

Third Session - Thirty-Ninth Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Public Accounts

Chairperson
Mr. Leonard Derkach
Constituency of Russell

Vol. LXI No. 9 - 7 p.m., Wednesday, September 23, 2009

ISSN 0713-9462

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, September 23, 2009

TIME – 7 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Leonard Derkach (Russell)

VICE-CHAIRPERSON – Ms. Jennifer Howard (Fort Rouge)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Ms. Wowchuk

Mr. Borotsik, Ms. Braun, Mr. Derkach, Ms. Howard, Messrs. Jennissen, Lamoureux, Martindale, Maguire, Ms. Selby, Mrs. Stefanson,

APPEARING:

Hon. Gord Mackintosh, MLA for St. Johns

Ms. Carol Bellringer, Auditor General of Manitoba

Mr. Martin Billinkoff, Deputy Minister of Family Services and Housing

MATTERS UNDER CONSIDERATION:

Auditor General's Report to the Legislative Assembly – Audits of Government Operations dated December 2008: Chapter 1, Family Services and Housing: Employment and Income Assistance Program

Auditor General's Report – Audit of the Child and Family Services Division Pre-Devolution Child in Care Processes and Practices dated December 2006

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Mr. Chairperson: Good evening, ladies and gentlemen, will the Standing Committee on Public Accounts please come to order.

I apologize, first off, that we were a little late in getting started this evening, but, perhaps we can make up some time over the course of the evening.

This meeting has been called to consider the following Auditor's Reports: The Audit of the Government Operations dated December 2008: Chapter 1, Family Services and Housing:

Employment and Income Assistance Program; Audit of the Child and Family Services Division Pre-Devolution Child in Care Processes and Practices dated December 2006.

Before we get started, are there any suggestions from the committee as to how long we should sit this evening?

* (19:10)

Mr. Doug Martindale (Burrows): I recommend that we sit until we pass these two reports or 9 o'clock, whichever comes first, and, if we're still here at 9 o'clock, then we canvass the committee to see how much longer we might want to sit.

An Honourable Member: Agreed.

Mr. Chairperson: It is agreed. Are there any suggestions as to the order in which we should consider the reports?

Mr. Rick Borotsik (Brandon West): Unless there's some need for others to leave, I would suggest we do them as identified on the agenda.

Mr. Chairperson: I know that we have agreed to reconsider at 9 o'clock, but I just remind members of this committee that for family considerations and also for our attention span it's always my intent that 9 o'clock is probably as late as I want to be here. So I hope we work towards that end.

I would like to welcome the honourable Minister of Family Services and Housing and the deputy minister, and I would ask the minister to, first of all, perhaps introduce the officials at the table.

Hon. Gord Mackintosh (Minister of Family Services and Housing): I'm with the deputy minister, Martin Billinkoff.

Mr. Chairperson: Welcome.

To begin this evening, I'm going to ask, first of all, if the Auditor General would please make an opening statement.

Ms. Carol Bellringer (Auditor General of Manitoba): I'll also start by introducing the staff who are here with me today. Norm Ricard, is here. He is the executive director of Strategic Initiatives

and helped with the finalization of the second report that's on the agenda; and Sandra Cohen, our director of Value for Money audits; and James Wright, an audit principal, who worked on the first report that's on the agenda tonight.

With regards to the Employment and Income Assistance Program audit, we examined the Department of Family Services and Housing's processes for ensuring that only eligible applicants received income assistance and that eligible individuals were paid the correct amounts. We also examined the employment enhancement referral and monitoring processes and the income assistance rate setting process.

Our audit concluded that the department adequately assessed eligibility in accordance with The Employment and Income Assistance Act and regulation, that benefit payments were accurately calculated in accordance with prescribed rates in most cases, and that the department had dedicated investigative staff in place.

We did have some recommendations in the report, and those recommendations focussed on the need to strengthen the processes around the verification of information provided by applicants and file documentation, including documented rationale for certain decisions. We also identified some opportunities to better detect potential overpayments and recommended that a formal documented process be put in place to review and determine income assistance rates.

Mr. Chairperson: I thank the Auditor General for her opening statement.

Mr. Billinkoff, before we ask you to make your opening statement, I'd just like to assure you that if you would like your staff to sit beside you so that you could consult during the process of questions, I don't think anybody around the table would have any objection to that. We're trying to make this setting a little more conducive to a dialogue between members of the committee and the deputy minister. So please feel free to have staff join you if you like.

So, Mr. Billinkoff, we turn to you now to make your opening statement, and perhaps you would like to introduce your staff.

Mr. Martin Billinkoff (Deputy Minister of Family Services and Housing): Well, thank you very much. I appreciate being able to have staff here. Introduce Grant Doak and Darren Macdonald. Grant is the assistant deputy minister for the disability programs

and employment and income assistance, and Darren works in our income assistance program.

I can do an opening statement if that's the will of the standing committee.

The department accepts the recommendations that have been made by the office of the Auditor General. The department is committed to delivering high-quality services, and we are pleased to be working with the Auditor General's office to ensure these services are delivered with integrity. We did find that the recommendations were helpful to us in terms of how we can do our jobs better. In brief, the audit confirmed that the department provides income assistance in accordance with relevant legislation, calculates benefit payments in accordance with the prescribed rates, and has processes in place to follow up on potential program abuse.

The report makes 14 recommendations to enhance procedures, and the department is actively working to address these recommendations. The first eight recommendations deal with assessing eligibility for benefits. Assessing eligibility for benefits is a key responsibility of the department. We have a number of processes available to staff to ensure that financial assistance is provided to persons in need who are eligible under the legislation. The department is continually improving the processes for assessing eligibility.

The department continues to enhance our processes for verifying financial information. We have expanded the number of investigation staff and have hired an additional two investigators. We are working to expand the current number of information-sharing agreements with other departments and other levels of government and we have initiated a project to evaluate the value of obtaining income tax information more frequently.

I'll leave for questions any more detail on things that we're doing.

One of the areas that was identified in the report relates to overpayments. Just for clarification, if a participant receives funds for which they are later found ineligible, the department may assess an overpayment and take steps to collect back funds from the individual. Overpayments can occur for a number of reasons, including unreported income, unreported changes in the family unit, system errors and, most commonly, situations where we make what we call duplicate payments. These are, for example, where people need a second security

deposit while they are in the process of moving or where they've run out of money, their food money, they've spent it for whatever reason and they need more money and we feel we need to assist them. So we treat those as overpayments. Very occasionally they're due to fraud but the vast majority of overpayments are related to the sort of day-to-day processes of dealing with needs. Overpayments that result from administrative error are generally not subject to recovery. All other overpayments are recovered either through benefit reductions on open-deductions—on open cases, or through our collections unit on closed cases.

In June 2001, the EIA program joined the Canada Revenue Agency's Refund Set-off Program in order to register and collect debts through the federal government. Since this agreement, we have doubled the amount collected for overpayments on closed cases. This mechanism, which essentially is garnisheeing—got the word right—tax refunds and so forth has proven very effective. That's one of the reasons that we have not written off some of the overpayments that go back to the early 1970s, is because we are experiencing success in recovering. The number of cases with overpayments has remained relatively stable over the past 10 years while the cumulative dollar value and the amount recovered has risen gradually.

The next five recommendations in the report address the department's processes for monitoring and referring individuals to employment enhancement activities. The key objective of the department is to assist people to regain their financial independence by helping them to make the transition to work. To support this goal, we provide employability assessments, personal job planning and other supports to individuals.

In 2007-08, the department launched a four-year strategy called Rewarding Work to help address barriers to employment faced by participants. The department is actively working to improve its processes for collecting, assessing and documenting participants' work and education history and future goals. The department continually enhances our information systems technology to allow for better matching of participant skills and abilities with available employment and training opportunities.

The final section of the audit focuses on the department's processes for setting benefit rates.

The department reviews income assistance rates yearly as part of the budget process and we, of

course, present recommendations to government through the Estimates process. Since 1999, the department has increased the level of income available to participants, both directly through enhancing rates and, indirectly, by exempting other sources of incomes from being considered as a financial resource. And that includes enhancements to earning exemptions which allow people to retain more of their benefits while they're working.

While there's still important work to do in this area, the department has made significant progress. Since 1999, the number of the Manitobans living in low income is lower. Child poverty rate has dropped by 25 percent. Rate of women raising families as a single parent and living in low income has dropped by over 40 percent.

