

## Chapter 3

### Section 3.03

# Ontario Works

## Standing Committee on Public Accounts Follow-Up on Section 3.11, 2018 Annual Report

On March 20, 2019, the Standing Committee on Public Accounts (Committee) held a public hearing on our 2018 audit of Ontario Works. The Committee tabled a report on this hearing in the Legislature in December 2019. A link to the full report can be found at [www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html](http://www.auditor.on.ca/en/content/standingcommittee/standingcommittee.html).

The Committee made 14 recommendations and asked the Ministry of Children, Community and Social Services (Ministry) to report back by April 2020. The Ministry formally responded to the Committee on April 3, 2020. The status of each of the Committee's recommended actions is shown in **Figure 1**.

**Figure 1: Summary Status of Actions Recommended in December 2019 Committee Report**

Prepared by the Office of the Auditor General of Ontario

	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	1					1
Recommendation 2	4			4		
Recommendation 3	1			1		
Recommendation 4	5			5		
Recommendation 5	2			2		
Recommendation 6	4	1		3		
Recommendation 7	2		1	1		
Recommendation 8	2			2		
Recommendation 9	1			1		
Recommendation 10	4			3	1	
Recommendation 11	4		2	2		
Recommendation 12	1			1		
Recommendation 13	1			1		
Recommendation 14	3			3		
<b>Total</b>	<b>35</b>	<b>1</b>	<b>3</b>	<b>29</b>	<b>1</b>	<b>1</b>
<b>%</b>	<b>100</b>	<b>3</b>	<b>9</b>	<b>82</b>	<b>3</b>	<b>3</b>

We conducted assurance work between April 7, 2020 and August 31, 2020, and obtained written representation from the Ministry that effective October 6, 2020, it has provided us with a complete update of the status of the recommendations made by the Committee.

in the process of being implemented. There had been little or no progress on 29 recommended actions (82%).

## Overall Conclusion

As of April 2020, only one (3%) of the Committee's recommended actions had been fully implemented, and three (9%) of the recommended actions were

## Detailed Status of Recommendations

Figure 2 shows the recommendations and status details that are based on responses from the Ministry of Children, Community and Social Services (Ministry), and our review of the information provided.

**Figure 2: Committee Recommendations and Detailed Status of Actions Taken**

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Committee Recommendation	Status Details
<p><b>Recommendation 1</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should conduct annual surveys of service managers to obtain their perspective on the obstacles they face in helping Ontario Works clients to find sustainable employment.</p> <p><b>Status: No longer applicable; alternatively addressed.</b></p>	<p>In February 2019, Ontario's plan to transform employment services was announced. The plan includes a new service delivery model to integrate social assistance employment services into Employment Ontario. The Ministry advised us that through these changes, the responsibility for the provision of employment supports and services would gradually transition from Ontario Works service managers to Employment Ontario service system managers. Service system managers are to be selected by the Ministry of Labour, Training and Skills Development (MLTSD). MLTSD selected three service system managers in 2020 for three different catchment areas where the prototype for the new employment services model will begin. According to the Ministry, these three service system managers are scheduled to begin providing services in January 2021, at which point Ontario Works service managers in these catchment areas would no longer be delivering employment services.</p>

