

Fourth 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

Wednesday, July 8, 2015

TIME – 7 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Reg Helwer (Brandon West)

VICE-CHAIRPERSON – Mr. Matt Wiebe (Concordia)

ATTENDANCE – 10 **QUORUM** – 6

Members of the Committee present:

Hon. Mr. Dewar

Messrs. Friesen, Helwer, Jha, Maloway, Marcelino, Pedersen, Rondeau, Schuler, Wiebe

Substitutions:

Mr. Rondeau for Ms. Lathlin

APPEARING:

Mr. Norm Ricard, Auditor General

WITNESSES:

Hon. Ron Kostyshyn, Minister of Agriculture, Food and Rural Development

Ms. Dori Gingera-Beauchemin, Deputy Minister of Agriculture, Food and Rural Development

Hon. Sharon Blady, Minister of Health

Ms. Karen Herd, Deputy Minister of Health

MATTERS UNDER CONSIDERATION:

Auditor General's Report–Annual Report to the Legislature, dated March 2014

Chapter 5–Lake Manitoba Financial Assistance Program: Parts C & D

Auditor General's Report–Follow-Up of Previously Issued Recommendations, dated May 2014

Section 15–Food Safety

Auditor General's Report–Follow-Up of Previously Issued Recommendations, dated May 2015

Section 6–Food Safety

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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–Follow-Up of Previously Issued Recommendations, dated May 2014, section 15, Food safety; Auditor General's Report–Follow-Up of Previously Issued Recommendations, dated May 2015, section 6, Food safety; Auditor General's Report–Annual Report to the Legislature, dated March 2014, chapter 5, Lake Manitoba Financial Assistance Program: Parts C & D.

Committee Substitution

Mr. Chairperson: For the committee's information, pursuant to our rule 85(2), I would like to note the following substitution for this evening's meeting: Mr. Rondeau for Ms. Lathlin.

* * *

Mr. Chairperson: And I would also like to extend congratulations to Mr. Ricard on being appointed as Auditor General of Manitoba.

Now, prior to dealing with this evening's business, I'd like to inform those who are new to this committee of the process that is undertaken with regards to outstanding questions. At the end of every meeting, the research officer reviews the Hansard for any outstanding questions that the witness commits to provide an answer and will draft a questions-pending-response document to send to the deputy minister. Upon receipt of the answers to those questions, the research officer then forwards the responses to every PAC member and to every other member as-recorded as having attended that meeting. At the next PAC meeting, the Chair tables the responses for the record.

Therefore, I am pleased to table the responses provided by the Deputy Minister of Municipal Government to all the questions pending responses from the May 21st, 2015, meeting. For the deputy's–this–the reason we do this is so that we don't lose that information and it remains part of the permanent record, because that information is obviously important, and you've spent time and your department has spent time providing that to our members,

so we want to make sure that it's recorded. These responses were previously forwarded to all 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): I would suggest that we sit 'til 8—no, 9 o'clock, pardon me, seeing how it's 7 o'clock now—'til 9 p.m. unless we finish sooner or—and then review at 9 o'clock.

Mr. Chairperson: Nine o'clock, is that agreed by the committee? *[Agreed]*

Thank you.

It's been previously agreed that we would look at section 15 and section 6 first and then do the chapter 5, Lake Manitoba financial assistance, following.

And we have the ministers and deputy ministers and staff at the table. Welcome.

And now does the Auditor General, Mr. Ricard, wish to make an opening statement, and could you introduce any staff that you have with you please sir?

Mr. Norm Ricard (Auditor General): I have no opening statement for the food safety follow-up, and I have no staff here on those follow-ups.

Mr. Chairperson: On those, all right.

So the deputy ministers, which deputy minister would like to proceed first with opening statements?

Ms. Karen Herd (Deputy Minister of Health): I appreciate the opportunity to make this opening statement.

Food safety has important health and economic implications in Manitoba and is a responsibility that Manitoba Health, Healthy Living and Seniors takes very seriously. It is a fundamental pillar of public health.

The Canadian Food Inspection Agency has estimated that, in Canada, millions of cases of food-borne illnesses occur annually. In addition to the personal suffering, food-borne illnesses result in lost productivity, medical costs and have significant economic costs. Food-borne illnesses can also affect Manitoba's reputation as a producer of high-quality safe food. For this reason, we welcome the Auditor General's recommendations as an opportunity to further improve the food safety system in Manitoba.

In our province, food safety is a shared responsibility between Manitoba Health, Healthy Living and Seniors and Manitoba Agriculture, Food and Rural Development. In general, MAFRD is responsible for food safety before it is available to consumers, and Manitoba Health, Healthy Living and Seniors is responsible for food safety once it is directly available to consumers.

Both departments work under the one health framework that has resulted in a shift to an integrated multidepartmental approach to joint health issues. The departments have been working collaboratively under this framework to address the audit recommendations and other related food safety issues. Both departments have worked jointly to develop strategic planning and performance measures, developing education and enforcement standards and providing food safety education.

The departments are also working together at the program level. Inspectors from both departments work under a common inspection database system, participate in joint training sessions and share common operational policies. Joint inspections are also occurring when encountering complex or unique situations that require the input and expertise of both areas.

Across the province, our department has 53 public health inspectors that, among other public health responsibilities, manage the food safety program, provide technical advice on food safety, conduct and follow up inspections, issue permits, handle complaints and provide food safety education as part of the food safety program.

The public health inspectors are also supported by a food safety specialist and regional and central medical officers of health. Our department is now responsible for routine inspections of over 6,400 food service establishments, over 2,000 retail food stores, over 1,500 temporary food establishments and over 400 mobile food establishments and issuing over 10,000 food handler training certificates annually.

We have also established an after-hours public health inspector emergency response program to respond to restaurant fires, floods, disruption of utilities, communicable disease outbreaks and other public health emergencies that may take place outside of regular working hours.

To ensure consistent food safety standards with other Canadian jurisdictions, our department

participates in a number of federal-provincial-territorial food safety committees, including the FPT retail food service establishment subcommittee. Our department was directly involved with reviewing the FPT model food code. Our department is in process of reviewing and updating the Food and Food Handling Establishments Regulation, which is the main piece of legislation to ensure food safety standards in Manitoba. To ensure consistency with other jurisdictions, part of the process included reviewing legislation from other provinces, from the US Food and Drug Administration code and the updated Canadian model food code.

* (19:10)

This current report we are discussing tonight represented the status of the recommendations as of June 30th, 2014. Since that time, recommendations 5, 6, 16 and 18 have been worked on and the department considers them completed, and this—and reported this to the Auditor General earlier this year.

Our department is now happy to report that of the 19 recommendations that applied to our department, 16 have been implemented or are ongoing, in our view, and significant process—progress has been made on three.

Our departments continue to work towards meeting and exceeding all audit recommendations. Food safety is critical in protecting the health of Manitobans and economic well-being of the food system. As food safety risks change and evolve, Manitoba will continue to proactively respond to those risks and continually strive to improve overall food safety in Manitoba.

Thank you.

Mr. Chairperson: Thank you, Ms. Herd, and could you introduce any staff that you have with you this evening, please.

Ms. Herd: Yes, I have Peter Parys from the Public Health branch of the department.

Mr. Chairperson: All right, thank you. Welcome.

