

**Third Session - Fortieth Legislature**  
**of the**  
**Legislative Assembly of Manitoba**  
**Standing Committee**  
**on**  
**Public Accounts**

*Chairperson*  
*Mr. Reg Helwer*  
*Constituency of Brandon West*

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**Fortieth Legislature**

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**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**Tuesday, November 26, 2013**

**TIME – 6 p.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Reg Helwer (Brandon West)**

**VICE-CHAIRPERSON – Mr. Gregory Dewar (Selkirk)**

**ATTENDANCE – 11 QUORUM – 6**

*Members of the Committee present:*

*Hon. Messrs. Allum, Gerrard*

*Messrs. Cullen, Dewar, Mrs. Driedger, Messrs. Helwer, Jha, Pedersen, Whitehead, Wiebe, Ms. Wight*

*Substitutions:*

*Hon. Mr. Allum for Hon. Ms. Howard*

**APPEARING:**

*Mrs. Leanne Rowat, MLA for Riding Mountain  
 Ms. Carol Bellringer, Auditor General  
 Ms. Sandra Cohen, Assistant Auditor General,  
 Value-for-Money Audits*

**WITNESSES:**

*Hon. Kerri Irvin-Ross, Minister of Family Services  
 Ms. Joy Cramer, Deputy Minister of Family Services*

**MATTERS UNDER CONSIDERATION:**

*Auditor General's Report—Annual Report to the Legislature—dated January 2013*

*Chapter 4—Manitoba Early Learning and Child Care Program*

*Auditor General's Report—Follow-up of Our December 2006 Report: Audit of the Child and Family Services Division Pre-Devolution Child in Care Processes and Practices*

\* \* \*

**Mr. Chairperson:** Good evening. Will the Standing Committee on Public Accounts please come to order.

This meeting has been called to consider the following reports: Auditor General's Report—Annual

Report to the Legislature—dated January 2013, Chapter 4—Manitoba Early Learning and Child Care Program; Auditor General's Report—Follow-Up of Our December 2006 Report: Audit of the Child and Family Services Division Pre-Devolution Child in Care Processes and Practices.

For the committee's information, I have before me the resignation of Ms. Crothers as committee member of the standing committee on Public Accounts. Therefore, I would like to welcome Ms. Wight as a new PAC member.

**Committee Substitutions**

**Mr. Chairperson:** Also, pursuant to our rule 85(2), I would like to inform that for today's meeting, honourable Mr. Allum will be substituting in for honourable Ms. Howard.

\* \* \*

**Mr. Chairperson:** Now, prior to dealing with the— with tonight's business I am pleased to table the responses provided by the deputy ministers to all the questions pending responses from the October 9th and 30th meetings. These responses were previously forwarded to all the members of this committee by the research officer.

Are there any suggestions from the committee as to how long we should sit this evening?

**Mr. Blaine Pedersen (Midland):** Mr. Chairman, I would suggest we sit 'til 7:30 and then revisit it at that time.

**Mr. Chairperson:** Is there agreement? *[Agreed]*

So 7:30 and revisit after that point.

Are there any suggestions as to order in which we should consider these reports?

**Mrs. Leanne Rowat (Riding Mountain):** We'll deal with the Child and Family Services follow-up report for 2006, and then go on to the child, or Manitoba Early Learning and Child Care Program.

**Mr. Chairperson:** Is that acceptable to the committee? *[Agreed]*

Welcome to the minister and deputy minister again. Thank you for joining us.

Does the Auditor General wish to make an opening statement?

**Ms. Carol Bellringer (Auditor General):** Thank you, yes.

Norm Ricard, the Deputy Auditor General, is joining me. He was co-ordinating this report.

Our 2006 report—sorry—I just—I should just explain how this differs from our normal follow-ups. This is a follow-up to our December 2006 report titled "Audit of the Child and Family Services Division Pre-Devolution Child in Care Processes and Practices." This report differs from our regular follow-up reports in that for each recommendation we describe the underlying issue and describe the significant actions taken by the Department of Family Services and Labour. A different report style was believed needed because of the potential use of a follow-up report by the Commission of Inquiry into the circumstances surrounding the death of Phoenix Sinclair. The commission was mandated to consider our 2006 report and, indeed, it did.

We've included a summary of our 2006 report, a description of the delivery of child and family services since devolution, a description of our follow-up process and a summary of the implementation status of our recommendations. We conduct the follow-up as a review, not an audit, and we've described the nature of a review and includes review comments in that report.

We had 86 recommendations in the original report: 28 were directed to the department; 39 to the authorities—to the Child and Family Services—the four authorities; and 19 to the mandated agencies. In conducting the follow-up, we focused solely on the recommendations directed to the department, with the exception of recommendation 44 which was directed to the authorities, but we believed was best followed up from the department's perspective. So as such, we followed up on 29 recommendations. We note that 15 had been implemented or otherwise resolved, and 14 remain in progress.

We're pleased to note the recommendations pertaining to the following critical areas had been satisfactorily implemented or were otherwise resolved: the agreement with agencies; the funding model; the Chief Medical Examiner or Children's Advocate reports; and ensuring that all mandated agencies were using CFSIS, that's the information system.

Unfortunately, progress has been slow in a number of areas including: recommendations aimed at ensuring an effective central information case-management system; monitoring authority operations and conducting quality assurance reviews; resolving child maintenance funding issues; ensuring the Child Abuse Registry is updated in a timely manner and is complete; requiring periodic criminal record and Child Abuse Registry checks for foster parents and other adults with unsupervised access to foster children; and developing a strategic plan with outcome measures.

**Mr. Chairperson:** Thank you. The Deputy Minister, Ms. Cramer, has already made a statement covering all the reports, but is there anything you would like to add, and could you introduce any staff that you brought with you this evening.

**Ms. Joy Cramer (Deputy Minister of Family Services):** I do have some opening remarks in addition to the ones that I made previously and I would like to introduce the staff.

So first I'd like to introduce Ben Van Haute, who's our assistant deputy minister for Child and Family Services division, and I'm going to ask him to come and sit up close here; and I have Aurel Tess, who's the assistant deputy minister of administration, finance division; and at this time I'm also going to recognize Margaret Ferniuk, who's the director of Manitoba Early Learning and Child Care; and also Kris Piche, who's a director of Services and Administration for the Manitoba Early Learning and Child Care.

So, for my opening remarks, I'd like to thank the members of the Public Accounts Committee for being here to examine the two reports to—of our department, and I look forward to sharing the department's progress and responding to the recommendations covering these two reports.

As you are aware, the Family Services Department provides supports and protection to Manitoba's most vulnerable adults and children. The Child and Family Services Division Pre-Devolution Child in Care Processes and Practices report has critical implications for strengthening Manitoba's Child and Family Services system. The report on the CFS system represents the OAG's follow-up observations to the December '06 report and work continues in the areas of: improving the CFS accountability framework; implementation of the new funding model and accompanying explanatory guides; improved monitoring over mandated

agencies; and improved usage of quality assurance with respect to the CFS application which includes CFSIS and the CFSIS intake model.

\* (18:10)

The follow-up report focuses on 28 recommendations made to the department as well as recommendation No. 44, as was noted, which was directed to the authorities. Of the 29 recommendations, 14 are in progress and are being actively addressed by the department and 15 have been completed. It should be noted that several of the recommendations that continue to be in progress relate to long-term systemic changes to the CFS system, and I believe that the information that will be tabled adequately responds to the recommendations made by the OAG in '06.

One of the major enhancements to the system as a result of the recommendations was the implementation of a new funding model for the CFS authorities. As indicated in the explanatory guide for Manitoba CFS funding, the intention of the funding model is threefold: to meet the goal of transparent and reasonably comparable funding, regardless of geographic location or source of funding; to provide authorities and their agencies with the resources required to fulfill their mandate, as required by legislation and regulations—and, if you recall, in the Animikii response, that's what helps support Animikii from moving forward; to offer enhanced capacity for the child-welfare system, to provide support services to families or immediate child protection services or the apprehension of the child is not warranted, but where families are struggling with challenges that, if left unaddressed, could result in children being at risk.

I would like to draw your attention to recommendation No. 27 of the report, as the auditor recommends annual foster parent security checks, including criminal record checks and Child Abuse Registry checks. Following an inter-jurisdictional scan of other provinces, the department advises that annual security checks would be difficult for agencies to undertake and that no other jurisdiction completes foster parent security checks on an annual basis. The department, however, has put forward that a more realistic option may be of a—for a renewal of checks to occur every two to three years, with the requirement to self-declare on an annual basis, such as required in the Justice Department and the Department of Family Services.

A—the second report—and I'm going to go into the child care one—oversees the operation, is the department—is chapter 4 of the Auditor General's annual report to the Legislature.

The MELCC oversees the operation of child care in the province to ensure safe, accessible, affordable, high-quality early learning and child care that supports the positive development of children and families. As of September, there are 32,295 licensed child-care spaces in the province with a \$147-million budget. Approximately 12,600 spaces have been funded since 1999, an increase of more than 80 per cent, including the growth of more than 2,500 funded spaces since the audit began. The audit is just a year old. The audit process was a partnership between the Office of the Auditor General and the Department of Family Services, including Manitoba Early Learning and Child Care and the Community Service Delivery staff.

Overall, the Auditor General made 25 recommendations, which resulted in 49 actions to be taken. Of these 49 actions, 13 have been implemented and five have been implemented and are 'cyclical' in nature and, therefore, will be ongoing in these areas. Twenty-seven are in progress, and four are under review by the department.

With respect to the recommendations on grants and other financial supports, the department has already begun implementing additional quality assurance procedures, and is working to develop and update financial policies and procedures to ensure more consistent and comprehensive reviews undertaken by financial staff, which will strengthen management of government's financial resources.

It is important to note that procedures were already in place, with respect to many of the recommendations relating to licensing and monitoring, but the department acknowledges that the implementation of these procedures required revisiting and some policies and procedures will need updating. Therefore, the approach to address many of these recommendations is to inform and work with staff, to ensure that the established processes are consistently followed. Quality assurance processes and reviews was 'all's'—will also be established.