Committee Recommendation	Status Details
<p><b>Recommendation 2</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should incorporate in its contracts with service managers some specific program requirements, service delivery targets, and accountability measures, including:</p> <ul style="list-style-type: none"> <li>• requirements to comply with Ontario Works contracts, legislation, Ministry directives and policies;</li> <li>• performance indicators and targets for service managers' progress in assisting Ontario Works recipients to find employment and to become self-sufficient;</li> <li>• other targets for service delivery, including reducing and preventing overpayments; and</li> <li>• mechanisms to hold service managers accountable for meeting the terms of the agreements.</li> </ul> <p><b>Status: Little or no progress.</b></p>	<p>The Ministry is in the early stages of addressing this recommendation. The Ministry indicated that it was working to transform the accountability model for social assistance, and that the model would include new, strengthened agreements with service managers by January 2022. The Ministry has also established a provincial-municipal working group to support the work toward a transformed outcomes-based approach to social assistance accountability.</p>
<p><b>Recommendation 3</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should implement a process to monitor and review service managers' compliance with its contracts, legislation, and Ministry policies and directives.</p> <p><b>Status: Little or no progress.</b></p>	<p>The Ministry is in the early stages of addressing this recommendation. As noted in its response to <b>Recommendation 2</b>, the Ministry indicated that it was working to transform the accountability model for social assistance, and that the model would include a series of new program-monitoring mechanisms that would be put into operation through new, strengthened agreements with service managers by January 2022. The Ministry indicated that in the meantime, it planned to introduce new accountability measures, including an interim performance-monitoring strategy.</p>

Committee Recommendation	Status Details
<p><b>Recommendation 4</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should implement a process to effectively evaluate the Ontario Works program by:</p> <ul style="list-style-type: none"> <li>• collecting information to be able to analyze and understand the amount of time recipients spend on social assistance;</li> <li>• defining indicators for what constitutes “stable” employment, and measuring whether recipients find stable employment;</li> <li>• developing performance indicators, inclusive of demographic and geographic factors, to measure and improve outcomes for recipients with significant barriers to employment;</li> <li>• developing targets to reduce the increasing amounts of time on assistance; and</li> <li>• monitoring the performance of the program and service managers overall to identify and take corrective action where targets and expectations are not being met.</li> </ul> <p><b>Status: Little or no progress.</b></p>	<p>As noted in its response to <b>Recommendation 2</b>, the Ministry has established a provincial-municipal working group to support the work toward putting in place an outcomes-based approach to social assistance accountability. However, the Ministry’s progress toward implementing this recommendation is otherwise limited.</p> <p>The Ministry indicated that its work to transform the accountability model for social assistance includes creating an outcomes framework with corresponding performance indicators and related targets that are intended to address the recommendation. However, the Ministry does not have a timeline for the completion of the framework.</p> <p>The Ministry also indicated that it planned to incorporate the performance indicators and related targets it would develop into new, strengthened agreements with service managers it planned to put in place by January 2022, and that it would subsequently monitor service manager results and take corrective actions where warranted.</p>
<p><b>Recommendation 5</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should:</p> <ul style="list-style-type: none"> <li>• obtain data on service manager staffing levels and caseloads to determine whether service managers are staffed according to Ministry guidelines and follow up on significant differences to determine and take corrective action where needed;</li> </ul> <p><b>Status: Little or no progress.</b></p> <ul style="list-style-type: none"> <li>• compare differences in service manager administration costs to determine if they are reasonable and to take corrective action where they are not.</li> </ul> <p><b>Status: Little or no progress.</b></p>	<p>The Ministry has not taken specific steps to implement this recommendation, but indicated that it still intended to address it.</p> <p>The Ministry is in the early stages of addressing this recommendation. The Ministry indicated that it was working to transform the accountability model for social assistance, and that this model would include a new program delivery funding model intended to ensure the efficient and effective delivery of the Ontario Works program and the achievement of intended outcomes. The Ministry noted that when developed, the funding model will be supported by a new outcomes framework and levers to promote continuous performance improvement. The Ministry indicated that the new funding model, which it expected to develop by January 2022, would also reflect the most effective approach to cost-sharing to maximize recipient outcomes.</p>