Ms. Dori Gingera-Beauchemin (Deputy Minister of Agriculture, Food and Rural Development): I join my colleague, Deputy Minister Herd, in welcoming the opportunity to make opening remarks.

MAFRD assumed food safety inspection responsibility from Manitoba Health for approximately 450 food-processing facilities in September of 2009.

Shortly thereafter, an audit was conducted of the food safety system in Manitoba. Together, MAFRD and Manitoba Health and Healthy Living and Seniors have been able to use those recommendations of the audit report to help further what we believe is a robust, risk-based food-safety inspection system.

Those recommendations all—also really assisted us in developing a strong collaborative relationship in our shared responsibility that Karen described. At the time of the audit, MAFRD was contracting the food—Canadian Food Inspection Agency, CFIA, to conduct inspections in the provincially permitted abattoirs. This contract was in place since 1965. However, in 2014, as a result of budgetary decisions in CFIA, MAFRD assumed inspection and overtook the responsibility for the 26 provincial abattoirs. This was a significant undertaking for us as it is a regulatory requirement for an inspection—inspector to be present during the slaughter process to conduct an ante- and post-mortem inspection of all animals prior to the meat entering the retail food chain. In order to meet this responsibility we hired 16 meat-hygiene inspectors, a food safety veterinarian, two supervisors. The transition from CFIA to MAFRD was seamless, where we're proud to say there was no compromise in food safety and no business interruption to our abattoirs. Since the audit, as well, MAFRD has increased the number of food-processing inspectors from four to six.

In order to maintain an efficient inspection system and maximize inspection delivery, the agri-food processing inspectors have been cross-trained in order to conduct inspection at abattoirs and were also cross-trained as meat-hygiene inspectors to the—allow them due food-processing inspections. Additionally, MAFRD has hired four casual inspectors in order to provide adequate capacity when operational demands exceed available resources. This ensures that all areas, and we mean all areas of the province, receive effective food-safety oversight of their operations. Inspection frequencies are risk-based, with higher risk facilities requiring three inspections a year and low-risk facilities requiring one. We are pleased to report that on average we are meeting inspection frequency targets for all those risk categories.

MAFRD's also completed the development of three regulations under The Food Safety Act. These modernized regulations were drafted to be outcome-based and risk-based as well. Outcome-based regulations allow the industry to be flexible and innovative while ensuring the safety of the products

they are making. The adoption of a risk-based regulation complements our risk-based system that exists in both departments.

Public consultations were completed in the summer of 2014 for general food safety regulation. We're now in the process of amending the draft regulation based on comments received from the industry, from academia and other government staff. The dairy farms regulation has also been completed with consultation with the expectation of enactment in the fall of 2015.

As MAFRD and Manitoba Health and Healthy Living and Seniors are currently enforcing the same piece of legislation, systems are in place to ensure consistent delivery including a shared inspection database, a joint strategic plan, joint policies and protocols, and we have very regular meetings of our operational and program staff. Joint inspections are sometimes conducted to ensure consistency in expertise and resources from both departments are shared to ensure consistent decision making.

What does this allow us to do? Well, this allows the food industry to continue becoming more complex with new and emergency technologies while also seeing the resurgence of traditional methodologies. The two departments will continue to work together to ensure food safety remains a top priority while allowing our food industry to flourish.

The audited report provided 23 recommendations and, as Karen mentioned, we're pleased to have the opportunity to discuss the significant process that has been made on all audit recommendations. Twenty-two of those are either joint between the two departments or specific to MAFRD. The most recent status report covered the time up to June 30th, 2014. It was concluded that 19 of the 22 recommendations were resolved with three remaining. Since that time, one recommendation to tie violations to education has been completed and the two remaining recommendations will be completed when the new regulations come into force.

Both departments are committed to working collaboratively to not only meet and exceed the audit recommendations but to ensure Manitoba maintains a comprehensive risk-based food safety inspection system that protects the health of all Manitobans.

Mr. Chairperson: Thank you, and could you introduce any staff that you have with you this evening.

Ms. Gingera-Beauchemin: I'd like to introduce the Chief Veterinary Officer for the Province of Manitoba, Dr. Megan Bergman.

Mr. Chairperson: Welcome.

Now, before we get into questions, I would like to remind members that questions of an administrative nature are 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, then that is something that we would consider.

The floor is now open for questions.

Mr. Pedersen: We're going to deal with both the first follow-up and the second follow-up and sort of general questions if we can, and, again, we're dealing with two departments, so we beg forgiveness if we're overlapping and not really sure who to ask, but I guess one of the thoughts that we had is you were both presenting your reports. Agriculture and Health departments are both involved in food safety here in Manitoba. How does this compare to other provinces across Canada? Is this also the case in other provinces, or is there a more definite role for one department or another or a separate department?

Ms. Herd: There is wide variation across the country in terms of the structure, so we're not aware that anyone has our particular arrangements, but it isn't consistent across the country in any way.

Mr. Pedersen: In—I think it was chapter 4, which is—which report is chapter 4?

Mr. Chairperson: I guess when we're referring to them, you'll probably have to refer to the date and then the page number, so we're looking at the correct report.

Mr. Pedersen: I have no idea.

Mr. Chairperson: They are section 15 in 2014 and section 6 in 2015.

* (19:20)

Mr. Pedersen: All right, I'll just ask it anyway.

Mr. Chairperson: Okay. Mr. Pedersen.

Mr. Pedersen: There were—the questions that I'm reading from here is it says that MAFRD has four safety inspectors: two in Brandon, one in Dauphin, one in Winnipeg. Is—what is the current positions in terms of food-safety officers across the province, and

this would be a question, then, to MAFRD. What is the current number of inspectors, are there any vacancies and a status update on that.

Ms. Gingera-Beauchemin: MAFRD currently has a full staff complement which includes 16 meat-hygiene inspectors, six agri-food processing inspectors as well as four casuals that fill in on an as-needed basis.

Mr. Pedersen: But that includes, then, the food safety inspectors that are working in abattoirs. Is there—do they work in abattoirs some days and do inspections in restaurants other days, or is that the Health Department, or what—can you break that down into how the workload is shared?

Ms. Gingera-Beauchemin: Just—and it does get confusing. In general, MAFRD is responsible for food safety before it's available to consumers, so we don't handle any of the retail side. So we're in the processing or distribution. Once it hits retail, it's with the Department of Health. So on that processing or distribution, we have 16 that are in abattoirs and we have six that are in agri-food processing industry, and then we have four casuals. But we also cross-train, so if they're in a geographic area and we need some coverage, we can actually send them to the facility that they're the closest to. So—but that's not restaurants; that's not any of the retail. The retail element is part of the Department of Health and Healthy Living and Seniors.

Mr. Pedersen: So then the question is, then, to the Health Department. What is your current complement of food safety inspectors for the restaurant, retail trade across Manitoba?

Ms. Herd: Currently, Manitoba Health, Healthy Living and Seniors has 53 public health inspectors across the province. So they provide public health responsibilities such as managing the food safety program on the retail side, providing technical advice on food safety, conducting and following up inspections, issuing permits, handling complaints and provide food safety education.

Mr. Pedersen: So these 53, is that included in the city of Winnipeg? Because you have to clarify this. For a while City of Winnipeg had their own inspectors. Are you now doing city—does that include city of Winnipeg?

