

## **DEPARTMENTAL AUDITS**

**4.****COMMUNITY SERVICES -  
GRANTS TO ORGANIZATIONS PROVIDING FAMILY AND  
CHILDREN'S SERVICES****BACKGROUND**

**4.1** The Department of Community Services delivers a wide range of social services to citizens of Nova Scotia. The Department has four primary service divisions: Community Support for Adults; Family and Children's Services; Income Assistance and Employment Support Services; and Housing Services. Housing Services was formerly a part of the Department of Housing and Municipal Affairs, but was assigned to the Department of Community Services on August 1, 2000. Most of the services of the Department are delivered by the regional offices, which are classified as a separate division. The organizational structure of the Department is illustrated in Exhibit 4.3 on page 66.

**4.2** The Family and Children's Services Division provides child welfare and residential services, day care and early intervention programs, and community outreach programs. It derives its mandate from the Children and Family Services Act, the Day Care Act, and related regulations. The Division fulfills many of its responsibilities by funding and partnering with numerous non-government organizations. For example, various children and family-oriented programs are provided by:

- 335 day care centres;
- 31 child development centres;
- 31 family resource centres;
- 15 early intervention programs;
- 9 transition houses;
- 6 men's treatment programs; and
- 4 family counseling organizations.

**4.3** In addition, child welfare services are provided through a combination of Department district operations and 13 non-government family and children's services agencies (children's aid societies). A community residential program funds 31 non-government residential child-caring facilities for children and youth who are experiencing emotional, behavioral, and mental health difficulties. As well, the Department provides children and youth in care with an alternative home setting through the foster care program.

**4.4** The Department is also implementing the National Child Benefit program. This program was designed by Federal, Provincial and Territorial Ministers responsible for Social Services and is coordinated by the Council on Social Policy Renewal. The program has two main elements: increased Federal benefits for low income families through the Canada Child Tax Benefit, and investment by the Provinces and Territories in services and benefits for children in low income families. As part of the Province's commitment, the Department provides assistance to low income families through the Nova Scotia Child Benefit Program and funding for various Healthy Child Development Initiatives. These initiatives include community-based prevention, early intervention for children with special needs, and support for day care.

**4.5** Family and Children's Services expended \$106 million during the 1999-2000 fiscal year. See Exhibit 4.1 on page 64 for an analysis of these expenditures.

## **RESULTS IN BRIEF**

**4.6** The following are the principal observations from this audit.

- The Family and Children's Services Division provides grants and assistance to non-government organizations which are eligible to receive assistance. Grants are appropriately supported and approved.
- Systems and controls are sufficient to ensure organizations receiving grants under legislated programs use the funds appropriately to address the goals, priorities and legislative requirements of the Department. However, weaknesses exist with respect to non-legislated grant programs.
- Improvements could be made with respect to performance reporting by all family and children's service organizations funded.
- The Family and Children's Services Division has not used the Department's business plan to prepare a more detailed operational plan to guide the Division in the planning and delivery of its programs and services.
- The Division does not have a formal strategy or model to determine the level of funding for organizations providing services under non-legislated programs. The Division does not use a formula for funding residential child-caring facilities, but funding decisions are somewhat more structured than with non-legislated programs.
- Except for a draft document related to grants to family and children's services agencies, there is no formal documentation of the respective roles and responsibilities of the Division, regional offices and funded organizations for each grant program.
- The Department's inspection and licensing processes are timely and comprehensive. Appropriate and timely follow-up is undertaken to ensure deficiencies observed are corrected. Program reviews are comprehensive and appropriately followed-up, but we believe they should be done on a more frequent basis and more funded organizations should be included in those subject to review.
- We observed that there are various financial and statistical reports generated for the individual grant programs managed by the Department, but there are few outcome measures established and reported.

## **AUDIT SCOPE**

**4.7** In November 2000 we completed a broad scope audit of the Department of Community Services under Section 8 of the Auditor General Act. Our audit was performed in accordance with auditing standards established by the Canadian Institute of Chartered Accountants, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

**4.8** Our audit focused on grants and assistance to non-government organizations providing services and programs to children, families and women. The following programs were selected for examination:

- Family and children's services agencies (children's aid societies)
- Day care subsidies
- Residential child-caring facilities
- Transition houses and men's treatment programs
- Discretionary grants
- Healthy child development initiatives
- Family counseling organizations

**4.9** Payments under these programs for the year ended March 31, 2000 totaled \$51.6 million and funded over 200 non-government organizations (see Exhibit 4.2 on page 65). The scope of our audit did not include direct payments made on behalf of children in care.

