



STAFF REPORT ACTION REQUIRED

Impact of Social Assistance Management System (SAMS) implementation in Toronto

Date:	December 15, 2015
To:	Government Management Committee
From:	General Manager, Toronto Employment and Social Services
Wards:	All
Reference Number:	

SUMMARY

As part of the provincial government's initiative to modernize and improve social assistance, the Ministry of Community and Social Services implemented a new social assistance delivery technology in November 2014. This new technology – Social Assistance Management System (SAMS) – is a mandatory province-wide system used to deliver the Ontario Works (OW) and Ontario Disability Support Program (ODSP) across Ontario.

As the organization primarily responsible for the successful delivery of social assistance in Toronto, TESS, on behalf of the City, made extensive preparations and major investments to ensure that the implementation of SAMS would cause minimal service disruptions to clients and that staff would be as prepared as possible to use the new system. This involved providing extensive feedback to the province through all stages of SAMS design and implementation, communicating the business needs of our operations and detailing business risks prior to implementation.

This report discusses the proactive steps TESS took to prepare for the implementation of SAMS. It specifically describes how TESS has worked to minimize service impacts through the initial implementation period and on an ongoing basis. Finally, the report addresses the major issues with SAMS at this point, the implications for TESS in terms of serving OW clients in Toronto, notably the requirement to refocus on service planning and the delivery of employment services, both of which were negatively affected by SAMS implementation, plus the steps TESS is taking with the province to improve system performance.

RECOMMENDATIONS

The General Manager, Toronto Employment and Social Services, recommends that:

1. City council request that the Government of Ontario recognize the impact SAMS has had on municipalities and provide necessary funding to offset the incremental costs of SAMS.
2. City Council transmit this report to the Minister of Community and Social Services (MCSS).
3. City Council direct the General Manager, Toronto Employment and Social Services to report back in the fall of 2016 on the status of the SAMS implementation in Toronto.

Financial Impact

As noted in this report, based on the City's experience and on recent reports, including an in depth review of SAMS by the Auditor General in her 2015 annual report, SAMS has serious defects and performance issues that are still unresolved. The system requires increased staff time to perform key eligibility and case management functions, and involves the collection of more data than was required under the previous system. Post implementation, staff spend significant time performing "workarounds" to manage the errors that SAMS is generating.

Recognizing the need for additional staff resources to meet client needs, City Council added 25 temporary positions to TESS' 2015 operating budget at a cost of \$1.75 million gross, \$0.0 million net. These positions were funded 50/50 between the City and the Province, with the City's portion funded from the Ontario Works Reserve.

As the Ministry does not anticipate SAMS becoming fully stable until spring 2016, at the earliest, and with the negative impacts to productivity likely to be incremental in nature going forward, TESS' 2016 Preliminary Operating Budget includes funding of \$0.875 million to reclassify the 25 positions as base complement, with the City's 50 per cent share funded from property taxes.

The 2016 Preliminary Operating Budget also includes one-time funding of \$5.5 million from the Ontario Works reserve to add 66 temporary caseworkers, thereby increasing the caseload to staff ratio from 10.8 staff per 1,000 cases to 11.5 staff per 1,000 cases.

Resource requirements for 2017 and thereafter will be considered as part of the 2017 budget process.

The Deputy City Manager and Chief Financial Officer have reviewed this report and agree with the financial impact information.

DECISION HISTORY

(November 9, 2015) Report from the General Manager, Toronto Employment and Social Services, the Treasurer, and the Director, Purchasing and Materials Management on Update on the City Services Benefit Card. As an amendment to this report, the Government Management Committee requested the General Manager, Toronto Employment and Social Services to report to the January 4, 2016 Government Management Committee on the impact of the introduction of the Province of Ontario's Social Assistance Management System (SAMS) on Toronto Employment and Social Services.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM8.11>

ISSUE BACKGROUND

In 2011, the Province of Ontario announced it would replace the computer system that all municipalities use to deliver and manage Ontario (OW) and that the province uses to deliver the Ontario Disability Support Program (ODSP). This change was required to address ongoing functionality issues and business concerns with the previous system, which was nearing the end of its operational life. In addition, the Province was seeking to modernize business processes and systems, an objective wholly supported by TESS.