With the continued growth of the early learning and child-care system, the department appreciates the recommendations of the auditor and general to implement a risk-based approach to licensing and monitoring. This will help to ensure consistency in interpreting and applying child-care regulations

across the province. It will also help the department best direct its resources. To this end, the department has begun preliminary 'work' on defining and identifying key standards, and new models for licensing and monitoring are being researched. The development of training for licensing staff, including quality assurance steps to ensure consistency with legislation, policy and procedures, will be based upon these new approaches.

Communication between functions of service delivery and policy administration continues to be strengthened as the department undertakes a review of existing service delivery and program models for early learning and child care in Manitoba.

I look forward to future opportunities to report on the work of the Manitoba early learning child-care program and to respond to the Auditor General's recommendations. As a department, we are committed to continuing to work on the implementation of the remaining recommendations put forward by the Auditor General, as this will serve to strengthen the services and supports by Family Services. I look forward to taking on the ongoing work, and I am ready to answer your questions.

I do want to apologize to people that were here at the last one because I have repeated a lot of what I've said, but for the new people that are sitting around the table, I take this opportunity to explain it all again.

**Mr. Chairperson:** Thank you. Before we get into questions, I would like to remind members that questions of an administrative nature are to be placed to the deputy minister and that policy questions will not be entertained and are better left for another forum; however, if there is a question that borders on policy and the minister would like to answer that question or the deputy minister wants to defer it to the minister to respond to, that is something that we would consider.

The floor is now open for questions.

**Mrs. Rowat:** Looking at the first statement within the one-pager or the two-pager that we received, the auditor has indicated that as of October 31st, 2004, there was a number of accountability issues that were not fully in place. Can the Auditor General indicate to me what changes have occurred with regard to goals and measures listed in the report from 2006 and then the follow-up report in September 2012?

**Ms. Bellringer:** I'm sorry, I'm just making sure I—this is the one-pager that the researcher produced? Yes?

**An Honourable Member:** Yes.

**Ms. Bellringer:** And—

**Mr. Chairperson:** Do you have another follow up, Mrs. Rowat?

**Mrs. Rowat:** Sorry, Mr. Chair. I guess we'll go from the question.

Have there been any changes to the goals or measures listed in the preliminary draft strategic plan shown on page 16 and 17 of the 2012 report, and are you pleased with the progress that's being made?

**Ms. Bellringer:** So the last information we have is the information we used to put into the 2012 report, so anything that's happened since then the department would know, but I wouldn't.

**Mrs. Rowat:** So the question will then be directed to the deputy. If you could indicate to me, have there been some updates to practices, goals and measures since the 2012 report that you'd like to share?

**Ms. Cramer:** Could you clarify the question again? You're asking for the accountabilities that have changed since 2004, is that correct?

**Mrs. Rowat:** You know what, I'm going to start again.

I'll start with a question that's for the auditor. The question that I have for the auditor is that, in her opinion, recommendation 1 was in progress and it indicated that Child and Family Services powers of—director of Child and Family Services has been transferred to the CFS authorities. The department feels that it's an acceptable solution. Would the auditor please comment on that and share her opinion whether that is acceptable and some of the concerns that she has with that directive.

**Ms. Bellringer:** Certainly. What—the legal opinion that was received, no doubt, is correct from a legal perspective, that there's no requirement to make the change to the act. And what it was, was if you were to pick up the front part of the act you would see a number of responsibilities that if you never read through to the end, you wouldn't know that they're no longer in place. So it was a—the practical solution that we saw was that the amendments needed to be woven through the act so that there was no need to look to the—I forget what the technical term to it, but the way that they had done was not—it wasn't

amending it throughout the act, so we thought that that should be done.

\* (18:20)

**Mrs. Rowat:** Sorry. Recommendation No. 17, updating the Child Abuse Registry. We've had some situations in the province where there have been not—it appears to have not been enough co-ordination and discussion between the public prosecutor's office and the Courts branch, where either the abuser or the victim haven't been protected—I guess the victim, for sure—and the perpetrator hasn't been identified to—through a child abuse registry or identified to the RCMP.

Can the public—or the auditor please provide me with an update on how she feels the process is going with regard to the updating of the Child Abuse Registry, and if she feels that it is leaving the door open for more concern with regard to accountability?

**Ms. Bellringer:** Well, our concern remains. We—the recommendation we made is still outstanding. We did note the department had developed a form for use by the public prosecution branch and the Courts branch, and while—and as far as why the—it still hasn't been implemented, we don't know, other than to provide you with the information that that's still the case.

**Mrs. Rowat:** I'd like to know if the deputy would be able to provide some further information with regard to that. What exactly are the challenges with regard to having proper completion and submission of the form? This is a very serious issue, and, obviously, these are children that are needing protection, so this would be obviously a very significant issue if this was not being complied to.

**Ms. Cramer:** I can give you an update. So it's previously noted this is a Justice issue. However, the division is pleased to report there are a number of Justice-led initiatives under way to address, identify challenges related to the completion and submission of the Child Abuse Registry form. So I'm going to just list them here: so I'm highlighting the issue at a Crown conference being held on December 6th and 7th in 2012, so that was highlighted at that point. We developed the fact sheet by the registrar for the Crowns as well as addressing the requirement to complete and submit CAR forms at the clerk education days. So these are all orientation and training opportunities for us.

And we also implemented a new procedure for closing a file, which involves a check box to the file

which the Crown must check off, indicating that the CAR is complete.

And we are working on an—what do you call—an amendment to their PRISM system, their IT system, so that before they can close a file on their IT system, a box comes down and they can't close a file until they fill in the box, which is whether or not there needs to be a child abuse registry clicked on—that there was one filled out. So that's one of the things we're working with on IT with them, so that we can implement that. And we believe that, once that's done, then the whole recommendation will be completed. So we're continuing to work with them on that one IT piece, but right now everything manually that can be done is being done.

We also, the ADM and the ED, Winnipeg courts are regularly reminded of the requirement for CAR reports to be completed by the Crown, and we have a letter to—a departmental letter to the OAG stamped the 23rd, saying that we've done that. So anything manually, we've done; IT-wise, we're still working with them to complete that one area, drop-down box before they can close a file on the IT system.

**Mr. Chairperson:** So, Ms. Cramer, can you give us an estimate of how long that is expected to take and how long it has been in progress with IT?

**Ms. Cramer:** So we know that, obviously, we've been working with Justice, so it is with Justice with—in terms of what they're doing in terms of how they're going to implement their IT system in terms of new pieces to it—updates to their IT system. So Justice has to do that.

**Mrs. Rowat:** And the discussion we had with the minister when we raised different situations where a father was returned to the family, his indication was that it's a federal issue. You're saying it's the Justice Minister's issue. This is an issue that is really important in the safety of children, so to say I'm not sure where it's at or I think we need further information on this, I'd appreciate an update on where this is at and the progress being made, because we don't want to see children having to face an abusive—sexually abusive individual back into the home. So I'd just like better—a better answer, I guess, on this.

**Ms. Cramer:** We can take this up with the Department of Justice and find out where it is on their priority list, and we can explain for sure that, and we have, that this is a priority, and that we also have a recommendation from the OAG, which we—

they know also, because we've been working with them to implement this recommendation. So we will follow up with them and get back to this group.

**Mrs. Rowat:** I'd just like to ask the Auditor General, do you believe that—this is something that you've identified in 2006. The progress made to date is indicating that it's with Justice. When I've talked to Justice, they've indicated that it's with the feds' responsibility.

Can you just give me your comment and what you would recommend us doing as a follow-up to ensure that this gets moved forward as quickly as possible?

**Ms. Bellringer:** I guess, you know, ideally, the Department of Justice should've been called to this meeting to more directly provide some information right now. We can't turn the clock back, but I—you may call them to the committee at a future time, perhaps.

We did see—we—there was a report done on the operational review of the Child Abuse Registry in 2009. We have a letter in our file from a department of—sorry, to a Department of Justice. I believe this is—sorry, I just need to check something, but I believe it's—this is from the Department of Family Services? *[interjection]* Yes. And they had outlined exactly what was remaining to be done. What I'm seeing in this is it's very much a matter of input into the registry on a timely—in a timely manner, and that is something that I'm seeing that Department of Justice has to do. So I do agree with the deputy minister that it is Justice that has to do it. As soon as we involve more than one department, there often is confusion as to now who's going to make sure it gets done. I'd also suggest the Department of Finance has a role to play through the Comptroller's Office, because one of their responsibilities has been to ensure follow-ups of our audits. It may be something they can help co-ordinate. But it has been a long time, so if it's—I mean, I appreciate things, you know, take a while to implement, but I'm not understanding why it's so complicated, other the involvement of more than one department.

**Mrs. Rowat:** With regard to child maintenance, there seems to be a number of recommendations that are outstanding with regard to assessing needs, daily rates and reviewing needs. Just like to ask you, Auditor General, is there anything that she would like to make us aware of that she feels are a priority in that area? Again, child maintenance is an important issue for the young ones that can't speak

for themselves, so I just want to know if she would have a look at the recommendations and provide some feedback.

**Ms. Bellringer:** So this would be recommendation 22, 23, 24; I think that's it. And, in each of those cases, we saw that there was a child maintenance working group set up. The—one of the—the first one was looking at the needs assessment scoring tools. The second one was the daily rate for the fee for service, and it's a—sensitive to the current local conditions and reviewed annually for each mandated agency. And the third, the appropriateness of the agency funding guidelines—looking at the child assessment needs every six months. I don't know the business well enough to say whether or not that's something that's that complex. I mean, clearly it is if you need a working group.

\* (18:30)

In the context of the issues we saw in 2006, the—there have been improvements today. Whether these were a priority in the context of the whole or not, you know, I can appreciate that not everything can get done all at once, so it didn't—it wasn't concerning. I saw some progress in this area. So it didn't create any alarm bells for me, but at the same time I don't entirely understand. Some of it seemed pretty straightforward, so I don't know why it can't be done faster.

**Mr. Chairperson:** Maybe if I can just go back a little bit. Ms. Cramer, in your investigation with the Department of Justice on where they are in that particular drop-down box, given that it has taken that length of time, would it be helpful if the committee wrote a letter to you and copied the Justice and Finance to prod their memory so that when you ask them they may be aware of what's happening, or do you think you'll be able to find out the information by—without us helping you?

