

June 2019



OVERSIGHT OF CONTRACTED RESIDENTIAL
SERVICES FOR CHILDREN AND YOUTH IN CARE

An independent audit report

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Auditor General
of British Columbia

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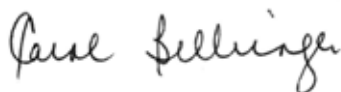
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The Honourable Darryl Plecas
Speaker of the Legislative Assembly
Province of British Columbia
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Dear Mr. Speaker:

I have the honour to transmit to the Speaker of the Legislative Assembly of British Columbia the report, *Oversight of Contracted Residential Services for Children and Youth in Care: An Independent Audit*.

We conducted this audit under the authority of section 11(8) of the *Auditor General Act* and in accordance with the standards for assurance engagements set out by the Chartered Professional Accountants of Canada (CPA) in the CPA Handbook – Canadian Standard on Assurance Engagements (CSAE) 3001 and Value-for-money Auditing in the Public Sector PS 5400.



Carol Bellringer, FCPA, FCA
Auditor General
Victoria, B.C.
June 2019

AUDITOR GENERAL'S COMMENTS

THE MINISTRY OF CHILDREN AND FAMILY

DEVELOPMENT is responsible for the well-being of children and youth in care. The ministry provides a number of residential care options that can meet different levels of needs for children and youth in care.

In this audit, we focused on the ministry's oversight of contracted residential services. The ministry has contracts with approximately 100 service providers to deliver housing, food and other supports for some of the most vulnerable children and youth in care, including those with highly complex needs. These services are typically more intensive and expensive than other care options.

Overall, we found that the ministry wasn't providing effective oversight of contracted residential services. The ministry hadn't defined what contracted residential services should look like or when these services should be used. Instead, the services had evolved on an ad hoc basis to respond to individual and emergency situations.

The ministry also hadn't created a plan for the right amount and type of services required to meet the needs of children and youth in contracted residential services. Because of this, the ministry was struggling to match the specific needs of individual children and youth to appropriate service providers. For example, Indigenous children and youth were often in placements without an Indigenous cultural component.

We also found that the ministry wasn't monitoring the quality of care that contractors provided, partially because the ministry hadn't set sufficient standards for the services it contracted. In the end, this led to a higher risk that the children and youth weren't receiving the quality or type of services they needed.



CAROL BELLRINGER, FCPA, FCA
Auditor General

AUDITOR GENERAL'S COMMENTS

Finally, we found that the ministry didn't have an effective contract management framework in place. The lack of framework meant that ministry staff responsible for managing the contracts didn't have the right training or support they needed. This led to contracts between the service providers and the ministry that weren't focused on the needs of the individual child or youth; also, the contracts weren't appropriately monitored.

Overall, we made four recommendations for the ministry to improve its oversight of contracted residential services so that it can better meet its obligations to children and youth in care. The ministry has accepted all of our recommendations and has begun to take action to improve its oversight.

During our audit, we found that the ministry was aware of many of the challenges related to its oversight of contracted residential services and had work underway to start addressing these issues. The ministry recognized that previous changes that it implemented hadn't led to substantial improvements. These change initiatives often lost momentum, be it due to senior leadership changes, emerging issues or a need to respond to crisis situations.

We encourage the ministry to consider the recommendations in this report in a systematic and thoughtful manner. Our hope, is that this approach will help to ensure that the changes the ministry makes are intentional, sustainable and lead to improved outcomes for children and youth in care.

This report was prompted by a request from the Representative for Children and Youth. The representative's office, along with other organizations, has released reports related to residential resources, including recommendations and suggested improvements in recent years. We developed our audit and recommendations in consideration of this wider work.

I would like to thank everyone we spoke with throughout our audit for their cooperation and assistance.

AUDITOR GENERAL'S COMMENTS

Specifically, I would like to thank the ministry's executive for their collaborative approach and active participation throughout the audit. We also met a number of front line staff and were impressed with their dedication and commitment to doing their best in a system that imposes significant challenges and demands on their day-to-day work.

I would also like to thank staff from the Delegated Aboriginal Agencies who generously provided their time to meet with us.

And a special thank-you to the current and former youth in care who shared their experiences with us.



Carol Bellringer, FCPA, FCA
Auditor General
Victoria, B.C.
June 2019

REPORT HIGHLIGHTS

CONTRACTED RESIDENTIAL SERVICES:

PROVIDE
housing, food,
and **other supports**
for the most
VULNERABLE
CHILDREN and
YOUTH in care



**Quality of care
in placements**
in contracted
residential services is
UNKNOWN

ON MARCH 31, 2018:

6,698
CHILDREN & YOUTH
IN CARE

IN
2018: **1,148**



spent time in
contracted
residential
services

Ministry has
NO STRATEGY
for use of contracted
residential services

Ministry **STRUGGLES TO**
MATCH NEEDS
of children and youth
to suitable contracted
residential services



Contracts with the 100
for-profit and not-for-profit
service providers
NOT EFFECTIVELY
MANAGED

Ministry is aware of
challenges and
**working
to improve**

SUMMARY

ON MARCH 31, 2018, there were 6,698 children and youth in care in British Columbia. When a child or youth is in care, the Ministry of Children and Family Development (ministry) has responsibility for the child or youth's day-to-day care. This includes finding a place for children and youth to live where they are safe, their needs are met and their rights are respected. These placements are called residential services and they include a range of options from foster care to more specialized services.

The ministry contracts out the provision of some residential services, which can include family-based placements or group homes. Contracted residential services are provided by agencies and individuals, both private and not-for-profit. The ministry typically uses these services for children and youth with high or complex needs that cannot be met in the foster care system.

Audit scope and objective

For this audit we examined the effectiveness of the ministry's oversight of contracted residential services for children and youth in care. The Office of the Representative for Children and Youth requested that our office complete this work based on the results of two investigations it completed.

We assessed the ministry's strategic direction for contracted residential services, including if the ministry was able to provide the right type and number of placements. We also looked to see if the ministry had partnered with Delegated Aboriginal Agencies to plan and contract for residential services for Indigenous children and youth in care. We evaluated the ministry's quality assurance framework, assessing if the framework included standards and if the ministry was monitoring against them. Finally, we

examined if the ministry had contracting processes in place that contributed to effective oversight.

Audit conclusion

We found that the ministry was not providing effective oversight of contracted residential services for children and youth in care. The limitations in the ministry's oversight increase the risks to children and youth in care, as the ministry does not know the quality of the placements it is using. At times, the ministry is unable to match children and youth to placements based on their needs. We make four recommendations in this report for the ministry to improve its oversight of the quality of care provided to children and youth placed in contracted residential services. Children and youth should be in placements where they are safe, their needs are met and their rights are respected.

The ministry did not have a province-wide strategy for the use of contracted residential services

Clear strategic direction sets out a framework to guide the effective provision of services. We assessed if the ministry had a province-wide strategy for the use of contracted residential services. At the time of our audit, the ministry did not have a province-

SUMMARY

wide strategy for contracted residential services. The ministry did not have a clear vision for what contracted residential services should look like, when they should be used and which children and youth should be placed in them.

The ministry also did not have any cultural planning requirements for contracted residential services to ensure that Indigenous children and youth placed in these services receive culturally appropriate care. As well, the ministry had not assessed the adequacy or effectiveness of the contracted residential service delivery model at meeting the needs of children and youth.

The lack of clear service descriptions and guidelines has led to the inconsistent use of contracted residential services around the province. As well, many contracted residential services did not provide culturally appropriate support and care to Indigenous children and youth. Without a planned approach to these services, the ministry can purchase expensive services without a clear sense of what they are trying to achieve, and these services may not meet the needs of the children and youth placed in them.

The ministry did not have good information on the supply and demand for placements

Good information is critical when planning; the ministry needs to know what services and resources it has, and what it needs now and in the future. We found that the ministry had not assessed the supply and demand for placements in contracted residential services or created a plan for the number and type of

placements that should exist. The ministry identified 100 contracted residential service providers in the province, but did not have a good sense of what services they were providing or the skill sets of their staff.

The ministry carried out limited analysis to understand the population of children and youth who use, or potentially need, contracted residential services, and have not forecasted demand for contracted residential services in the future. Without a clear understanding of the needs of children and youth and the capacity of the system to meet those needs, the ministry can't ensure that the right type of placements are available when they are needed. We heard that social workers often struggle to find a placement that matches the needs of a specific child or youth, and that at times, contracted residential services can be used for placements due to capacity issues in other levels of the system, such as foster care.

The ministry did not partner with Delegated Aboriginal Agencies around contracted residential services for Indigenous children and youth

For some Indigenous communities in the province, Delegated Aboriginal Agencies exercise many of the ministry's responsibilities for children and youth in care. We assessed whether the ministry had partnered with these agencies to plan and contract for contracted residential services for Indigenous children and youth in care.

In the past two years the ministry made a number of changes around contracted residential services, but did

SUMMARY

little consultation and collaboration with Delegated Aboriginal Agencies as part of this work. Improved partnering will help ensure that Delegated Aboriginal Agencies receive information about new initiatives and standards in a timely fashion, and that they are properly consulted on changes that may affect them and the children and youth in their care.

The ministry did not have an adequate quality assurance framework for contracted residential services

An effective quality assurance framework establishes standards to be met and helps ensure services are providing the expected level of quality. We assessed whether the ministry had such a framework in place and found that while some attributes of a quality assurance framework existed, there also were significant gaps.

While the ministry has some performance standards in place for contracted residential service providers to follow, they were dated and didn't clearly define the quality of service or the required skills and training for staff. In addition, many ministry staff and service providers were confused about what standards or requirements needed to be followed. The ministry's standards for its staff providing oversight of contracted residential services were not comprehensive, with fewer standards in place than those for staff providing oversight of foster homes.

We also assessed whether the ministry was monitoring contracted residential service providers. We found that the ministry wasn't adequately monitoring

contracted residential service providers to ensure that standards were being met. Also, the ministry did not have processes in place to determine the quality of the services being offered. In addition, existing follow-up processes for investigations of service providers may not be effective in addressing concerns, as in some serious cases, similar issues were found in subsequent investigations.

The ministry's reliance on external reviews of contracted residential services contributed to less focused oversight. To respond to some identified issues, the ministry recently introduced new processes for the screening and assessment of caregivers, where the ministry conducts consolidated criminal record checks and record reviews for all staff working for contracted residential service providers.

Finally, we assessed if the ministry was monitoring its own staff who oversee contracted residential services. Similarly, we found that the ministry was not monitoring ministry staff who are responsible for oversight. The ministry could not demonstrate that key visits to monitor service providers took place on a consistent basis. As well, the timelines for the completion of investigations into contracted service providers were often not met. Staff told us that they spend a lot of time responding to issues and emergencies and that everyday monitoring suffers because of it.

Without an effective quality assurance framework, the ministry is struggling to determine which contracted residential services are higher quality and best meet the needs of children and youth in care. Inclusion of children and youth's voices in the quality assurance

SUMMARY

framework is critical. The ministry has not gathered feedback about children and youth's experiences in contracted residential services to date, but this information could help drive service improvements.

The ministry did not have an effective contract management framework

Contract management is the creation, execution and analysis of contracts to maximize performance and value. Effective contract management is a key component of ensuring that contracted residential service providers deliver the best possible quality of service to children and youth placed in their care. We assessed the ministry's contracting processes to see if they supported effective oversight of contracted residential service providers.

We found that the ministry's assignment of responsibilities for managing contracts with contracted residential service providers wasn't working. In the current model, social workers are required to manage the contracts, but they do not receive any training on procurement and there are limited tools available to assist them. In addition, while the ministry has a branch dedicated to procurement, it has little ongoing coordination with the social workers who are writing and managing contracts in the field.

Further complicating the situation for social workers, is the ministry's IT system for contract management. The system is old and does not have the functionality required to support effective contract management. The result is that contracts are being drafted by staff who don't have the necessary skills and tools, and this can lead to poor services for vulnerable children and youth.

Challenges with contract management also relate to the broader lack of strategic direction. As the ministry doesn't have a clear sense of what it wants to achieve by using contracted residential services, this affects the quality of the contracts and the ministry's ability to clearly state what outcomes it expects contractors to achieve.

We found that the ministry was not monitoring contractor performance and compliance with contract deliverables or completing post-contract evaluations. Without taking these steps, the ministry doesn't know if children and youth are getting the services it has paid for, or if those services are meeting the needs of children and youth.

The ministry is beginning to take action to address the problems

The ministry recognized that the existing in-care system was not based on meeting the needs of children and youth in care, and that their contracting framework was not effective. During the time of our audit, the ministry took action to improve oversight of contracted residential services, including:

- ◆ developing a new in-care system plan that focuses on the establishment of a network of homes and services that respond to the needs of children and youth
- ◆ hiring a firm to review how the ministry manages its contracting and payments
- ◆ working to improve its overall approach to procurement and contract management

SUMMARY OF RECOMMENDATIONS

WE RECOMMEND THAT THE MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT:

- 1** in partnership with Delegated Aboriginal Agencies and Indigenous communities, create, implement and communicate a strategy for contracted residential services, based on:
 - a. an analysis to determine the most appropriate model for delivery of required residential services
 - b. a clear definition of what contracted residential services are and when children and youth should be placed in contracted residential services
 - c. a review of existing residential services, current and future needs for the services, and identification of system gaps (e.g., transitions out of care)
 - d. a determination of an appropriate level of vacancy tolerance in the system
 - e. an alignment with the rights of children and youth in care (section 70 of the *Child, Family and Community Service Act*)
 - f. the provision of culturally appropriate residential services for Indigenous children and youth, recognizing the differences between cultures and nations
 - g. identification of expected outcomes and metrics to measure the ministry's implementation of its strategy

- 2** in partnership with Delegated Aboriginal Agencies and Indigenous communities, clarify roles and responsibilities related to policy development, information sharing, communication and monitoring for the delivery of contracted residential services.

SUMMARY OF RECOMMENDATIONS

- 3** in partnership with Delegated Aboriginal Agencies and Indigenous communities, establish a quality assurance framework for contracted residential services that includes:
 - a. specific standards based on meeting the rights of children and youth in care and improving outcomes
 - b. ongoing monitoring of standards for contracted residential service providers
 - c. ongoing monitoring of ministry staff providing oversight of contracted residential services
 - d. an audit program that examines service delivery, operations and finance
 - e. regular assessment of the appropriateness and effectiveness of third-party oversight activities (i.e., licensing and accreditation)
 - f. formal processes for follow-up on protocol investigation action plans
 - g. regularly gathering information on the experience and opinions of children and youth who spend time in contracted residential resources

- 4** improve its management and oversight of contracts for contracted residential services by ensuring that:
 - a. roles and responsibilities for procurement and contract management are appropriately assigned
 - b. staff responsible for procurement and contract management receive appropriate training and support to be effective in their roles
 - c. contracts include clear and measurable deliverables that focus on the needs and rights of children and youth residing in contracted residential services
 - d. regular and effective monitoring of contract deliverables and contractor performance takes place

RESPONSE FROM THE MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT

THE MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT (MCFD) thanks the Office of the Auditor General for their work reviewing the oversight of contracted residential services and fully accepts all recommendations made in this report.