**4.10** The objectives of this assignment were to:

- assess whether grants and assistance to non-government organizations are provided only to entities which are eligible to receive assistance; and
- assess Department systems and controls to determine whether they ensure that organizations receiving grants and assistance use the funds appropriately to address the goals, priorities and legislative requirements of the Department.

**4.11** Audit criteria were developed to assist in our assessment of the systems and practices of the Department. The audit criteria were discussed with and accepted as appropriate by senior management of the Department, and are outlined in Exhibit 4.4 on page 67. Our audit procedures included interviews with management and staff, testing of grant files, as well as examination of significant reports and other documents.

## **PRINCIPAL FINDINGS**

### ***Introduction***

**4.12** The Department classifies its family and children's services grants into three program categories:

- Legislated programs - child welfare services, residential child-caring facilities, child care centres
- Non-legislated core programs - transition houses, family resource centres, women's centres, men's treatment programs
- Discretionary grants - various other organizations, such as boys and girls clubs

**4.13** Legislated programs administered by Family and Children's Services have specific authority through the Children and Family Services Act and the Day Care Act. Funding of other programs is not supported by specific legislated authority, but is consistent with the general mandate of the Department. As indicated by Exhibit 4.2 on page 65, a majority of funding provided goes to organizations operating under legislated programs.

### *Funding Strategy*

**4.14** The Department prepares an annual business plan which describes its mission and strategic goals, as well as core business functions and priorities for the year. The business plan is based upon the Department's legislated mandate, budget for the coming fiscal year, as well as trends observed and lessons learned from the prior year. However, Family and Children's Services has not used the Department's business plan to prepare a more detailed operational plan to guide the Division in the planning and delivery of its programs and services.

**4.15** Formal funding strategies exist for two of the Division's legislated programs. Day care centres are funded by way of specific formulae. The funding of children's services agencies is not based on formulae, but there are formal guidelines for determining the number of child welfare caseworkers and their respective salaries which account for a majority of the costs of these agencies. There are guidelines for other salaries as well, but not for non-salary costs.

**4.16** The funding of residential child-caring facilities is less structured. These organizations receive a combination of lump-sum and per-diem based grants. There are no formulae or funding guidelines, as with day care centres and children's services agencies. The grants to residential child-caring facilities are based on the individual circumstances and the approved annual budgets of each organization.

**4.17** The Division also does not have a formal strategy or model to determine the level of funding for organizations providing non-legislated services. This may be due in part to the fact that the Division provides grants mainly to organizations that have been funded by the Department for many years. Few new organizations receive funding. As a consequence, approved grants are generally based upon historical funding, with adjustments made for changes in staffing and programming, rather than upon a formal assessment of where available funds would be of greatest relevance to the mandate and priorities of the Department.

**4.18** We believe there would be advantages to having a more structured means of determining the amount of funds to be provided to residential child-caring facilities and the organizations providing non-legislated services. A formal funding structure would enable these organizations to predict how much funding they will receive in future periods and give them confidence that they are being treated consistently and fairly compared to other organizations. Individual or category limits could be established to ensure total funding does not exceed the Department's budget for such expenditures.

### *Program Expectations*

**4.19** The Family and Children's Services Division conveys its performance expectations of organizations providing legislated services by providing them with copies of Department legislation, regulations and policy/procedure manuals. For example, there is a comprehensive manual addressing child protection guidelines and standards which is provided to child welfare agencies. As well, training sessions are provided and there is regular contact between Department staff and management of the organizations.

**4.20** We noted two instances where standards for operations are being formalized and enhanced. At the time of this audit, the Department was finalizing Provincial standards for residential child-caring facilities. When these standards are implemented in 2001, residential child-caring facilities will have comprehensive policies and procedures to guide their daily operations. The Department is currently revising the Day Care Act Regulations. Once these regulations have received Executive Council approval, the Division will then update its policies and procedures for the operation of day care centres.