Ms. Herd: Yes, that includes the public health inspectors that provide these services to the city. I think part of the complexity of this is, at the time that

the audit was written, that devolution hadn't fully occurred.

Mr. Pedersen: And if I heard you correct, they're also doing safe food handling. Do they do the safe food handling courses? And are these mandatory at this time? Or what's the policy in terms of safe handling courses—safe food handling courses?

Ms. Herd: Okay, in terms of the food handler training program, we still do have a difference. In accordance with the City of Winnipeg food services bylaw, you must have that training in Winnipeg.

In Manitoba, that is broader. Outside the city of Winnipeg, that is not a specific requirement under a bylaw at this time. But our own public health inspectors provide some element of the training. But there also are contractors that we contract with to provide the training in certain circumstances. So they aren't solely the only group providing the training.

Mr. Pedersen: So training—excuse me, the training in a food—safe food handling course is not mandatory across Manitoba. Outside of Winnipeg, then, it's encouraged but it is not mandatory at this time. Is that correct?

Ms. Herd: That's correct. It's not mandatory outside of the city. We are considering that as we work on our regulation. So it's currently not mandatory. The only place it's mandatory right now is under the City of Winnipeg food service bylaw.

Mr. Pedersen: And of these 53 public health inspectors, is that a full complement? Do you have vacancies? What is—how does this relate to a full complement?

Ms. Herd: That is our full staff complement at the current time of public health inspectors and supervisors. We have some vacancies. We'd have to get that information for you to be specific though.

Mr. Pedersen: So pardon me if I didn't quite hear you, but 53 is the full complement, but you may not necessarily be at that right now. You'll report back to us what your actual is versus vacancies, okay.

Ms. Herd: Yes, that's correct. For example, right now, we're currently in a recruitment process for a public health inspector in Portage la Prairie. So 53 is the complement.

Mr. Pedersen: Now, you also said you do contract out. How many agencies are you contracting out to? And what's the process for contracting?

* (19:30)

Ms. Herd: Okay. I need to clarify because I may have misspoken that we contract with firms that may offer the training. So our public health inspectors do provide the training, but people wanting to take a food handling course may also obtain that training from others that provide that training in the marketplace. So my apologies about misspeaking on that.

Mr. Pedersen: So then they would basically be certified by your department so that then they can go on to the trainers at training—the trainers train the trainers.

Ms. Herd: We do not certify those people who are providing the training. It's—people come to us to take the exam to get their credentials as a food handler.

Mr. Pedersen: In the May 2015 report, page 30, it says—and it says MAFRI—although I know it's MAFRD now—MAFRD and Health work together to ensure their individual food safety strategic planning is integrated. It says it's implemented. I was wondering if both MAFRD and Health could comment on that. If it's actually implemented, how is it working, what are the—what have you learned and what is—what's happening there.

Mr. Chairperson: Mr. Pedersen, so that is in which date report?

Mr. Pedersen: May 2015, page 30.

Mr. Chairperson: Okay, thank you.

Ms. Gingera-Beauchemin: The two departments actually contracted a co-ordinator in '11-12 to work with the departments and to develop plans to address all of the recommendations and a strategic plan now and for inspection and audit services is complete and has been provided to the two departments. The departments are currently reviewing and updating the strategic plan to reflect current practices. In addition to that an operational working group has been formed consisting of both of our department staff.

To ensure that we have consistency across the food safety system our staff work together to address issues. They meet regularly to discuss operational requirements of our joint inspection system. Both departments have worked jointly to develop strategic planning and performance measurement, developing education on enforcement standards and providing food safety education. Inspectors work from a common inspection database. They participate in joint training when appropriate and share common operational policies to bridge any gaps. Joint

inspections are also occurring when encountering complex or unique situations that require the input and expertise of both areas.

Ms. Herd: I think the only other thing I would stress is that we continue to work together at the operational level to move forward on the recommendations and try to make the best use of the resources that we have so that we don't have duplication between what the departments are doing. So there's constant communication between the operational level.

Mr. Pedersen: You mention your strategic plan. Is this available for distribution or is this—can we get a copy of the strategic plan?

Ms. Gingera-Beauchemin: The intention of the plan, of course, was to provide both departments with a framework to operate from. It had never developed it as a public-facing document, and so it isn't probably in that shape to present publicly; however, we will consult with our ministers with respect to the plan, and there's probably high operational points that we'd share. A lot of it is work-plan-based in order for our staff to deliver on it. But, certainly, our objectives and goals of it, I suspect, are, once we work with our two ministers, that they—we'd be prepared to share.

Mr. Pedersen: I look forward to you being able to share that.

Also on the same—I'm still on May 2015, page 31, and it talked about MAFRD using a risk-based approach to set priorities and frequencies. Now, is this part of the strategic plan or is the risk-based approach something else that's been developed, because this is under the implemented result, and, again, can we have access to this risk-based approach?

Ms. Gingera-Beauchemin: These risk-based approaches is reflected in our strategic plan, and it's been implemented by both departments, and that determines inspection frequency. High-risk establishments receive three inspections per year; medium risk receive two; and low-risk establishments receive one inspection per year. So, to answer your question, it is part of our strategic plan.

Mr. Pedersen: In the same report, May 2015, under work-in-progress, the Health Department will set measurable goals—measurable targets for inspections in food safety. Has this been done now? Is—what are the measurable targets? What are the indicators for effectiveness, et cetera?

Ms. Herd: Okay, so we've—part of our performance metrics are the risk-based inspection systems, so inspection frequency determined by risk in that, as articulated. Those high-risk establishments receive three per year; medium risk, two per year; and low risk, once per year. In—we also have a metric on complaint follow-up and complaint response time follow-up.

Mr. Pedersen: Under the same section there, it's No. 18, and Health develop written policies and procedures to guide inspectors' professional judgment and ensure greater consistency.

Can you comment on that section, as it says it's a work-in-progress, where you're at with that work-in-progress?

* (19:40)

Ms. Herd: Since the audit, we've developed several protocols, for example, related to inspection of a food handling establishment, different levels of enforcement, documentation related to the inspection of a food handling establishment. So these are all part of the program. These protocols are all part of the program to ensure that inspectors comply and go through the proper processes in an inspection.

Mr. Pedersen: So are these written policies and procedures that you were just talking about—are they available to us then as legislators or the general public?

Ms. Herd: They're internal guidance to the public health inspectors but we'd certainly be open to sharing them. There's—there really more ways the public health inspectors do their job, but they're certainly available for review or observation.

Mr. Pedersen: I'll tell you why I'm asking that, if we can have access to that, because as MLAs from time to time we get complaints about inspections and I'll be the first to say that food safety is of the utmost importance but at the same time there's the human element in this, too. And I know of one particular instance where it seemed to be a bit heavy-handed and yet, you know, understanding that food safety is utmost important.

I think as MLAs it would help us, perhaps help your departments, two of you, if we knew what these written policies and procedures were so that when we get a complaint, and they're not always legitimate—we know that; you know that—that we can then act accordingly. And without having—because right now we're sort of—we're out of the loop. We

don't know what's involved in these inspections. So I'd really urge you, if you could, to get us those so it would equip us as legislators better to handle constituency issues, both in terms of backing your departments up, and if it is overstepping then we have that ability to say, well, you know what, we think maybe a little heavy-handed here.

