

AUDIT OF AUTISM FUNDING DIRECT PAYMENT CASES

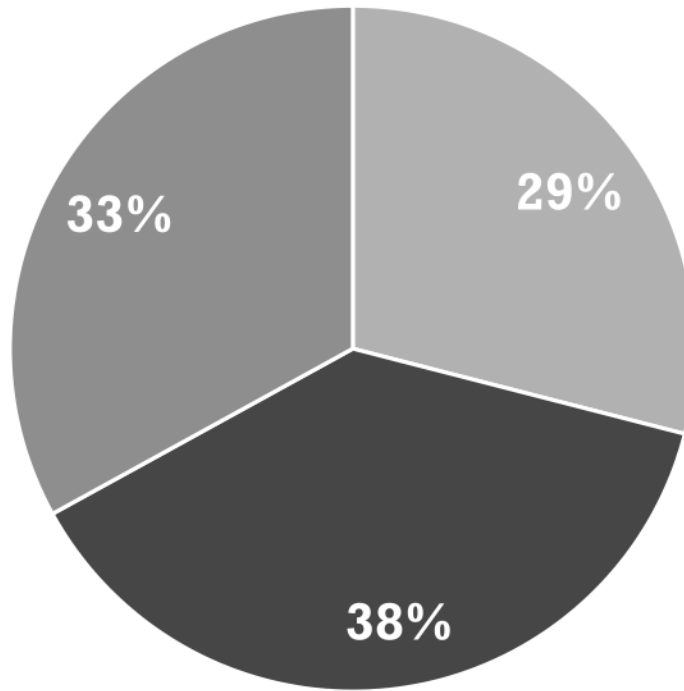
1

ISSUES PERTAINING TO AUDITING PAST ACCOUNTANT'S CONFIRMATIONS

- Sufficient compliance checking was not performed before advancing more funds
- This resulted in a large number of non-compliant cases (some stats in next 5 slides, in relation to 184 reviewed ACs during 2018 – ACs of 73 families within the last 4 years)
- “Front End Verification” audits were initially proposed to address the non-compliance issues. (proposed in Dec 2018 to be effective April 1, 2019). Implementation pending from AFB

AUDIT OF PAST 184 ACS — 73 FAMILIES

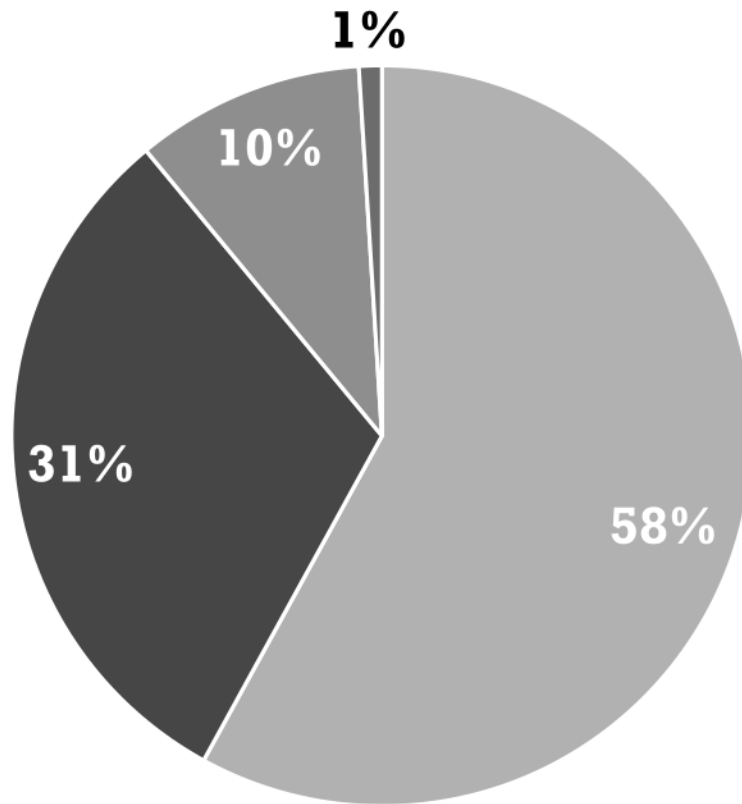
APPROPRIATE SPENDING?



