
**Managing Three Key Risks in Individualized Funding
for Autism Programs**

Ministry of Children and Family Development

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**Internal Audit & Advisory Services
Office of the Comptroller General
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Glossary

AO	Administrative Officer
AIP	Autism Intervention Payments
EAI	Extended Autism Intervention
ESL	English as a second language
FO	Financial Officer
FTE	full-time equivalent
IEII	Interim Early Intensive Intervention
IF	individualized funding
Internal Audit	Internal Audit & Advisory Services
SWs	Social workers
the branch	The Provincial Autism Initiatives Branch
the ministry	Ministry of Children and Family Development

Executive Summary

We have completed our assessment of the Ministry of Children and Family Development's (the ministry) ability to respond to the following selected risks associated with the Interim Early Intensive Intervention (IEII) and Extended Autism Intervention (EAI) programs:

- some families may lack the capacity to manage funds and/or treatment;
- expectations for the ministry and families may not be clear; and
- some families might misuse program funding.

We found that many families are experiencing difficulty with these individualized funding programs. Regional staff advised that most parents are not complying with the programs' accountability requirements, and social workers are experiencing an overwhelming volume of questions from parents.

Family Capacity

In our view, the ministry is not well positioned to address the risk that families may lack the capacity to manage individualized funding. The regions advised us they are unable to administer the programs as intended, due to a lack of resources, so families are not receiving the ongoing feedback and assistance needed to manage the program successfully. There are few supports available to build family capacity, and also very limited programming options for families who do not have the capacity to manage individualized funding.

Program Expectations

In our opinion, the ministry needs to more clearly communicate program expectations.

The program materials were consistently faulted for not communicating program expectations effectively, particularly parents' responsibility to develop and manage treatment plans for their children. There are limited resources available to parents seeking information on these matters, and regions are not able to respond to the volume of inquiries from parents.

Use of Funds

In our view, the ministry is not adequately prepared to manage the risk of funds being misused. Regions are not consistently monitoring parents' accountability reporting, so inappropriate expenditures may not be detected on a timely basis. There are no specific procedures for following up possible misuse of funding, so regions do not have a consistent approach to this problem.

Recommended Improvements

We recommend the ministry consider a range of strategies to improve the programs' ability to manage these risks, including:

- structured orientation and training programs for parents;
- additional supports and resources for parents, such as a central call centre;
- additional programming choices for families who are unable or unwilling to participate in individualized funding;
- better communication of program expectations, possibly in additional languages;
- more appropriate resourcing for program administration, such as a centralized resource for monitoring parents' expenditure reporting; and
- specific procedures for following up questionable use of funds, and for dealing with parents who have misused funding.

These and other comments and recommendations are presented in more detail in the body of the report. We wish to thank management and staff of the Autism Initiatives Branch, and many other staff in Community Living Services and the regions who contributed their advice and assistance to this project.

David J. Fairbotham
Executive Director
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July 23, 2004

Introduction

The Provincial Autism Initiatives Branch (the branch) of the Ministry of Children and Family Development (the ministry) is responsible for the ministry programs providing intervention services for children and youth with autism. The branch's autism programming consists of four programs, two of which provide services to clients through contracted agencies, and two relatively new programs using an individualized funding (IF) model providing funding directly to client families, who then use the funds to purchase intervention services.

The two individualized funding programs are:

- The Interim Early Intensive Intervention Program which serves over 400 children under age six. Families receive up to approximately \$20,000 per year to purchase intervention services, and the 2003/04 fiscal year budget for the program is \$8.1 million.
- The Extended Autism Intervention program which serves approximately 1,800 school age children. Families receive up to approximately \$6,000 per year to purchase services, and the 2003/04 fiscal year program budget is \$9.0 million.

The individualized funding model is intended to provide greater choice for families, helps build families' capacity to obtain and manage treatment for their children and youth, and also helps develop treatment capacity in the community. Recognizing these benefits, the ministry's Service Plan outlines plans for more widespread use of this program model.

As the individualized funding programs became established, Internal Audit & Advisory Services (Internal Audit) received reports from the ministry of a few situations where families were alleged to have used the funding inappropriately. As part of the ministry's implementation of the Enterprise-wide Risk Management initiative, Internal Audit assisted ministry staff in identifying several risks associated with the individualized funding model. Internal Audit was then asked to review the ministry's ability to manage three of the risks identified by ministry staff, and in particular the risk that families will use the funding inappropriately.

Purpose

The purpose of the review was to assess whether the Interim Early Intensive Intervention and Extended Autism Intervention programs effectively manage three key risks, and to provide advice to improve the programs' ability to respond to these risks.

Scope, Objectives and Approach

We assessed whether the Interim Early Intensive Intervention Program and the Extended Autism Intervention Program are effectively managing the following three risks:

- some families may lack the capacity to manage funds and/or treatment;
- expectations for the ministry and families may not be clear; and
- some families might misuse program funding.

Our approach included:

- reviewing documentation defining the Interim Early Intensive Intervention and Extended Autism Intervention programs;
- reviewing documentation describing the processes used in regions to administer the programs;
- interviewing headquarters staff involved in designing and administering the programs;
- on-site interviews with teams of Social Workers administering the programs in the Vancouver Coastal, Fraser and Vancouver Island regions;
- reviewing a small sample of transactions for each program in each location; and
- telephone interviews of team leaders administering the programs in the Northern and Interior regions.

Our review focused on program processes and controls, rather than on:

- any specific cases of alleged misuse of funds; or
- how well individualized funding supports the achievement of ministry objectives.

The fieldwork for this assignment was conducted in November and December 2003, and January 2004.

Findings and Conclusions

Program Context

It should be noted that these complex programs were created and implemented in a very short timeframe, and we give credit to the ministry staff who accomplished this challenging task. However, this timeframe did not allow much time for a systematic approach to program planning and implementation, and since the programs were implemented at the time the ministry was undergoing budget reductions, limited resources were available for program support.

