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ELIGIBILITY REVIEW ACTIVITIES 2002

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report, August 13, 2003, from the Commissioner of Community Services and Housing:

1. RECOMMENDATION

It is recommended that:

1. The report on Business Services Eligibility Review Activities in 2002 be received for the information of 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 2002 in the Community Services and Housing Department.

3. BACKGROUND

The Eligibility Review Team was established in 1992 and delivers a Provincially mandated audit and investigation function under *The Ontario Works Act*.

In January 2003, its mandate was expanded to include the audit and investigation function to review eligibility for Rent-Geared-to-Income (RGI) assistance through our Housing and Residential Services Division. The Team has now established separate investigation and collection units in its organization to support this expansion under *The Social Housing Reform Act*.

In 2003 the Team's Eligibility Review Officer complement was reduced from 11 to 9 to meet Provincial budget constraints. The Team has two Program Managers, nine Eligibility Review Officers (EROs), one Program Review Officer, one Accounting Clerk, and one Eligibility Review Clerk.

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.

4. ANALYSIS AND OPTIONS

The Eligibility Review Team investigated approximately 23% of York Region's Ontario Works case files in 2002 and as a result, there were changes in financial assistance to

approximately 12 % of our total case files. In 2002, the Team received 792 new referrals and completed 929 investigations from these referrals and from referrals received in the previous year. Referrals come from staff, the community and the Provincial Fraud Hotline. Every complaint and referral is investigated by an ERO.

Table 1
Analysis of Activities
From 2000 to 2002

Activity	2000	2001	2002
New Referrals	922	708	792
Investigations Completed	874	724	929
Assistance Terminated	163	118	123
Assistance Reduced	40	32	17
Insufficient Evidence	166	188	219
Allegation Untrue	72	52	106
Referred Outside of Region	89	60	42
Overpayment Recorded	325	240	328
Percentage Caseload Investigated	21.4%	17.7%	23.3%
Status Change due to Investigation	12.9%	9.5%	11.8%

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 2002, the Team referred 13 investigations to York Regional Police. This represents 1.4% of the total investigations.

Table 2
Analysis of Police Referrals
From 2000 to 2002

Activity	2000	2001	2002
Percentage of Investigations Referred to Police	2.5%	2%	1.4%
Referrals to Police	22	15	13
Court Orders and Dispositions	15	16	10

During 2002, disposition was made on 10 of our outstanding court cases. The disposition results are noted below. The court cases resulted in 10 convictions, and 10 orders for restitution. Total restitution ordered was \$198,897.

Table 3
Analysis of Disposition

Activity	2000	2001	2002
Total Dispositions	15	16	10
Restitution	5	12	10
Jail	1	2	0
Probation (includes community service)	7	5	4
Conditional Discharge	1	0	0
Conditional Sentence	0	5	5
Dismissed	1	0	0
Total Restitution Ordered	\$123,814	\$219,046	\$198,897

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 that period and up to the same dollar amount), and they are required to reimburse York Region for social assistance paid through any other source (e.g. Employment Insurance, Workplace Safety & Insurance Board, Canada Pension Plan).

In 2002 York Region recovered \$363,207 through assignments and reimbursements.

4.3 Recoveries – Inactive Cases Reviewed for Overpayment Collection

In addition to completing investigations, the team collected overpayments totalling \$110,018 from clients who have left the Ontario Works system with a debt still remaining to York Region.

Table 4
Analysis of Case Recoveries

Activity	2000	2001	2002
Assignments and Reimbursements	\$463,633	\$436,872	\$363,207
Overpayments from Inactive Clients	\$166,100	\$163,304	\$110,018
Total	\$629,733	\$600,176	\$473,225

4.4 Savings – Cost Avoidance

There were 123 active cases terminated as a result of investigations. York Region realized savings of \$1,079,040 in 2002 through cost avoidance had the 123 cases remained open for an additional 12 months. The Region saved an additional \$50,568 over 12 months in reduced assistance. This 12-month period represents an assumption that these cases would have remained active for one additional year. This timeframe is more conservative than using the average time on assistance (currently at 17 months), and used by the Province in many of its cost avoidance calculations.

5. FINANCIAL IMPLICATIONS

York Region, through the efforts of the Eligibility Review Team in the Community Services and Housing Department completed investigations for 929 cases in 2002, identified and commenced collections for recoveries totalling \$672,122, and cost avoidance savings of \$1,129,680.

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	2000	2001	2002
Restitution	\$123,814	\$219,046	\$198,897
Assignments and Reimbursements	\$463,633	\$436,872	\$363,207
Recoveries – Inactive Cases	\$166,100	\$163,304	\$110,018
Total Recoveries	\$753,547	\$819,222	\$672,122
Reduced Assistance	\$168,636	\$ 96,960	\$ 50,568
Cost Avoidance – Terminated Cases	\$1,244,460	\$ 957,924	\$ 1,079,040
Total Recoveries and Savings	\$2,166,643	\$1,874,106	\$1,801,730

Recoveries declined by 18% from 2001. This is attributed to a reduction in staff because of Provincial budget constraints, and the inability of the new Provincial technology (SDMT) to interface with the Department's automated collection system (RAD). This weakness in Provincial technology also affected our ability to review inactive overpayments that were incurred prior to 2002. As a result, staff performed their duties largely through manual data entry, file reviews and investigations, a much more time consuming, labour intensive exercise.

The Provincial Auditor, in his 2002 Report noted that "Since the information technology system (SDMT) does not support the collection function and cannot interface with the service manager's own computer collection systems, the collection process is labour intensive and prone to manual input errors." The Ministry, in its response stated that "The Ministry is committed to improving the capacity of the information technology system to support the collection and recovery of overpayments by Ontario Works service managers." To date, nothing has changed.

Regional staff are in consultation with Ministry staff and with other Consolidated Municipal Service Managers (CMSMs), to review solutions. Several other municipalities have implemented 'work-around' systems to manage only part of the overpayment recovery process (for overpayment incurred in 2002). Data input is still manual and the assignment recoveries has not been addressed. The budget impact was identified and

included in the 2003 Budget. In conjunction with this, staff are also investigating technology to assist with their expanded collection role in social housing.

There is a favourable ratio between the costs to operate the eligibility unit and total savings generated as a result of this unit's work. The revenue recouped by this unit represents approximately 105% of the Unit's 2002 Budget related to social assistance.

6. LOCAL MUNICIPAL IMPACT

There is no impact on the local community associated with this report.

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, 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.

The Senior Management Group has reviewed this report.