

Presentation to
Children's Mental Health Conference

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Overview

- The Auditor General's Office and value-for-money auditing
- Expansion of the Auditor's Value-for-Money Audit Mandate
- Typical Agency Audit Approach



Independence of the Auditor

- The Auditor General is appointed under the provisions of the *Auditor General Act* by the Lieutenant Governor in Council on the address of the Assembly after consultation with the Chair (opposition member) of the Standing Committee on Public Accounts.
- The Auditor General is only removable for cause by the Lieutenant Governor in Council on address of the Assembly. This allows the Auditor to have the independence to be critical of the government of the day if necessary.



Primary Job of the Office

- Provide objective relevant information to the Legislature to help them ensure taxpayer funds are prudently spent and a high level of services are being provided by ministries and organizations in the broader public sector.
- Traditional auditor role - provide assurance that financial statements are fairly presented.



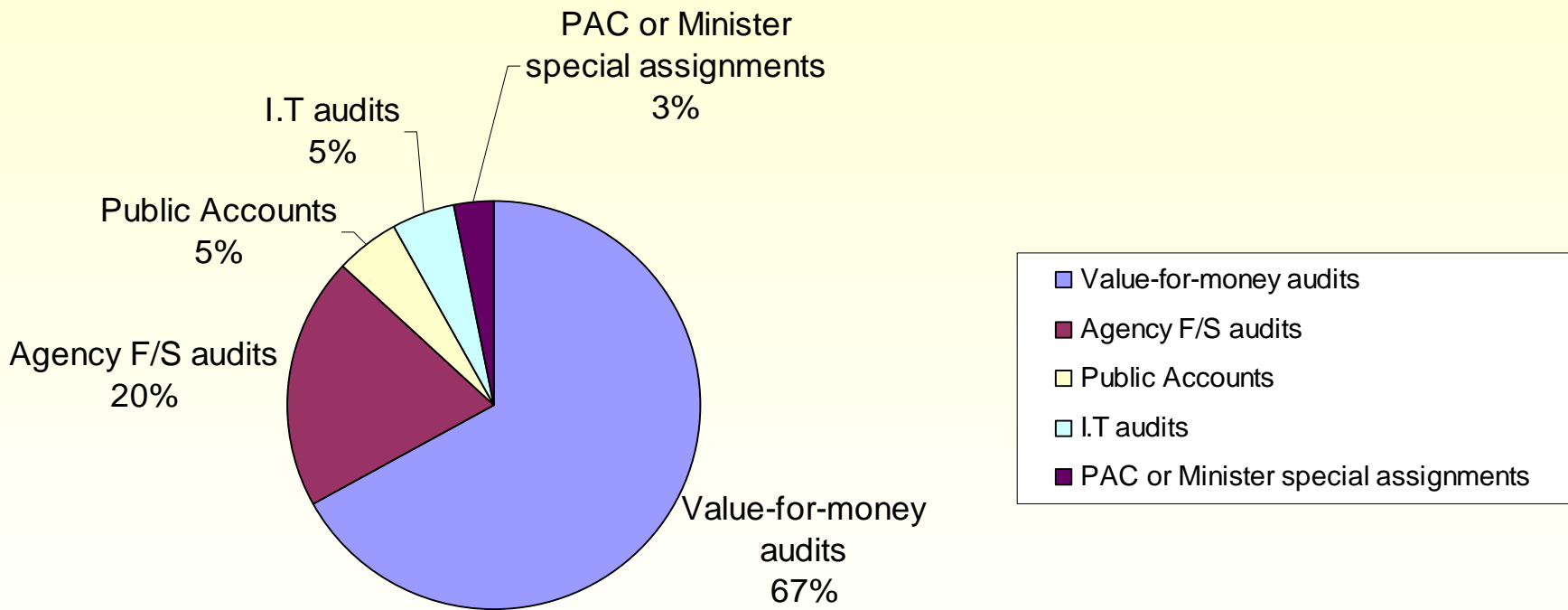
Size of Office

- Office's annual estimates approved by the all party Board of Internal Economy
- In comparison to the other large provincial audit offices:

	<u>Population</u>	<u>Office Budget \$</u>	<u>Staff</u>
■ Quebec	7.6M	21.4M	223
■ Alberta	3.2M	17.7M	122
■ Ontario	12.5M	14.0M	115
■ BC	4.2M	10.0M	81



What Types of Audits does the Office do?



What are VFM audits?

