
Review of Community Living British Columbia

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Abbreviations

CEO	Chief Executive Officer
CFCSA	Child, Family and Community Service Act
CLBC, or the agency	Community Living British Columbia
GSA	Guide to Support Allocation
MCFD	Ministry of Children and Family Development
MSD, or the ministry	Ministry of Social Development
PSEC	Public Sector Employers' Council
RFSL	Request for Service List

Executive Summary

Community Living British Columbia has provided services to adults with development disabilities since it was established in 2005. It continues to evolve its service delivery model to provide individuals with the most support possible while working within financial and service availability constraints.

Caseload and Funding

Continued increase in the demand for supports and services has exceeded provincial funding. However, Community Living British Columbia cannot accurately forecast and support its funding pressures because its information systems cannot provide detailed client and costing information for caseload growth.

Youth in Transition

The absence of an integrated approach to service delivery creates challenges for youth transitioning from children's services provided by the Ministry of Children and Family Development and through the Ministry of Education to adult services provided by Community Living British Columbia and other ministries. Whereas families were dealing primarily with two points of contact when receiving children services, they now have to contend with multiple organizations to receive adult services. This challenge is compounded by more stringent eligibility criteria and differences in service levels and availability. The ministries responsible for providing services to individuals with developmental disabilities need to work together to harmonize the transition to lessen the impact on clients and their families.

Request for Service List

The Request for Service List was never intended to be a complete list of assessed service needs. It is not a very accurate list because it consists of un-validated service requests, requests for services not required within the next year and other client information which is not updated on a regular basis. Forty-two per cent (42%) of the high priority files tested overstated the actual service need. As such, the Request for Service List could significantly overstate the number of individuals and the number of services requested; the actual amounts cannot be determined. The current state of the Request for Service List makes it impossible for Community Living British Columbia to identify the unmet demand for its services or estimate the amount of funding required to fulfil all the service requests. Community Living British Columbia would benefit from having an information system that provides more useful, reliable information that:

- clearly identifies current versus future service needs;
- distinguishes between assessed needs and client/family requests; and
- links needed services to funding requirements.

Financial
Management

Taxpayer funds are generally managed appropriately by Community Living British Columbia. Over the last few years, the organization has consistently kept its internal operating costs (which include operations and administrative staff) at 7% of total expenditures, thereby committing 93% to providing supports and services to their clients. The review examined Community Living British Columbia's operating costs and found them to be reasonable and in keeping with its operations and public service mandate.

Due to limited funds and the high demand for services, Community Living British Columbia constantly looks for innovative and cost-effective ways to deliver services. In the four years ending March 2011, the agency realized approximately \$57 million in annual on-going savings through contract reviews. These savings were re-invested to provide new or enhanced services that the agency might otherwise have been unable to provide to their clients.

Conflict of
Interest

In November 2011, Community Living British Columbia confirmed that 13 of its approximately 440 full time equivalent staff had contracts to provide funded services to its clients; each of these employees are in a conflict of interest. While Community Living British Columbia has appropriate policies and procedures to manage conflicts of interest, these were not consistently followed or enforced. The review confirmed that the employees were paid monthly fees consistent with the standard funding structure used for all service providers. During this review, the agency has been identifying additional control activities to better manage conflicts of interest. Community Living British Columbia needs to strengthen their conflict of interest management by enforcing and monitoring compliance to their policies.

We would like to thank the management and staff of Community Living British Columbia, the Ministry of Social Development, Ministry of Children and Family Development, Ministry of Health, Health Authorities and other stakeholders who participated and contributed to this review for their cooperation and assistance.



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November 2011

Introduction

Community Living British Columbia (CLBC, or the agency) is a Crown agency established in 2005 under the *Community Living Authority Act*, which states that CLBC's mandate is to "manage the delivery of community living support in British Columbia." As such, CLBC provides services to adults with developmental disabilities and their families through a progressive service delivery model that promotes meeting the individual needs of each client and getting them involved in the community. CLBC's current focus is to ensure that its clients' health and safety needs are met, and provides services such as respite and community inclusion to help prevent health and safety issues from arising.

CLBC's services are primarily provided through contracted service providers and include:

- family support services (e.g., homemaker support, respite and support coordination);
- professional support (e.g., psychological and behavioural services);
- community inclusion (e.g., employment programs, skill development, community based and home based programs); and
- home activity (e.g., staffed-residential, shared living and supported living residential services).

In fiscal 2011/12 CLBC has an annual budget of approximately \$710 million and currently has a caseload of approximately 13,700 individuals. The caseload includes people who are currently receiving CLBC funded services and people who have been approved as an eligible client but are not yet receiving CLBC funded services. CLBC has experienced an annual caseload increase of approximately 5% for the past several years and is forecast to grow at a similar rate into the future.

Purpose

The purpose of this review was to provide a financial and administrative review of the Crown agency, including the governance structure, areas critical to CLBC's financial performance (including caseload and the Request for Service List (RFSL)), operating costs, contract management, as well as other areas of concern identified during the review.

Objectives and Scope

This review evaluated, and as appropriate, made recommendations with respect to the following:

1. CLBC's governance framework, including:
 - organizational structure; and
 - accountability and decision-making.
2. CLBC's performance, including:
 - caseload forecasting and the RFSL;
 - operating costs, including a review of administrative expenses; and
 - contract management, including cost savings and monitoring.
3. Other matters that arose over the course of the engagement.

Approach

The approach included:

- the review of relevant legislation, contracts, agreements and other documentation;
- interviews and consultation with senior agency staff, CLBC staff, other ministries staff and stakeholders; and
- research for comparable information from other relevant organizations and other jurisdictions.

Overall Conclusion

Overall, CLBC manages its funds well and its operating costs are reasonable. Cost efficiencies realized within its existing budgets are used to provide services to their clients that the agency might otherwise have been unable to provide. Even though 93% of its expenditures are spent on providing services to their clients, demand for services exceed funding levels.

Due to the limitations of its current information management systems, CLBC does not have sufficient detailed information to substantiate the increase in client service needs and the associated funding pressures. While perceived by stakeholders to be a comprehensive list of clients awaiting service needs, the RFSL was not intended for this purpose; it is an unreliable record of service demand. CLBC requires an information management system that can clearly identify current versus future service needs, distinguish between assessed needs and client/family requests and link needed services to funding requirements.

Approximately two-thirds of new CLBC clients are transitioning from children services to adult services. Families may experience challenges contending with this transition due to the different eligibility criteria, service levels, service availability and client contact methods (one or two points of contact versus several). Some of the services offered through CLBC are waitlisted due to funding limitations and, in some remote communities, a lack of service provider availability. This transition is also exacerbated by the loss of school services. As such, ministries responsible for providing services to individuals with developmental disabilities need to work together to harmonize the transition to lessen the impact on clients and to their families.

The agency has comprehensive conflict of interest policies and procedures; however, they have not been adequately implemented or enforced, resulting in insufficient oversight and monitoring of these conflicts of interest. Furthermore, CLBC was unable to provide documentation evidencing the full disclosure, evaluation and management of all conflicts of interest.

Comments and Recommendations

1.0 Governance Structure

1.1 Board of Directors

The responsibilities of CLBC's Board of Directors include ensuring that the agency complies with government's policies and applicable legislation, governing CLBC in a manner consistent with Cabinet's mandate and policy direction and guiding senior management's implementation of CLBC's service delivery model. CLBC's board structure is consistent with other Crown agencies in British Columbia and their corporate governance information is transparent and publicly available.

Originally, CLBC's Board of Directors consisted of stakeholders, which included individuals with developmental disabilities and their families, as well as individuals from the general public. In 2010, the composition of the board changed to comply with recommendations resulting from a review conducted by the Crown Agency Secretariat in 2009. The change required the new board to include members with a broad range of experience and knowledge suitable to effectively govern CLBC.

The current board is comprised of 11 members appointed by the Minister of Social Development. The board membership consists of members with a variety of skills, including strong business backgrounds as well as knowledge and understanding of CLBC related issues.