Ms. Herd: Yes, we'd certainly do that and look at our public communications overall on this. And I know that we would certainly urge anyone to bring issues like that forward. I know personally I've had experiences where folks have identified to me some concerns with overzealousness of the inspectors, and so when we get concerns expressed like that, we usually take it to these—the supervisor for follow-up with the individual public health inspectors.

Mr. Pedersen: So the next time, if there is something like this, do I contact you then or who, as a legislator? Because we have to walk—as an MLA we have to walk a very fine line here, not being heavy-handed in this and yet we want to be informed as to how to handle these. So, if you could tell me—give me some protocol here as to how we should be handling this.

Ms. Herd: There's a couple of options. One is if you want to go through a—like a more formal process, you could certainly go through the minister's office and we would follow it up as a sort of standard complaint follow-up. There are—on our website there also are individual numbers for Public Health in the area—in the various areas of the province so you could call and ask to speak to a supervisor if you felt it wasn't as significant an issue that you wanted to bring to the minister's level. So there's two choices on that.

Mr. Cameron Friesen (Morden-Winkler): I wanted to ask about the works-in-progress, as well, from the 2015 report, looking at recommendation No. 3, where it indicates Health should enhance publicly available information on food safety to include data on compliance with food safety standards.

I wanted to ask how the work is going with respect to that recommendation, and what kind of data on compliance would you suggest would be included in this?

Ms. Herd: On our Health website, we maintain information on closure, the reason for closure and information on when that closure was removed, and also on convictions. And that information stays on

for a year after the time that somebody was closed and that closure was removed.

Mr. Friesen: And have there been changes to what is posted online recently? Or is this a relatively new practice, and so the deputy minister would consider this to be closed off in terms of meeting the compliance threshold that she would need to meet to satisfy the Auditor General office?

Ms. Herd: This information has been reported on our website since 2012. One other thing we're also contemplating is putting high-level metrics on in terms of sort of our performance in the area, like how many inspections were done and other sort of metrics related to the overall performance of the branch. But this specific information on closures and convictions has been in place since 2012.

Mr. Friesen: Question for the Auditor General: The original report was subsequent to the date that the deputy minister identifies. When this recommendation was written, was the Auditor General looking for some very specific information to be posted publicly on food safety that perhaps the departments are not yet providing?

Was there any more specific guidance that the Auditor General was offering in terms of what they wanted to see for compliance to be seen on this particular recommendation?

Mr. Ricard: So just a point of clarification, our original report was issued in January 2012, and the enhancements that the deputy spoke to were subsequent to our report.

You know, we are currently in the process of conducting—we will be very shortly conducting our third follow-up on the food safety recommendations. So I would expect that that's where we would do our assessment on, if the department reports recommendation 3 to us as implemented, that's where we—and because it'll be the final follow-up, we will be doing enhanced follow-up procedures on all the recommendations and providing the Public Accounts Committee, in our next follow-up report, with more detailed comments, recommendation by recommendation, on what's been done and what's been planned, especially if a recommendation remains in progress. I think useful information for the committee at that point would be understanding what's been done and what's left to be done.

* (19:50)

Mr. Friesen: The deputy minister had mentioned earlier that the modernized regulations are drafted to be outcome-based as well as risk-based, and earlier on in our conversation there was a comment made about inspections being, of course, then geared, you know, to be more intense for those high-risk operations, less intense for those low-risk operations.

I wondered if I could ask either deputy minister to respond and indicate what would constitute a high-risk operation. What would be a definition that would go along with that that would then signify to the inspector that they will be coming more frequently to that site, or visiting that entity or operation or business or individual.

Ms. Gingera-Beauchemin: MAFRD uses several factors when determining the risk of a facility, and it includes items such as the type of food that is produced—whether it's ready-to-eat meats versus a bakery product, for example—equipment and the facility itself. There are compliance histories, so what has been their track record in the past, whether they've implemented food safety programs or not, their water source, whether they've actually had a history of food-borne illnesses and recalls, and their distribution reach. So those are a number of factors that we look at when we talk about assessing the risk base for those facilities.

Mr. Friesen: I'm thinking about the fact that just even on Broadway here in the summertime we see so many food carts out there, I'm just wondering, do these kind of mobile food cart operations, do they fall under that same category of high-risk operations by virtue of the fact that they are mobile, or does that not necessarily imply that they would be falling under that category?

Ms. Herd: Like MAFRD, we do look at the type of food, the level of food handling and our general food public health inspection practices. And one other thing I'd want to flag in terms of our risk assessment is if it's a facility that deals with more vulnerable populations such an issue related to a personal-care home or a food safety matter. So that's all part and parcel of our risk assessment, building on the things that Dori had just mentioned.

In terms of the food carts, we always have an opening inspection before the start of the season and then we inspect at least once during the season. We would—using that sort of risk-based model we would also do further inspections if there were complaints received or if there were issues where we found the

follow-up was lacking following either that first inspection.

Mr. Friesen: But still on that subject because I passed a mini donuts truck on my way in. He was heading one way and I was heading here towards the meeting. I didn't think I had time to stop on the side of the road. But I wanted to note, when it comes to the—so we do a pre-inspection before the season. When it comes to the inspection that would take place during the operating season, would that be an announced inspection or a surprise inspection?

Ms. Herd: They are unannounced inspections.

Mr. Friesen: Just looking back, still in the 2015 follow-up report, there's a recommendation under do not intend to implement. I see that the same recommendation is still there under do not intend to implement from the previous follow-up report, 2014. I wonder if I could ask the—I think, first of all, I'll direct my question to the deputy ministers, either one, to indicate why was it that they declined to implement a recommendation of the Auditor General that would require inspectors to submit signed conflict of interest declaration forms on an annual basis. What was the rationale for that decision?

Ms. Gingera-Beauchemin: As a result of our consultation with the Civil Service Commission, their recommendation at that time was not to require annual conflict of interest declaration, and so that was based on their advice. But we want to ask every year to ensure that our staff make sure that their form is up to date.

So we don't necessarily require them to do an annual updating, but we ask them to make sure it's current because circumstances change during the year. But that was initially based on advice from the Civil Service Commission.

Mr. Pedersen: Just to the Deputy Minister of Health, and going back on this, inspections on food preparation, is there a specific policy regarding food prepared off-site and then served in a—on-site?

Ms. Herd: Our preference is always that these services would be made within a licensed kitchen and in—sometimes those can be—even be examples like a permitted church kitchen. But we have had situations where we do allow this to occur under certain conditions, such as something like a fall supper. And usually when that happens there's close collaboration between the group putting on the supper, for example, and the public health inspector that's involved. So we try to do it in a managed way

to ensure the risks can be mitigated for these unusual or certain circumstances.

Mr. Pedersen: So this—based on what you've said, and you've said that you would give me your written—get me your written policy so that we can—is that part of the written policies too, so that we can understand? Again, this is another grey area, I guess I would call it, in terms of interpretation by some food inspectors and the public's perception of this, too.

Ms. Herd: Yes, we will. We're actually working on, as I mentioned, the protocols. We're working on a protocol specific related to fall suppers. So to make it easier to communicate the situation, which, as I mentioned, indicates a bit of a judgment call and working on the specific circumstances, so, yes, we would make that protocol available.

