

Status Update: Implementation of Ombudsman Toronto's Recommendations on the City's Handling of a Resident's Social Assistance Overpayments

Date: June 29, 2026

To: Economic and Community Development Committee

From: General Manager, Toronto Employment and Social Services

Wards: All

SUMMARY

The purpose of this report is to provide a status update on the implementation of recommendations from the Ombudsman Toronto's *An Investigation Into the City's Handling of a Resident's Social Assistance Overpayments* report. The Ombudsman identified 18 recommendations, all of which were adopted by Council with an additional amendment to provide a status update to the Economic and Community Development Committee in Q3 2026. The Ombudsman recommendations focused on strengthening client communication, staff training, management oversight, documentation, and customer service standards.

Toronto Employment and Social Services (TESS) received and provided an initial response to the Ombudsman's report in December 2025. The initial response highlighted the considerable work already underway to address the identified concerns. Since receiving the recommendations, TESS has undertaken a series of new and enhanced actions. These efforts reflect a holistic and robust approach to the recommendations, ensuring that TESS continually provides the best possible service to clients.

This report provides an update on TESS' work to implement the Ombudsman's recommendations. Eleven recommendations have been completed, and the other seven recommendations have advanced substantively and will be completed by the end of 2026. With ongoing monitoring and oversight.

Recommendations requiring Provincial collaboration, including system-related changes, have been advanced with the Ministry. Ongoing internal program compliance reviews will support adherence to these recommendations, mitigate risks, and identify opportunities for continuous improvement.

A summary of the activities to support each recommendation is provided in Attachment 1. TESS provided a comprehensive progress update to Ombudsman Toronto in June 2026 that was well received and is committed to continued collaborative discussions to support the intended outcomes.

RECOMMENDATIONS

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

1. The Economic and Community Development Committee receive this report for information.

FINANCIAL IMPACT

This report has no financial impact.

DECISION HISTORY

On December 16 and 17, 2025 City Council adopted [CC35.1](#) directing staff to implement the Ombudsman's recommendations and provide a status update to the Economic and Community Development Committee by the third quarter of 2026.

COMMENTS

Introduction

The Ombudsman's investigation identified errors in TESS's handling of a client's social assistance overpayment and raised concerns around select practices and communication. The recommendations focused on strengthening processes related to overpayments, financial reviews, related safeguards, and communication.

TESS has taken a thorough approach to strengthen oversight, communication, training, and documentation. Eleven recommendations have been fully implemented and are now operational, while others are in advanced stages of rollout and refinement. This report provides a comprehensive update on all 18 recommendations from the Ombudsman. While progress by recommendation is outlined in Attachment 1, the sections below summarize key actions taken, current implementation status, and next steps across major thematic areas.

Background

Ombudsman Toronto's An Investigation Into the City's Handling of a Resident's Social Assistance Overpayments Report

As summarized in the [Ombudsman's report](#), a client received notice in January 2023 of owing \$25,546 in overpayments of their social assistance covering a period from 2012 to 2022. After deductions began, a review was conducted at the client's request; however, the client was not notified, leading to confusion when TESS advised the client in April 2023 of a different overpayment amount.

In April 2025, after receiving a client complaint regarding the management of their case, Ombudsman Toronto began an investigation. The investigation focused on whether TESS followed policies and procedures, the clarity of communication to the client, and the client's opportunity to be heard.

Over the course of the investigation, TESS fully cooperated with the Ombudsman's office. The Ombudsman's investigation found that TESS' response to the client did not comply with policies, and communications were inaccurate and confusing. A report was brought to City Council in December 2025 and TESS accepted all recommendations.

The recommendations centred on the following topics:

- Overpayments of Ontario Works: established when clients receive more assistance than they were entitled to receive for a variety of reasons, for example delayed reporting of changes or misrepresentation of information.
- Financial Reviews: conducted every 24 months per legislation - sooner should circumstances change - to ensure that clients remain eligible for assistance and are receiving the correct amounts.
- Communications: provided to clients when overpayments are established, financial reviews are due, eligibility changes, appointments are required, et cetera.

The report also references the Social Assistance Management System (SAMS) throughout, which is the provincial software application used by staff across Ontario to assess social assistance eligibility and entitlement for all applicants and recipients of Ontario Works, Ontario Disability Support Program, Emergency Assistance, and Assistance for Children with Severe Disabilities. There are limitations to what TESS can modify and enhance in SAMS, including templated letters to clients, however, staff collaborate closely with their provincial counterparts to identify improvements and efficiencies.