As per the audit recommendations, the department is working to develop formal criteria and internal processes. We're submitting recommendations to government for consideration during the annual budget process.

* (19:20)

So, once again, just on behalf of the department, we welcome and accept the findings and recommendations from the Auditor General. We find that this report is a very useful road map for us in trying to improve our accountabilities measures and we expect that most of the recommendations will be implemented within the next six to nine months. Thank you.

Mr. Chairperson: Thank you very much, Mr. Billinkoff, for your opening statement. The floor is now open for questions.

Mr. Borotsik: Thank you, Mr. Billinkoff, for your presentation, and your acceptance of the recommendations from the Auditor General, I know, is appreciated from the Auditor General.

A couple of basic questions, and probably more so from curiosity than anything else, and I do know you have a number of recommendations and you've dealt with some of them.

Setting of rates. You say that you do that on an annual basis, obviously, through the budget process, Estimates and the like. When you set the rates, do you look at a cost of living—CPI, for example, and does that normally reflect in an increase in the rates on an annual basis or have the rates been fairly stable or static over the last numbers of years?

Floor Comment: Well, the rates—

Mr. Chairperson: I'm sorry, Mr. Billinkoff.

Mr. Billinkoff: We look at a number of factors when we bring those forward. We do look at inflation and CPI. We look at how our rates compare with other provinces. One of the complications in this program is that so much of the income is actually done—it's passed through to people in the form of exemptions rather than of other kinds of income, particularly the federal benefits rather than the actual rates that we pay. So most of the benefits that have occurred for people on low income, on social assistance, have been because we've passed through federal incomes—federal increases onto the child tax benefit. We're one of the first provinces to—and I think we may be the only one that has fully passed through all of the federal benefits.

So these are the kinds of—those are the main factors we look at. We really do look at how we compare with other jurisdictions, cost of living, those sorts of factors, and we bring them forward and government makes its decision based on those considerations as well as the resources that are available.

Mr. Borotsik: And I thank you for that answer. One of the issues that has come to my attention in previous times was the housing costs. And the housing costs are obviously different in different jurisdictions, but I come from a smaller community where you would expect housing costs to be less, but they aren't.

Do you look at the housing costs in a specific area and is that reflected in the rates as well?

Mr. Billinkoff: We do try to look at those and we do bring those forward as issues. The last several years we've tried to increase support mainly through the Manitoba Shelter Benefit rather than through increases directly in the income assistance rates. And I think that's been done as recognition that, you know, rental rates have gone up, and particularly in some parts of the province more than others, and we have very low vacancy rates. So we've tried to make some adjustments in that way.

Again, one of the considerations is that a lot of the income that's available to people on social assistance is, in fact, coming through other sources than just income assistance, so we take into account, not just direct costs of shelter, but all the resources that are available to people. So, you know, the federal government has enhanced their benefits quite a bit and we've passed those through. So those are,

we believe, helpful to people that are faced with higher rates.

Mr. Borotsik: One of the recommendations was to work closer CCRA or the income tax. You did indicate in your opening statement that you're obtaining tax information on a more regular basis.

Do you identify or do you obtain that information on each individual on an annual basis or is there a process that you have in place? A long-term client of yours, do you do that on an annual basis or would you do it on a two-year or a three-year out?

Mr. Billinkoff: Yes, there's several different ways that we work with Canada Revenue Agency. We do, we do require income tax information from individuals when they apply for income assistance, and we have a matching system with—between our data bases to verify that the information they've given us is accurate. I don't think we do that necessarily on every single case. If we have a hard copy of their information, then we wouldn't necessarily do that. We also have arrangements with them for the—for recovering overpayments, and so that particular arrangement has worked very well so that we're able to recover overpayments through the—for closed cases, in particular, people that aren't on income assistance anymore by linking to the tax system.

And then the third way that we do this, really, is when we have reason to have a concern, and this is spot checks or red flags that have been raised about a particular case. We have a capacity to do a cross matching to verify information.

Mr. Borotsik: My last question, Mr. Billinkoff.

You talked about overpayments and the collection of overpayments, and you talked about administrative overpayment and you said that there's some flexibility and you could in fact waive some of those administrative overpayments.

Is that a common occurrence? Can you give me some dollar value, perhaps, as to what there may well be in administrative overpayments in an annual budget year?

Mr. Billinkoff: We don't—we wouldn't have an estimate of the dollar value. I mean, it's something that we might be able to obtain, but it's generally not a very common occurrence. But with the large number of people that are on assistance it's, you know, from time to time, you know, we make a

mistake—data entry problems or other kinds of errors that we make and, you know, if it's a mistake on our part, generally speaking we don't, we don't try to recover that from the individual. The only exception to that would be, you know, if it's a really obvious mistake that the person would normally have noticed. You know, a big increase, you know, for no particular reason on their cheque. You know, we might pursue that, but that doesn't happen very often. So, generally, we—if it's our mistake, we don't try to recover it.

Mr. Borotsik: Yeah, and don't get me wrong. I agree with that process and I agree with that philosophy. I don't think if it's an administrative error that the individual should be penalized. So I agree with what you're doing, I just didn't know how much that would be with respect to error, and everybody makes errors. Every department makes errors. I can assure you the Finance Department makes many errors, too, but we won't get into that.

Last question. You did indicate you have a number of clients, a number of people that you work with in the department. Do you have any understanding, or can you tell me how many clients that you would deal with on an annual basis?

Mr. Billinkoff: There's about 32,000 households with about 56,000 people.

Mr. Kevin Lamoureux (Inkster): Mr. Chair, I do have just three areas that I wanted to get some feedback or comment on.

The first one's in dealing with the medical panels. There is—when someone first is in need of some sort of financial assistance, typically what would happen?

Floor Comment: People often—

Mr. Chairperson: Oh, I'm sorry, Mr. Billinkoff.

Mr. Billinkoff: It does vary somewhat from case to case. Some people will go directly on to the disability caseload. Others may go on to where the benefits are higher. Other people may get regular assistance until we've been able to verify that, you know, through the panel process that we have that they do have a disability that meets the definitions and the criteria. We certainly don't—we would never refuse people income assistance while we're waiting to go through that panel process, but it may take, typically, a fairly short period of time for them to establish eligibility as a person that has a disability. And so, you know, we would provide regular

assistance while we do that and then they would be upgraded and get the higher benefits as a person with a disability.

Mr. Lamoureux: Is there something that would trigger the necessity for a medical review panel or is it more automatic, if it's a disability you will be assessed through a medical panel?

Mr. Billinkoff: Generally speaking, we use the medical panel and we've made some changes to it in the last few years. It used to require doctors to certify that the person was unable to work because of a, because of a medical disability. So it's a fairly stringent definition, but also a process that was medically driven. We made some changes to that several years ago and we're trying to get away from it as much as possible, from using medical doctors, and shifting more towards an adaptive kind of an approach. So we use therapists, occupational therapists, and so forth, to help us do the assessments and make the recommendations to the panel.

* (19:30)

One of the recommendations in the Auditor's report, I think, is that we should be using the medical panel for all of our cases and we haven't really decided yet how we're gonna proceed on that. We, what we currently do is there are many cases that we don't use the medical panel because the individuals have already established in-eligibility under other programs. So if they've already been assessed by Canada Pension Plan as having a disability or they've been assessed under our Supported Living program as having a disability, our approach has not been to make them go through a medical panel process. We just accept that they have a disability and we enrol them right away. And so we're not quite sure that we would want to go through a medical panel when they've already established eligibility through other documented processes.

Mr. Lamoureux: If someone is much like, you know, in Workers Compensation, quite often what'll happen is that someone will be told, well that's, you know, that's it for your benefits type of thing, and then a medical panel would be struck in the future as they go through an appeal type thing. That doesn't apply here. When you're up for—when there's a medical review panel it has nothing to do with your actual current entitlement. You would be receiving while you're under review. Is that correct in my assessment?

Mr. Billinkoff: I think that's generally correct. I think, I think people qualify for income assistance, initially, and primarily based on their income, and their resources, and their needs. And because we do provide higher benefits for people that have a disability in recognition of the extra cost that they face, you know, we have a process that people go through to establish that they have a disability. So the panel doesn't really judge whether they should be on income assistance or not so much as whether they qualify as having a medical disability that generates the higher benefits.

People, many of the people on our caseload that have disabilities move on and off of that. Their conditions improve, get better, then they worsen, and so it's not a static situation. So there are people who may not initially have a disability, then they qualify for having a disability, then they get better and so they roll off of the disability component, and so forth.