Mr. Pedersen: So fall is coming. Is it going to be before the fall?

Ms. Herd: We will try our best to get that to you before fall.

Mr. Chairperson: Okay. I've a bit of a follow-up on that, if you don't mind.

I do—am aware of some fall suppers—suppers that have been cancelled because of what was termed to be an overzealous student, I guess, you had during some areas, but they've since been told they can have their fall suppers in the manner in which they've been used to.

* (20:00)

But there are some farmers' markets or flea markets where food was prepared off site in a non-commercial kitchen, and those individuals have been told that they're not able to sell at those particular markets. Is that a policy that was in place intentionally and then changed, or is it just something that was misinterpreted?

Ms. Herd: Okay. We have—there's differences depending on where the food is prepared. If the food is prepared in a licensed food establishment, it is okay to sell at a farmers' market or in another venue. If it's prepared in a non-licensed establishment, there would be examination of the hazards related to that—or risks related to that particular food item. We have on our website information for people interested in food safety, farmers' market guidelines that try to explain some of the differences in this situation. *[interjection]* And I'm told we also always encourage dialogue with the food inspectors.

Mr. Chairperson: Okay. Thank you.

No further questions on this area, then?

Well, since we have a different section to deal with, perhaps we can deal with this—these particular areas.

So does the committee agree that we have completed consideration of section 15, Food safety, of the Auditor General's Report—Follow-Up of Previously Issued Recommendations, dated May 2014? *[Agreed]*

Does the committee agree that we have completed consideration of section 6, Food safety, of the Auditor General's Report—Follow-Up of Previously Issued Recommendations, dated May 2015? *[Agreed]*

Thank you to the minister and deputy minister. You're welcome to stay for the rest of the evening if you wish, but you're also welcome to leave. So thank you.

Now we will now move into the Auditor General's report, annual report of the Legislature, dated March 2014, chapter 5, Lake Manitoba Financial Assistance Program: Parts C and D.

And, I believe, the Auditor General has an opening statement and some staff.

Mr. Ricard: Yes, Mr. Chairperson, I do have opening comments.

I would first like to introduce Grant Voakes, who is here with me today. Grant was the audit principal for our audit on the Lake Manitoba Financial Assistance Program.

So to help families, businesses and communities affected by the 2011 flood, the Province developed the Building and Recovery Action Plan. One significant component of the action plan was the Lake Manitoba Financial Assistance Program which accounted for about 75 per cent of the action plan's \$175-million cost. The Manitoba Agricultural Services Corporation was responsible for delivering the program. The program itself had four parts, being A through D. Our audit focused on part C because it accounted for the largest portion, about \$17 million. Part C provided compensation to flood-affected residents for temporary accommodations, mitigation, damaged residences and contents, and to businesses for damaged inventory and buildings and for income loss.

We also examined part D, which provided funding for permanent flood protection. Our examination of the corporation's administration of parts C and D assessed whether program rules were properly set and communicated, whether claims were properly processed and whether decisions were appropriately communicated. We also examined whether the Building and Recovery Action Plan appeals commission handled parts C and D appeals.

With respect to setting and communicating program rules, we found that there were timing and transparency issues. The program's terms and conditions broadly defined eligible costs, but many of the program's detailed rules were only developed while claims were being processed, and these detailed rules were not communicated promptly or clearly to staff and claimants.

With respect to the processing of claims, we found that most payments to individuals were accurately calculated based on policies in place at the time and supported by appropriate documentation except that there was an element for trust for items that were difficult or impossible to verify. We also found, however, an inconsistent treatment of claims because many detailed policies were only developed after claim processing began, so the treatment of a claim depended on when the claim was processed and on the staff member's understanding of the evolving rules. The inconsistencies occurred because any claims processed before a rule change were not revisited; this was not possible because claimed items were not tracked in a manner that would accommodate this. We found that business income loss calculations were not well explained and that there were gaps in the documentation obtained to support the calculations.

With respect to communicating decisions and handling appeals, we found that letters accompanying payments to claimants did not always adequately explain why certain amounts claimed were deemed ineligible, and while an appeal body was in place, its mandate was unclear and it lacked independent access to the program's policies and rules.

Several factors contributed to the challenges experienced by the program, including the corporation's lack of familiarity with this type of disaster financial assistance, a quality assurance process that was not risk-based, incomplete management information, limited staff training and weaknesses in file management.

Because the Lake Manitoba Financial Assistance Program is not ongoing, we directed our 21 recommendations to the Province for consideration by other government entities that might be called upon to deliver a similar program in the future. These recommendations are essentially lessons learned that could be applied by future disaster assistance programs that may also need to be initiated hastily. We also encouraged the Emergency Measures Organization to consider whether any of these recommendations apply to its disaster financial assistance program.

Thank you, Mr. Chairperson.

Mr. Chairperson: Thank you, Mr. Ricard.

And the deputy minister has an opening statement, I believe, and could you introduce staff that you have with us, please.

Ms. Gingera-Beauchemin: It's my pleasure to bring opening remarks with respect to the Lake Manitoba Financial Assistance Program parts C and D. Joining me at the table are Jim Lewis, Jared Munro and Bobbie Robertson, who work for the Manitoba Agricultural Services Corporation, who are heavily involved in the flood programming, as well as joining us is Lee Spencer, ADM for emergency management.

The Building and Recovery Action Plan, or better known as BRAP, was designated—was designed to recognize the extreme flooding and the extraordinary steps that were taken to protect homes and property in the Assiniboine River basin. The Lake Manitoba Financial Assistance Program that we're talking about tonight was part of BRAP.

The Province declared a state of emergency on May the 9th, 2011, due to the 'inniment' threat of flooding along the Assiniboine River. BRAP was announced on May the 24th, and as appointed administrator, MASC opened the recovery office in Portage la Prairie on that same day. The part C terms and conditions were posted on the BRAP link of the MASC website on May 25th.

Two themes in the Auditor General's report provide the underlying context for what is perceived as problems, inconsistencies and gaps in the administration of the Lake Manitoba Financial Assistance Program parts C and D, and that is the unprecedented scope and severity and unique circumstances of the flooding that we experienced in 2011 and, secondly, the lack of advance notice that MASC received regarding the delivery of four

components of the Lake Manitoba Financial Assistance Program and seven other BRAP programs. All, I must add, in addition to administering six emergency agriculture assistance programs as well as the largest crop insurance claim payout of its history.

* (20:10)

The department and MASC works diligently to meet the government's mandate to 'offer' assistance quickly and more broadly than would have been available under the federal government's disaster financial assistance agreement. Over 1,400 accountable advances of up to \$5,000 each were issued to affected individuals within a few months of the program's announcement to assist them with their immediate flood mitigation expenses. Top priority for us was to ensure programs and payments were delivered in a timely fashion in order to minimize financial and human stress suffered by the flood victims.

Under part C, the Lake Manitoba Financial Assistance Program offered assistance that included financial assistance for homeowners that were displaced from their damaged or destroyed homes for up to one year after they receive money to repair or rebuild rather than having support terminated after the standard DFAA's 90-day allowance; broader and higher coverage for losses suffered by homeowners as well as lower or no deductible subtracted from payments for property damages when compared to DFAA; compensation for business income losses suffered by business owners impacted by flooding when DFAA offers no assistance; and assistance for mitigation expenses and property repairs for cottage owners' damage that is not compensatable—not compensable under DFAA.