The Board of Directors has committees which analyze issues and provide recommendations for consideration. The current board structure is shown in Figure 1.1.1 below:

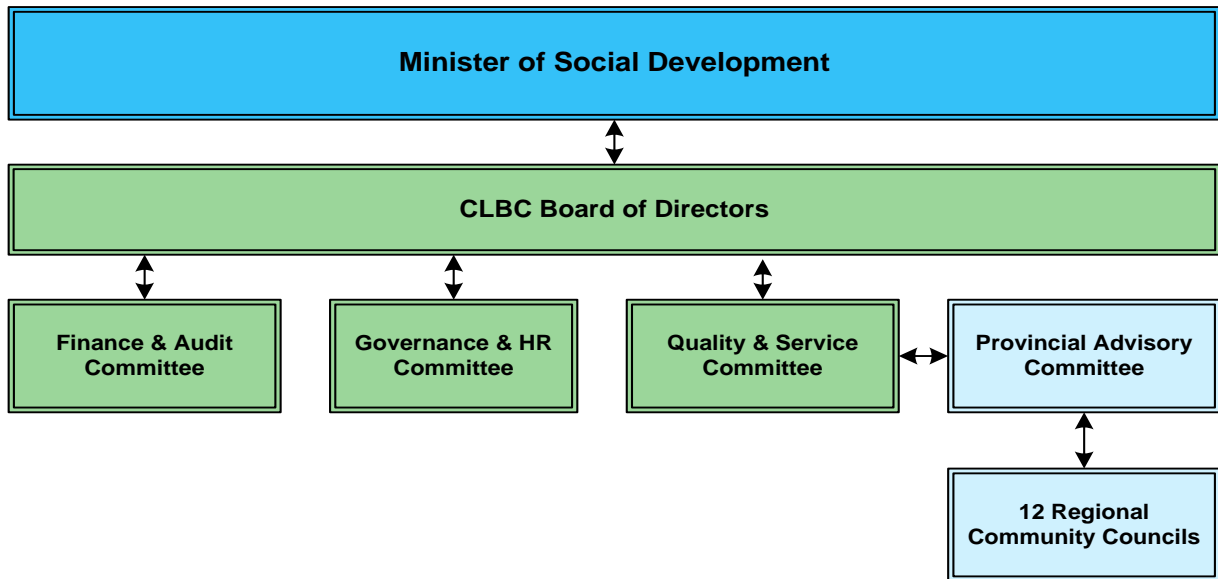


Figure 1.1.1

The responsibilities of the Finance & Audit Committee are to review budget briefing notes and financial statements for approval by the board. Oversight of human resources issues, such as Chief Executive Officer (CEO) recruitment, performance monitoring and setting CLBC human resource and governance policies are first reviewed by the Governance & Human Resources Committee. The Quality & Service Committee oversees client access and service quality to obtain reasonable assurance that CLBC's services and community consultation processes are effective, and to ensure compliance with all regulatory or accreditation standards.

To provide an additional link between the board and the Community Living stakeholders, CLBC has two subcommittees that meet with the Quality & Service Committee. The subcommittees address speciality areas and are responsible for providing the Board of Directors with advice and information. The 12 Regional Community Councils were established to ensure that adults with developmental disabilities, families, community members and service providers play a partnership role in achieving CLBC's mandate. As such, Community Council memberships include self advocates, family members and people from the community, including business members and cultural representatives.

Each Council has one representative on the Provincial Advisory Committee (the Committee). The Committee, legislated through the *Community Living Authority Act*, provides information and advice to the board to assist with its governance and decision making related to issues that have provincial implications for CLBC and to those it serves. These members provide the two way

communication between the Councils and the CLBC board. Two CLBC board members attend all Committee meetings and act as a linkage between the board and committees.

1.2 Accountability

The Minister of Social Development issues an annual Shareholder's Letter of Expectations to CLBC to formalize understanding of CLBC's mandate, strategic priorities and performance expectations. CLBC is accountable through its Board of Directors to the Minister of Social Development.

When CLBC was established, an Accountability Framework was developed to clarify the roles, responsibilities and relationship between the Ministry of Social Development (MSD) and CLBC. This framework has clearly defined accountabilities that provide CLBC with the authority to independently manage its operations and deliver services. The Accountability Framework includes a requirement that the ministry provide CLBC with a performance framework each year; however, this has never been finalized and approved. The framework is intended to be an adaptable progressive framework that articulates the shorter-term expectations of CLBC in terms of deliverables, outputs and expected outcomes, focussing on any changes in service delivery and related outcomes.

In the absence of a finalized performance framework, CLBC and the ministry have been following the intent by providing regular updates and reports such as monthly financial reporting, current issues and events and performance results. Supplementing these updates and reports, meetings are conducted between the ministry and CLBC at all levels of the organization. Reporting and communication appear sufficient to meet the needs of both organizations.

While the performance framework would focus on priorities for change in CLBC, it would not address all aspects of CLBC performance measurement which is discussed further in section 7.0 Performance Measures.

As shown in Figure 1.2.1 below, CLBC's organizational structure consists of Headquarters, a Provincial Assessment Centre and five regions. Headquarters provides policy direction, allocation of resources and oversight of regional operations. The Provincial Assessment Centre is a ten bed tertiary mental health facility that provides multi-disciplinary assessment and diagnostic services to people with developmental disabilities, mental health, or complex

behavioural issues. Regional staff work directly with adults with developmental disabilities and their families. Regions are provided full accountability and decision making authority to determine the best use of their budget.

Community Living BC Organizational Chart for 2011/12

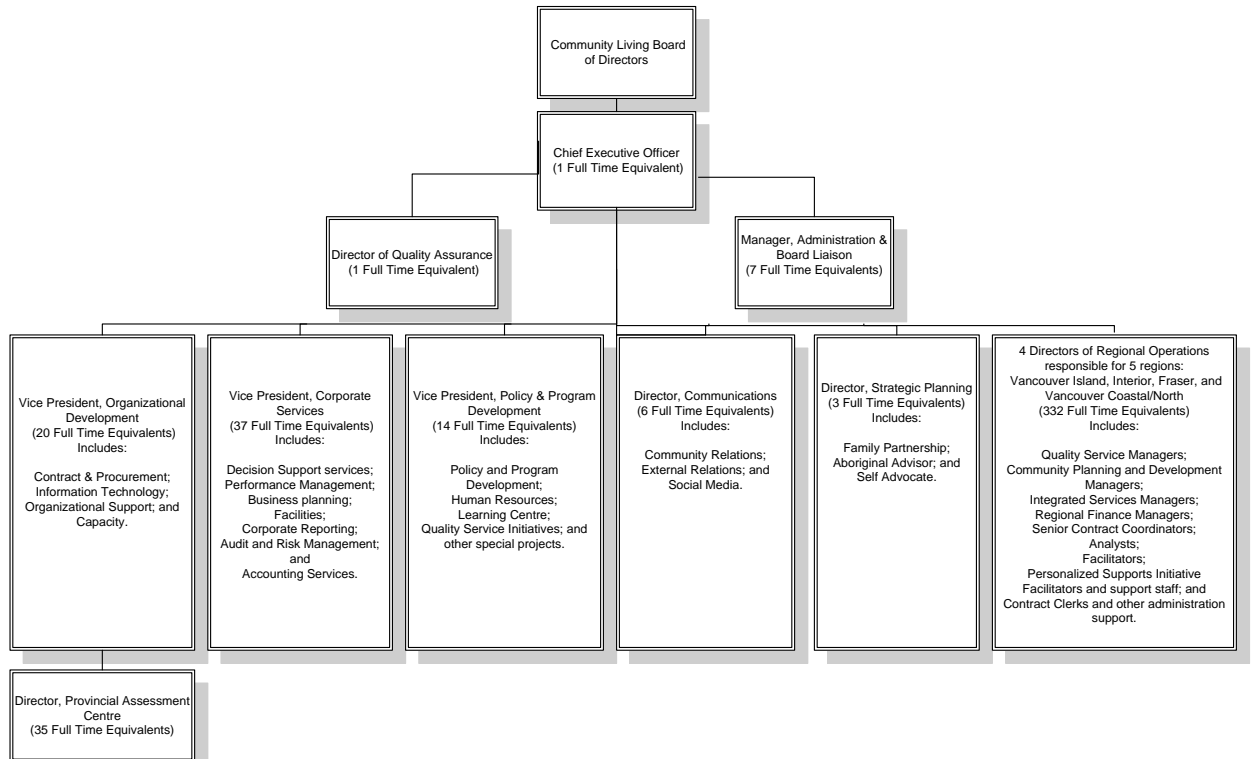


Figure 1.2.1

CLBC’s internal accountabilities and decision making processes are clear, with each region being responsible for managing its caseload and service delivery within their allocated funding. CLBC’s regional structure is designed to separate the financial decisions made in the Quality Service Offices from client service delivery decisions made at the Community Living Centres. However, staff in these offices work collaboratively to provide suitable services to each client’s needs.

Figure 1.2.2 below is an example of a typical regional reporting structure. Within each region, there is a Director of Regional Operations who oversees multiple Community Living Centres and Quality Service Offices; however in two areas these were merged into one unit called an Integrated Service Office.