Mr. Lamoureux: I'll then go to a third point only because you just started to touch on the third point, and that was in regards to the idea of having that case assessment where it would be expected that both the recipient and the officer would kind of sign off on, here's our action plan. The Auditor's office seemed to have some concern as to that not necessarily maybe being done to the way it could be done. Can you maybe just address that particular point?

Mr. Billinkoff: I think my recollection of the report on that was that what the Auditor found is that individuals are not always signing off on the forms on their plans and that they should. They should, you know, to verify that they are aware of what, of what their plans are in terms of, you know, employment or other things. And so we've addressed that through directives to staff and reminders to staff that that's really important to do.

Mr. Lamoureux: On that particular point, when we say that it's important, we're referring to both the staff and the recipient that would be obligated to sign off, correct, yeah?

Mr. Billinkoff: That's correct. It's particularly important for the clients so they know, you know, that they've shown that they understand what they've agreed to as their part of the arrangement.

Mr. Lamoureux: The final area that I just wanted to get comment on is in regards to—again, I'm gonna go to it. In the Auditor's report there seemed to be some concern in terms of the file reviews in that there

needs to be some file reviews just to see what's actually taking place, or amongst other things. And the suggestion is that there's this anticipation that maybe 10 percent of a possible caseload where there would, in fact, be done a review, and I take it would be more of a random thing. Can you just provide comments on that?

Mr. Billinkoff: Okay, I think the recommendation really related to supervisors' reviews. You know, we do—our front line staff do reviews annually, at least annually, and as well whenever they have a reason to do a review if there is any flags or any other changes in circumstances that require a review. I think what the auditor found was that, well, our expectation, as well, is that supervisors, as a quality control measure review the reviews that are being done by their staff on a sample basis and to ensure that there's ongoing quality. And I think what the auditor found is that not all supervisors were necessarily doing that or were not necessarily documenting that they were doing that. So we are working on some criteria that we can use with our supervisors and some standards for them to make it clear that they need to do, you know, a certain number of reviews of their staff's cases.

Mr. Lamoureux: Finally, I guess, you know, the suggestion being the percentage that's being used is that 10 percent. Is that what you would be looking at from the department? The supervisors should be looking at 10 percent of whatever it is that they're ultimately responsible for as a good sample size? Are they at that today, generally speaking, or is that just a goal and we hope to be able to achieve that?

Mr. Billinkoff: I'm not sure whether 10 percent is necessarily the right number. I think the point, the recommendation, is valid, which is that there definitely need to be quality reviews done by supervisors. Whether it should be 10 or 15 percent is part of what we're looking at right now. Many, many of our supervisors do, you know, more than others, you know, the standard and others may do less, and I think the point is we need to be a little bit more consistent in the sampling. So my understanding is that we're looking at that now to see whether 10 percent is the appropriate number and how we monitor that and ensure that supervisors are meeting their goal.

Mr. Lamoureux: And finally, I guess then, so in essence what you'd be saying is that the value of doing the monitoring and if there's a higher return or there's a lot of need for changes then it would be a higher percentage, I would assume. But as long as

things are operating, seem to be operating well, that the percentage isn't necessarily set at 10 percent. It's okay to drop it, using that sort of judgment.

Mr. Billinkoff: I'm not sure it's so much driven by the return as by, I think we have our supervisors review their staff's work to ensure that staff are, partly as a deterrence and partly to ensure that they're doing their work appropriately, so that is part of the work that every supervisor is supposed to do is ensure that the staff that report to them are doing their jobs properly. And so that's part of why it's important for supervisors to do the reviews.

We also, you know, we do try to also use risk factors to highlight particular cases and to identify particular cases where we would want to do a review more frequently or where we'd want to ask for a special investigation or things of that nature. So we have built into our information system a number of flags that are intended to catch unusual changes or trends in terms of participants' reports or things of that nature. So those can also trigger reviews and that's also part of the supervisors' job is to manage those.

Mr. Larry Maguire (Arthur-Virden): I just have a couple of questions. I noted in your opening comments, deputy Billinkoff. Thank you for your presentation, by the way, as well.

You had mentioned that in June '01. Since then, you've had double the collections of overpayments and I think we've referred somewhat to that, as well, a little bit.

How many staff would you have full-time equivalents? I think the report says 445. Is that an accurate assessment of the staffing you would have at the present time?

* (19:40)

Mr. Billinkoff: I think we'd have to verify that, but I think—I think that's in the general area.

It's approximately that many. I think we probably have—I think we may have somewhat more now than we did at the time of the review.

Mr. Maguire: I appreciate that. I was just thinking this report was done in—well, this one's the December, '08, so it's more recent. I'm thinking the '06 one here, but, you know, identification is a big issue and being able to have that staff on board certainly will help, I think, in those kinds of circumstances.

It states here, in the report, though, that still 26 percent of the files that you selected didn't have proper identification. They only need two pieces of identification, not tied, but 58, 42 rural and urban.

Is that a—can you just give me a quick update on what, on why there weren't two pieces of identification? I know there's probably circumstances where you just have to go ahead and supply support regardless. But how stringent is that, or is it caught up later, or how do you deal with that?

Mr. Billinkoff: I think one of the difficulties in more rural and remote locations is that, when staff don't always do the intakes in their, in their offices, and so sometimes they don't have an ability to take the photocopies and do the things that you would do in Winnipeg, where people or clients almost always come into your office, and so sometimes staff would look at the ID information, but wouldn't have a capacity to make copies of that, and so forth.

We have issued some directives to staff just reminding them of the importance of this, and we're trying to work out some ways to ensure that we have adequate documentation, even in rural and remote areas, because I think the point raised by the Auditor is well taken. You do want to ensure that people are who they say they are, and that's part of the, you know, the accountability systems in our program.

Mr. Maguire: Thank you, and I'm assuming—I know you made comments in your opening comments, as well, or commented on the, on the SAMIN information system and to your—I mean, if you had to look at improvements and how you could improve it, what would that be? I understand you indicated that it is working fairly well, but what kind of recommendations could you make to improve that, I think, in regards to follow up on ID or training? I'm thinking of training, as well, just the position of each individual case.

Mr. Billinkoff: Well, I think in general the system is working well. It's an old system, been around for, I don't know, decades, but it actually does work very well. The only—the real difficulty for us, operationally, is that it's not as user-friendly as modern systems, and so we have to invest a fair bit in training staff how to use it when they first start. But it does work very well.

We're continually improving it and upgrading it. We build in risk factors so that the system tracks and identifies variations and flags them for staff to do follow up. So we're always watching for new ideas

and learning, and we've tried to build into the system reminders for some of the things that the Auditor's identified, you know, to make sure that the forms are signed and those sorts of things.

So we do use the system very intensively. It's one of the biggest systems in government as an IT system, and our staff are totally dependent on it.

Mr. Maguire: Just to go back to the earlier—my earlier comment about the 2001, the doubling of collections in your comment, and the staffing now would be considerably more than it was then in 2001?

Mr. Billinkoff: I don't, I don't think the staffing has increased that much in the income assistance program. We've—during that period, we've benefited from a pretty dramatic reduction in caseloads, so it's not an area that we've really increased our staffing.

To the extent that we do have more staff, we have hired some additional staff the last several years as part of Rewarding Work to focus more aggressively on trying to help people get into jobs, as opposed to intake workers. So we have staffed up to some extent, you know, not dramatically, but to try and do a better job of linking people to jobs, and we feel we've had quite a bit of success with that so far.

Of course, now we're heading into, you know, periods of higher unemployment, but we have had quite a bit of success, we believe, with our programs and, in particular, trying to link people to training.

Mr. Maguire: That's a very good point that you just raised. With the recession of a year ago affecting us vastly, this is a recent report, but I'm assuming that things happened pretty quick before October last year, from October on, and this is a December report. You're indicating 56,000 support and assistance here at that time. What would the number be today, roughly?

Mr. Billinkoff: We have—checking to see if we have actual numbers, but—the caseloads are up this year. They have been going down and, certainly, you know, our caseloads are impacted by the economy. They're not up dramatically, but, you know, social assistance tends to lag behind unemployment rates and so forth 'cause people tend to have assets that they live off of, so it's not up dramatically. It is up, though, among our general assistance caseloads. These are primarily singles and couples who don't have a disability. And so it is up this year and that is, that is a concern. And it's up only moderately, really,

at this point, for single parents and people with disabilities.

