

Ombudsman Toronto Report: An investigation into the City's handling of a resident's social assistance overpayments

Date: December 9, 2025

To: City Council

From: Kwame Addo, Ombudsman

SUMMARY

On April 25, 2025, I notified the City of my intention to investigate the processes used by Toronto Employment and Social Services (TESS) when conducting financial reviews, overpayments, and/or internal reviews, and TESS' application of these processes related to overpayments issued to a former Ontario Works recipient.

I have concluded my investigation and am submitting my report, dated December 9, 2025, to City Council for consideration at its December 16-18, 2025, meeting.

This report makes 18 recommendations which are set out below. The City's administration has agreed to implement these recommendations.

RECOMMENDATIONS

The Ombudsman recommends that:

1. City Council direct the General Manager, Toronto Employment and Social Services to implement the Ombudsman's recommendations from his investigation report, An investigation into the City's handling of a resident's social assistance overpayments (December 9, 2025):

Recommendation 1: TESS should ensure clients are informed when a financial review is taking place. This notice should explain the reason for the review, specify the information the client is required to provide and outline the potential consequences of not providing information by the deadline specified in the notice.

Recommendation 2: TESS should ensure caseworkers and other involved staff consistently follow the division's processes for conducting financial reviews, including using and completing the financial review template.

Recommendation 3: TESS should clearly document financial evidence on client files and ensure that the evidence is saved in the appropriate sections of the case management system.

Recommendation 4: TESS should give clients a reasonable opportunity to provide information before finalizing an overpayment.

Recommendation 5: TESS should ensure supervisors or managers review all overpayments over \$10,000 before they are applied to the client's case, with clear timeframes to ensure timely review.

Recommendation 6: TESS should inform clients in writing when they reassess overpayments, regardless of whether the overpayment amount increases or decreases. This notice should include information about why TESS reassessed the overpayment, any changes to the amount the client was overpaid and a breakdown of the total amount the client owes. It should also include any appeal or internal review options available to the client.

Recommendation 7: TESS should ensure staff consistently follow the division's processes for internal reviews and appeals, including speaking to clients during the review and communicating internal review decisions to clients both verbally and in writing. TESS should also ensure internal review staff take all reasonable steps to independently verify overpayments, including reviewing evidence, calculations and other relevant information, and ensuring it is accurately documented in the case management system.

Recommendation 8: TESS should provide clients with adequate reasons for internal review decisions about overpayments.

Recommendation 9: TESS should ensure that supervisors or managers review all internal review decisions for overpayments over \$10,000 and approve decision letters before sending them to the client.

Recommendation 10: TESS should provide regular and ongoing training and guidance to staff on case management, documentation, overpayments, financial reviews and internal reviews, to ensure its policies and processes are followed consistently.

Recommendation 11: TESS Risk Management staff should follow the processes set out in the Integrity Review Model Guide, including independently verifying overpayment amounts and interviewing the client, when conducting integrity reviews. They should also ensure all the appropriate steps have been taken to confirm, reverse, or correct an overpayment before closing the integrity review.

Recommendation 12: TESS staff should review every letter related to overpayments for clarity, accuracy and contact information before sending it to a client. This includes reviewing letters that are automatically generated by the case management system.

Recommendation 13: TESS should inform its clients if a different staff member takes over the management of the client's file, regardless of that staff's title or position, and provide the client with that staff member's contact information. This change must also be documented on the client's file in the case management system.

Recommendation 14: TESS should ensure it has an effective and consistent system for documenting its interactions with clients. This includes in-person visits, calls and written communication. For in-person visits or calls where staff is unavailable, TESS should document the client's attendance and ensure the client's caseworker is notified. TESS management should develop guidance for staff on what constitutes a relevant addition to a client's file.

Recommendation 15: TESS should ensure it meets its in-person client visit standards. When this is not possible, TESS should ensure they clearly communicate with the client and make alternative arrangements to meet with them.

Recommendation 16: TESS should ensure that the Client Services and Information Unit follows up with relevant staff to verify that a complaint is resolved before closing the complaint file.

Recommendation 17: TESS should ensure staff document case consultations and file direction in the case management system. This includes information contained in emails that is relevant to the client's file and benefit entitlement.

Recommendation 18: TESS should create a plan to implement all recommendations and report back to Ombudsman Toronto on a quarterly basis on its progress, until the Ombudsman is satisfied that the division has taken adequate steps to address them.

FINANCIAL IMPACT

This report has no financial impact.

DECISION HISTORY

This report has not been previously considered by City Council.

COMMENTS

This investigation was conducted under section 171(1) of COTA, which empowers the Ombudsman to independently and impartially investigate any decision, recommendation, act or omission in the course of the administration of the City or many of its agencies, corporations or adjudicative bodies. This function is conferred and exercised independently of Toronto City Council and of the City administration.

CONTACT

Kwame Addo, Ombudsman, Tel: 416-392-7061, Email: kwame.addo@toronto.ca

SIGNATURE



Kwame Addo
Ombudsman

ATTACHMENTS

Ombudsman Toronto Report: An investigation into the City's handling of a resident's social assistance overpayments (December 9, 2025)