The Lake Manitoba Financial Assistance Program, part D, terms and conditions, were published in August of 2011. Part D provides financial assistance for flood protection measures undertaken individually or co-operatively for protecting residences and businesses in the Lake Manitoba zone. The program was integrated with the individual flood protection initiative called IFPI offered through Manitoba Conservation and Water Stewardship.

Manitoba emergencies organization—Emergency Measures Organization, EMO, has an established infrastructure that is—includes policies and guidelines, training protocols and a record system, and is prepared to respond to emergencies if and as

required. However, the sheer magnitude of the 2011 disaster meant that it would have been extremely difficult for EMO to do it all by themselves.

The Auditor General's report outlines the extent of work done by EMO. MAFRD and MASC were assigned to deliver specific programs within BRAP. EMO worked with and beside us as much as possible in light of their other workload in setting up programs and instituting processes to ensure claimants were not paid twice.

Updated information on flood-assistant programs were as provided through mass website. In October 2011, June 2012 and January 2013 letters outlining programmer information were mailed to all registered applicants. MASC is in the final process of finalizing the flood programs, and we have an updated version of figure 1 from page 199 of the AG's report updated to March 31st, 2015.

MAFRI acknowledges that the findings and the recommendation included in the AG's report, and we realize that the majority of recommendations are general in nature and are directed at the Province.

We recognize areas of program delivery that could have been improved. MAFRD will consider these valuable lessons should be required to administer this type of disaster assistance programming in the future.

We trust the Province will consider and implement recommendations if similar conditions exist that trigger the need for such disaster assistance programming.

Mr. Chairperson: Thank you.

Are there—the floor is now open for questions.

Mr. Pedersen: You mention—the deputy minister mentions in her report that there's an updated figure for figure 1, page 199.

What is the updated cost?

Ms. Gingera-Beauchemin: I have copies, if indeed you want them, circulated, so.

Mr. Chairperson: We'll have the page distribute them to the members.

And, if you would care to comment on them, Ms. Gingera-Beauchemin.

Ms. Gingera-Beauchemin: There's certainly in part C—our total claims added up to 2,453, where we actually paid, to March 31st, 64,180,000. We had a

provision of 1,505,000, for a total of sixty-five, six-ninety-two.

And, in part D's 579 claims, a total paid of 8,270,000. So the total is just shy of 77 million.

Parts C and D.

Mr. Chairperson: Parts C and D I think are the lines you're looking at, the greyed sections. More information than—

Mr. Pedersen: You're going to have to help me with some of these numbers, then, because the AG's report, September 30th, 2013, paid and accrued BRAP costs totalled about 175 million.

Now, where is the total—is this 123 plus 154, then? Or is it a—what is the total as compared to what the Auditor General was talking about in their report?

Ms. Gingera-Beauchemin: If you're comparing page 199 of the AG's report with the document I just handed out, the 175 million is for the entire BRAP program, which includes all of the programs.

Parts C and D are the programs that we're talking about, so they're the—under Lake Manitoba Financial Assistance Program, part C is residences and businesses. The total at that point on September the 30th, 2013, we had estimated twenty-one—seventy-one million—excuse me—three-hundred-and-seventy-seven. We were—we overestimated on our accrued.

And part D we estimated 8,565,000 and we were a bit over in our accrued. So it's really—we're just comparing parts C and D.

Mr. Pedersen: I caught up to you now and I'm good there now.

So are there outstanding claims still to be paid out? How many? Approximately how much money, if there is?

Ms. Gingera-Beauchemin: The only outstanding claims relate to the Individual Flood Protection Initiative, which is—IFPI—which is the Department of Conservation and Water Stewardship. And that's—their deadline is 2017, March 31st. All payments have to be made by March—all the work has to be done and paid for by March 31st, 2017.

And the associated, with part D under our programming, is there's a 10 per cent holdback in our programming that is—pardon—part C. Sorry, part C. There's a 10 per cent holdback on part C that will be

paid once they complete their IFPI programming. So it's a related programming.

* (20:20)

Mr. Pedersen: So, under part C, you had 2,453 claims. First of all, have all those 2,453 claims been settled?

Ms. Gingera-Beauchemin: Yes, they have.

Mr. Pedersen: Are there any outstanding appeals? As I understand it, Mr. Ron Bell was the appeals—you went to him for the appeals. And are there appeals outstanding? How many appeals are outstanding?

Ms. Gingera-Beauchemin: As of today, there are no appeals outstanding.

Mr. Pedersen: And of these 2,453, under part C, there's four categories: principal residence, non-principal residence, agriculture and business, correct? If I'm correct, do you have a breakdown of those? And, if I'm not correct, you'll correct me. But give me a breakdown of those 2,453.

Ms. Gingera-Beauchemin: Under part C and the different categories that have been paid, under the temporary assistance program—which means people have been displaced—and living accommodation, we've paid out \$5,075,643.14. Under principal residences, we've paid 18 and a—almost 18 and a half million dollars in principal. Under non-principal, we've paid \$30,182,000. Under businesses, we've paid 8 and a half million. And First Nations claims, we've paid almost \$2 million.

Mr. Pedersen: So that's a dollar amount. Do you have the number of claims on each of those?

Ms. Gingera-Beauchemin: We do have the number of claims. They—we have some that are doubled up in our numbers here, and so that's where we're trying to sort them out. So we've got—our numbers aren't adding up exactly because we've got some in—that are doubled up here. So, if it's okay, we'll get the numbers back to you in—that go alongside of the amount of dollars that I talked about, if that's fair.

Mr. Pedersen: That's quite acceptable to do that.

In the Auditor General's report on this, most policies and rules—and I'm quoting from page 205—most policies and rules were determined by the program administrator. Can you explain how this actually unfolded on a—maybe it's on a daily basis. There was no written rules; you were basically making—and I'm not suggesting ill of you, but it was—

you basically had to make it up as you go on an almost a daily basis.

So what was the operation like, then? How did these rules or decisions made, then, on a daily basis—was there—can you explain that?

Ms. Gingera-Beauchemin: The basis was the using the DFA program as a starting point, and certainly recognizing the severity and the scope of the flood, we then had to make decisions based on the circumstances. So, as we were working our way through with clients, we were needing to make decisions. And so we certainly checked in with EMO and used their good advice, how we were able to address the unique circumstances, and then with the flood committee, and we had two levels of flood committees where we had the working staff and then we had a flood committee decision. And should the circumstances have required, they actually went to the deputy minister and the executive management committee of the department for further decisions.

So most of the circumstances had never been actually documented before, or there were no disaster financial assisting programs before to use as a basis. So we were using our best advice and good guidance and then certainly checked in with higher levels as those decisions were made.

Mr. Chairperson: Many of the businesses that were evacuated and—due to a high-water event—never actually had flooding happen, so their insurance didn't kick in. I received a good deal of communication from many of them in the Brandon area, because they were evacuated, that they were told or they had seen on a website somewhere that there would be assistance that would be available to them, and when they went to look at the website, that had been changed.

Now, I understand that you were going through changes as we went forward here, but commitments were made to individuals that there would be some form of assistance. And, of course, in the end, none was available for those businesses that were evacuated because of a high-water event that were not actually flooded. Well, they were out of business for two to three months.