Ensuring that children and youth safely receive the supports they need is the cornerstone to the Ministry of Children and Family Development's mandate. Nothing is more important than supporting the wellbeing of children and youth. The ministry's use of Contracted Residential Services must focus on this imperative.

The Ministry has acknowledged the challenges related to the oversight of contracted residential services and work is already underway to address deficiencies. Over the last decade, improvements have been made to the oversight of contracted agencies, including:

- ◆ In 2014, a new approach to screening and approval of caregivers was introduced.
- ◆ In 2017, the ministry implemented a new policy for investigations of reports of maltreatment of children and youth placed in contracted resources. This policy requires that the Provincial Director of Child Welfare oversee all large or complex investigations.

- ◆ In June 2017, the ministry implemented a Self-Report Audit Tool to monitor compliance with the policy on Screening and Assessment of Caregivers in Contracted Agencies. Every agency must complete an online questionnaire for every person they hire as a caregiver.
- ◆ Since April 2018, all current and prospective contracted agency caregivers looking after children in care have had, and will continue to have, their Criminal Record Checks screened through the Centralized Services Hub.
- ◆ The ministry has begun audits of contracted residential agencies that examine their finances and compliance with policy for screening caregivers.

MCFD recognizes the value of the Auditor's insights into areas where additional focus is necessary. As noted in the report, MCFD has developed a new plan for the in-care system that includes many actions related to improving contracted residential services. The plan has been guided by the findings in this report,

RESPONSE FROM THE MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT

as well as previous reports. In addition, MCFD has hired a firm to undertake a review of all its contracting and payment processes, including those for contracted residential services. We expect that these steps and additional work the ministry is undertaking will further strengthen our oversight of contracted residential services.

RECOMMENDATION 1: *We recommend that the ministry, in partnership with Delegated Aboriginal Agencies (DAAs) and Indigenous communities, create and implement a strategy for contracted residential services.*

MCFD supports this recommendation. MCFD is working closely with the DAAs to create a strategy to build and implement a responsive system where a child or youth's individual needs drive their placement and the supports they receive while in care. This strategy includes contracted residential services and is in alignment with the rights of children and youth in care (section 70 of the *Child, Family and Community Service Act*). Throughout the development and implementation of this strategy, MCFD and DAAs will listen to the voices of children and youth in care and their families, as well as seek out the guidance of Elders, Indigenous communities and the social sector.

RECOMMENDATION 2: *We recommend that the ministry, in partnership with DAAs and Indigenous communities, clarify roles and responsibilities related to policy development, information sharing, communication and monitoring for the delivery of contracted residential services.*

We support the recommendation and, as noted in the report, in recent years MCFD has established mechanisms with DAAs intended to improve communication and collaboration, including the Partnership Table meetings between senior executives from DAAs and the ministry. To ensure the effective delivery of contracted residential services for Indigenous children and youth in care, considering the government's commitment to implementing the United Nations Declaration on the Rights of Indigenous People, and the Calls to Action of the Truth and Reconciliation Commission, MCFD will strengthen its connections with DAAs and Indigenous communities.

RECOMMENDATION 3: *We recommend that the ministry, in partnership with DAAs and Indigenous communities, establish a quality assurance framework for contracted residential services.*

MCFD agrees with the recommendation and will continue to strengthen its quality assurance framework for contracted residential services. As noted, MCFD has recently created an approach to auditing contracted residential service providers that includes financial performance, compliance with standards and service delivery. To help safeguard the province's most vulnerable children and youth, the ministry will, working with the DAAs, listen to the voices of children and youth in care and their families, as well as seek out the guidance of Elders, Indigenous communities and the social sector to continue strengthening the quality assurance framework for contracted residential services.

RESPONSE FROM THE MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT

RECOMMENDATION 4: *We recommend that the ministry improve its management and oversight of contracts for contracted residential services.*

As noted by the Auditor General, the ministry has been and will continue working to improve its overall approach to procurement and contract management for all its contracts, and to develop training for resource workers. MCFD has also developed a new contract management plan for contracted residential service providers that would centralize functions in requests for proposals, selecting proponents and negotiating contracts.

Effective contract management is necessary to ensure contractors deliver the best possible quality of residential services for the children and youth placed in their care. The ministry is developing a procurement and contract management framework to ensure that contracts issued by the ministry are clear and include deliverables that focus on the needs and rights of children and youth in care. The framework will provide clarity regarding roles and responsibility, associated training and contract monitoring.

BACKGROUND

CHILDREN OR YOUTH under the age of 19 who, by court order, are not living in their parents' care and are instead under the guardianship of the Ministry of Children and Family Development (ministry) are considered "in care": the ministry acts as their parent. Children or youth may also be in care through an agreement with the ministry, and in these instances, the child or youth's parent remains their guardian.

There are many reasons why a child or youth may be in care. For example, a parent may be temporarily unable to look after their child, or the child needs protection because he or she may not be receiving needed care, or the child has been or is likely to be physically, sexually or emotionally harmed, or because the child's parent is unable or unwilling to care for the child.

When the ministry is acting as the guardian for a child or youth, they have all the rights, duties and responsibilities of a parent. For children and youth in care through agreements, the ministry has responsibility for the child's daily care (e.g., clothing and food, getting to and from school). The role of

a parent in a child's life cannot be overstated, and the same can be said for the ministry's role and responsibility to the children and youth in its care. The services the ministry delivers and the manner in which it delivers them can have substantial lifelong impacts on the children and youth in its care.

The *Child, Family and Community Service Act* requires the ministry to provide care and services relating to child protection, child welfare and transition planning. The guiding principles set out in the Act put the safety and well-being of children and youth first. Overall, the ministry's primary focus is to support all children and youth in British Columbia, both Indigenous and

RIGHTS OF CHILDREN AND YOUTH IN CARE

Section 70 of the *Child, Family and Community Service Act* outlines the rights of children and youth in care, including:

- ♦ having their basic needs met, such as being fed, clothed and nurtured
- ♦ having reasonable privacy and possession of their personal belongings
- ♦ receiving medical and dental care when required
- ♦ being involved and informed in the planning of their care and significant decisions affecting them
- ♦ being protected from abuse, harm and neglect, including corporal punishment
- ♦ being aware of the standards that their caregivers must meet, and the options and resources available to them if their caregivers fail to meet those standards
- ♦ having the option to receive guidance and maintain a connection to their cultural traditions
- ♦ having the freedom to participate in cultural, social and religious activities
- ♦ being informed of their rights and of how to ensure their rights are enforced and respected

BACKGROUND

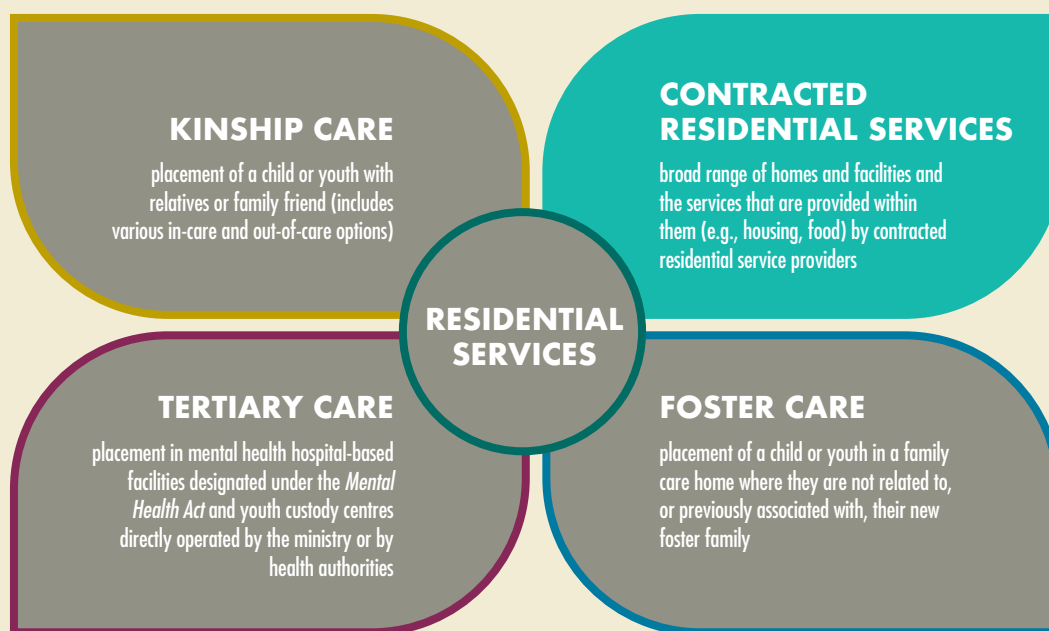
non-Indigenous, to live in safe, healthy and nurturing families and to be strongly connected to their communities and culture. The Act also emphasizes the importance of meeting the rights of children and youth in care.

The ministry runs its programs and services for children and youth through its provincial office in Victoria, and delivers the programs and services through 13 regional service delivery areas across the province. The ministry also delivers programs and services in partnership with 24 Delegated Aboriginal Agencies (discussed further below).

The ministry's service delivery areas are responsible for providing services to children and families on a day-to-day basis. Areas of service include:

- ◆ Services for Children and Youth with Special Needs
- ◆ Child and Youth Mental Health Services
- ◆ Child Safety, Family, Youth and Children in Care Services
- ◆ Adoption Services
- ◆ Youth Justice
- ◆ Early Years Programs

Exhibit 1: Types of residential services provided by the ministry



Source: Office of the Auditor General of British Columbia

BACKGROUND

The ministry’s services are provided on a continuum, ideally designed to respond to different levels of need. One family may receive different services at different points on the continuum. As part of its mandate, the ministry assists vulnerable children and families by providing supports to keep families together or, if necessary, establishing alternative living arrangements for children and youth. For example, the ministry might begin by providing services designed to keep the children at home, but as circumstances change, the children could be placed in a foster home.

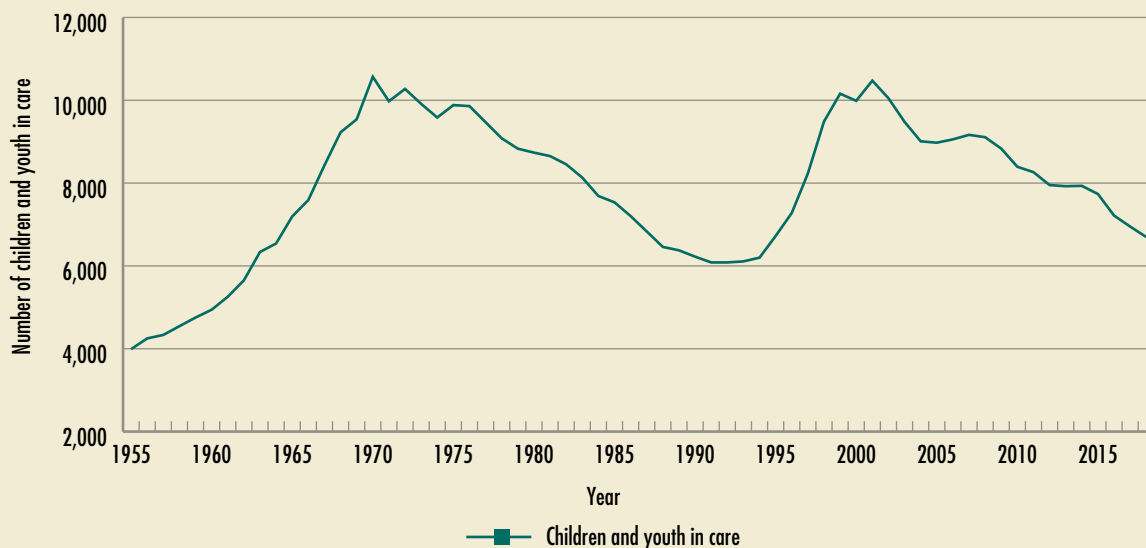
The majority of the families that the ministry works with are provided with family preservation supports to keep the children and youth at home; a smaller number of children and youth come into care and require residential services. Section 1(1) of the *Child, Family and Community Service Act* defines “residential

service” as “accommodation and associated supervision provided for a child in a foster home or other place away from the home of the child’s parent.”

The ministry provides a number of different types of residential services as part of its continuum of services (see [Exhibit 1](#)), relying on a diverse range of care arrangements and care providers to provide these residential services to the children and youth in its care. As discussed later, the different care arrangements are closely interconnected, and the demand and supply for one type of arrangement has an impact on others in the system.

Residential services vary from family home-based placements (such as kinship and foster care) to more institutional/facility-based placements offering specialized services (such as tertiary care medical facilities

Exhibit 2: Children and youth in care (1955 – 2018)



Source: Office of the Auditor General of British Columbia, based on unaudited data provided by the Ministry of Children and Family Development

BACKGROUND

provided either by the ministry or the health authorities). The ministry also contracts out the provision of some residential services, which can look like family-based placements or like institutional group homes.

As the needs of children and youth change, they may require different levels of residential services. Changes in the level of service, however, can be very disruptive, if children and youth are required to frequently move to new homes with unfamiliar service providers.

The number of children and youth in care has fluctuated considerably in past decades, but is currently at its lowest level since the mid-1990s, as shown in [Exhibit 2](#). On March 31, 2018, there were 6,698 children and youth in care in B.C. Over the years, ministry policy has impacted the number of children and youth that are taken into care.

Contracted residential services for children and youth

Throughout this report, we refer to contracted residential services, contracted residential resources and contracted residential service providers. These are defined as follows:

- ◆ contracted residential services—the broad range of homes and facilities and the services that are provided within them (e.g., housing, food) by contracted residential service providers
- ◆ contracted residential resource—a specific home or facility that a child or youth can be placed in

- ◆ contracted residential service provider—an agency with which the ministry has a contractual relationship to provide residential services to children and youth in care

The category of contracted residential services covers a broad range of resources that the ministry uses to provide homes and services for certain children and youth in care. Contracted residential resources include larger, staffed facilities, such as group homes, as well as family-based homes (similar to foster homes) that are sub-contracted by a larger organization and either employ full-time staff members or periodically hire support staff.

The size of these facilities and the number of children and youth they serve varies. A group home might have four to six beds for children and youth, while a smaller home would likely only have one or two beds for children and youth. The services offered in a contracted residential resource are varied and often depend on the needs of the children or youth who are placed there. Some may simply provide a bed and basic services, while others may provide more complex or therapeutic services.