**4.21** There are no comprehensive, consolidated listings of standards and guidelines for each non-legislated grant category to describe the organizations eligible for funding, the services they will provide, the standards that are to be met when delivering the services, how the programs will be funded and administered, and requirements for reporting on performance. At this time, the Department has only draft policies and procedures for transition houses, men's treatment programs and children in care. We recommended that the Department implement policies and procedures for all non-legislated grant programs administered.

**4.22** In 2000, the Department commissioned a review of the residential child-caring system. The resulting report (*Too Important to Ignore*, Thom Garfat and Grant Charles, April 2000) recommended a process to fund the residential child-caring centres. According to the authors, this process would require that:

- the Department develop specific definitions of the services they require in each region;
- funding rationales be made more explicit;
- all programs develop a specific mandate which identifies which services they offer to which particular clientele;
- the Department enter into annual negotiations regarding the specific services they require from each specific service provider;
- the specific negotiations specify the funding for the particular program being purchased;
- an annual system of monitoring be developed to ensure that the Department is, in fact, receiving the agreed service;
- the specific indicators for determining the usefulness of a particular program or service be agreed on as part of the specific negotiations; and
- if a program fails to provide the agreed service that the Department withdraw the funding for that service.

**4.23** Such a process should improve the administration and management of the residential child-caring facilities program. We recommended that the Department consider implementing the process for each of its grant programs.

**4.24** In 2000, government established the Interdepartmental Committee on Discretionary Grants to Agencies/Organizations. The mandate of the Committee is to develop and implement a common process to award and administer grants throughout the government's four social-sector departments (Community Services, Education, Health and Justice). When this process is implemented, funded

organizations will need to formally document the purpose of their programs, services to be provided by the organizations, outcomes of the programs, and how the outcomes will be measured and reported. The terms and conditions agreed to between departments and funded organizations will be summarized and documented in a formal service agreement.

**4.25** Based on our review of this Committee's reporting to date, its recommendations should provide stronger control over Family and Children's Services' awarding of grants. We recommend that service agreements be used for all grants, whether they are with respect to legislated or non-legislated services. We suggest the agreements also address:

- service level standards, clientele to be served, and geographic areas in which services are to be provided;
- program standards to be followed (including legislation, regulations, Department policy and procedures and requirements of other Acts not administered by the Department of Community Services);
- if appropriate, specific referral to confidentiality requirements of the Children and Family Services Act and the Young Offender's Act;
- staffing standards and staff qualifications;
- requirement for an appropriate governance and internal control structure;
- annual budget, including its timing, content and format;
- financial and non-financial information, statements and reports to be submitted to the Department (including frequency and timing); and
- annual reporting requirements.

### ***Payments to Funded Organizations***

**4.26** *Responsibility for grants and funded programs* - In a previous audit of the Department of Community Services, we stated that "a major decentralization of program responsibility to the regions is underway. The regions will have greater decision-making authority and responsibility for programs, while head office will have responsibility for areas such as policy, monitoring and control, and standard setting." (1995 Report of the Auditor General, page 56, paragraph 4.61) During this audit we noted that Family and Children's Services' various grant programs are being administered by either the Division or regional offices. The Division is still in the process of decentralizing authority and responsibility for grant programs.

**4.27** Except for a draft document related to grants to family and children's services agencies, there is no formal documentation of the respective roles and responsibilities of the Division, regional offices, and funded organizations for each grant program. This is especially important because regional offices are a separate division of the Department and do not report directly to senior management of the Family and Children's Services Division (see Exhibit 4.3 on page 66). Further, the consultants who conducted the review of the Department's residential child-caring system (paragraph 4.22) concluded "During the course of this review it became evident that there is a lack of either clarity or understanding of the roles and responsibilities, as well as the authority, of some of the various participants in the residential child-caring system." However, they also stated "it should be noted that many of the relationships between people involved in the residential child-

*caring system are excellent and many of the roles and responsibilities are clear, at least in some areas.*" (Garfat and Charles, page 42) We recommended that the Department expand its work on defining roles and responsibilities to include each of its grant programs.

**4.28** *Approval of grants* - Grants are renewed annually. While requirements varied among the programs examined, organizations are generally required to submit an annual grant renewal application with a proposed budget for the upcoming fiscal year and audited financial statements for the previous fiscal year. This documentation is reviewed by Department staff prior to authorizing a grant.