Cúram Software (now IBM) was selected to provide a commercial off-the-shelf system that would then be customized to meet the specific needs of Ontario's social assistance system. The new technology, known as the Social Assistance Management System (SAMS), was intended to provide a more comprehensive case management tool, with greater sophistication and functionality than its predecessor.

The Province determined that the least disruptive means to introduce the new technology would be through a 'big bang' go-live process. In effect, overnight SAMS would replace the old operating system for all municipalities across Ontario. The province wide implementation date was set for November 11, 2015 (in the City of Toronto November 12, 2015 due to the Remembrance Day holiday).

It is worth noting the scale of Toronto's OW program as a backdrop to discussing the implications for SAMS implementation in the city. TESS manages the third largest social assistance delivery system in Canada, assisting 1 in 10 Torontonians in 2014 (or nearly one-third of all OW recipients in Ontario). On a monthly basis, TESS staff use this provincial technology to serve approximately 90,000 cases, determine eligibility for approximately 4,500 residents, issue over 95,000 payments to OW clients (totalling approximately \$65 million), and provide services to over 20,000 clients throughout the division's Employment Centres.

With the size of Toronto's OW program, as well as the magnitude of SAMS implementation, TESS recognized the potential risks of this implementation approach, given that this system would be relied upon to ensure that many of the city's most

vulnerable residents would continue to receive, or be able to obtain, the benefits and supports they urgently require.

TESS clearly identified a number of red flags with respect to the implementation approach proposed by the province. These included:

- lack of an in-person training approach for a complex system that changed business processes in a major way;
- staff training based on older versions of the system as the system continued to evolve right up to the implementation date;
- a five day rollover period with no provision for client service;
- shut down of online application services during the rollover period reducing access to the OW program;
- lack of a full Provincial Business Continuity Plan, and;
- lack of a post release schedule to correct identified deficiencies which occur in any system release.

Certain decisions, such as the "rollover period" of five days when no systems would be available were a major concern as TESS felt that service continuity and a seamless transition for clients was essential through the implementation period.

Recognizing the potential risks associated with implementation, TESS, on behalf of the city, took proactive and extensive measures to prepare for SAMS, but also to support the province. At the same time, there were significant implications and costs for TESS as a service delivery organization, for TESS staff and for the delivery of key employment related benefits and services.

On balance, the actions taken and investments made by TESS, including the support provided by other city divisions, ensured the implementation of SAMS in Toronto proceeded as seamlessly as possible for OW clients with respect to access to the program and the consistent and timely delivery of critical financial benefits.

At this point, SAMS has been implemented for just over one year. It should be noted that a number of reports have been released that address concerns and issues related to SAMS (see attachment 1). The reports by the Ontario Municipal Social Services Association and the provincial Auditor General will be drawn on to highlight key issues with SAMS. The Auditor General included an in depth review of SAMS in her 2015 annual report. Attachment 2 contains the Executive Summary and recommendations from that report. The issues referenced in these reports echo the concerns TESS has identified, and planned for, from the initial stages of the development and implementation of SAMS.

The following sections more fully describe the key issues that have been identified related to SAMS and to its implementation both prior to and post implementation as well as the extensive steps TESS took to prepare for and mitigate SAMS impacts. Finally, the current status of SAMS in terms of system performance and ongoing service related impacts is discussed.

COMMENTS

SAMS: Implementation Approach and System Readiness

With the introduction of any new large scale computer or technology system, there is an acknowledged transition period pre and post implementation where system issues are identified, mitigated or resolved. Often, a large system is piloted to ensure the system functions and performs as required.

However, due to prior delays in implementing the system (it was originally scheduled to be implemented in November, 2013), the province decided to proceed with a big bang implementation in November, 2014. The province believed that they could mitigate the inherent risks of such an approach through exhaustive testing and intensive training.

A series of significant issues were experienced by Toronto and other municipalities related both to the implementation process put in place as well as to system defects which were not resolved prior to testing. As the Auditor General notes:

'The Social Assistance Management System (SAMS) was not properly piloted or fully tested during its development. Tests that were done yielded results that were below expectations. The Ministry launched anyway because it considered the risks of delaying the launch greater than the risks of launching a system that was not fully ready. Further, the decision to launch was based on incomplete and inaccurate information about SAMS' readiness.'

The Auditor General's report also pointed out that the training provided by the province did not adequately prepare social assistance staff to use the new system. As well, the testing that was done by the province prior to the launch of SAMS also revealed a large number of deficiencies in the system.