- Audit focus is on how economically and efficiently a government or organization program (or organization) is operating. Can improvements be made to deliver better service at the same cost.
- Typically audited against best practices or generally accepted standards or policies.
- A financial statement audit is completely different from a VFM audit – simple boardroom chair example.



Audit Criteria

Audit conclusions are reached and observations and recommendations are made, by evaluating the administration of a program or activity against suitable criteria derived from:

- Recognized bodies of experts;
- Applicable laws, regulations, or other authorities;
- Other bodies or jurisdictions delivering similar programs and services;
- Management's own policies and procedures; and
- Criteria successfully applied in other similar audits.



As a rule of thumb:

- 25% of the auditors time for a VFM audit is taken up in the audit planning/research phase;
- 60% of the auditors time is taken up in testing/field work phase; and
- 15% of the auditors time is spent on the exit process/report writing phase.



Expanded VFM Mandate

- The Auditor General's expanded mandate affecting organizations in the Broader Public Sector was made through the *Audit Statute Law Amendment Act, 2004*.



Main Amendment

- Expansion of value-for-money auditing to organizations in the broader public sector, such as hospitals, colleges, universities and school boards and any other organization receiving government grants.
- Expanded mandate does not apply in the case of municipalities but does apply to Crown Corporations such as the Hydro corporations.



2006 Audits due to Expanded Mandate

Effective date of the expanded Value for Money audit mandate for grant recipients was our 2005/06 audit year.

For the 2006 Annual Report, the Office conducted audit work for the first time at:

- Hospitals (two audits)
- Community Colleges
- Children's Aid Societies
- School Boards
- Hydro One
- Ontario Power Generation



Recent VFM Audits at the Ministry of Children and Youth Services and Community and Social Services:

- 2006 Child Welfare Services Program
Children's Aid Societies
- 2005 Child Care Activity
- 2004 Ontario Disability Support Program
Intensive Early Intervention Program for Children with Autism (Legislative Committee request)
- 2003 Children's Mental Health Services
Family Responsibility Office
- 2002 Ontario Works Program



How Audits Reported

- CAS Example: Four CAS's were audited but one consolidated report was issued. Following our no-names policy, findings reported were not attributed to any individual society.
- All our VFM audits (10 – 14) included in one Annual Report to Legislature tabled in late November/early December.



Standing Committee on Public Accounts

- The Standing Committee on Public Accounts annually selects a number of current VFM or follow-up sections for hearings.
- In recent (non-election) years, Committee has selected nine topics (from VFM's and follow-up reviews).
- Committee may ask representatives from the audited organizations to appear before the Committee along with the Deputy Minister.



Prior Community Mental Health Issues Would be Considered

Any future community mental health would be guided by our 2003 audit of the Ministry's Children's Mental Health Services program. Our objectives for that audit were to assess whether :

- The quality and outcome of services provided by the community-based agencies was monitored and assessed; and
- Transfer payments to agencies were reasonable and satisfactorily controlled.



Key 2003 Issues Identified

The Ministry:

- had not established adequate service quality standards and service evaluation criteria ;
- had not established waiting-time standards for access to services that were reasonable and commensurate with individual children's needs ;
- was not monitoring the extent and impact of lengthy waiting times for services;
- was not receiving or assessing information from agencies about the outcomes of the services they were providing;



2003 Issues Identified (Cont.)

- need to improve existing quarterly reporting process;
- funding decisions were not based on sufficiently detailed and relevant financial and operational information from agencies;
- APER's and accompanying f/s did not contain sufficiently detailed information;
- Ministry's management information system did not provide sufficient information to allow it to monitor the cost effectiveness of agency service delivery.



Typical BPS Agency Audit

Type of work done at agency:

- familiarization interviews;
- internal stats – staff, \$, etc.;
- review of operational client service information;
- client service file reviews;
- discussions with front-line staff;
- findings & recommendations discussions.



File Review Objective

- Both financial/program, staff and client/service files should contain sufficient stand-alone documentation (that does not require additional explanation) to demonstrate compliance with both Ministry and Agency specific policies and procedures.



Typical File Information

Using an example from our recent Children's Aid Society audit, client files should clearly indicate that:

- Requirements for the intake/assessment process following referral were adhered to;
- Initial plans of service or care and required updates are completed on a timely basis;
- Required services are actually provided; and
- The cost effectiveness of service delivery is being monitored.



New Community Mental Health Policy Framework

Would likely follow-up at agency level:

- increased early identification;
- inter-agency, school, etc. linkage;
- accessibility / wait times
- consistency across regions
- best practice dissemination.



Thank-you

and

Questions

