
Report on Achievement Centres Travel

Ministry of Children and Family Development

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Glossary

MCFD	Ministry of Children and Family Development
MH clients	Clients with an MH number
MH number	An MCFD identifier for clients meeting certain criteria
MHR	Ministry of Human Resources

Executive Summary

We have completed our examination of the administration of the Achievement Centres travel supplement program by the Ministry of Human Resources (MHR) on behalf of the Ministry of Children and Family Development (MCFD). Our purpose was to determine the extent to which Achievement Centres travel supplements were paid in accordance with the expectations of the Ministry of Children and Family Development.

Application of MCFD Qualification Criteria

We found that there is no documented agreement between the ministries for this program and MCFD has not documented the intended qualification criteria and communicated them to MHR. Also, the qualification criteria intended by MCFD are not fully consistent with the applicable regulations to the *Employment and Assistance for Persons with Disabilities Act*.

MHR staff administering the travel supplement generally use only one of the two criteria intended by MCFD. The MCFD criterion that clients have an MH number is not commonly used. However, approximately 95% of recipients in the month we tested had MH numbers. We estimate that \$50,000 was paid annually to clients who did not have an MH number. The other intended criterion, attendance at a day program, appears to be applied consistently by MHR staff. Some other criteria which are not intended by MCFD are applied by some MHR offices. Those other criteria vary amongst offices. Some recipients may not have met MCFD's criteria if their day programs did not qualify or if they continued receiving the travel supplement after ceasing attendance at day programs. We have not attempted to estimate the amount that may have been paid to such clients because of the difficulty of obtaining reliable information.

MCFD and MHR documenting the terms and conditions for MHR's continuing administration of the program will provide a basis for MHR to update the program policy, document operating procedures and communicate those to all staff administering the program payments. MCFD should also consider whether the regulations need to be amended to better reflect the intended qualification criteria.

Equitable Distribution

It appears that the travel supplement is not provided equitably across the province. Though on average across BC the number of recipients is approximately 17% of the number of MH clients, the percentage is just 1% in one region. Further, staff at two of the five disability-specific MHR district offices we contacted told us that no clients in their districts were receiving the travel supplement. We

estimate that if the number of recipients had been 23% in all regions, as it was in one region, program expenditures would have been \$330,000 higher than they were for 2003/04. MCFD and MHR should ensure that the travel supplement is made available equitably across the province within budget limitations.

The remainder of this report details the purpose, scope, objectives and approach of this assignment along with our comments and recommendations. We would like to thank staff and management of MCFD and MHR for their assistance and co-operation during this assignment.

David J. Fairbotham
Executive Director
Internal Audit & Advisory Services

December 21, 2004

Introduction

According to the regulations to the *Employment and Assistance for Persons with Disabilities Act* people eligible for disability assistance may be provided monthly travel supplements of up to \$46 to assist them to attend self-help skills or supported work placement programs (day programs). The budget to fund these travel supplements is held by the Ministry of Children and Family Development (MCFD) and the expenditures are administered by the Ministry of Human Resources (MHR).

MCFD noted that the budget for these travel supplements had been over-expended prior to the 2003-04 fiscal year-end, and requested that Internal Audit & Advisory Services review the expenditures charged against the travel supplement budget to determine whether all recipients qualified.

Purpose

The purpose of the assignment was to determine the extent to which Achievement Centres travel supplements were paid in accordance with the expectations of the Ministry of Children and Family Development.

Scope, Objectives and Approach

The scope of the assignment was the 2003/04 expenditures of the Ministry of Human Resources charged against the Ministry of Children and Family Development's budget for Achievement Centres Travel.

The assignment objectives were:

1. to compare the criteria for funding qualification applied by MHR to those intended by MCFD;
2. to estimate the amount expended in 2003/04, if any, for clients who did not meet MCFD's qualification criteria; and
3. to identify significant issues and risks for MCFD consideration.

We did not endeavor to assess the extent to which:

- clients with MH numbers actually met MCFD's criteria for that designation; or
- MCFD clients who would qualify did not receive the travel supplement.

The assignment involved:

- review of legislation, regulations, inter-ministry agreements, MHR policy and other documents governing Achievement Centres travel;
- interviews with MHR staff;
- examination and analysis of records of MHR Achievement Centres travel supplement expenditures and journal vouchers to MCFD; and
- analysis by region of amounts expended.

Comments and Recommendations

In section 1 we discuss the results of our comparisons of the qualification criteria used by MHR, the criteria intended by MCFD, and the applicable regulations. In Section 2 we discuss the total program expenditures and how much may have been paid to clients who did not meet MCFD's qualification criteria. In Section 3, we explain related risks and issues we have identified for MCFD's consideration.

1.0 Qualification Criteria

Objective 1

To compare the criteria for funding qualification used by MHR to those intended by MCFD.

