
Subject: Approval of the 2020 Long Term Care Home and Child Care Services Program Audits

Report to: Public Health and Social Services Committee

Report date: Tuesday, December 7, 2021

Recommendations

1. That the Child Care Services draft accountant's report for the specified audit procedures as at March 31, 2020 (Appendix 1 to Report COM 28-2021) **BE APPROVED**;
2. That the Child Care Services draft Schedule of Revenues and Expenses for the year ended December 31, 2020 (Appendix 2 to Report COM 28-2021) **BE APPROVED**;
3. That the 2020 draft audited Long-Term Care Home Annual Reports for the year ended December 31, 2020 (Appendices 3-10 to Report COM 28-2021) **BE APPROVED**;
4. That staff **BE DIRECTED** to co-ordinate with the auditor to finalize the statements as presented; and
5. 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 draft audited schedules of revenues and expenses ("financial schedules"), annual reports and accountant's report in accordance with the requirements set out by the respective ministry.
- The Child Care Services draft accountant's report (included in Appendix 1 to Report COM 28-2021) was conducted in order to satisfy Ministry requirements related to the funding under the Community-Based EarlyOn Child and Family Centre Capital Program ("CBEP") as at March 31, 2020. The accountant's report is a one-time report required in order to satisfy the requirements laid out in the funding agreement.
- 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 accountant's report, 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. These reports are prepared specifically for the purposes of meeting the requirements outlined in the service agreements with the respective funding Ministry.

The requirement is noted in the review engagement report/audit engagement report for each of the respective programs as follows:

- Child Care Services Accountant's Report: "This report is intended solely for our use in connection with the CBEP, and is not to be referred to or distributed to parties other than the Ministry of Education and The Regional Municipality of Niagara."
- 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."

The accountant's report was prepared in accordance with the terms as stated in the Community-Based EarlyON Child and Family Centre Capital Program ("CBEP").

The Child Care Services financial schedule is prepared in accordance with the financial requirements in the Child Care Transfer Payment Agreement (TPA) dated January 1, 2018, and then 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").

The long-term care home annual reports are prepared using the 2020 Long-Term Care Home Annual Report Technical Instructions and Guidelines dated April 30, 2021, issued by the Ministry of 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, 2019 (collectively referred to as the "Guidelines").

The Long-Term Care Home Annual Reports enable the Ministry 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, 2020.

Analysis

The review of the financial schedule, special audit and audited annual reports were completed by Niagara 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 aspects, in accordance with the Ministry requirements identified.

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

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

- Child Care Services Accountant's Report – As of March 31, 2020, the Community Based EarlyON Child and Family Centre Capital Program satisfied the funding requirements resulting in a returnable of nil.
- Child Care Services - As of December 31, 2020, the program has a returnable of \$302,648 (or 0.58% of the Children's Services budget). The difference is due to actual Wage Enhancement Grant (WEG) applications received compared to the Ministry's estimate of applications when the funding was advanced to the Region. The estimated returnable amount is subject to Ministry review, 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, 2020, there is no estimated returnable for the long-term care homes. This is subject to Ministry review and approval, 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.

Alternatives Reviewed

The review of the financial schedules and audit of the annual reports are requirements of the respective Ministry and therefore no alternatives available.

The special audit report is a requirement of the funding agreement 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.

Prepared by:

Beth Brens, CPA, CA
Acting Associate Director, Reporting &
Analysis
Corporate Services

Recommended by:

Adrienne Jugley
Commissioner
Community Services

Submitted by:

Ron Tripp, P.Eng.
Chief Administrative Officer

This report was prepared in consultation with John Pickles, CPA, CA, Program Financial Specialist and Jordan Gamble, CPA, CA, Program Financial Specialist.

Appendices

Appendix 1 – Child Care Services Draft Accountant's Report

Appendix 2 – 2020 Child Care Services – Schedule of Revenue and Expenses

Appendix 3 – 2020 Long-Term Care Home Annual Report – Deer Park Villa

Appendix 4 – 2020 Long-Term Care Home Annual Report – Douglas H. Rapelje

Appendix 5 – 2020 Long-Term Care home Annual Report – Gilmore Lodge

Appendix 6 – 2020 Long-Term Care Home Annual Report – Linhaven

Appendix 7 – 2020 Long-Term Care Home Annual Report – The Meadows of
Dorchester

Appendix 8 – 2020 Long-Term Care Home Annual Report – Northland Pointe

Appendix 9 – 2020 Long-Term Care Home Annual Report – Upper Canada Lodge

Appendix 10 - 2020 Long-Term Care Home Annual Report – The Woodlands of Sunset