
Update on Prior Years' Report Items

2003 Recommendation

The St. John's Regional Health and Community Services Board and the Western Regional Health and Community Services Board should comply with the requirements of the Child Care Services Act and Regulations and the Department's policies. Specifically the Boards should ensure that all providers of child care services are identified, licensed and monitored.

Action Taken

As outlined above, the Department indicated that it and the RIHAs are continuing to work collaboratively to ensure compliance with the requirements of the *Act* and *Regulations*, as well as Departmental policies.

2003 Recommendation

The Department of Government Services and Lands should ensure that annual fire, life and safety, and environmental health inspections are conducted for all child care facilities as required under its agreement with the Department of Health and Community Services and the regional health and community services boards.

Action Taken

The Department indicated its staff and officials of Government Services have met and established a process which will ensure that the above-mentioned inspections are completed as required.

3.2.14 Eastern Health and Community Services Board (2003 Annual Report, Part 2.19)

Introduction

In 2003, we performed a review of the Eastern Health and Community Services Board (the Board). The objectives of our review were to assess the Board's financial position and determine whether the home support expenditures were adequately monitored, controlled and whether they complied with policies and procedures.

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Conclusions from our 2003 review

As a result of our review, we concluded the following:

Financial Operations

Since the Board commenced operations in 1996 its financial position had deteriorated to the point where it had accumulated a deficit of \$8.0 million at 31 March 2003. Also, the Board had operating deficits each year ranging in amounts from \$15,560 in 2002-03 to \$3.4 million in 2000-01. In particular:

- The Board's budget was not normally approved by the Department of Health and Community Services until well into the fiscal year; therefore, the flexibility to take action to stay within the budget was reduced.
- Each year the Board submitted a budget based on the expected costs to provide health and community services in its region. This budget normally resulted in a deficit since Provincial funding was insufficient to cover projected costs. However, the Board operated with the premise that additional funding or program direction would be provided by the Province. Although in most cases this funding was eventually provided, usually in March, this resulted in a budget system where deficits would occur if additional funding was not provided and steps were not taken to reduce costs to the available funding level.

Home Support Programs

A major contributor to the Board's deficit was the increase in direct client costs for the home support for seniors program and the home support for adult developmentally delayed and physically delayed programs. Costs for these programs were \$15.6 million or 34.4% of total Board expenses in 2002-03.

Our review of these programs identified the following:

- Home support program expenditures were not adequately monitored and controlled. Expenditures were made using four different payment systems and monitored through a manual system that was difficult to maintain, did not include all costs, was susceptible to errors and did not provide the total annual cost on a client basis.

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- The required annual client assessments relating to the type of care and level of support for clients of the programs were not always reviewed. As a result, there were instances where the level of service was reduced without explanation.
- The required financial assessments to determine the clients' contribution were not always accurate or prepared on a timely basis. As a result, the Board could not be certain that all clients were making the proper financial contribution towards the service being provided.
- The largest expenditure under these programs was the salaries of the home support workers; however, we noted that there was not always adequate support, such as time sheets, to ensure that the client was receiving the level of care being assessed and paid for. Furthermore, reviews of client employee records were not always carried out on a timely basis, the procedures carried out were not always consistent and the procedures were not always documented in the client case files. As a result, there were instances where payments were being made by the Board without adequate support to demonstrate that the client actually received the services or goods being billed and also whether the client was entitled to receive the services or goods.

On 1 April 2005 the Board was integrated into the Eastern Regional Integrated Health Authority.

Update

In October 2005, we contacted the Eastern Regional Integrated Health Authority (the Authority) requesting an update as to the progress on comments and recommendations related to the Eastern Health and Community Services Board. The information provided by the Authority in response to our request is outlined below.

2003 Recommendation

The Board should consult with the Department of Health and Community Services to improve the budget process.

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Action Taken

The Board indicated in its initial 2003 response that it measures its financial performance on its surplus/deficit before non-shareable items such as accruals for severance and vacation. The Board does not include these items in the deficit as they are not funded by the Department of Health and Community Services.