**4.29** The review of grant applications does not appear to always include an assessment of whether funded organizations' services are consistent with the overall goals and objectives of the Department. Also, although all funded organizations submit budgets and financial statements, there are inconsistencies in the degree of attention given to them by Department staff. A lack of staff with financial education and experience was cited as one reason for the inconsistency in this area. We also noted there are no written guidelines to direct Department staff in their review of this information. We believe detailed analysis of organizations' budgets and audited financial statements would help determine if they are operating in an economic, efficient and appropriate manner. Further, we believe guidelines would ensure completeness and consistency in the review process.

**4.30** Payments to organizations are based on their approved budget and are made on a monthly, quarterly, semi-annual or annual basis. Payments are made only after they have been approved by the program administrator, or by senior staff in the Division or regional offices.

**4.31** Once funding has been approved, a letter is forwarded to each organization outlining the amount of the grant. For the 2000-01 fiscal year, most organizations were not informed of the approved grant until October 2000, five months after the beginning of the fiscal year. We were informed that similar delays had occurred in previous years. When such a delay occurs, organizations usually receive preliminary funding based on the previous year's authorized grant. Adjustments are made if the current year's authorized grant is different from the previous year's. However, such delays in approving grants make it difficult for organizations to manage their resources, especially if the amount of the grant is less than the amount requested.

### ***Monitoring of Funded Organizations***

**4.32** Department staff monitor funded organizations throughout the year by way of meetings and other forms of communication. Because family and children's services agencies provide legislated services on behalf of the Department, communication with them is more structured. All family and children's services agencies submit monthly financial reports which are reviewed by regional office staff, and there are regular meetings between staff of the agencies, regional offices and the Division.

**4.33** This level of communication is generally not found in the other grant programs. However, some funded organizations are subject to program review and/or regular licensing and inspection. Section 10 of the Children and Family Services Act states "*The Minister or a person authorized by the Minister may enter, inspect and evaluate an agency and examine the records, books and accounts of the agency.*" A similar provision is contained in Section 8 of the Day Care Act. For organizations that are not funded under these Acts, the Department's right of access is conveyed either in the Department's policies or informally through discussions with the organizations. We recommended that the Department have its right of access established by way of service agreements in those cases where it is not established by legislation or regulation.

**4.34** *Licensing and inspection* - The Department has a legislated mandate to license and inspect certain facilities operated by funded organizations. Under Section 15 of the Children and Family Services Act, the Department annually licenses and inspects 31 residential child-caring facilities. Under Section 4 of the Day Care Act, the Department annually licenses and inspects 200 full-day day care centres and 31 child development centres. There are 135 part-day day care centres that are licensed and inspected every two years.

**4.35** We found the Department's inspection process to be comprehensive. It consists of the completion of licensing forms by funded organizations and the onsite inspection and completion of inspection forms by staff of the Department. We observed that the forms addressed all key requirements of the Department's legislation, regulations, policies and procedures. A report is prepared for each inspection, and appropriate and timely follow-up is taken to ensure deficiencies observed during inspections are corrected.

**4.36** We noted one difficulty related to the Department's licensing and inspection function. In order to operate a residential child-caring facility or a day care centre, an organization must have annual fire and health inspections. We observed that such inspections are not always performed before a licence expires. In such situations, the Department issues conditional operating licences until the inspections are completed and any deficiencies reported are corrected.

**4.37** *Program reviews* - We found that regular program reviews are conducted only on child welfare agencies. There are 19 child welfare offices located throughout the Province, of which six are district offices of the Department and 13 are non-government family and children's services agencies. Under Section 11 of the regulations to the Children and Family Services Act, the Department conducts evaluations of all these agencies to ensure compliance with Provincial standards and guidelines.

**4.38** The evaluation process consists of a self-evaluation by the agency, a survey of groups and individuals who work for or have contact with the agency, a site visit by Department staff during which various case files are reviewed, and documentation of the results in a written report. We found that the forms and reports are comprehensive and address key requirements of the Department's legislation, regulations, policies and procedures. Appropriate and timely follow-up action is taken to ensure deficiencies noted are corrected.

**4.39** The Department tries to conduct an evaluation of each agency every five years. At one time, the evaluations were conducted on a more frequent basis, but they were scaled back in response to budgetary pressures. Also, based on our examination, not all agencies are being evaluated within the current five-year cycle. Due to the nature of the responsibilities of the family and children's services agencies, and the significant amount of funding provided to them, we recommended that each agency be evaluated at least once every three years.