And now, subsequently, there was a fund that was given to—I believe it was a combination of the Brandon chamber and a community development organization, somewhere around \$100,000, if I recollect correctly, 130, to promote business and make sure that some of these businesses got some of

their clientele back but, of course, by then, it was often too late. Would you care to comment on those circumstances, please?

* (20:30)

Ms. Gingera-Beauchemin: Certainly there were numerous situations that—where businesses were impacted due to the decision by local authorities to evacuate for safety reasons, and for the—those businesses that did not—were not impacted directly by water were not able—eligible for some of the programming. And your—the—your reference to the economic stimulus program was made available to municipalities in order to help them work with their businesses and their chambers in order to recover from any negative impact of what high water did across the province and, consequently, it—the decision was a safety decision and it was left for local authorities to make those tough decisions.

Mr. Pedersen: When it's—as the flood damage proceeded and—to be discovered—the decision was made to hire some outside in—contract inspectors, and I believe they came from Quebec. Can you tell me how many came and the contract value?

Ms. Gingera-Beauchemin: Certainly, given the circumstances of the wide reach of the flood for that year, we knew that the readily available adjusters were certainly tapped out by existing—insurance companies were using them. And so we needed and worked with folks, including EMO, to try and get good advice as to where we should access those services.

So we went and used a number of different firms in order to provide us with either fair market value appraisals or repair cost appraisals. And so we had experts working in both of those areas. Some of the organizations that provided support, including the Crown Lands and Property Agency, an S.O.A. of the Manitoba government, we used them to—as the first group to start doing the fair market value appraisals. And then we engaged Burley Appraisals Associates. We engaged Scott Miller. We engaged Rempel Wagner Dunn appraisers. We engaged the Canadian Independent Adjusters' Association. We engaged James Dubé Spraggs Adjusters. We engaged Marc Bourret Appraisal, the Quebec firm that you were referencing. And we also engaged Stantec consulting.

Mr. Pedersen: So is there a total cost for the appraisal side of this? Obviously, you had staff from within MASC and within—interdepartmental help

which sort of seconded, I guess you would call it, into flood appraisal. But outside costs, is there a cost figure for that appraisal that was hired?

Ms. Gingera-Beauchemin: So the costs are broken down between the two categories for—so for fair market value appraisers, the costs were \$268,766. And the cost for the four different organizations we engaged with to do the repair cost appraisals, the total was \$1,867,801.77.

Mr. Pedersen: So you're over \$2 million on that. So is that part of that number included in—under part C of the total cost for assistance?

Ms. Gingera-Beauchemin: It would be included in the paper I handed out to you. There's a line that is dedicated towards administration, so the 11—it would be included in the \$11,125,000.

Mr. Pedersen: And, under page 214, recommendation No. 7, the auditor recommends that the Province analyze the costs and benefits, different approaches, using—and throughout his report—or throughout the report of the Auditor General, they're looking for some accountability back to how the costs were incurred, where the costs were.

In the final analysis of this, and this is a different report because although the auditor will be doing a follow-up report, this program is done and gone and no longer exists. Is there a final report written? And I would presume—correct me if I'm wrong—that it would get sent to EMO as to what went wrong, what went right, what should be done differently. And I realize EMO is the experts in this but this got thrown onto your department, into MASC in particular, and you had some struggles with this, and understandably so. But what happened—what was the final verdict on this? What happened to it, the program, when this was done and closed out?

Ms. Gingera-Beauchemin: Can I ask a question of clarification?

Mr. Chairperson: Sure.

Ms. Gingera-Beauchemin: Is the question related directly to the comment with respect to appraisers and contractors, or is—can I ask you to restate the question so that I can answer it appropriately?

Mr. Pedersen: Well, this relates to the entire program, not just to the appraisers, but the entire program. And the reason why I'm—two reasons for asking this. First of all, you went through the program. You had struggles, understandably so. You should be able to offer some suggestions to the

what-ifs if this was going to happen again for EMO. And I know they're the experts at this, but even experts can learn a little bit once in a while. And the other reason I ask that is because the Auditor General's going to do a follow-up report on a non-existent program. So they need to have something to give—if you don't offer any follow-up on this, then I really wondering how—what the Auditor General's going to do a follow-up report on.

*(20:40)

Ms. Gingera-Beauchemin: First of all, when reading the Auditor General's report we took note, first of all, of the statement that the review that they did found that most payments we examined were 'accurately' calculated and reasonably supported by appropriate documentation. So we understood from the Auditor General's report that they found no mishandling of the moneys or of the information, and so that was first part and parcel of our responsive—fiduciary responsibility. So we ensured that.

With respect to a majority of the recommendations that the Auditor General has presented, they are presenting them to the Province in general for future disaster assistance programming. And, as we who are involved in agriculture programming and EMO who is involved in other disaster financial, we will consider all of the recommendations as good advice and good lessons learned to consider when doing future programming.

The reality is the 2011 flood programming is complete. The Auditor General spent months in our offices reviewing those programs and how they were administered and, I believe, provided good advice for future programming, recognizing the scope and the severity and the unprecedented nature of those circumstances in 2011 that there was little or no experience on how to deliver.

Mr. Pedersen: So I take it from that, then, that there's no final report coming out of MASC or the MAFRD as the overseer of MASC, then, to EMO—to the Province in general because it would likely go back to EMO next time. But there—from my understanding, then, of your answer to that is that there is no final report coming out as an overall summary of this program.

Ms. Gingera-Beauchemin: Our overall report is based on the numbers of the number of claims, the numbers that were processes, the amount of dollars that were paid out, the amount of appeals that were done, certainly transactions handled, and those are—

those really form the basis of our financial report and those are required, really, to—in order to be able to access disaster financial assistance programming as well as to be able to justify the dollars spent including administration. That will constitute our final report.

With respect to the direction the Auditor General gave in the report, that is direction to the Province, and I suspect like all other good bureaucrats they will look to good advice that's been provided by the Auditor General when they consider future disaster assistance programming.

Mr. Pedersen: I was very satisfied to see in the Auditor General's report that there was no question about financial mismanagement, anything like that. So the claims were—from a financial aspect, the claims were handled as good as could be and as fairly as possible. But there was—we know, and I think everyone knows, that there was a lot of anxiety out there just due to flooding causes anxiety. There was this term, made whole, that came out at a meeting, and I just happened to be at that meeting when I heard the minister say—and it was—we call it the Hazen Argue approach: just apply and everybody will be happy, and it was far from being happy. There is long-term consequences that happened as a result of this flood and yet, just purely from a financial aspect, yes, it's clean. But I'm—that's why I was asking on terms of a final report in this, if there was anything else that through MASC and through your assessments of damage, if there was anything coming out of there. And, unless you can correct me, it sounds like there is nothing coming from your department over to EMO in terms of that.

Hon. Ron Kostyshyn (Minister of Agriculture, Food and Rural Development): I think for me this key is that, obviously, being repetitious to the comment made by the deputy minister, this is totally unprecedented. We all went through a learning curve of this.

I think in order to address the circumstances that the 2011 flood, you can—we can definitely do a summary of what could be done different. But I think, more importantly, it's to address the issues that would prevent the flooding mechanisms that we experienced in 2011, an example being working with provinces that are in the whole watershed, looking at alternative mechanisms that you minimize flood damages in designated areas and, as many of us are aware, that we are in the process of trying to find an

alternative mechanism to relieve the high flows that affected a number of people in designated areas.

