



STANDING COMMITTEE ON PUBLIC ACCOUNTS

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

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Ms. Lisa Lambert
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Ms. Vicki Mowat
Saskatoon Fairview

Mr. Randy Weekes
Biggar-Sask Valley

[The committee met at 08:30.]

The Chair: — Well good morning. We'll convene the Standing Committee on Public Accounts here today. We've got a full day ahead of us again here today with the Ministry of Justice, Ministry of Immigration and Career Training, and Ministry of Social Services.

I'd like to welcome everyone that's here today, certainly committee members and our Deputy Chair, Mr. McMorris; Ms. Lambert, Mr. Weekes, Mr. Fiaz, Mr. Olauson, Ms. Mowat as well. I'd like to introduce as well from our Provincial Comptroller's office, Chris Bayda, assistant provincial comptroller — sharp tie, sir — as well Jenn Clark, director of financial management policy that's with us here today.

I'd also like to introduce our Provincial Auditor, Judy Ferguson, and Trevor St. John that's at the table here as well. Maybe I'll ask the ministry officials that are here today, Drew Wilby, the assistant deputy minister of Justice to introduce who's with him here today. And then we'll turn it over to the auditor's office.

I should also identify that our high definition is currently being upgraded. And as a result, today's proceedings are being live-streamed online on the Legislative Assembly website and will be archived and broadcast on the legislative channel at a later date.

So with that I think we'll get at it. I think we're going to deal with chapters 8 and 10 first within the Ministry of Justice, but I'll turn it over to the Provincial Auditor and her office.

Justice

Ms. Ferguson: — Thank you. Good morning. Thank you, Chair, Deputy Chair, members, and government officials. As indicated this morning, we've got several chapters that deal with the Ministry of Justice. Mr. St. John's going to make four presentations, compiling the first two chapters into one presentation because it's linked into the same subject matter. There is only one chapter, chapter 9 on the agenda, contains new recommendations for the committee's consideration. The other ones the committee has seen that before.

The Chair had introduced my colleague here. I just want to take a moment and introduce Ms. Kim Lowe, who is our committee liaison and has also joined us this morning. Before we launch into the presentations, I do like to take a minute and extend a thank you to the assistant deputy minister and your team that's with you here today for the co-operation extended to our office during the course of this work. Mr. St. John.

Mr. St. John: — Thank you. So I'll present chapter 8 and 10 together. So chapter 8 of our 2017 report volume 2 starts on page 55, and chapter 10 of our 2018 report volume 2 starts on page 59. These report the results of our annual integrated audits of the Ministry of Justice, which is now the Ministry of Justice and Attorney General and was split into the Ministry of Corrections and Policing, its agencies, and special purpose funds for the years ended March 31st, 2017 and March 31st, 2018. These chapters include no new recommendations for the committee's consideration.

We report that the 2016-17 and '17-18 financial statements of the ministries, agencies, and special purpose funds are reliable, and they complied with authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The ministries and its agencies had effective rules and procedures to safeguard public resources, except for the noted IT [information technology] matters.

On page 57 of our 2017 report volume 2, we recommend the Ministry of Justice prepare and test its disaster recovery plans for its critical information technology systems. At September 2017 this recommendation was partially implemented. The ministry had not tested disaster recovery plans for all of its significant IT systems. We provide an update on this recommendation in our 2018 report volume 2, chapter 10. We report in that chapter that during 2017-18 the ministry completed its disaster recovery plan and tested the plan in May 2018. Thus the recommendation is now implemented.

On page 58 of our 2017 report volume 2, we recommend that the Ministry of Justice follow its established procedures for removing unneeded user access to its computer systems and data. By September 2017 this recommendation was partially implemented. The ministry did not consistently follow its procedures for ensuring only authorized individuals have access to its IT systems and data. In our update to this recommendation in 2018 report volume 2, chapter 10, we report that during that year we continued to find similar findings. Because of the shared, integrated justice services, this is the same recommendation we discussed yesterday with corrections officials.

On page 58 of our 2017 report volume 2 we provided an update on an implemented recommendation. The recommendation was that we recommend the Ministry of Justice consider the benefits, in consultation with Saskatchewan's Information and Privacy Commissioner, or changes to Saskatchewan's general access and privacy legislation, which could serve to mitigate risks related to the *USA PATRIOT* [Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism] Act.

By September 2017 this recommendation had been implemented. The ministry and the Information Privacy Commissioner identified that a duty to protect personal information was a priority change to the legislation. The proposed changes to *The Freedom of Information and Protection of Privacy Act* received Royal Assent May 17, 2017 and came into force on proclamation. That concludes my presentation.

The Chair: — Thanks for the presentation. I'll flip it over to ADM [Assistant Deputy Minister] Wilby for brief remarks, and then we'll open up for questions.

Mr. Wilby: — Thank you, Mr. Chair. I appreciate that. Firstly I'd like to pass along regrets from Deputy Minister Glen Gardner. Unfortunately he's not able to attend today and so, unfortunately for you, you're stuck with me. We'd like to thank of course the Provincial Auditor for all the work that her and her team do and the great working relationship that we have both with the Ministry of Justice and of course, as you heard yesterday, with the Ministry of Corrections and Policing. I think we're able to do

much better work because of the work that they do and the advice that they provide to us.

We do have a number of the ministry officials here today. I'll save introductions for when they come up. We'll be sure for them to introduce themselves before speaking, for Hansard's sake there. Then from there I guess we'll just turn it right into some comments.

I appreciate the comments there, Mr. St. John, on the first chapter. Obviously this recommendation, as noted by the Provincial Auditor, relates to disaster recovery plans. As noted, that was implemented, so I won't spend a lot of time on that one today. We'll just sort of breeze past that unless there's questions from the committee.

As it relates to the second recommendation on timely removal of user access, of course you've heard my counterpart, Deputy Minister Larsen, speak to that yesterday. This obviously is a concern across many ministries of government. To recap that, the timely removal of user access matter has been around for some time. It's affected multiple ministries. We've put in quite a bit of work to try to address that and obviously haven't quite fully implemented the recommendation and achieved that yet. We made progress towards implementing that recommendation including this spring, and the ministry and the Public Service Commission got together to implement a process to automatically receive notification of an expected staff departure so we can adequately prepare for everything that we need to do.

Also in August of 2019 the ministry modified its processes for removal of user access to ministry-specific IT systems. And we also recently completed an internal test of employees exiting the ministry. The results of the review indicated that both the information technology division and our CJIMS [criminal justice information management system] system support are doing a good job of removing access in a timely manner when they're advised that the removal is required. And I think that's the key component here, is that they need to be advised of when that removal is required.

The issue here lies with the timely notification by ministry staff, and in particular ministry managers, to the Public Service Commission or system administrators of the employee exiting the ministry.

So to that end, as you heard from Deputy Minister Larsen, a couple of communications have gone out, one in particular to the direct reports of both Deputy Minister Gardner — that would include myself and others — emphasizing the importance of protecting government information. That message was asked to be cascaded down to other officials. And then another communication was sent to executive coordinators. That's really the heart and soul of our organization. They're the ones that coordinate the work of the executives and others. And I think that's an important piece as well, to make sure that they're aware of the concerns.

So to be short, the ministry understands the importance of getting this issue resolved. It's been on the books too long. Our goal is to consider this recommendation fully implemented by the end of the fiscal year, if we're able to do so. So with that I'm happy to take any questions from the committee.

The Chair: — Thanks for those remarks and for detailing the actions that have been taken and that'll be taken. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you, and thank you for the opening remarks as well and for being here today, and to all the officials for being here today as well. So just looking at the financial overview on page 55 of chapter 8, there's a note about the total revenues of 96.2 million. And this was for 2016-2017, which included revenues that come from fines and fees. And I see that in 2017-2018 that total was 103.8 million. Do we have a figure for 2018-2019?

Mr. Wilby: — Unfortunately, Ms. Mowat . . . That's a great question. I haven't brought that information with me, but we can provide that back to the committee and for yourself. That shouldn't take us too long to get.

Ms. Mowat: — Thanks.

The Chair: — And just on that, and this'll be the same response for any other information that you endeavour to provide, but our Committee Clerk will provide you the process to make sure where that's sent, and then that becomes part of the record.

Ms. Mowat: — Thank you. So because the total revenue has increased, was there also a corresponding increase in fees? And if so, when did those increase?

Mr. Wilby: — Thanks for the question. Again there have been some recent increases in court fees. In particular, in July of 2018 we increased fees associated with the Provincial Court. In February of 2019 we made some further increases to fees associated with Queen's Bench and Court of Appeal. These revenue numbers can change for a variety of reasons of course, some associated with fees. Some may be associated with revenues and other pieces that are coming through as well.

Ms. Mowat: — In this case did those court fees lead to additional revenues? Do you have a sense of what the additional revenue would have been because of those increases?

Mr. Wilby: — Unfortunately we weren't prepared to answer that at the table today. But again we can provide some of that information, if that's what you're looking for, and we'll provide that through the Clerk of the committee.

Ms. Mowat: — Sure. It would be great to just see a breakdown of the revenue so we can get a sense of what percentage of that is based on increased fees. That's great.

On page 57 of chapter 8, at the bottom of the page there's a discussion about the memorandum of understanding between the ministry and the Ministry of Central Services that includes the disaster recovery services. At this time it hadn't been implemented. And you know, we see in the status update and we heard yesterday that there's a relatively robust process now for implementation. Can you explain what some of the delay was in getting implementation?

Mr. Wilby: — Certainly. I'll turn this over to Monica Field who is our executive director of strategic systems and innovation.

Ms. Field: — That was in relation to the disaster recovery? So with the disaster recovery plan, at that time we were just finishing implementation of the courts side and we had to basically prioritize the time between the implementation and doing the disaster recovery. It just took time between the Ministry of Central Services and our two ministries to be able to coordinate and get that done.

It takes a huge amount of resource time, not only the developers and the technical staff within the Ministry of Central Services and their partners, but as well as staff within courts and corrections and making sure that we didn't impact the business at all during that time.

[08:45]

Ms. Mowat: — Thank you. Moving on to chapter 10, on page 60, when we're looking at the major programs and spending, there is a note that in 2017-2018 the ministry received a special warrant of 10 million. Was there any special warrant funding in 2018-2019?

Mr. Wilby: — Thanks again for that question, Ms. Mowat. Unfortunately the individual to answer most of these questions we didn't bring with us today because we didn't expect to get deep into financials, but well-placed questions of course. We did receive supplementary estimates in that year. In terms of a special warrant, we will confirm that for you. My recollection is the answer is no, but I don't want to say that definitively. We'll confirm that for sure so that we have an answer for you on that.

Ms. Mowat: — Okay. And you don't know the value of the supplementary estimates, though?

Mr. Wilby: — Off the top of my head, I don't have it. As I say, I wish that we had brought that official with us, but we will confirm to get that back to you. That would be public as part of our Estimates book, but we'll find that for you.

Ms. Mowat: — Thank you. Yes, one of the things that strikes me is just the pressures on custody, supervision, and rehabilitation services. You can see estimates versus actuals, those not lining up. Have these been accounted for in the budgeting process, and sort of what has that process looked like?

Mr. Wilby: — Again a strong question, and as we forecast out, we look to make sure obviously that we have the appropriate budget done at the start of each fiscal year so that we have the appropriate resources and don't have to come back to the taxpayers to ask for more. As was well-demonstrated yesterday, we have had changing inmate numbers, of course, across the province, and that leads to issues of overtime. It leads to issues of new units that have to be opened up on the corrections side.

As well, the counterbalance to that is the court side. You know, obviously as things move through the correctional system, we have to move them through the court system as well. So that does lead to some challenges within the ministry. We try to do our due diligence at the start of each year. We've been blessed to get a bit of a rebalance in our budget from treasury board and Finance, of course, and through the budgeting process to make our budget whole. And this year as we commit to going forward, we'll try to make sure that we stay within those means.

However within the correctional system, of course, we can't put out a no vacancy sign. We will take what comes and from there, of course, we have to clothe, feed, and house those individuals, and so there are costs associated with that. So yes, I would say the due diligence has been done to try to make sure that we have the appropriate budget at the start of the year and then again to live within our means as the year goes forward, but sometimes we do have to come back and ask for a little bit more.

Ms. Mowat: — Thank you. I have no further questions, Mr. Chair.

The Chair: — Any other questions from committee members? With respect to chapters 8 and 10, I would welcome a motion that would conclude consideration here today. Ms. Lambert moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's agreed. That's carried. We'll move along to chapter 40 and I'll turn it over to the Provincial Auditor's office.

Mr. St. John: — Thank you. Chapter 40 of our 2017 report volume 2 starts on page 277. This reports the results of our first follow-up of the Ministry of Justice's progress towards addressing recommendations we made in our 2014 audit of its processes to support the Provincial Court to manage court workloads. The committee has previously considered and agreed to these recommendations.

By July 31st, 2017 the ministry had implemented one of our six recommendations and partially implemented the remaining five. The ministry led a review to update and standardize administrative policies and procedures for use by all court locations. This makes policies and procedures available electronically on a common IT network drive to promote consistency and easy access for staff everywhere.

The ministry has also dedicated a staff member to review and update policies and documents based on legislative changes, requirements identified by judges, or ideas brought forward by staff to keep staff resources relevant and current. The dedicated staff member discusses proposed changes with court managers prior to implementation to identify impact of the change, receive feedback, and answer questions.

The ministry had made progress on the remaining recommendations but had not yet fully developed and implemented a complete forecasting process that identifies administrative and financial resources needed to support the management of court workloads, nor implemented a complete HR [human resources] plan that includes standardized training processes for staff who support the management of court workloads. The ministry has not yet made its key action plans to address operating pressures related to supporting the management of court workloads public.

In addition, it continues to need to improve its collection, analysis, monitoring, and public reporting of information related to supporting the management of court workloads and define clear and appropriate performance measures and targets for supporting the management of court workloads. Effective

support for managing provincial court workloads is important for timely hearings and delivery of justice. That concludes my presentation.

The Chair: — Thanks for that presentation. I'll flip it over to Justice for a response and then open it up for questions.

Mr. Wilby: — Thank you for the overview there as well. You know, I'd like to start here by commending our court staff for the work they do. Obviously, you know, they keep our courts functioning. They make sure that that part of the justice system continues to roll. And they have obviously, as we've talked about here, some significant workloads to deal with.

Since the auditor's first follow-up report approximately two years ago, the ministry's made significant progress on its process to support the provincial court to manage court workloads. The ministry feels it now has fully implemented four of the five outstanding recommendations. The one that remains outstanding we feel is partially implemented, is the developing and implementing a complete forecasting process. And when the Provincial Auditor returns for their next follow-up visit in the spring, we're confident that the remaining recommendation will also be fully implemented. And with that, we're happy to take any questions.

The Chair: — Thank you. Thank you very much and for the work on this front. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you. Thanks for the initial comments as well. In terms of the partially implemented recommendation — I'm just on the status update that was provided here — there is a discussion about the IT system, budget approval required for comprehensive IT system. I'm wondering if you can speak to that, if there is an expectation. Is this something that's ongoing? What system is needed? Or is this something that's already being discussed here?

Mr. Wilby: — I'll turn that over to Glennis Bihun, who's our executive director of court services.

Ms. Bihun: — Good morning. So the IT system is something that a couple other jurisdictions have in place. It's a comprehensive system that not only contemplates integration of financial information but also all of those core outputs that you might expect to see roaming through the court system along with some of those other traditional things — number of court rooms, number of judges, number of clerks. And it takes all of those things along with service delivery measures and integrates them into creating dashboards that's something that you can regularly see by ensuring the data is in there and shift around to allow you to proactively make changes as pressure points or service delivery needs might change.

In the interim we're really pleased to be working on implementing a forecasting model that takes the data that we have readily available to us, which will take us down the road of being able to identify cost drivers.

And we've done lots of work on that. We know those traditional components. We know some of our key financial indicators. What we really need to dig into now to be able to do a proactive forecast and how the resources should best be planned for is

understanding how much time, if you will, some of those core responsibilities that rest with clerks in supporting the court might take. So we know typically how much time a clerk is required to be in court, for example. And that's somewhere around 50 FTEs [full-time equivalent].

Now we need to dig in and understand how much time do those administrative supports to get ready for court and process things after court take. And we'll do that system of course in collaboration with all of our court managers for them to identify their pressure points or their potential savings, so that we can go forward on a regular basis. So we have a plan for the year and it's something that we're looking at on a monthly basis to be able to make sure that we're being proactive rather than reactive.

Ms. Mowat: — Thank you. It certainly sounds like a very useful tool. So I'm correct to understand that you are making it work and figuring out how to meet the spirit of the recommendation, but in an ideal picture this IT program would make a huge difference in terms of being able to manage court workloads.

Ms. Bihun: — Yes, that's correct.

Ms. Mowat: — Okay. What is the program called?

Ms. Bihun: — I don't know the specific name. It's certainly something that our colleagues in Ontario, I would say, are leading in the country as to what really is the desire, I think, for our jurisdictions across the country. It was a program that the Ontario government developed specifically for these purposes.

Ms. Mowat: — And is there an understanding of what the cost would be for it?

Ms. Bihun: — We don't have a clear understanding of what the cost would be. Some of that may be dependent on how successfully we could negotiate with another jurisdiction and really understand whether our business requirements are close enough to what the Ontario business requirements are to relate to modifications. And at this time, we have not done the assessment to identify the dollars that would be specifically needed for that.

The Chair: — Our Provincial Auditor just wants to offer some clarification as well.

Ms. Ferguson: — I just want to point out that the recommendation actually didn't call for an IT system. It called for a process. So you know, management has flexibility as to how they achieve that. So IT system is a potential solution but it's not . . . They can meet the recommendation without an IT system.

Ms. Mowat: — Thank you. Going into the chapter a little bit here, on page 277 it mentions the fact that there's an 18-month cap for the Jordan decision in Provincial Court. So a few years ago I know we asked written questions and three cases had been dismissed as a result of this decision. Is there an update on how many cases have been dismissed to date?

Mr. Wilby: — In terms of that question, we'll double-check with public prosecutions to get an answer for that. I know we were up to seven at one point but we will confirm that number for you to be sure.

Ms. Mowat: — Thank you. It would also be good to know what the charges were in each of these cases.

Mr. Wilby: — We can definitely commit to getting that for you.

Ms. Mowat: — Thank you. On 279 there is an indication that overtime hours have increased. So it says, “The number of overtime hours worked to support the Provincial Court in 2016-17 was 6,571, which is a slight increase since our 2014 audit . . .” which looked at 6,110 overtime hours. What are these overtime hours for 2017-2018 and 2018-2019?

Ms. Bihun: — I have those numbers here with me today. For 2017-18 the overtime hours were 6,887. For 2018-19 the hours were 6,940. What I would offer as well on our overtime hours is, while we haven’t yet reached the status quo or frankly a decline in the number of overtime hours, what we are observing is that two years ago the comparisons were almost a 5 per cent increase in our overtime hours. Now we’re experiencing less than a 1 per cent increase in our overtime hours, so we really think that we are making significant progress in how we’re managing those overtime hours.

Ms. Mowat: — Is there a sense of what’s driving the overtime costs?

[09:00]

Ms. Bihun: — There are a number of things that are going to contribute to our overtime costs. Certainly some of those things will occur as we have vacancies to staff. We are fortunate enough to have experienced court staff who are long-serving and dedicated employees. That brings with it a fairly high level of leave entitlements. And of course as court is scheduled, we always have needs to backfill those positions when people are on leave.

The other component of course is that as the Chief Judge schedules court and those matters may be held at circuit points that involve travel; oftentimes the cases are more complex. The clerks are required to be participating at court as long as court is sitting. So we do know that some of it is a natural part of supporting the court in the way we’re obligated to do so.

Ms. Mowat: — In terms of, so you’ve mentioned the fact that there’s less of an increase now. Do you think that is due to certain actions that have been taken by the ministry? Like is there something that you account for making a slight dent in that increase?

Ms. Bihun: — There’s two things that come quickly to mind for me. One is all of the efforts that we’ve put into play to create policies and procedures as well as the judicial officer training manual. Those are really key components so that consistency can be achieved in the processes that are required to do all of the work to support the court. They’re also really important to, when you have turnover and you’re training new staff, to be able to train them and have them competent and independent in their roles as quickly as possible. So that becomes something I think that’s really important.

The other area that we’ve looked at to contribute to those things is really being diligent with how quickly, when we experience

vacancies, we’re able to move through the staffing process to be able to fill the vacancies. And we’ve seen our average time to fill a position reduced by . . . and I don’t have the number right in front of me, but reduced by as much as 20 days. And so our vacancies aren’t being experienced for the same length of time as they would have been a number of years ago. And I think filling vacancies quickly is also an important factor.