Example of Community Living Centre & Quality Service Office - South Island Organizational Chart

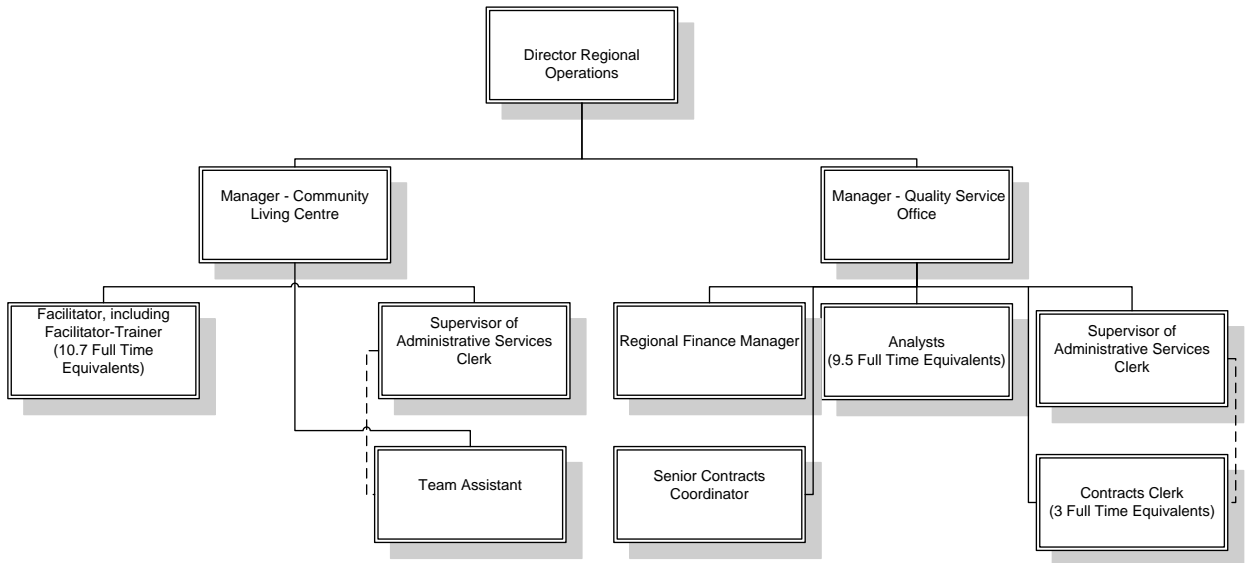


Figure 1.2.2

There are good communication links between CLBC headquarters and the regions. Regular meetings are held for the development of best practices, sharing of information and input into decisions that are made. To further improve communication with outlying areas, CLBC plans to hold some meetings and training sessions at locations outside of the lower mainland.

Inter-agency relationships

Agreements have been reached between CLBC and other ministries and agencies to coordinate the delivery of services to individuals with developmental disabilities. However, there can be a lack of clarity over which organization is responsible for providing various aspects of client service needs, particularly when youths are transitioning to adult services. This is discussed in further detail in Section 4.0 Youth Transition.

Working groups between CLBC staff and other ministries and agencies have been established to help gain a better understanding of these agreements, their respective roles and responsibilities and share information. This has resulted in increased cooperation and better working relationships.

Recommendations

- (1) **We recommend that the ministry and CLBC finalize the Accountability Framework and that it be reviewed regularly.**
- (2) **We recommend that the ministry more effectively monitor CLBC’s performance and service delivery.**

2.0 Stakeholder Relations

CLBC has many stakeholder groups, including individuals with developmental disabilities, families, self-advocates, service providers, advocacy groups and the ministry. Given this diverse range of stakeholders with varying and occasionally conflicting interests, expectations and opinions, it is challenging for CLBC to accommodate all of their needs. Therefore CLBC has developed a detailed communications plan to provide information to stakeholders about CLBC services and operations. CLBC also participates in open dialogue with stakeholder groups to discuss concerns and develop collaborative efforts in the delivery of services.

To increase stakeholder understanding and communications, CLBC employs two Community Relations Specialists who meet on a regular basis with groups across the province. For example, in 2010/11 the Community Relations Specialists:

- met with 74 Members of the Legislative Assembly or Constituency Assistants;
- held 13 community engagement workshops for community councils;
- held 20 community engagement meetings;
- met with 21 municipalities; and
- met with 30 community groups.

In addition to direct interaction with stakeholders, CLBC participates in a variety of social media forums, including Facebook, Twitter and other blogs, as well as producing a newsletter that is available to the general public through the CLBC website or by subscription.

In recent months, CLBC has been subjected to extensive scrutiny and criticism, mostly due to client dissatisfaction. This is reflected in CLBC's annual client satisfaction survey which in December 2010 indicated a client satisfaction rate of 71%, down from 76% in 2009. Of the clients reporting dissatisfaction with CLBC in 2010, 63% were waiting to receive services.

CLBC has a Complaints Resolution process in place to ensure that individuals and transitioning youth and their families who have concerns are addressed in a timely manner. Clients are strongly encouraged to present their concerns or complaints to the local CLBC office. If the complaint cannot be resolved locally, there are

opportunities for the client to elevate the complaint to more senior staff up to the CEO. CLBC's policy is to resolve any complaints within 30 days of receipt of a complaint.

If the complaint is due to one of CLBC's service providers, CLBC encourages their clients to present the concern directly to the service provider. CLBC will offer assistance if the client is not comfortable addressing their service provider directly.

During this review, the Minister initiated a Client Support Team to work with CLBC on cases where clients and families have expressed dissatisfaction about their current services. The team is made up of Assistant Deputy Ministers from MSD, Ministry of Children and Family Development (MCFD) and other ministries (where required) as well as a Vice President from CLBC. The current focus of the team is individuals currently requesting services on the RFSL based on priority.

Stakeholders and advocacy groups often, on behalf of a client, approach CLBC to resolve issues. However, due to privacy concerns the parties may not be able to discuss the individual client, unless the appropriate consent forms are completed. Consent forms are readily available on CLBC's internet site however, they are not fully utilized, limiting CLBC's ability to assess and potentially address the issue. This is both frustrating and not conducive to a collaborative approach in resolving concerns; it would be beneficial if CLBC, clients and stakeholders could work together.

3.0 Caseload and Funding

CLBC's caseload has increased by approximately five percent annually for the past five years and this trend is expected to continue. CLBC has an appropriate caseload projection methodology that has produced reasonably accurate caseload forecasts.

The agency currently has a caseload of approximately 13,700 clients, however, not all of these are receiving CLBC-funded services. The caseload consists of clients who have been assessed as eligible for CLBC services and who:

- are currently receiving CLBC-funded services;
- are not currently receiving CLBC-funded services and may have accessed community services; and

- have requested services but are not yet receiving CLBC-funded services.

There are a number of contributing factors to CLBC’s caseload growth. As shown in Figure 3.1 below, youth with developmental disabilities turning age 19 in the province comprise approximately two thirds of CLBC’s caseload growth. The number in this group is higher than for people age 20 and older due to early identification of developmental disabilities in the school system.

The other one third are older adults not yet registered with CLBC because they are cared for by family members, live independently and/or receive supports from community organizations not funded by CLBC. The large number of registrants aged 20 and older in fiscal 2007/08 was largely due to a court decision that resulted in a change to CLBC’s eligibility criteria and an increase in public awareness of the agency.

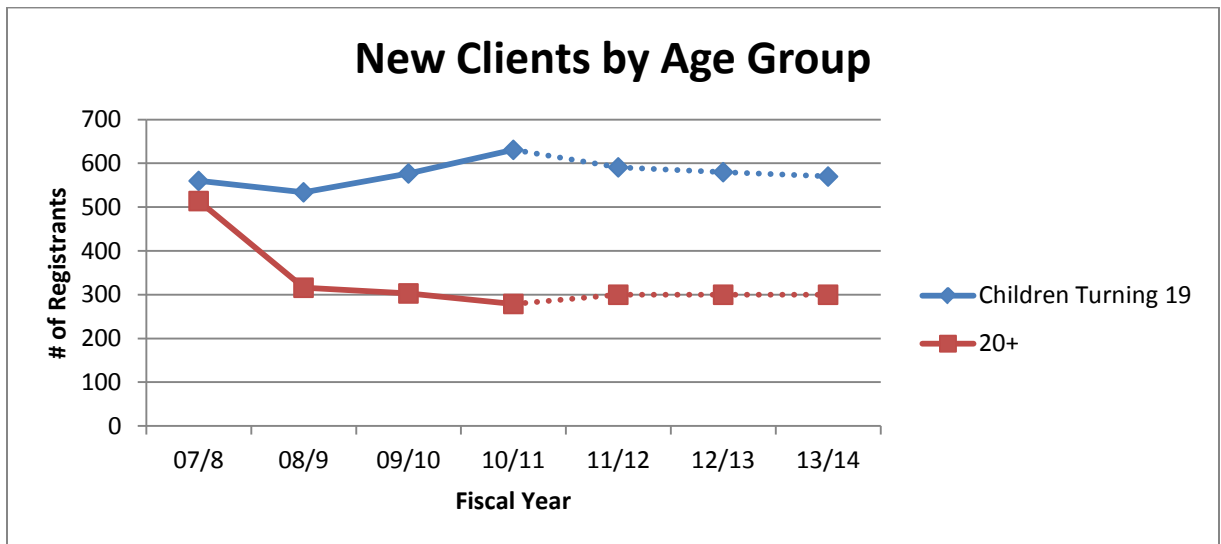


Figure 3.1

Improved healthcare has increased the life expectancy of clients which also contributes to caseload growth. Increases in the number of older clients has a disproportionate impact on CLBC’s costs due to the onset of age related illnesses occurring earlier in the lives of adults with developmental disabilities compared to the general population.

