

Our File/N/Réf.
Your File/V/Réf.

DATE 16 March 1998

TO/DEST. The Chair and Members of
Council

FROM/EXP. Regional Internal Auditor

SUBJECT/OBJET **INTERNAL AUDIT: SOCIAL SERVICES DEPARTMENT**

<u>Information Previously Distributed</u> To Be Listed on Community Services Agenda 25 Jun 98
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This report is for the information of Regional Councillors.

BACKGROUND

The Internal Audit Department has recently completed work in the Social Services Department. This report summarizes the work and related recommendations. Audit's detailed report is available from the Regional Clerk's Department.

As Council is aware, the Social Services Department has completely re-engineered the way it delivers its direct services. Audit's work focussed essentially on helping to ensure that the control environment (i.e., risk, internal controls, performance and accountability) in this new service delivery model would be adequate.

Internal Audit, Social Services Management and staff worked closely on this project. Recommendations were developed after extensive consultation with management and staff, including the re-engineering team. The recommended focus and approach are strongly endorsed by the Department's Director, Strategic and Operational Support, Jocelyne St Jean, and are supported by the Department's entire senior management team.

The Social Services Commissioner's comments are attached.

DISCUSSION

Internal Audit assisted in developing a comprehensive departmental review program to provide assurance that a proper control environment exists, that services are delivered in compliance with applicable legislation, regulations and policies, and that these internal review services promote high performance and add value in the management of the Department. Internal Audit engaged a specialist to conduct this project.

The specialist recommends a re-structuring of the Department's Review Unit's services to be compatible with the new service delivery process and incorporate a broader range of activities. In summary, the recommendations are as follows:

- broaden the Unit's mandate to provide Department-wide coverage based on risk;
- work from an annual plan, prepared in consultation with management, to identify priorities;
- ensure proper coordination with Provincial and Regional review activities; and
- provide four types of review services:
 - a) **Compliance Reviews** for all programs where eligibility decisions are made;
 - b) **Self-Assessments** used initially to monitor implementation of new services;
 - c) **Targeted Reviews** to look in-depth at particular risk areas; and
 - d) **Operational Reviews** to review efficiency & effectiveness issues.

FINANCIAL IMPLICATIONS

In order to successfully implement these recommendations, it will be necessary to invest in the Department's Review Unit to provide staff with the required training and to provide the Unit with proper information systems support. The Department intends to do so within existing resources and is currently developing its implementation plan.

PUBLIC CONSULTATION

As with other reviews involving internal management issues, public consultation was not deemed appropriate.

CONCLUSION

Social Services Department is making important changes to the way it delivers its direct services. As a result, there is a need to ensure appropriate attention is given to risk, internal controls, performance and accountability in this new service delivery environment.

*Original signed by
Richard F. Palmer,
Regional Internal Auditor*

Our File/N/Réf.
Your File/V/Réf.

DATE 23 March 1998

TO/DEST. The Chair and Members of Council

FROM/EXP. Social Services Commissioner

SUBJECT/OBJET **INTERNAL AUDIT'S WORK WITH THE SOCIAL SERVICES
DEPARTMENT**

The Social Services Department is committed to cost-effective service delivery. Over the past two years your Department has put considerable effort into re-engineering all services - expressly to improve their cost-effectiveness. It follows that we must now also re-engineer our supporting internal services - and that is what this project with Internal Audit represents.

The Department wants to ensure that the newly re-engineered service delivery model is not only cost-effective - but that it also operates with appropriate controls, and promotes continuous performance improvement and accountability. The recommendations from Internal Audit's work achieve this - and the Social Services Department enthusiastically supports this comprehensive and progressive approach. I thank Jocelyne St Jean, Director, Strategic and Operational Support, for leading these efforts.

Original signed by
Dick Stewart
Social Services Commissioner