Contracted residential service providers include large and small private companies, small non-incorporated proprietorships, as well as non-profit organizations operating a range of facilities throughout the province. These organizations may subcontract with individuals providing care in their own homes, supplemented with hired staff. Ministry studies in 2018 identified approximately 100 contracted residential service

BACKGROUND

ROLES OF MINISTRY SOCIAL WORKERS

Ministry social workers interact with contracted residential service providers in different ways:

- ◆ Resource workers recruit, develop and maintain a range of options for the placement of children and youth in care, including foster homes, group homes and specialized/staffed residential resources. Resource workers work with, and provide oversight of, contracted residential service providers.
- ◆ Guardianship workers are responsible for the day-to-day guardianship decisions for children or youth throughout their stay in care. They work with the individual children or youth, their families and care providers to develop a plan of care. Guardianship workers often work with children and youth placed in contracted residential resources.

providers that were providing contracted residential services to children and youth in care. The largest service provider, a for-profit organization, had as many as 70 beds in 60 homes across the province at one time.

As of January 2019, 30 contracted residential service providers were non-profit organizations and 63 were for-profit organizations. The majority of the service providers (74) provided service in only one service delivery area, with 19 providing services in two or

more service delivery areas. Many service providers have multiple contracts and run multiple homes and/or facilities.

Many in the child protection field regard contracted residential services as a care option for children and youth with needs and behaviours that are more complex than what a family home can normally manage. This may include children and youth with special needs; children and youth with a history of trauma; children and youth with cognitive-behavioural challenges, or significant mental health, addiction, aggression or attachment issues; and those who are at risk of self-harm or suicide. [Exhibit 3](#) describes the profile of children and youth who spent time in contracted residential services in 2018.

Contracted residential services are also seen by many and described in official ministry policies as a temporary care option, one meant to provide structured and specialized care that will help stabilize a child or youth, in the hope that they can eventually “step down” to a more conventional home-based placement. We explore the issue of the intended purpose of contracted residential services and the realities of their actual use in our key findings.

Contracted residential services are more costly than other residential placements, like foster care. In 2017/18, the ministry spent \$151.5 million on contracted residential services for 17.8% of the bed days purchased (bed days are a unit of measure used to quantify the number of spaces purchased within residential care services), but only \$97.6 million for the remainder of the bed days purchased in foster care, as shown in [Exhibit 4](#).

BACKGROUND

Exhibit 3: 2018 population profile for children and youth in contracted residential services

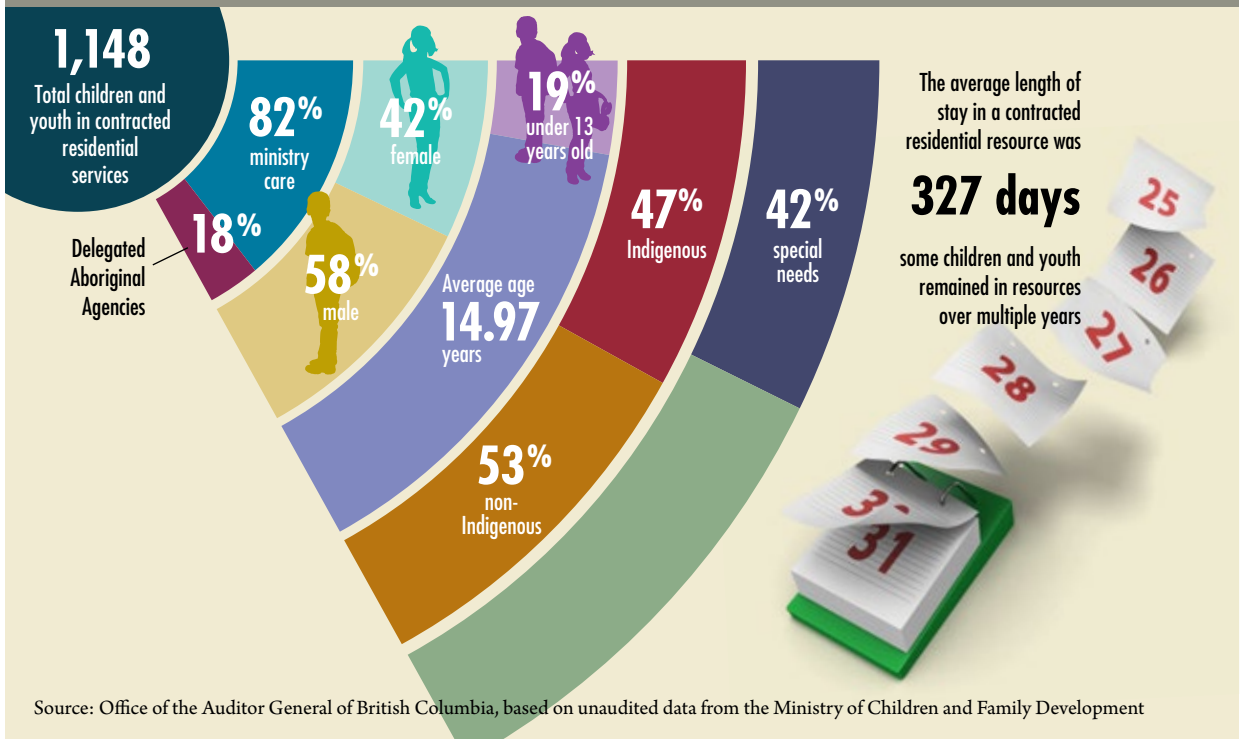
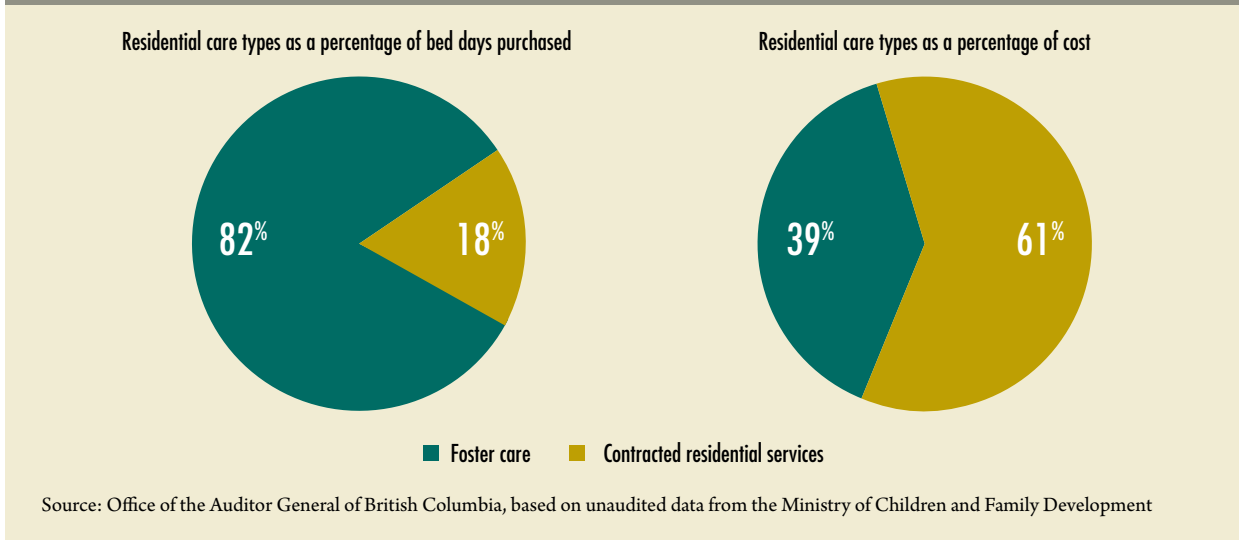


Exhibit 4: Residential care types as a percentage of bed days purchased, and residential care types as a percentage of cost



BACKGROUND

Relationship to the foster care system

The different residential care options are closely interconnected, and changes and challenges in other parts of the residential care system affect the demand for and use of contracted residential services. In particular, wider capacity challenges in the foster care system often increase the pressure to use contracted residential services.

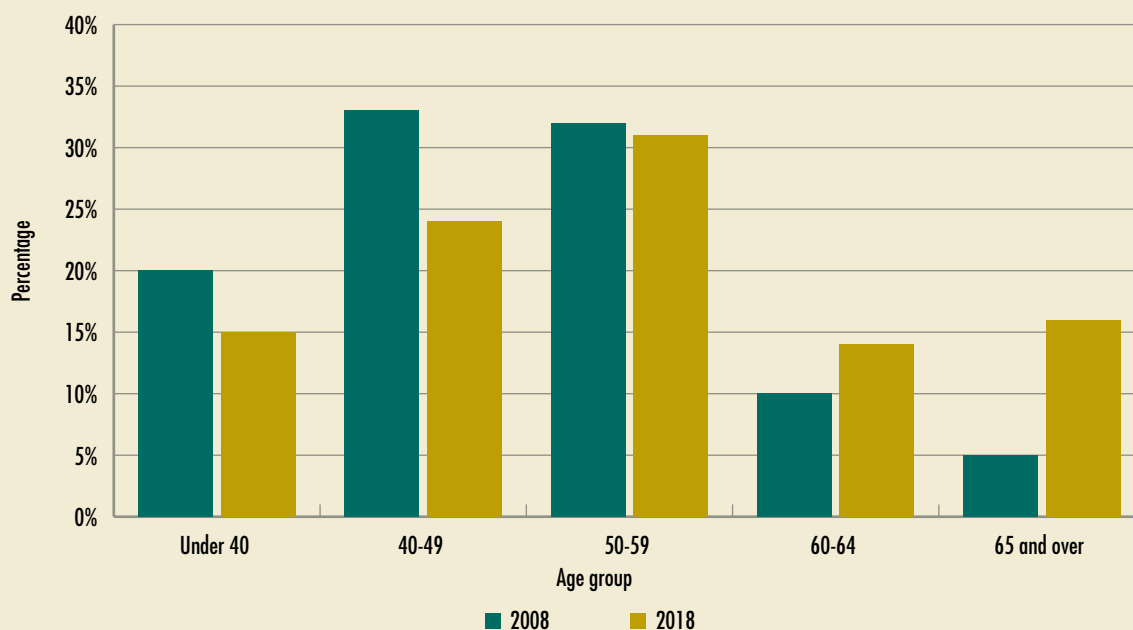
Foster care includes both conventional foster homes and three levels of specialized foster homes that provide graduated levels of care based on the needs of the children or youth. The ministry is struggling in many parts of the province to recruit and retain foster parents, particularly those with the skills, qualifications

and capacity to provide care to children and youth with highly complex needs.

Ministry data indicate that more than half of new foster parents are no longer fostering after three years, and that after five and a half years, only one-quarter remain as foster caregivers. In addition, the existing population of foster parents is aging (see Exhibit 5) and may find it difficult to care for children and youth with highly complex needs.

Various internal and external factors have contributed to the declining number of foster parents and foster homes for children and youth in care in recent years. This has increased the pressure on the broader system of care, including increasing demand for alternative care arrangements such as contracted residential services.

Exhibit 5: Age of active foster parents in 2008 and 2018



Source: Office of the Auditor General of British Columbia, based on unaudited data from the Ministry of Children and Family Development

BACKGROUND

History of the residential care system and contracted residential services

Over time, various government organizations and civil society groups have been responsible for providing child welfare and residential services in B.C. The current continuum of residential care began to take shape in the 1950s and 1960s when the provincial government and local children's aid societies began to use a complex network of care arrangements, including foster homes, adoption homes, staffed group homes and various institutional facilities (e.g., residential schools, hospitals, treatment centres and correctional facilities).

The use of contracted residential services for children and youth in care increased significantly in the 1980s during a broader period of fiscal restraint. The provincial government made substantial budget cuts and staff reductions in the child welfare field and contracted social services out to non-profit and for-profit entities.

In 1996, government created the Ministry of Children and Families (later re-named the Ministry of Children and Family Development in 2001). In the 1990s and 2000s, the new ministry underwent a series of administrative re-organizations, including a succession of ministers and deputy ministers, and what was referred to in a 2015 report as a “back-and-forth pattern of decentralization and recentralization.” The ministry's priorities and plans shifted with each change of leadership and this had an impact on both the delivery of child welfare services and the oversight of the residential care system. In addition, various

ministerial responsibilities were transferred to the regions (which later became the 13 service delivery areas).

During this period of change and shifting leadership, the ministry undertook a number of initiatives designed to improve its contracting practices, including shifting toward more outcome- and performance-based contracting. Unfortunately, the leadership and policy changes taking place at the time prevented many of these initiatives from being fully implemented.

Around the same time, the category of contracted residential services was expanded to include “satellite homes,” where contracted agencies would subcontract the care of children and youth to a network of family caregivers. Oversight of satellite homes by both the contracted service providers and the ministry was often lacking, which led to a ban on satellite homes in the late 1990s, though the use of these arrangements continued.

Contracted residential services have also been an important subject of research and inquiry by public organizations in recent years. As part of its mandate, the Office of the Representative for Children and Youth has released a number of reports addressing the issue of children and youth in contracted residential services, including its 2017 report on the tragic death of Alex Gervais, a young man who, during his time in provincial care, had lived in several contracted residential resources. The ministry has also conducted a number of studies on this topic (see [Appendix B](#) for a list of recommendations from these studies).

BACKGROUND

Indigenous peoples and the child welfare system

In 1951, following an amendment to the federal *Indian Act*, the provincial government assumed responsibility for Indigenous child welfare in B.C. Provincial authorities increasingly intervened in the affairs of Indigenous families, including removing Indigenous children and youth from their parents, families and home communities. These actions resulted in Indigenous children and youth being disproportionately represented in, and affected by, the provincial child welfare system.

Beginning with the era commonly called the “Sixties Scoop,” the number of Indigenous children and youth in care in B.C. increased substantially in a very short period, rising from 29 in 1955 to 1,446 in 1964, which represented 34% of children and youth in care that year. Building on the legacy of residential schools within B.C. and the rest of Canada, the motivation behind these removals was often assimilationist, where Indigenous children and youth would be placed in non-Indigenous homes and communities and completely separated from their home cultures, traditions and languages.

These removals, and other abuses that many of these children suffered, contributed to intergenerational trauma among Indigenous peoples, affecting both the children who were removed from their homes, and subsequent generations of children, extended families and communities.

The overrepresentation of Indigenous children and youth in the child welfare system continues to this day. In 2017, 4,363 children and youth in care in B.C. were Indigenous, representing 63% of the total population of children and youth in care, despite the fact that only 9% of the total child population (aged 0 – 18) in B.C. is Indigenous. As Grand Chief Ed John noted in his 2016 report on Indigenous child welfare in B.C., this disparity means that Indigenous children and youth in B.C. are over 15 times more likely to be in care than non-Indigenous children and youth.

