Monitoring Program, as alternatives to incarceration. Through these community programs, superintendents of correctional institutions have the discretion of allowing inmates convicted of non-violent offences to serve all or part of their sentences in the community, under terms and conditions imposed by the institutions.

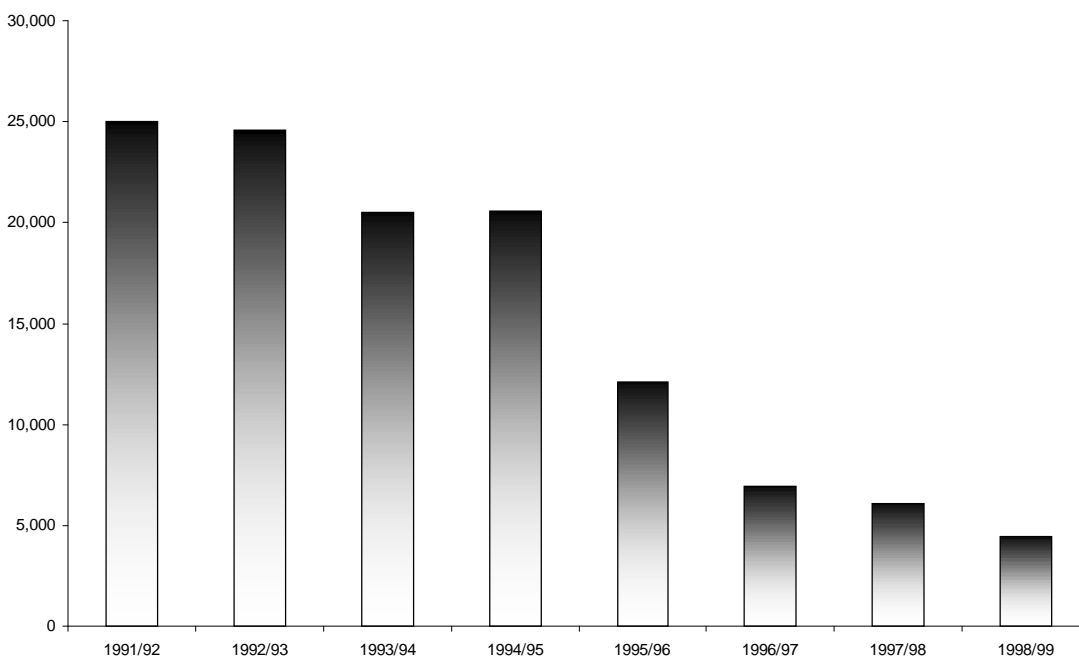
These community programs contribute to the protection of society by enabling offenders to maintain community and family relationships and responsibilities, and to attend continued education, employment and other rehabilitation programs.

Many superintendents indicated that community programs such as the Temporary Absence Program were more cost effective than incarceration and should be utilized more often.

According to ministry data, the number of temporary absences granted has decreased from 25,000 to 4,000 between 1991/92 and 1998/99. In particular:

- temporary absences for employment have decreased from 3,500 to about 300; and
- temporary absences for academic/vocational training have decreased from 360 to 13.

**Number of Temporary Absences
1991/92 to 1998/99**



Source: Ministry of Correctional Services

Our review of the latest Statistics Canada information indicated that, in the 1997/98 fiscal year, Ontario had on average placed fewer than 8% of the offenders in its institutions in community programs. In contrast, Alberta and Manitoba had each placed 20% and Quebec had placed 45% of sentenced offenders in community programs. Alberta, the only province to provide us with outcome statistics, reported that 99% of offenders in 1997/98 successfully completed the Temporary Absence Program without revocation.

The majority of inmates were admitted to Ontario's institutions for property and other offences not related to crimes of violence. For the last eight years, the selection criteria for temporary absences continued to be confined to low-risk, non-violent offenders.

Our examination revealed that Ontario's success rate with the Temporary Absence Program over the eight years remained unchanged at about 97%, with the failures attributed mainly to technical violations such as missing a curfew. Ministry staff indicated there was not one case of an offender reported to have committed a serious crime while on temporary absence.

In addition to providing opportunities for the rehabilitation and successful reintegration of inmates into the community, community programs could also help the Ministry in managing its resources more cost effectively. For example, if Ontario had used its community programs to

the same extent as Alberta, it would have, on average, over 1,000 fewer adult inmates each day in its institutions. Given that it costs about \$50,000 a year to provide accommodation for an adult inmate and over \$95,000 a year for a young offender, better utilization of community programs could provide significant operational savings of as much as \$50 million a year. Alternatively, it could enable the province to avoid the major costs of building and operating one new facility.

