

Long Term Care Resident Trust Account Audit

Ann-Marie Case-Volkert, Acting Director, Long Term Care
Anila Lalani, Acting Manager, Enterprise Audit Services
Region of Peel

- Effective controls in place to establish and maintain trust accounts on behalf of long term care home residents
- Internal controls to be strengthen to manage risk of theft, misappropriation and inaccuracy of residents' trust accounts

Agenda

- Background
- Audit Objective
- Audit Observations
- Management Response
- Conclusion
- Questions

Background

- Long Term Care operates five long term care homes within Peel; two in Mississauga, two in Brampton and one in Caledon
- Long-Term Care Homes Act, 2007 and Ontario Regulation 79/10 govern and outline operation of “Trust Accounts” on behalf of residents
- Trust account funds available to meet residents’ cash needs

Audit Objective

- Determine whether management has implemented effective controls to manage risks associated with managing trust account on behalf of residents
- Audit focused on assessing transactions and data from October 2019 – November 2020 at Peel Manor, Sheridan Villa, Malton Village

Fiduciary Duty Over Residents' Trust Account

- Supervisory staff overseeing trust accounts should have financial knowledge, skills and experience
- Helps ensure effective controls in place to protect residents' trust account funds from improper accounting and misappropriation
- Administrators will be trained and oversee staff responsible for cash handling

Segregation of Duties

- Segregation of duties key control in cash handling and record-keeping, including during vacation coverage
- Sole responsibility of key cash handling activities significantly increases risk of misappropriation of funds
- Job descriptions of staff responsible for cash handling to include appropriate segregation of duties; training will be provided

Standardizing Practices Across the Homes

- Helps ensure transactions handled consistently, account balances accurate and compliance with legislation
- Inconsistencies noted in receipt, banking and resident expense processes; errors may go undetected and risk of misappropriation of funds increased
- Financial Program Manual will be updated to detail accuracy, timeliness and supporting documentation required for process

Updated Job Descriptions and New Staff Training

- Staff require updated job descriptions, procedures and training material; management must ensure appropriate training/development undertaken
- Without clear guidance, high risk staff may not effectively carry out job responsibilities
- Yearly review of Financial Program Manual to align with revised job descriptions and training to be developed and rolled out

Supervisory Oversight

- Helps ensure accurate maintenance of residents' trust fund accounts
- Stronger supervisory oversight over trust account activities required; high risk errors and/or misappropriation may go unnoticed
- Financial Program Manual to be revised to embed effective supervisory controls within accounting processes; appropriate training to be provided

Conclusion

- Overall, effective controls in place to establish and maintain trust account on Residents' behalf
- Strengthen internal controls to mitigate risk of theft, misappropriation and inaccuracy
- Management developed action plans will address identified risks; follow up to be conducted semi-annually

Thank you and Questions

Ann-Marie Case-Volkert, Acting Director, Long Term Care
Anila Lalani, Acting Manager, Enterprise Audit Services