Ms. Mowat: — Thank you. On page 281, “The Ministry has developed a Strategic Systems and Innovation branch with a mandate that includes in-house data analytics.” So they were working on centralizing data into a data warehouse by March 2018. Can you provide an update on that?

Mr. Wilby: — We’ll ask Monica Field to come back to the table for that one.

Ms. Field: — Yes. We implemented the data warehouse in March. We are continually moving data in as we start to build further reports in that to be able help support both the Ministry of Justice and the Ministry of Corrections and Policing.

Ms. Mowat: — Thank you. Where is the data warehoused?

Ms. Field: — The data warehouse is housed within the Ministry of Central Services environment, so the one that they support and house.

Ms. Mowat: — Okay. There’s also a mention about public reporting on court workloads. Is there an update on that?

Ms. Bihun: — Yes, there is. I am happy to advise that as part of the ministry’s 2018-19 annual report, the ministry was able to report on a newly established baseline that speaks to the time for case resolution on a provincial basis. The baseline that was established was through all of the work that was derived out of the data warehouse that is now in place. The number that we are starting from is 259 days.

I think it’s also important for me to note when we look at that number that we have real opportunities to now do further assessment and analysis, to be able to understand what that number stands for, if you will. So there are many factors that contribute to identifying a time to resolution. Those would be as simple as geographically driven, what kinds of technology are available in the various court locations, etc.

And so the data warehouse has not only allowed us the ability to generate this initial benchmark, but it also gives us the data to be able to do further assessment to break it down and understand what are the influences on that provincial number and link them to some specific things and initiatives that the ministry has under way to have a positive impact on that.

Ms. Mowat: — Thank you. I have no further questions on this chapter, Mr. Chair.

The Chair: — Good questions. Thanks so much for all the work and the answers at the table here today as well. Any other questions on chapter 40? Then I’d welcome a motion to conclude consideration. Mr. Olauson moves. All in favour?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move along to chapter 9 at this point and I'll turn it back over to the Provincial Auditor's office.

Mr. St. John: — Thank you. Chapter 9 of our 2018 report volume 2 starts on page 55. This reports the results of our annual integrated audit of the Ministry of Justice and Attorney General's Victims' Fund for the year ended March 31st, 2018. The chapter includes one new recommendation for the committee's consideration. We report that in 2017-18, financial statements of the Victims' Fund are reliable and they complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

On page 58 we make the new recommendation. We recommend the Ministry of Justice and Attorney General Victims' Fund submit claims for its federal cost-sharing agreements within the deadline set out in agreements. For the last few years the ministry submitted claims to seek reimbursement of allowable expenditures from the federal government much later than the June 30th deadline set out in each of the federal cost-sharing agreements. The federal government does not reimburse the fund for allowable expenditures until it receives claims from the fund. As a result of not submitting final claims promptly, the ministry had not sought reimbursement of allowable expenditures incurred totalling 1.3 million.

Not submitting claims promptly results in poor cash management as it delays receipt of cash from the federal government and increases reliance on cash from the provincial government. That concludes my presentation.

The Chair: — Thanks for the presentation. We have a new recommendation before us here in this case. We'd welcome remarks from the ministry and then we'll open it up for questions.

Mr. Wilby: — Thank you, Mr. Chair, and thank you to the auditor for the new chapter. The Provincial Auditor's office found the fund to have reliable financial statements of course, which is important, and was compliant with various authorities for the year ended March 31st, 2018. We agree with the auditor's finding that the Victims' Fund did not submit past claims for federal cost-sharing agreements on a timely basis. We now consider this recommendation fully implemented and have done some work around that to make sure that that continues. Subsequent to year-end, the ministry submitted 2016 and '17-18 final claims for reimbursement. All three '18-19 final claims were submitted for reimbursement by the deadline of June 30th, 2019. So with that we're happy to take any questions.

The Chair: — Thank you for that. We'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you. So on page 55 when we're looking at the 2017-2018 financial results, there's quite a variance between the budget and actual for 2017-2018 in administration costs and bad debt, so there was around 1.9 million budgeted and the actual was about 3.5 million. Can you explain what explains the variance?

Mr. Wilby: — We believe that might be attributed to bad debt. We'll get the financial information for you and provide that back

to you again as well. I'm sorry. The individual responsible for that, we unfortunately don't have at the table today.

Ms. Mowat: — Thank you. On page 57 . . . This is around the recommendation, so submitting claims to seek reimbursement much later than the deadline. I'm just wondering if you can explain, you know, why these delays were occurring.

Mr. Wilby: — Sure. In that time period we had several key staff positions within victims services branch that had been vacant for some time leading up to that point. As well there was a significant workload in particular pertaining to the issues in the unfortunate circumstances around La Loche and all the work that was put on the folks in the victims services branch and the Victims' Fund associated with that, which of course is no excuse, but it's a reason and a rationale.

Given those challenges, victims services branch is required to give victims' needs priority, of course, with the results that the branch delayed submission of some of those federal cost-sharing financial claims. So as a result we've rectified and resolved those staffing issues and as well we've taken a different approach in terms of the oversight of the financial component of that, and we've moved that into our central financial group so that they will have oversight of that, making sure that that is their responsibility. So those that are working within the fund can work with victims, work with the administration of that piece, and the financial oversight can be done through our financial folks.

Ms. Mowat: — Thank you. I'm noting that the fund has been running annual deficits. Is this something that is expected to continue or is expected to be reconciled at some point?

Mr. Lawrence: — Good morning. Dwight Lawrence, director of victims services branch. Thank you for the question. And a couple of factors that come to play really do ensure that the revenues will allow sustainability of all the programs and services for the Victims' Fund. From about 2015-16 there was 10.04 million GRF [General Revenue Fund] responsibility moved into the Victims' Fund for interpersonal violence and abuse programs. With this spring's budget that amount moved back into the GRF.

Another factor was some revenue loss as a result of a Supreme Court decision to strike down the federal victim surcharge. That surcharge has been corrected in the Criminal Code. It's been amended so we'll be collecting federal victim surcharges as well now in the province. And so, you know, the issue has been addressed.

Ms. Mowat: — Thank you. Can you speak to how many programs are now receiving support from the Victims' Fund?

Mr. Lawrence: — There's a range of programs and services. The largest component is police-based victim services, about 3.6 million annually. That's a province-wide program based out of police jurisdictions that support victims of crime with crisis immediate response. There's some other components within that: Indigenous resource officers and missing person liaison programs that really focus on missing persons cases. We also fund 10 children exposed to violence programs across the province, six Indigenous family violence programs.

We have a victims compensation program that pays for actual costs related to a violent crime and that pays out about, this past fiscal, 1.1 million. Also have a victim witness program. Victim witness specialists are co-located with the Crown. They support children through the process of testifying to manage their fear and anxiety. And then we have two restitution programs. And that's really sort of the range of programs and services.

Ms. Mowat: — Thank you. That concludes my questions, Mr. Chair.

The Chair: — Good questions. We have a new recommendation here. Do we have any other questions? Well then at this time I'd welcome a motion along the lines that we concur and that we note compliance. Moved by Mr. Weekes. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move along to chapter 36, and I'll turn it back over to the auditor's office.

[09:15]

Mr. St. John: — Thank you. Chapter 36 of our 2018 report volume 2 starts on page 249. This reports the results of our third follow-up of the Ministry of Justice and Attorney General's progress towards addressing recommendations we initially made in our 2012 audit related to processes to enforce maintenance payments. The committee has previously considered and agreed to these recommendations.

By August 2018 the ministry had partially implemented our two remaining recommendations. We found the ministry developed reports to help it better monitor maintenance payers defaulting on support payments. However, the ministry staff was not always reviewing those reports. Not consistently reviewing the reports increases the risk of the ministry not taking appropriate enforcement actions and not determining whether it has accurate and up-to-date information for maintenance payers. That concludes my presentation.

The Chair: — Thank you for the work and the presentation. I'll turn it over to Justice and we'll go from there.

Mr. Wilby: — Thank you again to the auditor's office for their work on this file. Enforcement officers work diligently to monitor their assigned client files to ensure appropriate enforcement actions are taken. As the auditor's report states, the ministry has developed reports to help it better monitor maintenance payments, defaulting on support payments. The reports are reviewed every two months effective November 2018.

Given the number of transaction and client files, these reports take time to review, and of course, in some cases, evidence to the review is not always present. The ministry has reminded the maintenance enforcement officers of the importance to document the review of client files. For both outstanding recommendations, the ministry now considers these implemented, and we anticipate working with the auditor's office on that to confirm that. With that, we're happy to address any questions the committee may have pertaining to this chapter.

The Chair: — Thank you for that. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you very much. Certainly an issue that I've seen a lot in my constituency in terms of families trying to get by when maintenance payments aren't coming through. In terms of what happens to the default list and what that process actually looks like, I'm wondering if you could shed some light on how enforcement is realized.

Mr. Wilby: — I'll turn that over to Lionel McNabb, who is our director of maintenance enforcement.

Mr. McNabb: — Good morning, and thank you to the auditor. In the original report they had noted that Saskatchewan, they noted twice, we have one of the highest collection rates in the country. So thank you for that. And we're using the default rate to monitor payments that we're not getting. So every two months they look at a collection rate and see, did Lionel pay last month.

I think your question I'll try to respond to is what enforcement methods do we have. And that is a wide range of things. Governments over the 26 years since I've been doing this job have been very kind to help us help collect money for children. So I'll just go through some. If somebody isn't paying, the first thing we do is we garnish the federal government, and that would collect any money the person may get from them, including some farm payments, fisheries payments, GST [goods and services tax], income tax, employment insurance.

Next thing we would do is, automatically our computer system would register their name so they can't buy or sell land in the province. It would also register against personal property so they can't sell vehicles, or it makes it challenging to buy vehicles. And just to compound that, we register them with the credit bureau so they can't get loans.

And then if that isn't working, you know, one of the big ones of course, we garnish people if we know where they're working. And that's one of our main sources of income. The big hammers then start to come out if they're still not paying. That is taking away driver's licence, cancelling their passports, cancelling their hunting and fishing licences. And a last resort is really just taking them to court to try to, in front of a judge, explain why they're not making their payments.

So we have a number of methods of collecting. And it's usually quite successful. Unfortunately there's a number of people that don't work or work under the table, so those are our most challenging ones.

Ms. Mowat: — Thank you. And I do appreciate you going through the list as well. On page 249, so this is as of 2018, there were 42 employees and 18 of them were enforcement officers. Is this the same complement that you folks have now?

Mr. McNabb: — We now have two more enforcement officers. We implemented a new computer system in 2016. As a result of that, we've been able to streamline. Last year we collected \$48 million; this year we'll collect \$50 million for families and children. But the money, with our new computer system, we've got most of our clients on direct deposit so we issue very few cheques anymore. And a lot of the payers that do pay, including

the employers, can send us the money electronically. So we don't have to touch as much money.

So we took one of our payroll . . . not payroll people but, you know, that manage the money and changed that to an officer. And we also had a management position that had been vacant for a couple of years, and we made that into a collection officer position as well. So we now have two more collection officers.

Ms. Mowat: — Thank you. How's that compare to about five years ago?

Mr. McNabb: — Our staff complement has been fairly steady over the last five years. And our file load, to be fair, we get 30 or 40 new files a week, but thank goodness we close 30 or 40 new files a week. So we stay fairly consistent on the files. And the number seems to be around five years, whether it's us beating away at people, or they've just worked something out. Or we've even heard people say, well if you guys are forcing me to do it, I might as well just pay. So our caseload is staying fairly stable, as is our number of employees.

Ms. Mowat: — So the caseload is something that you are tracking regularly and keeping . . . [inaudible].

Mr. McNabb: — We track that all. We collect. Collection work, we get a printout every month on a number of files, amount collected. There's a printout that shows how many files each officer has and their collection rate, and that's shared with each officer. We've tried a couple times to say, well are you sure each of you wants to see what the other people do? And they all go yes, we want to know, because I want to beat Joe. So every month everybody gets all that information.

Ms. Mowat: — What is the average caseload, then? How would you describe it?

Mr. McNabb: — Our average case, and that's . . . I'll have to take a step back. So we have an area where once people start paying on a fairly regular basis, even if it's been a long-term garnishment, we move them to what we call a regular payer area. And we just have two administration people that look after that. We don't need an enforcement person to do that. For the enforcement officers our caseload was up around 500-and-some files. And with transferring some of the files to regular payer and getting the two new officers, we're now getting down around the 350 to 400 range.

Ms. Mowat: — Okay. And has that caseload grown quite a bit for enforcement officers, you know, over the last five years? If your staff complement has remained the same, is the demand growing?

Mr. McNabb: — Because our caseload is staying fairly stable and we've added more officers, actually over the last year the caseload has dropped.

Ms. Mowat: — That's great.

Mr. McNabb: — Per officer. It is great, yes.

Ms. Mowat: — And certainly not having to write the cheques probably helps as well, with administrative tasks being

streamlined a little bit. Thank you. Those are all my questions, Mr. Chair.

The Chair: — Mr. Weekes.

Mr. Weekes: — Thank you, Mr. Chair. My experience as MLA [Member of the Legislative Assembly] has been, you know . . . I commend your office and the ministry for great work in collections. I've had a number have come through my office and they've been dealt with fairly rapidly. More for informational purposes than anything, do we have agreements with other provinces for collections? And also international situations, how does that work?

Mr. McNabb: — Yes, we do. There's a number of things going on. It's called reciprocity. So reciprocity means we sign an agreement with other countries and jurisdictions. In Canada we don't need those. We work closely with the other provinces and territories, and the directors of maintenance enforcement have a monthly teleconference to try to make things better. Reciprocity, of course, is with other countries. We sign an agreement. They sign an agreement. As long as they've got some kind of collection system, we will sign an agreement. Saskatchewan has reciprocity with more countries than anywhere else.

Right now there's actually a small working group of deputy ministers and directors and there's five of us on that, including Saskatchewan and our deputy minister, Glen Gardner. And our task is to try to make it better, to get orders faster between jurisdictions, and to improve the collection rate on those files. Some of the payers, unfortunately, that move from place to place do it to avoid collection. You can move to BC [British Columbia] and by the time, you know, it takes us a month and a half to two months to get it to BC, well then they move to Alberta. So if we can streamline that it will also help the collection rate.

And last but not least, without taking too much of your time, we have for the four western provinces, because they're the ones where people move more frequently back and forth, we actually track a number of the payers. And we call them border jumpers because they move back and forth. So with Alberta and us, or BC and Saskatchewan, we will all agree to leave all our enforcements in place. So Alberta will have all their enforcements. We'll have all ours. And once in a while we get calls saying, well you know, you've taken 100 per cent of my income. We say, well you better come talk to us if you want us to work something out because you haven't been paying, obviously.

Mr. Weekes: — Thank you.

The Chair: — Mr. McMorris.

Mr. McMorris: — Thanks. And I, like Mr. Weekes, have a number of these come through my office and have been dealt with very well for the most part. And maybe I missed it — I'm sorry if I did — but we're one of the best collections in Canada. What is that percentage? You know, out of however many thousand, how many don't pay?

Mr. McNabb: — Let me come at it the other way because I'm not sure I know the answer to that one, but I do know we collect about 88 per cent of the time. We were up around 91 per cent and we're down to 88.

We took a nosedive around 2008 when the economy . . . We track the economy. If people aren't working, we can't collect money. In 2008 there was a number — thousands of people, actually — in the oil industry. A lot of those people had court orders where they had to pay. You know, they made 150,000 a year or 120,000 a year. They no longer have those jobs but their court order still said they had to pay, you know, 1,500 a month or 2,000 a month. So those are gradually working back through the system.

So our collection rate is gradually inching up. And again, we started a program a year ago out of family justice services, which is part of what I look after, a recalculation program. So we started that a year ago to help people change their court order.

We have in the last eight months changed about 75 court orders, and about half up, half down. So it works both ways. So if people give us their income tax information, we can change it. If they don't give us the income information — and mainly those are the ones going up — we have the ability to contact the employer and say, what does Lionel make. And then based on that we'll move that up. So people don't have to go to court to do that and the cost is free.

The Chair: — Great. Ms. Lambert.

Ms. Lambert: — Thank you. You mentioned suspending driver's licences, and I would imagine that would get someone's attention pretty quick. But how does that work when it comes to their employment? If you're hindering them from getting to and from work without a licence, or the public transportation doesn't work for them, how do you . . .

Mr. McNabb: — I hear that question quite regularly, and I guess my response is, well, if you're going to work, why aren't you paying?

Ms. Lambert: — So there's no exception made for getting to and from their employment.

Mr. McNabb: — No.

Ms. Lambert: — All right.

Mr. McNabb: — If they tell us where they're working, we will get the money. And there's the odd exception where we'll say, you know, I'm out of work, lost my licence. So our response on that is, we'll give your licence back for a month; go find work as long as you let us know where it's working. And we also have in our legislation that if we make an arrangement with somebody and give their licence back, if they don't follow through on that agreement, we can pull it immediately. So we do try to work with people, but if they're working they should be paying.

Ms. Lambert: — Thank you.

The Chair: — So thanks so much for your work on this front and all the work on the recommendations here today as well. Just that 88 per cent collection rate, is that a reflection of the regular payers? Or does the 88 per cent include the activities that you go out to collect the dollars from those payments that are outstanding as well?

Mr. McNabb: — The 88 per cent includes the people that pay

regularly, but it also includes about 2 or 3 per cent of our files where the payer is on social assistance and we don't get anything. So to some extent it averages out a little bit, because we put everybody in the mix. So if the payments are coming in, like, all we can look at is what should have been collected in a year and what we collect. So to some extent, I think, maybe that answers your question.

The Chair: — I think so. Yes, I think it does. But just to clarify, because you're working hard for the very important work if somebody's not paying and you're going out to get those dollars, and that would . . . You know, but they maybe hadn't paid for a number of months or something at that point. And then those dollars, once they're collected, that would be included in your collection rate. Is that correct?

[09:30]

Mr. McNabb: — That is correct.

The Chair: — Obviously for those that are expecting those payments and counting on those dollars to live their life and raise a family, yet any breach of that monthly payment can be a real challenge for them. Do you keep track of what the regular payment rate is as opposed to the collection rate?

Mr. McNabb: — Our system doesn't track that exactly. I suspect the number is less than the 88 per cent. It's likely in the 78 per cent.

The Chair: — Thanks again for your important work on this front. It's important to many and as others have said, this is certainly something that, you know, we work within our offices. And it's pretty critical that someone, you know, to go a month without a payment is hard, so extend that out over any period time and it puts people in a real hard position. So thanks for the work to your entire team.

Mr. McNabb: — I guess my last comment would be, we get so many calls from MLAs' offices and MPs [Member of Parliament] that a number of years ago we built into our legislation that MLAs or MPs (a) can just phone us directly, but they do not — as long as they've talked to the person; it could be the payer or the custodial parent — they don't have to get the waiver signed.

A Member: — Oh, I didn't know that.

Mr. McNabb: — We built that in just to make it easier. And so a good chunk of MLAs and MPs just phone my office directly and we get back to them usually within four to six hours.

The Chair: — So just to say that's really appreciated. We don't need to share the direct contact at this table right now, but if there could be a note sent out that would go out in essence as a little memo to all MLAs as to where that contact would be placed, that would be really helpful for everyone's offices.

Mr. McNabb: — We'll get another. There's been a number. We'll gladly do that, but ministers over the years, over the last 25 years, we've likely sent out seven or eight letters and we'll gladly do one just so all ministers have agreed to that. We'll get one shipped out.

The Chair: — That's great. And make sure it gets out to all MLAs if possible.

Mr. McNabb: — Well MLAs and MPs, yes.

The Chair: — Thank you so very much. Yes, you bet. Okay, well thank you for the work here. Not seeing any other questions at this time, and these two recommendations are outstanding and implemented, I would welcome a motion that concludes consideration. Mr. Olauson moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried, that we conclude consideration of chapter 36. At this time I'd like to thank Justice officials that are here today for their time and their attention and their answers here today. And certainly to all those that aren't here that have been involved in this very important work, thank you to them as well. So any closing remarks at all from ADM Wilby?

Mr. Wilby: — Thank you, Chair. Yes, I'd just like to thank the committee for having us here. Of course, thank the auditor's office again for all the work they do. Thank you for the questions, Ms. Mowat in particular for your very thoughtful questions. And we have some information to get back to you on and we'll do that. I'd like to thank our officials that are here and prepared all the work for today and spoke at the committee as well. So again, thank you for the time.

The Chair: — Thank you very much. We'll take a brief recess. We've moved our schedule along and we have the Ministry of Immigration and Career Training coming along soon. So I guess to committee members, be near when they're here. We'll go at it.

[The committee recessed for a period of time.]