Status Update on Ombudsman's Recommendations

In response to the findings and recommendations in the Ombudsman's report, TESS has implemented processes and policies to strengthen documentation, communication, and quality assurance practices. Many of these improvements were underway before the investigation began, and together they form a strong foundation for addressing the recommendations in the report by the end of 2026.

Table 1: Summary of Status Update

Theme	Recommendation #	Implementation
<i>Enhancing Communications to Clients</i>	1, 4, 6	Revised Financial Review appointment letter (May 2026) Updated Overpayment Policy and training with communication guidelines (May 2026) Provided feedback to the Province on overpayment letters (June 2026)
<i>Supervisory File Reviews</i>	1, 2, 3	Monthly supervisory file reviews implemented (February 2026)
<i>Updating the Overpayment Policy</i>	4, 5, 6, 9, 12	Policy updated with associated training (May 2026) Updated the Daily Overpayment Review process (June 2026)
<i>Enhancing Training for Staff</i>	1, 2, 3, 5, 6, 9, 10, 12, 14	Phased rollout of overpayment training (May 2026) Integrity review training (March-April 2026)
<i>Conducting Internal Program Compliance Reviews</i>	2, 4, 5, 6, 10, 11, 12, 13, 14, 17	Conducted service planning and active overpayments reviews (April-June 2026) Planned review of financial review process (Q4 2026)
<i>Ensuring Accurate Documentation</i>	3, 14, 17	Updated Document Retention Guidelines (April 2026) Launched an enhanced Financial Review Tool (April 2026) Updated the SAMS Note Standards and reference document (May 2026) Reviewed the Standardized Process for Financial Eligibility Decision-Making Guide (June 2026)

Theme	Recommendation #	Implementation
<i>Improving the Internal Review Processes</i>	7, 8, 9	Phased in Internal Review Guidelines (April 2026) Rolled Internal Review Outcome Letter Guide (July 2026)
<i>Resolving Complaints</i>	16	Implemented complaints resolution tool (January 2026)
<i>Meeting In-Person Client Visit Standards</i>	15	Confirmed visit standard signage at all offices (May 2026) Reinforced Customer Service Standards through mandatory training and Counter Registration system (Ongoing)

Enhancing Communications to Clients

Key recommendations from the Ombudsman's report included improving communications to clients about overpayments and financial reviews. Staff now issue a formal letter every time an overpayment is adjusted, ensuring clients fully understand the amount, the reason, the recovery plan, and their rights to request an internal review or appeal.

The Financial Review appointment letter was also revised to further explain the review's purpose, required documents, and the consequences of not meeting deadlines. TESS will be engaging with a client advisory group in August 2026 for potential further enhancements to the letter. A finalized version of the letter is planned to be communicated to staff in Q3 2026.

The Ombudsman also recommended clients receive a reasonable opportunity to provide information about their overpayment(s). TESS has confirmed that any correspondence sent to clients to request eligibility related information that may result in overpayments includes a deadline for submission and contact information. Staff are to contact clients by phone wherever possible to provide information related to internal review decisions and rationale (including overpayments), and to outline steps needed to resolve matters. Ongoing staff training has reinforced the importance of supporting clients to understand these processes and requirements.

Supervisory File Reviews

The accuracy, completion, and legislative compliance of client files impact the creation of overpayments. The Ombudsman recommended ensuring clients are informed of a financial review, staff consistently follow the financial review processes, and that documentation of financial evidence is clear and saved in the appropriate sections of SAMS.

To enhance oversight and awareness in these areas, TESS reinstated supervisory file reviews in February 2026; each caseworker has one file reviewed per month by their supervisor. The file reviews measure compliance with the financial review process, including whether the financial review template was appropriately used. Management now use a new file review tool to assess staff adherence to TESS policies and provide standardized, direct feedback to staff on any required follow-up. Initial observations from supervisory file reviews indicate improved consistency in documentation and increased identification of incomplete or unclear case notes, enabling timely corrective action and coaching.

A review of the financial review process is scheduled for Q4 2026 which will measure correct completion of all steps in the process. Findings and recommendations from this review are planned to be implemented in 2027.

Updating the Overpayment Policy

Recommendations from the Ombudsman included staff's application and communication of overpayments, particularly for overpayments of \$10,000 or more.

In response, TESS's Overpayment Policy has been updated to better support staff in identifying, managing, and recovering overpayments, while ensuring fairness, consistency, and program integrity. The policy includes stronger direction on when to consult management and how to use decision letters, supported by updated job aids and sample letters to clients.