Risk Assessment

After completing our fieldwork, we invited ministry staff involved in designing and administering these and other similar programs to a workshop to discuss our findings and help develop strategies to mitigate the outstanding risks. This workshop generated a Risk Register outlining the three risks, relevant controls, and numerous risk management strategies. This Risk Register is attached to this report as Appendix A.

The following sections of this report present our assessment of the ministry's ability to respond to the three risks, along with recommendations which summarize and supplement the mitigating strategies presented in Appendix A.

1.0 Family Capacity

Risk: Families may lack the capacity to manage individualized funding.

Conclusion

Social workers (SWs) administering the programs in most regions advised us that many families are experiencing difficulty managing the IF programs. We were told of widespread lack of compliance with program accountability requirements, and an overwhelming volume of questions from families about the operation of the programs. In addition, we are aware of several instances where funds appear to be misused. After reviewing program processes and controls, we conclude that the ministry is not well positioned to respond to this risk.

1.1 Assessing Family Capacity

The programs do not have timely and effective processes to identify families entering or participating in the program who may lack the capacity to manage funds and/or treatment. As a result, the ministry is not in a position to manage this risk by helping these families with special attention or additional supports.

The programs do not assess or consider family capacity at intake - all families with eligible children or youth are accepted into the programs. Both programs require quarterly expenditure reporting by families. While ongoing SW reviews of these reports should help identify families experiencing difficulty with the programs, we were advised:

- 40-90% of the families (depending on the location) are not submitting the reports; and
- SWs generally do not have time to follow up on missing reports or review the reports submitted, except at year-end when contracts are renewed.

As a result, SWs often do not know if families are having difficulty until a year has passed.

Families with limited financial resources appear to be particularly challenged by the IF programs, accounting for a disproportionate share of the reported cases of inappropriately used funding.

Options for identifying families requiring additional supports include:

- a program intake process which considers family capacity. For example, an orientation program for families, outlining the financial management, case management and accountability expectations, would provide an opportunity for families with capacity concerns to self-identify; and
- closer monitoring of families' progress in the program, particularly during the first few months after intake.

Recommendation

- (1) We recommend the ministry implement processes at intake and in the initial months of participation, to identify families needing additional supports.**

Ministry response:

It will be challenging to find a tool to accurately assess families who will need additional supports, however:

The ministry will offer three alternative payment options including

- (a) direct payment to service providers;*
- (b) payments through a new Autism Intervention Payments (AIP) system; and*
- (c) direct funding to families subject to an assessment of the family's capacity to manage funds and monitoring and review of reports and receipts by financial staff.*

Each family will have an allocation of funds available for their child's autism intervention. Families will continue to have choice in selecting the service providers. For direct payments to service providers and payments through the AIP system, families will receive quarterly statements detailing what funds have been expended on behalf of their child and the remaining funding available.

Families may continue to receive direct payment for travel, equipment or minor incidental costs. Generally families will be reimbursed for such expenditures within policy guidelines.

Families that do not have the capacity to manage direct funding will be served through the AIP system or direct payments to service providers.

These proposed strategies to improve family capacity, and reduce the administrative burden on families also apply to Recommendations 2, 3, and 6.

1.2 Building Family Capacity

Although one of the objectives of IF is to help build families' capacity to obtain and manage treatment for their children and youth, the program currently contains few supports to build family capacity. As a result, the ministry is not in a position to reduce risk by increasing parental capacity.

The program materials are more focused on managing the funding relationship than supporting parents managing a complex program for their children. In addition, these materials are of limited value to parents with English as a second language (ESL) or literacy barriers.

There are no formal orientation, training or education programs to assist parents, although some locations provide informal training. Autism BC offers some help to parents, but availability is limited. SWs in regions are providing support to families, but as discussed earlier, are unable to respond to the demand for information and advice.

Additional supports could include:

- structured training programs for families, covering case management, budgeting and financial management;
- additional information resources for parents, such as a central call centre to interpret program guidelines and direct parents to needed supports and resources;
- a social worker in each region who is an autism consultant, to provide support and training to staff and parents; and
- broadening the eligible expenses to allow parents to hire a case manager.

Recommendation

⁽²⁾ We recommend the ministry provide additional supports to help build family capacity.

Ministry response:

In addition to the strategies proposed in our response to Recommendation 1, the ministry will also:

- *revise the policy on Interim Early Intensive Intervention eligible expenses to allow families to purchase additional supports, and*
- *invest on a one-time-only basis in community agencies to develop ongoing capacity to train families to develop personal support plans in regards to individualized funding. This capacity development is intended to supplement other supports being planned such as the help line.*

1.3 Program Alternatives

There are very few alternatives available for families that are not able to, or do not want to, manage IF programs for their children. As a result, the ministry is not in a good position to reduce risk by moving families with limited capacity to manage IF into alternative programs.

As the Early Intensive Behavioural Intervention Program has limited availability, IF is the only programming option available in most communities. There are only two alternatives available to parents unable or unwilling to manage IF programs.

- Parents can contract with agencies to manage their programs. However, we were advised that while the service provider community is attempting to address this need, at present this service has limited availability. In addition, the cost of contracting with an agency reduces the amount of money available for treatment. Contracting is a suitable alternative for families with the capacity to maintain the financial relationship with an agency, otherwise this option may result in service providers not being paid.
- SWs can direct-contract programs for families who are unable to manage their own situations, but this is very time-consuming and is used as a last resort.

There is a concern with giving families a choice of program delivery alternatives, as regional staff advised that IF is not popular with parents, and estimate that only 10-15% of families would chose IF if given an option. If families were given a choice of programs, the ministry would need to be prepared to provide alternative programming for a significant portion of families.

