

**Management's Response to the Auditor General's Review of  
Toronto Employment and Social Services – Income Verification Procedures Can Be Improved**

<u>Rec No</u>	<u>Recommendation</u>	Agree (X)	Disagree (X)	<u>Management Comments:</u> <i>(Comments are required only for recommendations where there is disagreement.)</i>	<u>Action Plan/ Time Frame</u>
1.	<b>City Council request the General Manager, Employment and Social Services, in consultation with appropriate staff, develop a process to identify social assistance clients in possession of business and trade licenses issued by the City. Such data to be considered during eligibility review and on an ongoing basis.</b>	X		<p>TESS agrees that information regarding possession of business and trade licences issued by the City should be considered on an ongoing basis.</p> <p>In April 2012, TESS introduced a new eligibility verification process. This process, a risk-based approach to reviewing the ongoing financial eligibility of clients receiving assistance, includes automated monthly validation of all client information with third party sources including credit agencies and the Canada Revenue Agency. This mandatory process assists in evaluating information provided by clients, determining the amount of social assistance payable and identification of any issues on an ongoing basis.</p> <p>TESS notes that if an individual does not report income to CRA and it does not appear in a credit check, it would be impossible for TESS to determine if there was any undeclared income.</p>	<p>Under implementation.</p> <p>TESS has commenced consultation with Toronto Legal Services, Municipal Licensing Standards and Corporate Information Management Services.</p> <p>TESS is in the process of determining the business requirements pertaining to the data matching between TESS and MLS.</p> <p>It is expected that this recommendation will be implemented in the first quarter of 2013.</p>

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2.	<b>City Council request the General Manager, Employment and Social Services, in consultation with the City Clerk, address any privacy issues related to the data comparison included in Recommendation 1.</b>	X		<p>It is the initial assessment of Corporate Information Management Services that the Ontario Works Act already provides Employment and Social Services with the authority to collect and use information from any sources to determine eligibility. The use of business licensing information for this purpose is already authorized by sections 31(c) and 32(d-e) of MFIPPA.</p> <p>The personal information collection notice used by Municipal Licensing and Standards identifies the principal purpose for which the information will be used. It is not necessary to amend the notice to include other authorized uses of the information. The responsibility to inform social assistance clients that licensing data (and other information sources, as appropriate) will be considered for eligibility review should rest with Employment and Social Services.</p>	<p>Implemented.</p> <p>TESS has engaged and completed consultations with Municipal Licensing Standards, Corporate Information Management Services, and Toronto Legal Services to address any privacy issues related to the data comparison included in Recommendation 1.</p> <p>This consultation was concluded in October 2012.</p>

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3.	<b>City Council request the General Manager, Employment and Social Services, consider business licenses held and how related skills and abilities impact employment service plans and related activities.</b>	X		<p>TESS notes that the 1,539 OW residents identified by the Auditor General as holding a business license represents less than 1% of the individuals who received OW benefits from 2010 to 2011.</p> <p>When caseworkers establish, monitor and evaluate service plans for individuals, all reasonable efforts are made to ensure that declared business licenses, skills and abilities are taken into consideration with clients.</p> <p>TESS has implemented a number of strategies in 2012, which falls outside the period of the audit, with a variety of factors that specifically address the appropriateness and focus of service plans.</p>	<p>Under implementation.</p> <p>In June 2012 TESS implemented the Employment Service Planner (ESP) and Employment and Service Information (EASi) system. The new Service Plan Review tool is currently under implementation and it is expected to be fully implemented by the first quarter of 2013. The Service Plan Review tool will ensure employment plans reflect related experience, skills and abilities of each individual. These initiatives support continuous improvement opportunities for TESS.</p> <p>TESS will conduct reviews to monitor these automated technology tools consistent with the Division's work plan for reviews.</p>

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4.	<b>City Council request the General Manager, Employment and Social Services, develop criteria and guidelines for maintaining bank and other related records for selective recipients such as those having a business license and reporting no income for an extended period of time.</b>	X		<p>TESS acknowledges that the physical retention of additional documentation may be reasonable; however, to ensure consistency across all 47 municipalities the Province has existing policy directives in the area of retaining bank and other related records. TESS notes that its current record keeping processes and practices for bank and other related records is in compliance with Ontario Works Directives 2.1, 5.1, and 5.8 which is applicable to all municipalities. The Auditor General's recommendation would result in the City having documentation retention practices that vary from the other municipalities.</p> <p>Caseworkers currently review bank statements and other financial records received from the client. This review is documented in the case files. As well, every month the eligibility verification model, implemented earlier in 2012, validates all client information with third party sources such as credit agencies and the Canada Revenue Agency.</p>	TESS will forward the Auditor General's observations and recommendation to appropriate Provincial staff for consideration as part of the business process redesign and new system development scheduled for implementation in late 2013.