In May 2026, the updated Overpayment Policy was shared with TESS staff. The Overpayment Policy requires staff to consult management when calculating overpayments of \$10,000 or more. As well, all overpayments exceeding \$10,000 are referred to TESS's Risk Management Unit to identify whether an integrity review is required.

In addition to the Overpayment Policy, TESS has updated the Daily Overpayment Review process to support staff in actioning a daily overpayments report. This process provides additional management oversight by highlighting overpayment amounts and prompts review of overpayment recovery rate and the decision letters. The enhanced process will ensure overpayments of \$10,000 or more are reviewed by management who can access the report to validate accuracy of overpayment calculations and compliance with the completion of decision letters in accordance with the Overpayment Policy and procedures. Any outstanding items identified during this review require follow-up within two business days.

Where a client has submitted an appeal regarding their overpayment, TESS's Appeals Review team confirms local office management have reviewed overpayments over \$10,000. These enhanced processes ensures that all overpayments of \$10,000 or more have been reviewed by management.

TESS's 2026 review of the active overpayments will identify further enhancements and recommendations with a plan to implement findings in Q3 2026.

Enhancing Training for Staff

The Ombudsman recommended TESS provide regular and ongoing training to staff on case management, documentation, overpayments, financial reviews, and internal reviews.

In May 2026, TESS launched a new mandatory, three-part training program on overpayments. The training curriculum reaffirms expectations for staff to review each overpayment letter to confirm details, such as the overpayment amount and reason for overpayment, prior to sending the letter to a client. Staff are further supported through training on communicating with clients about overpayments (including recovery suspension, recovery resumption, rates of recovery, and appeal rights), and internal webpages with updated policies and guidance on when and how to use decision letters.

Overall, this training reinforces key operational expectations, including:

- Reviewing all overpayment letters for accuracy before issuance
- Providing clearer and timely communication to clients
- Ensuring complete and accurate documentation
- Consistent application of policies

To further address the Ombudsman's recommendations, TESS is providing ongoing coaching and supports to staff through monthly virtual meetings, compliance and integrity sessions, informational webinars, and community of practice sessions. This is in addition to already established mandatory onboarding training for new caseworkers and training on financial reviews.

Additionally, between March and April of 2026, TESS held integrity review information sessions for staff. These sessions were targeted at different audiences to ensure that each unique role understands their specific responsibilities to document information related to case management, overpayments, and financial reviews, and to complete any necessary follow-up.

TESS will continue to rollout the new three-part overpayment training with expected completion by the end of 2026.

Conducting Internal Program Compliance Reviews

TESS continues to conduct thorough, independent internal program compliance reviews to verify the accuracy, compliance, and effectiveness of key processes. These reviews measure compliance in supervisory file reviews, staff adherence in financial reviews, and all legislative steps when overpayments are created. The internal program compliance reviews incorporate measures in response to the Ombudsman Toronto report, including:

- A service planning review conducted between April and June 2026 to measure adherence to processes and legislation as they relate to documentation of the service plan.

- An active overpayments review conducted between April and June 2026 to assess compliance with policy requirements and business procedures related to newly created overpayments, including the accuracy of overpayment letters and whether they were issued to clients.
- A review of the financial review process is scheduled for Q4 2026 and will measure correct completion of all steps outlined in the process, including correct completion of the note template.

These reviews are designed to identify issues such as incomplete documentation, inconsistencies in applying policy, and gaps in required client communication. Preliminary observations from completed reviews have identified opportunities to improve consistency in documentation and reinforce adherence to established procedures, which are being addressed through targeted coaching and follow-up.

Ensuring Accurate Documentation

The Ombudsman recommended improvements to documentation related to interactions with clients and financial evidence, as well as standards for relevant information.

In addition to the file reviews and training noted above, TESS also updated Document Retention Guidelines in April 2026 to clarify when documents should be retained digitally in SAMS or, if they can be visually verified, when visual verification should be documented in SAMS. The update aimed to ensure documents impacting eligibility are appropriately retained, as recommended by the Ombudsman.

In June 2026, TESS recirculated the division's newly reviewed Standardized Process for Financial Eligibility Decision-Making Guide. This provides guidance to staff on making ongoing eligibility decisions, such as overpayments. The guide outlines the requirement to provide clients with sufficient time to obtain necessary information/documentation.

TESS also updated the SAMS Note Standards to reinforce documentation expectations and support consistency across offices. Staff receive onboarding and ongoing training related to SAMS note documentation standards, including expectations regarding accurate, timely, and objective case documentation.