Recommendation

To afford non-violent inmates better opportunities for successful reintegration into the community and to reduce institutional expenditures, the Ministry should make more effective use of community programs.

Ministry Response

Public safety is the Ministry's top priority. When selected non-violent offenders are identified as being appropriate for participation in community programs, the Ministry will pursue this course of action. Under the new performance framework, adult institutions are required to deliver results-oriented programming and services within the institution to assist inmates with their successful personal and social adjustments.

In the Ontario Budget 2000, the addition of 165 new probation and parole officers was announced as part of the investment in safe communities and the new \$18 million strict discipline model for community corrections. These staff will provide more intensive and frequent monitoring of offenders and assist in restricting the movements of offenders serving sentences in the community.

STAFFING

ATTENDANCE

For security reasons, correctional officers who are absent due to sickness or other reasons must be replaced immediately. In many cases, this requires paying the substitute officers overtime at one-and-a-half times the hourly rate.

Our examination of the latest available data on short-term sick leave of classified correctional officers indicated that the average number of sick days increased by 38% between 1995 and 1998.

**Average Number of Sick Days
1995 to 1998**

Year	Average Days Taken
1995	11.70
1996	12.97
1997	13.76
1998	16.11

Source: Based on data from the Ministry of Correctional Services

Since most classified correctional officers worked 12-hour shifts, the average of 16 sick days could be equivalent to 24 days for staff working on 8-hour shifts.

Data on short-term sick leave in 1999 were not available at the time of our audit. However, our discussion with superintendents and our review of overtime pay indicated that the situation was getting worse.

To address attendance concerns, the Ministry implemented an Attendance Enhancement Program in January 1996 and replaced it with the Attendance Support Program in October 1997. When we examined the attendance-monitoring effort at five of the correctional institutions, we noted that:

- only one of the five institutions maintained relatively current attendance monitoring records; and
- even for that one institution, 30% of its staff with sick days over the monitoring threshold were not monitored in accordance with the requirements of the Attendance Support Program.

Our discussions with superintendents indicated that the poor attendance of correctional officers was caused by low staff morale, due to the uncertainty of their employment status since 1996. The superintendents maintained that excessive use of sick leave was a result of some staff abusing the system.

While poor staff morale and ineffective design of the Attendance Support Program were cited as reasons for the excessive use of sick days, we believe that the lack of proper monitoring by management of staff attendance at the institutions also contributed to the problem.

Recommendation

The Ministry should strengthen its efforts in monitoring sick leave and, where warranted, take appropriate corrective action to deal with any problems.

Ministry Response

The Ministry agrees attendance is a problem and has a number of initiatives under way to address this issue:

3.04

- ***The Ministry is currently reviewing attendance records of individuals with excessive absenteeism and considering appropriate action, up to and including release.***
- ***The Human Resources Branch is establishing a new unit for the case management of attendance. Recruitment is nearing completion for the staffing of this unit.***
- ***The Ministry is currently assessing the tracking and reporting features available through the newly implemented Workforce Information Network system, as well as providing input into the development of new modules, such as occupational health and safety, to enable the most efficient collection and reporting of attendance data.***
- ***OPSEU has agreed to work with the Ministry on a joint working group to deal with issues of staff morale and attendance.***

OVERTIME

Our review of the Ministry's attendance management system indicated that total overtime hours worked by both classified (full-time permanent) and unclassified (part-time contract) correctional officers decreased by over 40% between 1995 and 1999.

This declining trend however was not consistent with payroll records which showed that overtime pay to these officers has increased by 48% between 1997 and 1999, from \$11.1 million to over \$16.5 million. According to payroll administration staff, the institutions had not been reporting all the overtime hours worked by their staff in the attendance management information system.

During our visits to individual correctional institutions, we noted that:

- Overtime hours were often assigned to classified officers at one-and-a-half times pay when assigning the hours to unclassified contract staff would eliminate paying overtime under those circumstances.
- Overtime hours assigned to individual officers were not tracked to ensure that overtime hours were deployed in a cost-effective manner.

Individual superintendents agreed that overtime could be better managed with closer monitoring and that more use of unclassified staff would eliminate or reduce overtime hours. However, the superintendents informed us that they did not use more unclassified staff to reduce overtime use as these officers sometimes were unwilling to work more hours. Also, for security and safety reasons, they were not allowed to perform certain responsibilities (escorting prisoners, for example) per local collective agreements.