**Ms. Cramer:** I believe I'd like to try myself first. Okay, thank you.

**Mr. Chairperson:** Good, thank you.

**Ms. Bellringer:** Just a quick follow-up on the question about the—that working committee. When we were doing the follow-up, if something was in progress, we really didn't do much work unless it was something where we wanted to better understand something that was, you know, pretty defined like the Child Abuse Registry. But in this case we actually didn't do anything other than get the update from the department.

**Mrs. Rowat:** I just want to thank the auditor for that comment.

I would also like to go back to the suggestion or the comment that you made with regard to a letter. I think it would be beneficial for this group to have that correspondence go forward if that is at all possible.

**Mr. Chairperson:** Well, my understanding is that the committee itself would have to recommend that that letter be written. It's not something I can do as Chair, but we could revisit that. But the deputy minister has stated she'd like to try on her own first. So we'll wait for that to happen, I think, and see what a best avenue would be after that. It would also be a request for research for that to happen, I guess, would be the role. There's a process we would have to go through to make that happen, but we'll investigate what the process would be.

**Mrs. Rowat:** I appreciate that process. So I would respect the deputy's, you know, intent to get some answers with regard to the status of this important issue.

I'm wondering if we would be able to—because I don't necessarily have an ongoing discussion with the deputy minister on a regular basis, but if the minister would agree to a timeline on this to—by the end of the session, or I don't know—[interjection] Pardon me?

**An Honourable Member:** I said end of session's coming up quick.

**Mrs. Rowat:** Next week.

**Hon. Kerri Irvin-Ross (Minister of Family Services):** I just—I think that the session is coming up quickly. Are you okay with—we can send a letter around, you know, after session. Can we say early in the new year, January?

**Mr. Chairperson:** When we do have requests for information, it does come back through the research officer and then it is distributed to the members. So we do have the recourse to get you the information after that.

**Mrs. Rowat:** Okay, thank you, that would be fine just as long as it doesn't get lost in the words of Hansard and that there is some follow-up. I appreciate that.

With regard to replacing CFSIS, I know that this—an issue that has been ongoing and it's something that I truly believe should've been one of the top recommendations implemented, you know,

based on what we've seen with regard to Phoenix Sinclair and others. I believe that having, you know, a united information gathering process and ensuring that everybody knows what needs to be inputted and that it's required—it's a requirement and it's being adhered to is very important.

I just would like to ask the Auditor General if she'd like to make comment on what she sees as the progress, what she sees is still out—are the challenges and the reasons why this is a very important recommendation.

**Ms. Bellringer:** We actually had—and they call it CFIS, but it doesn't really look that way when you look at the initials. Recommendation 13 also address CFSIS, and, in that recommendation, when we had done the original audit in 2006, we were seeing that the agencies weren't—the caseworkers weren't regularly updating information into CFSIS. We did, at that point, recommend that the department clarify their expectations of the use of CFSIS and it—that one we considered implemented because it really was very clear from the department that the agencies were to use CFSIS and there were a number of steps that they took to assist. But, in any event, we were satisfied that the direction was clear.

We did see when we did the Animikii audit—which, of course, we covered at the last meeting—that we checked to see if it was, indeed, being followed by the agency, and it was not. I mean, in many cases it was, but not in all cases. So, while the direction was clear, the use wasn't yet consistent.

The recommendation 44 is a bigger one. It's replacing CFSIS, and we didn't say it should be replaced, but rather that we thought the department should determine whether or not it should be—a new system should be developed. It's a fairly old system. It's been patchworked over the years. It's something I remember back from the early '90s. I mean, it's just—it really is—systems today are quite different, and so it isn't seen to be all that user-friendly. A replacement—and there are some technical issues that we've been made aware of, connection issues with, in particular in the North where they're not always able to actually be online.

And, having said that, what we had—actually, I had heard quite a bit about some work that was going on to develop a new system plan, and so when we went to do the follow-up I was actually kind of surprised that it hadn't progressed further than as we reported. It's an expensive solution; I acknowledge

that. A system that size, we're talking, I mean, you know, multiple—many, many—when I say many millions, I don't mean two or three; I mean 10, 20, 50. You know, I don't even know the number. You have to—that's why you have to do the studies to figure out what costs would be. But at the end of the day I don't know how you put a price tag on it. You need the information, and so we—to me it's a very critical area and a solution of some sort must be found.

**Mrs. Rowat:** Thank you for that. I'd like to ask the deputy minister, with the increased number of children in care, well over 10,000, we're going to need a system that's going to be able to track and ensure that children are not lost within the system or being—duplicate records are being created, and this is obviously something that would be addressed through recommendation 44.

Would you be able to provide me with some background on where the department is currently at with regard to an alternative solution as was indicated by the department some years ago?

**Ms. Cramer:** What I'll do is I'll go through the enhancements that have occurred over the course of the audit and then I will give you an update up to the moment, actually, in terms of our progress and our work on this recommendation. So we created the ability to upload and store digital photographs of children. We created a special symbol to identify and link to critical health information for children with high-risk, life-threatening medical conditions developed in co-operation with the Children's Hospital and the Health Sciences Centre. We created the ability to electronically and securely receive photographs seized by Winnipeg Police Services of unknown children suspected of being victims of sexual exploitation or abuse, also created the ability to electronically and securely—and secure to Winnipeg services send photographs of children in care who are missing. We created the ability to post photographs of children, missing children or unknown children who are suspected of being victims of sexual exploitation or abuse to a secured bulletin board viewed by Child and Family Service workers. The bulletin board assists in locating missing children and identifying unknown children; created a new case category called differential response, family enhancement, to support new early-intervention focus and services.

\* (18:40)

We created an automatic warning system that detects information and electronic system representing high-risk conditions to children and alert workers and supervisors; created the ability to identify, record and track monthly face-to-face visits of children in care; created the ability to upload standardized paper-based assessments of risk to children and strengths of families; and we created internal electronic-based standardized assessments of risks and strengths.

And, in addition to these significant enhancements to help protect children and support workers to deliver appropriate services, there's been 45 enhancements that were made to improve ease of use, reduce administrative burden, automate manual processes, reports and transfers of information, and six technical enhancements, upgrades such as new software versions and maintenance repairs. That's to the current system that has been reviewed and can be viewed by many as quite burdensome and so forth, and the reason why we have to look at a new system.

And, with regard to that new system, we are committed to moving forward in that area and we are in the days putting out an RFP for a scoping phase for a new system. In that scoping phase, there's a commitment by government for \$1 million because that's what it's going to cost to do a scoping phase. And the Auditor General is not wrong when they talk about a system that—of this magnitude, because of the layers of complexity in it and the different pieces of legislation and the work, caseworkers and so on, that we are talking in the tens of millions of dollars that the system will be—that will require for it to be up and running province-wide.

The connectivity issues, we know we have addressed those. There are different workarounds if the connectivity is slow, but what we understand, that isn't an issue within our CFS systems.

I hope that answers your question.

**Mrs. Myrna Driedger (Charleswood):** Can the deputy indicate what happened to the initial project work that was taken on in January 2008 where a service contractor was engaged? And then reading further in terms of progress on that, the contractor did deliver on some things but basically concluded that the current system could not be enhanced.

Is the deputy minister indicating that, with the progress that she has just outlined in a number of areas, that, in fact, it was an enhancement of the CFSIS program where all of these changes were

made, or is this something that runs separate or parallel to CFSIS? Like, how does that all come together? *[interjection]*

**Mr. Chairperson:** Ms. Cramer.

**Ms. Cramer:** Sorry. So we'll look at it—I always have to break things down in sort of blocks. So there's three blocks. There's a new IT system, and how do we get to a new IT system? There's policies within government that make us look at what are our real options and whether or not the current system can be enhanced. So that's what the contractor looked at.

So, for example, we have an S.A.P. First policy is we have to look to see whether or not S.A.P. can deliver the work that we need. If it can't be delivered, then what are the other options, and I believe you're reading similar information that I am. And so we had to look at whether the contractor's going to identify an alternative solution, an off-the-shelf type solution, and that's what happened. So that's the work that was undertaken for us to move into looking at an off-the-shelf or a different solution that what we currently have available to us within government.

Does that make sense? I'm sorry. There's CFSIS, enhance it, keep it, go to what we have in government, S.A.P., does that work? No. We go outside and look for a solution outside of what's currently in-house.

**Mrs. Driedger:** When this recommendation 44 was looked at in terms of status May 2012, it's indicating that in 2008 this service contractor was engaged. We are now looking at 2013, almost 2014, and we seem to be quite a number of years, like almost six years, down the road.

Is the new deputy satisfied that—I guess, where things are six years down the road, or should there not be some of this that needs to be happening much quicker? And is that her intent with what is happening right now is to give this a bit of a boost to move it forward on a little bit more timely basis?

**Ms. Cramer:** So, as part of the process that started, was that—sorry, I'm hearing a little echo—is that when you look at whether or not you can use the current information system that we have, you have to look at what all the business requirements are of the system. And that's what occurred, and that took time, and it takes a lot of time because you have to really start from the beginning of a case all the way to the end—who touches it, how it gets touched, who looks at it—so the business requirements. And that's part of the

work that was undertaken. And that work also involves consultation with the end-users—the authorities, the agencies—so that took time. That work has been done.

So now the—it informs us now of how we go to scope our work. So we actually know now what we need. And it's still going to be a long process, but that allows us to have a proper scoping exercise.

**Mrs. Rowat:** Thank you, and I appreciate the background, but why wasn't this being considered as an important tool when devolution was being considered and moving forward? Wouldn't it make sense to have had something like this researched and in place prior to devolution so that the system could have a strong base going forward?

**Ms. Cramer:** I can say for a lot of IT systems that modernization is an important aspect of it. So when devolution occurred, CFSIS, at the time, may have looked sufficient, but with the expansion of the system, so to speak, with the agencies and so on, the—and, quite frankly, it's not a secret our partners didn't like CFSIS, and so we also looked at that. It—so we had to look at our partnership with our service providers and our system and what—did it need modernization? And it needs modernization. I can say from Housing, I need—that it needed modernization. So that's a—it's an evolution in IT systems. There's a modernization process, and this would be part of it as well.

At the time of devolution, we didn't think that CFSIS was a bad tool. We don't either. We've put in enhancements and so on, but it's time to modernize for sure.

**Mrs. Rowat:** I appreciate your response. You indicated that it was no secret that there were some that didn't want to participate with CFSIS, and part of the, I guess, concern with recommendation No. 15 as well as No. 44 is that willingness to put information on the record. So I'm—are the players now receptive to CFSIS? And are you finding that there's more buy in or is there still—I guess that there's two questions—is there buy in, but are there still players that are not receptive to this process?

