

DSB shortfalls likely to fall within operational reserves capacity

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ESPANOLA – The Manitoulin-Sudbury District Services Board (DSB) has experienced its first operating deficit in memory, but that deficit is likely to be significantly lower than what was first feared when the pandemic hit and staff anticipate that the DSB will be able to draw from its healthy operating reserves to shield municipalities from a drastic increase in their levies.

A shortfall of \$54,725 to provide support to child care providers based on Ministry of Education directives is one example of funding challenges. The ministry has indicated since the last DSB meeting that federal early learning and child care funds could be used to support the retroactive costs. As a result, staff does not anticipate funding pressures from the closure period.

“Based on no funding from the government we were looking at \$500,000; we assumed that we would have \$200,000,” noted CAO Fern Dominelli. “If we get all the money from the Ministry of Housing, we are down to \$100,000.”

He pointed out that the working capital reserves currently standing in excess of \$1.3 million could absorb that hit. “That would be my recommendation to the board if we do have a deficit,” he said. “After all, that is what the reserves are for (to deal with unanticipated and large expenses).”

One concern looming on the horizon, however, is the ongoing audit issue with the Chapleau Employment Ontario operations.

“The first six audits conducted by the Ministry of Labour, Training and Skills Development were minor in nature and the reports were no more than two pages long,” reported Director of Integrated Social Services Donna Stewart. “The last two were more intense in nature and entailed reports of 13 and 21 pages.”

“Based on the monitoring visit findings and a review of compliance requirements in our Employment Services agreement, the ministry identified that our service delivery site is not meeting key compliance and accountability measures,” she continued. “At this point, the DSB has been placed under official review.”

Ms. Stewart said that the DSB has submitted an action plan indicating milestones and timelines identifying strategies to remedy the issues outlined in the audit report. "The ministry did not inform us of any adjustments required for approval."

As a result of the DSB actions, the ministry indicated after a follow up review of files that the DSB service delivery site compliance has improved.

The service delivery site is required to update the action plan indicating milestones and timelines by July 10. "Our action plan has identified strategies to remedy the issues outlined in the report," said Ms. Stewart. "The ministry will review the action plan and either approve it or ask for further clarification."

The kicker came next, "If, six months after the implementation of the revised action plan, the ministry determines that our organization has not completed the approved action plan and/or is not in compliance with Employment Services, Youth Job Connection and Youth Job Connection Summer Agreements, the ministry may terminate or not offer our organization new agreements upon expiry of the current agreements."

A lot of the problems indicated in the audit stem from outstanding administrative notes. Ms. Stewart pointed out that the DSB does not get credited with a number of referrals, despite having done the work.

The programs had been operating relatively smoothly over the past four years, until recently.

DSB board member and Chapeau mayor Michael Levesque asked if some of the issues may arise from new ministry staff doing the audit and being unfamiliar with previous systems.

There were new ministry representatives conducting the audit, confirmed Ms. Stewart, but she declined to lay the issues on that factor.

DSB chair Les Gamble noted that he had brought up his concerns to staff prior to the meeting. "I am scared something is going to happen," he said.

Ms. Stewart noted that they are committed to working with the ministry over the coming months to ensure the DSB is compliant with the action plan, but that the staff "need to have some conversation with ministry representative to understand a few observations items outlined in the action plan."