Nonetheless, all the institutions we visited had contract officers available who had not worked their full number of regular hours.

Recommendation

To improve staff attendance and reduce costs, the Ministry should ensure that:

- **actual overtime worked is properly recorded in the attendance management system;**
- **overtime is better tracked and monitored; and**
- **staff with regular hours available are used before overtime hours are assigned.**

Ministry Response

The Ministry is proceeding to implement an automated shift scheduling administration system to improve the proper recording of attendance, as well as to better track, monitor and assign overtime.

COMPLIANCE WITH LEGISLATIVE AND MINISTRY REQUIREMENTS

STAFF TRAINING

To ensure cost-effective operations and the proper protection of staff and inmates in its correctional institutions, the Ministry has established training requirements for correctional officers. As well as providing correctional staff with initial training when they commence their employment, the Ministry also requires institutions to provide updated training for safety courses, such as cardiopulmonary resuscitation and first aid, at least every two years. Other courses are to be updated over a five-year period.

In response to our survey, over 60% of superintendents indicated that the existing training required of correctional officers was not adequate to meet the operational needs of their institutions. When we reviewed the training provided to correctional officers, we noted that none of the institutions we visited had complied with the training requirements established by the Ministry. Specifically:

- Ministry policy required correctional institutions to maintain current staff training records with a chronological list of the training received to date and the annual training required. We noted that training records at institutions we visited were either incomplete or inadequate.
- Due to the suspension of the advanced correctional study training requirements during the last four years, over 80% of the correctional officers had not received the training required to keep their skills up to date.

Without proper training records of staff, the Ministry was not in a position to establish an adequate training program. Without reliable records, it might be wasting resources in providing training to staff who had already received the necessary training. Alternatively, staff who do not have the necessary training might jeopardize the safety of other staff and inmates.

3.04

Management indicated that the Ministry was aware of this deficiency in staff training. It had initiated some measures to address its training needs but had been unable to fully implement them due to resource constraints.

Recommendation

To establish training programs that help to better protect staff and inmates, the Ministry should:

- provide up-to-date training to all correctional staff; and
- maintain current staff training records.

Ministry Response

The Ministry is making a significant investment in training to sustain and develop programs for staff:

- ***The 2000/01 Business Plan allocated \$5 million in new funding for staff training.***
- ***The training policy has been revised and ongoing training for correctional officers and managers will occur on a continual basis.***
- ***The principles established for compressed workweek schedule negotiations include a written commitment to correctional staff for a specific number of training hours for officers, depending on their specialized training needs.***
- ***With the recent introduction of the Workforce Information Network the Ministry will take advantage of the training portion of that system for tracking training.***
- ***The request for qualification issued in August 2000 to solicit expressions of interest by private and non-profit service providers to operate the correctional centre in Penetanguishene included the requirement that the staff and management of all operators meet the Ministry's training and experience requirements.***

CORRECTIONAL PROGRAMS

Consistent with its mandate to protect society by motivating offenders towards positive personal change, the Ministry provides various programs to meet the correctional needs of inmates. We examined whether ministry policy and procedures were followed in a cost-effective manner.

ASSESSMENT OF NEEDS

Ministry officials indicated that inmates on remand in detention centres were assumed to have no correctional needs until they were convicted. In addition, over 70% of inmates were sentenced to Ontario correctional institutions for less than three months. Superintendents often expressed doubt whether it would be possible for correctional programs to affect positive behavioural change in light of the short stay of most offenders in their correctional institutions.

We examined the files of inmates who were committed to the institutions for a minimum of six months to see whether their correctional needs were properly identified. Our examination indicated that:

- Initial plans of care were prepared in all cases to assess the correctional needs of young offenders. However, the needs assessment performed was not consistent between the two institutions we visited. One of the institutions provided specific details in the plans of care while the other did not. For both of the institutions, over half of the required plans of care were not completed within 30 days as required by ministry policy.
- Only one of the three correctional centres for adults carried out a formal assessment of the correctional needs of offenders with program recommendations for meeting those needs. The others offered various programs without assessing whether they met the correctional needs of individual offenders. At these other institutions, offenders were left to identify their own correctional needs and to volunteer participation in the programs they wished to attend.

DELIVERY OF PROGRAMS

For the one correctional centre that did recommend programs based on individual assessment of inmates' correctional needs, we noted that:

- 10% of the inmates declined to participate in the recommended correctional programs; and
- 27% of the correctional program recommendations for meeting the needs of inmates were not met as the recommended programs were not available.