**Ms. Cramer:** So I can tell you that part of our child-maintenance process is confirmation that children are on CFSIS, so there is compliance and there is also partnership that says we are looking for a new modernized system, and so there is support. There's absolutely support for this new system, without question, and it's a matter of time, and in the

interim we have to continue to use the system that we have. And we also have—and I can tell you, I know that there was correspondence to the agencies with respect to compliance of CFSIS and there is buy in. And it's based also on how we fund our agencies around child maintenance.

**Mrs. Rowat:** One further, is everybody complying at this point? Are there any agencies that are not complying?

**Ms. Cramer:** So what I have here is that some of the northern agencies are catching up. But it's not a compliance issue; it's a catching-up issue. And that we've provided support in terms of data entry for workers so that they get caught up. So we have data entry resources, staff, to support the data entry of information into the CFSIS system. And so that's what I'm being informed of, in terms of the northern—some of the northern agencies are catching up.

\* (18:50)

**Mrs. Driedger:** Can the deputy just provide a little bit more information? She's talking about the fact that the—there's a scoping phase, where a number of issues have to be addressed. And I notice in the recommendation, from December 2009, the department requested funds to complete the solution scoping phase of the project, and the funds were denied by Treasury Board. How, then, over this last number of years has this initiative moved forward if Treasury Board refused to fund it?

**Ms. Cramer:** We were 'relentne'—we kept going back to Treasury Board. We also—I think that the department was able to determine that there is a requirement for modernization. So we kept doing the work with BTT, with the IT division, so that we could come up with the business requirements required. We had support from the system. And there was will to do it.

**Mrs. Driedger:** Can the deputy indicate how often they had to go to Treasury Board to ask for the funds? And how many requests were made and how much was given over each period of time, like each year, since it was determined that this needed to happen? I'm a little bit surprised, I guess, that this is a significant recommendation, and I'm just curious why Treasury Board would not have funded it, as it was an auditor's recommendation. It's obvious, too, from the contractor that was engaged, that indicated that CFSIS is—could not be enhanced and looks like it's an out-of-date system. And considering all the challenges we've had in Family Services, I'd

just would like to know why—or what sense the department has, as to why Treasury Board was not forthcoming with the money, and then when the money did come, how much was it and is it still enough or is there still some outstanding issues?

**Ms. Cramer:** So, I see two parts to your question. The first part is the existing system, and then going to Treasury Board to get approval to replace it. So IT is centralized. It's in a different department. They receive the capital funds to create new systems. And so we have to go in partnership with them and we go in to a priority line because there's only so much money, capital money, for IT systems, right; so that happens. So we work with the part—with our department, the other department.

The second part is we have funding within our 'divi'—within our department, to do enhancements on our current systems. So we're able to utilize our funds to do that, but in order to apply for capital dollars, we have to work with another department because it's not our money. It's—that doesn't come through our department, it goes through BTT.

**Mrs. Driedger:** And I understand what the deputy's saying. But, basically, can she indicate whether or not funding was approved by Treasury Board and how much in total that amount was?

**Ms. Cramer:** I will have to find that information for you and return that information to the committee. Sorry.

**Mrs. Driedger:** Can the deputy indicate how much money was asked for by the department for this program?

**Ms. Cramer:** We asked for a million dollars—and it's not in our budget; it's in BTT's budget. And it was approved for the scoping exercise.

**Mrs. Driedger:** What year was that?

**Ms. Cramer:** Fiscal year '13-14.

**Mrs. Driedger:** Seeing as in the progress report this is going back to 2009, where the department requested funds from Treasury Board for the scoping process or scoping phase of the project, why has nothing happened 'til now?

**Ms. Cramer:** I—can I go back and answer the 'nat'—last question as well? Sorry.

**Mr. Chairperson:** Certainly.

**Ms. Cramer:** So I—it just confirmed with me that the first, the business plan requirements when we first went to look at CFSIS and whether we could go out outside and get an—off the shelf. That cost \$2 million, so we also had approval for that process and that was a cost of \$2 million.

**Mrs. Driedger:** Can the deputy indicate was that \$2 million received and put to use towards this scoping project?

**Ms. Cramer:** Yes, in terms of the work that was done by the contractor, they developed the business requirements that we would need to go for a scoping exercise.

**Mrs. Driedger:** Can the deputy then just clarify for me the million dollars that is being requested right now, what would that cover?

**Ms. Cramer:** Thank you. So we do have—we did receive approval for the million dollars for this year. We are going out with an RFP and it will be on MERX, so it will be a public document. And what we're going to be looking for there in terms of outcomes will be what it'll look like to project management—project manage this project, the design of this project and also the organizational change management piece of this project, because that—from a implementing a new IT system is a huge undertaking from a resource perspective, because you have to touch every single person that's going to be touching that new IT system, so we have to have a huge organizational change management aspect to that, so that's what the scoping exercise will look at. It will look at the business requirements as well in terms of what this all will look like going forward if we're to implement a new system.

**Mrs. Driedger:** Can the deputy provide—and I think it would be helpful for us to understand, if the department could provide something in writing on all the actions taken since December 2009 in terms of how this is all moving forward and the various, you know, alternatives that have been looked at to CFSIS and whether it worked or not or didn't work and then where it's going. Can a timeline be actually put forward as to where this has gone over the period of time from December 2009?

**Ms. Cramer:** Yes, we can provide that information.

**Mrs. Driedger:** And does the department have in mind a certain time frame by which they want to see, you know, various parts of this in terms of progress.

I understand that, you know, some things like this can take quite some time, but the current million dollars that is going to be spent, when do you hope to see some results from that, I guess?

**Ms. Cramer:** I was just briefed on this actually. I met with the IT people and I remember looking at the time frame and I'm hoping that Aurel will help me.

We're looking at a six-month time frame once we get the project management office in place.

**Mrs. Driedger:** Just a final question. I'm curious what other provinces use in terms of programs. Like, every province must have some kind of system in place. Is there not some kind of a gold standard model out there that could readily be used in all provinces, or is there no such entity, or—

\* (19:00)

**Ms. Cramer:** Yes, there is. That was one of the first things I was briefed on is that there is about four other provinces that are using an IT solution that is the same as the one we're looking at right now. But it's an open, competitive process. But the one that's being used by four provinces is called Cúram, and it's a social services IT solution. So it actually goes beyond Child and Family Services. It could go into other social service type of IT solutions as well, it has that capacity. So it's—I think that's why it's also very popular amongst many of the provinces because it can be built upon when you have the money.

**Mrs. Rowat:** Could you indicate to me how long the other provinces have been using this system?

**Ms. Cramer:** So Ontario is new, so they're coming online shortly. Alberta and Saskatchewan have been using it for a bit now for about three years. Alberta—correct me—actually, correct me if I'm wrong, but I know one of them started and had to start over again. Was it Saskatchewan or Alberta? Alberta, because—and we were talking about the change, the organizational change that needs to happen. You have to do that and do it properly, otherwise you'll have to start over, and they had to start over again. So we also have the luxury of learning from other jurisdictions' implementation problems so that we don't have the same problems.

**Mrs. Rowat:** I'd like to engage the auditor in the discussion that we've just been having. Are you familiar with the IT program that's being used by other provinces? Was that something that you looked at at all in your review?

**Ms. Bellringer:** No, I'm not. We didn't look at any of the alternatives. The process, though, that is being followed is a regular one that would be followed to put in a new IT system, and I'm assuming that's actually something that came out of that 2008 contractor work, and the department would also be familiar with what was being used elsewhere.

**Mrs. Rowat:** The fund request was denied by Treasury Board. Do you have a comment with regard to your recommendations that you put forward and then the Treasury Board would say no to something that you've put forward, obviously, as a very serious recommendation.

**Ms. Bellringer:** I don't have a comment on that specific denial because that becomes a policy call as to how the department proceeds. I'm—I was more concerned about not being able to see what happened since 2009. The commissioner was quite critical, actually, and asked me why I hadn't asked, and I said, no, indeed, we definitely did ask, we just weren't provided with anything.

**Mrs. Rowat:** That was my next question with regard to that, not receiving the information. Have you been provided with any information with regard to the process that we've just been discussing with the deputy and have you been given any indication that they are moving forward?

**Ms. Bellringer:** So at the time that we were—we produced this report we had not, and we haven't asked for anything since. We've in effect closed this file for lots of reasons, not the least of which is the commissioner's report is forthcoming and will be rather extensive, and we reassessed what areas we felt we needed to audit going forward and not go back to the old report.

**Hon. Jon Gerrard (River Heights):** I'd like to ask a couple questions about recommendations 3 and 4 which deal with the outcome-oriented objectives and the output-outcome measures, and just get an update of where things stand at the moment. Is that now completed? It's listed in progress as of when this report was done.

**Ms. Cramer:** Both recommendations 3 and 4 are in progress, and I'll go through recommendation No. 3 first in terms of an update.

So an update since April 2013: The division completed its 2013 and '14 strategic plan in December of 2012. The division continues to be actively involved in the national outcome measures project and progress has been made on developing

the data to report on the number of outcome measures, and that's—we meet as deputy ministers and also the directors of child welfare meet to talk about the national outcomes measures project.

The first reporting will occur in the department's 2013-14 annual report. The NOM, the national outcome measures indicator being looked at is recurrence of service, which is defined as child welfare re-involvement within 12 months after case closure.

Also, a number of new performance indicators will be included for the first time in the 2013-14 annual report, and these are not related to national outcome measures, but are the division's own measures, and these are intake disposition, the number of intakes and disposition, family enhancement cases, numbers of cases by agency, extensions of care, number of—number by agency, and safety of child made up of two components—child death while receiving services and serious child injury while receiving services.

On recommendation No. 4, an update from April, 2013: The division completed its strategic plan, as I mentioned earlier, and that we were—we are working on national outcome measures and we do have new performance indicators, as I mentioned prior. So we've—our response is the same for both recommendations.

**Mr. Gerrard:** I note in what was listed in the status—in the Auditor General's report, that one of the outcome measures that was being looked at was the number of moves between placements of children in—out of home placements, and this has been identified as a pretty important measure by a number of other jurisdictions, and just wondering where and whether this is going to be one of the outcome measures or not.