In summary, MHR staff administering the travel supplement generally use only one of the two criteria intended by MCFD. The MCFD criterion that clients have an MH number is not commonly used. The other of MCFD's intended criteria, attendance at a day program, appears to be applied consistently by MHR staff. Some other criteria which are not intended by MCFD are applied by some MHR offices. Those other criteria vary amongst offices.

MCFD's criteria are not fully consistent with the applicable regulations.

There is no documented agreement between the ministries for this program and MCFD has not documented the intended qualification criteria and communicated them to MHR.

These comments are explained more fully in sections 1.1 to 1.3.

1.1 Documentation of MCFD – MHR Agreement

No written agreement between MCFD and MHR for administration of this program could be found by either MCFD or MHR. The only related document found was an unsigned 1996/97 memorandum of understanding which referred to this program as follows:

"6.B. Transportation to Training and Support Programs - Adults with a Mental Handicap. The Ministry for Children and Families will assume financial and program responsibility for Training and Support Transportation programs on

January 31, 1997. Ministry of Human Resources will continue to administer the program and will be reimbursed for expenditures up to an amount of \$900,000/annum."

As the document was unsigned, it does not represent a valid agreement between the ministries.

Recommendation

(1) We recommend that MCFD and MHR negotiate and document in a formal agreement the terms and conditions under which MHR will continue to administer the Achievement Centres travel supplement program.

MCFD Response:

MCFD will contact MHR, conclude this agreement, and discuss the most effective way of delivering this program in the future.

MHR Response:

MHR agrees that an official agreement with MCFD is required. Improvements need to be made to clearly state the criteria for eligibility, as MHR does not currently have specific travel supplement policy in the BC Employment Assistance Policy Manual. MHR staff does, however, follow the regulation.

1.2 Comparing MCFD Qualification Criteria to the Regulations

There are differences between the qualification criteria intended by MCFD and the applicable regulations.

The regulations, the "Employment and Assistance for Persons with Disabilities Regulation", read in part:

"The minister may provide a travel supplement of up to \$46 for each calendar month to or for a family unit that is eligible for disability assistance to assist a recipient in the family unit to attend a self help skill program or supported work placement program approved by the minister."

MCFD informed us that their intended qualification criteria, which are not documented, are that recipients would:

- have an MH number assigned by MCFD, and
- be attending a day program approved by MCFD.

MCFD's eligibility criteria are inconsistent with the regulations in two ways:

- i. MCFD's criteria are less inclusive than the regulations' criterion that recipients be "eligible for disability assistance". MCFD intends that recipients must have an MH number, which limits the travel supplement to those who have been determined by a psychologist to meet the internationally accepted definition of "developmentally disabled" which includes all of:
 - an IQ of less than 70 (plus or minus 5);
 - onset occurred before age 18; and
 - severely limited adaptability in at least two skill areas such as self-feeding and self-dressing.
- ii. MCFD's expectation that to qualify, day programs should be approved by MCFD is inconsistent with the regulation which states that programs are to be "approved by the minister" (of Human Resources).

Recommendation

(2) **We recommend that:**

- **MCFD consider whether revision of the regulations is necessary to better reflect MCFD's intended qualification criteria; and**
 - **the written agreement between MCFD and MHR specify qualification criteria for individuals and for programs that are both consistent with the regulations and satisfactory to MCFD.**
-

MCFD Response:

MCFD will contact MHR, conclude this agreement, and discuss the most effective way of delivering this program in the future.

MHR Response:

MHR agrees that an official agreement with MCFD is required, and will work with MCFD to clarify the details of the agreement. Specifically, MHR would like to review the regulations in order to clarify that the "approved by the minister" means the MCFD Minister.

1.3 Comparing MHR Policy and Practice to MCFD's Criteria and the Regulations

MCFD has not provided MHR with written guidance as to the qualification criteria to be used for individuals or for programs.

Despite that, MHR policy is consistent with MCFD's intentions. By MHR policy, the qualification criteria are that the individual:

- meets MCFD's criteria for developmental disability and receives services from MCFD (i.e. has an MH number), and
- is attending a self-help skills or supported work placement program approved by MCFD.

However, MHR staff generally are unaware of and do not follow that policy. We spoke to a sample of six MHR staff, at least one from each of the five MHR regions, involved in administering the travel supplement in disability-specific district offices; none of them follow that policy. Two of them told us that staff are expected to use their own discretion to determine qualification criteria.

By MHR practice, the travel supplement is made available to those eligible for disability assistance, which is consistent with the regulations but more inclusive than the requirement intended by MCFD that recipients have an MH number. We found that approximately 95% of recipients in the month we tested had MH numbers, and we estimate that \$50,000 was paid annually to clients who did not have an MH number.