Options to provide families with alternatives to managing IF programs include the following.

- Providing programming choices allowing families to participate in IF without directly managing funds and/or treatment, such as an alternative IF program delivery using a public trustee or other intermediary to manage families' programs.
- Implementing strategies to help the service provider community provide more program and case management services to individual clients. These strategies could include:

- helping service providers see the benefits of providing these services; and
- providing ministry "seed" funding to help agencies develop and maintain these services in communities where they might otherwise not be available.

Recommendation

(3) We recommend the ministry provide alternatives for those families that have limited capacity to manage their IF Programs.

Ministry response:

As indicated in to the strategies proposed in our response to Recommendation 1, paying service providers directly may be a viable option, in some cases, to significantly reduce the administrative burden placed on families.

2.0 Expectations

Risk: Expectations for the ministry and families may not be clear

Conclusion

Expectations for ministry staff and families are laid out in the program materials, with some significant exceptions, but need to be more effectively communicated. The widespread lack of compliance with program accountability requirements and the volume of questions to SWs suggest that many parents do not understand these expectations. After reviewing program processes and controls, we conclude that the ministry could significantly improve its ability to respond to this risk.

2.1 Establishing Expectations

Most program expectations are clearly explained in the program materials; however, two key program expectations are not well addressed. As a result, parents may make choices which negatively impact family well-being and children's outcomes.

Firstly, parents' most important responsibility in the IELL program is to develop and manage a treatment program for their children, but the program material provides very limited information on how to accomplish this. Parents would benefit from program materials that explain treatment options and case management processes more completely, and a parent resource directory with more specific reference materials on treatment options.

Secondly, the program materials do not explain the significant financial risks to parents around employing service providers and taxation of IF payments. Parents are clearly advised of their responsibility to comply with the legislation governing these areas, but there is no discussion of the situations that can arise from failure to properly address these responsibilities.

We understand the ministry does not feel qualified to provide financial and taxation advice to funding recipients, and does not wish to create the perception of an employer-employee relationship. However, providing families with information to help them understand the significance of these risks and make appropriate financial arrangements would help avoid financial loss to families, service providers, and potentially, the ministry.

Recommendation

(4) We recommend the ministry:

- **revise program materials to better explain treatment options and case management processes; and**
 - **develop strategies to highlight the general nature of the risks to parents around employing service providers and taxation of IF payments.**
-

Ministry response:

The ministry will:

- *revise and simplify program materials for families and staff to better explain processes, policies, standards and accountabilities; and*
- *explore an effective approach to ensure that the qualified service provider list is kept up to date and accessible to families.*

In March 2004, the ministry submitted a formal request to Canada Revenue Agency for a tax ruling regarding the tax implications of payments made to parents under both IF Autism Programs. A response is expected within 6 months. The ministry will also consult with legal services re: the appropriateness of discussing with parents, the risks to them employing service providers and the taxation of IF payments. Taxation issues will be limited to the direct payment portion to families for travel and other eligible expenses.

2.2 Communicating Expectations

Program materials do not communicate expectations to parents as effectively as desired.

Staff in regions consistently commented that families find the materials to be intimidating, complex, and difficult to understand. The dependence on written materials to provide program guidance creates difficulties for ESL families and others with literacy issues.

Communication of expectations could be strengthened by:

- revising the program materials to communicate expectations more effectively:
 - improve the readability of the materials, by clarifying and condensing the documentation;
 - consider translating the materials into additional languages;
- supplementing the program materials with training and information sessions, including:
 - orientation sessions for all parents (as discussed in section 1.1); and
 - training and information sessions by ministry staff or contractors, to assist parents who do not work well with written materials.

Recommendation

⁽⁵⁾ We recommend the ministry revise the program materials to communicate expectations more clearly, and consider supplementing the materials with training and information sessions.

Ministry response:

The ministry will:

- *revise and simplify program materials for families and staff to better explain processes, policies, standards and accountabilities;*
- *translate program materials into other languages and make them available to the appropriate families;*
- *invest on a one-time-only basis in community agencies to develop ongoing capacity to train families to develop personal support plans in regards to individualized funding. This capacity development is intended to supplement other supports being planned such as the help line; and*
- *establish a “1-800” telephone help line for families to call with questions regarding IF programs.*

3.0 Use of Funds

Risk: Some families may misuse program funding

Conclusion

The programs include financial accountability controls designed to manage this risk, but these controls are not operating effectively, due to resourcing limitations in regions. After reviewing program processes and controls, we conclude that the ministry is not adequately prepared to respond to this risk.

It should be noted that most of the options and recommendations outlined in previous sections of this report will help mitigate this risk, including:

- an orientation process and improved program materials to establish clear expectations for parents;
- alternative programs for families better suited to lower-risk program delivery options; and
- additional resources to support and guide parents.

3.1 Program Administration

Both programs have accountability controls requiring families to report their expenditures quarterly. Social workers in regions are expected to:

- monitor the reporting;
- conduct a comprehensive review on the first report;
- review the reports on an on-going basis to ensure that expenditures are consistent with program policy; and
- work with families to ensure that program requirements are met.

This program design is intended to identify parents experiencing difficulty with the program, and provide regular monitoring and coaching to ensure program requirements are met. However, four of the six regional locations we surveyed were not consistently performing these functions, due to a lack of resources. The shortage of resources is complicated by a program decision to have all IF funding agreements end on March 31st, creating a significant work peak. Regions are able to review parents' reporting at year-end to renew the funding agreements, but there is limited on-going monitoring of parents' reporting or scrutiny of reported expenses.

As a result, parents' failure to comply with program requirements may not be brought to their attention on a timely basis, and inappropriate uses of funds may continue for a full year before being addressed.