**Ms. Cramer:** The four that I have mentioned are the ones that right now that we're looking at and we're focusing on, and so for in terms of outcome measures, that's something that we will consider in the next group of identifiers that we look at.

**Mr. Gerrard:** And another one that was listed here was the educational outcomes. That was under point 3, and I'm just wondering about whether that will be included or not.

**Ms. Cramer:** Yes. There's been—actually, there's been lots of discussion around educational outcomes for children in care, so that is something that's becoming a priority on that list.

**Mr. Gerrard:** Now, is that for this go-round, or will that be the next go-round?

**Mr. Cramer:** That will be in the future go-round.

**Mr. Gerrard:** I also note that you have a—in the original report, an indicator of whether the children's heritage cultural identity matches the placement heritage cultural identity, and just wondering where that—the status of that outcome measure is.

\* (19:10)

**Ms. Cramer:** So to answer that question from—we know that there is lots of folks that want that to be a priority, and so we have to manage that around what is the actual best interests of the child, and so that needs to be balanced with the foster families and where they're placed. And for First Nation agencies and Metis agencies, they recruit their foster families and they have control over that, and they have been out recruiting. And I can't give you the number, but I know there was an increase in the number of recruitments of foster families just recently. So if—and the First Nation and the Metis agencies and the general authority, I think they look to find families that are going to provide the best possible care for children coming into care.

**Mr. Gerrard:** In the Auditor General's report this was listed as point six, and the—it was listed there that there would be a goal in direction of safely increasing the per cent of children in culturally matched placements. So are—I'm just wondering whether you're letting that by the wayside or whether you're going to continue that as a goal or outcome measure.

**Ms. Cramer:** So under the child-welfare system, authorities and agencies have that right and responsibility to recruit foster families. And because the child-welfare system is reflective now of First Nation authorities and agencies, and Metis authority and agencies, that they have that responsibility to recruit families that they deem appropriate to take care of their children. And if they choose to recruit culturally appropriate foster families, then that's what they'll do.

I know that the agencies are recruiting families that they think are in the best interests—they'll take the best interests into—let me back up here. I believe that they're always looking at what is the best interests of the child that's coming into care and where are they're going to place them. And it's a recruitment, they have control over that. We can and we have created a system that allows them to decide

how they recruit foster families and where they place their children.

**Mr. Gerrard:** I'm just trying to understand, this was listed as the status in May 2012, but this was one of the—looking at one of the outcome or goal measures that was being looked at, all right, and what I'm hearing from you is that you're no longer considering using that as a goal or outcome measure. Is that correct?

**Ms. Cramer:** So, in terms of the authorities, they would have to want to go and measure who they're recruiting and so forth. And at this point that isn't the priority so much as making sure that the children are placed in safe locations. If they had an issue, they would be asking to count themselves right now because they're the ones who recruit their own. And we share—they share amongst different agencies and different authorities and so on.

I'm not sure the system has changed even though there is an update. And if—First Nation example, First Nation agency chose to recruit foster families from a different culture than First Nations, for example, then that's in their control. Whether we want to go and count that, is it really important when they are now in control of that? Prior to the new system they would have perhaps wanted to know how many First Nation children that they see as theirs are in non-First Nation homes. I can see that, but the system that's currently existing does not negate them from recruiting any foster family that they want, First Nation or otherwise, to take care of their children.

**Mr. Gerrard:** Okay, so, you mean as of right now that's not on the radar screen in terms of an outcome measure.

For the education outcomes, for the numbers of moves between placements of children—which you said was on the future agenda, not for the 2013-2014 year—when do you expect that those outcome measures will be implemented and looked at in terms of—and included?

**Ms. Cramer:** So right now we work—Ben, and he works with the CEOs of the authorities and they determine together collectively what outcomes we're going to measure. So those are—and for example, the high school graduation is one of the outcomes that has been brought to the table as something that we will look at going forward and measuring. So it's done on a collective as to what we look at measuring. And so I can't tell you today exactly what the group has agreed to look at, but I can tell you that that is

one of the outcome measures that's been brought to the—for discussion with the authorities.

**Mr. Gerrard:** Yes, would the next cycle for possibly including that be in the 2014-2015 reported year?

**Ms. Cramer:** I would have to get back to you on that, because I don't have the answer. It's a data collection challenge, you know, so that's one of the things that we'd have to make sure is in place that you—that that's something that can be collected easily.

**Mr. Gerrard:** One of the things that came up earlier in terms of the CFSIS system, just to get a perspective, a slightly different point of view, of the approximately 10,000 children in care currently, how many of those would be on the CFSIS system? Are we talking 50 per cent, 80 per cent, 90 per cent, 99 per cent or, dare I say it, 100 per cent?

**Ms. Cramer:** The—there is a requirement for full compliance to have every child that's in care on CFSIS.

**Mr. Gerrard:** No, my question was—is: Where are we now?

**Ms. Cramer:** So I'm being informed that we're over 90 per cent compliant.

**Mr. Gerrard:** And for the 10 per cent where we're not compliant, where are the problem areas as it were?

**Ms. Cramer:** I was going to say I know the answer; I just want to confirm it. So it's primarily in the North, and that's where we've also provided the data-entry staff to help support on the catch up to make sure that all the children are on CFSIS. So there was a connectivity issue; we've addressed that. There's a data entry issue; we're addressing that as well. So we're hopeful.

**Mr. Gerrard:** Just to confirm the connectivity issue, there was a problem in terms of getting the Internet or broadband access that was essential for the CFSIS system. Is that completely corrected now, or are there still some issues?

**Ms. Cramer:** It's corrected. There's—aside from that connectivity issue, that is—that doesn't stop you from taking your file, faxing it somewhere where someone like a data-entry person can put it on CFSIS, so there's workarounds even if there is a connectivity issue sometimes. You know, Internet goes down everywhere, you know, not just in the North, but

there's ways that all of us can get the work done and that's part of the solution as well.

**Mr. Gerrard:** Just to sort of complete that—except when service is interrupted on a temporary basis, the connectivity problem is resolved so that everywhere people would be able to use it now. Is that correct?

**Ms. Cramer:** Yes, that's correct, and could I add to the compliance. There—we are in full compliance and the North is in full compliance. It's just that we're catching up.

**Mrs. Rowat:** Thank you. Just one further question with regard to—sort of in line with what Mr. Gerrard was at. With regard to quality assurance, and that's part of, you know, the issues here that we're trying to address—with regard to quality assurance requirements, are they being completed on a regular basis with the authorities? And, if so, if you can please elaborate.

**Ms. Cramer:** So the authorities are required to conduct quality assurance reviews for their agencies, and I can report that that occurs with the southern agency. The Metis agency only has one agency, and the general authority—the northern authority, we are supporting them in making sure that they can adjust their quality assurance requirements.

\* (19:20)

**Mrs. Rowat:** To just expand on that, you're indicating that the southern authority, the Metis authority and the general authority have met all of their requirements or the—I guess, the needs for quality assurance reviews, they've met their targets or the mandate, and the northern authority are working towards that.

How—what are some of the challenges, if it is only the northern or if there are other authorities that are having challenges, what are those challenges?

**Ms. Cramer:** Okay, so I can report, for example, that in terms of quality assurance reviews, the GA—general authority—has reviewed all their agencies and compliance with specific standards. The northern authority—I'll get back to them. The Metis authority, in 2012, did a quality assurance review on their agency, and the southern authority, Anishinaabe, intertribal, Sandy Bay, DOCFS, Sagkeeng, Animikii. And we're working with southeast, ANCR and Peguis. So they're ongoing, right? So those ones are ongoing. We're working on those three.

When it comes to the North, Island Lake, Awasis and Cree Nation have had quality assurance

reviews, and there's been three specific K section 4 reviews for Awasis.

So those are the work of the authorities to date in terms of quality assurance reviews by authorities.

**Mrs. Rowat:** So just to be clear, that what you've been indicating are internal reviews? So all internal reviews or quality assurance reviews are being met within the timelines that are required, or is anybody not meeting the requirements within the timeline?

**Ms. Cramer:** There is no schedule, so there's no schedule where an agency has to be reviewed every five years or anything like that. They're ongoing and they are specific to if there's a concern—if the authority has a concern with an agency with respect to complying with standards and regulations, then they'll go and review. And that's why Awasis has three case-specific reviews under section 4. They went in three times there. So it's ongoing. There's no compliance schedule with respect to, you know, every three or five years.

**Mrs. Rowat:** I'd like to ask the Auditor General, with regard to quality assurance, is she comfortable with the process that the department has identified as a way of doing their quality assurance reviews? And if she could make comment to that and any concerns that she had that she would identify, that we need to ensure that are—that should be addressed that are not being addressed?

**Ms. Bellringer:** We didn't do an audit of the quality of the quality assurance reviews, so I really don't have an answer for that. I know there have been a large number of them conducted. And we just—we had a list of some of the joint financial reviews done, so I really don't have an answer, I'm sorry.

**Mr. Gerrard:** One of the items that was in the Auditor General's report dealt with the performance agreements with all CFS authorities. And it was listed—this was May 2012—as implemented. But it's my understanding that at that time, that there was not a performance agreement signed with ANCR, which is clearly a very important part of the CFS system. And my question would be: Is there now a performance agreement in place, or what is the status of that?

**Ms. Cramer:** So, under the new system, ANCR—is—reports to the southern authority and the southern authority is responsible for ensuring ANCR fulfills its obligations as an agency. I'll have to check.

**Mr. Gerrard:** So, you can't tell me for sure that ANCR's performance agreement is in place and signed? And, if not, will you—can we have a follow-up? Because I think that's important that we know that.

**Ms. Cramer:** Okay, I'm going to need to confirm that, in terms of the responsibility of the authority to enter into that and so on. So, I'll have to get back to you with an answer—get back to the committee with an answer.

**Mr. Gerrard:** Yes, I just want to make sure that that's logged as one of the questions that would be followed up.

And I would like to ask the Auditor General how that would've gotten missed, because that is listed as implemented, but obviously it was not completely implemented.

**Ms. Bellringer:** I'm going to have to apologize. I have a bit of a hearing impairment, so I can't—I didn't hear the first part.