- Had appropriate spending in all Acs
- Had inappropriate spending in at least 1 AC
- Might have had inappropriate spending - need to review in further detail in at least 1 AC

AUDIT OF PAST 184 ACS — 73 FAMILIES

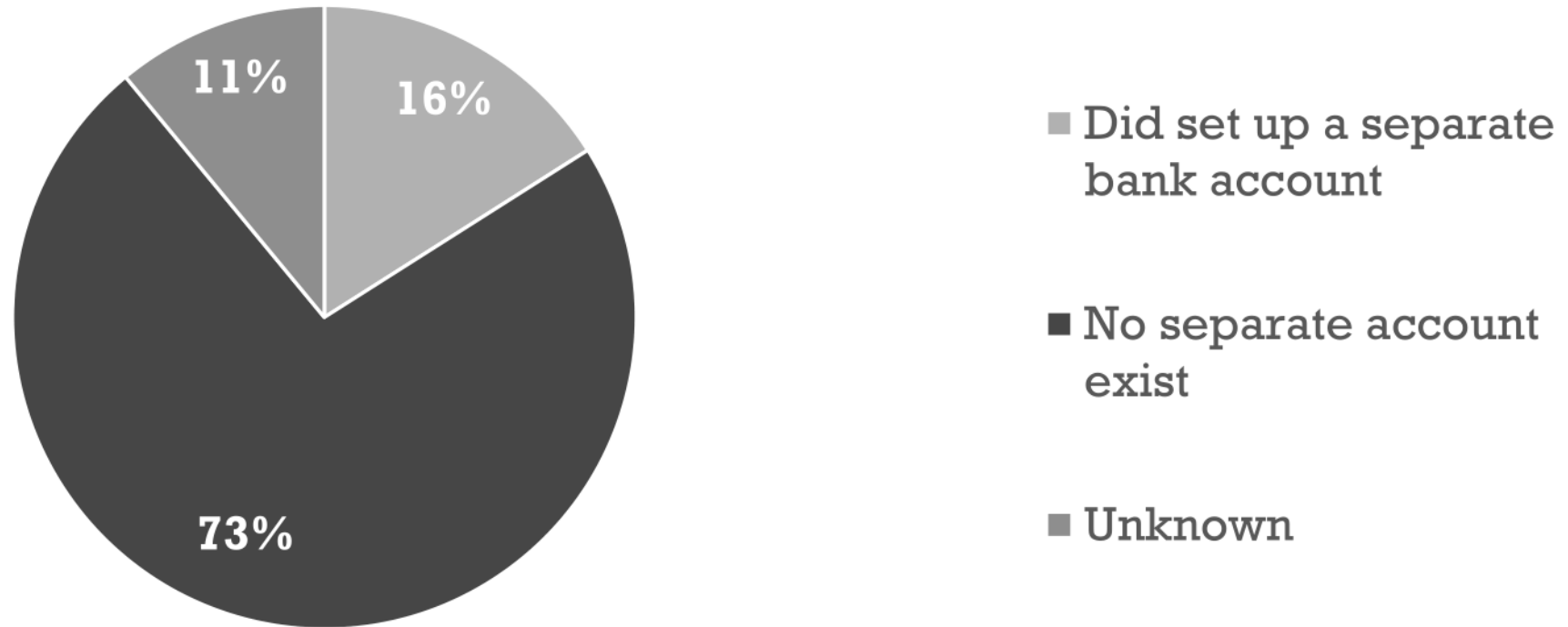
SUBMITTED BANK STATEMENT?



- Always submitted bank statements
- Never submitted bank statements
- Did not submit bank statements at least once
- Submitted but account holder not yet been verified