The province's decision to proceed with a big-bang launch was intended to minimize disruption to the social assistance system. However, as reported by the Auditor General, 'launching a system that is not ready can create havoc for the service delivery that the system was designed to facilitate and improve. This risk was especially worrisome in the case of SAMS because that havoc would affect the lives of over 900,000 of the most vulnerable members of society'.

Taken together, problems related to data not being transferred accurately¹ from the previous computer system plus SAMS system defects required staff to spend large amounts of time investigating problems, establishing manual work arounds for processes

¹ A major task required to make SAMS operational involved transferring large volumes of information from the previous computer system to SAMS. Serious problems occurred after implementation due to correct data not being transferred. Errors not fixed prior to the launch date caused overpayments, underpayments of client benefits and public reports and letters with incorrect data.

or using provincially established work arounds and continually intercepting and correcting known defects. The results was, as the AG notes, staff spending less time serving clients, an impact which will be discussed later in this report.

TESS and TESS staff directly experienced the problems related to the lack of system readiness at the time of implementation. The City took extraordinary and successful measures to minimize impacts on clients and to provide seamless services to OW clients during the initial phase of implementation and on an ongoing basis.

The steps the City took and the investments required are described below.

Mitigating SAMS Impact in Toronto

While municipalities were consulted on various aspects of SAMS' development, they were not involved in key design or implementation decisions. However, based on the information they had, TESS staff were concerned about the impacts of implementation and the readiness of the system.

Recognizing the potential impacts and risks related to SAMS implementation, especially with a big bang approach, TESS made extensive preparations before and during the implementation to mitigate potential impacts, such as a disruption to services, and to place the City in the best possible position to manage this change.

Prior to the launch, TESS actively engaged the province and raised concerns it had with the implementation. TESS also consulted and worked closely alongside other city divisions, municipalities and OMSSA to strategize, share best practices and plan for the new system.

Following implementation, TESS has, on an ongoing basis, sent detailed reports/documents to the province on flaws and errors staff were experiencing with SAMS. As well, City staff have been centrally involved in numerous provincial and municipal working groups focused on addressing key issues related to SAMS performance.

The following highlights some of the actions TESS took prior to the launch date to minimize service disruption to city residents:

- Developed guiding principles to direct and support staff efforts and ensure consistency in all aspects of implementation (e.g. leverage opportunities to streamline/create efficiencies where appropriate).
- Created a Communications Plan (both internally to staff and externally to clients and stakeholders/partners).
- Developed, designed and implemented a robust Transition Plan and Business Continuity Plan (including an issue management plans to provide operational support to all offices and business units).

- Ensured all City IT infrastructure and systems were in a state of readiness and the required technology platforms were in place (hardware, software, data extracts, payment systems etc.).
- Reassigned staff as required to address critical areas of service impacted by the introduction of SAMS (significant divisional staff relocated to TESS Application Centre/local offices to address a higher volume of calls and walk-ins applications from the scheduled shut-down of the Provincial Online Application).
- Developed and delivered extensive TESS training modules, job aids and user guides beyond what was provided by the province (e.g. TESS trained approximately 2,500 City staff, delivered over 525 sessions accounting for 114,000 training hours in 2014).

The result of these preparations was that Toronto and TESS were as well prepared as possible to manage the implementation of SAMS. Overall, the division ensured financial benefits were provided to over 90,000 clients per month in a timely manner while proactive steps were taken to provide oversight of payments made, with daily reviews to maintain the integrity of payment processes.

Despite the City's successful efforts to provide seamless service to clients, there were significant impacts experienced by clients, as well as by staff related to the implementation and functioning of SAMS. With a year having now passed since SAMS's implementation, the following section reviews these impacts.

Assessing the Impacts of SAMS:

Having passed the one year mark since the implementation of SAMS, the system is now at a point where there is minimal downtime and where basic tasks can be performed albeit with more efforts and steps than in the previous system.

The province, working with its contractors and consulting municipalities, continues to make progress in addressing system defects. However, as noted in the Auditor General's report, as of July 2015, there were 771 serious defects outstanding in SAMS. Moreover, the Auditor General also notes that there was a backlog of about 11,500 calls from the help desk that it had not yet reviewed.