Both MCFD and the regulations indicate that to qualify recipients should be attending a day program. MHR practice is consistent with that. Each of the MHR staff we interviewed said that to initiate the travel supplement for a client they require third party confirmation of attendance at a day program.

The regulations state that the supplement is to be "up to \$46 for each calendar month". MHR substantially complies with that, rarely paying amounts greater than \$46.

MHR field staff apply other criteria which vary significantly amongst MHR offices, as shown in Appendix A. Due to the inconsistencies in qualification criteria applied, there is risk that an individual who would qualify at one office would not qualify if applying at another office.

Recommendation

(3) We recommend that once the qualification criteria to be applied have been established in the agreement between MHR and MCFD, MHR:

- **review its policy for the program and modify as needed;**
 - **develop standardized procedures for administration of the travel supplement; and**
 - **communicate the policy and procedures to all MHR staff involved in administering the travel supplement.**
-

MCFD Response:

MCFD will advise MHR of this requirement as part of the agreement.

MHR Response:

MHR agrees that an official agreement with MCFD is required, and improvements need to be made.

2.0 Amounts Expended For Clients Not Meeting Criteria

Objective 2

To estimate the amount expended in 2003/04 for clients who did not meet MCFD'S qualification criteria.

We estimate that \$50,000 was paid annually to clients who did not have an MH number. In addition, some clients may not have met MCFD's criteria if their day programs did not qualify or if they continued receiving the travel supplement after ceasing attendance at day programs. We have not attempted to estimate the amount that may have been paid to such clients because of the difficulty of obtaining reliable information. Further explanation of these comments follows in subsections 2.3 and 2.4.

2.1 Annual Budgets

The following table presents MCFD's annual budgets and the actual expenditures for the travel supplement for the past 4 years.

Fiscal Year	Budget	Actual	Variance	% Budget Overspent
2000/01	\$750,000	\$930,429	\$180,429	24%
2001/02	\$750,000	\$987,508	\$237,508	32%
2002/03	\$750,000	\$1,015,208	\$265,208	35%
2003/04	\$750,000	\$1,035,665	\$285,665	38%

MCFD staff indicate that the annual budgets were not likely based on detailed analyses. We did not attempt to determine how well MCFD communicated to MHR the annual budget amount or MCFD's concerns about the annual budget over-expenditures, as that was outside the scope of our review.

Recommendation

(4) **We recommend that MCFD:**

- **base future years' budgets for the Achievement Centres travel supplement program on such factors as the level of expenditures expected under the revised policy;**
 - **communicate the annual budget amount to MHR at the beginning of each fiscal year; and**
 - **monitor the actual expenditures as compared to the budget, monthly, after the budget has been based on anticipated actual expenditures.**
-

MCFD Response:

MCFD will review as part of the budget development process.

2.2 Monthly Journal Vouchers

The only amounts included in MCFD's recorded expenditures for the travel supplement are the monthly journal vouchers from MHR. MHR processes a journal voucher each month to charge MCFD with the total of the previous month's MHR expenditures for this travel supplement. We obtained a detailed report of travel

supplements paid to each client for May 2004 and found that the total supported the journal voucher for that month. We conclude that the process used by MHR to determine the monthly journal voucher amounts appears to capture the amounts actually expended with reasonable accuracy. We did not conduct further audit procedures to assure the accuracy of the monthly journal voucher amounts as that was beyond the scope of this review.

At the time our work commenced, MCFD expressed concern that MHR provided no documentation in support of the monthly journal vouchers. We have been advised that since then MHR has begun providing documentation monthly.

Recommendation

(5) We recommend that the formal agreement between MCFD and MHR specify the content of documentation to be provided to MCFD in support of each monthly journal voucher.

MCFD Response:

The content of documentation will be specified in the agreement.

MHR Response:

MHR agrees that an official agreement with MCFD is required, and will work with MCFD to clarify the details of the agreement.

2.3 Recipients Without an MH Number

Based on our review of a typical month, we found that approximately 5% of recipients did not meet MCFD's qualification criterion of having an MH number. That indicates that approximately \$50,000 per year was paid to recipients who did not meet that MCFD criterion. This issue is addressed by the recommendations in section 1 above.

2.4 Other Recipients Not Meeting MCFD Criteria

There are two circumstances other than lack of an MH number in which some recipients may not have met MCFD's qualification criteria, as follows.

- i. Criteria for determining whether a day program qualifies are not specified in the regulations or in MCFD or MHR documentation. In the absence of guidance about which day programs qualify, MHR staff generally do not enquire about the nature of the day programs clients attend. As a result, there is a risk that some clients receive the travel supplement when attending programs which MCFD would not consider to qualify. Examples may be short-term programs or recreational or unstructured programs.
- ii. Inconsistent monitoring practices by MHR staff result in risk that clients who initially met the criteria may continue to receive the travel supplement when they no longer qualify. 96% of recipients receive their travel supplements by automatically recurring monthly payments. Some MHR staff do not use reliable procedures to ensure periodically that those clients continue to qualify.