[10:00]

Immigration and Career Training

The Chair: — We'll reconvene the Standing Committee on Public Accounts here this morning. So thank you so very much to officials with the Ministry of Immigration and Career Training for doing a bit of a hurry-up offence to join us here today. We were ahead of schedule, so thank you for accommodating us in the hearing that we have.

Thank you to Deputy Minister MacFadden and the officials that are with us here today. I would welcome him to briefly introduce the officials that are with him and then we'll turn it over to the auditor to deal with chapters 19 and 30 bundled together first, and then we'll have remarks from the ministry at that point. So at this point in time I'll turn it over to DM [Deputy Minister] MacFadden.

Mr. MacFadden: — Thanks for the opportunity to introduce a couple of members of our leadership team in the ministry. At my right is Ms. Christa Ross. She's the assistant deputy minister for immigration, employment, and career development. That's the division in the ministry that helps workers to prepare for jobs, get jobs, and stay employed in this province. That includes workers from inside the country and outside.

And at my left, your right, is our chief financial officer, Denise Haas. Her team in corporate services manages corporate support for the Ministries of Immigration and Career Training, Energy and Resources, and Trade and Export Development.

The Chair: — Thank you very much. Thanks for being here today. I'm going to table PAC 90-28, Ministry of Immigration and Career Training: status update dated September 26th, 2019. I want to thank the officials and all those involved in putting together that status update as well. That's really helpful for committee members to focus our questions. I'll turn it over to the Provincial Auditor and her office to present on chapters 19 and 30.

Ms. Ferguson: — Thank you very much, Chair, Deputy Chair, members, and officials. I'd just like to introduce my colleague that's to my left here, Mr. Kelly Deis. Kelly is the deputy responsible for a portfolio that includes this, the Immigration and Career Training. Behind is Mr. Victor Schwab. Victor led some of the work that's on the agenda here this morning. And Ms. Kim Lowe is our committee liaison.

I just want to take a moment and pause in terms of how we're going to present the chapters that are on the agenda. We're going to package the first two together into one presentation, and then chapter 4 of our 2016 volume 2 will be on its own. Then we're going to package the next two chapters — the 2017 volume 1, chapter 3 and 2019 volume 1, chapter 31. And then the last two chapters again will be packaged together in the same presentation, like a separate presentation. So there'll be four presentations that Mr. Deis will be making here.

So before I turn it over to Mr. Deis, I just want to take a moment and extend a thank you to the ministry for the co-operation extended to our office during the course of this work. Thank you very much. Much appreciated.

Mr. Deis: — Good morning. The Ministry of Immigration and Career Training — and that's formerly the Ministry of the Economy — works with Saskatchewan employers and potential immigrants to improve the likelihood of the federal government accepting a nomination, that is, a recommendation. The ministry uses the program to recommend, that is, nominate, applicants who qualify under provincially established criteria for permanent immigrant status to the federal government.

Chapter 19 of our 2016 report volume 1, on pages 237 to 242, reports the results of our first follow-up of the recommendations originally made in our 2013 audit of the ministry's processes to nominate qualified immigrant applicants to meet the Saskatchewan immigrant nominee program's needs.

Chapter 30 of our 2019 report volume 1, on pages 297 to 299, reports the results of our second follow-up. By March 2016, the ministry had implemented three of the five recommendations. The ministry had followed its policies and procedures to document how decisions were reached on eligibility and qualifications of immigrant applications. It had also established a process to estimate and communicate future processing times for its programs, and updated its policies to reflect its risk-based practice for quality reviews for the program.

By February 2019 it had implemented the two other

recommendations. The ministry has provided guidance and training for staff to assess the business establishment plans for the entrepreneur immigration categories of the Saskatchewan immigrant nominee program. In this chapter we note the ministry no longer requires applicants to submit relocation and settlement plans. Therefore this part of the recommendations are considered no longer relevant. And that concludes our presentation.

The Chair: — Thank you very much for the focus and the presentation. I'll turn it over for a brief remark if the ministry, if the DM cares to, and then otherwise we'll open it up for questions.

Mr. MacFadden: — I think as Kelly has noted, the SINP [Saskatchewan immigrant nominee program] program continues to evolve over time and we're pleased with the observations that have been made on the improvements to our practices.

The Chair: — Thank you very much. Committee members, questions? Ms. Mowat.

Ms. Mowat: — Thank you, and thank you for providing the status updates as well. When we're looking at page 238 of chapter 19, there is a figure 1, applications received and nominations by calendar year. So it's providing us a bit of an overview of how many applications have been received and how many nominations have been issued. But it only goes up to 2015. So I'm wondering if you can fill us in on what these figures were for '16, '17, '18, whatever the most recent available information is for applications received, nominations issued, and what the federal limit was in those years.

Mr. MacFadden: — That's something that will need to be tabled after because we did not bring all of that up-to-date information. I can tell you that since 2015 we've seen increases to the federal allocation for nominations available to the province. Those are done on a calendar-year basis which is why you see the chart displayed as it is. For the current calendar year, for 2019, the province has an opportunity to nominate up to 6,000 individuals. And then when that's combined with family members including spouses and children, we expect a bit of a multiplier effect on the landings that will take place in future years.

Ms. Mowat: — Okay. Thank you. Is that something that you could provide back to the committee, those updated numbers?

Mr. MacFadden: — Yes.

The Chair: — And thanks so much for that undertaking. We'll make sure that the Committee Clerk connects with the proper way to, you know, the channel to get that, to make sure it's part of the record. Thank you.

Ms. Mowat: — On page 239 there's a note that as of March 2016 about four ministry staff were responsible for evaluating applications in the entrepreneur category. How many staff are responsible for this work today?

Ms. Ross: — Thanks for the question. Sorry, I was just going online to confirm with our director the number of current employees we have in our entrepreneur unit, as we refer to it. So we currently have four business immigration officers. We have two what we call information verification analysts. So the

information verification analysts are the one who would do sort of an initial review of the file to make sure it's a complete application and we have all the information that is required, and then it would proceed to a business immigration officer who would actually be reviewing the information and assessing it against the program criteria and making a recommendation as to whether or not it meets program criteria.

Ms. Mowat: — Thank you. So that would mean you would have six staff total that are responsible for work within the category?

Ms. Ross: — Well I'll mention, I guess, the full team complement. So we do have a director that's responsible specifically for our business immigration, so entrepreneur and farm. There's also a manager of that team. We have a dedicated administrative assistant in that team. And we have another position and another individual. Her title is the business landing officer. So she is the one that works with applicants more on the back end.

So mostly right now with our former applicants who were under the old criteria where they would submit an application, they would have a business proposal, they would be approved for a nomination at the front end, and they would be arriving to Saskatchewan as a permanent resident. And then they had two years to fulfill the terms of their business agreement with us.

So her role is to basically work with the nominees once they're requesting a return of their 75,000 good faith deposit, which again I'm talking about all old program requirements and criteria. But after they've landed, after they've established their business, after they feel or consider themselves to have fulfilled the requirements of their business performance agreement with us, she would be working with them to verify that in fact they have met those requirements and that they would be eligible to receive their \$75,000 good faith deposit back.

Ms. Mowat: — Thank you. And what is the fee structure like for new programs in this category?

Ms. Ross: — Do you mean kind of how the program works or how the work is divided amongst the staff I just mentioned?

Ms. Mowat: — The fees.

Ms. Ross: — Okay. So it's a totally different program. There isn't a 75,000 deposit. There isn't any kind of good faith deposit. What's required now is they're still required to apply and provide a business proposal. If they're approved, what they get at that point is just support from us to get a temporary work permit, which allows them to come to Saskatchewan as a temporary resident to set up their business. And then once they've fulfilled the terms of their business performance agreement, then they can apply to us to receive the nomination for permanent residency.

So we found that the good-faith deposit wasn't perhaps the right incentive or wasn't helping us to achieve the outcomes we wanted. So now we've moved to what we call a two-step model where, you know, where at the first cut or at the first stage we're supporting them to come here as temporary residents to start their business and carry out the plans in their business proposal. And then once they've done that, that's when we will give them the support to become a permanent resident, so nominate them for

permanent residency.

Ms. Mowat: — Thank you. So you went from the \$7,500 deposit to basically there is no fee?

Ms. Ross: — So it was a \$75,000 deposit. And there is an application fee, but there isn't any financial deposit that they have to advance to us.

Ms. Mowat: — What is the application fee?

Ms. Ross: — It's \$2,500 to apply.

Ms. Mowat: — Okay. And that application fee is non-refundable regardless of what happens with the application?

Ms. Ross: — That's correct.

Ms. Mowat: — What has the revenue stream looked like from the applications?

Mr. MacFadden: — Our fee structure within the SINP is designed to be cost-neutral. We're trying to recover the costs that are necessary to operate the program, and so we're not running it as a profit centre by any stretch. So we will calibrate and calculate those costs and update the registration fees as needed.

Ms. Mowat: — That concludes my questions on these chapters, Mr. Chair. It's good to see the recommendations implemented, and thanks for the update.

The Chair: — Yes, thanks so much for the detail and the status update as well with respect to the implementation. There's a lot of work that's detailed there. Other questions from committee members? Not seeing any . . . I'm sorry, Ms. Lambert.

Ms. Lambert: — No problem. Thank you. So you had mentioned the figure 6,000 that we're allowed by the federal government to process, if that's annually?

Mr. MacFadden: — We receive an allocation on an annual basis. Hopefully it's before January 1st, but at times it's later. And it has grown since 2012, and so we've seen an increased opportunity to attract people as entrepreneurs, farm owners, and workers in this province.

[10:15]

Ms. Lambert: — So based on your last figures or your latest figures, how many applications would you receive versus how many we're allowed to accept?

Mr. MacFadden: — There is significant interest in people moving to Canada, and the program is meant to respond specifically to the economic demand and the unmet need for skilled labour in the province primarily. So the program sees people nominated with job offers, some people nominated because their skills and experience align with the forecast of labour market opportunities and the economic trends in Saskatchewan. So it's going to vary by sector. It's going to vary by industry. And so we very carefully calibrate the policy so that we are not oversupplying, but that we're getting just the right volume of skilled workers that Saskatchewan requires.

Ms. Lambert: — But you receive considerably more applications than you're able to process and accept, based on that 6,000 ceiling.

Mr. MacFadden: — Correct.

The Chair: — Thanks so much. At this time I'd welcome a motion to conclude consideration of chapters 19 and 30. Ms. Lambert. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move ahead. And we're going to focus, I think, on chapter 4 by itself because there's new recommendations there. Or I'll turn it over to the auditor's office.

Mr. Deis: — Chapter 4 of our 2016 report volume 2, on page 25 to 28, reports the results of our annual integrated audit of the Ministry of Economy — now the Ministry of Energy and Resources, the Ministry of Immigration and Career Training, and the Ministry of Trade and Export Development — for the year ended March 31st, 2016.

In March 31st, 2016 the ministry had effective financially related controls and complied with financially related authorities other than the following area: on page 28 we recommended that the Ministry of the Economy follow its established procedures for removing user access to its computer systems and data. We noted five out of five instances where the ministry had not removed both the user's MIDAS [multi-informational database application system] and network access promptly. In addition, we found three more employees that did not have network access removed promptly. We note that this recommendation has now been implemented, as reported in our chapter 19 of our 2017 report volume 2. That's in the summary of implemented recommendations.

On page 28 we also report that the ministry successfully implemented the recommendation related to its new oil and gas system. During 2015-16 it developed a plan to measure and report on the benefits of the process renewal and infrastructure management enhancement project, the PRIME project. And that concludes our presentation.

The Chair: — Thanks for the presentation. I'll turn it over to the deputy minister and we'll go from there.

Mr. MacFadden: — I think we're pleased to report some progress in these areas. Denise Haas is able to speak to some of the successes that have been made within the ministry's work with Energy and Resources, Trade and Export Development, ICT [Immigration and Career Training], but also progress across government that's been made in this same area.

Ms. Haas: — Okay. I would just add one thing that over and above the status update, the information on the removing users promptly, there now is a new process across government where upon termination a notice goes in to the PSC [Public Service Commission] that there is an automatic notification that goes over to ITD [information technology division] now to have that access removed. So I think it's much smoother all across government, and part of that shows in that this audit itself was from three years ago, and we haven't had that issue occur again.

The Chair: — Thank you. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you. Thanks for the initial update as well. As I'm looking at chapter 4, I see that there were 576.9 FTE employees when this report was written, so this was from 2016. I'm wondering how that compares to today because it's split across ministries which sometimes can make it a little more difficult to compare to the past.

Ms. Haas: — No, what I would say to that is when the ministry was split into three, the FTEs were aligned by the role that they played into each of the three ministries. With that split, the corporate services area and even marketing and communications, like those corporate-type areas continue to provide . . . we have an actual official memorandum of understanding that we've signed where we continue to provide the shared services to all three ministries.

So there wasn't a large change in the numbers of FTEs. There was some minor change in that we then had to form three deputy ministers' offices and those kinds of things. So there was a bit of a change in FTEs, but overall the number of FTEs at the time of the split was . . . I mean, I think we might have added three across, maybe four, at the time of the split. Otherwise the total stayed the same across the three.

Ms. Mowat: — Thank you. So you don't have the exact number with you, I assume.

Ms. Haas: — No.

Ms. Mowat: — Okay. On page 26 figure 1 shows a significant amount of variance when we're talking about estimated versus actual revenue streams. So I won't go through all of the differences, but it is significantly different in terms of the total revenue that was forecast. Can you speak to whether 2015-2016 is a unique year or if this is common?

Ms. Haas: — Thank you for the question. With the split into the three ministries, by far the vast majority if not almost all of this revenue is resource-based revenue, which is now in Energy and Resources and managed by that ministry. So unfortunately I don't have any of those figures or anything.

What I would say is a lot of the forecasts are very dependent and reliant on the commodity prices, depending on which commodity it is, the status or the state of the industry, and what that is. So the forecast to actuals can vary from one year to the next depending on, you know, if there's a major incident in the industry, if there's a huge potash mine that has to shut down because of flooding for instance, or whatever. There can be large variances from year to year on what the forecast is and even what the actuals are. But I'm sorry. I don't have those numbers.

Ms. Mowat: — So does it have a significant impact on ministry operations then, to see a significant change in the actual revenues?

Ms. Haas: — Can you define for me what you mean by impact on ministry operations?

Ms. Mowat: — The programs you're available to provide. So

obviously the revenue comes through Energy and Resources, but there are programs that need to be provided through Immigration and Career Training as well.

Ms. Haas: — The revenue that comes in goes into the General Revenue Fund. And the budget process in government then estimates, takes in account how much revenue there's going to be, whether it's this type of revenue or taxes or whatever. And then the budget process is then what aligns what the budget of each of the three ministries is. So in that budget process, treasury board takes a lot into consideration. Obviously resource revenue is part of that because it's a lot of revenue, but there's other tax revenues in that as well. So yes, but it's through the budget process.

Mr. MacFadden: — If I could just add, and speaking maybe to the intent of your question, in terms of revenue that supports the activities in the Ministry of Immigration and Career Training, the province has federal-provincial labour market transfer agreements with the Government of Canada. There's two major ones.

Since the time of this audit and the table that you see here, we've seen increased federal investment in Saskatchewan's labour force. And so it does allow us to extend the reach of our programs and services to build the labour supply.

Ms. Mowat: — Thank you. I have no further questions, Mr. Chair.

The Chair: — Any other questions from folks around the table? Not seeing any, I guess we do have a new recommendation, and implementation has occurred in this case. And thanks for the detail on that as well and all the work that would've gone into it. So I'd welcome a motion to concur with recommendation no. 1 and note compliance. Mr. Olason moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move along. We're going to deal with the next two chapters together: chapter 3, chapter 31 from the 2017 and 2019 reports respectively, both volume ones. I'll turn it over to the auditor's office.

Mr. Deis: — The Ministry of Immigration and Career Training, again formerly from the Ministry of Economy, is responsible for increasing employment opportunities for Saskatchewan people. In 2015-16 the ministry started to use a form of outcome-based contracts for its labour force programs such as an adult basic education essential skills for the workplace program — ESWP, if you will — and training programs for unemployed and underemployed with the objective of increasing their employability.

The ministry budgeted 2.3 million for ESWP outcomes-based contracts in 2016-17. In 2015-16 the ministry spent 1.7 million under outcomes-based contracts. Chapter 3 of our 2017 report volume 1, on pages 25 to 40, reports the results of our audit of the ministry's processes for establishing outcomes-based contracts for the delivery of adult basic education essential skills for the workplace program. We found that the ministry had, other than the three areas reflected in our recommendations, effective processes. I'll focus my presentation on these recommendations.

On page 35 we recommended that the ministry use clearly defined and measureable outcomes to know whether quantifiable improvements are made for program participants, clients if you will. For each of the contracts we tested for its essential skills for the workplace program, the contract clearly set out the agreed-upon outcomes and performance measures that aligned with those included in the ministry's listings.

Some of these outcomes were not measureable. We recognize that not all measures can be quantitative and at times qualitative measures may need to be used. However, those measures need to be clearly defined and have agreed-upon methods to determine whether the outcomes have been met. Without consistent use of measureable outcomes, the ministry cannot know whether using outcomes-based contracts is making quantifiable improvements for participants. Therefore the ministry cannot know if its essential skills for the workplace program improve participants' employability.

On page 37 we recommended that the ministry reconsider the use of financial incentives in its outcomes-based contracting. The form of outcomes-based contracting the ministry used did not link the amounts paid to the suppliers to the achievement of outcomes specified in the individual essential skills for the workplace program's contracts. Rather, like conventional service contracts, it based payments under the essential skills for the workplace program contracts on its receipt of required reports that set out services delivered. Incentives can provide suppliers with additional motivation to achieve agreed-upon outcomes and can generate supplier interest in participating in a program. Without including incentives in its essential skills for the workplace contracts, the ministry is at risk of not meeting its objectives for its longer term use of outcomes-based contracting.

[10:30]

On page 38 we recommended that the ministry align contracted terms of payment with the suppliers' achievement of outcomes for its outcomes-based contracting. Under its outcomes-based contract management process, the agreed-upon outcomes in a contract are to reflect a minimum performance the ministry will accept from a supplier. While a supplier may not achieve all of the agreed-upon outcomes, not linking amounts paid under the essential skills for the workplace program contracts to the achievement of at least a portion of those agreed-upon outcomes seems contrary to the ministry's objective of using outcomes-based contracting and to defining features of outcomes-based contracting. Not adequately designing payment provisions at an appropriate level increases the risk of suppliers not coming forward to provide desired services or the ministry not achieving agreed-upon outcomes.

Chapter 31 of our 2019 report volume 1, on pages 301 to 304, reports the results of our first follow-up of these recommendations. We found the ministry had implemented one of the three recommendations. The ministry revised these contracts to make contracted outcomes clearly defined and measurable, however the ministry has not further assessed the use of financial incentives in its outcomes-based contracts and has not aligned the contracted terms of payment with the achievement of outcomes. And that's our presentation.

The Chair: — Thanks for the presentation and the work. These

two chapters come together in 31 and you've done a good job detailing the actions here. So thank you very much. Some brief remarks before we get to questions?

Mr. MacFadden: — Happy to take questions.

The Chair: — All right. Questions. Ms. Mowat.

Ms. Mowat: — Thank you. One of the biggest questions I have is something I'm not very clear on. So in chapter 31 right at the beginning in the main points, the auditor notes that "... the Ministry has not made progress in using financial incentives nor aligning payment terms to the achievement of outcomes." And then this is also discussed at length in chapter 3, I think on page 36, where it talks about setting a payment structure to attract service providers and foster achievement of desired outcomes: "... the Ministry decided not to use financial incentives at this stage of its use of outcomes-based contracting."

So before we received the status updates, that was my understanding. And then in the status update it indicates that financial incentives are already in place when it's talking about the use of financial incentives in outcomes-based contracting. So it says, "Financial incentives are already in place for good performance such as contract renewals and opportunity for projects to transition to multi-year funding."

So I'm just not clear about if something has changed since this report — so I think this would have been out in June — or if there's a misunderstanding about whether financial incentives are being provided in outcomes-based contracting. I'm just looking for some clarity around that.

Mr. MacFadden: — We've had some good discussions with the team from the Provincial Auditor's office about the working definition and what's meant by incentives. In other jurisdictions and in other types of human services, there is an emergence of incentives that are essentially bonus payments based on performance and specifically paying for results.

In the marketplace of human services in Saskatchewan, there is not a large market of competition among community-based organizations. So it means that ministries need to work carefully to manage the change and transformation that's required so that service providers are prepared to evolve towards results-based services, so that they have an invitation to be innovative in how they deliver the results, and that we don't at the same time destabilize the availability of services, particularly in small communities in rural and northern Saskatchewan.