As summed up by the Auditor General:

'SAMS is still not functioning properly— Until most of the serious defects are identified and fixed, and software upgrades are properly tested, SAMS will continue to generate errors. Until defects are dealt with, problems will persist, and SAMS will remain difficult to use, will continue to generate incorrect eligibility determinations and benefit payments, will continue to generate inaccurate reports that the Ministry and municipalities need to properly manage Ontario Works and the Ontario Disability Support Program, and will lack controls for reducing the risk of fraud. In addition, caseworkers will continue to have to use time-consuming “workarounds” to deal with these problems.'

One ongoing example of this situation is the 10-14 provincial reports TESS receives on a monthly basis that require investigation and follow up by TESS staff in order to ensure clients are not negatively impacted by SAMS errors. From July 2015 to present, TESS staff have followed up / actioned 101,055 cases based on these ad hoc reports. These are in addition to the daily SAMS payments reports TESS receives that also frequently require follow up.

The following section briefly describes some of the key impacts on clients, staff and on delivery processes related to the implementation of SAMS.

Client Impacts

TESS's primary goal in preparing for the implementation of SAMS was to minimize impacts on clients and ensure that clients received their correct financial entitlement in a timely manner. As noted by the Auditor General and OMSSA, the type of errors experienced by staff when working in SAMS can range from minor to serious defects. Defects related to business processes or technical issues can and have resulted in errors and, in some cases, delays in client payments across the province².

Specific incidences in Toronto involving client impacts related to financial assistance were isolated. At the same time, it should be noted that, given certain defects in SAMS, it was not always readily apparent when errors may have affected clients.

Nonetheless, SAMS did have significant impacts on clients in other ways. The following examples highlight certain impacts SAMS has had on clients and indeed on staff related to the delivery of Ontario Works:

- Time spent to complete a new application grew from 15 minutes pre-SAMS to 45 minutes after SAMS (and an even greater discrepancy was the re-application process increasing from 18 minutes pre-SAMS to 70 minutes post-SAMS).
- Average phone wait times for OW clients to reach a live staff person quadrupled at TESS Application Centre from 3 minutes pre-SAMS to 12 minutes post-SAMS.

As reinforced by the AG, "the errors generated by SAMS shifted the majority of caseworkers' time and effort to performing "workarounds," when they could have been spending that time on providing the full range of case-management services to clients."

Given the issues with payments in SAMS, TESS prioritized OW applications and maintaining critical financial benefits by redirecting staff resources away from service planning and employment services delivery. As a result, clients have seen delays in

² As discussed by the Auditor General, when looking province wide, in some instances, clients were not aware of any errors to their benefits and received less than their entitlement. Alternatively, some clients were required to repay an unintended and unnoticed overpayment, facing significant challenges as it was already spent.

having the opportunity to review and update service plans including delays in accessing employment services and benefits.

Consequently, employment service levels have suffered. For example:

- 18,000 service plans were completed per month in 2014 versus 11,000 in 2015
- Pre SAMS, on average, 19% of service plans were outdated. Post SAMS, the average outdated service plans has reached as high as 55%
- The number of OW clients placed in jobs and referrals to employment programs has significantly dropped year over year. Through July, OW clients placed in jobs are down 29% from the same period the previous year.

This continues to be a concern although TESS has made substantial efforts to bring overall service levels back to those in place prior to implementation. This will be discussed in more detail in the final part of this report.

Staff Impacts

The new technology's uneven performance, defects, and the need to become familiar with complex workarounds on a regular basis contributed to an unprecedented environment for staff. Despite TESS' decision to deliver in-person training to all staff, there was and remains a lack of confidence among staff in the system, and in their ability to work effectively with the new technology. Staff report that the new system is:

- difficult and cumbersome to use and navigate
- inconsistent in performance and functionality, and
- very different from the system they were trained on.

Table 1 provides several examples of the increased work effort that is required in SAMS to perform basic functions.