There were also questions about the SW role in administering these programs, as monitoring and reviewing expenditure reporting is viewed as a financial administration function, better performed by staff with financial training and skills. SWs also see enforcing program reporting requirements and expenditure policies as conflicting with their maintaining a supportive ongoing relationship with the families.

Strategies for improving IF program administration include:

- ensuring resources are available to monitor and follow up parents' financial accountability reporting on a timely basis, possibly by centralizing this function on a regional or provincial basis;

- utilizing staff with financial skills to assist in administering the programs;
- reducing the year-end administrative burden by staggering agreement renewal dates throughout the year; and
- investigating options to deliver IF programs more efficiently, for example through a voucher or debit card system.

Recommendation

(6) We recommend the ministry develop strategies to improve IF program administration.

Ministry response:

As indicated in the ministry's response to recommendation 1, steps have been taken to improve IF program administration. Further strategies may be considered subject to resource limitations. A debit card system has already been examined. However, at this point, no financial institution is willing and able to provide this service.

Renewal dates for both IEI and EAI contracts have been changed to the end of the month of the child's birthday.

The ministry will dedicate up to four full-time equivalent's (FTE) to administer and monitor direct payments to families and payments through the AIP system. This will significantly reduce the need to monitor IF Autism expenditures with the alternative processes. The ministry will separate the monitoring and accountability functions from the social worker's planning and support functions.

3.2 Follow-up Procedures

Every year regions are likely to experience a number of cases where program funding was used in questionable ways, so there is a need for efficient and consistent processes for following up these situations. However, program and ministry procedures do not provide specific guidance in this area, and regions are using a range of approaches in these situations.

The instructions for investigating suspected misuse of funds should provide specific guidance on:

- a lower dollar limit to which the policy applies, recognizing it is not cost-effective to investigate cases involving small dollar amounts;
- procedures and suggested time-frames for following up overdue expenditure reports and obtaining information from funding recipients;
- specific roles and responsibilities for regional and headquarters staff, and investigation teams which include persons with financial and/or investigative training;
- guidelines on when to involve law enforcement agencies, and for dealing with the media;
- parameters for recovering mis-spent funds, including using contracted agencies for this purpose; and
- policies for renewing contracts with parents who have misused funds, and for allowing these parents to access other IF programs.

The ministry might also consider the option of accessing the investigative resources in the Ministry of Human Resources' Prevention, Compliance, and Enforcement Branch to follow up with parents suspected of significant misuse of funds.

Recommendation

⁽⁷⁾ We recommend the ministry develop specific policies and procedures for following up potential and actual misuse of IF funding, and strategies for providing services to children whose parents have misused the funding.

Ministry response:

We agree with the recommendation, and anticipate that payments made directly to service providers or through the AIP will significantly reduce the probability of funds being used inappropriately.

Guidelines will be drafted for following up on potential and actual misuse of IF funding; documenting and setting up accounts receivable; and writing off uncollected receivables. Once approved, they will be communicated to regional staff who are expected to be the first point of contact in handling such situations.

In addition, the ministry will explore possibilities for central collection agencies within government to assume a role in following up on the misuse of funds.

Appendix A: Risk Register – Ministry of Children and Family Development – Individualized Funding in IEII and EAI Programs

Background – On January 20, 2004, Internal Audit & Advisory Services facilitated a workshop for selected staff involved with the IEII, EAI, and other similar ministry programs. The purpose of the workshop was to discuss our findings and help develop strategies to mitigate outstanding risks. The following risk register was developed during the workshop.

The Risk: What can happen and how it can happen	Before Considering Controls		Existing Controls Comments on Controls	Effective-ness of Controls (H/M/L)	Tolerance for Residual Risk – Acceptable / Unacceptable	Mitigating Strategies to Enhance Existing Controls
	Consequences	Likelihood				
1. Families may lack the capacity to manage funds and / or treatment	Assessed Score 4.0 <ul style="list-style-type: none"> Stressed families Increased consequences (enormous) if individualized funding is mandatory Give money to some families that can't handle funds Families do not meet reporting expectations (Schedule B) 	Assessed Score 4.1 Much greater in situations where it is mandatory	1a) <i>Are there screening processes to identify the families who may not have the necessary capacity?</i> <ul style="list-style-type: none"> No screening at program entry. SWs monitor Schedule B reporting to identify families experiencing difficulty – not effective, limited monitoring in regions due to workload pressures, staff do not have the appropriate skill sets. 1b) <i>Are alternative programs available for those unable or unwilling to manage IF?</i> <ul style="list-style-type: none"> IF is the only option in most communities and there are often waitlists – limited capacity in Early Intensive Behavioural Intervention. Parents can contract with agencies to manage their programs – only available in some areas, can still result in unpaid service providers. 	Low	Unacceptable	Increase the ministry's capacity to monitor and support families: <ul style="list-style-type: none"> Stagger the renewal dates for funding agreements to spread the workload. Simplify administration and/or reporting for regions. Administrative Officer (AO) or Financial Officer (FO) workers to do the quarterly reviews. Increase staff resources. Provide each region with a SW trained as an autism consultant to support or provide training on how to manage (not case manager for 300 kids). Consultant could be part of autism team.