What's been an important consideration for the ministry during our own transition towards an outcomes-based lens is that we need to think very carefully about what progress looks like for our clients. We're working towards a client-focused approach. So where in the past we may have written contracts that were entirely focused on employment as a measure of success, the ministry has learned over time that employment is a significant win for those who are imminently employable, but often our work is for people who are distant from the labour market. And our job is to help them make progress in their own individual career plan, from where they are to where they could be.

And what we were finding is that in measuring success only

based on employment, we were discounting the success that was taking place with some of our community partners, and we were disregarding the characteristics of the clients that we serve. The ministry supports a wide range of individuals, some who have very low levels of literacy and formal education, people with limited language skills as well, right through to higher-skilled workers. And because of that, we've adopted an approach to define outcomes based on a person's career status.

So we want to make sure than an individual arrives at our door with a clear assessment of what that status is. Some people will need some basic stability before they're prepared to participate in training or employment, and that would include things like housing, transportation, child care. Those are legitimate obstacles to employment and training. We want to define that as a success in our contracts for the clients that need those things.

Once you have that stable foundation, we want to make sure that you have a career plan and a career destiny that's outlined. We don't want to see people enrolling in training or education seats without purpose. Once you've got that guiding star in terms of your career direction, participation in education and training is the next milestone. So that's how we also define success and career progress. From there it's graduating to jobs and keeping those jobs and then ladder up.

So we've segmented our client population based on some universal definitions of what employability looks like for anyone. It's independent of their demographic characteristics. What we're looking for is a system that helps people realize their full potential in the province, whether they have a disability or not, whether they're Indigenous or not, whether they're younger workers or experienced workers. We're trying to help them advance along that same career path. So that's why the outcomes framework is so transformational.

The progress towards paying bonuses or paying specifically for results is something that the ministry is mindful of, but it's clear, given the segmentation of our client groups, that paying for those outcomes requires some very sophisticated analytics to calculate the cost and also the value of those milestones. And so we are some distance from being able to make those kinds of conversions, but we're mindful of the advice and the opportunity that incentives can offer the system.

Ms. Mowat: — Thank you. I was wondering if the Provincial Auditor wanted to weigh in at all on this discussion.

Ms. Ferguson: — Sure. You know, as the deputy minister appropriately discussed, like, there's been lots of discussion on this. And I think part of it is that when we look at the guidance that the ministry has said and the primary purpose, we wonder if everything's all lining up yet. And perhaps what it is, you know, it's at some point in time as to where they're on that journey of really, I think, moving to outcome-based contracts.

So they're using a label but they're not there yet. And I think that's part of, I think, where we're at is they're saying they're using outcome-based contracts. Their stated primary purpose is to improve client outcomes — which is great — and in the most effective and efficient, cost-effective manner. They also say that the agreed-upon outcomes in a contract are to reflect the minimum performance the ministry will accept from a supplier.

But yet at the same point in time they get paid the full amount even if they don't achieve the outcomes as yet.

We do recognize, as the deputy minister framed, that this particular area, where they're using these types of contracts, there is a limited number of suppliers so maybe it's a case where, you know, a full outcome-based contract isn't quite a fit in terms of the capital market, because in essence the financial incentives that are reflected in the status update, that's appropriate.

But that's reflective of any contractual arrangement that you have within an organization. You know, that's monitoring supplier performance and making sure that you only renew contracts with suppliers that have met your performance. So that financial incentive is frankly embedded in all of the contracts that the government undertakes, or should be embedded in all the contracts undertaken, which is a very positive thing to do.

And that's why as an office, when we do procurement audits, we do look to see, are they monitoring supplier performance? And in this case they are. They are monitoring supplier performance, you know, which is a good and positive thing. So it's that journey of that label of outcome-based contracts with where they're at in that journey that perhaps we as an office are pausing on, you know, and is reflective in the recommendations and the status.

Ms. Mowat: — Thank you. In terms of the status update and the current status of this recommendation, then, I suppose . . . Like, would it be appropriate to say that . . . Because I believe that is a self-evaluation of implemented? Or is it implemented by the auditor? Let me just check here. Yes, it is self-evaluated. So yes, in the last auditor's report it said it wasn't implemented. It's a self-evaluation of implemented.

So I guess the question is, was that evaluation made because you have reconsidered the use of financial incentives but aren't able to get to that area of the process yet? Or what is the rationale there, I guess?

Mr. MacFadden: — I think maybe to illustrate the opportunity that we have, we need to think very carefully about how we might pay for outcomes into the future and offer incentives. So the value of employment is inherently obvious, probably, to everyone that's in the room. The cost of making a transition to employment will vary depending on the individual client.

So someone who is highly skilled, highly educated, perhaps even has work experience, they need a probably very light touch in order to re-enter or enter the world of the labour market. Someone who's rather distant, however, who has never worked before, who has low education or has other obstacles, the value of that employment transition in terms of that individual and their household, also cost savings to other government human services, is significant. Some analytics are required in order for us to make progress in that area.

We're mindful of the fact that service provider organizations, many of them are not-for-profit. In moving towards incentives and outcomes-based payments we are transferring a risk to those organizations. Can they fully absorb those risks is really the question that's on the table. For someone to achieve success in a classroom or in the workplace there's a whole bunch of contingencies that are outside the control of a non-profit

organization and any one ministry. So when I talk about things like child care, transportation, housing, the conditions of the workplace, all of these are factors that determine the success of an individual.

So the ministry has defined three customer groups, one of them being internal, the other being employers and industry, and the third being workers and job seekers themselves. In order for us to find success as a ministry we need to line up our efforts and activities. To help an individual with a disability, for example, to succeed in the workforce, we can't just help that individual. We need to nurture the workplace and ensure that it's ready to be inclusive and accepting of someone based on their skills and strengths.

Ms. Mowat: — In terms of the client-focused approach you've been referring to, you've been identifying a number of different measures and outcomes that the ministry is focused on. Are those published in your annual plan? Or where would one go to find that listing of what measures are being used to determine success?

Mr. MacFadden: — That section of our work is an area where we've reported progress in the most recent audit, as a matter of fact. So we had some observations and recommendations related to using clearly defined and measurable outcomes in order to track in a quantifiable way the improvements that are taking place in the system. What the ministry had been doing is reviewing the outcome statements that we were using in our agreements. We provided more clear definitions where it was needed, and we improved our performance measurement standards and the indicators that are being used in our contracts.

Through that a supplier handbook, so for the service provider organizations, our staff training tools and our resources have been updated to reflect the revised outcomes and the performance measurement standards and metrics.

Ms. Mowat: — Thank you. The Provincial Auditor noted that the ministry is maybe a little fresh on using outcomes-based contracting. Are there any other contracts with the ministry that use outcomes-based contracting outside of the ABE [adult basic education] contracts?

[10:45]

Mr. MacFadden: — We're working towards an outcomes-based approach throughout our procurement activities. Our intent is to be specific about what government intends to receive as a result of tax dollar investments rather than being prescriptive about the services and programs.

We want to have clearly defined results. What that means is that when we're posting a request for proposals and when we're looking to contract with community organizations, we're inviting their own creative solutions to some of the labour market challenges that are facing employers and job seekers in Saskatchewan. So the outcomes-based lens is what invites innovative solutions in this segment of the economy.

Ms. Mowat: — Thank you. So the outcomes-based lens is a framework that the ministry is using basically, that they're starting to use for considering all contracts. That's essentially

what you're saying.

Mr. MacFadden: — Well even more as a government we're working to centralize a lot of our procurement activities. And so that is the spirit of procurement overall in the government these days.

Ms. Mowat: — On page 26 of chapter 3 there was a significant variance between what was budgeted, it looks like 2.5 million, and spent: 1.7 million, when we're looking at the 2015-2016 budget. I'm wondering if you can explain why that variance.

Mr. MacFadden: — The payments that are made to suppliers in the context of the audit are based on documented expenditures from that supplier. So when costs aren't quite in line with the negotiated amount, we're paying for what's actually reported and invoiced.

Ms. Mowat: — It also says that there were 21 outcome-based contracts for 2016-2017. What was the spend for that fiscal year?

Mr. MacFadden: — I don't have a full inventory of all of the contracted dollar amounts with me this morning. I can tell you that, on an annual basis, the ministry will have somewhere in the neighbourhood of 300 different contracts for community-based services, usually with non-profit community-based entities. When we're working with those organizations, we're trying to clearly define the results that we expect.

And we've also been working with the federal government on an outcomes-based agenda. So when I mentioned earlier the labour market transfer agreements with the Government of Canada, the outcomes-based lens in this province helps to drive the evolution of those transfer agreements with Canada. Now rather than having five different transfers with Canada, they've merged them into two, and those two agreements have the same performance measurement framework as one another. And so it's helped to standardize the expectations between the federal government and the province as well as the reporting cycle.

The advantage of that administratively is it allows us to focus our work on delivering results rather than doing a lot of separate reporting on individual transfer agreements. I mention it because I think it shows the impact of the progress that's been made in this province at a national level.

Ms. Mowat: — Thank you. On page 28 of chapter 3 it talks about an outside consultant that was used to develop a manual, the *Contract Management Manual — Enhanced Outcomes-Based Contracting* for its staff, and then a later companion manual. Is this outside consultant still being utilized? Or was this sort of a one-time arrangement?

Mr. MacFadden: — That contract itself has closed. But you'll see, further into that same document, references to the framework that was involved, and you'll see an illustration of the employability dimensions that are used as the foundation for our contracts.

Ms. Mowat: — Who was the consultant that was used in that case?

Mr. MacFadden: — We worked with MNP.

Ms. Mowat: — Okay. And what was the cost of that contract?

Mr. MacFadden: — I don't have that information with me this morning.

Ms. Mowat: — Is that something we could get to the committee?

Mr. MacFadden: — Yes.

Ms. Mowat: — Okay. That concludes my questions, Mr. Chair.

The Chair: — Thanks again for the questions. Thanks for the responses. Any other questions from committee members? Ms. Lambert.

Ms. Lambert: — Thank you. You had mentioned non-profit organizations and the potential risk to them if you are expecting an outcomes-based quantitative model. Are we using any non-profit organizations currently for literacy or language programs?

Mr. MacFadden: — The majority of the service providers that we're working with are non-profit organizations and, you know, depending on the community, there may be one or there may be several of those organizations. In moving towards an outcomes-based contracting system with those organizations, what it allows us to do in larger centres is encourage a specialization with those organizations to deepen the collaboration across systems rather than the competition. And I think that that's an important consideration for our province.

We make significant investments in human services already, and relative to other provinces and territories, you know, among the highest investments in this area in Canada. So it's the coordination and accountability that's going to strengthen the performance of the human service system overall.

Ms. Lambert: — So for an example, in Saskatoon for literacy or language, can you give me an example of an organization that you have used in the past?

Mr. MacFadden: — Yes, absolutely. There's a number of providers that we would work in a community like Saskatoon. You would see some of the college systems participate in that area, but at the not-for-profit level; you would see agreements with organizations like Read Saskatoon.

Ms. Lambert: — Okay, that was one that I was specifically thinking about because I know they have a high success rate with their programs. And now also they've introduced financial literacy and having good success with that as well, not just in Saskatoon but the outlying areas. So I wondered if they were on the radar. All right, thank you.

The Chair: — Any other questions? I just want to say I appreciate the time spent on talking a bit about the recommendation, but then also the complexity and diversity of the province and how services are delivered, and of service providers and who those would be and how they respond to need, and then of course the individuals themselves or the users, those entering in for service and the dynamics within their own lives as well, and how going about the consideration of output-based contracts, you'd have to be very cautious in making sure you're

understanding those complexities and what sort of outcomes and improvements are realistic. So there's a lot of context that you brought there, and I appreciate that thoughtfulness, to be honest in going about it.

And I'm glad that you've been back and forth working together on this file. I come out of education and I know in education these debates can go really different ways, you know. I'm not suggesting this was the auditor's recommendation, but you can pay for performance, you know, graduation out of schools, and you see different places in the United States go this way. And what you end up doing is having sort of this perverse incentive built in where you're just supporting sort of those schools and those environments where rates are high and where external conditions aren't as challenging, and underfunding the circumstances or the schools that often need enhanced funding to overcome some of the challenges that folks are facing. So anyway, thanks very much for the conversation and the work on this front.

I think we have three recommendations in chapter 3. All of them have been implemented as reported here today, and I'd welcome a motion on that front. Ms. Lambert moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We will move along to chapters 16 and 29.

Mr. Deis: — The Ministry of Immigration and Career Training, again formerly the Ministry of the Economy at the time of our audit, is responsible for attracting immigrants to the province and for assisting and facilitating their settlement and integration into Saskatchewan communities and workplaces.

The ability to understand and speak English is integral for immigrants to become self-sufficient in Saskatchewan. Chapter 16 of our 2017 report volume 1, on page 213 to 216, reports the results of our first follow-up on recommendations originally made in our 2015 audit of the ministry's processes to coordinate English language programs.

Chapter 29 of our 2019 report volume 1, on pages 293 to 296, reports the results of our second follow-up on these recommendations. At February 2019 the ministry had implemented three of its five recommendations. Key improvements included obtaining information on federally funded programs to assist it in facilitating its own programs, setting and using targets to facilitate it to evaluate the success of its English language programs, signing agreements with regional colleges for the delivery of these programs.

However, the ministry needs to update its method to assess demand for provincially funded English language programs. The ministry has started an update of its methodology for assessing demand for the program. It uses various data such as immigration data and regional analysis. It is starting to include other variables in its methodology, such as number of students.

During 2018-19 the ministry has signed agreements with two regional colleges to provide specific English language programming, and it also needs to assess whether regional colleges meet its expectations.

As of February 2019, the ministry was starting to set out a review process that would include assessing whether a regional college meets the ministry's expectations when delivering English-language programs. It expected to complete this review in September 2020 and include assessing whether regional colleges meet expectations. Without actively monitoring and assessing whether the program meets the ministry's expectations, it does not know if annual program funding achieves its expectations. That concludes our presentation.

The Chair: — Thank you for the presentation. I'll turn it over to the ministry for brief remarks, and we'll open up for questions.

Mr. MacFadden: — In the area of settlement and specifically in English-language programming, I think it's important for a context to be set. The Government of Canada makes significant investments in the area of immigrant recruitment, and their focus is primarily on those who are permanent residents of Canada.

What that means in our province is that a system that relies heavily on the SINP program to support the attraction of immigrants. We see 7 out of 10 newcomers arrive to this province through the SINP. If they're being nominated with a job offer, they'll land in this province usually with a temporary work permit. They're not a permanent resident yet. So if that individual or their spouse or their youth or their children have needs, it's up to the provincial government to address those needs through things like language programs.

Part of what we're working towards with the Government of Canada is encouraging more efficient processing of our nominations because at times it can take 18 months or more from the time of nomination to the approval of someone's permanent residency. In the meantime, the provincial government is making investments on things like language programs. So that's why it's important that we synchronize our activities with the federal government in this space and we start to harmonize our targets and try to leverage the investments from different orders of government.

The Chair: — Thanks so much for that, that context. We'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you for providing that background. And certainly there's a lot of coordination, as I understand it, that's required with the federal government on this. So I do have a couple of clarifying questions. In terms of accessing language courses, when we're talking about English-language programs, can you provide an overview of what those programs are that are offered at the provincial level?

I've met a large number of people that take the LINC courses, Language Instruction for Newcomers to Canada — L-I-N-C — but I'm interested in whether these are the same or different or there's overlap. Yes.

[11:00]

Ms. Ross: — So the LINC program that you referenced, that's federally funded so that's mostly where the federal government is investing their language training dollars. Provincially as Alastair described at the beginning, we do try to complement where the federal government is investing. So our programming

looks a little bit different, but we are trying to support those who are not yet eligible for federal language training programming.

So our investments provincially look a bit different. So we do try to also focus more on employment, or English for Employment, just given our mandate and again trying to complement what the federal government is doing because they are really focused on LINC and supporting individuals that are in need of more basic or intermediate language training. So if you're familiar with the Canadian Language Benchmark system, they mostly invest in levels 1 to 4. So we also co-invest a little bit with them on the basic, the levels 1 to 4, but we also supplement that with programming for English for Employment.

We also provide funding for what we're calling conversation circles, which is really to support those that are employed and some outside of typical business hour opportunities to practise and work on their English. And then we've also worked in a few projects and with a few employers for at-work English, so trying to integrate language training in the workplace.

Ms. Mowat: — Thank you. Can you describe the time commitment of the English for Employment and conversation circles? Can you describe sort of what that looks like? I understand like the LINC courses are basically full-time English courses that folks take that really are quite immersive. So I'm just wondering in terms of the touch, what this looks like.

Ms. Ross: — So some of the programming that we are funding is also essentially full time, but the conversation circles, at-work English, again just going back to our previous conversation where we talk about our outcomes-based approach, we're not prescribing what the hours and what it needs to look like. So a few different contracts that could look a little bit differently in terms of if it's evenings or mornings and if it's a couple hours a day or if it's an hour at the end of the day. So the idea is, and part of the objective and the interest and demand we heard, is to have something that is more flexible, so again to be able to accommodate those individuals that are working either part-time or full-time. Obviously you might also have family obligations. So we did procure specifically for something for options that would provide that flexibility. We also do fund online language training as well.

Ms. Mowat: — Thank you. And it certainly makes sense to be flexible. Some of the concerns that I've heard about the LINC courses are, you know, when can I make money; I don't want to go on social assistance, and so on. I have to get my kids' lunch ready and things like that. So how do you make all of that work?

In terms of the overall commitment from the province, what was the provincial funding allocation to both NGOs [non-governmental organization] and regional colleges in 2017 and 2018?

Ms. Ross: — I don't have those years specifically. I could speak to this year.

Ms. Mowat: — That would be great.

Ms. Ross: — Okay, so for this year for language training for the regional colleges, the investment is 542,000. And then I'll just have to do, I guess, some quick math here, but that would leave

about . . . I'll get you a figure in just a second.

So just to recap, 542,000 for language training for regional colleges and 748,000 that would be going to mostly not-for-profits or other service providers for language training.

Ms. Mowat: — Thank you. In terms of non-government agencies that are providing these services, what communities offer them?

Ms. Ross: — I don't have the full list off the top of my head. Obviously we're trying to meet rural and urban demand. I could certainly follow up with that information to let you know where we have contracts in place. And like I mentioned, we do also fund the online language training, again just recognizing that the physical opportunities or the reach is sometimes limited.

Ms. Mowat: — Thank you. In terms of the regional colleges, what regional colleges are you engaged with?

Ms. Ross: — So we are providing funding for language training to Carlton Trail, Cumberland, Great Plains, North West, Parkland, and Southeast colleges.

Ms. Mowat: — Thank you. You mentioned the online training as well. Is there an opportunity in that online language training for speaking as well as listening? I know one of the biggest things with developing languages is being able to speak the language, so I'm just curious about what that platform looks like.

Ms. Ross: — So it's meant like at reading, listening, comprehension, and speaking as well. So it does cover all of that, yes.

Ms. Mowat: — And are there speaking coaches that are attached to it that are helping with speech development? Is it peer based or how does that work?

Ms. Ross: — There is an instructor for some portions of the course and that's where you get the practice with the speaking element.

Ms. Mowat: — Thank you. And about how many individuals receive these provincial services every year?

Ms. Ross: — So I have numbers for 2018-19, so last year's activities. For colleges, we had 672 students. For our other language training, so anything outside of the regional colleges, 1,004 students.

Ms. Mowat: — And would you say there was a marked change between last year and previous years or are those pretty consistent numbers?

Ms. Ross: — I don't have any other years with me and I don't know off the top of my head. I can certainly follow up with that information. I think just in terms of the context that I'm familiar with and notionally that we would be seeing . . . We're starting to see more demand for the higher levels of language training and that's really just driven by changes in national and provincial immigration programs and policies and requirements. So you're seeing in our provincial program more language requirements than there would have been say 5 or 10 years ago. So there's not

too many pathways where somebody wouldn't need at least a Canadian Language Benchmark 4 to be eligible.

And then nationally if we look at federal immigration programs and policies, their language requirements have also increased significantly. So I think through that you see that obviously impacts what kind of demand there is for language training. But for specific numbers, I can certainly follow up with that.

Ms. Mowat: — Thank you. In terms of being able to evaluate or assess the success of regional colleges in developing . . . or delivering English programs, excuse me, I know that in the status update you're talking about piloting a new methodology for assessing program demand. In terms of the overall success of the program, how is that measured though?

Ms. Ross: — So the reporting and how we're measuring success, it's using a similar framework, or we're trying to move to the same framework that we're using with all of our other contracts and all of our other employment and career development related services, so using the framework of that employability dimensions. And obviously language training is not necessarily always going to lead directly to an outcome of employment. So we're working with the colleges and trying to get to a place where we're able to monitor and measure and understand the progress and how language training is supporting that progression for those individuals.