Table 1: Work Effort in SAMS

Activity	Work effort pre-SAMS	Work effort in SAMS
Entering client monthly income	4 (mouse) clicks to complete 4 data fields	22 (mouse) clicks to complete 8 data fields
Recording child / spousal	20 (mouse) clicks to complete 16 fields Depending on client circumstances: 15 mandatory steps, 16 optional	47 (mouse) clicks to complete 10 fields. Depending on client circumstances: 29 mandatory steps, 28 are optional.
Documenting mandatory service planning for a single person	2-3 minutes	15 minutes

The implementation of SAMS has had direct impact on TESS staff in a number of ways:

- In 2015, total WSIB claims filed up to September 30, 2015, was 332, of which 150 directly attributed to SAMS. In 2014, TESS had a total of 243 WSIB claims filed for the entire year.
- Overall, there was a 31% increase in loss time WSIB claims from 2014 to 2015
- A comparison of absenteeism rates for the period of SAMS implementation (Nov. 12-Dec. 5th 2014) compared to SAMS pre-implementation (October 20-Nov. 11, 2014) showed that the increase in sick days was 48%.

SAMS' impact on clients and staff detailed above are not unique to the City of Toronto. Ontario Municipal Social Services Association (OMSSA), which is a non profit organization whose members include municipalities from across Ontario, also documents in its 2015 report that similar issues are being experienced across the province as a result of SAMS. These impacts are summarized below:

- Because SAMS requires increased staff time to perform key eligibility, case management functions and to complete applications, staff workload has increased in administrative areas related to payments, overpayments and underpayments.
- Staffing requirements have increased since SAMS implementation, with overall staff unplanned absences increasing by an average of 29% and some sites reassigning or hiring additional staff to respond to SAMS issues and staffing shortfalls.
- The Provincial service standard for OW applications has been maintained only as a result of sites deploying additional staff resources to meet client needs.

Finally, since SAMS implementation, the availability of caseload and administrative data needed to manage such a large complex program as OW has been limited. This lack or absence of data creates major challenges on TESS' ability to identify caseload trends and do basic service planning. TESS is continuing to work with the province to address these issues and develop new reporting tools that will provide the City with the data it needs to manage OW effectively.

Moving Forward: Delivering OW in the SAMS Environment

According to the Auditor-General's report, the Ministry does not anticipate a "stable state" for SAMS until the end of the 1st quarter of 2016 at the earliest. However, this likely represents a best case scenario as the full extent of system defects and the success of existing fixes are not yet known.

However, more importantly, even once this "steady state" has been achieved and all known errors have been fixed, certain additional workload issues related to SAMS will remain. As highlighted earlier, over and above the issue of a problematic implementation approach, SAMS remains an administratively cumbersome system.

To date, as noted, TESS has reallocated significant staff resources to address the weaknesses of SAMS and to ensure that vulnerable residents can access the financial assistance they require. This has led to far less emphasis on the service and employment planning necessary to help clients find and keep jobs. If TESS continues to work within its current resources, employment service-planning and client supports will continue to suffer, reducing the number of clients with up-to-date service plans and the number finding jobs. As a result, client length of stay will also increase.

Recognizing the need for additional staff resources to meet client needs, City Council added 25 temporary positions to TESS' 2015 operating budget at a cost of \$1.75 million gross, \$0.0 million net. These positions were funded 50/50 between the City and the Province, with the City's portion funded from the Ontario Works Reserve.

As the Ministry does not anticipate SAMS becoming fully stable until spring 2016 at the earliest, and with the negative impacts to productivity likely to be incremental in nature well into the future, TESS' 2016 Preliminary Operating Budget includes funding of \$0.875 million to reclassify the 25 positions as base complement, with the City's 50 per cent share funded from property taxes.

The 2016 Preliminary Operating Budget also includes one-time funding of \$5.5 million from the Ontario Works reserve to add 66 temporary caseworkers, thereby increasing the caseload to staff ratio from 10.8 staff per 1,000 cases to 11.5 staff per 1,000 cases. This is an interim step pending further needed changes to the provincial OW funding model. Beyond 2016, staffing needs will be reassessed based on progress in improving SAMS's functionality and performance.

Acknowledging SAMS related implementation costs, the City received \$2.9 million in one-time, 100% provincial funding from January 1, 2014 through March 31, 2015:

- \$1.6 million of the funding was used to cover costs such as training that were incurred pre-implementation;
- \$1.3 million in provincial funding was used to partially fund overtime and part-time costs incurred post implementation for such things as data clean-up.

The Ministry has not provided any extra funding for SAMS related costs incurred beyond March 31, 2015.

It is apparent that there will be increased costs related to SAMS going forward. It is therefore essential that the City continue to advocate with the Province to adjust the OW Program Delivery funding model to address the additional work required to ensure financial benefits and employment services are effectively provided to vulnerable city residents in the post-SAMS world.