**Mr. Gerrard:** We're talking about the item No. 5, which is the performance agreements with the CFS authorities, and it's my understanding that, as of the May 2012 date, that there was not a performance agreement signed with ANCR, and we're going to find out whether it is completed currently. But, for some reason or another, that should've—that item should've been listed as in progress, because that ANCR agreement was not complete, but I'm just trying to figure out why it was missed.

**Ms. Bellringer:** In terms of—I mean, we did recognize that, while we called it implemented, that each of the service purchase agreements with the four authorities had an issue. There—three of them had actually expired, and one of them was expiring at the end of September. At the time that we had done the 2000—the original audit in 2006, none of these were even started, so we were quite pleased that there were—there was something started, and it was a renewal process, as opposed to a creation process. So, if it's the comment around why did we consider it implemented, even though we were recognizing there was an expiration, that that was—we get into debates over what to call the status, but we thought it was more critical to supply the details—to have the facts out on the table, so we provided the facts.

**Ms. Cramer:** I'd like to just clarify, in terms of the recommendation, which is No. 5, I believe, you're referring to, in terms of what our responsibilities are

as a department, and we are responsible for negotiating performance agreements with the authorities, which we have done. And since that time, in terms of an update on progress, we've also now redrafted those agreements, and they're called contribution agreements now. And we are in the process of implementing a new contribution agreement for the '14-15 fiscal year with the authorities—they have copies of them—and in there, we have enhanced accountability measurements. And so that will also now constitute an ongoing, progressive, increased accountability for the authorities, but also it reflects the new system as well. So that's an update on that recommendation. The authorities are responsible for having agreements with their agencies.

\* (19:30)

**Mrs. Rowat:** Mr. Chair, I think we'd like to get into the Manitoba Early Learning and Child Care.

**Mr. Chairperson:** All right. So no further questions on this report at this time?

So we can then move into Chapter 4 of the Auditor General's Report, Annual Report to the Legislature, dated January 2013. Is that correct? Chapter 4, Manitoba Early Learning and Child Care Program.

We are also approaching the—7:30, which was the original agreed-upon time that we would revisit and see what time we wish to sit until.

**Mr. Pedersen:** Mr. Chairman, we would like to continue 'til 8 o'clock, if that's agreeable to the committee.

**Mr. Chairperson:** Is that the will of the committee, 8 o'clock? *[Agreed]*

All right. At this point, does the Auditor General wish to make an opening statement?

**Ms. Bellringer:** Okay, thank you. I'll introduce the Assistant Auditor General responsible for our Value-for-Money Audits, Sandra Cohen, and Melissa Emslie, the audit principal who worked on this particular audit. And I will say I appreciate they had to sit through the last meeting and they never got to their report, so thank you for that.

The Manitoba Early Learning and Child Care Program oversees child-care services provided by licensed child-care centres and family home providers administered by the Department of Family Services and Labour. We examined the department's management of the program, including the systems

and practices for planning and performance measurement, ensuring compliance with child-care standards and providing financial support to eligible child-care facilities and families.

What we found was that the department had developed a five-year plan, 2008-2013, for child care and publicly reported annual progress on the plan's key commitments. Legislated child-care standards were in place and the department monitored compliance with them by inspecting all licensed child-care facilities annually. Most facilities met the standards by the time their annual licences were renewed, but about 25 per cent received provisional licences because they did not meet all legislative requirements.

Licences were posted in the facilities and on the department's website, but standards violations listed on the licences were not clearly identified and described. The department did not publicly disclose the overall level of facility compliance with key standards.

The department's preferred approach was to work with facilities to help them comply with standards and to only consider issuing licensing orders or revoking licences when it deemed this necessary. But there were some gaps in its monitoring and enforcement activities. It did not always adequately follow up violations noted during inspections, perform the required number of monitoring visits, or ensure activities were sufficiently escalated for repeated or serious violations.

The department did not have adequate processes to deter or detect family home providers operating over the allowed four-child-at-any-given-time limit without required licences, nor did it always adequately follow up the complaints it received about unlicensed providers, although it was taking steps to correct this.

Inconsistencies in the way staff conducted inspections, followed up violations, and issued licences need to be addressed. The department also needs to improve its processes for determining facilities' inclusion support funding, correct errors in inconsistencies in the way it calculates operating grants, inclusion support payments, and parent fee subsidies.

The department was beginning to address some of these issues by developing new staff orientation and training materials, improving supervisory

reviews of licensing packages, and reviewing and revising its inclusion support funding procedures.

**Mr. Chairperson:** Thank you, and thank you to the Auditor General's staff that was with us for the previous report. Welcome to the new staff, who I know have spent some time with us in a previous meeting, and to the minister's staff that—some of whom have left us now. And you have staff you have introduced at the table, but do you wish to make an opening statement on this particular report?

**Ms. Cramer:** I'm fine—I. Thank you.

**Mr. Chairperson:** All right. We are now open for questions.

**Mrs. Rowat:** And I want to thank the auditor for her comments and her review of this very important program.

It is concerning that with the number of daycare spaces that the government is indicating are being offered and expanding, that there's—seems to be some very serious gaps in quality assurance with regard to the centres that are out there.

I would like to ask some questions with regard to that, but I guess what we want to know first is probably to get a handle on the number of centres out there that are currently funded by the Province and get a better idea of what we're exactly dealing with.

So my question will be to the deputy minister with regard to licensed spaces. I'd like to know the number that are currently available, and from that I'd also like to know how many of those licensed spaces are actually funded.

**Ms. Cramer:** There are a total of 32,295 spaces available, and of those, 28,450 are funded.

**Mrs. Rowat:** Could the deputy minister indicate to me why there—or what is the challenge with the additional 4,000 spaces that are not funded?

**Ms. Cramer:** The legislation allows funding to only non-profit centres and family child-care homes. Funding via provincial operating grants is discretionary and subject to annual budget allocations. Decisions for allocating funding have predominantly been driven by the Family Choices Building Fund and for new spaces and new centres that have been built and for new spaces in existing centres being renovated and expanded. Criteria for funds not allocated to capital projects are established as this funding is available and may include high-need

infant spaces, funding to ensure full funding for every unit of care and facilities in financial crisis.

So we basically fund spaces where we provide capital dollars for the creation of those spaces because then we will attach the operating funding to them. So if some—if a non-profit went out or a for-profit went and decided to create 25 spaces and did not request funding, capital funding, for us, then we would not be able to allocate operating dollars to them. They would have made an assessment that they could've created those spaces because of the need in their community and not require the operating dollars because, otherwise, we may have a situation where many daycares will go out and create and expect to have operating dollars and we don't have unlimited funds to do that.

**Mrs. Rowat:** So, of those five—almost 5,000 unfunded spaces, how many of those spaces are eligible but are not being funded?

**Mr. Chairperson:** Ms. Cramer?

**Ms. Cramer:** Sorry.

There are 2,241 spaces that are unfunded that may or may not request funding from us for operating.

**Mrs. Rowat:** Can the minister—or can the deputy minister indicate to me, of these 2,241 spaces, are they not seeking funding because they are not—is it because there's no budget for them, or—can she indicate to me what some of the, you know, significant reasons why these 2,241 spaces that are eligible are not being funded?

\* (19:40)

**Ms. Cramer:** So I've been informed that many of those spaces are due to expansion of current daycares or child-care centres where they've expanded by three to four spaces, and they may or may not be coming to us for funding. As I said, the original, the 2,241 spaces that are not currently funded, not all of those spaces are being requested for the Province to fund them.

**Mrs. Rowat:** Why wouldn't a daycare that have children that would qualify for operational dollars not request that? To me, that doesn't make sense. Everybody I know run on a tight budget within these daycares. So is it because of space? Is it because of staff? There has to be a reason why they wouldn't. Every child counts with regard to funding.

**Ms. Cramer:** Sorry for the delay. There's two types of homes in these numbers, and one would be child-care centres and one would be homes and home fees. And it's primarily the homes that are able to charge a higher fee. And the centres, what they do is they develop, they build it and then they come to us and ask for the operating. So that's sort of how it's been explained and how I'm explaining it in terms of the breakdown of those types of requests for funding to the department.

**Mrs. Rowat:** Just another clarification question. So some of these home centres, as well as day centres, are they—have they been refused funding?

**Ms. Cramer:** As I mentioned, we have a budget for creating spaces. And in that budget we also tie that to capital funding, so that we know that we are creating spaces, we're going to provide the operating so that the care provider is—their financials are being met. If an agency—sorry, if a child-care centre decides to go and create spaces and expand their spaces, then they can apply to us and they will go on our list to get funding and they'll have to be on that list until they get funding. But our primary priority is to create new spaces and to do that in partnership with child-care centres.

**Mrs. Rowat:** So you're indicating that these 2,241 may be children that are in centres that already exist that are just expanding their numbers, and that the allocation of capital funding is now targeted only to new centres, new spaces?

**Ms. Cramer:** Primarily yes. So, for example, if we're creating new spaces, then we need to be able to fund the operating. If an existing centre creates spaces on their own without coming to the Province, then they can apply to us at a later date to provide—to get some of the operating for them.

**Mrs. Rowat:** Thank you. So there is a waiting list? And if you do have a waiting list of agent—or daycares that have asked for funding, can you indicate to me how many people—or how many daycares are on this list, either home or co-operative daycares or group daycares? And if you can provide that to me and the—and where they are and the length that—I guess my question will then be: What is the general length of time before some—an agency that is on this wait-list will actually get an answer with regard to funding?

**Ms. Cramer:** We will get that information to the committee—with respect to the wait-list for funding the length of time they're on the wait-list in terms of

getting a response; I wrote that down because I knew we didn't have the answer to that.

**Mrs. Rowat:** And, if they do not receive or they are denied funding—the reasons why; that would also be helpful.

One other question. I know that the budget last year for Estimates of Early Learning and Child Care was—the Estimates was \$142,000,739. The actual dollars spent was \$137,000,904; a shortfall of about \$5 million. Where did that money go? Obviously, what you're sharing with me is that some of the issues with regard to spaces, et cetera, may be because of dollar allocation. But, if you have \$5 million that, you know, slipped out of the department or slipped into another area of the department, you know, where did that money go?