Likelihood					
5 Almost Certain	4 Likely	3 Possible	2 Unlikely	1 Rare	
Consequence					
5 Catastrophic	4 Major	3 Moderate	2 Minor	1 Insignificant	

The Risk: What can happen and how it can happen	Before Considering Controls		Existing Controls Comments on Controls	Effective-ness of Controls (H/M/L)	Tolerance for Residual Risk – Acceptable / Unacceptable	Mitigating Strategies to Enhance Existing Controls
	Consequences	Likelihood				
	<ul style="list-style-type: none"> Kids do not receive treatment (or receive the wrong service) Supporting these families creates major workload issues in the ministry Service providers are injured Complex program may not be suited to individualized funding 		<ul style="list-style-type: none"> Ministry can direct-contract for parents experiencing difficulty – practical in small volumes, but there is still a lack of community capacity. Alternative programs are less an issue with EAI - supplements other programs. <p>1c) <i>Are supports available to help parents build capacity?</i></p> <ul style="list-style-type: none"> Parents can use IF to purchase training, program management and administration services - helps parents who have the capacity to use these supports, but these services are only available in some areas. Administration costs reduce dollars available for services. Website information and communications with families builds their knowledge base, but written materials do not help parents with literacy issues. Support from SWs, regional admin and central program support - helps, but SWs have limited capacity, are inundated with requests. Information from Autism BC - also has limited capacity. List of approved service providers is available to families (IEI families have to choose from this list). 			<ul style="list-style-type: none"> Central call centre to direct parents to resources that get them back on track – could be within the ministry or an outside agency. Screening to assess family capacity at front end of process - useful as long as there is an alternative to IF available. Access information about families from their first point of contact, e.g. Infant Development Program. <p>Increase the community's capacity to support these families:</p> <ul style="list-style-type: none"> Look for strategies to motivate the community into providing services to individual clients. Increase communication with service providers to help them see the opportunities to provide needed services.

Likelihood									
5	Almost Certain	4	Likely	3	Possible	2	Unlikely	1	Rare
Consequence									
5	Catastrophic	4	Major	3	Moderate	2	Minor	1	Insignificant

The Risk: What can happen and how it can happen	Before Considering Controls		Existing Controls Comments on Controls	Effective-ness of Controls (H/M/L)	Tolerance for Residual Risk – Acceptable / Unacceptable	Mitigating Strategies to Enhance Existing Controls
	Consequences	Likelihood				
						<ul style="list-style-type: none"> • Work toward having enough community capacity so that SWs can contract directly with service providers. <p>Provide additional supports for families:</p> <ul style="list-style-type: none"> • Expand the list of approved service providers to include their specialties. • Allow families to hire a case management intermediary - add to list of approved service providers. Behavioural consultant could act like a case manager to get the plan set up - would need to ensure families would go back to the consultant to see how they are progressing. • Training strategy - financial training, capacity building in the families, orientation session for families prior to signing agreement. Some families could screen themselves out at that point.

Likelihood									
5	Almost Certain	4	Likely	3	Possible	2	Unlikely	1	Rare
Consequence									
5	Catastrophic	4	Major	3	Moderate	2	Minor	1	Insignificant

The Risk: What can happen and how it can happen	Before Considering Controls		Existing Controls Comments on Controls	Effective-ness of Controls (H/M/L)	Tolerance for Residual Risk – Acceptable / Unacceptable	Mitigating Strategies to Enhance Existing Controls
	Consequences	Likelihood				
						<ul style="list-style-type: none"> Expand Autism BC role - could help get family back on track with the program or identify a need for a behavioural consultant - but their role needs to be clarified (clearing house for questions). <p>Establish alternatives to IF programs:</p> <ul style="list-style-type: none"> Let parents determine if they want to participate in IF - provide families with choice without them having to manage funds. Risk that a significant number would opt out (estimate that only 10-15% would chose IF), would need to be prepared to provide alternative programming for a significant portion of families. Alternative to IF using a public trustee to manage families' programs instead of the social worker direct-contracting individual programs.

Likelihood									
5	Almost Certain	4	Likely	3	Possible	2	Unlikely	1	Rare
Consequence									
5	Catastrophic	4	Major	3	Moderate	2	Minor	1	Insignificant

The Risk: What can happen and how it can happen	Before Considering Controls		Existing Controls Comments on Controls	Effective-ness of Controls (H/M/L)	Tolerance for Residual Risk – Acceptable / Unacceptable	Mitigating Strategies to Enhance Existing Controls
	Consequences	Likelihood				
2. Expectations for the ministry and families may not be clear	Assessed Score 3.8 <ul style="list-style-type: none"> Moving forward without enough information Government may be liable due to increased litigation, etc. Inconsistent care or services at client level Political risk Increased work for social workers and central staff, leading to burnout Families may be liable "Labour relations" issues resulting from lack of understanding of employer status 	Assessed Score 4.0	<p>2a <i>Are parents' and ministry roles and responsibilities well communicated?</i></p> <ul style="list-style-type: none"> Roles are mostly well identified in program materials, except: <ul style="list-style-type: none"> IIEI program - sparse instruction to families on preparing and managing an intervention program. Limited direction to ministry staff on handling potential and actual fraud. Information is available from Autism BC and ministry website, but the information is very extensive and few people will take the time to read it. This information is little help to families with literacy issues. <p>2b <i>Are risks and opportunities for parents well communicated?</i></p> <ul style="list-style-type: none"> Risks are mostly well identified in program materials, but the risks to parents around employing service providers and the taxation of IF payments are not explained - significant risk to the ministry and to children's' outcomes if families suffer consequences from these risks. Information available on Autism BC website but some families may lack computer or ability to download - can call to have information package mailed out by Autism BC. 	Medium	Unacceptable	<p>Improve the program materials:</p> <ul style="list-style-type: none"> Improve readability of program material (i.e. documents could be condensed). Complex program, need opportunity to present material as one. Translate the program materials into two or three language groups (has it been considered?) Create parent resource directory with more specific references to treatment options. Obtain formal tax ruling from Canada Revenue Agency – working on this at present. Contract with experts (legal, tax, labour relations experts etc.) to prepare guidelines for roles and responsibilities, rather than the ministry providing this information.