Committee Recommendation	Status Details
<p><b>Recommendation 6</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should:</p> <ul style="list-style-type: none"> <li>require service managers to reassess the eligibility of Ontario Works recipients annually to detect and prevent overpayments; <b>Status: Little or no progress.</b></li> <li>enhance its systems and processes so that service managers are able to record the causes of overpayments, analyze the reasons, and take action to minimize their occurrence; <b>Status: Little or no progress.</b></li> <li>monitor and review the effectiveness of service managers in recovering overpayments; <b>Status: Little or no progress.</b></li> <li>ensure that efforts to recover overpayments do not force clients and their dependents into financial hardship. <b>Status: Fully implemented.</b></li> </ul>	<p>The Ministry has not taken specific steps to implement this recommendation, but indicated it still intends to address it. The Ministry indicated that as a result of COVID-19, it expects a surge in the Ontario Works caseload and is considering its response, including implementing a risk-based approach to address the recommendation.</p> <p>The Ministry has not taken specific steps to implement this recommendation, but indicated it still intended to enhance its systems and processes to determine and record the cause of overpayments. The Ministry also indicated that by March 2021, it is planning to review overpayments to determine their primary cause, and to take corrective action to address the reasons for the overpayments.</p> <p>The Ministry has not taken specific steps to implement this recommendation, but indicated it still intended to address it.</p> <p>In May 2019, the Ministry changed its guidelines to increase the standard overpayment recovery rate to 10% when the cause of the overpayment is deemed to have been within the recipient's control to prevent.</p>
<p><b>Recommendation 7</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should:</p> <ul style="list-style-type: none"> <li>investigate the reasons for the increased take-up rate of the special diet allowance and make changes as needed; <b>Status: In the process of being implemented by December 2020.</b></li> <li>put in place changes to ensure that Ontario Works recipients are treated equitably and receive allowances for a special diet only when required for a medical condition. <b>Status: Little or no progress.</b></li> </ul>	<p>The Ministry completed a review of special diet allowance forms signed off on by doctors from 2015 to 2018. The Ministry identified doctors completing an unusually high number of special diet allowance forms and isolated three doctors who completed over 900 forms each in 2017/18, including one who completed over 2,000 forms. The Ministry referred these three doctors to the College of Physicians and Surgeons of Ontario (College), which subsequently launched an investigation.</p> <p>The Ministry also indicated that by December 2020, it intended to begin a twice-yearly review of special diet allowance forms completed by doctors for anomalies in their prescribing practices, and where necessary it would refer additional doctors to the College. The Ministry also indicated that these reviews would include reviewing regional disparities in approved special diet allowances.</p> <p>The Ministry has not made progress toward implementing this recommendation.</p>

Committee Recommendation	Status Details
<p><b>Recommendation 8</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should:</p> <ul style="list-style-type: none"> <li>• review and analyze differences in discretionary benefits provided by service managers, and their impact on recipient outcomes; and</li> <li>• establish guidelines so that Ontario Works recipients are treated equitably when decisions are made on whether or not they receive discretionary benefits.</li> </ul> <p><b>Status: Little or no progress.</b></p>	<p>The Ministry has not yet taken steps to implement the recommendation. The Ministry advised us that, to support local decision-making, it planned to analyze the provision of discretionary benefits across service managers to identify local strategies that have a positive impact on recipient outcomes. In addition, the Ministry noted that, based on this analysis, it would develop best practice guidelines. However, the Ministry had not set a timeline for completing these actions.</p>
<p><b>Recommendation 9</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should implement changes to its case management system to enable service managers to better track recipients' skills, barriers to employment, referrals to employment and community programs, and recipient progress.</p> <p><b>Status: Little or no progress.</b></p>	<p>The Ministry has not yet made progress toward implementing this recommendation. The Ministry indicated that it planned to enhance functionality in the Social Assistance Management System by January 2021 to support improved tracking of recipients' skills, barriers to employment and referrals.</p>
<p><b>Recommendation 10</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should:</p> <ul style="list-style-type: none"> <li>• work with the federal government to modernize and increase the efficiency of their information-sharing to allow timely validation of the immigration status of Ontario Works recipients, and to identify recipients who are no longer eligible for Ontario Works;</li> </ul> <p><b>Status: Little or no progress.</b></p>	<p>The Ministry has made some progress toward addressing this recommendation. The Ministry indicated it was in the process of conducting a pilot test with Immigration, Refugees and Citizenship Canada (IRCC) and the Canada Border Services Agency (CBSA). One of the aims of the pilot test is to confirm the technical feasibility of an automated exchange of personal information between the Ministry, IRCC and the CBSA relating to Ontario Works clients' immigration status for the purposes of verifying their eligibility. The intent is to use the results of this pilot to inform analysis on whether and how to move forward with an automated information-sharing process to replace the manual information-sharing process currently in place between IRCC and the Ministry.</p> <p>The Ministry expects to receive results from the pilot in January 2021, and to subsequently use the results to determine the cost/benefit of automating the information-sharing process. However, it has not set a timeline for when it expects to decide on the automation of this process, or on when it plans to fully implement the recommendation.</p>

