



***Homemakers and Nursing
Services Program***

Compliance Audit Report

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1.0 Management Summary

We have completed a review of the Regional Municipality of York's (the Region) Homemakers and Nursing Services Program (HNSP). The principal focus of the review concentrated on determining current compliance of eligibility reviews. An examination of the adequacy of Program controls, processes and payment practices were included within the review to determine the Programs ability to provide adequate services to community members.

The scope of the audit included an assessment of current HNSP operational policies and procedures, an examination of HNSP management and operational reports and the resulting observations, recommendations, conclusions and responses. A meeting was held with HNSP management personnel to discuss both compliance and operational observations. Testing at a sufficient level of detail was completed to allow us to evaluate the effectiveness of the identified controls.

We have concluded that the Homemakers and Nursing Services Program has adequate controls in place to determine eligibility reviews, purchase services from various community agencies and for payment of these services. Areas of improvement outlined in the report were discussed with management.

A draft copy of our findings has been discussed with the HNSP management. This management group has provided their comments and have agreed to take the appropriate action.

We express our appreciation for the excellent cooperation and assistance extended to us during the audit.

2.0 Introduction

The Region of York Community Services and Housing Department administers the Homemakers and Nursing Services Program for the Ministry of Health. This program provides homemakers and nursing services to community members who are temporarily ill or who have a permanent illness or disability. This program helps with the cost of in-home homemaker or nurse visits and it is based on an eligibility criteria. The Region of York purchases homemaker and nurses services from community agencies, but offers a subsidy to cover costs for eligible clients. There are 95 clients participating in this program, only one of which is receiving nursing care. The total annual expenditure in 2002 was approximately \$300,000, of which the Region's share is approximately 20% or \$60,000.

3.0 Objectives and Scope

The overall objective of the audit was to review the eligibility process, purchases of services and the payment process of these services. For eligibility, if the client is in the Ontario Works Program or receiving ODSP, the person is automatically eligible for this program. Otherwise, the program area performs it own eligibility review.

4.0 Methodology

The approach taken for the review included:

- Gaining an understanding of the HNSP eligibility review process by clarifying the terms of eligibility.
- Identifying and evaluating the adequacy and effectiveness of HNSP eligibility review and payment process.
- Testing a sufficient level of detail to allow us to evaluate the effectiveness of the identified controls.
- Discussions and review of documentation provided to us by HNSP management and personnel.
- Discussions with management, throughout the review, of observations and recommendations that arose.
- Reviewing a draft report and discussions with management of the observations.
- Obtaining management comments
- Issuing a final report outlining any issues, recommendations and management comments.

5.0 Detailed Observations and Recommendations

5.1 Letter of Authorizations

Observation

From the sample of 22 individuals, we noted two (2) individuals who had letters of authorization, which had expired. Without these authorizations, client services should not be performed and payment of client services cannot be processed.

Recommendation

Regularly reviewing when authorizations are expiring and obtaining a current form, should services be continued. A one month lead time should be appropriate.

Management Comments

In one case, no services were provided past the expiry date contained in the authorization letter on file. In the second case, a new letter of authorization was in place for services performed. There is currently a regular review process in place for letters of authorization.

Management feels there are adequate controls in place to ensure all services provided and paid for are authorized.

5.2 Documentation in Files

Observation

Each individual's file has a manually re-documented summary in the front of the file. This process appears to be fairly time consuming with very little added value.

Recommendation

A checklist could be used in each file to help identify all components in each file, such as medical review details, financial review analysis and letter of authorizations in the file.

Management Comments

In the 4th Quarter of 2003, we will consider implementing a checklist to reduce administrative time required to manually prepare a summary.

5.3 Negotiated rates with Client Services

Observation

In June 2002, various rates were renegotiated with each agency. Various agencies had not updated their invoicing to reflect these new rates. Upon receiving the invoices, staff adjusted the invoices, increasing the risk of paying an incorrect amount.

Recommendation

Although no errors were noted, management should attempt to receive revised invoices prior to payments.

Management Comments

All payments were processed accurately according to newly negotiated rates, eliminating the need to process small adjustment payments separately.

In future, management will attempt to ensure new rates are communicated to operators with enough lead-time to allow operators to submit accurate invoices.

5.4 Agency Invoices

Observation

Various invoices from one agency are regularly received at least 2 months after the services were performed.

Recommendation

If the invoices are not received in a timely manner, there is a greater likelihood that the amount of incorrectly reported hours go unnoticed. As part of the contract with the service agencies, management could implement a time deadline for receiving invoices.

Management Comments

Program staff will send the applicable agency a letter requesting they submit their invoices in a more timely manner. It is expected that the inclusion of a penalty clause could potentially impact the region's agreements with all service providers not just HNSP providers. The recommendation will be forwarded to the Legal and Finance Departments for consideration and analysis of the impacts on the region's vendor relationships.

5.5 Work Performed on a Statutory Holiday

Observation

The agency agreements do not indicate that if services are performed on a statutory holiday, the hourly rate would be at time-and-a-half. We noted one instance when the agency invoiced and were paid at time-and-a-half, but this appears to be a special arrangement.

Recommendation

The agreements should clearly have these situations negotiated and agreed by both parties.

Management Comments

Management agrees that this item should be clarified in any future agreements with service providers. The item will be forwarded to our legal department before December 31st, 2003 for potential inclusion in any new agreements.

5.6 Data Entry of Invoices

During the payment process, when entering the hourly rate into the computer system, the default rate is the previous client's hourly rate. There is only one agency agreement that uses a different rate for homemaking services.

Recommendation

Although we did not observe any errors, the risk of using the wrong rate may occur. The default hourly rate should not be used, or a pop-down memo choosing the homemaker's or nurses rate for each agency should be used.

Management Comments

Current administrative review and approval processes are adequate to minimize the Region's exposure. The costs associated with making this programming change will outweigh the potential benefit.