Likelihood					
5 Almost Certain	4 Likely	3 Possible	2 Unlikely	1 Rare	
Consequence					
5 Catastrophic	4 Major	3 Moderate	2 Minor	1 Insignificant	

The Risk: What can happen and how it can happen	Before Considering Controls		Existing Controls Comments on Controls	Effective-ness of Controls (H/M/L)	Tolerance for Residual Risk – Acceptable / Unacceptable	Mitigating Strategies to Enhance Existing Controls
	Consequences	Likelihood				
	<ul style="list-style-type: none"> Children might not get services and suffer decreased outcomes Service providers not being paid Government is seen as the employer and has to fund benefits, etc. 		<ul style="list-style-type: none"> Need to insure the home as a workplace is covered in Autism BC handout, but is not consistently applied. <p>2c) <i>Do families understand their responsibilities?</i></p> <ul style="list-style-type: none"> Responsibilities are not easy to understand - large volume of complex program materials, especially IIEI. Many parents sign the Agreement but clearly do not understand their responsibilities: SWs are inundated with requests for help. widespread lack of compliance with reporting requirements - 40-90% of parents are not submitting Schedule Bs (varies by location). 			<ul style="list-style-type: none"> Identify risks to parents e.g. "your obligation is to...", consider communicating what it means to families if something goes wrong in certain areas (i.e., taxation, employing service providers). Cautious as to how much we advise them (employer/employee relationship). Consider the consequences of not providing this information to parents. Communicate insurance needs to families. <p>Improve communication with families and staff:</p> <ul style="list-style-type: none"> Establish training, information, and orientation sessions - so far have been advised not to do so for legal reasons. Consider whether this restriction on communication creates more risks than it manages. Government should consider self-insuring these risks, create an insurance medium (Government Master Insurance Program covers government-contracted agencies).

Likelihood									
5	Almost Certain	4	Likely	3	Possible	2	Unlikely	1	Rare
Consequence									
5	Catastrophic	4	Major	3	Moderate	2	Minor	1	Insignificant

The Risk: What can happen and how it can happen	Before Considering Controls		Existing Controls Comments on Controls	Effective-ness of Controls (H/M/L)	Tolerance for Residual Risk – Acceptable / Unacceptable	Mitigating Strategies to Enhance Existing Controls
	Consequences	Likelihood				
3. Some families may misuse program funding	Assessed score 3.0 <ul style="list-style-type: none"> Client does not receive services Bad PR Health & safety issues Service provider doesn't get paid Potential criminal proceedings Increased workloads for social workers, central staff, OCG 	Assessed score 3.7	3a) <i>Are the acceptable uses of funding communicated to parents?</i> <ul style="list-style-type: none"> Expenditure policy is well outlined in program materials, but EAI policy was delayed. 3b) <i>Are the consequences of misusing the funding communicated to parents?</i> <ul style="list-style-type: none"> Consequences are well outlined in program materials. Misuse results in termination of funding agreement but it is less clear how programming will be provided to families who have misused funding. Families are required to repay misused funds but repayment may impact family wellness and children's' outcomes 	Low	Unacceptable	Create a central resource to support parents and monitor their reporting: <ul style="list-style-type: none"> Central resource such as a family support agency could provide parent training and interpret guidelines, but SWs would still have families contacting them to discuss use of funds. Central resource to follow up on reporting quarterly rather than annually. Central resource would allow ministry (regional staff) to focus on service delivery. Need to work collaboratively with Community Living Services on managing IF. Changes to program delivery to minimize risk of misuse: <ul style="list-style-type: none"> Investigate a voucher system or debit card system - still IF (the ministry is not contracting with service providers), but service providers may not have or want to use this technology.

Likelihood					
5 Almost Certain	4 Likely	3 Possible	2 Unlikely	1 Rare	
Consequence					
5 Catastrophic	4 Major	3 Moderate	2 Minor	1 Insignificant	

The Risk: What can happen and how it can happen	Before Considering Controls		Existing Controls Comments on Controls	Effective-ness of Controls (H/M/L)	Tolerance for Residual Risk – Acceptable / Unacceptable	Mitigating Strategies to Enhance Existing Controls
	Consequences	Likelihood				
	<ul style="list-style-type: none"> Action on misuse could result in family breakdown, child coming into care Money not used appropriately could be considered income Government fails to provide constitutionally mandated behavioural treatment If not managed well, could lead to perception of a two-tiered system May set a precedent - snowball effect 		<p>3c) <i>Are there controls to detect misuse of funding?</i></p> <ul style="list-style-type: none"> Expenditure reporting and review process should detect misuse but is not operating effectively: <ul style="list-style-type: none"> most parents are not submitting Schedule Bs - see 2c) above, only 16% compliance in Surrey; little review and follow-up of Schedule Bs except at agreement renewal - resourcing issue, see 1a) above; 3-month checklist is seldom used - resourcing issue; and very limited review of reported expenditures for compliance with policy - resourcing issue. complaints from unpaid service providers indicates possible misuse of funds. <p>3d) <i>Are there procedures for consistent and effective action on possible misuse of funds?</i></p> <ul style="list-style-type: none"> SWs required to report misuse but there is little specific direction on how to follow up apparent misuse, and practices vary among offices 			<ul style="list-style-type: none"> Orientation processes allowing families to screen themselves out of IF (see risk #1). <p>Improved program materials and processes:</p> <ul style="list-style-type: none"> Clearer procedures, processes, expectations and roles, particularly processes for achieving consistency in dealing with problem clients. Broaden and simplify acceptable uses of funding for easier compliance, if it can be done without creating income tax issues or adversely affecting the effectiveness of the program. Make program information simpler and clearer - misuse could be unintentional. Create a form for quarterly review - checklist to ensure that family is aware of what they should be doing.

