

Subject: Approval of 2024 Community Services Program Audits

Report to: Public Health and Social Services Committee

Report date: Tuesday, July 9, 2024

Recommendations

1. That the draft audited annual reconciliation return for the Community Support Services Program (Appendix 1 to Report COM 21-2024) for the period ended March 31, 2024, **BE APPROVED**;
2. That the draft audited schedule of Revenue and Expenses for the Reaching Home Program (Appendix 2 to Report COM 21-2024) for the year ended March 31, 2024, **BE APPROVED**;
3. That staff **BE DIRECTED** to coordinate with the auditor to finalize the statements as presented; and
4. That Report COM 21-2024 **BE FORWARDED** to the Region's Audit Committee for information.

Key Facts

- The purpose of this report is to obtain approval for the audited annual reconciliation return ("ARR") and the schedule of revenue and expenses ("financial schedule") for the respective programs in accordance with the federal and provincial funding requirements.
- Ontario Health West and the Ministry of Long-Term Care determined that Community Support Services Program was required to change the audit from the calendar year-end to March 31st fiscal year. As a result, the draft annual reconciliation return for the Community Support Services Program (Appendix 1 to Report COM 21-2024) is for the 15-month period of January 1, 2023 to March 31, 2024.
- The Ministry deadlines for the Community Support Services and Reaching Home funding programs are June 30, 2024 and July 31, 2024, respectively. To accommodate the timing of the committee reporting schedule and year-end adjustment, arrangements have been made with the Ontario Health West and the Ministry of Long-Term Care to allow for submission of the Community Support Services Program by July 31, 2023.

- As per the 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 the Audit Committee for information.

Financial Considerations

The ARR of the Community Support Services program (also referred to as Seniors Community Programs) and the financial schedule for the Reaching Home program have been prepared in compliance with the guidelines and policies stipulated by the corresponding ministry. A draft copy of the ARR for the Community Support Services program is attached as Appendix 1 to Report COM 21-2024 and a draft copy of the financial schedule for the Reaching Home program is attached as Appendix 2 to Report COM 21-2024.

The ARR and the financial schedule are prepared specifically for the purposes of meeting the requirements outlined in the service agreements with the funding ministries. These reports are a provincial/federal requirement as noted in the audit report for the programs. The financial schedules are prepared to assist The Regional Municipality of Niagara (Niagara Region) in complying with the guidelines. As a result, the schedule may not be suitable for another purpose.

Analysis

The ARR and the financial schedule were audited 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 requirements identified.

The recommendation for approval of audited schedules performed for ministry funding purposes rest with the Committee to which the department is responsible for the funding reports. Upon approval by Committee and Council, the department's Commissioner and Treasurer will be authorized to sign the auditor's representation letter to obtain the auditor's signed report. These schedules are then forwarded to the Audit Committee for information.

Below is a summary of the results of the audited schedules. These financial schedules are subject to minor wording changes once the schedules are finalized:

- Community Support Service – This program has a surplus of \$426,942 (4.3% of total program funding) for the 15-month period ending March 31, 2024. These funds will be returned to Ontario Health by way of a reduction in future payments to Niagara Region. The program surplus is mainly due to the timing of funding announcements, which limited the ability to plan for and spend funds within the reporting period, as outlined below.

In April 2024, Ontario Health West and the Ministry of Long-Term Care instructed Niagara Region to align financial reporting dates for this program to align with the provincial reporting period by shifting from calendar year reporting (January-December) to fiscal year reporting (April-March). As a result of this mandatory reporting change, the financial schedules contain 15 months of financial data (January 1, 2023 to March 31, 2024). In March 2024, Niagara Region received \$139,743 of one-time funding that it was unable to spend given the direction to shift reporting practices came after the operating period had closed.

Also contributing to the surplus was a timing discrepancy for funding received for a new program under this agreement. In February 2023 Niagara Region was approved for one-time funding to operate a new recuperative care unit for individuals who are homeless and 18+ that require a level of care upon discharge from hospital that the shelter system cannot provide. Objective is to provide short term (6 to 8 weeks) support and housing assistance such that individuals can be housed or return to shelter at the end of the program. Funding for this program was flowed by Ontario Health in advance of the program opening, and timing of efforts to hire staff and open the site resulted in excess funding at the onset of the program of \$228,056. Since that initial quarter of setup and opening of recuperative care, provincial allocations have been fully expended.

- Reaching Home Program (supporting homelessness services) – commenced April 1, 2019, and ends March 31, 2028, and has no funds returnable for the current reporting period of April 1, 2023 through March 31, 2024

Alternatives Reviewed

The audited financial schedules are a ministry requirement and therefore no alternatives are available.

Relationship to Council Strategic Priorities

Providing financial information is aligned to Effective Region, delivery of fiscally responsible and sustainable core services.

Other Pertinent Reports

None.

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Appendices

Appendix 1 Community Support Services Program – 2024 Annual Reconciliation Return

Appendix 2 Reaching Home Program – 2024 Schedule of Revenue and Expenses