Ms. Mowat: — How has success been measured up to this point? So what did you do before basically?

Ms. Ross: — Well I think when it comes to language training, you know, some basic measures would be completion and then the ability to progress to the next level of language training. Yes.

Ms. Mowat: — I'm wondering if we can speak briefly about the new methodology and how demand is going to be forecast with the regional colleges. It looks like the goal is to be able to forecast on a multi-year basis, which certainly makes sense in terms of planning. I'm sure the administration at regional colleges is more than interested in being able to plan beyond a year out. Can you speak to what the plan is to make that a reality?

Mr. MacFadden: — A lot of what needs to take place in this area involves the coordination with the federal government so that we're better equipped to anticipate landings in Canada. I mentioned earlier that 7 out of 10 people are linked with the SINP program; 3 out of 10 are not. And their arrivals in Canada are one way for us to think about, you know, when they might be ready to participate in language programs where it's necessary.

The SINP itself has the opportunity to consider what language levels are necessary to compete for jobs in this province. And so that's another source of information for us to be able to think and plan ahead with our service partners.

Ms. Mowat: — Can you speak to the new methodology that was piloted in 2017? I just see it mentioned on the first page of the chapter 29 status update here.

Ms. Ross: — So there's a couple things that we've done and a couple of ways we've made progress related to your question. So in 2017 what we'd actually done is launched, or put out, several

requests for proposals related to English language training, so going out to the market to better understand what the demand is. And then most recently this year, with our funding for the regional colleges we established a provincial average cost per training seat essentially. So we were able to measure, you know, bring together demand and capacity and create a bit more consistency around the province in terms of the allocation per regional college and have it be much more in line with actual demand.

Ms. Mowat: — Just in terms of the pilot, I guess, what lessons were learned in that situation or what is being taken forward?

Ms. Ross: — So I would say that the pilot is still ongoing, so the request for proposals, they just resulted in new agreements with new providers for new opportunities and new programs. So those would have just started in late 2017, early 2018. So most of those agreements were just finishing up year one, and many will be entering in or progressing into year two. So still to be . . .

Ms. Mowat: — Still working on it.

Ms. Ross: — Mmm hmm.

Ms. Mowat: — Okay. I believe that's all my questions, Mr. Chair.

The Chair: — Good questions, good . . . Thankful for the responses here as well. Any other questions on these chapters? We don't have any new recommendations here so I would simply welcome a motion to conclude consideration of chapters 16 and 29. Moved by Mr. Weekes. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried.

I'd like to thank the officials that have been with us here this morning. Thank you, Deputy Minister MacFadden and all the officials that are here and all those others that would have been involved in the work on these recommendations and the daily work, as well as all those stakeholders including the not-for-profit organizations and the regional colleges that are involved in the delivery of this work every day.

So thank you so very much for your time. Do you have brief remarks you'd like to offer before we shut down for lunch?

Mr. MacFadden: — Only to thank the committee and the team at the Provincial Auditor's office for their observations and questions today. Thank you.

The Chair: — Thank you very much. At this time we'll recess as a committee and we'll reconvene at 1 o'clock with Social Services.

[The committee recessed from 11:15 until 13:00.]

Social Services

The Chair: — All right. We'll reconvene the Standing Committee on Public Accounts. Our work this afternoon focuses on Social Services and the Saskatchewan Housing Corporation.

Thank you so very much to Deputy Minister Kirkland and all the officials that have joined us here today, and all those that have been a part of the work that comes together here in these recommendations.

At this point I would ask Deputy Minister Kirkland to introduce briefly just the officials that she wants to introduce at this time — might be everyone; might be just a few of you. And then we'll turn it over to the auditor to present on the first two chapters combined, and we'll deal with those chapters and subsequent ones following that. So I'll turn it over to Deputy Minister Kirkland for introductions.

Ms. Kirkland: — Thank you, good afternoon. Thank you. Mr. Chair, before I introduce my officials I'd like to take a moment to acknowledge the work of the Provincial Auditor and to thank her and her team for their advice and recommendations. We're happy to be here to provide updates on the status of each of the new or partially implemented recommendations. I'll be responding to your questions today at a high level and my officials with me today can fill in the details as requested.

So I will introduce the whole team now and we'll be done with that. Thank you. So to my right, Lynn Allan, assistant deputy minister of finance and corporate services. With Lynn today is Raymond Arscott, our executive director of finance, and Leanne Forgie, acting executive director of program support. To my left, Natalie Huber, assistant deputy minister, child and family programs. With Natalie we have Joel Kilbride, executive director of program service and design, and Tobie Eberhardt, executive director of community services.

Raynelle Wilson is with us, the president of Saskatchewan Housing Corporation and the assistant deputy minister for disability programs. Shelley Reddekopp, executive director, program and service design with Raynelle, as well as Bob Martinook, our executive director of community living service delivery. For housing we have Dianne Baird, our executive director. In income assistance we have Tracey Smith, assistant deputy minister. With her, Jeff Redekop, executive director of service delivery. And also with us today, Natasha Sebastian, my executive assistant. So again, thank you for the opportunity today.

The Chair: — Well thank you so much, and welcome to all the officials that are here. At this time I'll table PAC 91-28, Ministry of Social Services status update, dated September 26th, 2019. And thank you to everyone that was involved in putting together that status update. It's really helpful for the committee.

At this point I'll turn it over to our Provincial Auditor and her office to focus on chapters 32 and 39.

Ms. Ferguson: — Thank you very much, Chair, Deputy Chair, members, and officials. What I'm going to do is just take a moment to just explain how we're going to navigate through the nine chapters that are on the agenda. As the Chair mentioned, we're going to group the first two together in one presentation and then the next one will be a separate presentation. Then the 2017 report volume 2, chapter 17 and the 2018 report volume 2, chapters 16 and 17, those two there will be grouped together, and then the rest will be on their own. So we'll be pausing after each presentation to allow for the committee's deliberation.

There's two chapters that contain new recommendations for the committee's consideration. That's the 2018 report volume 2, chapter 17, and then the third-last chapter, which is the 2018 report volume 2, chapter 26. The remaining chapters, the committee has seen the recommendations and deliberated on them previously.

I do want to take a moment to thank the deputy minister and your team for the co-operation extended to our office in the course of our work. We greatly appreciate that. So without further ado . . . Oh, I didn't introduce my team. Ms. Tara Clemett. Tara is a deputy that leads the work that's before us this afternoon. And Ms. Kim Lowe. This time around she's not just the liaison for the committee, but she's led quite a bit of the work that's again on the agenda today too. So she's got two hats back there. So Ms. Clemett.

Ms. Clemett: — So chapter 32 of our 2017 report volume 2, on pages 277 to 279, and chapter 39 of our 2019 report volume 1, on pages 343 to 346, reports the results of our second and third follow-ups of the recommendations we originally made in our 2013 audit of the ministry's processes to place minister's wards in permanent homes. As reported in our first follow-up, by March 2015 the ministry had implemented four of the seven recommendations made in our 2013 audit and had further work to do on three.

Under *The Child and Family Services Act*, the ministry is required to intervene on a child's behalf if a child is in need of protection due to physical, sexual, or emotional abuse or neglect. When children have remained in the care of the ministry for more than 18 months they become permanent wards or long-term wards of the minister, based on court orders. On December 31st, 2018 the ministry had 465 permanent wards and 609 long-term wards in their care.

As reported in our third follow-up, so chapter 39 of our 2019 report, by December 2018 the ministry implemented two of the remaining three recommendations. It had not fully implemented one recommendation about placing eligible children on the adoption list within 120 days.

By December 2018 the ministry collected and analyzed information to enable it to determine the effectiveness of its services for permanent and long-term wards in its care. Information collected helped to assess the following aspects of services towards financial independence. So the ministry strives to support wards to achieve financial independence on adulthood. Permanence. Placement stability is very important for wards. Health and safety. The ministry tracks children who have died or been involved in high-impact critical incidents. Successful youth transitions between ministry divisions, and school performance. The ministry receives academic information about wards from the Ministry of Education.

As of December 2018 the ministry had not yet met its target to register at least 85 per cent of eligible permanent wards on its adoption registry within 120 days of becoming a ward. Our testing of 10 case files from 2018 found that the ministry registered only 3 of 10 children for adoption within the 120 days, although the files tested documented reasons for the delay in registering the child for adoption.

The ministry had begun working to register children for adoption in a timelier way by hiring additional staff to complete child registration packages and prioritizing children under the age of five to be registered. Delays in placing children on the adoption registry could negatively affect the likelihood the children find an adoptive home. Placing children on the adoption registry in a timely way increases the chance of them being adopted, as older children are likely less likely to be adopted. That concludes my presentation.

The Chair: — Thank you for the presentation on such an important area. I turn it over to the deputy minister for brief remarks, if you care to, and then we'll open it up for questions after that.

Ms. Kirkland: — Thank you, yes. So specifically to the recommendation on placing children, whose permanency plans include adoption, on the adoption list within 120 days. As stated, the Provincial Auditor has determined this is partially implemented and the ministry would agree. We continue to work on this recommendation. Besides reviewing the permanent ward adoption policy to date, Social Services has made online training available for prospective adoption applicants so that the completion of home assessments is more timely. We have also created information material for caseworkers, a guide for registration of children, and an adoption information sheet will help caseworkers through the process of registering children for adoption and the requirements to complete the necessary paperwork.

Remaining actions toward implementation in '20-21 include continuing to measure compliance, so previously set standards, by using action plans reviewed by our program effectiveness consultants. This step requires documentation to explain why a child is becoming a permanent ward rather than being placed on the adoption list. A review of the policy as well as staff training will need to be completed before this recommendation is fully implemented. Thank you.

The Chair: — Thanks for the responses. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you. I want to thank you for providing the status update as well, and for the officials for being here today. I guess we'll start. I might jump back and forth between the chapters, but I'll start for now within chapter 32 on page 278. So this is where the Provincial Auditor is noting that between October 1st, 2015 and September 30th, 2016 the ministry placed 50 per cent of the children who became permanent wards on the adoption list within 120 days. I'm wondering if we have data on the proportion of children who were successfully put on that list that are of Indigenous descent, if you have that breakdown.

Ms. Kirkland: — Thank you for the question. We do not have that data with us today. We could collate it. It would be a manual process but we could get that data. We do not have it with us.

Ms. Mowat: — Thank you. It would be great if it could be provided back to the committee, just so we could get a sense of what the breakdown looks like, and also whether . . . Do you know whether there's a variation in timelines between the south, central, and northern service areas as well?

Ms. Kirkland: — Thank you. Again we do not have that information with us, but it is something we can gather for you.

Ms. Mowat: — Thank you.

The Chair: — Maybe I'll just stop for a moment there. Thank you very much for endeavouring to provide the information you have. There's a process with the Clerk that he'll provide to get that information back to the committee, so he'll supply and has the emails and stuff. So thank you.

Ms. Mowat: — Thank you. I see that on chapter 39 when we're looking at the number of permanent wards, on December 31st, 2018 the ministry had 465 permanent wards and 609 long-term wards in its care. Can you provide an update on what that number looked like for 2019, anything that you have presently, as well as 2017, 2016, so just so we can get a sense of a trend?

Ms. Kirkland: — Thank you. What I do have with me today specific to your question is, the number of permanent wards as of September 2019 is 460. The other numbers you're requesting are available, just not with us today.

Ms. Mowat: — Okay. And I think that the Provincial Auditor is telling me that the previous one is on the previous chapter as well, so we can draw that together. Sorry, what did you say the 2019 number was?

Ms. Kirkland: — 460.

Ms. Mowat: — 460, okay. Thank you. In terms of the staff complements in each service area, do you have a breakdown of what the FTEs look like for folks who are providing these services?

[13:15]

Ms. Kirkland: — Thank you. Sorry for that delay. I'm being told that the way we've utilized our resources, it's a cohort of a number of our different program areas that assist with this work. So what we will have to do is do a breakdown of our overall staff that are specifically dedicated to doing some of this work.

Ms. Mowat: — Thank you. Can you also provide any note of vacancies at the same time?

Ms. Kirkland: — Certainly.

Ms. Mowat: — So we know that there's been an increased focus on increasing the adoption rates. Has there been a corresponding funding increase or allocation of resources for agencies that provide these services?

Ms. Kirkland: — Thank you. What I can share at this time is we provide funding to the Adoption Support Centre to provide training and support to prospective adoptive families. I don't have the amount broken out of our CBOs [community-based organization] right now, but we can also provide that. And just to clarify that, so they provide training and support, but the adoption registries themselves are done 100 per cent within the ministry.

Ms. Mowat: — In terms of, and maybe this is a question for the auditor, in terms of . . . We know that Indigenous leaders have

been quite vocal regarding their concerns about the ministry's processes about adopting Indigenous youth in care, and we're just wondering if they were consulted in this audit process.

Ms. Ferguson: — I'm indicating I'm hearing no, we haven't done a direct consultation with those types of groups in this process. So for this particular work that we're doing, really what we're looking was for an adherence to the ministry's policy and the target and in terms of how are they doing with respect to that. So the activity that we took here was quite focused.

Ms. Mowat: — Okay, thank you. On page 39 . . . Oh, wait. In chapter 39 page 345 there's an indication that the ministry has hired additional staff. I'm wondering if you can speak to how many staff were hired and what service areas they're servicing.

Ms. Kirkland: — So specific to our adoption program, adoption registration, we hired three new positions to assist in all three regions.

Ms. Mowat: — And on page 343 the auditor talks about a target that was set to register at least 85 per cent of eligible permanent wards on the adoption registry within 120 days of becoming a ward. However as of December 2018 the ministry had not met this target. I'm wondering if you can provide an update on what actions have been taken in this process.

Ms. Kirkland: — So I would refer back to . . . My opening comments are the actions that we have taken. I can reiterate those if you would like.

Ms. Mowat: — Maybe just expand on them a little bit.

Ms. Kirkland: — I don't at this time have any additional actions. If there are any of those particular ones that you'd like us to speak to more to what they are, but those are the actions that we've been undertaking.

Ms. Mowat: — Thank you. Just in terms of the recommendation . . . So I'm just looking at the recommendation on page 344 that the ministry "develop performance measures and targets relating to the adoption program for its permanent wards." So is the established target still at 85 per cent within 120 days?

Ms. Kirkland: — Yes, it is.

Ms. Mowat: — Thank you. And how is that going in terms of the ministry's ability to meet the targets?

Ms. Kirkland: — So our 2018 file review would suggest that the compliance rate for permanent wards registration, 120 days, was 23 per cent. Additionally I would point out that about 50 per cent of permanent wards in the last three years have been deregistered given the ability of the ministry and families to find alternative placements.

Ms. Mowat: — Thank you. So in terms of the challenges in achieving the targets, what would you say that those challenges are?

Ms. Kirkland: — I will ask Tobie Eberhardt to respond to that for you.

Ms. Eberhardt: — Hi. So some of the challenges that our staff find with the registration are, first, when a wardship is ordered there's a 30-day appeal process. So often they're waiting to see whether or not the family's going to put an appeal in prior to starting some of the work around the registration. Another one quite often that occurs is First Nations or family might come forward to us during that court process and identify another potential caregiver that's related to the child.

So we always want to go back and explore family first, and so that'll put a bit of a delay. That could take anywhere from a couple of months up to six, seven months depending on criminal record checks. And then some of the other delays might be things around getting the medical information. So if a child might have a medical condition, we might need to get more information from the practitioners around that, and that sometimes can take some time.

Ms. Mowat: — Okay. Thank you. I have no further questions, Mr. Chair.

The Chair: — Thank you very much. We'll move it along. I see Mr. Weekes has some questions.

Mr. Weekes: — Thank you, Mr. Chair. My question is statistical in nature, so it's okay if you don't have the answer to this today, just if you could supply it later. My question is about the length of time that a child would be in either long-term care or permanent, and including children that just go into foster care on an interim basis. My question is, how long before an older child would be adopted?

What per cent of children that I'm assuming . . . I think you'd said five years old kind of is the cut-off for one definition. Just was how many . . . You know, you'd mentioned that the, you know, younger children and babies, I assume, would be adopted out earlier. So what is the per cent of children being adopted after five or whatever the number is that you use? And like I say, if you don't have that now it's fine. Supply it another time would be fine. Thanks.

Ms. Kirkland: — So we do not have that specific information with us today. We can get it for you. I would say that often with older children when they are adopted, it's a result of people that know them, either through having previously fostering is often a situation. And the five-year sort of cut-off was in relation to focusing on children five and under to get the registrations done earlier. That was that five-year focus.

Mr. Weekes: — Thank you.

The Chair: — Any other questions at this point? Just thanks again to the deputy minister for endeavouring to get different information back here. It's totally understood that some of the questions that might come at the table would be beyond maybe what folks are prepared to have as far as information at this table on a given day. So just getting that back is really helpful. So thank you for that.

I'm not seeing any other questions at this time. With respect to chapters 32 and 39, these aren't new recommendations so I'd welcome a motion to conclude considerations here at this point. Ms. Lambert moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. So we'll move along now to chapter 33 and I'll turn it over to Tara Clemett of the auditor's office.

Ms. Clemett: — So chapter 33 of our 2017 report volume 1 on pages 281 to 284 reports the results of our second follow-up of the recommendations we originally made in our 2012 audit on the ministry's process to plan for, contract with, and monitor community-based organizations providing services to intellectually disabled people and their families. Community-based organizations are also commonly referred to as CBOs, so I will call them CBOs through this presentation.

Our first follow-up reported in our 2014 report found the ministry had implemented three of the eight recommendations we first made in our 2012 audit. By March 15th, 2017 the ministry had improved its processes to monitor CBOs serving intellectually disabled people and their families.

The ministry had implemented two of the remaining five recommendations. It established policies to obtain required CBO reports that are not submitted by their due date and analyzed serious incident reports. It was making progress towards implementing the remaining three recommendations, but the ministry still needed to establish outcome performance measures and targets to better monitor and evaluate the services CBOs deliver. Including outcome performance measures and targets in the agreements with CBOs would allow the ministry to better evaluate CBO performance and assess if the services delivered achieve the results the ministry had intended.

[13:30]

Develop and implement policies and procedures for addressing risks identified in CBOs. We found the ministry had begun reviewing its risk assessment process and was starting to update relevant policies. The ministry expected to complete this review and update its manual in fall of 2017. The lack of formal policies could lead to staff completing inconsistent CBO risk assessments.

Follow its established monitoring procedures as outlined in the agreements with CBOs. Ministry staff are required to do certain monitoring of CBOs every two years. We found that staff had not done the required monitoring for 29 per cent of the CBOs within the last two years. We also found the ministry had not conducted a review of four CBOs for over 10 years. Lack of timely monitoring increases the risk that CBOs may not achieve the ministry's objectives. That concludes my presentation.

The Chair: — Thank you for the presentation. I'll turn it over to the deputy minister for a brief remark, and then we'll open it up for questions.

Ms. Kirkland: — Thank you. So we received five recommendations from the Provincial Auditor, who notes that two have been implemented and that three are partially implemented. We consider one of those to be fully implemented as well, and I will speak to that. The two remaining will be implemented over the next three to four years, given their scope.

So recommendation 3.1 in relation to establishing program objectives and outcomes performance measures, a number of initiatives are under way to improve the strength and quality of measuring the performance of CBOs contracting with Social Services. First, a draft outcome framework and draft quality assurance standards will identify activities that support quality service delivery and meeting outcomes. As well, we developed material related to enhancing organizational person-centred outcomes that focus on defining what quality service is. This material will help guide CBOs with improving their own person-centred planning and outcomes.

Because of the considerable amount of development work required to complete the quality assurance standards and outcome-based contracting, we have designated this a multi-year project, with full implementation anticipated over the next three to five years. More important, we expect that new ways of approaching business standards and contracting will be a significant change for some of our CBOs, and some length of time will be required to familiarize them with the tools and processes.

On recommendation 3.2, to develop and implement policies and procedures for addressing risk, we anticipate that by November 2020 we will have put the necessary policies and procedures in place to address risks noted by CBOs serving individuals with intellectual disabilities. We continue to review the risks related to third party service contracts. This review includes implementing a framework for assessing, monitoring, preventing, and mitigating these contracts' operational risks. A draft framework is now being tested.

As well the ministry has started annual reviews of the financial analysis used to contract CBOs to ensure accurate and consistent information is provided. Remaining actions include completing the risk management process review and developing a ministry contract management framework containing specific reference to risk assessment timing, monitoring, and management.