Likelihood									
5	Almost Certain	4	Likely	3	Possible	2	Unlikely	1	Rare
Consequence									
5	Catastrophic	4	Major	3	Moderate	2	Minor	1	Insignificant

The Risk: What can happen and how it can happen	Before Considering Controls		Existing Controls Comments on Controls	Effective-ness of Controls (H/M/L)	Tolerance for Residual Risk – Acceptable / Unacceptable	Mitigating Strategies to Enhance Existing Controls
	Consequences	Likelihood				
			<p>3e) <i>Are there options to limit the ministry's financial exposure?</i></p> <ul style="list-style-type: none"> • IELI funding is paid monthly. • EAI has a monthly payment option but it is seldom used. • No other options such as payment in arrears. 			<p>Provide additional supports for parents:</p> <ul style="list-style-type: none"> • Agency providing clinical services could add a program to inform parents. • Community nurse model. <p>Improve the ministry's capacity to monitor the program reporting:</p> <ul style="list-style-type: none"> • AO and FO workers to do the quarterly monitoring, rather than hire more SWs. Will benefits outweigh costs? • Ensure the 3-month reviews are performed.

Likelihood									
5	Almost Certain	4	Likely	3	Possible	2	Unlikely	1	Rare
Consequence									
5	Catastrophic	4	Major	3	Moderate	2	Minor	1	Insignificant

Audit Report Ministry Action Plan Status October 18, 2005

Audit: Managing Three Key Risks in Individualized Funding for Autism

Audit Report Date: July 23, 2004

Rpt. Ref.	Recommendation	Comment	Action(s) Taken	Action(s) Planned	Target Completion Date
1	We recommend the ministry implement processes at intake and in the initial months of participation, to identify families needing additional supports.	It will be challenging to find a tool to accurately assess families who will need additional supports	<p>A Policy and Procedures Manual has been developed to ensure that SW's and families are well informed of the requirements with the various funding payment options. Direct Funding Agreement expectations have also been clearly stated to ensure families are aware of their obligations for expending funds on eligible expenses only and for reporting more frequently. SW's have been provided with the Social Worker's toolkit, containing instructions for working with families to assess their capacity to manage direct funding and for SW's to ensure families are informed and adequately supported in their choices.</p> <p>This policy clarification serves the multiple purposes of:</p> <ul style="list-style-type: none"> • steering families to the most appropriate funding option, • maximizing their likelihood for success in their use of program funds, • maximizing prevention of any misuse of funds, • catching any misuse of funds more quickly than in the past, and • Providing the legal 	<p>The ministry will offer three alternative payment options including (a) direct payment to service providers; (b) payments through a new Autism Intervention Payments (AIP) system; and (c) direct funding to families subject to an assessment of the family's capacity to manage funds and monitoring and review of reports and receipts by financial staff. Each family will have an allocation of funds available for their child's autism intervention. Families will continue to have choice in selecting the service providers.</p> <p>For direct payments to service providers and payments through the AIP system, families will receive quarterly statements detailing what funds have been expended on behalf of their child and the remaining funding available.</p> <p>Families may continue to receive direct payment for travel, equipment or minor incidental costs. Generally families will be reimbursed for such expenditures within policy guidelines.</p> <p>Families that do not have the capacity to manage direct funding will be served through the AIP system or direct</p>	Completed

			backing necessary to switch families off of direct funding onto the invoice payment option when they have been unsuccessful in managing the requirements for direct funding.	payments to service providers.	
2	We recommend the ministry provide additional supports to help build family capacity.	Paying service providers directly will significantly reduce the administrative burden placed on the family.	<p>The three alternative payment options have been implemented as planned and are being effectively accessed by families according to their needs and abilities.</p> <p>The Invoice Payment option offers direct payment to suppliers on behalf of families for equipment and incidental costs where needed.</p> <p>Policy on Autism Funding: Under Age 6 funding (previously IEII) have been revised making the purchase of travel, training and equipment purchases eligible expenses.</p> <p>The Ministry has contracted with Autism Community Training Society to provide sessions in each region and if needed by video conferencing</p>	<p>The ministry will offer three alternative payment options including (a) direct payment to service providers; (b) payments through a new Autism Intervention Payments (AIP) system; and (c) direct funding to families subject to an assessment of the family's capacity to manage funds and monitoring and review of reports and receipts by financial staff. Each family will have an allocation of funds available for their child's autism intervention. Families will continue to have choice in selecting the service providers.</p> <p>Families may continue to receive direct payment for travel, equipment or minor incidental costs. Generally families will be reimbursed for such expenditures within policy guidelines</p> <p>The Ministry will revise the policy on Interim Early Intensive Intervention (IEII) eligible expenses to allow families to purchase additional supports.</p> <p>*The Ministry will invest on a one-time-only basis in community agencies to</p>	<p>Completed</p> <p>Completed</p>

			<p>to other locations parent training sessions to train families to develop personal support plans in regard to individualized funding.</p> <p>The Autism Funds Processing Unit now has a toll free information line to support families in selecting the most appropriate funding option, eligible expenses and answer other questions regarding autism funding.</p>	<p>develop ongoing capacity to train families to develop personal support plans in regards to individualized funding. This capacity development is intended to supplement other supports being planned such as the help line.</p>	<p>Contract with ACT effective until March 31, 2006 with an option to renew for 2 years.</p>
3	<p>We recommend the ministry provide alternatives for those families that have limited capacity to manage their IF Programs.</p>		<p>See above</p>	<p>The ministry will offer three alternative payment options including (a) direct payment to service providers; (b) payments through a new Autism Intervention Payments (AIP) system; and (c) direct funding to families subject to an assessment of the family's capacity to manage funds and monitoring and review of reports and receipts by financial staff. Each family will have an allocation of funds available for their child's autism intervention. Families will continue to have choice in selecting the service providers.</p> <p>Families may continue to receive direct payment for travel, equipment or minor incidental costs. Generally families will be reimbursed for such expenditures within policy guidelines</p>	<p>Completed</p>
4	<p>We recommend the ministry:</p> <ul style="list-style-type: none"> • revise program materials to better explain 		<p>See above. In addition, <u>A Parents' Handbook: Your Guide to Autism Funding</u> has been</p>	<p>The Ministry will revise and simplify program materials for families and staff to better</p>	<p>Completed</p>

