



March 2026

Management Responses to the Value-for-Money Audit of the City of Ottawa's Municipal Child Care Centres

Background and Context

In accordance with the Ministry of Education's 2024 Canada-Wide Early Learning and Child Care (CWELCC) Guidelines, Consolidated Municipal Service Managers (CMSMs) that directly operate licensed child care centres are required to obtain independent assurance, through the completion of a value-for-money audit of their direct delivery of child care services. The purpose is to determine whether federal and provincial funding is being used efficiently and effectively by directly operated centres and whether the child care services could be more efficiently offered instead by a third-party provider.

The City of Ottawa (City) directly operates 10 licensed child care centres and engaged Deloitte LLP to conduct the value-for-money audit of its centres, covering the period from January 1 to December 31, 2023. The audit concluded that the City's directly operated centres have, in all significant respects, achieved efficiency and effectiveness in their delivery of licensed child care and early education. In addition, the audit did not identify any evidence suggesting that third-party providers could deliver child care at the same level of quality, accessibility and inclusivity, in a more efficient manner. As part of completing the assurance engagement, Deloitte LLP was required to report any recommendations for improvements. Their audit identifies 11 recommendations that do not impact the engagement conclusions. Management's responses to each recommendation are presented in the chart below.

Table 1: Observations, Recommendations and Management Responses

Item	Observation	Recommendation	Management Response
1	<p>City of Ottawa Municipal Child Care (MCC) has a policy for records management and documentation; however, this policy only covers contents of staff files and does not speak to contents of children’s files. MCC also has a policy for admissions which speaks to the documentation required in a child’s file at admission, but does not speak to how a child’s file documentation should be maintained and updated across the period of care or the contents of the electronic files in the Lillio childcare application.</p>	<p>Develop child records standard operating procedure:</p> <p>Develop a standard operating procedure to clarify requirements and expectations for both physical and electronic children’s files. Clearly define the mandatory contents required by regulation and other types of documentation, maintenance procedures, and update frequency for children’s records throughout their period of care.</p> <p>Ensure the policy covers documentation for both paper records covering regulatory requirements and electronic systems (such as Lillio) to promote consistency, compliance, protection and safeguards of sensitive child information, and data integrity.</p>	<p>Management agrees with this recommendation.</p> <p>Management will review and enhance the current practices of documentation and policy expectations by April 1, 2026.</p>

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2	MCC has a policy for compliance and monitoring; however, this policy does not discuss the roles and responsibilities of MCC's central management <i>Support Team</i> in compliance monitoring.	<p>Clarify MCC support team roles and responsibilities in standard operating procedure:</p> <p>Clearly define the roles and responsibilities of the MCC central management <i>Support Team</i> in key compliance and monitoring activities over the City's child care centres in a standard operating procedure or guidance.</p>	<p>Management agrees with this recommendation.</p> <p>Support Team roles and responsibilities within key compliance and monitoring activities will be documented by July 1, 2026.</p>
3	While evidence of key monitoring activities is available in some form, records of this monitoring are inconsistently tracked and not centrally maintained as an evidence-base of MCC management's key monitoring activities at each centre.	<p>Centralize oversight and monitoring records:</p> <p>Establish a standardized process for documenting and centrally storing evidence of all key monitoring activities across centres. Implement a centralized repository—either digital or physical— accessible to authorized personnel, and require staff to consistently upload or file monitoring records.</p>	<p>Management agrees with this recommendation.</p> <p>A standardized process and centralized repository have been established. This action has been completed.</p>

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4	MCC documentation and guidance refers to staffing ratios but does not clearly state what the required ratios are or where they can be found in regulation.	<p>Document regulated staff-to-child ratios in key documents:</p> <p>Revise relevant guidance documentation, including Parent Handbook, to identify the source of regulated staff-to-child ratios. (O. Reg. 137/15 – Schedule 1) and where ratios can be found within licensing documents posted at each centre.</p>	<p>Management agrees with this recommendation.</p> <p>Management will revise the relevant guidance document by April 1, 2026. The Parent Handbook will provide information to help parents better understand the nuances of daily ratios which change depending on the time of day or activity. Links to appropriate licensing documents will also be included.</p>
5	MCC management has developed a process to track staff PD and course attendance centrally; however, the consistency of the documentation and tracking has been evolving since its implementation. Specifically, consistently noting the date or dates the course was delivered and the staff who attended should be consistently documented.	<p>Enhance tracking of staff PD and training:</p> <p>Continue to enhance the central tracking processes for documenting staff professional development (PD) and course attendance. Ensure all course offerings and PD are consistently tracked by date and staff attending to ensure accurate monitoring of professional development.</p>	<p>Management agrees with this recommendation.</p> <p>This action has been completed. To enhance central tracking of staff professional development and course attendance, a management dashboard/tracking tool has been implemented.</p>