**Ms. Cramer:** So part of the shortfall has to do with the building of the daycares and the capital expenditure that is required to build them, and there's—if there are any kind of delays with respect to building a daycare, then the money can lapse over to the following year. So it's not an annualized type of fund. So, if we used it to fund daycare spaces, we wouldn't be able to do it the following year, because it's actually their capital dollars to actually build a daycare. So that's why it may—I don't say it lapsed because it didn't. It's a project and if it goes over a fiscal year, then that's the reality of the construction of that daycare project and that's what's happened.

And I'm—most of the daycares, as you well know, are—some of them are with voluntary groups and, as a result, sometimes there's delays in terms of that piece of it, because we're working with voluntary groups to make sure that their construction project's on time.

**Mrs. Rowat:** Okay, just for—to clarify. That \$5 million is likely announced spaces or daycares, but they have been announced by government; they've been committed—the funds have been committed by government, but those dollars have not been claimed either because the project isn't complete yet. But those dollars would not be denied once they've been committed to a group.

**Ms. Cramer:** That's correct. If we've committed to an 800 or a million-dollar project and by March 31st we've only spent \$750,000 of that towards building that daycare, we know come April, May we're going to be paying out the rest of the \$250,000 to complete that project. And projects start at varying times when they're ready to go, and the, you know, the RFP's out,

and so there's all kinds of things in terms of when a community group is ready to build their daycare—the non-profit board.

**Mrs. Rowat:** Thank you. I'd like to ask the Auditor General, with regard to her comments with regard to the \$37 million for capital projects. There was some concern that there was not a public reporting of the percentage of the \$37 million that was committed that year. Is this part of the just-through the discussion that I'm been having with the deputy minister, is this part of the challenge that it is projects that were announced and that the funding seems to have remained or has been allocated elsewhere or whatever reason; I guess I'd just like you to expand on what you've found concerning with regard to capital project funding.

\* (19:50)

**Ms. Bellringer:** May I ask the assistant auditor general to answer the question?

**Mr. Chairperson:** Do we have leave of committee to—[Agreed].

**Ms. Sandra Cohen (Assistant Auditor General, Value-for-Money Audits):** We were reporting that on page 132, and that's part of it. But I think our concern was greater because our concern was that they simply weren't reporting how much of it had been disbursed, and then you could explain why you were slow to be disbursing it for the reasons that she was alluding to. But we found that they were recording what had been committed, and we thought it would be useful to also report what had been disbursed as well.

**Mrs. Rowat:** Thank you, and I appreciate this and I'd like to explore that further with you. So what you were finding were, say, Rivers Daycare were promised or committed, you know, \$5 million through the Province, and they ran into some of their own issues with regard to space or funding or not meeting the regulations so that \$5 million didn't flow or part of it might have flowed, you know, was disbursed and—but there was no—or no way of accounting how that—how much had actually been allocated and how much was outstanding or—

**Mr. Chairperson:** Assistant auditor general.

**Ms. Cohen:** I think I better correct what I said. I'm—the department would have known—here, we were talking about what was being publicly reported, so we thought if you were going to publicly report that you had committed \$37 million that you would also

publicly report how much of that had flowed or actually been disbursed. We weren't trying to say that the department didn't know this information in its internal records. It would have known that.

**Mrs. Rowat:** So you're just asking for more transparency in how the dollars were—

**Floor Comment:** In the public reporting.

**Mrs. Rowat:** Exactly, in the public reporting of those capital projects which tally \$37 million, indicating, you know, this is what was committed, this is what actually was spent and on to which project.

**Ms. Cohen:** Correct, although I don't know if we were envisioning that it would be project by project because that might be very detailed public reporting.

**Mrs. Rowat:** Thank you. But I would assume the department would know, you know, who they made the announcement for or with and then how those dollars were allocated. So, okay, I appreciate that.

I'd like to ask the deputy minister if she can indicate to me what, if any, progress has been made on that challenge and that concern that was raised by the auditor.

**Ms. Cramer:** So I can speak to the \$37 million that's been allocated for capital projects and how it's been disbursed. So, under our capital fund, which is called Family Choices Building Fund, \$15.1 million is allocated for community site capital projects, and \$22.5 million is allocated for projects in schools or on school property. And to give you some context, so the 15.1 you would be—we would be working with community groups, parent-teacher—uh, parent volunteer boards, so they're all non-profits; and then, when it's allocated and working on the school property, we'd also be working with the school and the volunteer boards on those capital projects.

So I'm giving you sort of a context of the groups of folks that we have to work with to implement the capital projects. The funding is supported by 120 projects in total, so for the \$37 million there's 120 projects of which 79 projects have been completed and this includes 37 of the 60 brand new centres being built under this fund. To date, 9.9 has flowed to completed community projects and 4.3 to 'completely'—completed school site projects. The final expenditure will depend on the actual costs of the projects, which may be affected if some—depending on how the projects come to be. And the Province has committed further funding outside of

the \$37 million as child-care centres are constructed as part of new schools and included in other community facilities such as Access centres.

**Mrs. Rowat:** So there's no—if you indicated or promised \$37 million in capital projects, there's no way that the public would then be able to track—or it wouldn't be transparent to the public to know how that \$37 million was allocated and spent. It was promised, it was—but there's no way to determine who received that money and whether all \$37 million was actually spent and disbursed?

**Ms. Cramer:** So, in terms of the projects, when there is a completed project, we have a public announcement as it reflects to the \$37 million and the 120 projects. Or when there's a commitment made as well; that's when the public reporting occurs.

**Mr. Cliff Cullen (Spruce Woods):** Mr. Chair, in terms of these capital projects then that are—that you reference, there's 22 and a half million for schools and 14 and a half million for other community facilities. What percentage of those capital projects do you fund? What is your share? Are you sharing—is that 100 per cent or is that a percentage of the total capital?

**Ms. Cramer:** I can report that for school sites we fund a hundred per cent, and for daycares, for child-care centres we fund one third as a partner in the community.

**Mr. Chairperson:** Ms. Cramer, can you tell me how you choose which projects?

**Ms. Cramer:** So there's two ways: one is that we constantly are getting intakes or requests and we also put out a public call for proposals.

**Mr. Chairperson:** Seeing as we are approaching 8 o'clock, which was the agreed-upon time which we would revisit our sitting hour, what is the will of committee?

**Mr. Pedersen:** I'm hearing 15 minutes back and forth here, so we ask for that.

**Mr. Chairperson:** Fifteen. Shall we say 8:30 and we'll revisit it at that point? Is that the will of the committee, 8:30?

**An Honourable Member:** Eight-thirty.

\* (20:00)

**Mrs. Rowat:** Just to help us get a better understanding of what—how that process works with

regard to \$137 million committed to daycare capital, would you be able to provide us with a list of how many projects were committed and how much dollars were allocated per site, and actually then indicate who's been completely funded and who has—you know, try and lay it out for us, I guess, and how that \$137 million has been disbursed, or if it's lapsed, or, you know, explain to us exactly—we would—it—just so that we understand the process and then we feel comfortable and confident that there's been that accountability piece addressed.

**Ms. Cramer:** Just to clarify, it's \$37 million, not \$137 million?

**Mr. Chairperson:** Mrs. Rowat, she was—Ms. Cramer was asking if it's the 37 or 137—

**Mrs. Rowat:** Yes, I'm sorry, \$37 million.

**Ms. Cramer:** So what we'll do is, we have 120 projects that receive funding for the \$37 million. We can break down in terms of what—how you've asked us to do that. But I can go back to, in terms of the—how we allocate projects. It's based on a criteria and it's a public proposal process, but we look at the number of spaces that are being proposed, the health and safety and the regional need of the in—of the proposal that's submitted. So, in terms of your question around a list and breaking it down—so schools, for example, you'd want to know how many schools and where they're located in the 'dayca'—in the child-care centres of the one third that we're—you'd want to know all that. So, you'll have to allow us to get—take that time to do that for you and bring it back to committee because I don't know if we could do that. [*interjection*] Okay. I'll have to bring that back to committee, I'm sorry.

**Mrs. Rowat:** Well, I'm just base—like, usually, you would think there would be a way of identifying \$37 million and how it's been spent and where it's been spent. But, anyways, we'll look forward to what you can provide for us, and I appreciate that. With regard to another comment that was made in the report, progress towards its promised overall funding increase of 20 per cent to support stronger workforce was not clearly stated. Again, it was probably a promise that was made, a commitment that was made. Can you indicate your concern or your question with regard to that progress or lack thereof?

**Ms. Cohen:** Yes, so, in their annual report, they would report that, you know, we've had two 3 per cent increases to operating grants, for example. But we couldn't see clearly the path to this

increase of 20 per cent to support a stronger workforce. So, again, it was a matter of the way it was publicly reporting in its annual report on those commitments that we couldn't put the pieces together for what was being communicated publicly.

**Mrs. Rowat:** Back to the deputy, then, is there a clear path that you could provide with regard to the accountability of the 20 per cent? The announcements made—could you indicate where the—those dollars came from and how they were allocated to, you know, defend the commitment that was made?

**Ms. Cramer:** Just one moment. So I'm going to provide a list of how that 20 per cent is provided. So there's a 7 per cent unit increase provided in operating grants, 3 per cent in July '08, 3 per cent in July '09 and 1 per cent in July '12; 2012 is part of a two-year plan to increase unit funding by 2 per cent. The two-year plan also includes increases to parent fees in July 2012 and a planned increase in July 2013 to provide additional revenue to meet the commitment of a 20 per cent overall funding increase; wage adjustment fund, established to support hourly wages of \$15.50 for early childhood educator IIs, and \$12.25 for child-care assistants in training; also, funding for pension plans and retirement supports for child-care workers, launched December 2010, and includes support for the employer, contributions to pension plans up to 4 per cent of employee salary, matching RRSP contributions for family child-care providers and a retirement benefit for child-care workers; and two-year funding to support employee contributions to their pension plans up to 2 per cent of gross salary, launched on October 1st, 2011.

**Mrs. Rowat:** So that was committed. How much of that was actually utilized?

**Ms. Cramer:** It's all been implemented.

**Mrs. Rowat:** Implemented, meaning utilized. Have those dollars been allocated? Have they been disbursed or have they been spent?

**Ms. Cramer:** Those activities and the dollars associated have flowed to the centres and are doing what we described here.

**Mrs. Rowat:** To the deputy auditor general, were you aware of that breakdown, and was that sufficient for your review? Or were there concerns raised with regard to that?