The long-term trend has been increased—always increasing numbers of people with disabilities on income assistance, but the number of general assistance caseloads has fallen, just absolutely dramatically the last 10 years or so, and the number of single parents, as well, has fallen, not quite as dramatically. So those have kind of stabilized now, and I guess we'll see where we go over the next few months.

Mr. Maguire: Just in relation to the administrative manual itself, it says that each participant's—I think it's—eligibility is checked every year, is supposed to be checked annually. How difficult is it to keep that up, or are you, in fact, able to check on each individual circumstance every year?

Mr. Billinkoff: It is a lot of work, but it's—but we do it and it's an important part of the work that we do. And because people's circumstances do change and so, you know, to ensure the integrity of the program, you know, all of our cases are reviewed every year. We have a schedule for home visits, as well, and we do financial reviews, and that's part of—part of how the program operates.

Mr. Maguire: Just to close, my final question would be, one of the recommendations was to, even if there's a case where you may not get to it, in those areas that at least it be documented that there was a good reason as to not being able to get there, whether it's distance or a blizzard or a snowstorm or whatever, or the people weren't home, or whatever the reason may be. I'm assuming that that's done and all entered into the SAMIN now with the recommendations of the report.

Mr. Billinkoff: Well, it would be. I mean, we do, we do track the annual reviews. I can't say that we never miss one or that we—there aren't sometimes delays, but it really—we view it as a really critical element in our work, and so we don't—or we're not supposed to be letting them lapse. And I think when the Auditor looked at this, I don't, I don't believe the Auditor would have found that we are letting it lapse. I mean, there may be some better things we could do when we do the annual reviews, but we're pretty rigorous about requiring that they be done.

* (19:50)

Mr. Chairperson: Ms. Wowchuk.

Hon. Rosann Wowchuk (Minister of Finance): No, I didn't raise my hand.

Mr. Chairperson: Oh, you were just—okay, I'm sorry, I'm sorry. Ms. Howard.

Ms. Jennifer Howard (Fort Rouge): I just wanted to ask a few questions, one about—oh, my God, this is a hot mike, okay—one about the whole question of overpayment. And I think in the report it talks about overpayment, some \$20 million over the last 30 or 40 years, and I'm wondering what is comprised in that. I mean, I guess you had talked a bit about errors that may occur, but is any of that overpayment? If a client finds themselves in need of some kind of an emergency assistance in the middle of the month, something happens, is that considered overpayment or is that a different category?

Mr. Billinkoff: That's one of the main examples of overpayments is, you know, people lose their cheques and come to us and we give them money, and then they somehow have found their cheques so they get double paid, or people just simply run out of money and they don't have money; they don't have food for their kids. And so those are good examples of overpayments. Those are the most common types of overpayments.

Security deposits, people are having trouble getting their security deposit back from their landlord when they move. They can't get into somewhere else unless they have a security deposit, so we give them a new one, and sometimes they never do get their security deposit back because of damages. So we, you know, we treat those as overpayments as well. They're duplicate benefits, you know, in terms of how we operationally define those.

I just, I just wanted to correct one point in my opening remarks, if that's okay. I had indicated that the, that the number of Manitobans living on low income was down by over 40 percent. The actual reduction in market basket measure was 49 percent. So it's closer to 50 percent. So I just wanted to—for child poverty, I'm sorry. I just wanted to make that, make that clear because we have other information that has used the other figure.

Mr. Chairperson: Thank you.

Ms. Howard: Yes, just going back to the question of overpayments, I guess when we hear the word "overpayment," we think the interpretation of that is that it's somehow illegitimate payments, and from your last answer, what I would take is that a good portion of those may well be payments to meet

legitimate need that people are experiencing. Would that be a correct way of thinking of that?

Mr. Billinkoff: So I think some of it, as I say, it's duplicate payments to try and help people when they're in an unusual circumstance, and that happens quite often. Sometimes people fail to report adequately, or accurately report income or they make errors in—or delays. They—they're supposed to report to us anytime their income varies from other sources or if their child has moved out, for example, that should affect their rates. So people don't always report when they should report. We catch that maybe later on or they realize later on that they failed to report that. So we treat the extra benefits that they got when they—which they really weren't entitled to under our rules as an overpayment, and we have a schedule of how we recover so that we minimize disruptions to the individual. We recognize people don't have a lot of money, so we don't, we don't wanna cause them undue hardship, but we do gradually over time recover those as overpayments.

Ms. Howard: The other question I have is maybe looking at this from a different angle. I know that the department has been working to do a better job of informing clients of all the benefits to which they're eligible because we do—all of us, I think, in our work encounter constituents that are eligible for benefits that they don't know about and can actually improve their lives. So you can tell me a little bit about the work to ensure that there's not underpayment of benefits.

Mr. Billinkoff: We do—we introduced, a number of years ago, a pre-intake orientation, so we do sessions with individuals when they first apply for income assistance. And those sessions really do focus heavily on what their rights are, what their options are, their entitlements and what some of the options are and, as well, what their responsibilities are in terms of reporting and what they have to report and what information they have to provide us with. And, aside from making sure that they know, you know, what kind of benefits they get, it's quite relevant to the issue of overpayments, because that's how we try to prevent overpayments is by making sure they understand what they have to report to us and when they have to report to us. So we hope that we can try to avoid overpayment situations by making sure people understand that, you know, there's a process that they have to use to report income and things of that nature. So that's an important part.

As well, we have lots of fact sheets which we made available to people. And we make them available actively and to groups that work with individuals on income assistance. We try to do them in plain language so that people can understand them because it is a complicated program. So we have literally dozens of fact sheets on different aspects of the program in plain language, and we use those quite aggressively.

Yes, and we also have a number of collateral programs like the Manitoba Child Benefit and so on that we make them aware of. And we advertise those programs as well so that people take advantage of the other income assistance programs that we have.

Mr. Chairperson: Mrs. Stefanson, please.

Mrs. Heather Stefanson (Tuxedo): My question is actually for the Auditor General, just to follow up to a series of questions earlier, just with respect to the annual reviews of the eligibility of the participants.

Did you actually find or is there anything there that you would say is still outstanding, or are there concerns that you had there when you did your review?

Ms. Bellringer: Mr. Chair, we've been looking for so long I can't remember the question anymore.

Mr. Chairperson: Mrs. Stefanson, would you repeat the question, please.

Mrs. Stefanson: Yes, just in looking at the participant's eligibility that must be reviewed—you know, under the EIA administration manual, it states that they need to review those, the eligibility of the participants annually.

And I just wanted to know, did you have concerns when you were doing your review for this, for this audit, like during this audit?

Ms. Bellringer: One of the recommendations we made was—one was around documentation. Now, part of the problem when there's no documentation in the file, we have no idea if it was done or not. I mean, there certainly would be circumstances where something was done, but it just didn't get put in the file. But, we, so we always look to—you've got to put it in the file or we're never gonna to know if it really got done or not. So we're looking to that.

But, then, the other thing is when somebody is required to file something and then it doesn't get submitted, that the recommendation that we have in there is that there be some kind of process put into

place to follow those things up. So, if it doesn't—if it isn't submitted, the department needed to do more to seek it out in those instances.

Mrs. Stefanson: Well, I gather 'cause there was a recommendation put forward that it obviously happened more than once or twice. And so it was something that probably was a flag and a concern for you, that where you had to come forward and sort of say that, okay, this has to be done every two years where documentation wasn't provided.

And I'm wondering, was it a significant number that, you know, that raised that red flag for you?

* (20:00)

Ms. Bellringer: Granted, we took a sample, so—but, having—but we felt that it was a representative sample, and in that sample, 31 percent of the files didn't have the documented follow-up action. So—significant. I would assess that as a significant number, not just one or two.

Mrs. Stefanson: So I guess my question back to the deputy minister—that's a significant number in my books as well, that the Auditor has brought forward, the 31 percent, and I recognize that there are various issues and reasons for those things to take place, but what has your department done to ensure that we can rectify the situation, and since this report came out, have you been able to decrease the number because of steps that have been taken of the number, you know—of people that you have not had the ability to assess on an annual basis?

Mr. Billinkoff: A couple of things. We have issued a directive, and our intention would be to issue them, you know, again as time goes by, reminding staff of the importance of documentation, ensuring there's documentation in the file. We also have some processes in place as alternatives to using, you know, particular reports. We've developed, you know, some guidelines and some standards for staff that they can use, which I think gets to what the Auditor was saying, you know. If for whatever reason they don't have documentation, they need to note what the alternatives are and how they've approached it.

