***Caution:***

*This consultation draft is intended to facilitate dialogue concerning its contents. Should the decision be made to proceed with the proposal, the comments received during consultation will be considered during the final preparation of the regulation. The content, structure, form and wording of the consultation draft are subject to change as a result of the consultation process and as a result of review, editing and correction by the Office of Legislative Counsel.*

**CONSULTATION DRAFT**

ontario regulation

to be made under the

Child, Youth and Family Services Act, 2017

Funding and accountability

Financial Records

Books of account to be kept

**1.** (1) Each society shall keep books of account that set out,

(a) the revenue and expenditures of the society, itemized according to each service provided by the society; and

(b) money received by the society from sources other than under the Act and this Regulation.

(2) Each book of account shall be retained for at least eight years from the date of the last entry in the book for a particular year.

Audit of books of account

**2.** (1) Each society shall ensure that the books of account mentioned in section 1 are audited annually by a person licensed under the Public Accounting Act, 2014 who is not a member of the Board or an employee of the society or an employee of a corporation with which the society may have a non-arm’s length relationship.

(2) Each society shall ensure that the person licensed under the Public Accounting Act, 2014 prepares a report in respect of the audit in accordance with Canadian generally accepted auditing standards as set out in the CPA Canada Handbook published by the Chartered Professional Accountants (CPA) Canada, as amended from time to time.

(3) In subsection (1),

“non-arm’s length relationship” means a relationship between two parties such that one party has the ability to exercise, directly or indirectly, control or significant influence over the operating and financial decisions of the other party.

Information to be provided to Minister

**3.** (1) Each society shall provide to the Minister, on or before the last day of the fourth month following the end of its fiscal year,

(a) the report mentioned in subsection 2 (2);

(b) the annual financial statement of the society; and

(c) a reconciliation report in a form provided by the Minister, which report must include a calculation of the financial assistance payable by Ontario, the actual payments made by Ontario with respect to the fiscal year and a calculation made of the balance that may be owing by or repayable to Ontario.

(2) Each society shall provide to the Minister, on a monthly or quarterly basis as required by the Minister, a financial report in a form provided by the Minister that includes statistics on the services provided by the society.

(3) Each society shall provide to the Minister an annual submission in a form provided by the Minister on expenditures and revenues of each children’s residence licensed under Part IX of the Act that is operated by the society.

Funding for Buildings in which Services are Provided

Application for financial assistance

**4.** (1) A service provider or a lead agency may apply to the Minister for funding for the establishment, management, operation, location, construction, alteration or renovation of buildings in which services are provided.

(2) The application shall be made in a form provided by the Minister and available on a website of the Government of Ontario.

(3) The Minister shall assess the application, taking into consideration factors that the Minister considers to be appropriate, such as whether the proposed funding would align with current government policy, ministry priorities for programs and services funded under the Act and whether the proposed funding would achieve value for money.

(4) The Minister shall, as the Minister considers to be appropriate,

(a) approve the application, which approval may be subject to such conditions and amendments to the amount of funding as the Minister considers to be appropriate; or

(b) refuse to approve the application.

Budgets and Accountability Agreements

Budget allocation and spending plan

**5.** (1) The Minister shall determine an approved budget allocation for each society in accordance with a funding model developed by the Minister and provide the approved budget allocation to each society on a date fixed by the Minister.

(2) After receiving its approved budget allocation, each society shall submit to the Minister, on or before a date specified by the Minister, a plan for spending the budget allocation in a form specified by the Minister.

(3) A society’s plan for spending the budget allocation shall provide for spending that does not exceed its approved budget allocation.

Payments, adjustments

**6.** (1) An amount paid to a society under subsection 40 (1) of the Act shall not exceed the amount of its approved budget allocation.

(2) Before the budget allocation of a society has been approved for its fiscal year, amounts may be paid to it under subsection 40 (1) of the Act for that fiscal year based on the approved budget allocation for the preceding year.

(3) An amount paid under subsection 40 (1) of the Act may be adjusted by the Minister upon receipt of the annual financial statement and the reconciliation report of the society.

(4) The amount of an adjustment to an approved budget allocation,

(a) shall be refunded by the society to Ontario when Ontario so requests; or

(b) shall be taken into account in determining the approved budget allocation for the subsequent fiscal year.

Expenditure limit

**7.** A society shall expend its approved budget allocation solely in performing its functions under subsection 35 (1) of the Act.

Accountability agreements

**8.** For the purposes of subsection 41 (4) of the Act, an accountability agreement entered into between a society and the Minister may include terms,

(a) requiring the society to report to the Minister such information as the Minister may request in a form approved by the Minister and within the time period specified by the Minister;

(b) requiring the society to meet performance goals, objectives and obligations set out in the agreement;

(c) requiring the society to meet performance standards, targets and measures set out in the agreement;

(d) requiring the society to comply with a performance management process for the society, as described in the agreement; and

(e) requiring the society to comply with such other terms related to service quality, good governance, fiscal responsibility and achieving value for money through efficient and effective service delivery, as determined to be necessary by the Minister.

Commencement

9. [Commencement]