Over the last four years, CLBC’s budget has averaged approximately \$700 million. The organization is not allowed to incur any deficits, making budget and expenditure management a major focus of the organization. As such, surplus funding in excess of expenditures has ranged from zero to \$1.3 million since 2007/08.

Although the numbers of new clients are reasonably forecasted, CLBC faces numerous operational challenges to accurately predict the specific increase in individual client service needs and the associated funding pressures:

- CLBC is unable to accurately distinguish between total caseload increases and the increase in caseload receiving funded services;
- CLBC cannot accurately forecast the cost of client service needs; and
- CLBC does not have a system that links service needs to estimated costs.

Another challenge faced by CLBC is that most of the services provided are ongoing and often continue for the remainder of the client's life. Consequently, the initial funding of services implies a commitment to continue that funding indefinitely. Therefore CLBC has to be cautious when providing ongoing services, especially when there is no certainty around future funding with which to pay these costs. Having a multi-year funding commitment would allow CLBC more certainty in providing services beyond the current year.

With the exception of residential services, the limitations of the agency's information systems do not allow CLBC to identify individual clients using each service, or the associated costs. This, when combined with difficulties related to predicting unique service needs, inhibits CLBC's ability to accurately determine anticipated cost increases.

While CLBC has not been able to fully demonstrate and support their need for increased funding, British Columbia is comparable to other provincial jurisdictions in the amount of funding it provides, based on the average per individual as at 2010/11 as shown in the following graph.

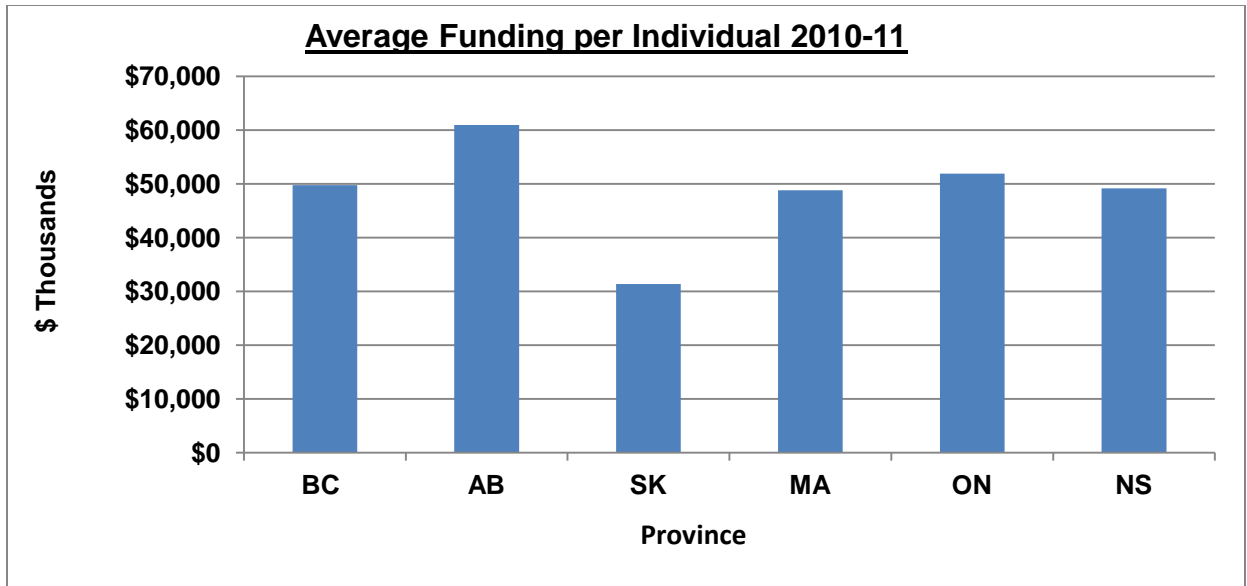


Figure 3.2

4.0 Youth in Transition

Services such as residential, respite, health and various other supports for individuals with developmental disabilities are similar in the child and adult systems, however, many of these supports and services are reduced for adults in both service levels and availability. In BC and other jurisdictions, changes in service levels between children and adult systems is not uncommon, however, effective transitioning is required to mitigate the impact of changes in services. This is a result of different organizational mandates and philosophies towards the care of children and adults, different tools for determining eligibility or assessing individual needs and fewer resources in the adult systems. The government's intent to improve collaboration and coordination among public agencies has been difficult to fully realize, due primarily to different interpretations of roles and responsibilities for providing certain services and legislation. Additionally, transition into adulthood coincides with graduation from school, and unless youth find employment, the adult system cannot always fill the gap in services left by the absence of educational programs, as some parents expect.

In British Columbia, youth become adults when they reach the legal age of majority at 19 years. The delivery of services to individuals with developmental disabilities requires MCFD, CLBC and other government agencies to collaborate effectively to facilitate a smooth transition for youth entering adulthood. This calls for all relevant government organizations to share information, and for the preparation of a transition plan before youth become 19. Several

agreements, each one conveying the Government's clear intent for collaboration and coordination between government agencies, have been reached, including:

- *The Cross-Ministry Transition Planning Protocol Agreement for Youth with Special Needs* (the Protocol) signed October 2009 by nine ministries and government agencies including MSD, MCFD, CLBC, Ministry of Health, Ministry of Education and BC Housing. This protocol was intended to improve collaboration between government ministries and agencies to facilitate the transition into adulthood for youth with special needs.
- *The Services for Transitioning Youth MCFD-CLBC Operating Agreement* (the Operating Agreement) signed December 2009 by MCFD and CLBC. The purpose of the agreement was to:
 - establish practices and procedures that promote integrated, collaborative practice;
 - clarify the roles and responsibilities of CLBC and MCFD in transitioning youth to CLBC; and
 - ensure sound planning, continuity of, and access to services for youth who are receiving MCFD services and who will be eligible to receive CLBC services as adults.
- *The Guidelines for Collaborative Service Delivery for Adults with Developmental Disabilities* (the Guidelines) signed January 2010 by CLBC, MSD, Ministry of Health and the Health Authorities. These guidelines were established to provide direction and support to regional CLBC and health authority staff in the development of policies and processes that meet the needs of adults with developmental disabilities in an integrated and sustainable manner. These Guidelines were also intended to define the roles and responsibilities of each organization.

4.1 Service Differences Transitioning from Youth to Adult

Youth and their families face challenges in obtaining services when transitioning from children services to adult services. Multiple organizations share responsibility in delivering services yet an integrated service delivery approach is lacking, as many of these organizations use different eligibility criteria, assessment tools, and client service models. This is particularly apparent with MCFD and CLBC who are the main providers of services for individuals with developmental disabilities.

Services offered before and after a youth turns 19 include employment and skills development, residential and respite services, mental health and nursing support, amongst others. However, access to services and service levels change when an individual transitions from youth to adulthood, and many 19 year olds face delays in obtaining services or experience a reduction in services. For example:

- Extensive health services provided by MCFD for individuals with complex medical needs decrease when adult services are provided by the Health Authorities and CLBC.
- The loss of daily attendance at school leaves a gap of approximately 30 hours a week in services that parents expect will be filled by CLBC. However, most clients must wait for these services to be provided and the level of service (hours) may still not fill the gap.
- There is a gap in the mental health system, because of an inconsistency in the delivery of on-going treatment for adults with development disabilities due to a lack of clarity over roles and responsibilities, and limited funding. However, they are generally well supported for assessments, consultations and short-term in-patient care.
- CLBC's behavioural and psychological supports are provided for a limited time and are difficult to access in some parts of the province.