**Ms. Cohen:** We had something similar for a breakdown, because it was at a previous point in

time. We could not connect that mathematically to the 20 per cent increase—promised increase, because some of that is worded in terms of 1 per cent support for pension plans, for example. And so, unless we can get the actual dollars and do the mathematical calculation, then we can't transparently see that it adds up to the committed 20 per cent.

**Mrs. Rowat:** Did you ask for the dollar amounts equal to the percentages?

**Ms. Cohen:** No, we didn't, because the—I'm sorry. The comment was on what was being reported publicly, so they may have had it internally or they could've worked at it to provide it internally. The finding here was on what was being reported publicly. We were trying to say they should provide the information publicly in a more transparent manner so people could see that they had met—made what they—had achieved what they had committed to achieving.

**Mrs. Rowat:** So, asking the deputy minister, is that something that you have considered as a strong recommendation and will move forward with that when there's a percentage announced as being provided to support work—the workforce? Will you also identify that percentage in dollars so that people can identify exactly what that 20 per cent was used for—ID—or example, pension plan—and the dollars allocated in that amount? So then 20 per cent would then have some value to the individual and the public.

**Ms. Cramer:** I apologize for the wait. So, of the five areas that I listed in terms of our stronger workforce commitment, we could provide a dollar figure for each of those separate areas, because that's how we've provided the funding.

\* (20:10)

**Mrs. Rowat:** With regard to inconsistencies in the way staff conducted inspections, followed up violations and issued licences being addressed, that is a very serious concern with regard to the operation of centres. And just wanting to know if the deputy auditor general can indicate some examples of those types of breaches and if she's confident that steps were being taken to improve those types of violations.

**Ms. Cohen:** I'll speak to the last part of the question first. We haven't performed any follow-up work yet on this audit. So I can't speak to steps that might've been taken to address our concerns.

For the first part, I'll have to—there were examples in the report. I'll have to find them and what page had to do with some people, when performing the inspections, for example, that things should be kept—certain substances should be kept in a locked cupboard. Some people doing the inspections would actually visually inspect that. Some would just have discussions with the daycare operator about what their processes were. So that would be one difference or inconsistency in how they were doing the inspections.

**Mrs. Rowat:** Provisional licences are, you know, a hot potato in a lot of the communities that have daycares, and just trying to ensure that they have, you know, staff qualified to take care of those children. Could you indicate to me how you're addressing the current percentage of facilities that have received provisional licences, and how are staff working with these centres to, you know, do the best you can without having to penalize or close a facility, which, ultimately, would affect so many families?

**Ms. Cramer:** So we work—Family Services, we work, and with these child-care facilities, to address their provisional licensing, and we also work with them, if there are any serious issues, to clearly outline the steps that they need to address so that they can address that piece. We make sure—we make every effort to ensure all required monitoring visits are conducted in accordance to current standards, policies and procedures. We also work with our daycare—our, sorry, our child-care centres, and we try to make sure that they are meeting their requirements. Some of the challenges we have are with respect to making sure that all the staff are of—are supported and are of the right training.

**Mr. Gerrard:** Just several points, hopefully, fairly quickly. On page 118, it's mentioned that there's 25 per cent of the child-care centres have provisional licences. Can you provide us the reasons why—the breakdown of what are the primary reasons for those licences not being full licences but being provisional licences?

**Ms. Cramer:** So there are various reasons why a licence may be provisional. It could be, as I mentioned earlier, training of staff, and so it can be something like that. It can be something more on a minor part of that as well. So we are looking at key standards to make sure that all our child-care facilities meet the key standards and that that's how we're going to approach it. But there are small things

that are in place, so, for example, even a child-care facility may not have—they may be short 10 square feet.

**Mr. Gerrard:** Yes, it is true that the primary reason is staff training?

**Ms. Cramer:** So, as I indicated, training is one factor, but there are others, and we would have to do a sort of a data scan to tell you what the other factors are.

**Mr. Gerrard:** Now, one of the issues that has come up quite a bit recently is that the plan appears to be to have—incorporate or integrate fully early childhood education in child care, and I wonder if, Ms. Cramer, if you can give us a breakdown of where we are at the moment, what portion of facilities have early childhood education and what proportion are just child care?

**Ms. Cramer:** I apologize for the wait. I know that, for example, the ECE program for child-care centres is integrated with the early years programs and I'm just trying to make sure that I've—I'm going to answer the question correctly; that's why I took time, sorry.

So it's integrated, and part of that integration means that there's training that also needs to be implemented for the staff, but it's integrated so every child-care centre has ECE and there is, as many of you would know, that we also implemented a curriculum with regards to ECE for our licensed centres and that the licensed centres have plans to meet the requirement in terms of how they're going to integrate the curriculum within the—I want to make sure I make the words right—the integrated approach of child care in ECE because it's—there's two parts to that.

**Mr. Gerrard:** Just clarification, by what date do you expect that the—all the child-care centres will have implemented the curriculum?

**Ms. Cramer:** It's in regulation. So they all have articulated to us what that looks like and we continue to work with them to make sure that that's part of their ongoing business practice.

\* (20:20)

**Mr. Gerrard:** Is it one time for all centres, or is each centre different in terms of when they would need to meet the early childhood education standards or curriculums?

**Ms. Cramer:** So the preschool curriculum was implemented first and then the infant.

**Mr. Gerrard:** Okay. Let me move to page 129.

In the five-year plan, the 2008 to 2013, which I think either ended March 31st of 2013, or March—*[interjection]* Is that right? Anyway, it—the goal was to provide funding for six and a half thousand more licensed child-care spaces, but my understanding is that, as of September 30th of this year, there was about 12,000 children on the waiting list for spaces. So it would appear that the number of spaces created didn't match what the need was. And I'm just wondering, in terms of a planning cycle for the next five-year plan, is there going to be an attempt to hit closer to the target of what the actual need is?

**Ms. Cramer:** So we plan to open 1,000 spaces this year, and we've already achieved our goal of committing funding to 6,500 spaces. Now we are working toward our new commitment of funding 2,000 more child-care spaces. We have committed to funding for a thousand enhanced nursery school spaces and exceeded this target, and this year we're funding over 28,000 child-care spaces, province-wide. And I had mentioned earlier in our opening statements that's 12,000 more spaces since 1999.

**Mr. Gerrard:** My understanding is that there was about 12,000 people on the waiting list as of September 30th of 2013, and that, given that, you know, the target would need therefore to be somewhere in the range of 40,000, instead of 28,000 supported spaces, in the planning for the next five-year cycle. Is there going to be a goal of matching the need with the plan a little more closely?

**Ms. Cramer:** So there's two parts to that answer. One is with respect to the registry, the—it is a registry; it's not a wait-list. It does allow us and provides us with intelligence, with respect to where the need is. It provides us with that type of intelligence, the ages of the need and we also are conducting consultation in the community to determine also where the need is and those—combined with those two pieces, we will be coming forward with the plan.

**Mr. Gerrard:** What's the expected date of the plan, and which years will it cover?

**Ms. Cramer:** That is not defined yet in terms of the years in terms of that piece of it.

**Mr. Gerrard:** Okay, let me move to page 151. There's a discussion on page 151 of—from time to time that facilities were considered to be experiencing low attendance, or for a short period of time, and I'm just seeking a little bit of clarification

on how the department approaches this. And is this a sort of flexible approach to what's a short period of time and what low attendance is? Or, you know, what is—how is this, you know, approach—is there anything more specific than is given here?

**Ms. Cramer:** When we note that there's a lowering of utilization we review each case, case by case, and in some instances it's a short period of time. It could be for various reasons in terms of what's happening with the family and the child, and if we make a decision that we're going to reduce the grant because of that, we do do it—we do reduce the grant and we utilize that grant funding for another space elsewhere.

**Mr. Gerrard:** On page 158, the Auditor General has requested that the department improve its process for verifying child subsidy—child-care subsidy eligibility by periodically requesting tax information from the Canada Revenue Agency for a sample of subsidy applicants and recipients.

Is that a process that the department is using?

**Ms. Cramer:** Okay, so to answer the question, our subsidy supervisor randomly selects files from various advisers throughout the year and requests tax information. Information originally provided is verified. Advisers also request tax information if they feel the client's income may not be declared correctly. Adviser case notes clients on EIA to create an actionable case note to recheck the EIA database every three months to confirm the client remains on EIA.

**Mr. Gerrard:** Yes, there was some discussion a little bit ago about how you choose which daycares or child-care centres to provide dollars for capital, either expansion or building. I recall a situation a number of years ago where there was one child-care centre in an area, and which could have been expanded, but, all of a sudden, there was an announcement that there was going to be a completely new one very close to it.

When you have a new application for a child-care daycare centre, do you check in the area nearby to make sure that there's not duplication or, you know, how do you approach this?

**Ms. Cramer:** Yes, we do. In terms of the open process and the intake process, we look at what the child-care centre licences are in the area and we look at what the needs are in that area as well. We can look at, for example—because I know this example quite well—in Lord Selkirk Park, where they

put a daycare in there, and there is a daycare at Livingstone school and there is a daycare at R.B. Russell as well, all in walking distance. But the need is so great in that area that there was a daycare put in there.

**Mr. Gerrard:** Yes, that's my questions. Thank you.

**Mr. Chairperson:** Any further questions of the deputy minister or Auditor General?

Thank you to the Auditor General and her staff, and to the minister and deputy minister and their staff for joining us this evening.

Does the committee agree that we have completed consideration of chapter 4 of the Auditor General's Report—Annual Report to the Legislature—dated January 2013?

**An Honourable Member:** Yes.

**An Honourable Member:** No.

**Mr. Chairperson:** Hearing a no, shall the Auditor General's Report—Follow-Up of Our December 2006 Report: Audit of the Child and Family Services

Division Pre-Devolution Child in Care Processes and Practices pass?

**An Honourable Member:** Pass.

**An Honourable Member:** No.

**Mr. Chairperson:** The report is not passed.

This concludes the business before us. Thank you to all of the staff for joining us, the page this evening, Clerk's office and researcher.

The hour being 8:30, what is the will of the committee?

**An Honourable Member:** Committee rise.

**Mr. Chairperson:** Committee rise.

Before we rise, please leave the documents before you if you're not—please don't take them if you already have copies so they can be collected and reused at another meeting.

Thank you. Committee rise.

**COMMITTEE ROSE AT: 8:30 p.m.**

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