	<p>treatment options and case management processes; and</p> <ul style="list-style-type: none"> develop strategies to highlight the general nature of the risks to parents around employing service providers and taxation of IF payments. 		<p>developed and will be mailed to all families receiving autism funding in the province.</p> <p>The contract the ministry holds with a community agency to provide the qualified service provider list has been retendered and the successful proponent, Autism Community Training Society, has taken on the task of updating the qualified service provider list, ensuring its accuracy and accessibility to families.</p> <p>Legal services has advised the ministry to inform parents, in the policy manual and handbook for parents, that it is parent's responsibility to determine if there is an employee/employer relationship between them and their service provider. Parents have been advised in the above documents that If an employee/employer relationship exists, it is the parent's responsibility to ensure all taxation and other employer responsibilities are met.</p>	<p>explain processes, policies, standards and accountabilities.</p> <p>The ministry will explore an effective approach to ensure that the qualified service provider list is kept up to date and accessible to families.</p> <p>The ministry will consult with legal services re: the appropriateness of discussing with parents, the risks to them of employing service providers and the taxation of IF payments. Taxation issues will be limited to the direct payment portion to families for travel and other eligible expenses.</p>	<p>Completed Dec 2004</p> <p>Completed</p>
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			<p>In March 2004, the ministry submitted a formal request to Canada Revenue Agency for a tax ruling regarding the tax implications of payments made to parents under both IF Autism programs.</p> <p>A response was received and indicates that parent's are not required to pay tax on the funding which is directly expended on autism services under this program. However, SW's and other ministry staff are trained not to provide any information on taxation matters and instead to direct families to CCRA.</p>		
5	<p>We recommend the ministry revise the program materials to communicate expectations more clearly, and consider supplementing the materials with training and information sessions.</p>		<p>See above. The Policy and Procedure Manual, Parents' Handbook, SW's Toolkit, updated funding agreements and forms have simplified program materials.</p> <p>Autism Community Training is endeavouring to have information translated and in the interim, does provide translated information in several languages over their toll free information line.</p> <ul style="list-style-type: none"> • see above 	<p>The Ministry will revise and simplify program materials for families and staff to better explain processes, policies, standards and accountabilities.</p> <p>The Ministry will translate program materials into other languages and make them available to the appropriate families.</p> <p>*The Ministry will invest on a one-time-only basis in community agencies to develop ongoing capacity to train families to develop personal support plans in regards to individualized funding. This capacity development is intended to supplement other supports being planned such as the</p>	<p>Completed</p> <p>In Process – ACT is working on this. To be completed by March 31, 2006.</p>

				<p>help line.</p> <p>The Ministry Autism Funds Processing Unit staffs a toll free information line in addition to the community service provider (Autism Community Training) toll free information line.</p>	<p>The Ministry will establish a "1-800" telephone help line for families to call with questions regarding IF programs</p>	<p>Completed 1-877-777-3530</p>
6	<p>We recommend the ministry develop strategies to improve IF program administration.</p>	<p>The ministry has taken some steps to improve IF program administration. Further strategies may be considered subject to resource limitations. A debit card system has already been examined. However, at this point, no financial institution is willing and able to provide this service.</p>	<p>Renewal dates for both IEII and EAI contracts have been changed to the end of the month of the child's birthday.</p> <p>To prevent misuse of IF, IF paid to families through the direct funding option now requires monthly reporting for Autism Funding: Under Age 6 and quarterly reporting for Autism Funding: Ages 6-18, reducing the likelihood and amount of potential misuse of funds.</p> <p>Monitoring of the families financial reporting has been centralized in Hq, increasing punctuality of monitoring and removing this role from the conflicting SW role of supporting families</p> <p>The Autism Funds Processing Unit has assumed the role of monitoring direct funding as well as managing invoice payment agreements for families.</p>	<p>The ministry will offer three alternative payment options including (a) direct payment to service providers; (b) payments through a new Autism Intervention Payments (AIP) system; and (c) direct funding to families subject to an assessment of the family's capacity to manage funds and monitoring and review of reports and receipts by financial staff... Each family will have an allocation of funds available for their child's autism intervention. Families will continue to have choice in selecting the service providers.</p> <p>Families may continue to receive direct payment for travel, equipment or minor incidental costs. Generally families will be reimbursed for such expenditures within policy guidelines</p> <p>The ministry will dedicate up to 4 FTE's to administer and monitor direct payments to families and payments through</p>	<p>Completed</p>	

				the AIP system. This will significantly reduce the need to monitor IF Autism expenditures with the alternative processes. The ministry will separate the monitoring and accountability functions from the social worker's planning and support functions.	
7	We recommend the ministry develop specific policies and procedures for following up potential and actual misuse of IF funding, and strategies for providing services to children whose parents have misused the funding.	Agreed.	See above. Guidelines and procedures have been developed to deal with the various potential scenarios for misuse of funds. The Autism Funds Processing Unit follows and suspected cases of misuse of funds in co-ordination with the regional staff.	Payments made directly to service providers or through the AIP will significantly reduce the probability of funds being used inappropriately. Guidelines will be drafted for following up on potential and actual misuse of IF funding; documenting and setting up accounts receivable; and writing off uncollected receivables.. Once approved, they will be communicated to regional staff who are expected to be the first point of contact in handling such situations. In addition, the ministry will explore possibilities for central collection agencies within government to assume a role in following up on the misuse of funds.	Guidelines for collection have been drafted. Misused funds are being collected. The current location and status of the families in question is being determined.

*This single action item is listed as a planned action corresponding to recommendations 2 and 5.