**4.40** Generally, a program review is performed on one or two day care centres each year. Organizations which operate early childhood intervention programs, transition houses, and men's treatment programs are not subject to regular program reviews. Organizations that receive discretionary grants from the Department are also not subject to regular program reviews. If the Department becomes aware of problems in the operation of an organization or with the programs and services provided, the Department can conduct a special program review, commission an external review by program experts, or have an examination performed by its Audit Services Group.

**4.41** The Audit Services Group performs periodic audits on organizations funded by the Department. Whereas certain of these audits are the result of concerns expressed by Department staff, the Group is also free to select organizations for audit based on its own criteria. We found the

process used to report audit findings and ensure recommendations are implemented to be reasonable. However, the Audit Services Group has only conducted six assignments for the Family and Children's Services Division since April 1, 1999. Considering the total number of funded organizations (see Exhibit 4.2 on page 65), few are subject to audit by the Department.

### ***Program Management***

**4.42** We found that program managers in the Department receive timely, relevant and sufficiently detailed financial reports to assist them in the management of grant programs. Financial information is reported according to district office and is summarized on a regional and Provincial basis. However, we believe senior management of the Family and Children's Services Division do not receive sufficient financial information and analysis to identify trends and issues which should be addressed on a Provincial basis. The Department is developing a new financial analysis and reporting system which should provide senior management of the Division with better information on the expenditures of family and children's services agencies. However, there will still be a weakness in reporting other expenditures to Division senior management.

**4.43** We believe outcome measures are important to ensure the quality of any program. Well-defined outcome measures assist in determining if a program is achieving its intended purpose. We observed that various statistics are generated for the individual grant programs, but few outcome measures are established and reported.

### ***Other Observations***

**4.44** *Residential child-caring facilities* - The Department provides funding to 31 residential child-caring facilities. As a result of concerns related to the operation of these facilities, the Department commissioned external consultants to review the residential child-caring system and prepare a proposal for renewal and redesign (see paragraph 4.22).

**4.45** Some of the factors which the consultants identified as leading to the review were:

- *“a number of residential programs in the province were experiencing difficulties,*
- *a high number of youth were being discharged prematurely from programs because of a growing inability of the programs to meet their needs,*
- *there were numerous empty beds in the province,*
- *a growing number of youth had to be placed outside of the province because of the inability of the current programs to accommodate their needs” (Garfat and Charles, page 5)*

**4.46** Some of the findings and recommendations contained in the consultant's report are consistent with those reported in this chapter. There are two issues examined in the review which we wish to highlight in our Report.

**4.47** The occupancy rates of many residential child-caring facilities are significantly below the standard of 95%. An analysis prepared by the Department indicated that the cost to the Province to fund these vacant beds is \$3.2 million per year. There are numerous reasons why this situation has occurred. The consultants noted

*“In our opinion, the occupancy of a program is not effected simply by the issue of funding. It is, in fact, complicated by matters such as clarity of mandate, the characteristics of the young people requiring placement, sufficient referrals, staff knowledge skills and abilities, alternative intervention services available, appropriate case planning, the continuum of services, the presence or absence of support services, and the physical facility, to name the most obvious.[sic]” (Garfat and Charles, page 50)*

**4.48** The second issue relates to the placing of children and youth in out-of-province treatment programs. At the time of our audit, there were 26 Nova Scotian children and youth being cared for outside of the Province. One reason for this situation is the closure of the Nova Scotia Residential Centre in Truro and the resulting lack of a secure treatment facility for children and youth with emotional and behavioral problems. In August 2000, the Minister of Community Services announced that a new secure treatment facility will be constructed and operating in Truro by the fall of 2001. However, many of the children and youth being cared for outside of the Province are not in secure treatment facilities. The other reason this issue has arisen is the inability and/or unwillingness of Nova Scotia residential child-caring facilities to address the needs of some children and youth being referred to them. We recommended that the Department develop an action plan to address the findings contained in the consultant's report.