TESS will continue to work closely with the Province through various working groups (these groups are listed in Attachment 3) to identify system related issues and work towards solutions and improve SAMSs. The division will also continue to reach out to

other municipalities and community partners to work together to share best practices and seek to expedite resolutions to support and help residents most in need.

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ATTACHMENTS

Attachment 1: Reports Identifying Issues and Concerns Related to SAMS
Attachment 2: Auditor General's 2015 Annual Report – SAMS: Executive Summary and Recommendations
Attachment 3: SAMS Related Work Groups

Attachment 1: Reports Identifying Issues and Concerns Related to SAMS

- Ontario Public Service Employees Union, *SAMS: More Than A 'Glitch'*
- Ontario Municipal Social Services Association (OMSSA), *SAMS Implementation and Ontario Works Business Recovery*
- *Ministry of Community and Social Services (MCSS) SAMS Transition Review*³.
- Auditor General of Ontario's 2015 Report on *SAMS*⁴.

³OPSEU: <https://opseu.org/news/sams-more-glitch> OMSSA report only available through members log-in.

PWC: http://www.mcsc.gov.on.ca/documents/en/mcsc/social/SAMS_Transition_Review_Final.pdf

⁴ http://www.auditor.on.ca/en/reports_en/en15/3.12en15.pdf

Attachment 2: Auditor General's 2015 Annual Report – SAMS: Executive Summary and Recommendations

3.12 SAMS - Social Assistance Management System

Data issues, defects and delays derailed the well-intentioned efforts of the Ministry of Community and Social Services (Ministry) to modernize social-assistance delivery with a new high-performing information-management system.

The Social Assistance Management System (SAMS) was not properly piloted or fully tested during its development. Tests that were done yielded results that were below expectations. The Ministry launched anyway because it considered the risks of delaying the launch greater than the risks of launching a system that was not fully ready. Further, the decision to launch was based on incomplete and inaccurate information about SAMS' readiness.

As of October 2015, the consequences of launching a defective system so far included a total of about \$140 million in benefit calculation errors (consisting of \$89 million in potential overpayments and \$51 million in potential underpayments) generated by SAMS and the issuance of many letters and tax information slips with incorrect information, some of which may never be resolved. In addition, staff spent much of their time performing “workarounds” to deal with complex errors that SAMS was generating, and so spent less time serving clients. SAMS still cannot generate reports with accurate information, which affects the ability of the Ministry and municipalities to administer Ontario Works and Ontario Disability Support Program. SAMS is also vulnerable to fraud.

The Ministry launched SAMS in a way that makes it impossible to return to the previous system. Since the Ministry must salvage SAMS, it is crucial that it prioritize the allocation of resources to fixing it. Until the issues are resolved, it remains unknown whether SAMS will perform better than the previous system. More importantly without a correctly functioning system, caseworkers cannot provide adequate social service to over 900,000 clients.

Before SAMS was launched in November 2014, the Ministry spent \$238 million to develop it, and about \$11 million to support its implementation. Since launch, the Ministry estimates it will spend an additional \$41 million up to March 2016 on SAMS for a total cost of about \$290 million. As the Ministry does not anticipate SAMS becoming fully stable until spring 2016, until such time, the final cost of SAMS will remain unknown.

The following are some of our key observations:

- **The Ministry had yet to identify many defects, and was not fully testing its software upgrades that fix defects**—As of July 31, 2015, there were 771 serious defects outstanding in SAMS. This number is not complete, however, because many

defects had yet to be identified. Furthermore, the Ministry had not made fixing defects a priority. Specifically:

- The Ministry had a backlog of about 11,500 calls from the help desk that it had not yet reviewed. There was also an additional backlog for processing calls to other help lines. Callers to help lines bring potential new defects in SAMS to the attention of the Ministry. The Ministry also had a backlog in reviewing 439 problems identified through these calls, most of which could end up as defects needing to be fixed.
- It took the Ministry an average of 40 days to fix a serious defect. Only external consultants, rather than ministry staff, had the skills to fix serious defects, but they were spending less than half of their time (44%) doing so.
- The Ministry told us in August 2015 that it had fixed a certain defect that makes SAMS vulnerable to fraud. However, caseworkers showed us that this defect was in fact not fixed and SAMS was still vulnerable to fraud when we completed our audit.
- The Ministry had installed software upgrades to fix defects but was not fully testing them. This was partly because it did not know how to test them—just prior to launch, the Ministry did not renew contracts with certain consultants who would have been the most effective in testing the fixes. In July 2015, the Ministry hired eight new consultants to work on fixes but estimated it would take about six months for these new consultants to reach the same level of knowledge as the consultants who had been let go.
- **SAMS is still not functioning properly**— Until most of the serious defects are identified and fixed, and software upgrades are properly tested, SAMS will continue to generate errors. Until defects are dealt with, problems will persist, and SAMS will remain difficult to use, will continue to generate incorrect eligibility determinations and benefit payments, will continue to generate inaccurate reports that the Ministry and municipalities need to properly manage Ontario Works and Ontario Disability Support Program, and will lack controls for reducing the risk of fraud. In addition, caseworkers will continue to have to use time-consuming “workarounds” to deal with these problems.
- **The Executive Committee assumed significant risk when it decided to launch SAMS**—The Executive Committee understood that SAMS did not meet the launch criteria developed by the Ministry and assumed the risk that this entailed. It also understood that the following other requirements for launch (not included in its launch criteria) had not been met and also assumed the risk that this entailed:
 - Pilot testing with data converted from the previous system was never conducted, so it was not known if SAMS would work as fully intended when launched.
 - Sixteen per cent of SAMS’ functions were not tested, and the failure rate of functions that were tested was one in eight.
 - Only some of the government-mandated payment testing was conducted, and many serious payment-related defects were found after launch. According to the Office of the Provincial Controller, SAMS is the only computer system ever connected to the government’s accounting system without passing the government-mandated payment testing.

- **The Executive Committee was not aware of the full extent of SAMS’ pre-launch issues**—While the Executive Committee knowingly assumed risks of SAMS not meeting the launch criteria and other requirements, its decision to launch SAMS was not based on complete information because the project team did not tell the Committee about the following with respect to SAMS’ readiness:

 - that the actual number of serious defects it contained was in fact higher;
 - that less user acceptance tests were actually conducted and their results were lower;
 - that some of the interfaces were not tested;
 - that payment comparisons between SAMS and the previous system was never done for the daily-pay-runs; and
 - that converted data was not fully tested.
- **Questionable shift in roles and reporting relationships, lack of Internal Audit involvement, in critical period up to SAMS’ launch**—In the six months before launch, the testing team’s reporting relationship was abruptly changed and started to report to the Business Project Director instead of the Technical Project Director, as it had been doing. The Business Project Director had no IT background and limited technical expertise. As a result, the Technical Project Director’s expertise surrounding testing was not considered when SAMS’ readiness was assessed and the decision to go live was made. During this same time, the Ontario Internal Audit Division (Internal Audit) proposed an audit of SAMS’ readiness four months before launch. However, as Internal Audit and SAMS’ project leads could not agree on the scope of the audit, it was not done. The Ministry also stated that an audit of SAMS’ readiness was unnecessary, given the expertise of the IBM consultants preparing it for launch.
- **IBM was unable to correctly convert data from the previous system on time, and this delayed SAMS’ launch**—One project requirement for SAMS was that all client data in the previous system, going back two years, be transferred into SAMS. The Ministry chose IBM for the task of converting the data into a format SAMS could use. IBM failed to meet its deadline on three occasions, and the Ministry extended the deadlines three times. It is true that the Ministry revised its requirements for SAMS on several occasions, while IBM was still doing its work, and this posed challenges for the data-conversion process. In any case, because of the delays, there never was an effective pilot of SAMS using the converted data; the Ministry had to push back the launch date three times, and the project budget rose to \$242 million from \$202.3 million. IBM finally delivered the data in April 2014 and at launch, there were about 114,000 errors in the data that caused SAMS to generate incorrect results for client eligibility and benefit payments.
- **Ministry should have overseen consultants; instead, consultants oversaw other consultants through most of SAMS’ development**—The Ministry did not properly oversee Curam and IBM consultants. It relied on the consultants not only to design and develop most of SAMS, but to also oversee their own work. Consultants billed an average hourly rate of \$190. They were overseen by other consultants who were paid daily rates as high as \$2,000. Many consultants took much longer than anticipated to complete their work, and in some instances billed for time spent on fixing errors in their own work. The Ministry’s budget for Curam’s consultants more than doubled, from \$14 million in the original budget to \$32 million at launch. The vagueness in

consultants' time reporting, and the lack of independent oversight during much of the project, made it difficult to assess how efficiently consultants were working.