With the agreement of MCFD management, we have not estimated the amount that may have been paid under those circumstances because of the difficulties involved in obtaining reliable information.

Recommendation

(6) We recommend that the agreement between MCFD and MHR address the following matters:

- **specific criteria for day programs to qualify;**
 - **periodic monitoring to ensure that recipients continue to qualify, and**
 - **whether and how to recover payments that are discovered to have been paid after clients ceased to qualify.**
-

MCFD Response:

MCFD will discuss and resolve this issues with MHR.

MHR Response:

MHR agrees that an official agreement with MCFD is required, and will work with MCFD to clarify the details of the agreement.

3.0 Other Issues and Risks

Objective 3

To identify significant other issues and risks for MCFD consideration.

We identified the following other risks and issues for MCFD's consideration.

- It appears that the travel supplement is not provided equitably and fairly across the province.
- There are inconsistencies among MHR district offices about whether the travel supplement should be pro-rated when day programs are part-time and whether payments should be linked to transportation.

These risks and issues are discussed further in the following subsections.

3.1 Equitable Distribution

It appears that the travel supplement is not provided equitably across the province. Staff at two of the five MHR disability-specific district offices we contacted told us that no clients in their districts were receiving the travel supplement. We analyzed the expenditures for May 2004, a typical month, and found, as shown in the following table, that although on average across BC the number of recipients is approximately 17% of the number of MH clients, in one region the percentage is only 1%. The table also shows variation in the average paid per recipient, which indicates that one region pays less than the full \$46 monthly supplement more frequently than the others.

Region	Number of recipients	Number of MH clients	Clients paid as % of MH clients	Total paid \$	Average paid per recipient
Vancouver Island	567	2,484	23%	25,928	\$45.73
Vancouver Coastal	260	1,477	18%	11,895	\$45.75
Fraser	539	3,380	16%	24,566	\$45.58
Interior	517	2,638	20%	22,921	\$44.33
North	8	870	1%	266	\$33.25
Provincial totals	1,891	10,849	17%	85,576	\$45.25

Our preceding recommendation that MHR communicate new policy and procedures to all relevant MHR staff could result in wider and more consistent distribution of the travel supplement throughout the province. If that occurred, there is risk that total annual program expenditures could increase substantially. For example, we estimate that if all regions had paid the supplement to 23% of their MH clients, as was the case in one region, annual program expenditures would have been approximately \$330,000 higher than they were for fiscal 2003/04.

Recommendation

(7) We recommend that MCFD and MHR ensure that the travel supplement is made available equitably across the province within budget limitations.

MCFD Response:

MCFD would like to discuss with MHR the feasibility of further analysis prior to concluding on an appropriate resolution of this issue.

MHR Response:

MHR supports reviewing the equity of distribution of the supplement, but speculates that part of the reason some regions don't have any clients receiving the subsidy is that there may not be any self help skill programs or supported work placement programs in those regions.

3.2 Part-time Day Programs; Linkage of Payments to Transportation

MHR district offices are inconsistent in how they calculate the travel supplement for clients attending less than full-time. One office pro-rates the travel supplement if the client's day program runs less than 5 days a week; another pays the full \$46.

Also, MHR district offices are inconsistent about whether clients must use the supplement for transportation. One office we contacted pays only the amount for which the client can provide transportation receipts each month. Others assume the funding is used for transportation to day programs. One does not link payment to the need for transportation at all and would pay even if the day program were provided in the client's residence.

Recommendation

(8) We recommend that the new MHR policy and procedures recommended at 1.3 above address the issues of whether and how:

- **the travel supplement should be pro-rated for clients attending day programs part-time; and**
 - **payments are to depend on the need for transportation.**
-

MCFD Response:

MCFD will discuss with MHR possible amendments to policy, consistent application, and communications to staff.

MHR Response:

MHR agrees that an official agreement with MCFD is required, and will work with MCFD to clarify the details of the agreement.

Appendix A

Criteria and Practices used by MHR Field Staff**			
MHR region	1	3	4
Criteria to qualify for the travel supplement:			
• Must have an MH number?	No	No	No
• Must be resident in a 'boarding home'?	No	No	Yes
• Must provide 3 rd party confirmation of attendance at a day program?	Yes	Yes	Yes
• Must show transportation receipts to obtain travel supplement?	No	No	Yes
• The day program must meet some criteria?	Yes	No	No
• Must need to travel to attend the day program?	No	No	Yes
Would pro-rate the \$46 if program less than full-time?	Yes	No	NP*

* NP = information not provided.

** We interviewed staff from one disability-specific district office in each of MHR's 5 regions. Two of them said their offices have no clients receiving the travel supplement.