CLBC's eligibility criteria are different than MCFD's and in many cases will limit Children and Youth with Special Needs' access to services when they turn 19. However, those individuals with one of the spectrum disorders (Fetal Alcohol or Autism), who do qualify for CLBC's Personalized Support Initiative program, appear to have access to all of the program's services.

One area where Children and Youth with Special Needs are not always well supported prior to transition is preparing youth for employment. School districts are responsible for preparing Children and Youth with Special Needs for the transition from school to the workplace by teaching them employable skills. However, interviews with stakeholders, MCFD and CLBC have indicated youth with developmental disabilities are not well prepared for the workplace when they leave school and that many have difficulty finding work.

Persons with disabilities, including developmental disabilities, may qualify to receive financial assistance from MSD at age 18. They may also qualify for medical coverage which includes medical,

dental and optical services, equipment and supplies. MSD also offers youth employment programs and supports to those who have the ability to work. Income support for a single person is \$906 per month which includes a shelter allowance. Individuals receiving CLBC residential services must contribute their shelter allowance to the service provider.

The reduction of services at age 19 often concerns families who have become accustomed to greater supports. As well, even though suitable transition planning is performed, CLBC may be unable to commit to services included in the plan due to funding restrictions. The length of the wait for services depends on CLBC's assessment of the individual's current circumstances and the relative urgency of their need.

4.2 Factors contributing to Service Differences

The reduced availability of services and service levels for transitioning youth is caused by several factors, including differing organizational mandates, unclear roles and responsibilities and the use of different assessment models.

Organizational Mandate

As discussed in section 1.0 Governance Structure, CLBC's organizational mandate for supporting adults with developmental disabilities is derived from the *Community Living Authority Act* and the Shareholder's Letter of Expectations. These documents establish government's expectations regarding CLBC's delivery of community living supports, promote the independence and capacity of individuals and encourage shared responsibility among families and other community members. These documents also address CLBC's governance and financial obligations but do not prescribe the specific community living supports that will be provided by the agency.

MCFD's family support and child protection services are guided by the *Child, Family and Community Service Act (CFCSA)*. Unlike CLBC's legislation, the *CFCSA* lists specific examples of support services for families and expresses an overarching consideration for the safety and well being of children.

Limited funding and legislative differences contribute to CLBC's philosophy of promoting client independence and prioritising health and safety needs whereas MCFD promotes the protection and support of the client. These differences can result in unmet expectations of families accustomed to a level of support from MCFD that is not matched in the adult system.

Roles and Responsibility

The three agreements discussed in section 4.0 Youth in Transition, convey the government's intent for achieving collaboration and coordination between government agencies in the support for individuals with developmental disabilities. However, government agencies and ministries have had difficulty putting the agreements into practice.

Although the Protocol assigns roles and responsibilities to the signatory ministries and agencies in the early stages of planning, responsibility for planning progress appears to rest with the member of the planning team deemed most appropriate, likely a parent or friend. While the expectations of each organization is generally clear, it is not clear which organization, if any, is accountable for the individual's transition.

With the exception of data sharing (discussed later in this section), the Operating Agreement appears to be reasonably well implemented.

The Guidelines do not clearly define the roles of the Health Authorities and CLBC in funding health supports for adults with complex medical needs. The lack of clarity results in differing interpretations, with each party placing a greater share of responsibility for funding services on the other organization, and has proven to be a barrier to effective collaboration between CLBC and the Health Authorities. Families may be impacted by the lack of collaboration and timely agreement over care planning and cost-sharing.

A provincial working group and regional working groups, which include the Ministry of Health, the regional Health Authorities, MCFD and CLBC, are working to achieve better agreement over cost-sharing and responsibilities for service delivery.

Communication with Clients

Communication with clients is an important component of service delivery, yet CLBC's facilitation and referral process does not provide clients with the kind of personal communication that many clients coming from MCFD are accustomed to. In many programs, MCFD uses a case management approach where a child and his or her family are assigned a social worker, who provides support, information and regular contact. CLBC uses a key point of contact approach, in which a client contacts CLBC when they need a service. When circumstances warrant, a facilitator will maintain regular contact with a client or their family. Without that same level of support, a client may have difficulty navigating the social service systems and may experience a gap when transitioning to CLBC.

CLBC's mandate includes encouraging families and the community at large to share the responsibility of supporting the young adult to be involved in the community, and in reaching his/her full potential. However, families are not all fully aware of the differences between the child and adult systems and therefore are not well prepared for any changes in the level of support or services available to them.

Needs
Assessment and
Service
Allocation

There are different assessment methods used by the various agencies and organizations involved in providing service to children and adults with developmental disabilities; this is most apparent when children are transitioning from MCFD to CLBC.

Although both organizations have tools to determine the urgency of a family's request for services, CLBC uses more formalized assessment tools to objectively assess disability related needs, whereas MCFD determines service needs, largely through social workers applying professional judgement. As MCFD's service determination is more subjective, the allocation of services may not be consistently applied.

Data Sharing
and Collection

Youth transitioning to CLBC represent the largest portion of CLBC's caseload growth, however, since application for CLBC services is voluntary, CLBC must rely either on families giving consent to MCFD to share their child's information or they must wait to receive an application from the family. This makes the collection of information on future clients challenging. The exception is children under MCFD guardianship where family consent is not required to share information.

The December 2009 Operating Agreement requires MCFD and CLBC to develop an information sharing agreement but this has yet to be done. However, MCFD semi-annually provides CLBC with information on children under MCFD's guardianship. The challenges CLBC faces in receiving complete information for projecting caseload and future service needs include:

- MCFD is not permitted to provide information about youth not in the care of MCFD, unless the parents have consented.
- A youth not supported by MCFD may not be aware of CLBC's services or choose not to access them despite various information sessions and public events held by CLBC and school districts to raise awareness.
- MCFD does not maintain data on all Children and Youth with Special Needs, particularly those who received services from delegated agencies. Therefore, MCFD can only estimate

how many Children and Youth with Special Needs will transition to CLBC. The exception is children in care who are under the guardianship of MCFD.

MCFD and MSD are implementing an integrated case management system to increase collaboration and integration between the two ministries. Consideration should be given to bring CLBC into this initiative.

Recommendation

- (3) We recommend that the ministries responsible for providing services to individuals with developmental disabilities work together to harmonize the transition from youth to adult services to lessen the impact on clients and their families.**

5.0 Request for Service List

CLBC's information management system produces a report called the RFSL that records client service requests. While the RFSL was never intended to be a waiting list, it is perceived as such by many stakeholders. The RFSL was examined in detail and found to be unreliable for the purpose of service and budget forecasting due to data errors. This has resulted in concerns that there is a large unmet demand for services.

Services required to address a client's health and safety needs are CLBC's highest priority, and are provided to those clients on the RFSL within 24 hours to two weeks depending on the severity of those needs. Funds that are not required for meeting immediate health and safety needs are used to provide services that help prevent health and safety issues from arising followed by other services.

Process

A person applying for CLBC funded services meets with a CLBC facilitator to determine whether CLBC's eligibility criteria are met. Once eligibility has been established, the client's priority ranking for services is determined using the agency's Request for Service Priority Tool. Based on an assessment of the individual's circumstances, a score between 0 and 110 is assigned.

In general terms, a priority score of 70 and above means that the individual with a developmental disability and/or the person's caregiver is facing one or more of the following situations:

- the caregiver is struggling to cope with the client in the current home setting;

- the client has lost or will imminently lose his/her current home setting;
- the client needs more complex supports;
- the client has high priority behavioural/mental health and medical needs; and/or
- the client faces major challenges and immediate risk.

A person with a priority of 69 or below will typically have stable family support and shelter, and therefore the individual's needs are not as acute.

Many clients on the RFSL are already receiving one or more CLBC services but have requested additional services. When a client with multiple service requests receives a service, the client's priority score and need for services are re-assessed.

The Guide to Support Allocation (GSA) is a tool used to assess an individual's disability-related needs by examining 10 areas of everyday life (e.g., safety in the community, communication, making day-to-day decisions). The GSA is completed for clients with health and safety needs to identify the client's specific needs and determine which services CLBC can provide. Clients with a low priority score will have a GSA completed when funding becomes available or when the client's circumstances deteriorate.

CLBC allows clients without a completed GSA to identify specific services they would like to receive and have them placed on the RFSL. As a result, the validity of the list is compromised because the requests have not been assessed by CLBC staff. In November 2011, a pilot project was initiated to assess clients' service needs upon registration to provide CLBC more accurate identification of needed services. If this initiative is adopted in every region, the RFSL will become a more accurate and useful management tool.