In recent years, however, there has been increased effort by the ministry and Delegated Aboriginal Agencies to support families to allow children and youth to remain at home and in their communities. Both the ministry and the provincial government have made wider commitments to include Indigenous peoples in decisions affecting not only the care of Indigenous children and youth, but also other matters that will have an impact on Indigenous communities and nations.

These commitments include the implementation of the *United Nations Declaration on the Rights of Indigenous Peoples*, the *Truth and Reconciliation Commission of Canada: Calls to Action*, the government’s recent *Draft Principles that Guide the Province of British Columbia’s Relationship with Indigenous People*, as well as the ministry’s *Aboriginal Policy and Practice Framework in British Columbia* and recent amendments to the *Child, Family and Community Service Act*.

BACKGROUND

Responsibilities of Delegated Aboriginal Agencies

Delegated Aboriginal Agencies draw on the same pool of residential care resources for the children and youth in their care as the ministry does for the children and youth in its care, including contracted residential services in some situations. In our key findings, we discuss the challenges that Delegated Aboriginal Agencies have faced in working with the ministry to access and use these resources to address the needs of Indigenous children and youth in their care.

Responsibility for child welfare services for Indigenous children and youth is shared by the ministry and 24 Delegated Aboriginal Agencies. Delegated Aboriginal Agencies operate through enabling agreements with the ministry that establish the extent of child welfare services each agency can provide. There are three levels of responsibility that can be delegated, each granting varying distinct levels of autonomy over child welfare services for the children and youth in an agency's care:

- ◆ C3 delegation—allows an agency to provide voluntary services and to recruit and approve foster homes
- ◆ C4 delegation—allows the same authority as C3, with additional delegation to provide guardianship services for children in care
- ◆ C6 delegation—allows the same authority as C4, with additional delegation to provide full child protection services, including the authority to investigate child protection reports and remove children

Delegated Aboriginal Agencies can also be delegated to perform adoptions under the *Adoption Act*.

Delegated Aboriginal Agencies provide service to 42% of the Indigenous children and youth in care in B.C. Some agencies provide services to particular Indigenous nations and communities, while others operate in urban areas and provide services to Indigenous people from multiple nations, communities and cultures. Eighty-four First Nations in the province are not served by Delegated Aboriginal Agencies; the ministry provides child welfare services for these communities.

The size and capacity of the Delegated Aboriginal Agencies varies considerably, and the agencies deal with widely varying numbers of children and youth. Agencies like the Vancouver Aboriginal Child and Family Services Society and the Fraser Valley Aboriginal Children and Family Services Society each have responsibility for over 400 children and youth in care, whereas some nation-specific agencies are responsible for fewer than 20. In the course of their work, Delegated Aboriginal Agencies may set up contracts with contracted residential service providers—the majority of whom also contract with the ministry.

The federal government also has an ongoing role in Indigenous child welfare in B.C., given its responsibility for funding services for Status Indian children and youth in care who normally reside on-reserve. This funding flows through either Delegated Aboriginal Agencies or the ministry. In First Nations where Delegated Aboriginal Agencies are not present to serve the on-reserve population,

BACKGROUND

the federal government instead partially funds the B.C. government for the delivery of child and family services. The B.C. government has recently proposed discussions with the federal government on updating the funding agreement and increasing funding for services to Indigenous children and families.

AUDIT SCOPE

Our audit focused on the Ministry of Children and Family Development's oversight of contracted residential services for children and youth since 2012, with a focus on activities in 2017 and 2018. This included the following lines of enquiry:

- ◆ strategic direction and governance, including partnering with Delegated Aboriginal Agencies
- ◆ quality assurance
- ◆ contract management

The scope of the audit didn't include other types of residential care, such as foster care and kinship care, as described in the background section of this report. We also didn't look at the many other government organizations, such as the Ministry of Education, the Ministry of Health and the various health authorities that provide services to children and youth in contracted residential services.

As well, we didn't audit the internal functions of Delegated Aboriginal Agencies, but instead focused on how the ministry partnered with them to provide oversight of contracted residential services for Indigenous children and youth in care.

For our field work, we selected a sample of four of the ministry's 13 service delivery areas. We looked at the following service delivery areas, as shown in Exhibit 6:

1. South Vancouver Island
2. South Fraser
3. Northwest
4. North Central

We chose these service delivery areas based on ministry performance data and to capture a mix of urban, rural and remote areas. We also wanted to look at areas with many, and with few, Delegated Aboriginal Agencies. We completed the majority of our planning field work in the Vancouver/Richmond service delivery area.



Source: Office of the Auditor General of British Columbia, adapted from the Ministry of Children and Family Development

BACKGROUND

AUDIT METHOD

We carried out our audit work between November 2017 and February 2019.

Our work involved:

- ◆ reviewing ministry documentation, such as legislation, policies, standards, plans, performance reports and investigations
- ◆ reviewing external reports by parties such as the Office of the Representative for Children and Youth
- ◆ conducting reviews of the ministry's contract and resource files
- ◆ conducting interviews with ministry staff, Delegated Aboriginal Agency staff, service providers and academic researchers
- ◆ analyzing protocol investigation data
- ◆ conducting focus groups with social workers in the sample service delivery areas
- ◆ visiting contracted residential resources, such as group homes and homes set up for a specific child or youth
- ◆ engaging in discussions with former and current youth in care

The report is dated June 7, 2019. This is the date on which the audit team finished obtaining the evidence used to determine the findings and conclusions of the report.

AUDIT CRITERIA SUMMARY

Our audit objective and criteria were based on extensive research, consultation and risk analysis. To design our criteria, we used legislation, regulations, policies and standards relating to child welfare, residential care, and contracting in B.C., as well as the *Truth and Reconciliation Commission of Canada: Calls to Action* relating to the child welfare system.

See [Appendix A](#) for the complete audit criteria.

AUDIT OBJECTIVE AND CONCLUSION

AUDIT OBJECTIVE

WE CARRIED OUT this audit to determine whether the Ministry of Children and Family Development was providing effective oversight of contracted residential services for children and youth in care.

AUDIT CONCLUSION

We concluded that the Ministry of Children and Family Development was not providing effective oversight of contracted residential services for children and youth in care. Specifically, we found that the ministry:

- ◆ did not have a province-wide strategy for the use of contracted residential services
- ◆ did not have good information on the supply and demand for placements in contracted residential services to use in current and future planning
- ◆ had not clearly communicated its expectations around the use of contracted residential services
- ◆ did not partner with Delegated Aboriginal Agencies to plan and contract for culturally appropriate contracted residential services for Indigenous children and youth

- ◆ did not have an adequate quality assurance framework for contracted residential services, as performance standards for contracted residential service providers and ministry staff were unclear and dated, and there was minimal monitoring against standards
- ◆ did not have an effective contract management framework with clear roles and responsibilities for ensuring contract deliverables focused on the needs of children and youth and for monitoring contract performance

As we carried out the audit, the ministry, in recognition of the need for improvements in this area, developed a new plan for the in-care system that included many actions related to improving contracted residential services. As well, the ministry has hired a firm to undertake a review of all of its contracting and payment processes, including those for contracted residential services. We did not determine the effectiveness of these actions as part of our audit work.

KEY FINDINGS AND RECOMMENDATIONS

STRATEGIC DIRECTION AND GOVERNANCE

A CLEAR STRATEGIC DIRECTION for contracted residential services, supported by effective governance, would set out a framework to guide the effective provision of services. A strategy for contracted residential services, with clear roles and responsibilities and good governance practices, can also contribute to success in other areas, such as quality assurance and contract management.

We examined if the Ministry of Children and Family Development (ministry) had a province-wide strategy for the use of contracted residential services that included:

- ◆ a clear definition of contracted residential services
- ◆ a policy on use of contracted residential services
- ◆ a cultural planning component for Indigenous children and youth
- ◆ whether the ministry had communicated this direction to the service delivery areas and whether it was clearly understood throughout the ministry

To ensure that the ministry is providing the right type and number of placements, we also evaluated:

- ◆ whether the ministry had a good understanding of the type and characteristics of the services it currently provides (i.e., supply)
- ◆ if the ministry had analyzed population needs and forecasted those needs into the future (i.e., demand)

- ◆ if the ministry had used its analysis and inventory of services to identify gaps and ensure services are aligned with needs

Further, we assessed whether the ministry had partnered with Delegated Aboriginal Agencies in B.C. to plan and contract for contracted residential services for Indigenous children and youth. This included determining whether the ministry:

- ◆ collaborated and consulted with Delegated Aboriginal Agencies when setting policy and practice related to contracted residential services
- ◆ supported Delegated Aboriginal Agencies to provide equitable and consistent access to appropriate contracted residential services

Finally, we also assessed, given the ministry's ultimate accountability for all children and youth in care, whether the ministry monitored the outcomes for children and youth who were placed in contracted residential services by Delegated Aboriginal Agencies.

KEY FINDINGS AND RECOMMENDATIONS

No strategy for contracted residential services

At the time of our audit, the ministry did not have a province-wide strategy for contracted residential services. Strategic plans are the driving force for action within organizations. Without a strategic plan the ministry did not have a clear vision for contracted residential services, which contributed to inconsistent services that may not have met the needs of children and youth. Similarly, without a clear strategy for the use of contracted residential services, there were no specific requirements for youth aging out of care who had been placed in these services.

As we were carrying out our work, the ministry had several initiatives underway that were intended to improve the oversight of contracted residential services. However, these initiatives did not provide clear direction regarding how contracted residential services will be used in the future. As such, the ministry's direction for the use of contracted residential services has been inconsistent.

The ministry's recent focus has been on keeping children at home and in their communities, rather than bringing them into care, and it is unclear what role contracted residential services will play in the future. Some ministry staff reported that contracted residential services would likely continue to have a role, given the number of children and youth in the province with high and complex needs.

The definition of contracted residential services lacked clarity

The ministry recently developed official definitions for the terms contracted agency, contracted service provider, staffed residential home, contracted resource and sub-contracted family care home (previously known as satellite homes). However, these definitions have been unclear in the past, and we found that both ministry and Delegated Aboriginal Agency staff had different understandings of what types of resources qualified as contracted residential. Without clear definitions, the ministry may struggle to plan for and provide oversight of contracted residential services.

The lack of clarity around contracted residential services is partly a by-product of the unplanned and ad hoc development of the system of contracted residential services in recent decades. Services were developed to address a need for specialized care that no other entity could or would provide, rather than being guided by a broader government strategy to identify and develop services for specific children and youth in care.

The ministry did not have a clear policy on the use of contracted residential services

Policy guides the actions of ministry staff in the field. The ministry did not clearly articulate which children and youth should be placed in a contracted residential service and when that should happen. It has also not clearly defined what services should be provided to children and youth with certain types/levels of need and what the associated staffing levels should be.

KEY FINDINGS AND RECOMMENDATIONS

Contracted residential services need flexibility to meet the unique needs of children and youth, but there's a difference between flexibility and inconsistency. The ministry needs to develop assessment tools, purposeful program designs and clear service descriptions to reduce inconsistency and ensure that the services are cost-effective, and that the ministry knows what it is buying. Without a planned approach to system development, the ministry purchased expensive services on an emergency basis with undefined outcomes. At times, placements for children and youth in care can break down, and the ministry is forced to find a bed on short notice. This pressure can lead to the development of contracts in a reactive way, and to children and youth staying in resources that may not be well suited to their long-term care and well-being.

The ministry has completed a number of assessments of the residential care system since 2012. None of them considered the use of an alternative to the contracted service delivery model. Given that the current system evolved in an ad hoc fashion, the ministry needs to investigate whether the present model, which relies heavily on contracted service providers, is the most effective.

Culturally appropriate contracted residential services were lacking

We assessed whether the ministry's strategy for contracted residential services included a cultural planning component. We found that the ministry had

not developed cultural planning requirements that were specific to contracted residential services.

The *Child, Family and Community Service Act* states that children and youth in care have the right "to receive guidance and encouragement to maintain their cultural heritage," and that "Indigenous children have the right to receive guidance, encouragement and support to learn about and practise their Indigenous traditions, customs and languages, and belong to their Indigenous communities."

Despite these commitments, many of the contracted residential services available to both the Delegated Aboriginal Agencies and the ministry did not provide culturally appropriate support and care to Indigenous children and youth. Several Delegated Aboriginal Agency staff we spoke with were concerned that the care provided through some contracted residential services was not culturally safe or appropriate, and that the services were insufficiently connected with Indigenous communities, elders and families. We heard that some of the contracted service providers did not have any Indigenous staff members. Existing staff members might not have been educated on the history of colonialism and residential schools and their present day impacts on and legacies for Indigenous peoples.

Consequently, some Delegated Aboriginal Agencies and First Nations have identified the need to establish their own specialized and culturally rooted safe houses for children, youth and families in their own communities and nations.

KEY FINDINGS AND RECOMMENDATIONS

INDIGENOUS CHILD AND FAMILY RESOURCES AND SAFE HOUSES

We learned about examples where Delegated Aboriginal Agencies and Indigenous communities created their own resources, which included a culturally supportive component for children and youth. For example, Lalum'utul' Smun'eem Child and Family Services in the Cowichan Valley created the Hulithut Group Home, which follows ministry standards but has its own policies and procedures that emphasize Cowichan culture and traditions as well as other First Nations' practices and teachings.

Similarly, Lii Michif Otipemisiwak Family and Community Services has collaborated with BC Housing to build a housing complex for Indigenous youth who are aging out of care, in order to support their successful transition into adulthood.

Another example is ministry-funded pilot projects with the Sts'ailes Nation and the Seabird Island Band, which both provide homes for families who are in crisis. The homes are designed to provide supports to allow a family in crisis to stay together for a period of time to stabilize, as opposed to separating children from their families. The ministry reported that the response to this pilot project has been positive and that there is interest from other Indigenous communities in creating similar homes.

The ministry's internal and external communication needed improvement

Given the size of the ministry and the number of groups involved, ministry staff reported a need for improved communication of direction, policy and practice around contracted residential services. Many ministry staff were unfamiliar with the policies in place for contracted residential services, or their understandings of ministry policy varied. In our interviews, some ministry staff expressed concern that contracted service providers were learning about policy and practice changes before the ministry's own staff, and they suggested that the ministry provide more training support and resources to its staff members on recent changes.

Much of the communication the ministry has provided on recent policy and practice changes was posted on the ministry intranet, iConnect. However, staff might not have been checking this web resource frequently or know where to find relevant information. The ministry's recent Policy Streamlining Project has included several initiatives designed to make it easier for staff to find and access information about specific policies, including improvements to iConnect's functionality and search capabilities.

Similarly, we found that communication from the ministry to the Delegated Aboriginal Agencies and service providers needed improvement, particularly the communication of new policies and performance standards relating to contracted residential services and information about contract management practices.