So we are trying to improve the—in effect, the quality of the file documentation so that, whether it's the supervisors or the Auditor or whoever is doing quality assurance can see in the file, you know, what we did use. If the documentation isn't there, for whatever reason, what else have we done to ensure that we have a record of that.

That's kind of how we've approached it.

Mrs. Stefanson: And just again, back to the Auditor then, just to sort of bring this together. I mean, is that a sufficient enough answer, do you think, to say that, okay, yes, we could probably see a decrease in the 31 percent, or what steps need to take place to ensure that we have—you know, that they're able to live up to what their administrative manual says, you know, on an annual basis.

What steps need to take place, and is that sort of sufficient what we're hearing here, or should we be, you know, looking at other steps that need to be taken or the department needs to look at other steps in order to decrease that percentage?

Ms. Bellringer: One of the things that we identified in here was that the caseworkers had said that the missing annual review forms were most likely the result of misfiling or a filing backlog. So we noted that in the report. I mean, what we would do to follow it up is if that's been identified as the reason, then hopefully that gets fixed, and the next time round they won't be missing.

If it's a result of misfiling, then it is a matter of having it and just not having it in the right place. If it's not there at all, then I'd suggest somebody needs to sort of run a record of what's, you know—go check through and see what's missing, and I don't know if SAMIN can produce that kind of a file that would tell you, you know, is there a check mark in the box that says you've received it or not.

So, you know, there may be some kind of automated process that could be put into place, but I don't know the system well enough to know how they would go about doing that, and at the moment, we would just take the reason given to us, and follow it up on that filing basis for the follow-up.

Mrs. Stefanson: And I guess I would put that back to the deputy minister. Is that something that we can do, and we can take care of under the SAMIN, you know, filing system?

Mr. Billinkoff: I'm not sure it can be done through the SAMIN system, because the issue relates to, sort of external hard copy, sort of documentation, but it, you know—one of the other things that we can do and that we're working on goes back to one of the earlier questions is around the role of the supervisors and the sampling by supervisors.

Supervisors can't review every file of their workers, but we are working on how to have an

appropriate sample done by our supervisors, and that's one of the things that our supervisors would be looking for when they do a sample of the annual reviews by their staff. And we flag that for them—is to look and do basically what the auditor did; is to check whether on those files proper documentation is there and, if not, then, you know, to take corrective action on, you know, in terms of the case worker's approach.

Mrs. Stefanson: On those lines, I mean, the auditor said that most of these cases are because of, you know, missing files or filing backlogs. Is that a staffing issue? Is it—I mean, what do we do to ensure that we don't miss those files and we don't have those filing backlogs? Like, what is the answer here according, you know, to, you know, your procedures and what you would be doing to rectify the situation?

Mr. Billinkoff: I think it's, you know, given—it's really—it really is, in part, a volume issue. So, you know, we do have, we do have some limitations in terms of how much staff time we have. But I think more than that it's really a process issue. It's a matter of reminding staff of the importance of doing this because, you know, it should become—if they do it as part of their regular job, then it isn't the huge workload issue.

Mistakes do happen in terms of filing, and so forth. So I think those are the kinds of things that each office has to address as part of—sort of the quality assurance process that we need to have in our offices to be looking for those sorts of variances, or there may be others, you know, administrative things, you know, that are not being done that are supposed to be done. You know, they may be clearly defined in workers' job descriptions. These are things you have to do, but if—it's part of the supervisor's job to ensure that they are, in fact, being done. So that's part of our ongoing work that we have to do.

Some of the—as I mentioned before—we are very dependent upon technology in this program, but we also have huge hard copy paper files, you know, with all the background, you know, information we get from clients. We don't have imaging technology, for example, and that would be extremely expensive at this volume, you know, to manage all of that. So, you know, the huge amount of paper that we collect from people is sitting in files and sometimes they—there are backlogs and sometimes they get misplaced and, you know, I'm not sure technology that we have right now could correct that. So it's really just having staff do their work diligently and have supervisors

sample the work and make sure that they are doing their work diligently.

Mr. Chairperson: Thank you. Ms. Wowchuk, Minister.

Ms. Wowchuk: Sorry, I wasn't paying attention the last time when you were—when I had put my hand up.

But what I wanted to, I wanted to ask briefly about—we know that there's a difference between living in an urban centre and rural and northern centres, and I wonder if you might talk a bit about what has been done to improve the rates or to address issues, particularly for people in the north and in remote communities.

Mr. Billinkoff: We've always had higher—a rate differential with higher rates in the north. The last several years we've introduced a number of enhancements to the rates specifically in the north and communities that are facing higher food—particularly for food and essentials. So we've increased the rates there to better respond to local needs. We've also—mileage rates, and so forth, that we pay, particularly in the north. We pay actual utility costs for the most part so that, you know, communities where utility costs are higher for whatever reason, we pay the actuals. So we try to respond in those ways to the higher costs that northern communities face.

* (20:10)

Ms. Wowchuk: You talked earlier about linking people with training, and I would want you to talk about—or do you see this link for—with training working as well in northern and rural communities as it does in urban communities?

Mr. Billinkoff: Well, I think it does present challenges because the training infrastructure is not as well developed in some of the more remote communities, so the options for people are more limited, and the job opportunities there for training are sometimes more limited as well. But we do—we do what we can, you know, to try and encourage people to participate and to support their participation, even in the more remote communities, and every community has jobs, and every community has some opportunities.

So we've made a big effort over the last couple of years to be more flexible and to allow people more opportunities to participate in training, rather than our past policies which were fairly restrictive.

We really didn't support people to take training for lengthy periods, or at all, because our priority was to have them looking for jobs and taking jobs. And what we found was that many of the people, because of the strong economy, many—the people who were capable of getting jobs were, in fact, getting jobs. So the caseload that we had left, for the most part, does need training. Their skill levels are very low. So we introduced a number of enhancements to our exemptions and to our program rules to make it easier for people to take training and to provide more support.

Ms. Wowchuk: If I could just ask one more question. Are there any special efforts being made for women, because many times it's the woman who stays home with the child, doesn't get the training that they need and then as the children grow up they want to get more training?

Is there any way you're looking at helping them?

Mr. Billinkoff: Well, many of our clients are, in fact, women, you know, particularly, you know, most of the single parents that we have on our caseload are women. And so, you know, all of the things that we do are helpful to them but we do try to arrange our support through, both through the child-care program, and through income assistance where child care is not readily available, to try and make it easier for women to participate in training programs because that's one of the difficulties that they face.

So that would, that's the main thing that we do and also the types of courses that our clients are interested in because so many of them are, in fact, women, tend to be, you know, the types of fields where women are interested in going into.

Mr. Borotsik: Yes, two very quick questions. Back to overpayments, just for a moment.

Looking at the Auditor's report, there is about \$21.2 million in outstanding overpayments but that goes back a substantial number of years. So I would consider that receivables that you're collecting on an ongoing basis as best you can.

It also says that the most common reason for the overpayments are unreported spousal relationships and associated unreported spousal earnings. Would you consider that—when you discover it, and you do discover it eventually—would you consider that to be a fraud, and if so, what remedies do you have at that time other than just simply trying to collect overpayments?

Do you cut the individual off? Do you charge them? I don't know what your remedies are so what would your remedies be?

Mr. Billinkoff: We do, we do have—there's a difference between fraud and overpayments. Fraud is a criminal offence and so, you know, we have, we have a fairly rigorous process and criteria that we use in determining whether or not to proceed to the police or, you know, in terms of whether charges should be laid.

We don't, we don't lay a lot of charges for clients. I mean the nature of our program and the complexity of the rules and the fact that so many of our clients are disadvantaged right from the beginning means that a lot of them are not complying with the rules all the time the way that they should. And so, you know, that's why we use overpayments is to try and rectify that situation.

Fraud is much more serious offence where they deliberately are trying to mislead government and, you know, we do, we do go to the police and we do lay charges, and there are people who are, from time to time, convicted, but it's not very much in the context of the size of this program.

Mr. Borotsik: Last question, I promise.

I think at the beginning of your opening statement you'd indicated that there would be six to nine months to have a final status report as to the recommendations and your compliance with those recommendations. Am I right in the time line of six to nine months, and, when that is completed, should this committee request that status update and status report? What would your feelings be in complying with this committee and its request to look at that status report?