**4.49** *Provision of services* - As previously stated in paragraph 4.26, the Department has decentralized program responsibility to the regions. A 1996 Department report identified the need to have a coordinated and multi-disciplinary approach to providing services to children and their families in the regions. Achievement of this goal is made more challenging because Nova Scotia is the only Province where family and children's services are provided by district offices of the Department as well as non-government family and children's services agencies. In all other provinces these services are provided solely by government or non-government agencies. We noted that there are advantages and disadvantages to each method of providing services, and perhaps there are advantages to having two systems of delivery. We were informed that the Department is conducting a review of how services are provided in Nova Scotia and we encouraged the Department to proceed with its review.

**4.50** The Department has taken steps to deliver services more efficiently. The Children and Youth Action Committee is continuing to address a number of issues which affect more than one government department. The Committee is composed of representatives from the Departments of Community Services, Education, Health, and Justice, as well as the Nova Scotia Youth Secretariat. The Department is exploring and implementing a number of cost containment initiatives, such as having the legal work for child welfare matters done by a combination of Department of Justice lawyers and private legal counsel. A procurement process will be followed for retaining private counsel.

## CONCLUDING REMARKS

**4.51** Based upon the results of our testing, it is our opinion that Family and Children's Services only provides grants and assistance to non-government organizations which are eligible to receive assistance. Systems and controls are sufficient to ensure organizations receiving grants under legislated programs use the funds appropriately to address the goals, priorities and legislative requirements of the Department. However, weaknesses exist with respect to non-legislated grant programs. In addition, improvements could be made with respect to performance reporting by all family and children's service organizations funded.

*Exhibit 4.1*

**DEPARTMENT OF COMMUNITY SERVICES  
FAMILY AND CHILDREN'S SERVICES DIVISION  
NET EXPENDITURES  
YEAR ENDED MARCH 31, 2000**

Family and children's services agencies	\$ 17,410,464
Maintenance of children	16,031,870
Residential child-caring facilities / enhanced foster care	12,197,276
Day care subsidies	11,822,304
Apprehension costs	11,813,016
Voluntary care	7,612,464
Field services	6,378,745
Transition and safe houses	4,853,255
In-home support	4,582,845
Discretionary grants	1,690,233
Community placements	2,542,087
Family support	1,732,658
Healthy child development initiatives	1,370,108
Family counseling grants	1,132,637
Administration - Family and Children's Services Division	1,107,788
Small option homes	823,684
Early intervention programs	710,092
Administration - Prevention services	554,307
Summer programs	530,268
Administration - Community residential outreach	441,059
Child development centres	269,092
Administration - Family and children's services	266,983
Administration - Day care	75,925
Administration - Prevention services	<u>71,868</u>
<b>Total</b>	<b><u><u>\$106,021,028</u></u></b>