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6	<p>The concept of accessibility is foundational and widely dispersed in how child care centres are operated. However, no single, discrete, complete definition of the term is provided in key COO policy and strategy documentation to guide what accessibility means to MCC at its centres.</p> <p>MCC does not have a specific Accessibility policy or guidance document outlining what features would be needed for centres. It draws guidance from provincial legislation and building codes.</p>	<p>Develop an accessibility policy:</p> <p>Develop and adopt an Accessibility policy that provides a clear definition of accessibility, tailored to municipal child care centres that is aligned with its mandate. The policy should outline standards, expectations, and procedures for promoting accessibility across all programs and services, supporting both compliance and existing leading practices.</p>	<p>Management agrees with this recommendation.</p> <p>Staff will develop an accessibility practice and process by July 1, 2026, to provide a clearer definition of accessibility aligned to our mandate. The City aligns to Ontario's Access and Inclusion Framework as part of the 2023 Canada-Wide Early Learning and Child Care (CWELCC) System and can include more references to this in internal and external facing documents moving forward.</p>
7	<p>MCC has a policy governing its waitlist processes. However, two of the prioritization criteria ("families with additional support needs" and "those who benefit from inclusive care environments") are worded ambiguously and further definitions and guidance as to how to use them are not provided</p>	<p>Update Admission and Discharge (waitlist) policy:</p> <p>MCC is in the process of updating the policy and City of Ottawa Children's Services is in the process of updating its prioritization processes. MCC should complete the work currently underway to update and implement the waitlist policy and guidance to</p>	<p>Management agrees with this recommendation.</p> <p>Staff will complete the work currently underway to update and implement the waitlist policy and guidance in alignment with the City's mandate by July 1, 2026, to ensure practices are updated.</p>

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	<p>in the policy document. The policy, and related guidance, is currently out of date given recent process changes resulting from CWELCC adoption.</p> <p>The prioritization tool used until the end of 2024 scores applicants according to three main categories—which tie to city priorities for licenced child care: Financial, Employment, and Other Priority factors (which include accessibility and inclusivity scores for one-parent families, children with special needs, Indigenous children, parents/families with documented illnesses). Due to the strong correlation between employment and financial factors, the scoring may overweight towards income and employment factors over developmental, accessibility social and demographic factors.</p>	<p>reflect new processes resulting from CWELCC funding changes.</p>	

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8	<p>MCC is aware of two of its ten centres which have some degree of physical accessibility limitations. Mitigations are in place to align children with accessible facilities through admission processes.</p>	<p>Explore more permanent solutions to address the accessibility limitations:</p> <p>MCC, along with the City of Ottawa Children’s Services, should develop a plan to retrofit or prioritize developing business cases required to recommend replacing centres with known physical accessibility barriers.</p>	<p>Management agrees with this recommendation.</p> <p>Staff will prioritize these considerations within existing Facility Rationalization Service Review strategies and the City’s capital asset management strategies.</p> <p>As many facilities are approaching the end of their asset lifecycle and need to be considered for replacement, staff will work with the Facility Management Governance Group to explore a replacement strategy that that will address the accessibility limitations within these facilities. This strategy will be included within the Municipal Child Care Facility Strategic Plan, that staff will develop by Q2 2027 to summarize findings, outline recommendations, and present associated business case considerations.</p>

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9	<p>We identified uncorrected errors in billing samples related to the December 2022 to early-2023 CWELCC daily fee reduction. It was noted that MCC implemented the daily fee reductions; however, when applying the changes in their billing system, MCC had to manually review and process adjustments and credits to ensure the correct fee was applied retrospectively.</p>	<p>Review transactions to identify all overbilling errors:</p> <p>Complete a review of all billing transactions, including subsidy billing, in the three months surrounding all recent daily fee changes (2022/23, 2023/24) to ensure there is no remaining overbilling errors. Develop preventative and detective controls, as appropriate, to ensure overbilling errors are avoided in future fee changes.</p>	<p>Management agrees with this recommendation.</p> <p>Staff will complete a review of all billing transactions in the three months surrounding the recent daily fee changes by June 1, 2026. This will also include developing preventative and detective controls to avoid errors in future fee changes.</p>
10	<p>While Indigenous families and children are noted as a priority group for services and a key focus of training and service provision, discussion of Truth and Reconciliation concepts or Calls to Action are not made directly in relevant policy and guidance.</p>	<p>Include explicit reference to Truth and Reconciliation:</p> <p>Review existing policies, guidance, and procedures to identify where reference Truth and Reconciliation concepts and applicable Calls to Action can be introduced to ensure existing organizational commitments and services supporting Indigenous families and children are explicitly articulated.</p>	<p>Management agrees with this recommendation.</p> <p>Staff will complete a review of existing policies, guidance and procedures and include more references to Truth and Reconciliation concepts and applicable Calls to Action by April 1, 2026.</p>

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11	Financial recording of provincial CWELCC grant streams into existing revenue accounts was inconsistent between 2022 and 2024 due to new funding streams coming online across that period, requiring reconciliation between accounts to ensure comparability of funding year-on-year.	<p>Develop guidance for classifying provincial funding:</p> <p>Develop and implement guidance for the classification of different provincial funding streams within existing revenue accounts to ensure funding and revenue streams are comparable year-to-year and parent fees are clearly separated from other revenue streams.</p>	<p>Management agrees with this recommendation.</p> <p>Staff will develop and implement guidance documents by March 2026.</p>