Mr. Billinkoff: We do have an accountability process to the Auditor on all the recommendation, and so we have not yet been asked to file status reports on this particular report. We've done them on many others, earlier reports. So, at some point, the Auditor will be asking us for a status report, and we will provide one that shows where we are with all of our—every recommendation, and we have—I'm sure the Auditor can attest there's a fairly elaborate system of accountability for tracking and reporting on the Auditor's recommendations, and I don't know whether her intention is to change that or not, but that's the process that we would normally use. When we get the request for a status report we'll provide it,

and then, presumably that would be made available through the Auditor's offices.

Mr. Borotsik: I promise this is the last one.

That was just a little bit of foreshadowing, Mr. Deputy Minister. This committee is working on its own processes at the present time and how they could assist the departments and certainly be much more effective in our own workings. So it may well not be the Auditor General that would ask for that status report, it could well be this committee. So I'm just doing a little pre-am and a little foreshadowing, not to upset you or your department that may well have some changes in direction. Thank you.

Mr. Chairperson: Mr. Billinkoff, any response?

Mr. Billinkoff: No, we're certainly at the convenience of the elected representatives. If they choose to request information, we would certainly comply.

Mr. Maguire: Just to go back as well, Mr. Billinkoff, I apologize for not asking this earlier, but you mentioned in your opening remarks that you had hired two new investigators for the northern rural areas. How many investigators would you have in total then?

Mr. Billinkoff: Currently, we have 12 in the city of Winnipeg and two rural. In the past we used the Winnipeg staff basically to cover off rural areas because our caseload is very heavily concentrated in Winnipeg, but, you know, we did feel the need to have staff dedicated to rural and northern communities.

Mr. Maguire: Thank you for that answer. I just—I appreciate the workload and so I'm actually surprised that maybe 12 can handle it or 12 plus two even. That's a big job and I appreciate it. Thank you.

Mr. Chairperson: Is the committee agreed that we have completed consideration of Chapter 1, Family Services and Housing, Employment and Income Assistance Program of the Auditor General's Report to the Legislative Assembly, Audits of Government Operations dated 2008? *[Agreed]* Agreed.

As the committee has now completed consideration of all four chapters of this report, shall the Auditor General's Report to the Legislative Assembly, Audits of Government Operations, dated 2008 pass?

Some Honourable Members: Pass.

Mr. Chairperson: The report is accordingly passed.

Mr. Borotsik: Mr. Chairman, based on that, and I do agree, obviously, with the fact that we passed the report. We've dealt with it. But, as the deputy minister had indicated, there could well be a requirement of this committee for a status report and update on the recommendations of this report. It doesn't stop the committee from bringing a report back and looking at the status of the recommendations. So I would just ask the committee to consider that and keep it in mind that at a future date that we should and could well ask for that status report.

Mr. Chairperson: Yes. It doesn't mean because a report is passed that a committee cannot revisit it, so—

But it's good to know that the report has been passed. Thank you.

Now we will deal with the second item, Audit of Child and Family Services Division Pre-Devolution Child in Care Processes and Practices dated December 2006.

Does the Auditor General have an opening statement? Madam Auditor General and, if you have new staff at the table, would you please introduce them as well.

* (20:20)

Ms. Bellringer: Norm Ricard is still here and Sandra Cohen's chosen to stay, even though she didn't work on this particular report.

This report examines the Child and Family Services division of the Department of Family Services and Housing, with responsibility for oversight of mandated agencies, and this was a period prior to the proclamation of The Child and Family Services Authority Act.

What we found in this audit was as at March 31—and it goes back to 2004, and it was something that was known—an effective accountability framework over the mandated agencies with respect to children in care was not fully in place. We identified a number of systemic issues. We also, as a result of the audit, concluded that the management practices at mandated agencies—we had done an examination of four mandated agencies—that it required strengthening and, as at March 31, '05, the Child and Family Services Authority boards, which had just—that was the first full year of operation. They were at different stages of development, but actively working

to ensure that appropriate governance structures were in place.

One thing I'd like to put into the record—it's something that was included in the transmittal that went with the audit report—was our acknowledgment of the significant impact of the program on children and families throughout Manitoba. We also were able—I mean, one does and one did see throughout the audit the complexity of the many issues that were being dealt with by the department and a dedication towards a solution that was expressed by all.

We recognize the issues are not only complex, but they've existed for many years. Our report only focussed primarily on one area within the Child and Family Services division, being the effectiveness of the accountability framework in place relative to the mandated agencies addressing children in care. While we audited the period prior to devolution of those services to the four Child and Family Services authorities—those were created in 2003—we did see that our recommendations could still be followed up by the Public Accounts Committee, by the department, by those authorities and the mandated agencies with reference to the current system.

Prior to the finalization of that audit report—this audit report that's under review—two major reviews were also released by the Province, namely, *Strengthen the Commitment: An External Review of the Child Welfare System* and *Honouring Their Spirits: The Child Death Review*, both of which will impact the future for children in care. The report draft that now, at that point, was being made public had been made available to those review teams, and a member of our audit staff participated in the external review of the child welfare system, so we do hope that our participation and the report will assist the department and the Province of Manitoba addressing that very serious issue. Thank you.

Mr. Chairperson: Thank you, Madam Auditor General.

Mr. Billinkoff, the Deputy Minister, do you have an opening statement?

Mr. Billinkoff: Yes, I do.

Mr. Chairperson: And I notice you have an additional staff at the table. Perhaps you could introduce the staff as well.

Mr. Billinkoff: Thank you. I'd like to introduce Carolyn Loepky. She's our Assistant Deputy Minister for Child and Family Services.

I'm pleased to provide opening remarks regarding the recommendations of this audit. As was recognized by the Auditor General's transmission letter, this audit was—

Mr. Chairperson: Excuse me, Mr. Billinkoff, sorry to interrupt. We seem to be having a problem with the *Hansard*, so I would ask for a two-minute recess, please.

The committee recessed at 8:25 p.m.

The committee resumed at 8:27 p.m.

Mr. Chairperson: The system has been rebooted or repaired, so I guess we can carry on.

Mr. Billinkoff, I don't know how much of it they missed. You had just barely started, and I'm wondering whether we could impose upon you to begin again.

Mr. Billinkoff: Okay. Well, thank you very much.

I'll just introduce again, Carolyn Loepky, our Assistant Deputy for Child and Family Services.

And I'll try to keep my remarks short, because I know that we're going to run out of time, and you do want to ask questions.

But, as the Auditor General mentioned, the transmittal letter for this review indicated that the audit was finalized at a time the government had completed two major external reviews of the child welfare system. Department of Child and Family Services authorities and their agencies have taken significant steps in transforming the Child and Family Services system since this report was released in 2006.

Provincial response to the recommendations of the external reviews, which is called *Changes for Children*, was organized into seven themes, which include: Keeping Children Safe through Primary Prevention Programs, A Priority Emphasis On Early Intervention, Enhanced Support For Front-Line Child Protection Workers, Improved Communication, Strengthen the New Governance Structure, fiduciary obligations for the Government of Canada and Section 10 Reviews.

Not all of these things relate to this audit, but some of them do, and we believe we've covered a lot of ground over the last two years, three years, in addressing recommendations from all of the various reviews that were received—several hundred

recommendations from a variety of different reviews and audits that were done at that time.

In particular, we've made progress around, relevant to this particular audit, around provincial standards and development of standards, training of staff in the use of standards and the application of standards, as well as priorities for new standards. We've made improvements to our computerized information system, what we call CFIS, and we are working on options for developing a new system that may eventually be able to replace CFIS with a more modern system.

We've done a lot of work on the funding model, which is one of the major areas identified in this audit, and not all of it has been concluded. The main difficulty we've experienced there is that we've been working for the past year on a joint funding model with the federal government because so many of our agencies operate both on and off reserve, and I believe it's around 30 percent of the children are on reserve. About 40 percent of the children are, in fact, on reserve, and so they're subject to the federal funding.

* (20:30)

So we've always felt there's a gap between what the Province provides and what the federal government provides. So we've been working with local Indian Affairs staff on a joint funding model that could be applied both on and off reserve and had made quite a bit of progress.

Unfortunately, the federal government does not have funds available this year, so we were quite disappointed about that. So we're hoping that we'll be able to get this moving next—but in the current year, they recently announced funding for enhancements in Québec and Prince Edward Island, and Manitoba will have to wait, I guess, till next year to see whether we'll make it on their list of priorities. So that's kind of set us back somewhat.