PROGRAM EVALUATION

To allow for better allocation of resources to meet the correctional needs of offenders, the Ministry has scheduled program evaluations at intervals of one to three years.

Our audit indicated that none of the institutions we visited had complied with the program evaluation requirements. Without program evaluations to assess whether the programs offered were relevant to the needs of offenders, resources devoted to such programs might not be cost effective in protecting the society and in motivating offenders towards positive personal change.

Recommendation

To better meet its mandate of protecting society and motivating offenders towards positive personal change, the Ministry should ensure that:

- **the correctional needs of offenders are properly assessed and addressed through the provision of appropriate programs; and**
- **the effectiveness of correctional programs is evaluated in a timely manner.**

3.04

Ministry Response

The Ministry agrees that properly assessing offenders, providing them with appropriate programs and evaluating program effectiveness contributes to public safety.

Through the recently established Program Effectiveness Unit, a number of business processes are being redesigned and/or formalized to ensure that the evaluation of program effectiveness is a core component of both new and established correctional programs.

The Ministry is also establishing outcome-based performance measures to assess the effectiveness of programming for all sentenced offenders to determine success in lowering re-offending rates.

PROTECTION AND SECURITY REQUIREMENTS

To ensure that proper security measures are in place for the protection of society, staff and inmates, the Ministry has established policies and procedures to prevent escapes, suicides and other critical incidents from occurring in its institutions. However, we noted that, in practice, such security policies and procedures were often not properly complied with.

The Ministry's internal audit performed security reviews on all provincial correctional institutions on a two-year cycle. Non-compliance with security policies and procedures were reported to individual superintendents with recommendations for corrective action. Our review of the security reviews in the two years before our current audit showed that all 47 correctional institutions had incidences of non-compliance with security policies and procedures.

When we followed up on the institutional action taken to rectify the identified security weaknesses, we found that the majority of these institutions had yet to fully implement corrective action. The most common security weaknesses that remained uncorrected included the following:

- searches were not conducted and documented as required;
- security control equipment and tools were not accounted for; and
- fire and safety policies in response to emergency situations were not complied with.

In our visits to the correctional institutions, we noted one institution had not completed any daily inspection reports as required for the month just prior to our visit. Our review showed that this non-compliance with the ministry requirement was reported almost a year ago by internal audit. At that time, the institution was completing only half of the required daily inspection reports.

At two institutions we visited, we noted non-compliance in the suicide watch for inmates in segregation units. The institutions sometimes conducted suicide watches at much longer intervals than the required 15 minutes or less. On one occasion, we noted the interval was as long as 39 minutes.

CRITICAL INCIDENTS

In addition to the Ministry conducting its own internal investigations when critical incidents—such as escapes, murders and suicides—occur in correctional institutions, they are also reported to police. Deaths in correctional institutions are subject to a mandatory coroner’s inquest under the *Coroners Act*. The coroner examines the circumstance surrounding the deaths and presents jury recommendations to the institutions where the deaths occurred.

In the 1998/99 fiscal year, Ontario correctional institutions reported 30 escapes. In 1998/99, they also reported the highest number of suicides (9) in the past ten years. Our examination of some of these critical incident files indicated that stricter compliance with security and safety policies and procedures might reduce the occurrences of such critical incidents. For example:

- We noted that in two of the five institutions we visited that had escapes in the 1998/99 fiscal year, the escapes might have been prevented if security policies and procedures had been properly followed. In one case, a ladder was not secured as required, permitting five inmates to escape over the fence. In another case, inmates were not properly supervised, permitting four young offenders to escape during a workshop session.
- In one of the suicide case files we reviewed, we noted that a correctional officer did not observe an inmate who was under a suicide watch, as required by ministry policies and procedures. The inmate committed suicide when he was in the shower. In another case file we reviewed, the inmate committed suicide after his request to see a doctor was not attended to for more than two days.

Recommendation

To reduce or prevent critical incidents, the Ministry should more closely monitor the compliance with security measures by its correctional institutions and ensure timely, corrective action in cases of non-compliance.

Ministry Response

The Ministry is establishing a new performance framework that includes operational standards and performance measures. The Ministry is also reviewing and revising its current compliance monitoring tools and approaches to meet the new standards and to protect public safety.

The province will have on-site monitoring teams to ensure the inmates are treated in an appropriate manner, while considering the interests and concerns of the staff at the facilities. In addition, local monitoring boards will be established for all institutions, both private and public.