Accuracy of RFSL

The RFSL is not an accurate tool for external reporting, forecasting, or budgeting purposes because much of the information is incorrect or has not been validated by CLBC staff. The current state of the RFSL makes it impossible for CLBC to identify the unmet demand for its services or estimate the amount of funding required to fulfil all the service requests.

A sample of 149 clients with high priority scores was selected for review, of which 63 had errors that overstated the actual service need. Some clients who were receiving CLBC funded services

were incorrectly identified in the RFSL as not receiving any services and some clients had not had their priority score adjusted upon receiving CLBC-funded services. It was expected that the information about high priority clients would be the most accurate information.

Other issues contributing to the inaccuracy of the RFSL include:

- Client priority scores and service requests not being reviewed and/or updated regularly to reflect each client's current circumstances and service needs.
- Services being requested that are not required for several months or years, resulting in the list overstating the current demand for services.
- Clients having multiple service requests that cannot be delivered concurrently (e.g., a client living in a group home cannot receive respite services at the same time), resulting in an overstatement of the current service demand.
- The lack of information in the list about each client's unique life circumstances (e.g., a client with a high priority score may be living with an elderly parent and not need CLBC services until the parent is unable to care for the client).
- The length of time that a client has been waiting for a service does not reflect the time the person has been waiting since his or her priority score was adjusted to reflect changes in the client's life circumstances. Therefore, the list may indicate that a person with a high priority score has been waiting for residential services for 36 months; however, his or her priority score may only recently have increased into the 80's from the 40's to reflect changes in the person's life. The RFSL will show the higher priority score but the waiting period remains unchanged, misrepresenting the client's wait time.

As at September 30, 2011, there were 2,958 clients on the RFSL of which:

- 2,126 were receiving services but had requested additional or enhanced services; and
- 832 had not yet received any CLBC services.

These numbers are likely overstated given the inherent problems in the RFSL; the true number of clients waiting for new or enhanced services is not known.

Beginning in fiscal 2011/12, the regions are required to review the service requirements and priority scores of all individuals on the RFSL at least once every 12 months to improve the accuracy of the RFSL.

Recommendation

(4) We recommend that CLBC enhance its information system and business processes to:

- **provide more useful and reliable information to clearly identify current versus future service needs;**
- **distinguish between assessed needs and client/family requests; and**
- **link service needs to funding requirements.**

6.0 Financial Management

CLBC has strong financial and operational controls over its internal expenditures and contract management to ensure that the agency operates efficiently and economically. A review of CLBC expenditures was conducted and these were found to be reasonable. CLBC's salaries, including at-risk compensation, are reasonable when compared to other organizations of similar size and mandate. However, CLBC's at-risk compensation program does not appear to be serving the purpose of its initial design and as such is being restructured. CLBC's contract management practices are generally consistent with the overall spirit and intent of the provincial government's procurement principles.

Budget

CLBC management develops the annual budget based on caseload forecasts, expected costs for each type of service, estimated contract review savings, previous years' actual expenditures and available funding. The annual caseload forecasts are based on the expected number of youth transitioning to CLBC from MCFD and school at age 19, new adult clients not previously registered with CLBC and discharges (e.g., mortality).

The budget is allocated to each region after taking into consideration a variety of factors including their caseload volume, and regional variances in clients and costs. Management tries to allocate funding so that individuals in different regions with similar developmental disabilities will receive similar levels and types of service.

The regions are accountable for staying within their allocations and are otherwise provided full accountability and decision making authority to determine the best use of their budget based on the clients they serve. CLBC headquarters reviews and monitors the regional budgets through monthly regional reporting and forecasting.

Regions that have under spent their budget in one year have those funds available for the subsequent fiscal. Conversely, regions that have deficits in one year must find recoveries in the subsequent fiscal in order to balance the budget.

Regional expenditure decisions take into consideration the ongoing needs of the existing caseload in addition to anticipated emergency, and health and safety needs. Any remaining funds are available to provide services to clients on the RFSL who need new or enhanced services. Clients who are receiving services in one region, but move to another region have their funding allocation transferred to the new region.

6.1 Expenditures

CLBC has been quite effective at managing their operating costs over the last four years. The annual budget has been approximately \$700 million of which 93% is spent on contracted services. The remaining 7% covers headquarter and regional operating costs (including facilitators and other frontline staff).

As shown in Figure 6.1.1 below, most operating expenditures do not represent a significant portion of total expenditures. Total expenditures were lower in fiscal 2010/11 due to the transfer of children's services to MCFD.

Annual Expenditure as Percentage of Total Expenditures								
Fiscal Year	2007/08		2008/09		2009/10		2010/11	
	(\$000)	(%)	(\$000)	(%)	(\$000)	(%)	(\$000)	(%)
Contracted Services	\$637,532	(93.00)	\$668,388	(93.00)	\$666,166	(93.00)	\$646,145	(93.00)
Operational Costs	49,782	(7.00)	54,536	(7.00)	52,011	(7.00)	49,147	(7.00)
Total Expenditures	\$687,314	(100.00)	\$722,924	(100.00)	\$718,177	(100.00)	\$695,292	(100.00)
Operational Cost Details:								
Labour Costs	\$32,253	(4.69)	\$34,857	(4.82)	\$32,413	(4.51)	\$30,369	(4.37)
Building Occupancy Costs	5,105	(0.74)	5,277	(0.73)	4,830	(0.67)	4,631	(0.67)
Information Technology	3,056	(0.44)	3,687	(0.51)	3,608	(0.50)	3,606	(0.52)
Insurance		(0.00)	474	(0.07)	495	(0.07)	498	(0.07)
CAS GL System & Payroll Charges	612	(0.09)	598	(0.08)	575	(0.08)	470	(0.07)
Capital Asset Amortization	1,394	(0.20)	1,822	(0.25)	2,457	(0.34)	3,155	(0.45)
Professional Services	2,002	(0.29)	2,774	(0.38)	2,866	(0.40)	1,935	(0.28)
Travel	1,380	(0.20)	1,319	(0.18)	1,358	(0.19)	1,091	(0.16)
Safeguards Project	1,483	(0.22)	1,484	(0.21)	1,158	(0.16)	403	(0.06)
Other	2,497	(0.36)	2,244	(0.31)	2,251	(0.31)	2,989	(0.43)
	\$49,782		\$54,536		\$52,011		\$49,147	

Figure 6.1.1

Expenditures other than contracted services and employee compensation make up approximately 3% of total expenditures and include expenses such as facilities, information systems, leasehold improvements, travel and other miscellaneous expenses. While many operating expenditures are non-discretionary (e.g., labour costs and building occupancy costs), CLBC has stayed within its budget, limited excessive growth in its operating costs and has taken steps to reduce costs wherever possible. A more detailed review of these areas was conducted and expenses were found to be reasonable given the nature of CLBC's organizational structure, services delivered and public service mandate.

Compensation and contracted service costs combined make up approximately 97% of CLBC's annual expenditures. These expenditures were reviewed in more detail and are discussed below.

6.2 Compensation Costs

CLBC's salaries, including at-risk compensation, are reasonable when compared to other organizations of similar size and mandate.

However, CLBC's at-risk compensation program does not appear to be serving the purpose of its initial design and as such is being restructured.

Currently, CLBC employs approximately 440 full time equivalent staff members. Approximately 84% of the employees are in bargaining unit positions and governed by union agreements. The remaining 16% are in excluded (non union) positions. As a Crown agency, CLBC is subject to the *Public Sector Employers Act* and is required to submit its executive compensation plan to the Public Sector Employers' Council (PSEC) for approval, a policy which has been followed.

Salaries

The salaries of selected senior positions were compared to government, crown corporations and entities within the Schools, Universities, Colleges and Hospitals sector and in general were found to be reasonable. It is important to note that a full analysis was not completed; the comparison does not assess the level of employee responsibility and authority between these comparators.

Over the past four years the percentage of excluded employees and executives receiving their full at-risk compensation has increased from 65% to 93%, due to easily achievable performance goals. Consequently, compensation comparisons were made using full salary (base salary with at-risk compensation paid at 100%).

In fiscal 2010/11, CLBC executive levels received compensation in the range of \$127,000 to \$195,000. Based on the compensation range (\$106,000 - \$299,000) of the comparator entities, this is a reasonable level of compensation.

Figure 6.2.1 shows the comparison of CLBC Director level compensation to the comparator entities. It shows that CLBC Director level compensation is at the high end of the compensation range, although not unreasonably high.