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				<p>It is appropriate that the retention of additional documentation be considered as part of the Provincial Government's business process redesign which is to commence shortly. The Province is implementing a new service delivery technology in late 2013 for all municipalities and it may have the potential for scanning and electronic storage of banking information and related records. TESS will discuss the Auditor General's recommendation with the appropriate Provincial staff to ensure it is considered as part of their business process development for this new provincial system.</p>	

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5.	<b>City Council request the General Manager, Employment and Social Services, ensure that client employment service plans are based on a detailed review of individual’s circumstances and that related activities are followed up and results documented in client files.</b>	X		<p>TESS recognizes the need for appropriate service plans for residents and since 2010 – 2011 has implemented a number of strategies to address this issue such as Employment and Service Information (EASI), Employment Service Planner (ESP) and Service Plan Review tool.</p> <p>TESS caseworkers are required to complete a detailed review of client circumstances prior to establishing a service plan. Caseworkers assess clients' skills and experience and work collaboratively with the client to determine the most appropriate activity.</p> <p>Participation agreements are required on file for all OW clients and each agreement is reviewed and updated as required. The overall goal of the program is sustainable employment for residents.</p> <p>There is no legislative limitation regarding the amount of time that an individual can receive OW benefits. Legislation requires that we assist clients as long as they meet eligibility criteria</p>	<p>Under implementation.</p> <p>It is expected that this recommendation will be implemented in the first quarter of 2013.</p> <p>TESS will conduct random and focused reviews to monitor this area as part of the Division's review work plan.</p>

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				<p>and require services. Reasonable efforts are made to ensure that clients are provided with appropriate interventions, assistance and benefits to bring them closer to the labour market and eventual sustainable employment.</p> <p>All referrals/participation in programs contracted by TESS must be recorded in the Employment Services System (ESS).</p>	

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6.	<b>City Council request the General Manager, Employment and Social Services, consult with the Province to clarify the definition of casual income described under Ontario Works Directive for self employed/business income.</b>	X		<p>TESS notes that there is no definition of "casual/occasional" employment in the provincial directives. The 2010 Self-Employment Directive 2.5 also states that people involved with self employment on a "casual/occasional" basis only, are to have their self employed income treated as "earnings"  <a href="http://www.mcass.gov.on.ca/documents/en/mcass/social/directives/ow/0513.pdf">http://www.mcass.gov.on.ca/documents/en/mcass/social/directives/ow/0513.pdf</a></p> <p>In absence of a clear definition, TESS refers staff to the provincial definition of casual/occasional employment provided in the Private Child Care Income Provincial Directive 5.12 which distinguishes between casual/occasional babysitting (treated as Earnings) and Home Child Care business (treated as Business Income).  <a href="http://tss.toronto.ca/ea/sed/workflow.htm#casual">http://tss.toronto.ca/ea/sed/workflow.htm#casual</a></p>	<p>TESS will request that the Province clarify the definition of casual employment.</p> <p>TESS will forward the AG's findings and recommendations to Ministry of Community and Social Services (MCSS), Toronto Regional Office by the end of 2012.</p>



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7.	<b>City Council request the General Manager, Employment and Social Services, in consultation with the City Solicitor, to review and resolve the differences between the Ontario Works Directive and the Toronto Municipal Code, relating to records retention for allegations of fraud that are deemed to be unfounded or unsupported.</b>	X		<p>OW Policy Directive 9.7 "Controlling Fraud", February 2009, "Unfounded Allegations of Fraud" states: "Allegations of fraud that are deemed to be unfounded or unsupported as a result of an assessment or investigation must be deleted/disposed from both electronic and paper files one year from the date that the assessment or investigation was completed (including documentation from police, crown and trial activities, where applicable). Any information pertaining to the eligibility complaint and results of the assessment or investigation should be destroyed."</p> <p>Currently TESS records are destroyed 7 years after files are closed as per Retention By-law No: 590-2007; GM4.17 (May 25, 2007) and Ontario Works Act, S.O. 1997. c. 25, Sch. A. s 42. Corporate Information Management Services coordinates the authorized disposal of City records by identifying records for which the authorized retention has expired</p>	<p>Action has been initiated with Corporate Information Management Services to modify the City's Records Retention Schedule.</p> <p>The requested amendments will be added to the "Amendment to Records Retention Schedule A" report. It is expected that this recommendation will be implemented by early 2013.</p>