INMATES WITH MENTAL DISORDERS

Correctional institutions accommodate individuals with mental health problems on a regular basis. According to the Ministry, 15% to 20% of Ontario inmates require some form of clinical intervention for mental disorders.

3.04

This is consistent with our observations in the 1993 audit of Institutional Services. Following the de-institutionalization of treatment facilities by the Ministry of Community and Social Services and the Ministry of Health, the Ministry of Correctional Services noted that:

- many of the inmates should not be in correctional institutions but should be in treatment facilities; and
- correctional staff were not trained to handle inmates with mental disorders.

The *Ministry of Correctional Services Act* specifies that it is the responsibility of the Ministry to ensure that inmates requiring hospitalization be properly placed for treatment. According to the Ministry, it is addressing the issues of inmates with mental disorders by:

- Developing an information database on mentally disordered inmates as part of the Integrated Justice Case Management Project. This would allow for early identification of the mentally disordered to assist in determining possible diversion from the criminal justice system and/or referral to appropriate treatment/services.
- Establishing pilot sites for implementation of the Interministerial Agreement on Court-Ordered Assessments. The objective is to reduce the time spent incarcerated and increase diversion of minor offenders from correctional institutions.
- Working with the Ministry of Health to construct two correctional institutions on the sites of two existing psychiatric hospitals in Brockville and North Bay. The co-location of correctional and Ministry of Health treatment facilities would ensure that professional staff would be readily available to attend to the needs of mentally disordered inmates. At the time of our audit, the contracts for the two institutions had not been awarded.

Given that the issues relating to mentally disordered inmates have been identified since 1993, we are concerned that the various initiatives taken to address their needs have yet to be implemented.

Recommendation

To better meet the needs of mentally disordered offenders, the Ministry should expedite its efforts to establish treatment facilities and diversion measures for such offenders.

Ministry Response

The Ministry is working with the ministries of Health, Attorney General, Solicitor General and Community and Social Services to establish treatment facilities and diversion measures for offenders. An inter-ministerial protocol has been established for clients who come into conflict with the law and are mentally disordered and/or developmentally disabled.

The Ministry's 2000/01 Business Plan includes a commitment to provide specialized correctional programs to reflect offenders' sentence status, correctional needs and likelihood of success. This also includes the provision, where possible, of institutions for special treatment. The need for mental health and treatment services in a correctional environment will be

addressed by the construction of the new St. Lawrence Valley Complex which will provide a 100-bed secure treatment unit, together with the expansion of treatment beds in North Bay and Sault Ste Marie.

MEASURING AND REPORTING ON EFFECTIVENESS

As stated previously, the corporate objectives of the Ministry are to assure the protection and security of society and to motivate offenders towards positive personal change. We reviewed the indicators used to monitor, report on and evaluate the effectiveness with which the Ministry meets these objectives.

The Ministry monitors and reports annually on the number of escapes of inmates under its custody. However, given that the majority of the offenders are sentenced for less than three months, protection of society by incarceration can only be a short-term measure.

Accordingly, the ultimate protection of society rests more with how successful the Ministry is in achieving its other objective of motivating offenders towards positive personal change, so that the security of society will not be threatened when they return to the community.

According to the Ministry, one of the most commonly used measures of positive personal change is the rate of recidivism (a return to crime). In our previous audits, we expressed concern that this effectiveness indicator was not measured. The Ministry had indicated that, with the implementation of its computerized offenders information system, the monitoring of recidivism rates of readmitted ex-offenders from the Ontario system would be significantly improved.

In the 1998/99 Business Plan, the Ministry indicated it would establish a baseline by tracking the recidivism rate for young offenders. In our current audit's survey of the correctional institutions, only one adult institution was able to provide us with recidivism statistics. At the corporate level, we found that the Ministry was still not measuring recidivism or monitoring the effectiveness of its efforts in motivating offenders towards positive personal change.

Without reliable recidivism statistics and other effectiveness measures, the Ministry was not able to evaluate which programs or institutions were most effective in changing offenders' behaviour.

At the time of our audit, ministry officials indicated they were in the process of developing a definition of recidivism for adult and young offenders. Based on past recidivism data, a benchmark would subsequently be developed for measuring the effectiveness of correctional institutions in motivating behavioural change.

Recommendation

The Ministry should develop and implement performance measures to assess the effectiveness of Institutional Services in motivating offenders towards positive personal change.

Ministry Response

The Ministry is establishing outcome-based performance measures to assess the effectiveness of programming for all sentenced offenders to determine the success in lowering re-offending rates.

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