Recommendation 3.4 in relation to established monitoring procedures is outlined in agreements with CBOs. The ministry considers this recommendation to be implemented. Our disability programs branch prioritized basic standard reviews for all agencies including those that are at high risk. Standard reviews are tracked for completion and quarterly reports based on the data collected are created and distributed. All agencies are required to submit a report including whether or not they have had any serious incidents involving clients. Training on abuse prevention is monitored to ensure CBOs are meeting their training requirements.

And finally, three CBO service coordinator positions have been created that focus on CBO service. These positions provide direct quality-assurance support, including reviewing and analyzing outcome reports related to person-centred plans, basic standard reviews, attendance reports, and use of program funding. Thank you.

The Chair: — Thanks so much. Just a reminder to any of the other officials that might take a microphone, the deputy minister's been introduced. But anyone else that's going to speak, just to introduce yourself briefly before you enter in. Thanks for all the work and the presentation. I'll open it up for

questions. Ms. Mowat.

Ms. Mowat: — Thank you, and thank you for the opening comments as well. When we're talking about CBOs and specifically the recommendation around assessing risks, there's a note that the auditor's made on page 283 that the ministry hadn't updated the policy manual for CBO accountability since 2011, hadn't developed several key policies including assessing preliminary risk and risk management that relate to CBO risk assessments. I see that the intent is to have the work completed by November 2020.

I'm wondering if there will be additional consideration of a changing risk landscape to CBOs in light of the closure of Valley View and some of the CBO client bases may have changed as a result of movement of individuals around the province.

Ms. Kirkland: — What I can say to that is when we were developing the new homes to accept the Valley View residents, that we did RFPs [request for proposal] of course out into the community, and the majority of the service providers are service providers we already were working with. For the new ones, of course they will, as part of their contract, have the same quality assurance requirements and review and reporting as we have for everyone else.

Ms. Mowat: — We've heard some concerns about increased violence in some of these workplaces. I'm wondering if the ministry's heard similar concerns or if that's something that would also be factored into a risk matrix here.

Ms. Kirkland: — Thank you for the question. So a couple of things I'd like to share. The ministry provides funding to our partner SARC [Saskatchewan Association of Rehabilitation Centres] to do training on handling violence, interpersonal violence in the group homes. The name of that training is PART [professional assault response training]. I don't know what it stands for, but I could find that out if you want me to.

We also of course, as we alluded to, have our incident reporting requirements. So when incidents do occur, that is reported back to the ministry so we can watch for, be aware of any themes or gaps. I would say as well overall in our homes we have not noticed any sort of significant increase in violent occurrences. What we do have of course are safety net homes where folks who are in some crisis are placed. And so the nature of that work is often more crisis oriented, and that can be where more of those incidents occur.

Ms. Mowat: — Thank you. On page 284 the auditor noted that the ministry had not conducted the review at four CBOs over 10 years. I'm wondering which four CBOs these were and whether they've been reviewed since then.

Ms. Kirkland: — I do not have the specific names of those four CBOs with me, but all CBOs have had a review since that finding. So there are no outstanding ones from 10 years, yes.

Ms. Mowat: — Okay thank you. That concludes my questions, Mr. Chair.

The Chair: — Thanks for the questions and the responses. Any other questions from folks with respect to chapter 33? Not seeing

any, thanks to the ministry for the important work and significant work on this front. Certainly it's valued by all.

I would welcome a motion to conclude consideration of chapter 33. Mr. Weekes. All in favour?

Some Hon. Members: — Agreed.

The Chair: — That's carried. I'm going to move along. And I believe the auditor has identified that we're going to deal with 16 and 17 together, so I'll turn it over to the auditor's office.

Ms. Clemett: — So these chapters include the results of our annual integrated audits of the Ministry of Social Services and its three special-purpose funds for the year ended March 31st, 2017 and March 31st, 2018. Each fund complied with the authorities governing their activities, and their 2016-17 and 2017-18 financial statements are reliable. The ministry complied with authorities governing its activities in its 2017 and 2018 fiscal years.

In our 2017 report we found the ministry followed its established procedures for removing unneeded user access to its computer systems and data promptly.

As reported in both chapters, we continued to find that the ministry needs to do more to have proper approval and support for social assistance payments so only eligible clients receive the correct amount of assistance. In 2016-17 for the files we tested, 63 per cent of them had assistance payments that were not properly approved in accordance with policy. In 2017-18, 61 per cent of the tested files had payments approved that were not properly supported. For example, in 2017 we found a client who received two different food allowances when only one should have been received. In 2018 the ministry reimbursed a client for a travel allowance without appropriate documentation. Lack of consistent compliance with ministry legislation and policies could result in the ministry paying clients incorrect amounts of social assistance.

As recorded in both chapters, the ministry is still working to receive and perform timely reviews of performance reports submitted by community-based organizations. We found that delays in receiving reports from CBOs caused delays in the ministry's review. For example, for the files we tested, CBOs submitted late 40 per cent of the audited annual financial statements in 2016-17 and 17 per cent in 2017-18.

In 2018 the ministry had set a target to have 90 per cent of the reports from CBOs, both received quarterly and annually, submitted within targeted deadlines. The ministry planned to begin assessing compliance against the target in 2018-19. Due to the delay in receiving reports from CBOs, the ministry did not review 93 per cent of the 2016-17 reports by its expected deadline, which is October 31st. It reviewed one report 173 days after the October 31st deadline. The timeliness of reviews improved in 2017-18, but the ministry still reviewed 60 per cent of the CBO reports after its deadlines. Not receiving and reviewing the reports from CBOs when expected increases the risk that the ministry cannot identify issues and take timely corrective action, so for example, adjust future funding as needed.

In our 2018 report we make one new recommendation. We recommend the Ministry of Social Services implement a process to appropriately identify and disclose contractual obligations in its financial records. Contractual obligations are amounts that the ministry expects to pay in the future. At March 2018 the ministry had over 100 contracts, each worth over \$500,000, with third party service providers.

[13:45]

We found that the ministry did not identify all significant contractual amounts in its contract database. Also, the ministry did not properly disclose contractual obligations with third party service providers, worth about \$299 million in its financial records as of March 31st, 2018. When management subsequently corrected its financial records, it overcorrected them by \$16 million. Without having an effective process to identify the existence and amount of contractual obligations, the ministry may not have complete and accurate information on the commitment to make future decisions. Incomplete and inaccurate information on future obligations increases the risk of not estimating future funding needs appropriately. That concludes my presentation.

The Chair: — Thanks for the presentation on the two chapters. I'll turn it over to the deputy minister for a response, then we'll open it up for questions.

Ms. Kirkland: — So yes, we previously received three recommendations related to improving processes for mitigating financial and information security risks and, as noted, we received one new recommendation. The ministry considers two of the three to be implemented and progress as being made on the third.

On recommendation 4.1, the new recommendation around disclosure of contractual obligations, this recommendation has been addressed with the introduction of a policy providing guidance for reporting contractual obligations at fiscal year-end. To ensure the policy is consistently followed, the ministry's financial services staff will review the document each February.

On recommendation 4.2, in respect of established processes that ensure only eligible clients receive assistance, the ministry has implemented a new program and direction for income assistance. The new program is simpler with fewer rules, duplication, and variation supported by clear, transparent policies and business processes, and will improve accountability, performance, and reduce errors. As well, with respect to existing programs, the ministry has also implemented a performance improvement plan to specifically address the areas cited by the auditor. The ministry has seen a positive impact and improvement in these areas as a result of our actions. We will continue to work towards our multi-year goal of refining the income assistance program to make it even more user-friendly and sustainable.

On recommendation 4.3 in regard to performing timely review of all performance information submitted by community-based organizations, we continue to work on the recommendation to complete timely reviews. With input from our stakeholders we are currently reviewing our standard service agreement. This review will modernize the agreement and will help third party service providers and the ministry, while continuing to meet the

needs of our clients.

The ministry is also reviewing the process for managing the standard service agreement so the sufficient level of oversight of compliance by third party providers can be maintained within the ministry. It is expected that the entire initiative will be completed by the beginning of the '20-21 fiscal year.

The Chair: — Thanks so much for the work on this front. I'll open it up to questions. Ms. Mowat.

Ms. Mowat: — Thank you. And thank you for the detail provided in the status update as well. On page 94 of chapter 16 there's a specific number provided here by the Provincial Auditor that in the files that were tested in 2016-2017, 63 per cent of them had assistance payments that were not appropriately approved in accordance with policy, and it gives a number of examples of what that would have looked like. It talks about the fact that there were . . . it was 46 per cent in 2015-2016. I'm just wondering if there's a continued update on this. I don't see a further update within this 17 chapter. Is that there?

Ms. Ferguson: — Yes. If you go to page 96 it's the third paragraph under section 4.2, would be your comparable number there.

Ms. Mowat: — Thank you. So we are at . . . 61 per cent of the files in 2017-2018 had assistance payments that were not appropriately approved. So just in terms of these numbers and what the goal is moving forward, I'm wondering if you can explain what you saw as the problem with being able to track assistance payments before, and how you see a current solution in the new program.

Ms. Smith: — Good afternoon. Tracey Smith, assistant deputy minister for income assistance programs. So just to maybe give a little bit of context, the programs that currently exist in income assistance — primarily I'll speak to the Saskatchewan assistance plan and transitional employment allowance — they really have been programs that have been in place for, in the case of SAP [Saskatchewan assistance program], for decades. And so with a program like that, what happens or what's happened over a period of time is that, you know, policies get added on to those programs; benefits get added on to those programs. And when you take that over the course of decades, what you can get to is really a complex set of programs and policies to administer. And when you think about income assistance and some of those programs where you would . . . you could have benefits and dollars for very specific items. It could be an item of clothing. It could be a kitchen utensil. And the way that the program was built was that every policy would require a receipt and there would be a lot of back and forth between the clients and our staff.

And so that really resulted in, again, in complex programs, many policies, many discrete payments, lots of exchange of receipts and paperwork. When we think about the work that we've done around income assistance redesign, and really focusing on moving towards a program that is simpler, more transparent, client friendly, really one of the primary goals there was to move to a program that is simpler for clients to understand and for our staff to administer.

And so our approach is to, rather than providing sort of discrete

payments for every kind of life circumstance that a person can consider, moving to more of a flat-rate approach where we provide clients with a specific dollar amount for their basic allowance and for their shelter. But we've still accounted for some of those situations that can come up in a person's life to ensure that if they need some additional dollars around health and safety, for example, or changing circumstances, there is still that ability. The approach is to provide the dollars to the clients and then our staff really working with clients to understand what their needs are, what their monthly budget is, so that they're using those dollars, you know, for what it is that they need for their particular circumstances. So I'll maybe just pause there and I hope that answers your question.

Ms. Mowat: — Thank you. I'm wondering if there's been, in terms of being able to track the success of the new program so far, what . . . I know we're talking about like a couple months here. So in terms of early indicators, I'm wondering if you've seen any changes in terms of current wait-lists for clients who are, maybe from time of application, that are trying to access the SIS [Saskatchewan income support] program.

Ms. Smith: — Thanks for that question. So as you've noted, we are really in the early days of this new program. It is approximately 10 weeks since we've launched the new program. And so in terms of just sort of monitoring and measuring, that's absolutely, you know, what we're going to be doing. But because we're so early in, you know, our primary focus has been on getting information about the new program out to clients. We've been meeting with community-based organizations and again providing clarity around the new program, ensuring that our staff have the information they need to be able to work with and interact with those clients.

So it really is early days. You know, absolutely as we go forward we're going to be carefully monitoring, evaluating a number of different areas around this. And you'll expect, you know, when we come back we will absolutely be able to have some further information because we will be farther along.

Ms. Mowat: — Thank you. In terms of tracking that percentage number that the auditor had provided before, so the number of assistance payments that were not appropriately approved in accordance with policy — I can't really shorten that — in terms of tracking that, is that something that's going to be done at the ministry level as well? Or is that something that, sort of, you will await follow-up? I don't know if there's a scheduled audit. Maybe the auditor can weigh in.

Ms. Ferguson: — Most definitely we can weigh in. So what we'll end up with is, because we have a program redesign, it probably will be an apple-orange comparison. So what we'll be doing though is we'll be looking at the requirements of the new program. As management has described, we anticipate there'll be a lot less for us to audit to some degree in that there won't be as many conditions, you know, in terms of that paperwork going back and forth.

So what we're anticipating is that given the program redesign, that it should drop dramatically, you know, hopefully to next to zero. But it will be an apple-orange comparison, so we probably won't reflect it in a comparator in the same manner that we've done here because it wouldn't be fair. Because we'd be

comparing one type of a program to another one.

Ms. Mowat: — Okay. And I guess the other question is, is that something that you're keeping an eye on within the ministry as well?

Ms. Kirkland: — Absolutely. As far as any over- or underpayments, areas where we need to go back and review policy or staff training, definitely.

Ms. Mowat: — Thank you. You mentioned the program being client friendly. In terms of client access, I'm wondering if you've heard of any concerns. Certainly I've had some concerns come into my constituency office around the direct payment going to clients, needing to have a bank account to have the payments deposited into, some of the other challenges around not having a letter of guarantee, utilities being bundled within the cost-of-living allowance. Are these concerns that the ministry has heard as well?

Ms. Kirkland: — I would say yes, we have heard some similar concerns from clients and from stakeholders. And so that is a part of the work that is keeping us very busy is hearing about that, communicating the change to all, problem solving where we see there is an option for different ways of responding to things like direct payment, direct deposit. That has been a big part of our work, and training coming up to this change with our staff around how they will interact with our clients to assist them in managing that, in being able to budget. And Tracey spoke to, you know, being able to decide what money needs to go where and how you plan for that. So that's a big part of that. Motivational interviewing and working with clients is a big part of what we are doing. It takes time for people to adjust to that change.

And always we have the ability and the option in the ministry and with clients who, for whatever reason, you know, be it a mental health and addictions issue, a cognitive challenge, there is always the option to look at trusteeship if that is necessary for clients to help them with that money.

Access to the program, again, you know, we feel we have broadened that ability with our online application. That's a learning opportunity and experience for some clients. There's been a fair bit of take-up. I think about 50 per cent we are at now with applications are coming on the online application. And it's interesting to note that some of that is happening at 2 and 3 o'clock in the morning. So people are appreciating that extra accessibility, but it also comes with some learning and challenges.

So I would say overall we are hearing the same things as you. We are also hearing lots of positive things, and so we're trying to monitor those and respond as appropriate.

Ms. Mowat: — Thank you. On page 95 of chapter 17 the auditor is talking about 100 contracts as of March 2018 that were each worth over \$500,000 with third-party service providers and says that the ministry expected to pay over 473 million to these third-party service providers over the next three years. Can you speak to what type of services these contracts are for?

Ms. Kirkland: — So those numbers refer to all of our third-party contracts within the ministry, so they would cover the range of

child and family services, income assistance supports, and disability programs. So they could be things from, you know, we referenced the adoption centre in child and family. That would be one of those contracts. Contracts with trusteeships that I just mentioned in income assistance, the contracts for the supported living homes we were talking about in disability programs. So it's that entire range.

Ms. Mowat: — Thank you. How do these contracts compare to say a few years ago? Was it a comparable number, or is it fewer or more?

[14:00]

Ms. Kirkland: — I would say some of it . . . So we have more contracts than we did say five years ago and some of that is driven of course by the change from Valley View residential centre to the homes we were speaking of. So that meant more contracts. Also increases in child and family programs means more contracts with support services as well.

Ms. Mowat: — Thank you. I have no further questions, Mr. Chair.

The Chair: — Thanks so much. Mr. McMorris.

Mr. McMorris: — I just have one regarding the CBOs and . . .

A Member: — One?

Mr. McMorris: — Just one question that . . . And the late reporting and then of course that puts your . . . delays you being able to review them. What they've had to say . . . I mean, after talking to a number of CBOs that I have dealt with, whether it's in the constituency or wherever, they just tend not to have the capacity to get all that work done in time. Is there anything that can be done to help them in that? You know, I know it's a commitment that they've signed as far as the agreements to make sure that they timely report, but it's capacity more than anything else. It's not that they're trying to hold back information; it's capacity. And what can be done to help them on that front?

Ms. Kirkland: — Thank you. Yes, thanks for the question. And absolutely, we recognize it as a capacity issue versus an unwillingness issue. So some of the things that the ministry is doing, I mentioned our review of our standard contract, and that is being done very much in collaboration with our partners. We actually did a survey out to get information back from them on what are the difficult parts of the contract, what would make it easier, how can we be more efficient in that work? So we're hoping that will be helpful.

I had also mentioned in regard to the disability programs earlier that we've put some additional positions within the ministry to help CBOs with their compliance and their reporting requirements. So always looking for those opportunities, recognizing that their resources are stretched.

Mr. McMorris: — Okay. I'm good.

The Chair: — Thanks for the good question as well. At this point we have the two chapters. The first chapter has all outstanding recommendations and so I would welcome a motion to conclude

considerations. Mr. Olauson moves. All in favour?

Some Hon. Members: — Agreed.

The Chair: — That's carried. In chapter 17 there's a new recommendation which has been implemented as expressed here today and on the status update, so I'd welcome a motion that we concur in. Mr. Olauson moves that we concur and note compliance. All in favour?

Some Hon. Members: — Agreed.

The Chair: — That's agreed. And with that we will move along to chapter . . . We're just doing 31 on its own. And I'd also like to welcome . . . I see Mr. Todd Goudy, former member of the committee, now Provincial Secretary, for popping in here and joining us here today. It's good to see Todd. If we didn't have so much on our agenda we'd ask you for a presentation. But we'll keep moving along here, and we'll pass it over to the auditor's office to address chapter 31.

Ms. Clemett: — So chapter 31 of our 2018 report volume 1 on pages 299 to 301 reports the results of our first follow-up of the recommendations we originally made in our 2015 audit regarding minimizing employee absenteeism. We made four recommendations in the 2015 audit.

Since our 2015 audit and by February 2019 the ministry had expanded its attendance management training, hired a disability management consultant, and is piloting a new program, Be at Work, which was under development by the Public Service Commission. In 2016-17 the ministry's average sick leave usage per full-time equivalent was 10.19 days, about 0.2 days lower than the prior year.

Social Services still needed to encourage supervisors to take available attendance management training and monitor participation. As of February 2018 the ministry was piloting some new attendance managing training initiatives, mental health first-aid training, Not Myself Today program, and Be at Work program. We found the ministry did not have a process to monitor who had not taken the training, nor did it require supervisors to refresh attendance management training on a periodic basis, provide supervisors with quarterly reports that identify employees with higher-than-average sick leave to determine the causes for such absences, and develop targeted attendance-managed strategies to address those causes.

We found the supervisors did not receive periodic reports about absenteeism from 2015 to 2017. Receiving timely and usable information on employees with higher-than-average sick leave allows supervisors to identify and take timely action to reduce future absences.

Provide periodic reports on the effectiveness of its attendance management strategies to senior management. We found that senior management did not receive sufficient reporting on strategies undertaken. Receiving progress reports on attendance management strategies helps senior management understand the cause for employee absenteeism and whether the ministry's actions are effectively reducing absenteeism. That concludes my presentation.

The Chair: — Thanks for the presentation and the focus. I'll flip it over to the DM and we'll go from there.

Ms. Kirkland: — Thank you. So Social Services received the four recommendations. We've started work on all of them and anticipate full implementation by March of 2020. On recommendation 3.1 in relation to encouraging supervisors to take available attendance management training and to monitor participation, the ministry's disability management consultant supports supervisors and managers in managing attendance. Executive management is provided with reminders related to mandatory training for staff along with quarterly sick leave data for each branch. The ministry's health, safety, and emergency management unit currently delivers in-office information sessions that include reminders to supervisors and managers about the mandatory online attendance management training tool.

Recommendation 3.2 in regards to supervisors receiving quarterly reports, Social Services disability management consultant provides sick leave reports to branch heads that show sick leave usage for all of their staff. Managers are expected to focus on individuals with more than eight days sick leave per fiscal year. Additional actions planned to complete this work include more emphasis to increase awareness of quarterly sick leave utilization reports for senior managers to cascade to supervisors who are then expected to follow up with their staff, and the analysis of the ministry's sick leave will include descriptions for areas of high utilization.

Recommendation 3.2 in regards to working with the public service division to develop targeted strategies, the ministry has started gathering and analysing sick leave and absentee data with the help of the PSC. This work will be completed over this fall and winter. Once data gathering and analysis are complete, the ministry will create targeted strategies to address above average sick leave usage. Strategies will be rolled out to divisions for use going into our next fiscal year.

On the final recommendation in regards to giving senior management periodic reports on the effectiveness of its attendance management strategies, information will continue to be reported to executive management through quarterly updates and will contain more detail as improvements are made to the process. Thank you.

The Chair: — Thanks so much for the presentation. I suspect Ms. Mowat has questions. Anyone else around the table? Ms. Mowat.