KEY FINDINGS AND RECOMMENDATIONS

Supply and demand of contracted residential services were not well understood

We found that the ministry had not assessed the supply and demand for placements in contracted residential services or created a plan for the number and type of placements that should exist. The ministry analyzed the costs associated with providing contracted residential services, found they were more costly than foster care and looked at ways to reduce costs. However, some staff felt that this resulted in a focus on dollars rather than on meeting the needs of children and youth.

The ministry's analysis of supply was limited

The ministry didn't have a good understanding of either the type of services delivered by existing contracted residential service providers, or the skill sets of their staff. To begin to understand the supply of services, the ministry recently created a list of approximately 100 contracted residential service providers that meet its definition of contracted agencies. After the closure of an agency in the summer of 2018, as a result of serious concerns about the safety of children and youth, the ministry stopped contracting with new service providers unless the Provincial Director of Child Welfare granted an exception. The ministry has also created placement review committees that approve proposed placements with existing contracted residential service providers to manage costs and improve placement planning.

At the time of our audit, the ministry was pilot testing an inventory management system, called the In-Care Placement Mapper. This system is intended to help staff find and request available placements. If the system is fully implemented, it could provide data on the number and type of placements available and will likely help the ministry understand the current capacity of the contracted residential services it is purchasing.

However, the system doesn't integrate with the ministry's existing data systems and requires social workers to input the correct data manually. As such, the system will only be as good as the data that is entered into it. If staff don't have the time or inclination to keep the system up to date, there are risks that the system may not serve its expected purpose. The ministry may also need to do additional work to understand the program design and therapeutic nature of the services that contracted residential services currently provide, as the placement mapper will likely not fully capture this.

The ministry did substantial work to understand the costs associated with providing contracted residential services, including the number of bed days purchased, per diems, vacancy rates and supplemental payments. However, it did not forecast future costs based on an understanding of future needs. At the time of our audit, placements into contracted residential services were often reactive, which made effective budgeting a challenge for the ministry. Service delivery areas spent as the need for placements arose, but did not track against a local budget. Instead, spending on contracted residential services was tracked corporately

KEY FINDINGS AND RECOMMENDATIONS

against existing ministry funding. As shown earlier, in [Exhibit 4](#), costs for contracted residential services were substantially higher than for foster care, and the ministry's lack of clear policy on use and lack of planning for contracted residential services may have been contributing to these high costs.

The ministry lacked a thorough understanding of the services being provided by contracted residential service providers. Without this understanding, the ministry could not have ensured that the services being purchased aligned with the needs of children and youth in care.

The ministry's analysis of demand was limited

The ministry had carried out limited analysis to understand the population of children and youth who use, or potentially need, contracted residential services. Staff within the ministry, Delegated Aboriginal Agencies and contracted residential service providers all reported an increasing complexity in the needs of children and youth; however, the ministry did not have data that shows this change. Typically, children and youth with more complex needs require a higher level of service, which may only be available in contracted residential services, where services can be designed to meet individual needs.

The ministry had not forecasted demand for contracted residential services into the future. The best data the ministry had available on the population of children and youth in contracted residential services came from a review of the placements of all children and youth in

contracted residential services, completed in the summer of 2018 in response to concerns from the Representative for Children and Youth. This included determining whether the current placement was appropriate and whether additional supports were required. However, there were no clear criteria in place that defined an "appropriate" placement. The ministry has since used this information to place individual children or youth, but hasn't used it for higher-level planning.

If the ministry is to plan effectively for the use of contracted residential services, then it needs to do more to get a better understanding of the population currently using contracted residential services and what that population might look like in the future.

The ministry's planning to meet current and future needs was insufficient

Without an overall strategy for contracted residential services, service delivery areas were left to create services on an as-needed basis. We found that service delivery areas didn't have a consistent method for assessing needs and planning for contracted residential services. Staff reported having used different strategies for planning, such as:

- ♦ tracking requests that couldn't be met
- ♦ where waitlists existed, looking at placements for younger children to anticipate future service needs
- ♦ reviewing profiles of children for the past year

Without a clear sense of needs or the system's current capacity, the ministry could not ensure that the right number and type of beds are available to meet the

KEY FINDINGS AND RECOMMENDATIONS

complex needs of children and youth. As well, beds might not have been ideally placed geographically to allow children and youth to remain in their home communities.

At the time of our audit, there was no direction from the ministry regarding how many empty beds it would support at a given time (i.e., expected vacancy tolerance). The availability of extra beds could limit the need for costly emergency-driven placements and improve matching of placements with children and youth according to their needs.

Children and youth were often placed in contracted residential services in a reactive or emergency fashion, because of the lack of available beds in both contracted residential services and foster care. The small number of available placements limited the ability of social workers to match children and youth with placements based on their needs, which could lead to poorer overall outcomes. For example, we heard of a youth living in an emergency homeless shelter because of a lack of other available residential resources.

These challenges regarding the lack of available placements are not new. For example, they were identified by the ministry and the Representative for Children and Youth in a joint report on the use of hotel placements in 2016. The report noted that ministry and Delegated Aboriginal Agency staff occasionally had to place children and youth in care in hotels on a short-term or emergency basis, as there were “no available beds in foster homes or residential service providers in the area or any of the surrounding areas.”

PRESSURES IN THE FOSTER CARE SYSTEM

Various factors affect the ministry’s ability to recruit and retain foster parents—some are internal and some are external to the ministry. A commonly cited internal factor was that family caregiver rates (the monthly payments foster parents receive to cover the costs of caring for a child) had not increased since 2009, while the cost of living had increased. In government’s 2019 budget, it increased payments for foster parents by \$179 per month, starting April 1, 2019, and matched extended family caregiver (e.g., grandparents) payments to those of foster parents.

Other factors include foster parents “burning out” as a result of the pressures of caring for children and youth with more complex needs, and ministry staff not having the time to recruit new foster parents.

Ministry officials and staff identified external factors that affect recruitment and retention, including:

- ♦ changing demographics (fewer stay-at-home parents than in the past, and younger generations being less able or less willing to foster than previous generations)
- ♦ rising housing costs
- ♦ competition for potential homes from other social service agencies
- ♦ potential homes being used as homestays for international students

KEY FINDINGS AND RECOMMENDATIONS

“We are constantly trying to scramble, trying to find out who is with family or in jail and then use the empty bed.” ~Ministry social worker

The ministry’s 2018 review found that 9% of children and youth placed in contracted residential resources (57 of 634) were in placements that weren’t appropriate for their needs. As of January 2019, the ministry reported they had moved 39 of these children and youth to more appropriate placements in foster care (13), contracted residential services (9) and emergency resources (2), or the children and youth had returned home (8), aged out (3), moved to independent living (2), been adopted (1) or were missing (1).

The ministry’s challenges in finding available placements can also be linked to employment issues. Staff in contracted residential services receive low pay for difficult work. This makes it hard for contracted residential service providers to recruit and retain staff. As well, skilled staff can often find better paying and less-stressful jobs elsewhere. Finding staff can be even harder in northern communities, where the pool of available staff is smaller and local colleges or universities may not offer the required training programs.

Service gaps resulted in challenges

Ministry staff identified several service gaps in the system of contracted residential services, including a lack of:

- ♦ emergency/stabilization beds to ensure that a placement exists when a child or youth comes into care and to allow for better long-term planning

- ♦ respite/relief beds for families and caregivers to avoid placement breakdowns and to reduce the likelihood that a child or youth comes into care
- ♦ services that provide cultural connections for Indigenous children and youth
- ♦ connections to mental health and addiction services for children and youth in care
- ♦ services for youth aging out of contracted residential services and transitioning out of care, including access to any necessary adult services

Some of the challenges the ministry has encountered in its work relate to the overlap of its mandate with the role of other entities that also have responsibilities in the social sector. Children and youth in care receive services from various government organizations, including the ministry, regional health authorities and local schools. The caregivers of children and youth in care may also receive supports from the Ministry of Social Development and Poverty Reduction, and BC Housing.

Staff also spoke about the need for more accessible mental health services. They told us they have challenges when health authorities want to discharge a child or youth from hospital, but the ministry cannot provide the services the health authority is requesting because the ministry lacks access to appropriate service providers. The shared challenge of not being able to place discharged children and youth with appropriate service providers can have significant impacts on children and youth.

KEY FINDINGS AND RECOMMENDATIONS

The ministry has planned to take action

The ministry recognized that the existing in-care system was not based on meeting the needs, safety and well-being of children and youth in care. Efforts had been focused on improving the status quo rather than changing the system to meet the needs of children and youth.

The ministry recently developed an in-care system plan for children and youth, with the goal of creating a high-quality in-care network that meets the needs of children and youth, nurtures a sense of belonging and prioritizes cultural and family connections.

The ministry's key planned actions to establish a network of homes and services that respond to the full range of the needs of children and youth include:

- ◆ working with Indigenous communities and using available tools and technology to improve placement planning and matching
- ◆ improving the ministry's understanding of existing residential services, as well as identifying and addressing system gaps in the network
- ◆ ensuring that children and youth receive specialized supports when needed by creating a placement pathway and network that takes into account needs, capacity and best practices
- ◆ establishing infrastructure to recruit, maintain and provide management and oversight of the network
- ◆ communicating and implementing existing financial flexibility across the ministry to ensure that perceived barriers are not limiting the ministry's ability to provide supports for caregivers

The ministry has also incorporated its plan to establish a high-quality network of homes and services into its 2019/20 – 2021/22 *Service Plan*, as part of a broader ministry-wide commitment to ensure that “a child or youth's needs drives their placement.”

RECOMMENDATION 1: *We recommend that the ministry, in partnership with Delegated Aboriginal Agencies and Indigenous communities, create, implement and communicate a strategy for contracted residential services, based on:*

- a. *an analysis to determine the most appropriate model for delivery of required residential services*
- b. *a clear definition of what contracted residential services are and when children and youth should be placed in contracted residential services*
- c. *a review of existing residential services, current and future needs for the services, and identification of system gaps (e.g., transitions out of care)*
- d. *a determination of an appropriate level of vacancy tolerance in the system*
- e. *an alignment with the rights of children and youth in care (section 70 of the Child, Family and Community Service Act)*
- f. *the provision of culturally appropriate residential services for Indigenous children and youth, recognizing the differences between cultures and nations*
- g. *identification of expected outcomes and metrics to measure the ministry's implementation of its strategy*

KEY FINDINGS AND RECOMMENDATIONS

Partnership with Delegated Aboriginal Agencies needed improvements

Overall, we found that the ministry's partnership with Delegated Aboriginal Agencies in planning and contracting for residential services throughout the province needed improvement.

The ministry is aware of these concerns and, in recent years, has established mechanisms with Delegated Aboriginal Agencies intended to improve communication and collaboration, including the Partnership Table meetings between senior executives from Delegated Aboriginal Agencies and the ministry. We also note that the ministry recently made changes to the funding model for Delegated Aboriginal Agencies to ensure greater funding equity and consistency. As well, the ministry made other financial commitments to the Delegated Aboriginal Agencies with the intention of improving the level and quality of services that these delegated agencies can provide, including the provision of culturally appropriate care. As we state in Recommendation 1, it is important for the ministry to ensure that Delegated Aboriginal Agencies are included in the creation and implementation of a strategy for contracted residential services.

Ministry consultation, collaboration and information sharing with Delegated Aboriginal Agencies was limited

We found that ministry consultation and collaboration with Delegated Aboriginal Agencies around the changes to contracted residential services the ministry

has made in the past two years was limited. Without the involvement of the Delegated Aboriginal Agencies, contracted residential services may not meet the needs of Indigenous children and youth.

Delegated Aboriginal Agency staff expressed a desire for earlier and more meaningful consultation and involvement in decisions that affect them. They told us they often learned about new initiatives when the initiatives were ready for implementation, and not in the planning phase. Information sharing was also not always timely and ministry staff may have received information before staff from the Delegated Aboriginal Agencies. Ministry staff recognized that their efforts to involve the Delegated Aboriginal Agencies have been lacking in the past, and they were exploring ways to improve information sharing in the future.

Compounding this issue was the fact that many Delegated Aboriginal Agencies often lacked the capacity to participate in policy development discussions with the ministry. This was partly due to limited funding to hire policy staff, as well as Delegated Aboriginal Agency staff having little time to participate in these processes. Partly in response to this issue, the ministry provided funding to the Partnership Table's Secretariat to hire a policy analyst on a temporary basis, until the end of March 2019, to provide support to the Delegated Aboriginal Agencies.

While some Delegated Aboriginal Agencies were able to collaborate with the ministry to access contracted residential services, in other cases, the shortage of available spaces led to competition between the ministry and Delegated Aboriginal Agencies. Some Delegated Aboriginal Agencies reported they were

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unable to access specific contracted residential services because the ministry was “holding” bed spaces for children and youth in ministry care. In one case, the ministry had refused to place a child or youth in a vacant contracted bed as it was trying to reduce the number of contracts that it had with a particular service provider. We also heard that similar competition over bed spaces took place within the ministry between different service delivery areas.

In response, some Delegated Aboriginal Agencies have set up their own contracts and established their own specialized resources (though some of these Delegated Aboriginal Agencies also share the resources they have established with the ministry).

The ministry wasn't monitoring outcomes for Indigenous children and youth in contracted residential services

We didn't receive any documentation showing that the ministry was monitoring outcomes for children and youth in the care of Delegated Aboriginal Agencies, who were placed in contracted residential resources. We found a similar lack of monitoring of outcomes for non-Indigenous children and youth placed in contracted residential resources that is discussed later in the report. We heard that the ministry's Aboriginal Services Branch received updates about reportable incidents for children and youth in care who were placed by Delegated Aboriginal Agencies, but little other information.

Staff members from Delegated Aboriginal Agencies also noted a lack of oversight and monitoring of the outcomes for Indigenous children and youth placed in contracted residential resources.

RECOMMENDATION 2: *We recommend that the ministry, in partnership with Delegated Aboriginal Agencies and Indigenous communities, clarify roles and responsibilities related to policy development, information sharing, communication and monitoring for the delivery of contracted residential services.*

QUALITY ASSURANCE FRAMEWORK

An effective quality assurance framework ensures that the rights of children and youth in care are being met. A quality assurance framework establishes standards of quality and planned activities to ensure that a service is providing the expected and necessary level of quality. This is especially critical when those services are being provided to some of the province's most vulnerable children and youth.

We assessed whether the ministry had a quality assurance framework in place for contracted residential services, and whether such a framework included standards both for contracted residential service providers and for ministry staff who provided

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oversight of those services. We also examined if the ministry was monitoring service providers and ministry staff to ensure that performance standards and any related legal requirements were being met. We found that while some attributes of a quality assurance framework were in place, there were significant gaps.

