
Subject: Approval of the 2019 Community Services Program Audits

Report to: Public Health and Social Services Committee

Report date: Tuesday, September 8, 2020

Recommendations

1. That the 2019 Child Care Services draft audited Schedule of Revenues and Expenses for the year ended December 31, 2019 (Appendix 1) **BE APPROVED**;
2. That the 2019 audited Long-Term Care Home Annual Reports for the year ended December 31, 2019 (Appendices 2-9) **BE APPROVED**;
3. That staff **BE DIRECTED** to co-ordinate with the auditor to finalize the statements as presented; and
4. That this report **BE FORWARDED** to the Region's Audit Committee for information.

Key Facts

- The purpose of this report is to obtain approval of the audited schedules of revenues and expenses ("financial schedules") and annual reports in accordance with the requirements of the respective Ministry.
- The Ministry of Education has delayed the opening of the electronic submission site for 2020 results. Some changes to the draft schedule for Child Care Services may occur to ensure our statement agrees to the Ministry's final electronic submission when available. Only the categorization of expenses between age groups would be adjusted in the final audit report if required. Total expenditures reported will not change.
- As per Financial Reporting and Forecasting Policy (C-F-020), other financial statements or schedules performed for Ministry funding purposes, will be recommended for approval to Council by the standing Committee with oversight of the program. Upon approval by Council, the department Commissioner, or delegated authority, and the Treasurer will be authorized to sign the auditor's representation letter to obtain the auditor's signed report. The approved statements will then be forwarded to Audit Committee for information.

Financial Considerations

The schedules of revenues and expenses (“financial schedules”) and annual reports have been prepared in compliance with legislation and in accordance with the requirements and policies stipulated by the corresponding Ministry.

Draft copies of the financial schedules and annual reports for the period ended December 31, 2019, are attached to Report COM 16-2020, as Appendices 1-9.

The financial schedule and annual reports are prepared specifically for the purposes of meeting the requirements outlined in the service agreements with the respective funding Ministry.

The financial schedule and annual reports have been prepared in compliance with legislation and in accordance with the requirements and policies stipulated by the corresponding Ministry.

The Child Care Services financial schedule is prepared in accordance with the financial reporting requirements in the Child Care Transfer Payment Agreement dated January 1, 2018 and the 2018-2019 Ontario Early Years Child and Family Centre Amending Agreement dated March 29, 2018 between the Ontario Ministry of Education and the Regional Municipality of Niagara (referred to as the “agreements”). As of date of writing this report, the Ministry of Education had not finalized their electronic submission website. As a result, some small fluctuations of expenditures between age groups categories in the expenditure schedules of Appendix 1 may occur when the final submission site is made available by the Ministry. The total expenditures in will not change.

The long-term care home annual reports are prepared using the 2019 Long-Term Care Home Annual report Technical Instructions and Guidelines dated April 30, 2020 issued by the Ministry of Health and Long-Term Care and financial reporting provisions of the Hamilton Niagara Haldimand Brant Local Health Integration Network (the “LHIN”) Service Accountability Agreement dated April 1, 2016 and April 1, 2019 (collectively referred to as the “Guidelines”).

The Long-Term Care Home Annual Reports enable the Ministry to be able to calculate the allowable subsidy for the funding period. The Ministry will review the audited reports and calculate the allowable subsidy to determine if there is any receivable or payable amount related to funding for the year ended December 31, 2019.

The financial schedule and annual reports are a Ministry requirement as noted in the audit reports for each of the respective programs as follows:

Child Care Services:

“The Schedules are prepared to assist the Regional Municipality of Niagara to comply with the financial reporting provisions of the above noted agreements. As a result, the Schedules may not be suitable for another purpose.”

Long-Term Care Homes:

“The Report is prepared to assist the Region in complying with the Guidelines. As a result, the Report may not be suitable for another purpose.”

Analysis

The audit of the financial schedule and annual reports were completed by the Region’s external auditors, Deloitte. The auditors have indicated that, based on their review, nothing has come to their attention that causes them to believe that this information is not, in all material respects, in accordance with the Ministry requirements identified.

The recommendation for approval by Council of the audited schedule and annual reports performed for Ministry funding purposes rests with the Committee to which the department responsible for the funding reports. Upon approval by the Committee, these schedules are referred to Audit Committee for information. Then the department’s Commissioner and Treasurer will be authorized to sign the auditor’s representation letter to obtain the auditors signed report.

Below is a summary of the results of the audited financial schedule and annual reports:

- Child Care Services – as of December 31, 2019 the program has a returnable of \$110,978 (or 0.19% of the total Children’s Services budget) which has been reflected in the Niagara Region’s 2019 consolidated financial statements. This returnable is a result of the difference of actual Wage Enhancement Grant (WEG) applications received compared to the Ministry’s estimate of applications when the funding was advanced to the Region. Any difference between the estimate and the allowable subsidy calculated by the Ministry will be adjusted in the year that the Ministry determines the final settlement.

- Long-Term Care Homes – as of December 31, 2019 an estimated repayable of approximately \$381,950 (or 0.49% of the total Long-Term Care budget) was reflected in the Niagara Region’s consolidated financial statements. This repayable figure is subject to Ministry review and approval, therefore the actual amount to be repaid to the Ministry in the future may be different than the above stated estimate. Any difference between the estimate and the allowable subsidy calculated by the Ministry will be adjusted in the year that the Ministry determines the final settlement. A repayable amount is not a result of unspent ministry per diems, but rather it occurs when then actual resident accommodation fees collected are in excess of the resident fees estimated by the Ministry when funding is advanced.

Alternatives Reviewed

The audited financial schedule and annual reports are requirements of the respective Ministry and therefore no alternatives available.

Relationship to Council Strategic Priorities

Providing formal financial reporting to Council and the public supports the Council Strategic Priority of Sustainable and Engaging Government.

Other Pertinent Reports

None.

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Appendices

Appendix 1 – 2019 Child Care Services - Schedule of Revenue and Expenses

Appendix 2 – 2019 Long-Term Care Home Annual Report – Deer Park Villa

Appendix 3 – 2019 Long-Term Care Home Annual Report – Douglas H. Rapelje

Appendix 4 – 2019 Long-Term Care Home Annual Report – Gilmore Lodge

Appendix 5 – 2019 Long-Term Care Home Annual Report – Linhaven

Appendix 6 – 2019 Long-Term Care Home Annual Report – Northland Pointe

Appendix 7 – 2019 Long-Term Care Home Annual Report – Upper Canada Lodge

Appendix 8 – 2019 Long-Term Care Home Annual Report – The Woodlands of Sunset

Appendix 9 – 2019 Long-Term Care Home Annual Report – The Meadows of
Dorchester