

2

ELIGIBILITY REVIEW ACTIVITIES 2004

The Community Services and Housing Committee recommends adoption of the recommendation contained in the following report, April 21, 2005, from the Commissioner of Community Services and Housing:

1. RECOMMENDATION

It is recommended that:

1. The report on Eligibility Review Activities in 2004 be received for information by Committee and Council.

2. PURPOSE

The purpose of this report is to provide Committee and Council with information concerning the reviews conducted by the Community Services and Housing Department on the eligibility of our clients for financial assistance, and on our activities to recover overpayments made to clients in 2004. 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 to received financial assistance under The *Ontario Works Act*. Since 2003, the Team's mandate has expanded to include the audit and investigation function for the Rent-Geared-to-Income (RGI - Housing) assistance program, and for the Child Care Fee Assistance program.

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 an expert program resource to staff, participates in both Regional and Provincial policy development, and is part of the Department's program management committees.

In 2004, the Team:

- Implemented a new referral management process to reduce administrative work and decrease investigation time.
- Completed a customer satisfaction survey which indicated 88% satisfactory to excellent rating in overall service to the Department; and 91% satisfactory to excellent rating in communication and customer service.
- Initiated development of a centralized statistics database.
- Enhanced the functionality of the Recovery and Assignment Database (RAD) to improve collection capabilities.
- Initiated a review of department program collection activities to recommend the direction for future collection processes and development of a consistent department policy.

4. ANALYSIS AND OPTIONS

In 2004, the Team received 861 new referrals. Referrals come from staff, the community and the provincial fraud 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 841 investigations consisting of 736 Ontario Works cases, 71 housing cases and 34 child care cases. Forty-three child care file reviews were also completed.

Approximately 17.1% of York Region's Ontario Works case files were investigated in 2004. There were changes in financial assistance to approximately 8% of our total Ontario Works case files. Table 1 provides an analysis of these activities.

Table 1
Analysis of Activities

Activity	2002	2003	2004
New Referrals (all programs)	792	873	861
Investigations Completed	929	810	841
Assistance Terminated	123	112	131
Assistance Reduced	17	35	45
Insufficient Evidence	219	130	162
Allegation Untrue	106	66	52
Referred to Outside of Region	42	30	38
Overpayment Recorded	328	396	372
Child Care File Reviews	n/a	40	43
OW Caseload Investigated	23.3%	17.7%	17.1%
Percentage of OW Caseload Status Change due to investigation	11.8%	11.0%	8%

4.1 Referrals to Police/Disposition/Restitution

Should an investigation indicate a probable intent to defraud, the ERO prepares, and the Supervisor 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. An analysis of police referrals is outlined in Table 2.

Table 2
Analysis of Police Referrals

Activity	2001	2002	2003	2004
Percentage of Investigations Referred to Police	2%	1.4%	.9%	1.3%
Referrals to Police	15	13	7	11
Court Orders and Dispositions	16	10	13	10

During 2004, disposition was made on 10 outstanding court cases. The disposition results are noted below (see Table 3). The court cases resulted in 9 convictions, 1 case dismissal, and 8 orders for restitution. Total restitution ordered was \$175,741.

Table 3
Analysis of Disposition

Activity	2002	2003	2004
Total Dispositions	10	13	10
Restitution	10	9	8
Incarceration	0	0	1
Probation (includes community service)	4	9	7
Conditional Discharge	0	0	1
Conditional Sentence	5	4	1
Dismissed/Withdrawn	0	4	1
Total Restitution Ordered	\$198,897	\$139,117	\$175,741

4.2 Recoveries – Assignments and Reimbursements

To remain eligible for social assistance, recipients are required to assign their rights to York Region for any other monies (up to the amount of the social assistance benefit) that they may be entitled to receive (e.g. spousal support) during the time they receive assistance. In addition, they are required to reimburse York Region for assistance paid to them through any other source (e.g. Employment Insurance, Workplace Safety & Insurance Board, and Canada Pension Plan). In 2004, York Region recovered \$432,790 through assignments and reimbursements.

4.3 Recoveries – Inactive Cases Reviewed for Overpayment Collection

In addition to completing investigations, the Team collected overpayments totalling \$136,356 from clients who have left the Ontario Works system, Child Care Fee Assistance program or former tenants of Housing York Inc. with a debt still remaining to York Region. An analysis of case recoveries is provided in Table 4.

Table 4
Analysis of Case Recoveries

Activity	2002	2003	2004
Assignments and Reimbursements	\$363,207	\$454,819	\$432,790
Overpayments from Inactive Clients	110,018	187,771	136,356
Total Recoveries	\$473,225	\$642,590	\$569,146

4.4 Savings – Cost Avoidance

There were 131 active cases terminated as a result of investigations. York Region realized savings of \$1,040,988 in 2004 through cost avoidance had the 131 cases remained open for an additional 12 months. The Region saved an additional \$161,460 over 12 months through cost avoidance in cases where assistance was reduced.

5. FINANCIAL IMPLICATIONS

York Region, through the efforts of the Eligibility Review Team in the Community Services and Housing Department investigated 841 cases in 2004, recovered \$569,146 and identified cost avoidance savings of \$1,202,448. The majority of these recoveries, potential fraud situations and cost avoidance savings would not have been found without the services of this Team. An analysis of the Team's activities is outlined in Table 5.

Table 5
Analysis of Activities

Activity	2002	2003	2004
Assignments and Reimbursements	\$ 363,207	\$ 454,819	\$ 432,790
Recoveries – Inactive Cases	110,018	187,771	136,356
Total Recoveries	473,225	642,590	569,146
Reduced Assistance	50,568	117,756	161,460
Cost Avoidance – Terminated Cases	1,079,04	815,760	1,040,988
Total Recoveries and Savings	\$1,602,833	\$1,576,106	\$1,771,594

There was an increase of 12.4% in total recoveries and savings over 2003.

As per requirement, 80% of recovered monies for Ontario Works and Child Care Fee assistance are returned to the Province. It should be noted that this investigation and collection function is legislatively required for Ontario Works, and the Social Housing program. The Community Services and Housing Department provides this function in our Child Care Fee assistance 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 act as an expert program resource to staff and participates on policy development and program management committees.

In 2004, the Team streamlined the investigation process, enhanced its database collection capabilities, and conducted a customer satisfaction survey to improve service and overall customer satisfaction.

In 2005, the Team will develop a new database to improve statistical recording and reports. The team will also lead the development of a Department Collections Policy which reflects due diligence and a consistent but fair approach to the collection of overdue accounts from former program clients.

The Senior Management Group has reviewed this report.