As part of that, we will be looking at our child maintenance rates and models, and that will address many of the recommendations that are in the audit.

We've achieved considerable progress around quality assurance, putting in place quality assurance processes and staff to do quality assurance reviews. And that was an acknowledged weakness of the system at the time when this report was done. And I think we've come a long way in trying to address that.

We've put in place contribution agreements with the authorities.

We are working in conjunction with directors of child welfare across the country on trying to develop outcome measures and indicators, which is another area that was recommended in the audit. This is a difficult business to measure outcomes on because the nature of that, but we are working with other jurisdictions on how to do that.

Just in a sort of concluding remarks, the accountability systems have been improved considerably. Manitoba Ombudsman publicly reports on the implementation of the Changes For Children Initiative and, on an ongoing basis, report annually on the implementation of the recommendations of the special investigation reports of the deaths of children conducted by the office of the Children's Advocate.

Additionally, the authority's capacities in the area of accountability has been enhanced. Child and Family Services division has established a unit for comptrollership and accountability that reviews financial matters. So we've made considerable progress with our partners, the authorities in this area. Not all there yet, by any means, but I think we've come a long way in the last several years.

Mr. Chairperson: Thank you very much, Mr. Billinkoff. The floor is now open for questions and discussion.

Mr. Maguire: Thanks, Mr. Billinkoff, just for your presentation as well. Just a quick question in regards to an area that I'd like to just see some elaboration on, and that is in the insufficient monitoring and mandated services that was talked about in the report.

Can you just give us some detail in how that's been improved?

Mr. Billinkoff: Well, as one example, each of the authorities now has a quality assurance program in place.

I'll just go through a number of things. Since the time of this report, a number of steps have been taken.

First of all, there's the public reporting by the Ombudsman on the implementation of Changes For Children and on the Children's Advocate's reports. So we have layers of accountability and reporting in place, and the Ombudsman will be reporting to the legislature on a regular basis on how we're doing.

All of our authorities now have strategic plans in place. All authorities have developed quality assurance programs with funding from the department, and I think that's a major element of a proper accountability system.

Quality assurance reviews have been focussing on accountability as a key component. Two system-wide reviews completed in 2007 and 2008 were part of this.

Whenever agency reviews are completed, they include file reviews for compliance with provincial standards of service.

Financial reviews are also an important part.

We've introduced and trained staff in over 30 standards, and that was another area identified in the, in the number of the reviews as a weak area. So we have standards in place, and we've trained people in them and they're being implemented, and the authorities are ensuring compliance. And I think those—that would be.

Mr. Maguire: Just the information technology question, I guess, again in regards to the CFSIF-IS, this information system. And the Auditor General's report indicated that there was a shortfall in—or insufficient monitoring, I think, in that area. One of those areas was in licensed foster homes that had not been entered. Children were recorded as being no longer in care. I guess, particularly in regards to a licensed home, how would it be that it wouldn't get entered? Can you just give me an example on that?

Mr. Billinkoff: I think this was one of the first priorities that we addressed from this report. We, as you can appreciate, with literally, I think it was over 300 recommendations from all variety of reports, we prioritized things that most directly impacted on the safety of children, and some other things that related more to systems and administration, you know, we're a little bit later in getting to. But one of the first things we addressed was ensuring that all the licensing is up to date. All the checks are done, criminal record checks and child abuse registry checks and so forth, and that was a major priority. We believe we're in as close to full compliance as one can be on those items. So those are, those are now in place.

We've made major improvements to our Child and Family Services system. We've had about 20 different projects to try and address some of the, some of the problems that have been identified in the various reviews, so we've introduced—we've put in

place flags within the system to alert us, you know, when licensing hasn't been done and so forth. So that's been a major undertaking.

Mr. Maguire: Just the—that was in reference to the funding model as well, and I appreciate your answer. The—so, I guess I'm wondering if there's any comparison being done, sort of, between the funding models that you mentioned earlier, on federal children in care versus provincial care, and can you just explain where that's at.

Mr. Billinkoff: It's fairly, it's fairly complex. Generally speaking, the federal government pays the same maintenance rates that we would pay. So if we pay—if we set a rate for what we pay to foster families, they would adopt a similar rate, but everything else is different. And so, you know, the main problem that I think most of the on-reserve agencies experience is that the federal government doesn't fund a lot of central administrative costs that are essential for quality assurance and the like. And as well, there's virtually no funding provided through the federal model for preventative services and family support services. It's basically straight maintenance.

And so, you know, we are, we are funding, we believe, at a much higher level than the federal government is. For children, depending on whether they're on reserve, off reserve, that creates a disparity. Because their formulas are different, there are situations where, you know, some reserves where they have relatively small number of kids in care may actually be doing reasonably well under the federal formula, but most aren't. And so we've tried to close that gap.

The negotiations that we've had with the federal government have really focussed on, at this point, on—primarily on staffing to try and ensure that there's adequate staff to deliver what we're calling differential response, which is our early intervention prevention kind of programming on reserve. We're introducing it off reserve. There is no federal money available for that on reserve, which is a real problem and a real inequity. And so we are hopeful that the federal government will come on board with us, and they've been doing provinces two or three at a time each year. So I think there's—I think five or six provinces that now have agreements, but Manitoba still doesn't have one and we're still in negotiations, and there is no funding available for this current fiscal year. It's—we're hoping—my minister has written to the federal minister and, I

believe, the Minister of Finance has also written, you know, urging that this be prioritized for next year, or for immediately. But so far the indications are there's nothing this year and, hopefully, next year.

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Mr. Maguire: Just a follow-up. I can well be aware of the sensitivities of the fact that there are larger proportions of First Nations in some communities, as you've said on reserves and some provinces rather than others. So it's easier to sign maybe some of those agreements. Is that a circumstance that's keeping the negotiations going, if you will, between the federal and the provincial government here in Manitoba versus what might be taking place and having already been settled in other provinces?

Mr. Billinkoff: I think, in part—well, first of all, Manitoba and Saskatchewan have the highest proportion of Aboriginal people, much higher than in other provinces, and a very high percentage of the children in care in Manitoba are of, are of Aboriginal origin. And so for us this is a bigger issue and a more complex issue than it would be in, say, Ontario. Ontario may actually have more Aboriginal people than we do, but it's of small percentage, and so for us this is a really important issue.

And so, and I think, as well, our system is a little more complex because we're much further along in terms of devolution than other provinces are. The approach we've taken in negotiations with the federal government is a little different than other provinces, and I think it reflects the unique partnership that we have here and the unique structure that we have with Aboriginal agencies operating both on and off reserve. And so we've been trying to negotiate or harmonize a funding arrangement that reflects the reality that we're working in. And it is somewhat different than other jurisdictions, and, for both governments, somewhat more costly, I guess, than it might be in provinces where they've signed agreements. In some of the other provinces the agreements really just add some money for preventative programming.

Mr. Maguire: Mr. Chairman, I appreciate the fact that this is a December '06. I got the right date now on the document, and the reviews are done every three years. We'll be getting another one, I'm assuming, shortly out of Auditor General. Would I surmise that? I put the question to you first.

Ms. Bellringer: That report is scheduled for our 2010 follow-up because of the December release.

Mr. Maguire: I guess because of the number of recommendations that there are in a report like this as well, this might be one of the examples where we would have a status report. But perhaps the new report that you're bringing out is going to take care of that because it'll be a—it'll be a totally new document, and it'll deal with all of the issues that haven't been dealt with if there's any still outstanding here. Would that be the case? We should wait for the—for the next report to come out, which is—you know, 2010 is just around the corner.

Ms. Bellringer: I certainly don't want to tell the committee what to do, but, obviously—but you asked and, obviously, you need to make your decision based on knowing what's coming up.

What we usually do in our follow-up reviews is obtain the status updates from the department, and then we'll verify parts of it. I would suggest, given the number of reviews that the department has before it, that we step back and take a look at that.

Mr. Maguire: And so I appreciate it, Deputy Billinkoff, the workload, but do you continuously look at having an update made for this type of a report, because you're dealing with recommendations all the time anyway. I'm assuming that that would be a normal part of a department's work.

Mr. Billinkoff: We do have a very sophisticated tracking system that we've put in place for all the—for all the recommendations that we've got. We have, not just these reviews, but, you know, the reviews that are done on individual cases and the like. So we have lots and lots of recommendations and it's absolutely essential that we track them all. We do take it very seriously, and so when we get recommendations, we feel we're accountable to report on the status of them, and so we do track them, and we do report on them.