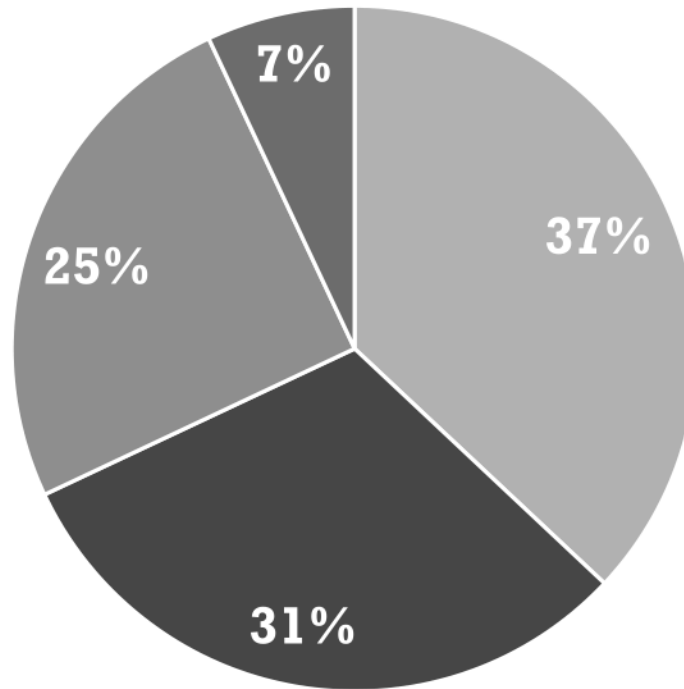
AUDIT OF PAST 184 ACS — 73 FAMILIES

BANK ACCOUNT DETAILS WHO SUBMITTED BANK STATEMENTS (125 ACS)



AUDIT OF PAST 184 ACS — 73 FAMILIES

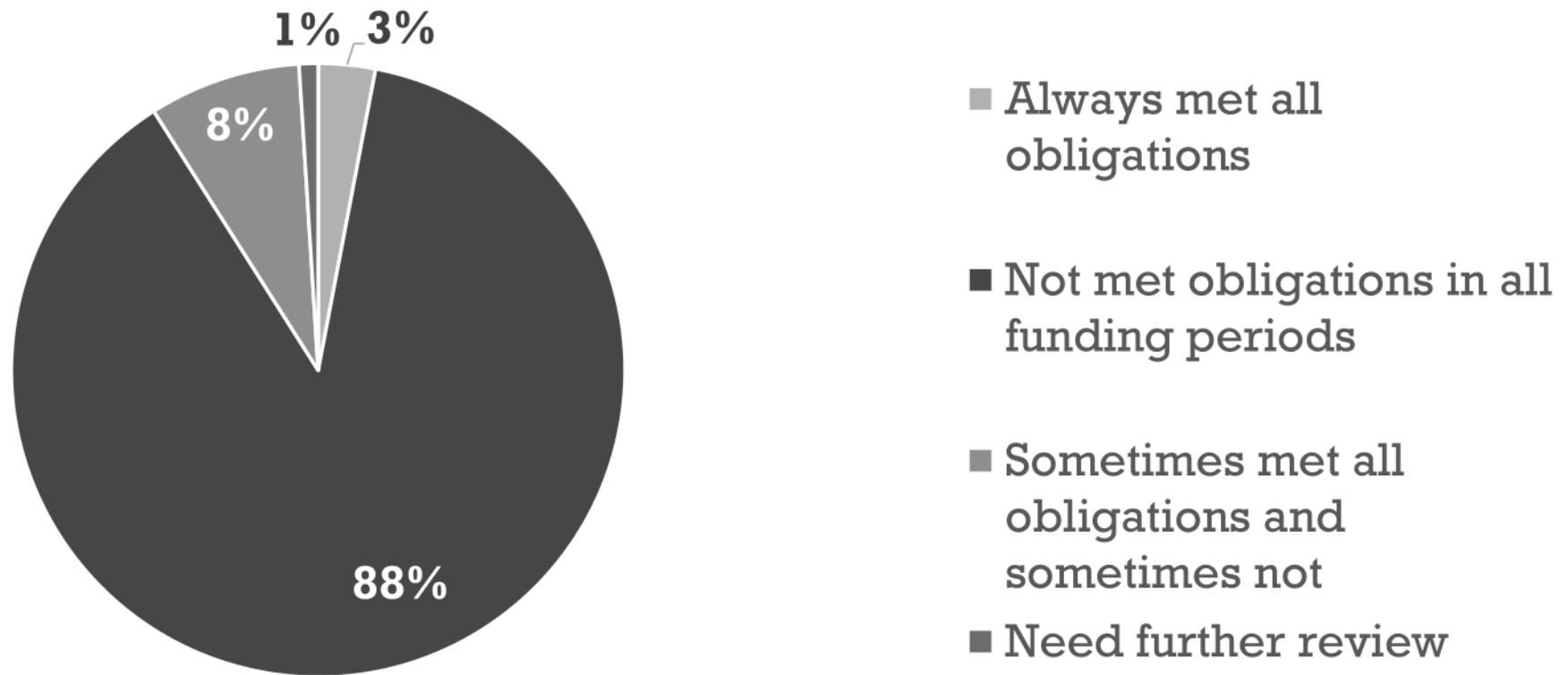
SUBMITTED PROOF OF PAYMENT?



- Always submitted proof of payment
- Never submitted proof of payment
- Sometimes submitted but not always
- Information not clear - needs to be verified

AUDIT OF PAST 184 ACS — 73 FAMILIES

MET ALL OBLIGATIONS?