Ms. Mowat: — I'm not sure how you knew. Thank you very much, Mr. Chair. In terms of these recommendations, I see that these have been ongoing concerns for a while. I think the first recommendations came out in a 2015 report. Can you speak to what some of the challenges are that the ministry has faced in terms of not implementing these recommendations faster?

Ms. Kirkland: — Thank you. A few things I think we'd like to highlight. Social Services is a large organization, a lot of staff, a fair amount of turnover, and a fair amount of promotion within, which is always nice as well. But it does mean a constant need to be educating and informing and reminding as you get new staff, new supervisors, new managers. So it's never something that's

done, as far as that education and awareness.

The reports that we receive, while I would say they are somewhat automated, there is manual work that's required as well to get that information to our field. So that takes time and is labour intensive, but we are working with the PSC on that to make that easier as we can.

Ms. Mowat: — On page 302 the ministry's average sick leave was 10.19 days per full-time employee. Do you know how that compares to other ministries at all? Have you been given any of that information?

Ms. Kirkland: — Thank you. I don't have the specific numbers with me. I'm sure I've seen them but I don't have them. What I do know and will say is Social Services is, along with some of the other large service delivery ministries, in the higher area than some. So I think the nature of the work and the direct service delivery. Yes.

Ms. Mowat: — And has the number of days been pretty comparable over the last five years or so? I see you've got up to 2015-2016, but prior to that I'm not sure what it looked like.

Ms. Kirkland: — Yes, so we've consistently been close to that 10-day mark, a little under, a little over. Yes.

Ms. Mowat: — Do you know how often these positions are filled when someone is away due to illness? I would assume probably not.

Ms. Kirkland: — No, not for, you know, a day or two. Unless it was a long-term leave, they're not filled, yes.

Ms. Mowat: — Do you know if there's any correlation to increased caseload with increased sick times?

Ms. Kirkland: — I do not have that information, no.

Ms. Mowat: — In terms of the attendance management training, could you describe what that training looks like a little bit?

Ms. Kirkland: — Thank you. So the training is a learn module in our learning program and it's comprised of a number of scenarios and the objective is to help supervisors, managers be comfortable in having those conversations with staff. So how to start out on an informal conversation if you're starting to be concerned or to see something. Always of course, this is a support conversation, so it's how to have that conversation, offer what supports might be needed, get an understanding of are there things that the employer can do to assist, are there things that the employee should and could be doing for themselves that we could support them in. So it's very much scenario-based on how to have those conversations.

Ms. Mowat: — In terms of not getting a full uptake from managers in volunteering themselves for the training, what does the ministry attribute that to?

Ms. Kirkland: — Thank you. So I'm told that since these results came out, we've had 170 more staff that have taken the training. That's not specifically just to our management group. So what we are doing around that management group — where there's a

fair bit of turnover, so it's again back to that re-educating and re-informing — we have our disability management consultant going out to each of our locations and working directly with management to inform them about the training, to encourage them to take it, to work through some of those issues with them.

[14:15]

Ms. Mowat: — And has there been any consideration given to making the training mandatory?

Ms. Kirkland: — The training is mandatory.

Ms. Mowat: — Fair enough. Everything that the auditor suggested was strongly encouraged, so I was curious about that. So I know you said you don't have data in terms of correlation between increased caseload and increased sick time, but is there any . . . What explanation does the ministry give for the fact that the average sick leave is still around 10 days per staff?

Ms. Kirkland: — Yes. So, yes I don't have any science to that. What I would refer back to is the nature of the work that our staff do — the high intensity of the work itself, the operational nature, contact with people all the time.

Ms. Mowat: — Thank you. That concludes my questions, Mr. Chair.

The Chair: — Any other questions on this chapter? Not seeing any, I'll invite a motion that we conclude consideration for chapter 31.

Mr. Olauson: — Can I ask a question?

The Chair: — Sure can, yes. Mr. Olauson.

Mr. Olauson: — I was just wondering. Are you still utilizing the disability management consultant at this time? Are you still?

Ms. Kirkland: — Yes.

Mr. Olauson: — Okay, great. Thank you.

The Chair: — Thanks. For that chapter 31, does someone want to move that we conclude consideration? Ms. Lambert moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's agreed. That's carried. And we'll move along now to chapter 26 and we're dealing with that again individually, the rest of them individually. I'll turn it over to the auditor's office.

Ms. Clemett: — So in 2017-18 the ministry received about 15,000 reports of alleged child abuse and neglect. Over 6,000 of these reports resulted in investigations. Timely investigation of allegations of child abuse and neglect is critical to protect the safety of children. Chapter 26 of our 2018 report volume 2, on pages 191 to 205, reports the results of our audit of the Ministry of Social Services' processes to investigate, within a reasonable time frame, allegations of child abuse and neglect. It contains five new recommendations for the committee's consideration.

We concluded for the 12-month period ended June 30th, 2018, the ministry had — other than the following — effective processes to investigate, within a reasonable time frame, allegations of child abuse and neglect. I'm going to focus my presentation on the five recommendations we made.

On page 199 we recommended the Ministry of Social Services have independent review and approval of screening decisions within two working days when the ministry decides not to investigate a child abuse and neglect allegation. The ministry expects supervisors to review and approve, by making a notation in an IT case management system, all screening decisions intake workers make on whether to investigate a case or not.

We tested 63 reports and found that the independent reviews are not always occurring consistently or timely. For one of the 63 reports of alleged child abuse and neglect we tested, the supervisor did not review and approve the intake assessment decision. In two other reports we tested, the same person made and approved the intake assessment decision. And for three of the 63 reports we tested where the intake assessment decision was not to investigate, the supervisor review and approval did not occur for almost one to two weeks after the intake assessment was complete.

Independently reviewing intake assessments within a short time frame after their completion confirms that the ministry has made appropriate and objective decisions related to reported child abuse and neglect allegations. Not doing timely, independent reviews of intake assessment increases the risk of the ministry not appropriately protecting children.

On the same page, 199, we recommended that the Ministry of Social Services promptly monitor the appropriateness of changed screening decisions related to reported child abuse and neglect allegations. The ministry allows supervisors to override the screening decisions made by staff on completed intake assessments, so change from investigate to not investigate or vice versa. In this case, the supervisor needs to provide sufficient written rationale for the override.

For two of the 63 reports we tested with an override, the rationale for the change from the recommended action was not sufficient. In both cases, the supervisors changed the recommended action from investigating the report to not investigating, with little or no explanation. When we brought these cases to management's attention, management found the supervisors' changes were not appropriate and the report should have been investigated. In both cases, though, the ministry has had ongoing contact with the children and families since the overrides. We found the ministry staff had not independently reviewed either override for appropriateness.

Documenting reasons for changing screening decisions helps show why they are legitimate and appropriate. Reviews help ensure the ministry makes the right decisions when it comes to investigating reports of alleged child abuse and neglect.

Our third recommendation, on page 201 we recommend that the Ministry of Social Services attempt to make face-to-face contact with the child and family involved in a reported child abuse and neglect allegation within required time frames to assess the child's safety.

When investigating reports of suspected child abuse and neglect, the ministry requires caseworkers to attempt first contact with the child who is the subject of the report and their family immediately or within five days of starting the investigation to assess whether the family is safe and whether the family needs any interventions, obviously based on risk. The ministry has set time frames for timing of contact to keep children in these situations safe.

For 2 of 15 investigations we tested, which required face-to-face contact within five days, ministry caseworkers did not attempt to make contact with the child and their family within the required time frame. One instance was three days late and the other was 16 days late. Not making contact with the child within the prescribed time frames increases the risks that the child remains in an unsafe environment.

Our fourth recommendation is on page 202. We recommended that the Ministry of Social Services complete family risk assessments for child abuse and neglect investigations within required time frames. The ministry requires caseworkers to complete a family risk assessment within 30 days of assignment of the investigation. The family risk assessment estimates the likelihood of a family abusing or neglecting a child in the future, so we'll say like in the next 12 to 18 months.

For 3 of the 30 investigations we tested, caseworkers completed the family risk assessment late, after the required 30 days. For one investigation, staff completed the family risk assessment 43 days late. For the other two investigations, staff had not completed the family risk assessments as of June 30th, 2018 and the required 30 days had passed. One was two days late and the other was already 76 days late. Another case was closed and did not have a family risk assessment at all.

Delays in completing the family risk assessment result in delays in finalizing the investigations. Not having a timely completed family risk assessment may result in a family not receiving ongoing child protection services timely, when there is a high likelihood that the family may maltreat their child in the future.

Our final recommendation is on page 203. We recommend that the Ministry of Social Services finalize investigations of reported suspected child abuse and neglect within required time frames to allow timely supervisor review.

For 9 of 30 investigations we tested, case workers did not finalize the investigation within required time frames which is 45 days of initiation of the investigation. Consequently the supervisor's review of the investigation decision was also late. So for six of these investigations, case workers appropriately documented the reasons why completion of the investigations was delayed. So extra time was needed to locate applicable parties, or there was delayed receipt of police reports.

For the remaining three investigations, staff didn't document the reasons for the delays in the IT case-management system. One of these three files was 43 days late. The two remaining investigations were not finalized at June 30th, 2018. And one was two days late, and the other one 76 days late.

Across the province at June 30th, 2018, 44 per cent of investigations or 521 out of 1,180 were not finalized within the

ministry's required 45 days of which 7 per cent of those investigations were open for more than 180 days. Not finalizing investigations within required time frames results in late supervisor review and agreement with investigation closure decisions. This may result in delayed ongoing child protection services to children and their family in need. That concludes my presentation.

The Chair: — Thanks for the important presentation. I'll turn it over to the deputy minister for response.

Ms. Kirkland: — Thank you. So of the five recommendations made around investigations of alleged child abuse and neglect, the ministry considers two to be implemented and progress being made on three. As I go through the responses I will point out that although the recommendations are different, the actions and response to the recommendations may be at times the same given the similarity of the issues being addressed.

So on 4.3, point 2, in regards to promptly monitoring the appropriateness of changed screening decisions, the new recommendation. We believe this recommendation is implemented. Right now supervisors review and approve all screening decisions. Additionally review teams across the province ensure consistent and reliable decisions are made related to reports of abuse and neglect.

Recommendation 4.4, point 3, on the attempt to make face-to-face contact with the child and family. We are also of the view that this recommendation has been implemented. Each year the quality-assurance unit measures whether children involved in investigations of abuse or neglect have been interviewed. This measurement includes the priority-of-response time for the investigation. Service area directors monitor these investigations closely, referring to quarterly roll-ups of one-day and five-day responses and compliance. Our policy is to identify and examine those investigations in which children were not interviewed.

Additional front-line child protection resources have been introduced to ensure timely contact with children and families when there is a report of abuse or neglect.

For 4.4, 4, the completion of family risk assessments within required time frames. Initially we believed this recommendation was fully implemented. We are now updating our status to partially implemented. The quality assurance unit annually measures whether a risk assessment was completed during the investigation and whether required time frames were met. And as I mentioned earlier, in '18-19 the ministry added . . . I didn't mention this earlier. Sorry. But the ministry added 30 front-line child protection staff. As well, the south service area is allocating four more child protection staff to investigations as a result of higher-than-normal volume in that area.

The ministry's compliance rate for completing risk assessments is on target. However more work will be done to ensure that those assessments are completed within required time frames.

Recommendation 4.3, point 1, in regards to an independent review and approval of screening decisions. We believe this recommendation to be partially implemented. Currently supervisors are required to review and approve all screening decisions, and since April 2019 review teams across the province

review intakes to ensure that consistent and reliable decisions are being made. Plans are in place again for the quality assurance unit to measure whether the reports have been completed within two working days during 2021.

The final recommendation in regard to finalize investigations of reported suspected child abuse and neglect within the time frames. We consider this recommendation to be partially implemented. In 2018-19 the ministry again added the 30 front-line child protection staff, as well as allocating the four more positions to the south service area. The quality assurance unit tracks whether investigations have been completed; however, not within the expected time frames. In 2021 again, we will do that quality assurance work of starting to measure and report on the time frames as well as the investigations being completed. Thank you.

The Chair: — Thank you very much for the presentation. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you very much, Mr. Chair. On page 191 the auditor notes that as of 2017-2018 the ministry received about 15,300 reports of alleged child abuse and neglect. I'm wondering what this figure is for 2018-2019, if you have that with you.

Ms. Kirkland: — I do. 2018-19 we received 18,695 reports.

[14:30]

Ms. Mowat: — What unit is responsible for these investigations?

Ms. Kirkland: — Thank you. So for the initial screen, when a call comes in we have three screening teams across the province, one in each of the regions that does that initial screen. If the decision is made to do an investigation, in our larger centres we have dedicated investigation teams. In our smaller and rural areas we have a blend of activities or roles that workers take on.

Ms. Mowat: — Can you give us an idea of if there are designated staff toward this issue, what those teams look like?

Ms. Kirkland: — So just for clarification, are you asking for size of staff? Like number of staff?

Ms. Mowat: — A complement number of staff, but also what their designations are, if they have professional designations or . . . Yes.

Ms. Kirkland: — Okay. Thank you. So across the province we would have 22 staff who are dedicated to that initial screening. We would have 50 staff that are the dedicated investigative workers. That doesn't include the sort of blend in the smaller and rural locations. All of our staff are required to have a social work degree, and then take the additional training that is specific to their role.

Ms. Mowat: — Thank you. In terms of the dedicated workers that you've cited, these are folks who are working full-time on these cases or are they double hatted as well?

Ms. Kirkland: — No, the 50 that are dedicated investigators, that is their role, yes.

Ms. Mowat: — Thank you. And then the blended ones assumably have multiple roles, multiple responsibilities.

Ms. Kirkland: — Correct.

Ms. Mowat: — On page 196 it indicates that the ministry had 180 child protection caseworkers as of March 2018. Is there a number of how many there are today?

Ms. Kirkland: — We have added . . . Of the 30 positions that I referenced, 24 of those would be child protection workers in that area.

Ms. Mowat: — Sorry. I'm looking for the total because this one was talking about 180.

Ms. Kirkland: — Yes, and I would ask that we would go back and determine exactly what that 180 was referring to, because it seems low to me as a number. So I need to clarify what exactly we were categorizing there.

Ms. Mowat: — Fair enough. Thank you. On page 200 on figure 6, it's looking at the number of new child abuse and neglect investigations and children entering the ministry's care for the past three years. It shows that this number has increased quite a bit over the past few years. I'm wondering sort of what the plan is to address the increase in this issue.

Ms. Kirkland: — Yes, so in '17-18, as you point out, the number of new investigations has increased. That number on the chart is 6,716. On the other hand, or along with that, the number of children entering care has actually decreased. So on the investigation side, what is driving that? Increased reports, so certainly back to the fact that we had the 18,695 reports or calls. So we are getting more reports or calls in from the public, from stakeholders, from police, from schools. And that, I mean there could be a variety of reasons for that, of course, that we could talk about and theorize about. But what I would want to point out is the increased reports, the increased investigations, but due to, I believe, the work of the ministry and our third party CBOs around supporting families and working with families and kinship care slightly reducing the number of children coming into care is a significant success story.

Ms. Mowat: — Thank you. Would you say that that improvement is linked to the increase in additional front-line child protection staff from 2018-2019? Do you think that has played a role?

Ms. Kirkland: — I can't scientifically correlate that. I expect it helps. I expect more so it is an increased emphasis on working with First Nations, working with communities, expanding our look for extended family, our continued work with supported living situations where we actually bring mom and dad or mom and children in together rather than taking children into care. So it's also new ways of working, I think, that is assisting with that.

Ms. Mowat: — With regards to recommendation no. 1 on the status update, and you noted verbally as well that the timeline for implementation is the second quarter of 2021. And I understand this is based on the quality assurance process and the ability to update that process. I'm just wondering, you know, it seems like quite a long time frame in terms of the seriousness of the matter,

in terms of being able to implement. I think this is talking about a second set of eyes on the allegations. Is there sort of a work-around process that's being completed until that formal process gets brought into place? Or what is the . . . There's no way to expedite the process, I guess, is the question.

Ms. Kirkland: — So I think the reason we reported that one is partially implemented is because we have already put the processes in place with staff doing the investigations to drive that compliance. The 2021 is the quality assurance unit taking that full year of data and saying, you know, where are we on that two days? Okay?

Ms. Mowat: — All right, that's very reassuring. Thank you. Those are my questions, Mr. Chair.

The Chair: — Good questions. Any other questions from members with respect to chapter 26? Mr. McMorris.

Mr. McMorris: — I just have a couple of questions. I think that 18,000 incidents jumps . . . just is astonishing to me. And maybe I'm very naive; I think I am. But you'd kind of mentioned where a lot of those reports would come in from. You said, you know, police, could be school divisions. Can you just give me a little background? Is it often not relatives, neighbours, family members too, as well?

Ms. Kirkland: — Absolutely.

Mr. McMorris: — Can you just give me a little kind of . . .

Ms. Kirkland: — I don't have any sort of breakdown, but absolutely it could be family members, neighbours, friends. Yes.

Mr. McMorris: — Would it be safe to say that at times there would be multiple reports on one incident?

Ms. Kirkland: — Yes.

Mr. McMorris: — Or do you think that's 18,000 separate incidents? I mean that's a really tough number to break down, but . . .

Ms. Kirkland: — Yes. So the 18,695 would be distinct calls. That does not mean it's distinct children or families. Yes.

Mr. McMorris: — So we would hope that . . . Tough to break that number down from 18,000, but 50 a day is what that works out to over 165 days; that's pretty astounding.

And just to kind of a chapter before when we were talking about absenteeism, you know, the workload and the stress that, you know, your workers are under is just incredible. So not that that is any excuse and any help that we can give them . . . But that's tough, tough work.

The Chair: — All really good questions. It is heavy, heavy stuff we're dealing with here today, and the numbers are sort of mind-blowing. Some pretty harsh realities that are lived out there. And thank you to those that are, you know, engaged in this work on behalf of the people of the province.

So thank you for that work and seeing these recommendations

through. Certainly the response times and the checks and balances and what we've seen, you know, I think, you know, a real quick response from Social Services in response to this joint work. I just want to say thank you and to continue on that good path.

Not seeing any other questions at this point, I think we have . . . I believe at first the fourth recommendation initially was identified as being implemented, but I heard from the deputy minister that you'd prefer to walk that back to sort of a partial implementation. Is that correct?

Ms. Kirkland: — That's correct.

The Chair: — Okay, so then I'd welcome a motion for recommendations 1, 4, and 5 that we concur and note progress.

Mr. Weekes: — I so move.

The Chair: — Mr. Weekes. That we concur and note progress with 1, 4, 5, all in favour?

Some Hon. Members: — Agreed.

The Chair: — That's carried. That leaves recommendations 2 and 3, which I would welcome a motion that we concur and note compliance. Mr. Fiaz. All agreed?

Some Hon. Members: — Agreed.

The Chair: — All right, that's carried as well. Just recognizing the clock, we just have a little bit more work to do. We're not sure how much time that'll take, but I've had a couple of requests for a very brief recess. If we can call it five minutes, feel free to get water or whatever you need to do. We'll be back in five minutes.

[The committee recessed for a period of time.]

The Chair: — Okay, we'll reconvene, and we'll move our attention along to chapter 46. I'll turn it over to the Provincial Auditor and her office.

Ms. Clemett: — Chapter 46 of our 2018 report volume 2, starting on page 303, reports the results of our second follow-up of five recommendations we previously made about the actions of the Ministry of Social Services to improve its processes to protect children in care. By August 2018 the ministry had fully implemented four of five recommendations and partially implemented the remaining recommendation.

Key improvements included adequately monitoring compliance with the ministry's child protection standards. The ministry has detailed rules and procedures, also known as their standards, that caseworkers are to follow to protect children in care.

The ministry's quality assurance unit conducts annual quality assurance reviews to monitor the compliance of First Nations agencies and its own service areas to monitor compliance with its standards. For each review a findings report is prepared. The ministry actively monitors compliance rates and took steps to improve compliance with specific standards when they were lower than expected.

Also the ministry has signed agreements with First Nations child and family services agencies, requiring timely and relevant information to ensure proper care of children who are wards of the minister. But by August 2018 the ministry has still not received from First Nations agencies timely or complete information about how many children are the minister's responsibility, who they are, and where they live.

We found the ministry did not check the completeness of information submitted or follow up with staff on missing reports or information. Without the receipt of timely and complete information from the First Nations agency, the ministry increases the risk of not having sufficient information to enable it to monitor the care of children receiving child protection services from First Nations agencies.

That concludes my presentation.

The Chair: — Thanks for the presentation. I'll turn it over to the DM and we'll go from there.

Ms. Kirkland: — So as noted there were five recommendations, four of which the auditor considers implemented. The ministry considers the fifth recommendation implemented as well. I'll speak to that one. So that is 3.4, that the ministry implement a system to know how many children are in the minister's responsibility, who they are, and where they live.