The Board indicated that its financial position has improved for the years ending 31 March 2004 and 31 March 2005. The financial surplus prior to non-shareable items was \$12,423 in 2004 and \$972,681 in 2005. These two amounts had reduced the accumulated deficit by nearly \$1 million as of 31 March 2005. This improved financial performance was attributed to better control over home support costs and labour dispute savings from April 2004.

The Board further indicated that it did not approve the budget in both years because the final approved funding from the Department of Health and Community Services was late coming, and there was no acceptable plan to reduce costs to operate within budget.

2003 Recommendations

The Board should:

- *consider changes to its financial management systems so that all home support program costs are available for monitoring and control purposes; and*
- *ensure policies and procedures for all areas of operation are monitored for compliance.*

Action Taken

The Board indicated that greater financial accountability has been achieved within the Home Support Program over the last two fiscal years. Some of this is attributable to changes to work assignments and to payment systems. Responsibility for financial assessment and review is now under the direction of the Client Financial Services Department. Social workers remain responsible for clinical service delivery while financial assessors and clerks complete all financial services delivery. Other success has been achieved through implementing internal direct pay for many of the payments. Having one management person oversee

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assessments and reassessments as well as provide direction to staff has brought consistency to the application of financial policies.

The Board indicated that a goal to transfer all financial duties from “social workers in Community Support Programs” to “Client Financial Services” was achieved in the fiscal year 2004-05. One additional Financial Assessment Officer and a Clerk were hired on a temporary basis to facilitate the process. The Board indicated that a recent progress report indicates that this measure was successful in ensuring increased accountability, establishing consistency of policy application and enabling social workers to concentrate on providing clinical support to their clientele. An evaluation plan is being developed to determine the success of this change in delivery for both staff and clientele. The Board indicated that this report is due in March 2006, but that preliminary outcomes identified improvements in financial accountability.

The Board has also indicated that Client Financial Services staff have undertaken extensive reviews for all of the former Family Rehabilitative Services (FRS) files and are now responsible for the home support payments, other supplemental payments and many financial and other case management duties for the more than 900 Home Support Program clients. Deadlines for completion of annual financial reviews are between 90%-95% compliant. Continued improvements are expected with the ongoing work of the additional financial assessors; however, they will continue to monitor compliance.

The Board indicated that to streamline payment systems and to increase financial accountability, all client payments within Community Support Programs have been removed from the Service Authorization Invoice Process (SAIP) payment system. This change enables the Board to review monthly spending by client and eliminates late invoicing by Home Support Agencies. In addition, the Board indicated that removal of payments from the Financial Assistance Computer Terminal System (FACTS) has improved accountability of payment of home supports. To date, approximately one-third of FRS clients are with the direct pay system.

The Board indicated that its long-term goal for this program is to have all home support payments generated by the submission of time sheets which will facilitate payment through direct deposit. Through the expanded utilization of the Eastern Community Support Database, work has begun to implement direct deposit payments of home support services to the entire FRS population. Currently there are about 900 clients in total in receipt of home support services of which payment for 60% of this service is achieved through direct deposit. The Board plans to continue efforts to maximize this figure.

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In addition to these changes, the Board indicated that it has been working with the Department of Health and Community Services to plan for the electronic payment system, Client and Referral Management System (CRMS), Client Pay as well as the electronic documentation system. CRMS Documentation Standards and Statistical Reporting Methods for Community Supports are targeted for implementation in 2005-06.

3.2.15 Western Regional Health and Community Services Board (2003 Annual Report, Part 2.20)

Introduction

In 2003, we performed a review of the Western Regional Health and Community Services Board. The objective of our review was to assess the Board's financial position, and to determine whether home support expenditures were adequately monitored, controlled and complied with policies and procedures.

Conclusions from our 2003 review

As a result of our review, we concluded that the budget process was inadequate. We also concluded that home support expenditures were not adequately controlled as the financial information system was inadequate. Furthermore, home support expenditures were not assessed accurately, approved, documented, or in accordance with policies, and policies and procedures were not adequately documented or periodically updated.

On 1 April 2005, the Board was integrated into the Western Regional Integrated Health Authority.

Update

In October 2005, we contacted the Western Regional Integrated Health Authority (the Authority) requesting an update as to progress on the comments and recommendations included in our 2003 report. The information provided by the Authority in response to our request is outlined below.