AUDITING PAST 184 ACCOUNTANT CONFIRMATIONS

SOME LARGE IDENTIFIED OVERPAYMENTS

s.22

\$24,000

\$20,000 (approx. - review ongoing)

\$ 7,500

\$ 7,494

\$ 4,832

\$ 4,200 (approx.)

\$ 2,400

\$ 2,360

\$ 1,500

AUDITING PAST ACCOUNTANT CONFIRMATIONS

OBSERVATIONS / CONTROL WEAKNESSES

- 1) Insufficient number of designated staff to the DP Program prevents the Direct Funding program to be administered effectively.
- 2) The Accountant Confirmation (AC) packages received are not thoroughly reviewed. “Unable to process AC” letters are not sent; and the funds are released without sufficient due diligence.
- 3) ARMs forms (Autism Reporting and Monitoring spreadsheet - funding summaries) are not created when AC packages are received. Concerned staff of AFB ought to do this while determining the eligibility of expenses.
- 4) Parents are not advised about insufficient & inaccurate record keeping. As a consequence, they are not prepared with their submission when the AC packages are due.

AUDITING PAST ACCOUNTANT CONFIRMATIONS

OBSERVATIONS / CONTROL WEAKNESSES *(CONTINUED)*

- 5) Decisions are recanted after parents get upset ^{s.22}
s.22
- 6) Notes are required to be made & maintained when a parent calls in or a TL reviews a file. ^{s.22}
- 7) The Invoice Payment (IP) method needs enhanced monitoring. More detailed review process needs to be in place. Providers who are paid in the 2+ years prior to DP continued to be paid in the DP because no one noticed any oddities while in IP. We noted few instances which need a thorough review. Example include:
 - The distance a service provider travels to provide service such as East Sooke to Nanaimo every few days for a couple of hours of tutoring at \$20/hr ^{s.22}

s.22



AUDITING PAST ACCOUNTANT CONFIRMATIONS

OBSERVATIONS / CONTROL WEAKNESSES *(CONTINUED)*

- 8) The 'Autism More Info' Tab in ICM has not been updated with the computer information as it was received; thus making it difficult to know when the next eligible purchase date would be. As a result, computers are purchased prematurely as they are to wait 3 years between purchases.
- 9) When an AS switches back to IP in mid-DP funding period, the ICM system fails to automatically recognize that a 1-month reminder letter for an AC will be due at the end of the funding period to account for the \$1500 that the AS received prior to switching back to IP. This needs to be done manually, but is not done.^{s.22}
- 10) The FEV process, as recommended by VAU earlier, has not been implemented by AFB as yet. Further, 5 out of 7 recommendations from VAU's FEV work to reduce the next Funding Periods have been ignored.

s.22

INITIALLY PROPOSED “FRONT END VERIFICATION” APPROACH

- Suggested procedures in December 2018
- Check compliance before issuing remaining funds (in addition to first \$1,500)
- Assumed to start on April 1, 2019
- Work done in April and May shows previous procedures are still in use (some remaining funds have been disbursed without proper review of previous compliance)
- Large debts still outstanding

WAY FORWARD - AUDIT, REPORT AND RECOMMENDATIONS

- To start in July 2019
- VAU will issue a detailed Scope of Work and annual Audit Plan
- Two-day visits on first week of each month
- VAO will review around 25% of files (on a sample basis) with released remaining funds in previous month. First visit will also review compliance of files previously identified as in fault
- Monthly draft reports prepared by VAU shall be discussed with Service Delivery Manager (SDM) and Director of Specialized Provincial Services (DSPS) for their feedback
- Feedback from SDM and DSPS will be incorporated in the final report
- Final report along with recommendations shall be issued to Executives

Thank You

Please see below brief details of Sub-programs that AFU runs:

Sub-program Number	Sub-program	Description	Maximum Amount per year per child
1	Invoice Payment - for children under 6 years old	AFU pays invoices directly to service providers	\$22,000
2	Invoice Payment - for children between 6 and 18 years old	AFU pays invoices directly to service providers	\$6,000
3	Direct Payment - for children between 6 and 18 years old	AFU provides cash directly to the parent and the parent disburses to her/his service providers	\$6,000

Due to the high risk of providing cash to parents rather than AFU paying directly to service providers, we focussed our resources for reviewing Direct Payments only (sub-program-3 above). Therefore, our observations and recommendations are limited to Direct Payments program.