In April 2026, TESS launched an enhanced Financial Review Tool to support consistency of Financial Review evidence data entry in SAMS, improve visibility on cases due for Financial Review, and indicate when appointments have been scheduled.

These changes directly address the risk identified by the Ombudsman that critical information may be incomplete, inconsistently recorded, or not retained in the appropriate location in SAMS. The updated tools and standards improve visibility of key information and support more consistent case management.

Improving the Internal Review Processes

As part of the internal review process, the Ombudsman recommended clearer communication to clients and enhanced management oversight of overpayments over \$10,000.

Beginning April 2026, TESS phased in the Internal Review Guidelines, ensuring a consistent approach to completing internal reviews as part of the Ontario Works program. The Internal Review Guidelines include detailed staff expectations for completing an internal review, enhanced templates and guides, and details on the requirement that staff contact clients to discuss each internal review. The Guidelines also outline how staff must consult with management on specific internal reviews to ensure the reassessment is accurate, including when an overpayment exceeding \$10,000 has been reviewed. An additional component, the Internal Review Outcome Letter Guide, will be implemented July 2026.

Additionally, letters sent to clients to advise of changes to their overpayments, including reasons for the change, includes information on how clients can make a request for an internal review or appeal. Compliance is monitored through supervisory oversight and file reviews, with required management consultation for complex cases, including overpayments over \$10,000.

Resolving Complaints

The Ombudsman recommended a process to verify the resolution of a client's complaint before the complaint file is closed.

In January 2026, TESS implemented a tool to track the complaint resolution process. The tool includes verification steps requiring staff and management to confirm client consent has been received, the nature of the issue, any third-party involvement, whether the complaint is resolved, and if a response letter has been sent to the client. This tool tracks all progress to address each complaint to ensure that all follow up has been fully completed prior to noting the concern as closed.

TESS will continue to explore further refinements to the complaint resolution tool as it continues to be implemented, including potential technological enhancements.

Meeting In-Person Client Visit Standards

TESS's Customer Service Standards outlines that clients can expect to be seen or acknowledged within 15 minutes of their scheduled appointment time. When attending an office without a scheduled appointment, and requesting assistance, clients will be registered at reception and will be acknowledged by staff within 15 minutes. Counter staff monitor the reception area to assess if clients appear to have been waiting for a lengthy period. If so, reception area staff will engage with the client to determine if follow-up is required.

In 2023, TESS introduced an enhanced Counter Registration system to monitor client registration and flag any delays. To ensure monitoring and compliance to the visitor

standards, as well as the Ombudsman's recommendation, during office hours there is management staff present for reception at all TESS offices. As part of TESS's Customer Service Standards, if a client has a complaint about the service received or disagrees with a decision made about their case, they may speak with a member of the management team within 30 minutes.

A review in May 2026 confirmed these standards are being communicated through bilingual signage with reminders to clients to inform reception if they wait over 15 minutes. For staff, the Customer Service Standards are reinforced through mandatory annual training, which is set to be completed by all staff by June 30, 2026.

Collaborating with the Province

As Ontario Works is a provincial program, there are Ombudsman's recommendations that required collaboration and communication with the Province to be fully addressed. As noted in the above sections, areas under TESS's control (i.e., policy, training, and operational oversight) are underway.

System-related improvements, such as changes to SAMS, depend on provincial updates. TESS has over time requested updates to letter templates, notifications to clients, and enhancements to SAMS to support administration of Ontario Works across the province. The Province has been supportive in receiving feedback and working to consider options that support the program, including in response to the Ombudsman's recommendations - specifically, creating system-generated notices for staff to utilize when an overpayment has been adjusted. These updates would serve to directly enhance the day-to-day practice of TESS caseworkers.

Conclusion and Next Steps

Considerable progress has been made in implementing the Ombudsman's recommendations with core controls and new processes now in place. All 18 recommendations are implemented or set to be completed by the end of 2026. TESS has taken a comprehensive, multi-layered approach focused on greater oversight and accountability, clearer client communication, consistent staff training and processes, and improved documentation and review controls.

TESS has established a strong foundation to support consistent and sustained improvements related to the recommendations through 2026 and beyond. TESS will continue to collaborate closely with Ombudsman Toronto to ensure adequate steps have been taken to address all the recommendations.

TESS is committed to ongoing improvements to ensure that services meet the highest standards of accountability and fairness. TESS will continue to monitor implementation, demonstrate results through ongoing review and performance measures, and ensure that these changes translate into consistent, high-quality service for clients.

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SIGNATURE

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ATTACHMENTS

Attachment 1 - Summary of Actions