Committee Recommendation	Status Details
<ul style="list-style-type: none"> <li>work with the Canada Border Services Agency to establish an information-sharing agreement to obtain information about Ontario Works recipients whose out-of-country travel, or periods of out-of-country residency, exceed allowable limits for Ontario Works eligibility; <b>Status: Little or no progress.</b></li> <li>work with other provinces to establish an information-sharing agreement to obtain information about Ontario Works recipients whose out-of-province travel or periods of out-of-province residency exceed allowable limits for Ontario Works eligibility; <b>Status: Will not be implemented.</b></li> <li>use tax filing information to verify the residency status of Ontario Works recipients. <b>Status: Little or no progress.</b></li> </ul>	<p>The Ministry has made some progress toward addressing this recommendation. Through the pilot test the Ministry is conducting with IRCC and the CBSA, it expects to receive aggregate information from the CBSA relating to Ministry clients who have departed from Canada. The Ministry advised us that by June 2021 it intended to use results of this pilot to determine whether establishing an information-sharing agreement with the CBSA would be beneficial in helping to identify Ontario Works recipients who are no longer eligible for Ontario Works. However, at this time, the Ministry does not have a timeline of when it expects to fully implement this recommendation.</p> <p>The Ministry indicated that it did not have any plans to establish agreements to identify Ontario Works recipients who have been out of the province for extended periods. The Ministry indicated that there are no requirements or mechanisms to identify or register individuals who travel within Canada that could enable it to obtain this information.</p> <p>The Ministry has not yet taken steps to address this recommendation.</p>
<p><b>Recommendation 11</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should work with service managers to:</p> <ul style="list-style-type: none"> <li>formalize a requirement to use third-party verification checks that will be most effective in verifying an applicant's financial circumstances; <b>Status: Little or no progress.</b></li> <li>complete high-risk targeted eligibility reviews assigned to service managers by the Ministry; <b>Status: In the process of being implemented by January 2022.</b></li> </ul>	<p>The Ministry indicated that prior to the COVID-19 outbreak, it had drafted updates to its directives to more clearly identify the Canada Revenue Agency and Equifax as mandatory third-party checks. However, it did not finalize and implement these changes and shifted its focus to activities to support the emergency response to COVID-19. As the emergency response phase has stabilized, the Ministry indicated it has begun social assistance renewal work that includes policies and processes relating to intake and eligibility determination and review, which may result in broader revisions to its policy directives. The Ministry anticipates completing this work by the summer of 2021.</p> <p>The Ministry identified that service managers increased the number of eligibility verifications they completed by over 50% in 2019—from 20,498 in 2018 to 31,522 in 2019. In addition, the Ministry identified that service managers have increased the proportion of reviews they complete on a timely basis. While service managers completed 46% of the reviews assigned to them in November 2018 within 60 days, they completed 69% of those assigned to them in January 2020 within 60 days. In March 2020 the Ministry temporarily suspended the requirement for service managers to complete such reviews due to COVID-19. The Ministry noted that it planned to put in place revised agreements with service managers by January 2022 that would formalize the requirement for service managers to complete eligibility verification reviews on a timely basis, and to monitor service manager compliance relative to those agreements thereafter.</p>