So we can definitely go through the exercise of doing a summarization of the program that we experienced in 2011, but I think it's, more importantly, the opportunity to find what is a proper alternative mechanism to minimize flooding and the hardships that people had to go through the 2011 flood. As you indicated, this was something that nobody wanted, nobody wanted to do, and that's why the province became very proactive. And, obviously, I think, in all due respect to the people that were involved in it, they did their utmost to minimize financial and mental stress that people were faced with.

So, you know, I stress the importance of a report that could be done, but I stress the importance of how do we do with weather events, water events, climate chain events that we're faced with today. I think that's more proactive of being a government of two—in comparison with the federal government and provincial government to minimize flooding events such as 2011.

Mr. Pedersen: I would just like to ask the Auditor General if he has any opinion as to whether it would assist him in writing his follow-up report if there was some report on the parts C and D of this, is because that's what he's dealing with, if it would help him in preparing a follow-up report.

Mr. Ricard: I think a post-mortem on any program that ends is always a good idea. It's timely to capture lessons learnt soon after the program ends. I think our report goes a long way to providing the department with that because I think many of our recommendations should be viewed as lessons learnt. But, in terms of the follow-up itself, it—to be frank, it would not assist us. The follow-up that we intend to do with this would be if the government—if there was another disaster event and another government organization was assigned to do the disaster assistance, you know, financial assistance program, we would say as you're implementing that program, take a look at the recommendations and ensure that you're addressing them as part of the program development process.

So, in our—as a matter of fact, in our—for the follow-up that we're currently organizing that will be as at June 30th, 2015, we forwarded the recommendations to the—to Manitoba Infrastructure and Transportation, asking if there is another such

program in the works and, if there is, have they considered the recommendations. That's how we would be following up on the recommendations.

Mr. Friesen: My question has to do with the—and I understand the context of this that, you know, it's already been said tonight, that these weren't ideal circumstances and there was learning that was done on the fly to come up to speed as quickly as possible when all of this was unfolding and when MASC took on, with very short notice, the responsibility for these programs. But I have a question pertaining specifically to the way claim information was collected, and I understand from the Auditor General report that there was a decision made to collect and arbitrate claims based on hard copies. There was no electronic record-keeping system put in place.

* (20:50)

What would—why would there have been a decision made to not move with the utmost haste to an electronic record-keeping basis when we would have known in advance there would be so many claims and there would be such a great need to share information in a timely manner?

Mr. Chairperson: Ms. Gingera—Mar—Ms. Gingera-Beauchemin. Sorry, several conversations going on here. Ms. Gingera-Beauchemin.

Ms. Gingera-Beauchemin: Certainly, we know that if indeed the time warrants to be able to establish an electronic record-management system, that is the most desirable, absolutely. Time didn't allow us to establish that system. We didn't have the basis of it in MASC done that would allow us to build upon it. And so we actually, you know, thought without that time that it would be much more quicker in order for us to go with the paper system although DFA stores it in a different database. So, certainly, we—there's lessons that EMO—we could have used a—and from a—we—lessons EMO could have taught us on how to store data. We proceeded with the paper copy just because of a time essence and the fact we didn't have the time to invest in developing a new electronic system.

Mr. Friesen: The deputy minister says that they didn't have the time to establish or to move to an electronic record-keeping system. And I would understand that on that timeline, yes, it would not have been possible to purchase a proprietary system.

But did not such a system already exist within EMO and was EMO not already using an electronic-based record-keeping system in the province of Manitoba? Why would a decision not have been undertaken to use EMO's system?

Mr. Chairperson: While the deputy is considering that, I'm—the information that was tabled by the deputy—or not tabled, given to us by the deputy

minister with updated information, will not be part of the record, but I'm asking if the committee has will to include it as part of our record. I assume the Auditor General will include these numbers in his follow-up report, but this is information that was given to the committee.

So is it the will of the committee to have it printed in Hansard? *[Agreed]*

Building and Recovery Plan (BRAP) Program	As at March 31, 2015			
	Total Claims	Actual Paid to March 31/15 (\$000s)	Provision	Total
Lake Manitoba Financial Assistance (LMFA):				
Part A	268	2,694	10	2,704
Part B	480	34,676	850	35,526
Part C	2,453	64,187	1,505	65,692
Part D	579	8,270	-	8,270
Administration:		11,125	-	11,125
Subtotal for LMFA	3,780	120,952	2,365	123,317
Hoop & Holler: financial assistance for residents, businesses, and agricultural producers	631	8,697	24	8,721
Dauphin River Flood Assistance Program	66	1,973	-	1,973
Lake Dauphin Emergency Flood Protection Program	59	293	-	293
Shoal Lakes:				
Part A: Agricultural Producers	219	5,307	-	5,307
Part B: Agricultural land owner voluntary buyouts	62	13,858	-	13,858
Administration		1,121	-	1,121
Lake St. Martin Fishers Program	39	123	-	123
Dauphin River Commercial Fishers Income Loss Assistance Program	51	540	-	540
Excess Moisture Economic Stimulus	42	2,380	-	2,380
Total all Programs	4,949	155,244	2,389	154,132

Mr. Chairperson: Thank you.

Ms. Gingera-Beauchemin: Certainly, the point made about capitalizing on an existing system in EMO was explored. EMO's system is designed specifically for the criteria that's in the DFAA program, so it's designed in order to be able to collect information for the specific criteria that DFAA has.

So considering the amount of re-engineering would have been required in order to be able to accommodate the vast array of programs that we were delivering, the decision was made to continue with a paper system. So we looked at it, realized it would take a lot of work to re-engineer it and made the decision to continue with the paper system.

Mr. Friesen: Just wanted to ask if the Auditor General had anything that he'd like to add to these

discussions or the information that was presented this evening, give him the opportunity to respond to the new information that's been introduced tonight.

Mr. Ricard: And just for clarification, are you asking about the electronic system or?

Mr. Friesen: I was just speaking in general about the conversation we've had, and just asking if you'd like to take the opportunity to make any other additional comments with respect to the answers provided tonight or the questions raised.

Mr. Ricard: Actually, I've noticed from comments, I think—I would acknowledge and I think the report does acknowledge the challenge that the department and MASC faced in implementing the program. So I would encourage them to do a post-mortem as it was talked about before. I think it's a lost opportunity to

not fully consider what went right and what went wrong in the program.

Mr. Chairperson: Any further questions on the report?

Seeing none, does the committee agree that we have completed consideration of chapter 5, Lake Manitoba Financial Assistance Program: Parts C & D, of the Auditor General's Report—Annual Report to the Legislature, dated March 2014? *[Agreed]*

This concludes the business before us. Before we rise, it'd be appreciated if members would leave behind any unused copies of reports so they may be collected and reused at the next meeting.

Thank you to the minister, deputy minister and staff and to the Public Accounts Committee members, of course, to our Clerk and researcher, to the page and our Hansard staff. Thank you for this evening.

The hour being 8:56, what is the will of the committee?

An Honourable Member: Committee rise.

Mr. Chairperson: Committee rise.

Thank you.

COMMITTEE ROSE AT: 8:56 p.m.

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