*Exhibit 4.2*

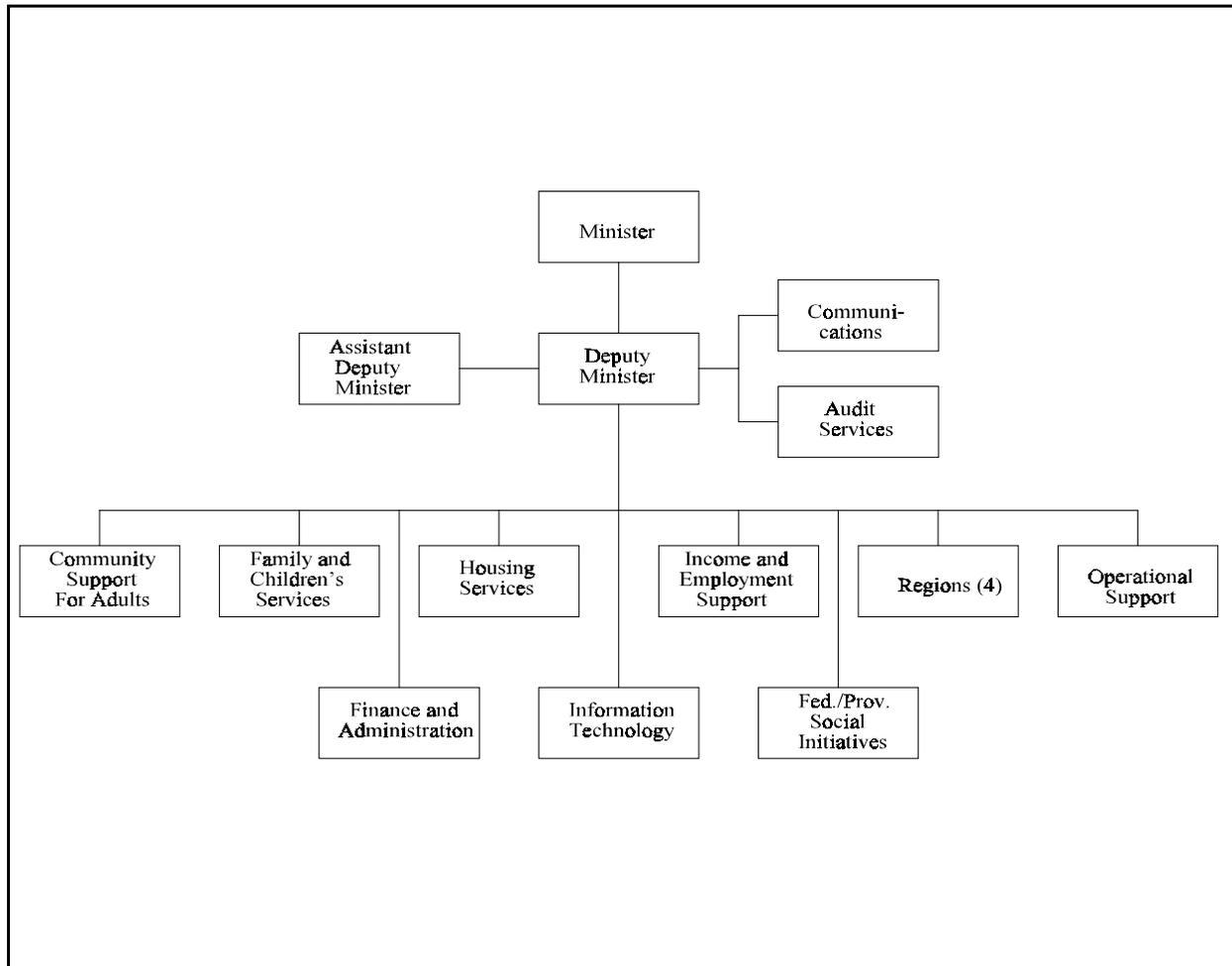
**DEPARTMENT OF COMMUNITY SERVICES  
FAMILY AND CHILDREN'S SERVICES DIVISION  
GRANT EXPENDITURES INCLUDED IN AUDIT  
YEAR ENDED MARCH 31, 2000**

<b>Grant Program</b>	<b>Expenditures in 1999-2000</b>	<b>Organizations Funded</b>
Family and children's services agencies	\$ 17,453,219	13
Day care subsidies and early intervention programs (Note 1)	12,411,843	82
Residential child-caring facilities	11,091,504	31
Transition houses and men's treatment programs	4,852,068	15
Discretionary grants (Note 2)	3,042,068	41
Healthy child development initiatives (Note 3)	1,613,340	112
Family counseling grants	<u>1,132,637</u>	4
<b>Total</b>	<b><u>\$51,596,679</u></b>	

*Note 1 - Funding is provided to 67 non-profit day care centres to provide 2,600 subsidized spaces (which includes 181 spaces for children with special needs), and to 15 early intervention programs.*

*Note 2 - This category includes grants charged to other budget subjects within the Division.*

*Note 3 - Funding is provided to 67 non-profit day care centres, 15 early intervention programs and 30 other organizations.*

*Exhibit 4.3***DEPARTMENT OF COMMUNITY SERVICES  
ORGANIZATION CHART**

*Exhibit 4.4*

**AUDIT CRITERIA**

Audit criteria are reasonable and attainable standards of performance and control against which the adequacy of systems and practices can be assessed. They relate to the audit objective developed for an assignment, and are used to design detailed audit tests and procedures.

The following criteria were used in our audit of grants awarded by the Family and Children's Services Division of the Department of Community Services.

- The Department should have a strategy and criteria for funding non-government organizations serving families and children.
- Grants should only be made to organizations which are eligible and intended to receive funding.
- Goals, service level standards and/or performance expectations should be agreed to between the Department and the funded organizations.
- There should be regular assessment of organizations' performance in meeting the goals and expectations agreed upon, and in meeting the requirements of applicable legislation.
- Grant programs should be well managed by the Department.