Committee Recommendation	Status Details
<ul style="list-style-type: none"> <li>investigate fraud tips promptly to ensure that only those eligible for the program are receiving assistance; <b>Status: In the process of being implemented by January 2022.</b></li> <li>reassess recipients' ongoing eligibility to ensure only those eligible for the program receive assistance. <b>Status: Little or no progress.</b></li> </ul>	<p>The Ministry identified that between December 2018 and April 2020, service managers decreased the number of outstanding fraud referrals by 20% and fraud investigations by 30%. In addition, the Ministry identified that between January 1, 2019, and April 30, 2020, 59% of the fraud referrals reviewed by service managers were reviewed within 30 days as required, and 83% of investigations completed by service managers were completed within six months as required. The Ministry indicated that by the summer of 2021, it also planned to set a target for the proportion of fraud referrals and investigations it expects service managers to review and investigate on a timely basis, and that it would include those targets in revised contracts with service managers by January 2022. After that date, the Ministry planned to monitor service manager compliance with established targets.</p> <p>The Ministry has not taken specific steps to implement this recommendation, but indicated it still intends to address it.</p>
<p><b>Recommendation 12</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should work with service managers to ensure that they only waive the requirement to participate in employment support activities in eligible circumstances and also when supported by the necessary documentation. <b>Status: Little or no progress.</b></p>	<p>The Ministry is in the early stages of addressing this recommendation. As noted in its response to <b>Recommendation 2</b>, the Ministry has established a provincial-municipal working group to support the work toward putting in place an outcomes-based approach to social assistance accountability. The Ministry indicated that it was working to transform the accountability model for social assistance. As part of this model, expectations would be defined and supported by a new outcomes framework and strengthened agreements with service managers by January 2022. The Ministry indicated that in the meantime, it planned to introduce new measures to support an outcomes-based approach to accountability, including an interim performance-monitoring strategy. The Ministry also noted that as a priority for 2021 it would work with service managers to clearly identify expectations relating to recipient participation.</p>
<p><b>Recommendation 13</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should work with service managers to ensure they meet with clients regularly in accordance with Ministry requirements and connect all participants to appropriate employment supports. <b>Status: Little or no progress.</b></p>	<p>The Ministry is in the early stages of addressing this recommendation. As noted in its response to <b>Recommendation 2</b>, the Ministry has established a provincial-municipal working group to support the work toward putting in place an outcomes-based approach to social assistance accountability, and is working to transform the accountability model for social assistance. As part of this model, expectations would be defined and supported by a new outcomes framework and strengthened agreements with service managers by January 2022. The Ministry indicated that in the meantime, it planned to introduce new measures to support an outcomes-based approach to accountability, including an interim performance-monitoring strategy. The Ministry also noted that as a priority for 2021 it would work with service managers to clearly identify expectations relating to recipient participation.</p>

Committee Recommendation	Status Details
<p><b>Recommendation 14</b></p> <p>The Standing Committee on Public Accounts recommends that the Ministry of Children, Community and Social Services should work with other ministries that provide services to help newcomer settlement and integration to:</p> <ul style="list-style-type: none"> <li>• increase the proportion of recipients referred to employment supports that have a track record of successfully assisting recipients to obtain employment; <b>Status: Little or no progress.</b></li> <li>• ensure that service managers collect information about the employment outcomes for clients who are referred to Employment Ontario; <b>Status: Little or no progress.</b></li> <li>• use this and other relevant data to develop targets and indicators to improve the effectiveness of Ontario Works. <b>Status: Little or no progress.</b></li> </ul>	<p>The Ministry has not undertaken specific steps to address this recommendation.</p> <p>The Ministry identified that it is developing an interface between its Social Assistance Management System and the Ministry of Labour, Training and Skills Development's case management system for Employment Ontario, which is intended to share client-level information between the two systems so that client activities and their outcomes can be tracked and monitored. The Ministry expected this interface to be operational by January 2021. However, the Ministry advised that only nine of the 47 service managers would be able to use the interface at that time. A timeline for the rest of the service managers had not yet been established.</p> <p>The Ministry has not undertaken specific steps to address this recommendation.</p>