Performance standards for contracted residential service providers were inadequate

We found that the ministry did not set adequate performance standards for contracted residential service providers. The standards didn't clearly define:

- ◆ the quality of service
- ◆ the skills and training that staff are required to have
- ◆ the reporting that is required

We also heard that the lack of clear definitions left significant room for interpretation and resulted in inconsistent practice.

Although the ministry had standards in place (such as the Standards for Staffed Children's Residential Services and the Resource Work Policies), the standards were not specific, and were dated. The ministry staff members and service providers we interviewed were confused about the performance standards and policy requirements for contracted residential services. We noted though that the ministry's new screening and assessment of caregivers policy was more specific and included detailed requirements.

During our audit, we heard that the staff in contracted residential services may not always have had the training

or experience they needed to provide service to the most vulnerable and high needs children and youth. Ministry staff identified a need for all staff working in contracted residential services to have training in trauma informed practice so that they can work successfully with the children and youth in their care.

Performance standards for ministry staff were inadequate

We found that the ministry didn't have a comprehensive set of standards for its staff who provide oversight of contracted residential services. The key standard in place was the requirement that resource workers have in-person contact with the child or youth every three months in the residential placement. However, the standard did not clearly outline what is expected during this visit or what should be done if problems are found. In addition, staff raised some concerns regarding the sufficiency of the standard for a highly vulnerable population.

The ministry had a greater number of standards for foster homes than for contracted residential services. For foster homes, standards included requiring ministry staff to complete quality of care reviews, annual reviews of the placement, and monitoring of agreements for fulfillment of contractual obligations. However, similar standards didn't exist for ministry oversight of contracted residential services. In addition, there was no standard requiring social workers to conduct surprise visits to contracted residential services, which could bring to light poor practices, if they exist. Comparing these standards highlighted the gaps in oversight for contracted residential services.

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Without a clear and comprehensive set of standards to follow, ministry staff may not be able to provide effective and consistent oversight of contracted residential services to ensure that the needs of children and youth are being met.

Monitoring to ensure that standards were met was inadequate

We found that the ministry wasn't adequately monitoring contracted residential service providers, or its own staff, to ensure that they were meeting performance standards. Monitoring and oversight of contracted residential services was not consistent throughout B.C.

The ministry didn't regularly monitor contracted residential service providers

The ministry did not regularly monitor contracted residential service providers against the primary set of standards for this area: the Standards for Staffed Children's Residential Services. There were no set procedures or templates in place, and each service delivery area had developed its own tools.

In addition, we found very little monitoring or evaluation of the quality of placements in the sample of files that we reviewed. Instead, reporting from contracted residential service providers often focused on documenting daily activities that had taken place over the month (such as doctor's appointments and school attendance), rather than focusing on the outcomes for the child or youth in care.

While individual social workers may collect information about the experiences of children and youth in care, the ministry was not systematically gathering feedback from children and youth about their experiences in contracted residential resources and their level of satisfaction with the services they had received. The ministry needs to understand the perspectives and opinions of children and youth so that it can design and provide services that meet their needs and respect their rights.

As part of its oversight of contracted residential services, the ministry has the authority to conduct protocol investigations. A protocol investigation takes place if the director believes that one of the following has taken place:

- ◆ caregiver not protecting the child from harm
- ◆ emotional harm by caregiver
- ◆ emotional harm/domestic violence
- ◆ neglect with physical harm/likelihood of physical harm
- ◆ sexual abuse/exploitation

The majority of protocol investigations are completed by ministry staff in the service delivery areas, though the Provincial Director of Child Welfare has led four protocol investigations in the area of contracted residential services since 2014. These large-scale investigations identified challenges with regard to ministry oversight.

The Provincial Director of Child Welfare's investigations of contracted residential services revealed issues that went beyond individual children

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and youth and involved multiple children and youth in care; however, these issues had not been proactively identified before an incident took place. In three of the four cases, previous protocol investigations had been conducted into the contracted residential service provider in question, at times looking into similar concerns. This suggests that ministry follow-up on action plans from previous investigations may not be comprehensive or effective in resolving concerns identified. In addition, there was no set template or clear process articulated for following up on protocol investigation action plans.

The ministry's northern service delivery areas had additional challenges with monitoring because they often have to send children and youth to service delivery areas in other parts of the province for services. This may have limited the ability of northern ministry staff to provide oversight and be assured that children and youth's needs are met and their rights are respected.

A final challenge with monitoring is that the ministry had no formal processes in place to determine the quality of the services being offered by contracted residential service providers, and ministry staff raised concerns regarding the therapeutic nature of the services being provided. In some cases, a contracted residential resource might simply have provided food and housing, but not necessarily other services that could better meet a child or youth's needs and improve overall outcomes. In addition, some staff questioned the lack of day programming in some contracted residential resources where children and youth are required to leave during the day, but might have nowhere else to go if they are not attending school.

However, concerns regarding the quality of services being provided did not apply to all contracted residential service providers. Ministry staff told us that in their opinion there were contracted residential service providers providing quality care. But without an effective quality assurance framework, it is difficult for the ministry to determine which service providers are providing high-quality services and which ones are not. As a result, children and youth might have continued to live in placements that were not ideal for their needs. Without changes to the oversight framework, the ministry's response to issues will continue to be reactive rather than proactive.

The ministry relied on external organizations to provide oversight of contracted residential services

The ministry was not the only organization providing oversight of contracted residential services. Oversight was also provided by the health authorities through licensing and by accreditation bodies.

Licensing

Health authorities provide licensing for residential care facilities under the *Community Care and Assisted Living Act*. Under this act, when a person provides care to three or more persons who are not related to them by blood or marriage, the environment in which they provide the care must be licensed. The Residential Care Regulation provides requirements for the physical environment, staffing and operations of these facilities.

Although the *Community Care and Assisted Living Act* and Residential Care Regulation do not specifically

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refer to residential care for children and youth, contracted residential resources where three or more children and youth live fall under these requirements. When protocol investigations were being completed for licensed resources, however, it was unclear what ministry staff were responsible for and what health authority licensing staff were responsible for. We found that this breakdown of responsibilities was interpreted differently across service delivery areas, and that information was not always shared between the ministry and the health authorities during a protocol investigation.

Accreditation

The ministry also required that service providers receiving over \$500,000 in annual funding be accredited through either the Commission on Accreditation of Rehabilitation Facilities, or the Council on Accreditation. According to ministry policy, the two expected outcomes of this accreditation are that:

- ◆ community social services delivered to children, youth and families on behalf of the ministry meet or exceed the standards of quality established by the accreditation organization
- ◆ community social service providers demonstrate that they are effectively managing publicly funded resources and are delivering the best possible quality services to children, youth and families

As of January 2019, 57 contracted residential service providers were accredited and another 14 were in the process of becoming accredited. However, the

effectiveness of accreditation in meeting the expected outcomes of the policy was not clear. Of the four protocol investigations discussed above, three were of accredited organizations, and the ministry terminated its contracts with two of the accredited service providers. This suggests that the accreditation process may not be sufficient to ensure that the needs and rights of children and youth are met.

Relying on external reviews of contracted residential services contributed to less focused oversight on the part of the ministry. The ministry needs to assess the effectiveness of these dispersed responsibilities and consider how best to structure oversight.

The ministry's monitoring of its own staff was limited

As discussed above, there were few standards in place for ministry staff providing oversight of contracted residential service providers. And, the ministry was not monitoring to ensure that these standards were being met.

The key standard in place was the completion of an in-person visit to the contracted residential resource once every three months. The ministry could not demonstrate that these visits took place on a consistent basis.

Another of the key oversight functions was the completion of protocol investigations. There was no available documentation showing that the ministry monitored to see if protocol investigation timelines were met. Through our review of existing protocol investigations, we found that the timelines set in

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the ministry's policy were often not met. A further oversight function was service provider notification of the ministry when a reportable incident took place. We didn't receive any evidence from the ministry that showed it monitored to ensure that it received incident reports on time.

Through our interviews we found that staff spent much of their time responding to issues and emergency requests and had little time available for proactive monitoring. In addition, the ministry's staffing schedule may have made oversight even more challenging. Ministry resource workers who were responsible for monitoring the placements work nine

CAREGIVER SCREENING

In 2017, the ministry introduced substantial improvements to the screening and assessment of caregivers working for contracted residential service providers. Through the introduction of the Centralized Services Hub, the ministry completed consolidated criminal record checks as well as initial and detailed record reviews of previous interactions with the ministry. The ministry reported that from December 2017 to November 2018, the hub had screened 1,940 existing caregivers and 2,017 new applicants.

The ministry also responded to concerns that service providers have raised. Service providers reported that the hub process slowed down their hiring, and prospective employees might have taken another job by the time the screening was completed. In response to these concerns, the ministry hired an additional nine staff and contracted with a municipal police force to reduce backlogs.

The ministry also created a self-report audit tool to monitor service provider compliance with the ministry's hiring requirements for staff working for

contracted residential service providers. Service providers report when they have completed important milestones for employees, such as successful criminal record checks, interviews and reference checks. The ministry reported that since July 2017, service providers have completed the self-report audit tool for 4,254 caregivers, 2,567 of whom were referred to the hub for screening.

Other than the questions answered through the self-report audit tool, the ministry did not monitor or assess the skills or experience of staff working for contracted residential service providers on an ongoing basis. Ministry staff raised questions regarding the ministry's authority to enforce training standards on contracted residential service providers, given its arms-length relationship with them. However, given the ministry's ultimate responsibility for children and youth in care, there are risks to this approach. Without some training and experience requirements in place and monitoring by the ministry to ensure that those are met, the ministry may not be able to guarantee quality of care for this highly vulnerable population.

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to five on weekdays; however, incidents commonly occur at night and on weekends. Having the ability to provide oversight at other times of day might help identify areas where contracted residential service providers may not be providing adequate service.

The ministry hired a contractor to create an approach to auditing contracted residential service providers that includes financial performance, compliance with standards and service delivery. We reviewed the audit plan and identified an opportunity for the ministry to increase the attention to service delivery and client care in the planned audits. At the time of our audit, ministry monitoring in the area of quality of services was very limited.

The ministry recognized the need to improve oversight of contracted residential services. It identified draft actions in this area as part of its new plan for the in-care system, and the recommendation below reinforces the need for the ministry to take strong action and follow through with its current plan.

RECOMMENDATION 3: *We recommend that the ministry, in partnership with Delegated Aboriginal Agencies and Indigenous communities, establish a quality assurance framework for contracted residential services that includes:*

- a. specific standards based on meeting the rights of children and youth in care and improving outcomes*
- b. ongoing monitoring of standards for contracted residential service providers*

- c. ongoing monitoring of ministry staff providing oversight of contracted residential services*
- d. an audit program that examines service delivery, operations and finance*
- e. regular assessment of the appropriateness and effectiveness of third-party oversight activities (i.e., licensing and accreditation)*
- f. formal processes for follow-up on protocol investigation action plans*
- g. regularly gathering information on the experience and opinions of children and youth who spend time in contracted residential resources*

CONTRACT MANAGEMENT

Effective contract management practices are essential for the ministry, both to ensure value for money from its spending on contracted residential services, and more importantly, to ensure that contractors deliver the best possible quality of residential services to the children and youth placed in their care.

We assessed whether the ministry had contracting processes in place that:

- ◆ provided staff responsible for contract management with the guidance and tools to be effective
- ◆ complied with government procurement and contract management policies

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- ◆ ensured clear and measurable contract deliverables for contracted residential services
- ◆ ensured regular monitoring against those contract deliverables
- ◆ ensured regular monitoring of the financial health of contracted residential service providers to determine if they could sustain ongoing operations and provide quality contracted residential services

Contracts for residential services not effectively managed

The ministry's processes for contracting for residential services have varied over time. At the time of our audit, the ministry was aware of deficiencies in its management of contracts for contracted residential services, and had work underway to start addressing these issues. This work is discussed in more detail later in this section.

Overall, the ministry's challenges with contract management were in part a symptom of it not having a clear strategic framework and planned approach to purchasing contracted residential services for children and youth in care. The broader challenges with the lack of strategic direction and governance that we identified earlier in the report resulted in a situation where contracts were created without a clear purpose and sense of what the ministry wanted to buy.

Contract management responsibilities were unclear, and training and support were limited

We found significant problems with the assignment of responsibilities for management of contracts with contracted residential service providers. Currently,

resource workers have responsibility for managing residential contracts, but they are not trained in procurement and contracting as part of their education, and do not require these skills in order to be hired as resource workers.

In addition, at present, the ministry doesn't have any training for resource workers, including training specific to procurement and contract management. In combination with a lack of training, the ministry had limited tools to assist resource staff with procurement, and these tools had not been well communicated to staff. Staff at Delegated Aboriginal Agencies expressed similar concerns about their level of training in contracting and procurement.

We also found that there was limited coordination between resource workers and the ministry's Procurement and Contract Management Branch, as well as little support provided to ministry resource workers to manage contracts through their lifecycle. Ministry staff working in the service delivery areas reported that they didn't often have assistance from the ministry's head office in setting up and managing contracts. In addition, the ministry's IT system for contract management did not support effective contract management, because of its age and limited functionality. The contract management system dates from 1986, and does not integrate with the ministry's newer Integrated Case Management system.

Our findings on contracting practices and responsibilities are significant. Inadequate training and tools and inadequate support from financial and procurement staff resulted in resource workers struggling to draft, negotiate and manage contracts effectively. Poor contracting practices could lead to poor services for vulnerable children and youth.

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Contracting practices generally followed government policy but were not consistent across all service delivery areas

Ministry contracting guidelines and procedures generally aligned with government's core policy; however, they were not always followed, resulting in some non-compliance with government policy. Unclear responsibilities for contract management and insufficient training and support for staff involved in contracting made it even more challenging for them to follow ministry guidelines and government policy.

There were inconsistencies in contracting practices across the ministry's 13 service delivery areas, as only certain regions had developed lists of pre-qualified service providers for contracted residential services. Some ministry resource workers explained that they would go through the recommended contracting protocols if they had the time to do the necessary preparation; otherwise, in emergency and short-term situations where a placement was needed immediately, they simply used direct awards with existing contracted residential service providers who had available space or could expand to meet the ministry's needs. While the ministry's contracting process permitted these types of emergency contracting arrangements, the direct awards contributed to residential care contracts being developed in a reactive or unplanned way, which is not necessarily an ideal approach when establishing placements for children and youth, particularly those with complex needs.

The ministry used two types of contracts for placements for children and youth in care: bed-specific and child-specific. Bed-specific contracts provided a set number

of placements at a specific resource regularly used by the ministry, and were typically for a longer time period. Child-specific contracts covered one placement for a specific child that either ended when the child left the placement, or could be re-used to provide a placement for another child, provided it was "within 30 days of the discharge of the original child."