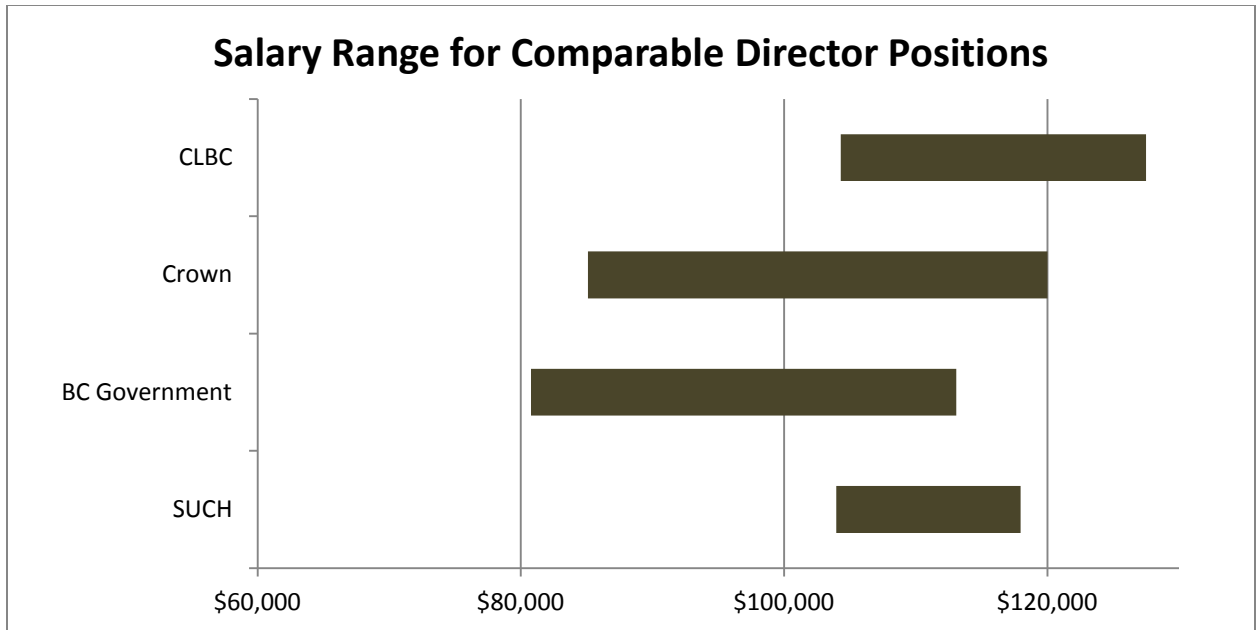


Figure 6.2.1

At-Risk Compensation

At-risk compensation was established for all CLBC non-union staff at inception on July 1, 2005. PSEC and the MCFD approved the at-risk compensation for the CLBC CEO, Vice Presidents and Directors at 15%, 10% and 5% of their base salaries, respectively. CLBC then established at-risk compensation for the Manager levels at 5% of their base salaries. The practice of at-risk compensation at CLBC involves holding back a portion of the employee's base salary pending successful achievement of their performance goals.

CLBC uses a performance metric system to award at-risk compensation to their non-union staff. The performance goals are set at the beginning of each fiscal year with performance evaluated at the end of the year. The performance goals are evaluated using the following 4 point system:

- 0-1 Did not meet expectations.
- 1-2 Partially met expectations.
- 2-3 Fully met expectations.
- 3-4 Exceeded expectations.

Sample performance goals include:

- Develop a Continuous Quality Improvement Plan;
- Monitor response standards for complaints/issues management;

- Implement “Personalized Supports Initiative”;
- Define and develop CLBC policy for seniors and individuals with complex health issues;
- Implement video-conferencing/collaboration tools pilot project; and
- Define and implement enhanced complaint tracking functionality.

In 2010/2011, 93% of excluded staff received their full at-risk compensation. This means that 93% of excluded staff fully met or exceeded the expectations of each goal assigned to them. Reasons for this high achievement rate may be as follows:

- According to a review done for CLBC by a contracted compensation consultant (May 2011), there are likely issues with the process of setting performance metrics.
- Given that almost all excluded employees are receiving a score of “exceeded expectations” on their performance assessments, CLBC may have a culture of providing generous appraisals/evaluations.

At-risk compensation accounts for \$280,000 to \$290,000 of annual excluded employee compensation. CLBC was requested to cease this practice by the Minister of Social Development. CLBC had recognized the issues with its at-risk compensation program in early 2011 and began working with PSEC and others to develop a plan to incorporate at-risk compensation back into salaries. CLBC is currently developing a new compensation framework.

6.3 Contract Management

CLBC delivers services to its clients through approximately 3,100 service providers. CLBC has strong contract management practices that are generally consistent with the overall spirit and intent of the provincial government’s procurement principles. As well, the agency’s performance-based contract management framework, which requires the reporting of outcome data by all service providers by fiscal 2013/14, will help CLBC determine whether its contracted services are yielding the desired outcomes. The agency is reviewing many of its contracts to identify economies and efficiencies; any identified contract savings are used to provide more services to clients. In the four years ending March 2011, the agency realized approximately \$57 million in annual on-going savings through contract reviews.

Contracting Practices

CLBC's contract management processes meet the overall spirit and intent of government procurement principles, with the exception that CLBC staff can direct award a contract based on individual/family preference for a particular vendor within the confines of the agency's funding guidelines. These types of direct awards enable CLBC to integrate economic principles with ethical and social considerations (e.g., a family's desire to maintain continuity-of-care) and with legislative requirements to provide clients and their families some choice in the manner in which services are delivered.

However, before a contract is direct awarded, CLBC staff must ensure that the client/family has been made aware of alternate service providers in the same geographical area and must request the family to meet with at least two of these vendors. These requirements help support informed decision-making by clients and provide other qualified vendors access to procurement opportunities. In situations where preferences of the individual are being accommodated, CLBC may procure services using direct awards at standard rates when it is not reasonable or cost effective to engage in a competitive process (e.g., direct home sharing contracts where the service arrangement is customized).

CLBC's contracting processes are designed to streamline administrative efforts by matching the rigour and cost of its contracting processes to the nature and value of the procurement; the procurement processes also try to preserve the continuity of care for individuals. Accordingly, CLBC can use long-term contracts containing five, two-year extension options. In addition, CLBC will sometimes roll a contract over when the service provider has demonstrated exemplary performance in delivering services to clients.

While family involvement in procurement decisions can, in certain circumstances, place minor upward pressure on the overall cost of contracted services, this involvement can also yield offsetting benefits in the form of enhanced outcomes, and an increased sense of dignity through self-determination for individuals and their families. Alternately, an individual/family's attachment to an existing, poorly performing service provider, or a lack of vendor availability (i.e., competition), can sometimes impede CLBC's ability to terminate contracts for poor performance in a community.

Service providers must meet mandatory qualification criteria to become CLBC contractors. For example, the criteria to become a home sharing service provider include:

- first aid certification and satisfactory reference and criminal record checks;

- appropriate skills, disposition and physical accommodation;
- satisfactory completion of a comprehensive home study by CLBC; and
- individual/family acceptance of the prospective service provider.

Service providers with contracts exceeding \$500,000 must be accredited by an internationally recognized health and human service standards organization. Accreditation means that the service provider has demonstrated conformance to internationally accepted standards regarding service delivery and business practices, continuous quality improvement and performance accountability.

CLBC has also developed a set of resource allocation tools to help guide contracting decisions regarding service types, service levels and pricing based on an individual's disability-related needs. However, in their November 2011 Interim Report, the Board of Directors have acknowledged that the application of these resource allocation tools has not always adequately considered family objections to moving clients out of group homes.

Monitoring

CLBC has developed a framework, supported by a monitoring policy and procedures guide, which facilitates contract monitoring. CLBC's newer contracts require that inputs, outputs and outcomes be defined for performance monitoring and continuous quality improvement purposes. These requirements also facilitate the identification and recovery of funds resulting from undelivered services. Outcome data from all of CLBC's services is expected by fiscal 2013/14.

Funding Guide

One of CLBC's primary contracting tools is a funding guide that is used by CLBC staff to determine the contracted funding amounts for services. The implementation of these guidelines in 2010 brought fairness and consistency in contract pricing through a combination of fixed and variable rates for services. The guidelines were developed based on industry-specific information, research data and through negotiation with CLBC's unionized and non-unionized service providers.

Standard rates were negotiated for certain expenditures (e.g., wages and benefits, and administration), while other expenses are passed on to CLBC at the service provider's cost (e.g., facilities for staffed services).