- **Ministry training of staff inadequate**—The Ministry provided online SAMS user training between January and May 2014. Caseworkers told us that the training program repeatedly shut down without warning and had many errors. Over half of the caseworkers who completed a survey at the end of the program said they did not feel confident they would be able to use the system for complex real-life situations, and one-third said they did not feel confident they could process the data for every-day tasks. After launch, about 80% of Ontario Works and Ontario Disability Support Program offices reported that caseworkers had to deal with many problems sparked by SAMS, and that there were significant issues with staff morale. Almost one-quarter of these offices reported that they were “unable to continue operations without additional support.”

This report contains five recommendations, consisting of 12 actions, to address our audit findings.

RECOMMENDATION 1

To ensure that eligible individuals receive the level of social assistance and support to which they are entitled, and to eliminate as best as possible, eligibility and benefit payment errors made by the Social Assistance Management System (SAMS), the Ministry of Community and Social Services should:

- assign adequate resources to review the backlog of information related to potential defects so that defects can be prioritized for fixing;
- allocate its resources so that fixing of defects takes priority; and
- develop a process to reconcile all benefit payment errors generated by SAMS to the eligible amounts that clients should have received and ensure that they are corrected.

RECOMMENDATION 2

To prevent unnecessary delays in bringing the Social Assistance Management System (SAMS) to full and effective functionality, and to ensure that the consultants still working on SAMS are held accountable for delivering quality results, the Ministry of Community and Social Services should:

- assign its own properly qualified staff to directly oversee consultants;
- ensure that consultants' work is assessed for efficiency and effectiveness; and
- on future projects, work towards reducing its dependence on consultants, and ensure consultants' knowledge is transferred to ministry staff.

RECOMMENDATION 3

To ensure that ministry staff can help fix all defects in the Social Assistance Management System (SAMS) in the short term, and maintain SAMS in the long term after consultants have left, the Ministry of Community and Social Services should:

- establish a knowledge transfer strategy for ministry staff which includes outcome targets based on achieving learning objectives; and
- assess and document the progress in achieving these targets.

RECOMMENDATION 4

To ensure that the Social Assistance Management System (SAMS) reaches the high level of performance intended and that it functions in compliance with government requirements, the Ministry of Community and Social Services should ensure that SAMS undergoes and passes all government-mandated payment testing.

RECOMMENDATION 5

In order to improve the decision-making process used to launch a major information system, the Ministry of Community and Social Services should:

- ensure that the decision to launch an information technology system is based on relevant criteria and information that provides decision-makers a complete and accurate status of system readiness; and
- have Internal Audit independently review key information used in assessing the system's state of readiness while making the decision to launch.

Attachment 3: SAMS Related Work Groups

In addition to its ongoing role with the province's Directors and Administrators Reference Group (DARG), TESS staff are actively working with the Province to improve system performance and identify issues for resolution.

Provincial Work Group	Purpose
SAMS Transition OW Executive Committee	The committee provides a senior executive forum for the ministry and municipal delivery partners to deliver on SAMS transition priorities, business recovery and implementation strategy.
Municipal Delivery agent monthly teleconferences	All municipalities participate in monthly teleconferences to receive provincial updates. Through these teleconference municipalities can also identify and escalate trending issues.
Technical Working Group	Co-chaired by TESS, the working group identifies and prioritizes technical defects, review and validate and provide feedback on fixes and identifies areas for enhancements
Risk Management Working Group	the purpose of the project is to develop and embed an enterprise wide process for the identification, analysis and prioritization of risks in social assistance.
Productivity Study	The intent of this study is to determine the top 3 to 5 areas that if changed in SAMS will increase productivity.
Subsidy Claim Pilot	This Working Group goal is to validate the system-generated claim against financial reports and municipal payment records to assess the accuracy of the automated claim and identify issues with the online claim generated by the system.
DARG - Family Support Sub Group (Social Assistance with Family Support- SAFS)	The purpose of the work group is to streamline processes related to family / child support assignments. - make recommendations for required enhancements to data / reporting requirement to simplify posting payments
Minister's front-line working group	This work group consisting of frontline staff across the province (1 TESS caseworker) makes recommendations for enhancements to SAMS technology.