Beyond these broad distinctions, the ministry had not clearly defined when to use bed-specific or child-specific contracts, nor had it articulated which type of contract was more appropriate in specific circumstances for children and youth in care. Instead, the ministry's use of either bed-specific contracts or child-specific contracts depended on broader factors like cost, the urgency of the placement, and the availability of resources and contracted residential service providers. Without clarity from the ministry around when to use different types of contracts, inconsistent contracting practices will continue.

The ministry has explored changing its contracting practices through greater use of bed-specific contracts and amalgamation of individual contracts with particular service providers into "global contracts." As part of this work, the ministry merged its 24 contracts with one contracted residential service provider into a single global contract that resulted in \$150,000 in savings, according to ministry analysis. Longer-term, bed-based contracts can provide contracted residential service providers with greater stability and consistency in their staffing and the services they can provide to children and youth.

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Contractors reported challenges with the ministry's contracting practices

As part of our work, we spoke with contracted residential service providers to understand their perspectives on the ministry's contracting approach. Several service providers questioned the reliability of the ministry as a contracting partner and reported a number of different frustrations with the ministry's approach to contracting for residential services. Some were questioning their ongoing relationship with the ministry and their willingness to continue providing services. Cancellation of ministry contracts by service providers could have direct negative impacts on children and youth in existing resources, and indirect impacts on the capacity of the wider system.

Service providers' concerns around the contracting process varied depending on which part of the province they operated in. Specific concerns we heard from some contracted residential service providers, included:

- ◆ inconsistent contracting processes among service delivery areas
- ◆ frequently short timeframes for responding to requests from the ministry
- ◆ a lack of funding for staff training in their contracts
- ◆ the pressure the ministry can exert to accept placements that may or may not be appropriate for a resource

One service provider described the ministry's approach to requesting service from contractors and its contract award decisions as "arbitrary."

Contracts did not have clear and measurable deliverables

The ministry's Contract Management Manual required that:

- ◆ the expectations of a contract be clearly stated
- ◆ the output and outcome measures be established
- ◆ the quantity and quality of service required be included in the contract language

The ministry's residential contracts did not meet these requirements.

Instead, we found that contract deliverables for residential services were broad and generic in the sample of residential contracts we reviewed. The requirements for providing culturally appropriate services to children and youth were not measurable, and neither were the requirements for children and youth transitioning out of care or to a different service provider.

We also found in our sample of residential contracts that the contract language that described what a high-quality service would look like, or what outcomes were expected from contracted residential service providers, was often broad and unclear (for example, that an individual's "emotional health is maintained or increased" or that their "daily living skills are increased"). Contract deliverables that are unclear and not measurable make it difficult to determine when outcomes are met and whether contracted residential service providers are providing services as required.

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Of particular concern is that the ministry's main contracting template includes a clause stating that "the parties acknowledge that the contractor does not warrant that the desired outcomes will be achieved." This weakens accountability for contracted residential service providers regarding the quality and outcomes of their services.

Contract and contractor performance was not regularly monitored

Based on our review of a sample of residential contracts, we found that the ministry didn't monitor compliance with contract deliverables and, as such, wasn't meeting government policy requirements. The ministry received little reporting from contracted residential service providers on their progress against contract deliverables. Our sample of residential contracts also showed that the reporting that the ministry did receive varied substantially in quality and content.

Reporting by contracted residential service providers to the ministry was focused on outputs rather than outcomes and was not sufficient for them to demonstrate quality of care provided to children and youth. In addition, there were no reporting templates or specific reporting requirements for contractors; reporting therefore was not consistent across the service delivery areas. As a result, the ministry wasn't meeting government's core policy, which required that ministries ensure timely and consistent monitoring of a contractor's performance.

Further, the ministry wasn't conducting post-contract evaluations for its contracted residential services,

as required by government's core policy. This is significant, because contracted residential service providers might have been able to continue working with the ministry even if the service providers weren't providing high-quality service or meeting their contractual obligations. In addition, the ministry might not have been able to ensure that it was getting value for money for the expensive services it was purchasing.

The ministry didn't complete financial reviews of contractors

In addition, the ministry wasn't consistently monitoring the financial health of service providers to ensure that they could sustain ongoing operations. Through our review of a sample of residential contract files, we found that the ministry didn't receive the required financial reporting from contracted residential service providers. The ministry could not demonstrate that it was reviewing monthly reporting to ensure service providers were using funds appropriately. Further, when the ministry did receive financial reporting from service providers (e.g., annual financial statements), ministry staff weren't clear about who was receiving the reporting and what review of that information was done.

During the audit, the ministry developed new forms for social workers to use, outlining key contractually required documents, such as financial statements, and allowing social workers to track the provision of these documents by service providers, which could help ensure that financial reporting is provided and reviewed by ministry staff.

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To improve its understanding of the financial health of certain service providers, the ministry contracted out the completion of financial and internal control reviews. This included reviews of compliance with contractual obligations on reporting and financial accountability. Six reviews had been completed at the time of our audit; however, at the current rate of three reviews per year, it will be a long time before all 100 service providers can be assessed. The ministry based its selection of contracts for review on risk factors, but this approach failed to identify an agency that the ministry had terminated its contracts with in spring 2018 because of high-risk practice concerns.

The ministry was taking action to improve contract management

During the course of our audit, the ministry began to take a number of actions to address challenges related to managing contracts with contracted residential service providers, including:

- ◆ contracting with a firm to review the management of all of the ministry's third-party contracting and payment arrangements, which would include contracted residential services
- ◆ working to improve its overall approach to procurement and contract management for all ministry contracts, which includes learning from the experience of New Zealand whose approach to procurement distinguishes between procurement with commercial/market-driven contractors and procurement with not-for-profit social service agencies and non-governmental organizations

- ◆ developing a potential model for management of contracts with contracted residential service providers that would centralize functions, such as soliciting requests for proposals, selecting proponents and negotiating contracts
- ◆ developing training for resource workers that will include a potential module focused on working with contracted residential service providers
- ◆ investigating the creation of a new position—a contracted residential service provider liaison—that would be assigned to act as the key contact for each agency providing contracted residential services for children and youth

RECOMMENDATION 4: *We recommend that the ministry improve its management and oversight of contracts for contracted residential services by ensuring that:*

- roles and responsibilities for procurement and contract management are appropriately assigned*
- staff responsible for procurement and contract management receive appropriate training and support to be effective in their roles*
- contracts include clear and measurable deliverables that focus on the needs and rights of children and youth residing in contracted residential services*
- regular and effective monitoring of contract deliverables and contractor performance takes place*

AUDIT QUALITY ASSURANCE

WE CONDUCTED THIS audit under the authority of section 11(8) of the *Auditor General Act* and in accordance with the standards for assurance engagements set out by the Chartered Professional

Accountants of Canada (CPA) in the *CPA Canada Handbook* — Canadian Standard on Assurance Engagements (CSAE) 3001 — and Value-for-money Auditing in the Public Sector PS 5400. These standards require that we comply with ethical requirements, and conduct the audit to independently express a conclusion on whether or not the subject matter complies in all significant respects to the applicable criteria.

We apply the CPA Canadian Standard on Quality Control 1 (CSQC) and, accordingly, maintain a

comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. In this respect, we have complied with the independence and other requirements of the code of ethics applicable to the practice of public accounting issued by the Chartered Professional Accountants of British Columbia, which are founded on the principles of integrity, objectivity and professional competence, as well as due care, confidentiality and professional behaviour.

APPENDIX A: COMPLETE AUDIT CRITERIA

1. Strategic direction and governance

- 1.1 The Ministry of Children and Family Development (MCFD) has a province-wide strategy for the use of contracted residential services.
- 1.2 MCFD assesses the supply and demand for placements in contracted residential services and plans accordingly.
- 1.3 MCFD has clearly communicated its expectations for the appropriate use of contracted residential services to the service delivery areas.

2. Partnering with Delegated Aboriginal Agencies

- 2.1 MCFD partners with Delegated Aboriginal Agencies to plan and contract for residential services for Indigenous children and youth.

3. Quality assurance framework

- 3.1 MCFD has set performance standards for agencies providing contracted residential services.
- 3.2 MCFD has set performance standards for ministry staff providing oversight of contracted residential services.
- 3.3 MCFD is monitoring to ensure that legislation, regulation and performance standards are met.

4. Contract management

- 4.1 MCFD's processes to pre-qualify service providers and award contracts for residential services are consistent with government policy.
- 4.2 MCFD has provided staff with the necessary guidance and tools to establish contracts.
- 4.3 MCFD has clear and specific contract deliverables for contractors providing residential services.
- 4.4 MCFD is monitoring compliance with contract deliverables.
- 4.5 MCFD is monitoring the financial health of service providers to ensure they can sustain ongoing operations.

APPENDIX B: COMPENDIUM OF PREVIOUS RECOMMENDATIONS RELATED TO CONTRACTED RESIDENTIAL SERVICES

This appendix includes recommendations previously made to the Ministry of Children and Family Development that relate to contracted residential services.

Theme: Strategic direction and governance	
Report	Organization
<u>Residential Review Project: Final Report (2012)</u>	Federation of Community Social Services of BC and Ministry of Children and Family Development
Recommendations	
<p>Recommendation: Planned Service Design: MCFD should develop a planned system of evidence-based residential care services that meets the care and treatment needs of children and youth.</p> <ul style="list-style-type: none"> ◆ Develop a resource planning process and supporting tools to be used in preparing community, service delivery area (SDA), regional and provincial residential care and treatment resource plans. ◆ Develop community, SDA, regional residential care and treatment resources plans that address the full spectrum of foster care including treatment foster care and specialized staffed resources. <p>Recommendation: MCFD should clarify the roles and responsibilities of key parties in planning and decision-making for children and youth in residential care (e.g. youth, family members, foster caregivers, MCFD staff, community service providers and partners) and demonstrate value and respect for what each person brings to the process.</p> <ul style="list-style-type: none"> ◆ Set out roles and responsibilities in planning and action; who is involved, who is responsible for when and what, and what are the limitations of their role. Clarification is particularly important to improve collaboration between MCFD, caregivers, service providers, Delegated Aboriginal Agencies, [Community Living BC] and Health Authorities. ◆ Establish community partnership tables that include foster caregivers, service providers and other community partners to promote relationship building, role clarification and communication. <p>Recommendation: MCFD should enhance the residential care system's capacity to provide effective and timely responses to the assessed needs of children and youth.</p> <ul style="list-style-type: none"> ◆ Develop placement planning tools to support matching the child's assessed needs with the capacity and skills of the caregiver or treatment providers. ◆ Ensure clear policy is in place regarding the importance of promoting and sustaining placement stability. ◆ Develop an information system "flag" in circumstances where a child or youth has moved three or more times within a year. ◆ Develop and implement a "3+ moves" collaborative review processes to identify ways to sustain the current placement or ensure the next placement is a good fit and adequate supports are in place to maintain placement stability. 	

APPENDIX B

Recommendations (continued)

Recommendation: MCFD should review and as necessary, realign existing contracted residential resources to ensure that they are evidence-based, treatment-focused, and aligned with Regional and SDA residential care and treatment resource plans.

- ◆ Establish clear criteria and screening mechanisms for admission to intermediate residential treatment services, including prior clinical assessment, clear timelines for duration of placement, as well as expectations and planning for transition/after care support.
- ◆ Review existing contracted residential resources and make required changes to ensure that each residential program is time-limited, treatment-focused, culturally informed, evidence-based and appropriately clinically supported.
- ◆ Identify the funding resources dedicated to client specific, ad hoc staffed residential care purposes and develop plans to progressively scale back or eliminate such practices, redeploying funding to establish evidence-based intermediate residential treatment programs on an ongoing basis.

Report

Organization

[Who Cares? B.C. Children with Complex Medical, Psychological and Developmental Needs and Their Families Deserve Better \(2014\)](#)

Representative for Children and Youth

Recommendations

Recommendation: That the MCFD create an oversight and accountability body to advise on and guide the creation of a continuum of residential services. This body should include representation from parents, Aboriginal communities, and leadership and senior ministry officials from MCFD and the Ministries of Health and Education, and report directly to the Deputy Minister of MCFD.

The oversight and accountability body would collaborate to create strategies for both immediate and long-term actions related to residential care, including:

- ◆ Developing a consistent framework for residential care and treatment services in B.C.
- ◆ Developing the new category of foster and shared care referred to in Recommendation 1 (effective and responsive system and care)
- ◆ Incorporating best practices and evidence-based initiatives
- ◆ Including and consulting those in the community living movement
- ◆ Addressing foster caregiver recruitment and retention and a caregiver support network
- ◆ Expanding use of kinship and out of care options
- ◆ Developing robust and practices for contracting for residential services
- ◆ Improved practice regarding planning for youth transitions

APPENDIX B

Recommendations (continued)

Recommendation: MCFD should stop placing children who have intersecting multiple vulnerabilities, including developmental, mental health, behavioural and medical needs, in inappropriate residential placements made without regard to meeting their unique needs. The Ministry, together with its Delegated Aboriginal Agencies, must lead a plan for a new stream of effective and responsive treatment and care, including residential services modelled on a prudent parent approach and based on the guiding principle that all children are entitled to permanent and loving families.

- ◆ This plan should include the creation of a new class of foster and shared care that permits, when appropriate, shared guardianship (between family members and MCFD) for children who require long-term specialized support, allowing parents a continuing role in the care of their children, and keeping children in their homes and communities whenever possible
- ◆ The Provincial Director of Child Welfare should take the lead, in collaboration with the Provincial Health Services Authority and the Ministry of Education, to create alternatives to residential care whenever possible through a combination of local behavioural support, school support, proper medical care and respite for families
- ◆ In cases where a child must be provided with specialized residential support services, intensive, rehabilitative and evidence-based treatment should be provided under appropriate clinical direction to ensure that the child's time spent away from home and community is limited only to what is necessary for that treatment and support

Report

Organization

Provincial Placement Review Committee: Final Report (2016)

Ministry of Children and Family Development

Recommendations

- ◆ In order to effectively manage an up to date inventory of available residential resources, a standardized electronic collection system is required to track and report out on vacancies and capacity with each SDA, rolling up to the provincial level. This system will be based on inventory in each of the areas and could form the basis for planning residential blueprints within each SDA or [Local Service Area].
- ◆ Building from the Inventory tracking system that is being piloted, each service area will have a common method of displaying their array of current resources and placements. Systematic analysis of this information on a regular basis (supported by summary data reports), will allow each SDA to be able to see where their gaps and overlaps exist and will be part of planned review/recruitment activity to be undertaken by Resource Managers.
- ◆ Similarly inventory tracking data can be rolled up to a provincial level and evaluated to help direct and inform future procurement/recruitment activities. Minimally data should be reported out to the [Executive Director of Service] group and Executive on a quarterly basis.
- ◆ [Provincial Placement Review Committee] should have centralized leadership to lead the committee at a provincial level.
- ◆ Protocols and process in place to consider at an executive level which initiatives are a priority should there be competing interests.

