
MEMORANDUM

AC-C 8-2019

Subject: Children's Services Risk Assessment

Date: March 18, 2019

To: Audit Committee

From: Maciej Jurczyk, Director, Enterprise Resource Management Services

In accordance with the 2018 approved Audit Plan, the Internal Control and Organizational Performance (ICOP) division conducted a risk assessment of the Niagara Region's Children's Services Division. The objective of the risk assessment was to assist the Children's Services Division in identifying risks within its various operations and implement mitigation strategies to effectively manage the identified risk(s).

For clarity, this was not a traditional internal audit, as the Ministry of Education and Children's Services staff regularly test for compliance at regionally run and home-based centres. ICOP acknowledges that running children's services is an inherently risky operational function, not unlike police, water treatment or ambulatory services. It is a best practice for professionals in these inherently risky environments to self-identify and evaluate their top risks periodically to continuously improve their internal risk management tools and techniques. ICOP's role was to facilitate the process.

ICOP undertook a comprehensive review of the operations of the Children's Services Division; however due to significant differences in the service delivery structure, it was decided that two separate risk assessments be conducted:

1. Assessment of Regional Licensed Home Child Care Providers and
2. Assessment of Regional Child Care Centers.

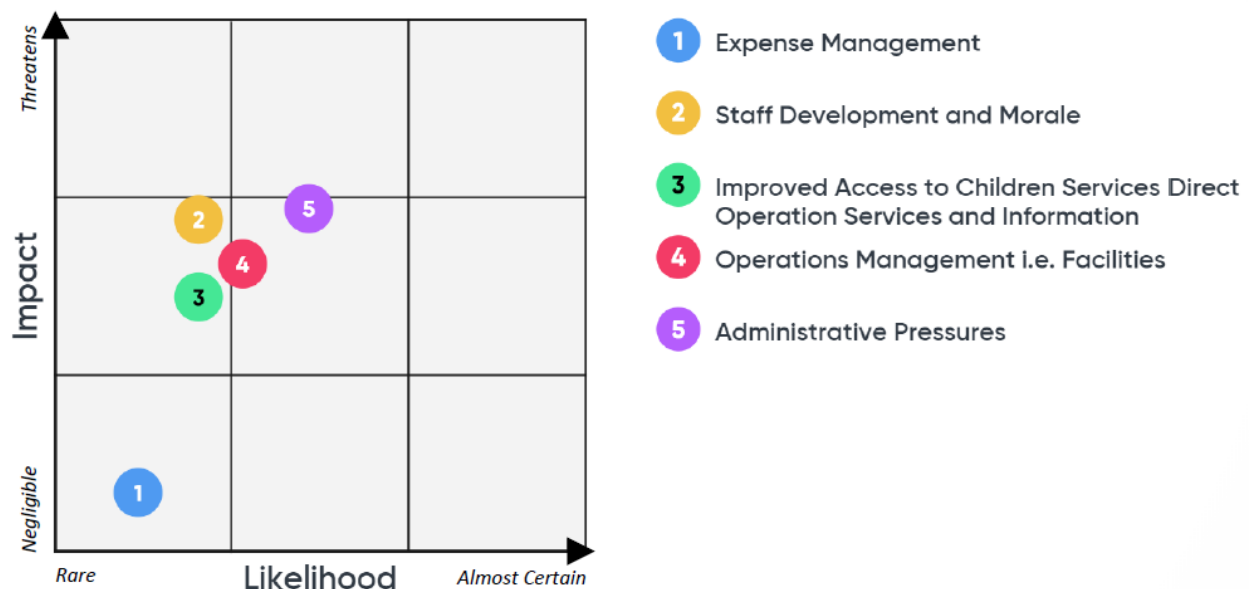
The risk assessment was conducted according to best practices outlined by the Institute of Internal Auditors (IIA). The risk assessment involved the following:

- Conducting one on one interviews with Children's Services staff to identify risks in both the Regional Licensed Home Child Care Division and the Regional Child Care Centers. The scope of these interviews concerned all aspects of running children's services including: financial, safety/security, operational, legal/compliance, etc.
- Reviewing Ministry of Education compliance requirements and internal Regional policies, procedures and other relevant documentation.
- Conducting a facilitated risk assessment session with both program areas, to prioritize the identified risks based on likelihood of the risk occurring and the impact of the risk if it were to occur.

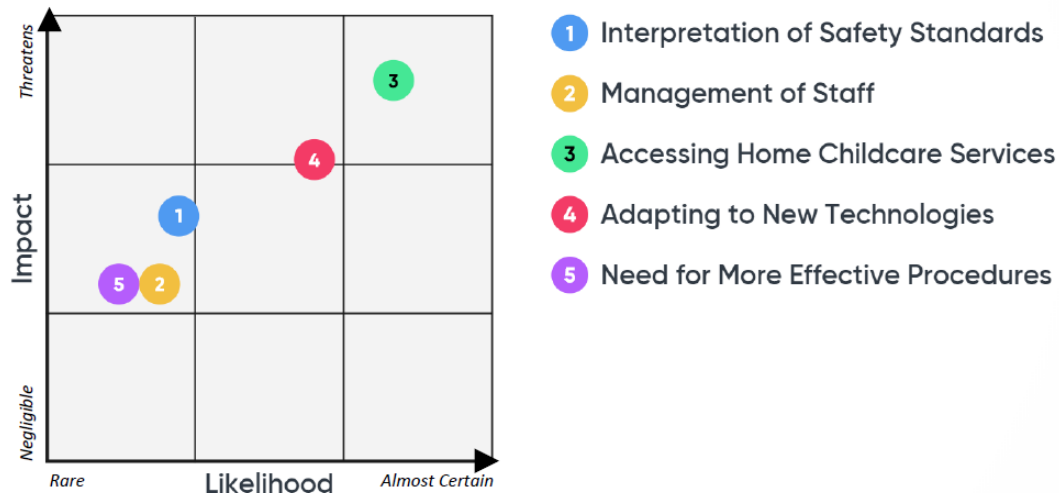
- Requesting and subsequently obtaining management action plans to address and mitigate identified risks.

In two separate facilitated sessions hosted by ICOP, the Home Child Care Provider Services Staff and the Regional Child Care Center Staff were requested to prioritize the identified risk based on the likelihood of it occurring and the impact to Children's Services if it did occur (definitions and a full accounting of the risk assessment methodology is identified in Appendix I). A technology tool called Mentimeter was used to collect the responses and analyze the results. The illustrations below identify the average risk scores as identified by Children's Services staff.

CHILDCARE CENTERS



HOME CHILDREN SERVICES



Multiple other risk areas were also discussed amongst Children's Services staff at these sessions including physical safety of children, funding/financial accountability, security of property, food safety etc. A consensus amongst staff was that due to the tightly controlled and highly regulated nature of the environment, these risks were being appropriately managed. ICOP staff concur, however some risks (i.e. physical injury to a child) cannot be entirely eliminated. See Appendix II & III for a listing of risks (called a Risk Register), which identifies the risk statement, risk description, Action Plan, time lines and Accountable Individual.

ICOP staff conclude that the Children's Services risk management plans are effective and are being appropriately managed by management and staff. As previously stated, due to the degree of Ministry oversight and internal checks of compliance; a full independent internal audit is not required at this time.

ICOP would like to thank the Children's Services Division for their involvement in this risk assessment.

Respectfully submitted and signed by

Maciej Jurczyk, CPA, CMA, CIA, CRMA
Director
Enterprise Resource Management Services