The Ombudsman right now is tasked to produce a report for the Legislature on Changes for Children, a status update on Changes for Children. And so, I don't know the best way for this committee to proceed or—you know, this is just one of a number of reviews, and there's a lot of overlap between them. We have been providing the Ombudsman with a considerable amount of information on how we're doing on all of the various reviews and recommendations and, in due course, she'll be producing a report that provides an update for the Legislature on all of that.

Mr. Chairperson: Mr. Borotsik. Oh, I'm sorry, Mr. Maguire, were you finished? I'm sorry.

Mr. Maguire: Thank you.

Mr. Chairperson: Thank you very much.

Mr. Borotsik: Mr. Billinkoff, you are going to help us. You are going to help the committee. You are going to give us some direction. You are going to give us some assistance. You are giving to give us your opinions, please.

You had mentioned three times, several in number and all of the reviews culminating in several hundred recommendations. Can you please help me and tell me which departments provide those reviews, including the Auditor General's, and if any of those several hundred recommendations have significant overlap? I can't believe that when you get several hundred there aren't some overlaps from all of those departments.

Can you identify the departments for the reviews? And can you tell me how much overlap there would be on those recommendations?

Mr. Billinkoff: There is overlap, and in my opening remarks I identified—and I was just reading them—but I identified seven sort of major areas, and we've tried to group all of these recommendations into those areas, and try and track and report on them in that way. And so, for the most part, we're trying to work with the Ombudsman and, again, you know, the Ombudsman, currently is tasked to produce a report that will attempt to bring together all these various reviews and report to the Legislature in a comprehensive way on the status of them.

We are tracking every recommendation from every report. Anybody—any of the oversight groups that we work with who asks, we provide them with the most current status report. So we are accountable to the Auditor, we're accountable to the Children's Advocate, we're accountable to the Ombudsman. We were accountable to the Chief Medical Examiner. So there's a whole series of accountabilities and we try to respond to all of them, but in terms of bringing it all together, which, I think, is maybe where you're going with this, the current plan is for the Ombudsman to be the lead on that, and that makes sense.

If you're asking, that makes sense to me because there's just so many different reporting lines, and there is overlap, as you say. So having one report, one status report from the Ombudsman would

certainly provide the department with some relief rather than having to report, you know, potentially, three or four times in different ways to different bodies.

Mr. Borotsik: Does the Ombudsman, in tying all of these reports together, are they also including the Auditor General's report into this compilation of reports?

Mr. Billinkoff: Yes, I believe they are.

Mr. Borotsik: I guess my next question would be to the Auditor General.

Have you had an indication from the Ombudsman that, in fact, this process is underway at the present time? Have you had communications with the Ombudsman to try to put your recommendations in some semblance of order with the other agencies' recommendations? Are we there now, or where are we with the Auditor General?

Ms. Bellringer: I'm aware that the Ombudsman is co-ordinating the follow-up of her report and my understanding was also the Children's Advocate's reports.

* (20:50)

When their report was originally done, we actually participated on it to deal with the financial and the accountability issues, because we were more familiar with them from a technical perspective, including the information technology recommendations, and we have not been involved with any follow-up on behalf of the Ombudsman. We haven't had direct communication with respect to our reports. Now, if she's chosen to use our reports and build them into those follow-ups, that's possible, but I'm not aware of it.

Mr. Borotsik: It seems, Mr. Billinkoff, you're kind of like a badminton bird here between a whole number of different agencies trying to, trying to assist, and I have no doubt that all of the agencies are trying to assist, but sometimes it has a tendency of perhaps making more work for the department than less. I think this committee had best discuss this issue at a later time to see just what it is that perhaps we can do to assist your department in trying to cut out some of the—and I won't say red tape, but, certainly, some of the duplication that you may well have.

How much time, do you think, and how many staff years does it take to try to co-ordinate all of the recommendations with all of the departments that

you have to deal with at the—all of the—I'm sorry, review agencies that you have to deal with at the present time? It may not be an easy answer, but it gives me a better understanding as to what it is perhaps we should be looking at.

Mr. Billinkoff: I don't, I don't think—I'm not sure I could hazard a guess as to full-time-equivalent staff, but it is not insignificant. We—for the most part, the way we've approached this is to put in place a very sophisticated tracking system, so that cuts across all these different reviews, and we've had discussion with all of the different organizations, including the Auditor. I've talked with the Auditor about trying to get some consistency in templates and format so that, you know—and definitions, so that we report in the same way and in the same form. If we have to report twice, then at least we have the same format so we don't have to set it up differently, you know, for each of the reporting bodies. And—but, you know, it is a considerable amount of work and it takes up a lot of staff time. For the most part, it's not dedicated staff. It's—we have an information system that a whole wide range of staff feed information into and the authorities do as well, so it's a lot of work on behalf of a lot of people, bits and pieces of their time.

But it's—to be frank, it's really important to do. I mean, it's not—we're not complaining about it because I think the recommendations—I mean, you don't like getting difficult recommendations, but the recommendations have proven very valuable to us in helping us re-orient our system, and we've taken them very seriously and it's driven a lot of the work that we've done, both the Auditor's and the Ombudsman's and the Advocate's. So we've taken it very seriously. It has changed some of the priorities in the way we do our work, and so I think it's, given the kind of service system that we're in, you know, which is child protection, it's incumbent on us to do whatever it takes to implement the recommendations.

So that's what we're doing. You know, anything that could make it easier for us in terms of the administration of reporting, I think is—we're certainly open to.

Mr. Borotsik: Thank you, and I appreciate that comment. We're going to have to ask for your assistance, though, because we don't understand the process, perhaps, as well as you do.

And dare I ask the question—and I don't want to put you on the spot, Mr. Billinkoff, and if you don't want to answer this question, you don't have to—but, in your opinion, which lead agency would be best to

try to co-ordinate the template that you talked about, to try to co-ordinate the culling of the duplication of recommendations? We know there are a myriad of agencies out there. In your opinion, who would be the best lead agency?

Mr. Billinkoff: I think, currently, the Ombudsman has that role, and it's not a role the Ombudsman plays on everything, but it is, given all these reviews, that's a role that was given to the—a special role that was given to the Ombudsman. And we think it's—that's the way to go because the Ombudsman has invested quite a bit of time working on this. The Ombudsman is quite familiar. I'm not suggesting that we don't report to the Auditor or any of these other bodies either, but the Ombudsman and her office has invested quite a bit of time, and has quite a bit of sophistication, was actually involved in some of these reviews directly.

So, if you're asking me my preference, it would be to continue what we're doing now, which is work with the Ombudsman, and bring forward a report that the Legislature can review. And if the Legislature, or the committee, the standing committees or others feel that there's still work that needs to be done, then, you know, once they receive that status report would be the time to consider what the options are, but I would certainly not be happy about changing the course of where we're going right now. We've put a lot of time into accounting to the Ombudsman on a wide range of things, and I think she's developing her report, and I don't know her timelines, but there will be a report completed in the not too distant future. And that would be my suggestion is that you wait and see what her report says and whether it satisfies, you know, your needs.

Mr. Borotsik: Thank you, Mr. Billinkoff, for that very candid answer. I appreciate that. Thank you.

Mr. Chairperson: Mr. Billinkoff, I'm going to take the prerogative of the Chair. It's not often that the Chair weighs into questions of a department, but it is allowed.

But what I hear tonight is encouraging in that our responsibility as a Public Accounts Committee is to assist departments in the very kinds of things that have been brought forward here tonight, in terms of being accountable, but also in a way that is much more efficient and co-ordinated, so that we're not reinventing the wheel.

And so I am hoping that as we evolve as a committee, we are going to be able to recommend processes that will, indeed, assist you as the administrator of a department, and, certainly, I don't think that that's saying anything that's negative or anti in terms of how our relationship is with departments.

So I thank you very much for your candid responses here this evening, and we certainly do appreciate it.

And now we will move on.

I will ask, shall the Auditor General's Report, Audit of Child and Family Services Division, Pre-Devolution Child in Care Processes and Practices, dated December 2006 pass?

Some Honourable Members: Pass.

Mr. Chairperson: The report is accordingly passed.

The hour being 9 o'clock, what is the will of the committee?

Some Honourable Members: Committee rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 9 p.m.

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