APPENDIX B

Report	Organization
<i>A Case Study in Procurement and Monitoring of Staffed Residential Services (2017)</i>	MNP LLP
Recommendations	
<p>Recommendation: MCFD should consider implementing a proactive procurement model, based on an assessment of expected needs for residential beds, to better prepare itself for unanticipated needs.</p> <p>Recommendation: MCFD should consider creating an inventory of residential care providers.</p> <p>Recommendation: MCFD should consider instituting procedures that require, before children are assigned, the matching of approved and available capacity with service needs.</p>	
Theme: Partnership with Delegated Aboriginal Agencies	
Report	Organization
<u><i>Residential Review Project: Final Report (2012)</i></u>	Federation of Community Social Services of BC and Ministry of Children and Family Development
Recommendation	
<p>Recommendation: MCFD and service providers, with advice from Delegated Aboriginal Agencies, should establish a philosophical foundation of principles and values to guide the delivery of residential care and treatment services that reinforce safety, well-being and permanency, and support system design and practice.</p>	
Report	Organization
<u><i>Indigenous Resilience, Connectedness and Reunification — From Root Causes to Root Solutions: A Report on Indigenous Child Welfare in British Columbia (2016)</i></u>	Final Report of Special Advisor Grand Chief Ed John
Recommendations	
<p>Recommendation: While Indigenous communities move to implement full jurisdiction over Indigenous children and family services, MCFD and [Indian and Northern Affairs Canada (INAC)] work concurrently to also support the continued capacity building of DAAs in the following ways:</p> <ul style="list-style-type: none"> ◆ ensure DAAs maintain key involvement in the planning for and delivery of child welfare services to Indigenous children and families ◆ ensure DAAs continue to have opportunities to develop expertise in exercising authority over Indigenous child welfare <p>Recommendation: MCFD, INAC and DAAs move to jointly adopt a clear and overarching Indigenous child welfare policy framework in BC that is premised on support for prevention and connectedness, reconciliation, and resiliency.</p> <p>Recommendation: MCFD in collaboration with DAAs and representatives of Indigenous communities, develop a separate service plan for Indigenous child and family welfare, including an Indigenous ADM to oversee the plan, and confirm a distinct budget allocation for this planning process and its subsequent implementation.</p>	

APPENDIX B

Recommendations (continued)

Recommendation: MCFD take the following immediate actions to ensure Nation-to-Nation Partnership Protocols are implemented between each Indigenous community (First Nation or Métis) and the regional MCFD office and DAA (as appropriate):

- ◆ Each MCFD regional director arrange to meet before January 2017 with all Indigenous communities and DAAs with the purpose of 1) ensuring a current Nation-to-Nation Partnership Protocol exists between each Indigenous community (First Nation or Métis) and the regional MCFD office or DAA (as appropriate) or, in the instances where a protocol already exists, 2) ensuring that the existing protocol is current, understood, and agreed to by all parties to the protocol;
- ◆ MCFD commit to an annual review of all Nation-to-Nation Partnership Protocols with all of the parties to each protocol

Recommendation: Where Indigenous communities, through their own decision-making processes, decide to give their free, prior, and informed consent to DAAs that they have established, Canada and BC should ensure fair and equitable funding to DAAs based on needs and that are, at minimum, similar to the formula under which Canada transfers funds to the province.

Recommendation: INAC and MCFD take the following immediate actions to address the issue of wage parity for DAAs in BC:

- ◆ INAC and MCFD commit in policy to ensure that the principle of wage parity is included in all agreements with DAAs in BC; and
- ◆ INAC and MCFD commit the required time and resources to negotiate in good faith and make the required amendments to all DAA agreements to ensure DAA workers are compensated at the same rate as MCFD workers now and in the future

APPENDIX B

Theme: Quality assurance	
Report	Organization
<u>Residential Review Project: Final Report (2012)</u>	Federation of Community Social Services of BC and Ministry of Children and Family Development
Recommendations	
<p>Recommendation: Review and revise the Standards for Staffed Children’s Residential Services to ensure they support the newly emerging principles and values (philosophical foundation), service redesign and consequent changes in care, and treatment expectations.</p> <p>Recommendation: MCFD should align and embed accountability framework for the delivery of residential services within the Ministry’s ongoing Integrated Quality Assurance efforts and contracted service provider requirements.</p> <ul style="list-style-type: none"> ◆ Engage MCFD’s Provincial Office Team responsible for quality assurance in ensuring that the residential services accountability framework is integrated within the Ministry’s quality assurance framework. ◆ Work with Ministry procurement staff, regional contract management staff and contracted service providers to ensure that the outcomes and measures of service quality in the accountability framework are translated into program or service level measures/indicators and embedded within contracts for the delivery of existing and new residential services. Measures should be standardized across both Ministry and contracted services to the greatest extent possible. Measures should be consistent with current accreditation requirements, reflecting change over time for individual children and youth in care (i.e. client level, pre, post and follow-up measures utilizing standardized measures where possible). ◆ Identify examples of success in developing and implementing outcomes monitoring at the community level, build on that success and expand it to other communities. 	

APPENDIX B

Recommendations (continued)

Recommendation: MCFD should develop and implement an accountability framework that includes both client outcome measures and measures of service quality that emphasize the importance of youth, family, caregiver and Aboriginal community input. The framework should support examination of outcomes in relation to child profiles, child placement types and costs per child.

The accountability framework will identify:

- ◆ Desired outcomes linked to planned Strategic Directions in the areas of achieving permanency, strengthening foster care, array of residential care services, and working together
- ◆ Specific systems level indicators linked to outcomes
- ◆ Measures of service quality that are directed towards ensuring that services are responsive to emerging issues and concerns, timely and consistently delivered. Opportunities for children and youth in residential care, their family member and caregivers to give feedback should be emphasized.
- ◆ A common set of child and family population characteristics (including severity factors and barriers) for tracking at baseline and over time to ensure that future data analysis is capable of identifying which characteristics are associated with an increased or decreased chance of success.

Recommendation: MCFD should develop and implement systems and structures to support monitoring of outcomes and service quality, continuous learning, and adjustment of actions and strategies based on learning as well as the use of relevant academic research findings.

- ◆ Develop service quality evaluation processes for monitoring practices that are guided by the Caregiver Support Service Standards. Review processes should also be developed for the Standards for Foster Homes and Standards for Staffed Children's Residential Services following their revision.
- ◆ Establish baseline measurement for all outcome and service quality indicators and child/family characteristics identified in the accountability framework.
- ◆ Implement regular (annual) planning and review structure within contract management processes at the local, regional and provincial levels.
- ◆ Utilize forums or other collaborative mechanisms at the regional and provincial level for the review of performance in achieving outcomes (e.g. How are we doing so far? What's working?). Such mechanisms would allow for input from multiple stakeholders, consider relevant academic research related to the delivery of residential services, and result in specific recommendations for adjusting actions or strategies where appropriate.
- ◆ Utilize the Federation of Community Social Services of BC's existing regional structure and relationships with regional Ministry staff to support the implementation and monitoring of the accountability framework at the community level.

APPENDIX B

Report	Organization
<i>Broken Promises: Alex's Story (2017)</i>	Representative for Children and Youth
Recommendations	
<p>Recommendation: MCFD to audit all Care Plans of children and youth residing in a contracted residential home on an annual basis to ensure their needs are being met and that permanency options are being explored.</p> <p>Recommendation: That MCFD allocate additional resources within the ministry to significantly enhance the provision of quality assurance oversight and financial accountability for all contracted residential agencies [...]</p> <ul style="list-style-type: none"> ◆ The highest priority to be given to the monitoring of service delivery quality and outcomes for children and youth in care by contracted residential services, using rigorous and clearly articulated standards. This activity, over and above the regular activities of resource and guardianship social workers, to be focused on the quality of care, and to include an immediate assessment of the circumstances of every child and youth in care in a contracted residential service. Ministry to create new criteria for the screening and assessment of all caregivers employed by contracted residential agencies to ensure that they have the background, skills and abilities necessary to support positive outcomes for the children and youth in their care. ◆ Ministry to review the background and qualifications of all staff who are currently providing care to children and youth in contracted residential agencies against new criteria. 	
Report	Organization
<i>The Thin Front Line: MCFD Staffing Crunch Leaves Social Workers Over-Burdened, B.C. Children Under-Protected (2015)</i>	Representative for Children and Youth
Recommendations	
<p>Recommendation: That MCFD develop better tracking of Local Service Area and team performance and outcomes related to quality and timeliness of services to children and youth.</p> <ul style="list-style-type: none"> ◆ MCFD continue to prioritize efforts to draw together the various sources of quality assurance data in the ministry. ◆ These efforts to be supplemented with data from ICM and other sources to identify problems with quality of services as well as key successes and to share these findings broadly within the Ministry to encourage a climate of quality improvement. 	
Report	Organization
<i>Plecas Review, Part One: Decision Time (2015)</i>	Bob Plecas
Recommendation	
<p>Recommendation: MCFD should be given a period of time (perhaps two years) to put in place a sophisticated Quality Assurance, audit and complaints process that includes feedback to the front line, and with appropriate training provided to ensure learning from findings of the Quality Assurance Program.</p>	

APPENDIX B

Report	Organization
<i>BC Children and Youth Review: An Independent Review of BC's Child Protection System (2006)</i>	Honourable Ted Hughes, OC, QC, L.L.D. (Hon.)
Recommendations	
<ul style="list-style-type: none"> ◆ The Ministry must devote sufficient resources to develop and maintain a strong central quality assurance function at headquarters, in the regions, and in Aboriginal agencies. In consultation with the regions and Aboriginal agencies, headquarters must set provincial standards; provide training, support and expertise; and monitor results. ◆ The Ministry needs to develop its capacity to do aggregate analysis of recommendations from case reviews and regional practice audits. ◆ The Ministry needs a regular, coordinated program of reporting on its activities and results achieved for children in care and children at risk. ◆ That the Ministry finalize, with a new sense of urgency, its complaint resolution process, ensuring that the process is timely, accessible, and simple; that it takes a problem-solving, rather than confrontational approach; and that it is respectful and responsive to the complainant; and that it involves the parties in resolving the issue. ◆ That the Ministry develop processes for resolving complaints by Aboriginal children, youth and families that incorporate and respect traditional cultural values and approaches to conflict resolution. ◆ That the Ministry adopt a common review tool to guide the conduct of cases reviews across all the program areas that are relevant to the life of a child who has died or been seriously injured. ◆ That the Ministry adjust its timelines for its internal reviews, ensuring timeliness, but taking account of current capacity. Once established, the timelines should be made public. 	
Report	Organization
<i>A Case Study in Procurement and Monitoring of Staffed Residential Services (2017)</i>	MNP LLP
Recommendations	
<p>Recommendation: MCFD should consider implementing a risk adjusted visitation schedule for resource workers to inspect the facilities of small staffed residential service providers. Risk adjustments could include such factors as:</p> <ul style="list-style-type: none"> ◆ New providers inspected within 90 days ◆ Past inspection issues ◆ Reports of problems from employees/sub-contractors ◆ Contract non-compliance, including requirements for periodic financial and performance reporting <p>Recommendation: MCFD should consider allocation of oversight responsibility for each staffed residential service provider to one resource worker.</p>	

APPENDIX B

Theme: Contract management	
Report	Organization
<i>A Case Study in Procurement and Monitoring of Staffed Residential Services (2017)</i>	MNP LLP
Recommendations	
<p>Recommendation: MCFD should consider providing incumbent resource workers training in finance, procurement and contract management, and amending the resource worker job profile to include this training and experience.</p> <p>Recommendation: MCFD should consider instituting a mandatory staffed residential service contract compliance assessment prior to renewal.</p> <p>Recommendation: MCFD should consider allocation of oversight responsibility for each staffed residential service provider to one resource worker.</p> <p>Recommendation: MCFD should consider implementing a process of central consolidation of contractual commitments by residential service provider.</p> <p>Recommendation: MCFD should consider assessing, pre-approving and periodically revising, service provider capacity.</p> <p>Recommendation: MCFD should consider requiring the review of financial reporting by staffed residential service providers, including the assessment and collection of unearned revenue, to be conducted by staff with appropriate training in finance and contract management.</p>	
Report	Organization
<i>Financial and Internal Control Review – Final Report (2016)</i>	MNP LLP
Recommendations	
<p>Recommendation: MCFD may wish to consider providing financial training to MCFD resource workers that are reviewing contract reporting to better enable them to assess the reports being sent to them by contractors.</p> <p>Recommendation: MCFD may wish to consider ensuring that copies of all executed contracts and contract amendments are provided to service providers.</p> <p>Recommendation: MCFD may wish to consider implementing a centralized contract review system to ensure consistency and appropriateness of contract language and terms.</p> <p>Recommendation: MCFD should consider reviewing and standardizing its bona-fide financial accountability requirements with contract service providers.</p>	

APPENDIX B

Report	Organization
<i>Assessment of Internal Control, Financial Reporting and Contract Compliance (2018)</i>	KPMG
Recommendation	
Recommendation: That the contractor and MCFD initiate a procedure to track the contractor's compliance with its contractual reporting requirements in order to improve reporting compliance.	
Report	Organization
<i>Provincial Placement Review Committee: Final Report (2016)</i>	Ministry of Children and Family Development
Recommendations	
<ul style="list-style-type: none"> ◆ Each LSA would have a Specialized Resource Worker attached to its resource team who would work closely with Procurement and Contract management and finance. ◆ This worker would receive specialized training in contract management, and in negotiation and financial management of specialized contracts. ◆ The Resource Team Leader as well as the [Community Service Manager] responsible for the contracts would also be provided specific training in regard to negotiating and financially managing specialized residential contracts. ◆ Ideally each SDA would have a team of people within their SDA who were trained in negotiating specialized contracts with the larger residential resource providing agencies, and this team would include the person identified as the liaison to the contractor. ◆ Additionally, there would be a centralized support team with expertise from Procurement, Finance and Legal Services who could assist and advise in all types of contract management issues. ◆ The PPRC report also recommended the creation of a contract management toolbox for residential contracts 	
Report	Organization
<i>Broken Promises: Alex's Story (2017)</i>	Representative for Children and Youth
Recommendation	
Recommendation: Mandatory annual financial audits to be conducted by ministry staff on each residential service contract, ensuring that funding is both adequate for the needs of the child or youth and that public funds are being appropriately allocated and dispersed by the contracted agency. Random and unannounced visits to contracted resources should form an integral part of both the quality assurance and financial accountability framework	

APPENDIX C: SELECT BIBLIOGRAPHY

A selection of public documents, reports and research that informed this report's background section:

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APPENDIX C

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