Facility costs and program costs for staffed services are funded at the cost they are incurred by the service provider. Contracts are developed based on these rates and the unique service levels needed by an individual.

The fixed and variable rates are intended to:

- ensure that service providers have funding to meet reasonable costs associated with contracted services;
- ensure that the cost to CLBC is predictable and appropriate;
- ensure that service providers are free to manage within their contractual obligations;
- minimize variances in funding for comparable services throughout the province;
- enhance strong and cohesive relationships between CLBC and its vendors; and
- reduce the amount of time and effort required to analyze and negotiate contracts.

Based on our analysis of the pricing model and the negotiation process undertaken with the service provider community, the rates appear reasonable.

Individualized
Funding

CLBC also provides support to individuals with developmental disabilities and/or their families through its Individualized Funding and Direct Funded Respite programs. These programs provide self-directed payment options to individuals and families as an alternative to, or in addition to, contracted services. Under these programs, funds allocated by CLBC are paid directly to an individual or his/her agent who then uses the funds to purchase and manage individualized supports and services for that individual. In 2010/11, \$12.7 million in combined funding was provided to assist 1,151 individuals with developmental disabilities under these two programs.

Cost Reductions

CLBC actively pursues economies and efficiencies in their contract management practices. In the four years ending March 2011, the agency realized approximately \$57 million in annual on-going savings through contract reviews.

In April 2010, CLBC began a systematic and comprehensive contract review initiative to identify economies and efficiencies in its contracts with service providers. Contracts were reviewed using the funding guidelines to identify potential adjustments to service levels, service modalities, staffing levels, staffing credentials and

contract pricing. CLBC started the contracts savings initiative by first reviewing those contracts that were most likely to yield the most significant savings; for this reason it is believed that CLBC has already realized the largest portion of potential savings. The contract review savings have been critical to CLBC to deliver more services than they would otherwise have been able to provide.

7.0 Performance Measures

Since CLBC was established it has been continually developing and refining its performance measures to provide more detailed and informative results. CLBC has developed a suite of output measures, and is in the process of implementing a set of outcome measures. Output measures show numerical results of an activity such as the number of clients served, while outcome measures show the actual results of an activity in comparison to the intended results such as increased independence of an individual.

The performance measures enable CLBC to meet its extensive reporting requirements to the ministry, the Minister, the Board of Directors and the public; it currently monitors and reports on 12 indicators and 40 specific metrics. CLBC is currently streamlining its reporting requirements to reduce overlaps.

Performance measures included in CLBC's annual service plan reports are grouped into three categories:

- service excellence (e.g., percentage of individuals and families who feel well supported by their service providers);
- organizational responsiveness (e.g., percentage of individuals and families who feel their concerns were addressed in a timely manner); and
- operational efficiency (e.g., percentage of annual funding used for direct services).

These measures are consistent with performance measures used in other jurisdictions such as Western Australia and Washington State.

CLBC conducted a demonstration project of the "My Life: Personal Outcomes Index" and is planning on implementing it across all regions in the first quarter of fiscal 2012/13. The "My Life" program is based on surveys or interviews to determine the impact CLBC services have had in their clients' lives. Once implemented, CLBC will have outcome measures that will enable it to make evidence based decisions. This index has been in place in Alberta and internationally.

8.0 Conflict of Interest

In November 2011, CLBC confirmed that 13 employees have contracts to provide CLBC funded services to adults with developmental disabilities, which by definition are conflicts of interest. While CLBC has policies and procedures in place to manage conflicts of interest, these controls are not consistently followed or enforced. The review confirmed that the employees were paid monthly fees consistent with the standard funding structure. CLBC was unable to provide source documentation to support full and timely disclosure and management's evaluation and resolution of all reported conflicts of interest concerns.

Conflict of Interest - Definition

A conflict of interest occurs when high-level employees or other people in a position of trust have private interests that could improperly influence the performance of their official duties and responsibilities. Conflicts of interest are fairly common in organizations and often involve some type of related-party transaction that is not disclosed. Conflicts of interest can be potential, perceived and/or actual. In all cases, how they are managed is critical.

Potential and Perceived Conflicts – Corporate Position

When organizations allow activities which may lead to conflicts of interest, they are taking on a degree of risk that must be managed appropriately. In this regard, CLBC accepted the risks associated with conflict of interest activities (e.g., by allowing employees to hold contracts), for two reasons. First, CLBC wanted to preserve the continuity-of-care for persons with developmental disabilities who were receiving home sharing services from these employees before they were hired by CLBC. Second, CLBC employs people who have specialized knowledge and expertise in the developmental disabilities field. Consequently, they have the skill sets needed to care for adults with developmental disabilities.

Of the 13 employees who hold contracts to provide CLBC funded services:

- Eleven are employees who either contract directly with CLBC, or subcontract through a CLBC funded service provider, to provide home sharing services. One of these employees also has a direct contract to provide community-based day program services.
- Two employees also work for CLBC funded service providers. Their roles and responsibilities within CLBC do not allow them to influence contracting decisions.

At the time of this review, one employee is awaiting approval to provide home sharing services through a subcontract with a CLBC service provider.

These employees occupy director, manager and unionized positions, and some of them provide the services in partnership with their spouse. The value of the home sharing contracts range from approximately \$15,000 to \$59,000; one contract has an additional service component to provide recreational support valued at approximately \$20,000.

Conflict of
Interest –
Management
Controls

In 2007, CLBC developed a set of conflict of interest policies and procedures that require employees and board members to disclose potential conflicts of interest, and also requires that the monitoring and financial oversight of an employee-held contract be transferred to a different region than where the employee works. In addition, CLBC developed a number of other tools and controls to manage conflicts of interest, including:

- an on-line job application form for certain positions that includes questions about potential conflicts of interest;
- employment offer letters informing employees of the consequences for non-disclosure of pertinent information (e.g., conflicts of interest);
- conflict of interest disclosure requirements within its procurement and contracting policies, procedures guide, evaluation handbooks and solicitation tools; and
- a Reporting Theft, Fraud and Corruption policy that provides a formalized process by which anyone (the public, employees, other stakeholders) can confidentially report potential conflicts of interest.

While CLBC has established fairly robust conflict of interest management controls and has plans to further enhance them, CLBC did not consistently follow or enforce its current conflict of interest policies and procedures. For example:

- CLBC policy requires that all conflict of interest matters, including their evaluation and resolution, be recorded in the employee files maintained by CLBC's Human Resources Department; however, this had not yet taken place.
- CLBC policy requires that conflict of interest matters be disclosed to the Director of Human Resources; however, disclosures were made to other management positions

within CLBC (e.g., an employee's regional supervisor or director). As a result, there is added risk that potential conflicts were not objectively evaluated by qualified staff.

- CLBC policy requires that all decision-making authority and influence over contracted services provided to an individual with a developmental disability by a CLBC employee be removed from the Community Living Centre (and Region) where the CLBC employee works. However, two contract files were under the responsibility of their own office for part of the contract period.

Due to the lack of enforcement of conflict of interest management controls, including the requirement to document all conflicts of interest disclosures, evaluations and resolutions, CLBC could not readily identify all staff providing contracted services to CLBC clients.

CLBC has developed a standardized funding structure that determines the contract value, based on the disability-related needs of the individual receiving services. This mitigates the risk of employees receiving contract fees in excess of those fees paid to arms-length service providers who are providing the same level of care. It was confirmed that the values of the contracts with the 13 employees are consistent with CLBC's funding structure and standardized rates.

In response to recently raised concerns over potential conflicts of interest, CLBC identified additional control activities to be implemented, concurrent to this review. These activities include:

- monitoring and enforcing full and documented compliance with the agency's conflict of interest policies and controls;
- requiring an executive who is knowledgeable of the potential conflict of interest matter, in consultation with a human resources expert (i.e., Director, Human Resources), to evaluate and resolve all conflict of interest disclosures;
- developing a standard form to record all conflict of interest disclosures, evaluations and resolutions for retention in employee files; and
- periodically educating staff of the agency's conflict of interest policies.

This review also identified additional opportunities to further strengthen and/or clarify controls such as:

- compiling and retaining an inventory of all disclosed conflict of interest matters;
- adding language to its policy to address third-party service delivery providers who subcontract with CLBC employees;
- considering making mandatory, the conflict mitigation strategy prohibiting employees from participating in matters relating to the matter of conflict; and
- providing in its policy, a list of organization-specific examples of common and high-risk conflict of interest scenarios, to increase employee understanding and awareness of the subject matter.

Recommendation

- (5) We recommend that CLBC needs to manage their conflict of interest management practices effectively by strengthening, enforcing and monitoring their policies and procedures.**