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QUALITY ASSURANCE UNIT

ELIGIBILITY REVIEW ACTIVITIES 2003

The Community Services and Housing Committee recommends the adoption of the recommendation contained in the following report, February 25, 2004, from the Commissioner of Community Services and Housing:

1. RECOMMENDATION

It is recommended that:

1. The report on Eligibility Review Activities in 2003 be received for information by Committee and Council.

2. PURPOSE

The purpose of this report is to provide Committee and Council with information concerning eligibility review and overpayment recovery activities in 2003 in the Community Services and Housing Department. These activities are essential due diligence functions and result in revenue recovery and cost avoidance for the Region.

3. BACKGROUND

The Eligibility Review Team was established in 1992 to deliver a Provincially mandated audit and investigation function for eligibility of clients under the *Ontario Works Act* and the *Day Nurseries Act*. In January 2003, the Team expanded its mandate to include an audit and investigation function to review eligibility for Rent-Geared-to-Income (RGI) assistance in our Housing and Residential Services Division.

The Team has two Program Managers, nine Eligibility Review Officers (EROs), one Program Review Officer, one Accounting Clerk, and 1.5 Eligibility Review Clerks.

The Team's objectives are to:

- Audit department case files to ensure compliance with legislation and policy.
- Investigate suspected fraud.
- Recover money owing to York Region as a result of overpayments, assignments and restitution.

In addition to its investigative and collections roles, the Team acts as a resource to staff, participates in both Regional and Provincial policy development, and is part of the Department's program management committees.

In 2003, the Team:

- Established separate Investigation and Collection units in its organization to more effectively manage its growing workload.

- Centralized Assignment processing/collection activities for Ontario Works participants.
- Expanded its Collection activities for the Child Care Subsidy Program under the *Day Nurseries Act*.
- Centralized the management of the Ontario Works Social Benefits Tribunal appeals.

4. ANALYSIS AND OPTIONS

In 2003, the Team received 873 new referrals. Referrals come from staff, the community and the Provincial hotline. Every complaint and referral is investigated by an ERO. Staff are asked to investigate a variety of situations – e.g. evidence or allegations that participants have undeclared income or assets, or if there has been a change in family size or circumstances.

The Eligibility Review Team completed 810 investigations consisting of 733 Ontario Works cases, 51 housing cases and 26 child care cases. Forty child care file reviews were also completed.

Approximately 17.7 % of York Region's Ontario Works case files were investigated in 2003. There were changes in financial assistance to approximately 11% of our total Ontario Works case files.

Table 1
Analysis of Activities

Activity	2001	2002	2003
New Referrals (all programs)	708	792	873
Investigations Completed	724	929	810
Assistance Terminated	118	123	112
Assistance Reduced	32	17	35
Insufficient Evidence	188	219	130
Allegation Untrue	52	106	66
Referred Outside of Region	60	42	30
Overpayment Recorded	240	328	396
Child Care File Reviews	n/a	n/a	40
Percentage OW Caseload Investigated	17.7%	23.3%	17.7%
OW Status Change due to Investigation	9.5%	11.8%	11.0%

4.1 Restitution – Referrals to Police

Should an investigation indicate a probable intent to defraud, the ERO prepares and forwards a detailed referral package of evidence (commonly called a Police Package) to York Regional Police. In turn, the police complete their investigation and lay charges if warranted.

The majority of investigations are resolved through Department actions. In 2003, the Team referred seven investigations to York Regional Police. This represents less than 1% of the total investigations.

Table 2
Analysis of Police Referrals

Activity	2001	2002	2003
Percentage of Investigations Referred to Police	2%	1.4%	.9%
Referrals to Police	15	13	7
Court Orders and Dispositions	16	10	13

During 2003, disposition was made on 13 of our outstanding court cases. The disposition results are noted below. The court cases resulted in 9 convictions, 4 cases withdrawn (in 2 cases \$22,973 was repaid in court) and 9 orders for restitution. Total restitution ordered was \$139,117.

Table 3
Analysis of Disposition

Activity	2001	2002	2003
Total Dispositions	16	10	13
Restitution	12	10	9
Jail	2	0	0
Probation (includes community service)	5	4	9
Conditional Discharge	0	0	0
Conditional Sentence	5	5	4
Dismissed / Withdrawn	0	0	*4
Total Restitution Ordered	\$219,046	\$198,897	\$139,117

* Three of the four cases were settled before court and restitution was paid in full.

4.2 Recoveries – Assignments and Reimbursements

To remain eligible for social assistance, recipients are required to assign their rights to any other monies that they may be entitled to receive for the same time period, and they are required to reimburse York Region for social assistance paid through any other source (e.g. Employment Insurance, Workplace Safety & Insurance Board, and Canada Pension Plan).

In 2003, York Region recovered \$454,819 through assignments and reimbursements.

4.3 Recoveries – Inactive Cases Reviewed for Overpayment Collection

In addition to completing investigations, the team collected overpayments totalling \$187,771 from clients who have left the Ontario Works system, or former tenants of Housing York Inc. with a debt still remaining to York Region.

Table 4
Analysis of Case Recoveries

Activity	2001	2002	2003
Assignments and Reimbursements	\$436,872	\$363,207	\$454,819
Overpayments from Inactive Clients	163,304	110,018	187,771
Total Recoveries	\$600,176	\$473,225	\$642,590

4.4 Savings – Cost Avoidance

There were 112 active cases terminated as a result of investigations. York Region realized savings of \$815,760 in 2003 through cost avoidance had the 112 cases remained open for an additional 12 months. The Region saved an additional \$117,756 over 12 months in reduced assistance.

5. FINANCIAL IMPLICATIONS

York Region, through the efforts of the Eligibility Review Team in the Community Services and Housing Department investigated 810 cases in 2003, identified recoveries totalling \$781,707, and cost avoidance savings of \$933,516.

The majority of these recoveries, potential fraud situations and cost avoidance savings would not have been found without the services of this Team.

Table 5
Analysis of Activities

Activity	2001	2002	2003
Restitution	\$219,046	\$198,897	\$139,117
Assignments and Reimbursements	436,872	363,207	454,819
Recoveries – Inactive Cases	163,304	110,018	187,771
Total Recoveries	\$819,222	\$672,122	\$781,707
Reduced Assistance	\$96,960	\$50,568	\$117,756
Cost Avoidance – Terminated Cases	957,924	1,079,040	815,760
Total Recoveries and Savings	\$1,874,106	\$1,801,730	\$1,715,223

Actual recoveries increased by 35% over 2002.

There is a favourable ratio between the costs to operate the eligibility unit and total gross savings generated as a result of this unit's work. The revenue recouped by this unit represents approximately 107% of the Unit's 2003 Budget. However, 80% of recovered monies are returned to the Province. It should be noted that this function is legislatively required for Ontario Works. The Community Services and Housing Department has expanded the function to include our children's program area and our housing program area as a best practice.

6. LOCAL MUNICIPAL IMPACT

Lower Regional costs have a positive benefit on local municipalities. The Team assures program accountability and the proper use of Regional funds.

7. CONCLUSION

The Eligibility Review Team performs a valuable and cost effective service to York Region. In addition to its investigative and collections roles, the Team acts as a resource to staff and participates on policy development and program management committees.

In 2003, the team expanded its investigations and collection activities into social housing files, to review eligibility for rent-geared-to-income assistance. In 2004, the Team will provide the formal appeals review for the Ontario Works Social Benefits Tribunal.

The Senior Management Group has reviewed this report.