All First Nations child and family services agencies are required to provide monthly reports regarding children in care receiving services through their First Nations child and family services agencies. The ministry's First Nations and Métis service unit tracks whether First Nations agencies are submitting reports throughout the year. The unit has a process in place to follow up if information is late or missing. The ministry is also able to contact agencies for information on any given day to obtain information about specific children in their care. Thank you.

The Chair: — Thank you. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you. I'm wondering if we can get an update on the number of children in out-of-home care. On page 303 it shows that as of March 31st, 2018, the ministry reported it had 5,257 children in out-of-home care. Do you have the current numbers?

Ms. Kirkland: — Sorry. We break it down in so many different ways. We're just trying to find the right answer here. So our most recent number of children in out-of-home care in the ministry's care is 5,014.

Ms. Mowat: — Thank you. And do you have the percentage of . . . So it says, of those children who are wards of the minister, the ministry staff caseworkers cared for 94.3 per cent of the children, and First Nations agencies cared for 5.7 per cent of the children. I'm wondering if the percentage of care provided by the First Nations agencies has increased as we've seen new agreements come into place.

Ms. Kirkland: — I don't have the answer to your specific question. But just to clarify, the number I gave you, the 5,014, that's children in out-of-home care in the care of the ministry. As

of March 31st, 2018 there were 1,059 children in care of First Nations child and family services, which was down 2 per cent from the previous year. But to your question about the percentage breakdown between ministry and First Nations agencies, I don't have that today.

Ms. Mowat: — That's okay. Thank you for providing what you have.

I know the federal landscape stands to impact us provincially quite a bit. And in terms of the possibility of Bill C-92 passing, I wonder if you can speak to any sort of preparatory work or thoughts that have went into what changes would have to be required at the ministry as far as that goes.

Ms. Kirkland: — So definitely it's our understanding that Bill C-92 will come into effect in January of 2020. So having significant conversations with federal counterparts, with Indigenous partners, with other ministries like Justice, we're definitely taking a look at that. There's a lot, for us, of unknowns about how we will need to respond or how our programs and processes and legislations will need to change. So we need a fair bit more clarity around what Bill C-92 is and what's in there to be able to respond, but definitely having the conversations.

Ms. Mowat: — Thank you. That concludes my questions, Mr. Chair.

The Chair: — Any other questions with respect to chapter 46? Not seeing any, I'd welcome a motion to conclude consideration of chapter 46. Moved by Ms. Lambert. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll turn our attention to chapter 47.

Ms. Clemett: — The ministry uses an electronic case management system called Linkin to support the delivery of its programs and services for children in care. Linkin contains confidential information about children in care and their families. Accurate and secure information in Linkin helps ensure children who are in the care of the minister are properly protected and cared for.

Chapter 47 of our 2018 report volume 2, on pages 309 to 312, reports the results of our first follow-up of recommendations we originally made in our 2016 audit on the actions of the Ministry of Social Services to protect information about children in care in the Linkin system. By August 2018 the ministry had fully implemented three of four recommendations and partially implemented the remaining recommendation.

Key improvements included removing user access to Linkin within required time frames; verifying care provider information entered into Linkin; consistently reviewing and approving Linkin payment reports to identify unusual payments. The ministry still needed to upgrade the Linkin system and develop a long-term plan for keeping Linkin up to date. Routinely upgrading and patching is key to address the security exposure of sensitive- and business-critical systems like Linkin. Timely security patches — so annual, or more frequent — provide protection against known vulnerabilities. Without updating systems in a timely manner, the

ministry increases the risk of compromise and failure.

That concludes my presentation.

The Chair: — Thanks for the presentation. I'll turn it over to the DM.

Ms. Kirkland: — Thank you. The one remaining recommendation partially implemented, 3.1, in regards to the establishing of written plan for updates to Linkin, updates to the most recent Linkin version have been made. Next steps are to define and implement the Linkin upgrade policy that ensures the system is upgraded on a regular basis. This plan is to include a review of available Linkin patches. And we anticipate this recommendation to be fully implemented by spring of 2020.

The Chair: — I'll open up for questions. Ms. Mowat.

Ms. Mowat: — Thank you, Mr. Chair. I'm wondering about the upgrade to Linkin. On page 310 of chapter 47 the auditor noted that the upgrade was expected to cost the ministry over \$2 million. That was expected to happen by March 2019. This upgrade that's being discussed in the chapter is the same as the upgrade that you mentioned as your actions that have been taken? Is that correct?

Ms. Kirkland: — Yes, that's correct, and it was completed in May of this year.

[15:00]

Ms. Mowat: — Okay. Thank you. And in terms of the requirement to establish a written plan for updating the system, I'm just curious about what the expectation is. Maybe the Provincial Auditor can weigh in, but I don't know what sort of plan is expected from the ministry. So I just wanted to shed some light on that if possible.

Ms. Clemett: — So I guess just from our side, with any IT system, it's a matter of you implement and then it's about having a life cycle plan to figure out how are you going to maintain, how are you going to keep that system, over the course of your expected useful life, properly secured and maintained so you'll get sort of the best value, than anticipate till that end-of-life cycle. And so we were really just looking for more or less that outlined and trying to make sure that their as-known vulnerabilities come to sight that they are securing it appropriately.

Ms. Ferguson: — And the only thing that I would add is that in the government, like when there's more than one organization involved, it's really clear to have a clear understanding as who's going to pay, like who's budget it's coming out of too.

Ms. Mowat: — That's what I was going to say. It seems clear to me that updates would happen as they were available. And I didn't know why there was a requirement for it to be in a written plan. But based on the fact that we're talking about this update costing \$2 million, it makes sense that it would sort of need to be built into the structure of the budgeting process and the whole, the overall ministry's plan. So thank you for providing that clarity.

I guess in terms of the development of a long-term plan, I

understand that it's under development. What does the ministry see as any obstacles that would stand in its way for completing this?

Ms. Kirkland: — So we have the draft policy, which will apply not only to Linkin, but all of our database systems around review and renewal. And then for each of those systems we will need to have a road map, a five-year plan, around what upgrades will be required, what new functions we think might need to come into that. And then it really just is, as you say, a matter of informing decision makers of that, building it into our budget, making sure that we're doing the timely upgrades for security and performance.

Ms. Mowat: — Thank you.

The Chair: — Any other questions from committee members? Chapter 47, I'd welcome a motion to conclude consideration of 47. Moved by Mr. Olason. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried.

I think at this point, I'm not sure . . . Is everyone going to stick around for the . . . No. So then I just want to say on behalf of the committee, a great big thank you to everyone that's here today and all the work that's gone into responding to these recommendations, implementing the recommendations, and of course your time here with us and all those others that might be strewn across the province in various roles that connect to this work and all the stakeholders. So thank you so very much to those that are here today, those that have also been involved in the work.

Would the deputy minister care to provide a final remark, or are you sticking around for the Sask Housing . . . [inaudible interjection] . . . Sure, so you and Raynelle. Great. So thank you very much.

Very quick recess just to shift the table. We'll stay in our seats, and we'll be ready for Sask Housing. Thank you. Sorry, that's just for the committee members. The rest can move, yes.

[The committee recessed for a period of time.]

Saskatchewan Housing Corporation

The Chair: — All right. We'll keep rolling along here, and we'll move our attention to the Saskatchewan Housing Corporation. Would you care to briefly introduce these officials? I think they've maybe been introduced already before. They're at the front table now.

Ms. Kirkland: — They have, but I can remind people since we've lost most of the team. So ADM and president and CEO [chief executive officer] for housing, Raynelle Wilson; Dianne Baird, executive director from our housing division; and Scott has stayed with us from our finance budgeting area; and Natasha, my EA [executive assistant], is hanging in there.

The Chair: — Good work, Natasha and crew. Thanks for being here. I'll table PAC 92-28, Saskatchewan Housing Corporation

status update, dated September 26th, 2019. Thanks for the work on that. And I'll turn it over to the auditor's office to address chapter 27.

Ms. Clemett: — Chapter 27 of our 2017 report volume 2, on pages 207 to 218, reports the results of our audit of the Saskatchewan Housing Corporation's processes to provide adequate social housing to eligible clients. We concluded for the period August 1st, 2016 to July 31st, 2017 the Saskatchewan Housing Corporation had, other than our four recommendations, effective processes to provide adequate social housing to eligible clients.

Sask Housing's social housing program provides subsidized rental housing through over 18,000 subsidized rental units in over 300 communities across the province. The program is intended to serve low-income households. It gives priority to seniors or people 60 years of age and older, families with children or dependents, and people with disabilities.

In Saskatchewan, 260 local housing authorities locally manage and administer Sask Housing's housing programs and units. These authorities are agency of Sask Housing with their own government-appointed boards of directors. Sask Housing funds them.

In our first and second recommendation on page 212 we recommend that the Sask Housing Corporation have its housing authorities follow its policies to calculate point scores prior to placing applicants in suitable social housing. We also recommend that the Saskatchewan Housing Corporation maintain accurate and complete point-score data for social housing in its provincial database.

Authorities are to use point scores to prioritize placements for applicants, so for example, placing the highest score applicants in the first suitable and available unit. Housing authorities are not always applying the point-score process consistently and entering the correct score into Sask Housing's provincial database. Staff did not always update the scores previously entered into the provincial database based on additional information gathered through home visits or interviews. So as a result, we found the scores in Excel spreadsheets in the provincial database different. In one location, management stated that the decision as to who to offer a unit to did not rely solely on the point score. Instead the local board reviewed the applications, discussed the applicants, and selected the priority applicant but didn't keep the decision documentation.

Not following Sask Housing's process to place applicants using point scores may result in biased decision making and the applicant with the highest need not being placed in social housing on a priority basis. Also, not consistently calculating point scores and entering them into the database correctly results in inaccurate information in the provincial database.

In our fourth recommendation on page 213 we recommend that the Saskatchewan Housing Corporation require housing authorities to retain documentation to verify applicants are offered social housing units based on their point score priority. We found the housing authorities do not keep all the documentation to support the decisions made about applicants to the social housing program. For example, the authorities do not

retain the listing of all applicants and their point scores at the time of an individual's placement. Therefore authorities cannot show that they always assigned the highest-priority applicant to a suitable available unit.

Without retaining all documentation to support decisions, neither the housing authorities nor Sask Housing can verify the appropriateness of a placement in a social housing unit, such as an appeal.

In our third recommendation, on page 213 we recommend that the Saskatchewan Housing Authority set timelines to assess applications for social housing and notify applicants of decisions regarding program eligibility. Sask Housing has not set time limits for when housing authority staff inform applicants of the results of assessments of the social housing program applications, so whether they were rejected or approved. We found, for the applications tested, authorities took between one day and five months to complete the assessment of the application. We also found in 20 per cent of the files tested, the authorities did not document whether staff informed an applicant that they were accepted into the program.

So not setting timelines for completing assessments and informing the applicant of the results increases the risk that the applicants may be living in housing that does not meet their needs for longer than necessary. That concludes my presentation.

The Chair: — Thanks for the presentation and the focus of the work. I'll turn it over to the DM.

Ms. Kirkland: — Thank you. So the four recommendations discussed today are all new and the ministry considers them all to be implemented.

4.2, 1, to have the housing authority follow its policies to calculate point scores. In January 2018 Saskatchewan Housing Corporation reaffirmed with housing authorities that they needed to calculate point scores before placing applicants in social housing. Additionally, they would advise that documents referring to offering and placing approved social housing applicants needed to be retained. These documents need to include reasons why units were allocated to one tenant over another with the same score. In early 2018, policies related to prioritizing and notification to applicants were reviewed for clarity. In the same year, operational reviews were enhanced to include additional review of processes and policy compliance related to prioritization, placement, and communication with applicants.

On recommendation 4.2, 2, to maintain accurate and complete point score data, housing authorities were directed to ensure applicants' point scores in paper files were consistent with those in the provincial database. Here as well, operational reviews were enhanced to include additional reviews of processes and policy compliance.

Recommendation 4.3, 3, to set timelines to assess applications for social housing and notify applicants, policy was provided to housing authorities directing that all social housing applicants are to be assessed for eligibility within 90 days of receipt, and within this time frame applicants are to be notified if they qualify or why their application was not accepted.

On the final recommendation in regards to retaining documentation to verifying applicants are offered social housing, housing authorities were advised that they must retain records to document offering and placing approved applicants, including reasons why units were given to one tenant over another with the same score. Thank you.

The Chair: — Thanks for detailing the actions that have been taken. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you. And we're getting late in the day, but I have a few more questions still. So I'm looking at page 208 here. In terms of the social housing program at the time of the report, there were 18,000 subsidized rental units over 300 communities. I'm wondering if you can provide the current number of units that are available.

Ms. Kirkland: — That number is currently 18,032.

Ms. Mowat: — Thank you. And do we know what the current vacancy rates are as well?

[15:15]

Ms. Kirkland: — 15.9 per cent.

Ms. Mowat: — 15.9. Have we seen any change in those vacancy rates over the past five years? What have they looked like?

Ms. Kirkland: — The numbers I have with me today show an increase. So 2014, 10.1 per cent; 2015, 11.5; 2016, 13.4.

Ms. Mowat: — Thank you. On page 216, about the third paragraph in, it says:

In 2016, SaskHousing completed an analysis of communities that were experiencing long-term vacancies. SaskHousing identified 34 communities with a population of less than 300 where there are chronic vacancies of over 30%. SaskHousing developed options for addressing these vacancies.

Management presented these options to the board and decided to sell certain housing units. Can you provide an update on how many units were sold and what the total revenue was?

Ms. Kirkland: — Okay. Sorry, so what I have today, and if it doesn't answer the full question we can certainly follow up, so since August of 2017 we identified 291 units in 72 southern Saskatchewan communities — there's a two-part answer here — as surplus. One hundred and forty-three of those have been sold as of July 31st; 31 more units are listed for sale. In seven northern communities in that same time frame, 18 units were identified as surplus; six units have been sold; and five units are listed for sale. What I don't have at this point is the revenue for you.

Ms. Mowat: — Thank you. Would appreciate if you could follow up with the committee on the revenues, but the rest of that answers my question. Thank you.

In terms of the first recommendation, I'm wondering what the challenge was with the inconsistent point-score calculations. I see that you've reiterated the policy to let folks know that that's

the expectation, that there needs to be a point score assigned. I'm just wondering what you think the challenge was in the inconsistencies that were noted by the Provincial Auditor.

Ms. Kirkland: — So what I'm being told is that one of the challenges is that information that would feed into that score comes in over time at different stages. So the housing authorities have partial information that is going into their database, get additional information that they need to make sure that that's all being reflected so that it equals the number they actually made their decision based on.

Ms. Mowat: — In terms of recommendation no. 3, I see that a timeline has been set for 90 days, and so I'm wondering if there's indication that this policy is being followed.

Ms. Kirkland: — We do not have data on compliance rates yet, but the operational review that we'll be undertaking will provide us with that information.

Ms. Mowat: — Thank you. That concludes my questions, Mr. Chair.

The Chair: — Any other questions? Mr. Olauson.

Mr. Olauson: — Thank you. How many different housing authorities do you deal with across the province?

Ms. Kirkland: — 260.

Mr. Olauson: — [Inaudible] . . . Oh my. And so all of them now are in compliance with your policies on reporting and entering into the database and that kind of thing?

Ms. Kirkland: — They all have the policy and we're going to be assessing that. We would hope so.

Mr. Olauson: — Fair enough. I didn't realize that there was that many. Okay. Thank you.

The Chair: — I have a question. Maybe it was touched on already and this information's, you know, probably quite readily available in the public domain, but as far as the units that have been sold, are you able to provide back to us, I guess (a) the units that have been sold, but also the units that are for sale right now? The respective . . . If you could supply to the committee the communities and what unit that was. So I guess some are still for sale. And then my other question is has the decision been made to sell other units that just haven't been listed yet?

Ms. Kirkland: — My response to that would be, yes, we are continually reassessing what would be considered surplus, what are opportunities, what other purposes. So I think the numbers that we put forward that are for sale or have sold, it's not an end number.

The Chair: — Okay, so if we could just have supplied back to the committee the ones that have been sold, and then I think that there was a question around dollar value maybe, so that could attach to the community and the unit. The ones that are listed obviously there won't be a dollar value other than whatever it's listed for. And then can you also supply, unless you're able to at the table here today, the units and respective communities that

the decision's been made that will be sold?

Ms. Kirkland: — We will provide that back to you. Just for clarification on the units sold, is there a time frame? How far back would you like us to go with that?

The Chair: — I see this goes back maybe to . . . at least the auditor's work suggests a decision point or a program from June 2017. So I'm satisfied to go back to that point. Would there be value in going back? Was there a program of . . . I know there was a program in some of the larger communities that were selling units. Would it be valuable to go back further? I don't want to send you on a wild goose chase either as far as . . .

Ms. Kirkland: — I think June '17 is a relevant date that would correspond with the most recent look we've taken at what's surplus and where it is, so that makes sense, yes. Thank you.

The Chair: — Thank you. Not seeing any other questions, there are four new recommendations, and I think they've all been implemented as what's been identified here. So I'd welcome a motion to concur and note compliance with recommendations 1 through 4. Ms. Lambert's putting that on the table. All in favour?

Some Hon. Members: — Agreed.

The Chair: — That's carried. And then we'll move along to chapter 43.

Ms. Clemett: — Chapter 43 of our 2017 report volume 2 on pages 291 to 294, reports the results of our second follow-up of recommendations originally made in our 2012 audit of Saskatchewan Housing Corporation's processes to maintain the 18,300 housing units it owns. We made four recommendations. By May 2017, Sask Housing had implemented two of the four recommendations and had work to do on the remaining two. Sask Housing uses an asset management IT system to track key information about each housing unit and component it owns.

Sask Housing keeps this information current, updating the condition of units and components annually. Sask Housing prioritize its maintenance activities for the upcoming year based on units or components that have exceeded their lifespan or are in poor condition. In May 2017 Sask Housing still needed to develop a medium- or long-term corporate maintenance plan that aligns with its objective of maintaining all units at a fair condition rating level. At July 2017 the units in Sask Housing's portfolio on an overall basis were in poor condition.

In addition, reporting to senior management did not include sufficient information about delayed or incomplete maintenance on housing units or a summary of the inspections completed yearly. Not doing the right maintenance activity at the right time increases the extent of cost of future maintenance. In addition, it increases the risk of units not being safe or secure for tenants. That concludes my presentation.

The Chair: — Thank you for the presentation. I'll turn it over to the DM.

Ms. Kirkland: — Thank you. The Provincial Auditor noted that two of four recommendations were implemented, one partially, and the other not implemented. Of the two recommendations the

audit did not report as implemented, we consider one to be implemented and the second to be partially implemented.

On recommendation 3.1, develop a corporate maintenance plan for the medium- to long-term time frame, the ministry considers this partially implemented. Sask Housing Corporation has engaged a consultant to undertake an assessment of the current and a 10-year projection of provincial housing needs. The report was finalized in late spring of 2019. The needs assessment will be used to determine housing requirements to meet current, mid-term, and long-term need.

Saskatchewan Housing Corporation will then examine its portfolio and prioritize properties based on short-, medium-, and long-term need and then will develop a medium- and long-term maintenance plan for these properties. This information will be incorporated into the capital asset planning tool. It is anticipated these activities will be completed by April 2020, so as such we consider this partially implemented.

On recommendation 3.4 in regard to regularly give senior management and board appropriate written reports, we consider this implemented. Each year senior management receives a summary of approved maintenance work to be undertaken in the upcoming budget year and within three months of year-end. They also receive a summary of maintenance work completed the previous year. The board receives an annual update on planned versus completed maintenance work for the previous year. Thank you.

The Chair: — Thanks so much. Open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you, Mr. Chair. In terms of the longer maintenance, long-term maintenance plan that's needed, I think it's safe to say I was a little bit alarmed when I was reading through this chapter of the auditor's report, particularly as it refers to the facility condition index. So it says on page 292:

At July 17th, 2017, the overall facility condition index (FCI) for Sask Housing's portfolio of housing units it owns was in poor condition with an index value of 12.1%. Sask Housing indicated it aims to maintain housing units it owns at the industry standard FCI of 10% — meaning overall, its units would be in fair condition.

And it shows the facility condition index on the next page of what those ratings look like and what those numbers look like.

We estimate that if Sask Housing continues maintenance activities at its 2016 level, the overall FCI for its portfolio of housing units will near the critical condition [so that's over 30 per cent of FCI] in about 10 years (i.e., 2027).

So that's about eight years from now.

[15:30]

I see the work that's being done in terms of developing a long-term plan. But in terms of what's being done in the meantime, I'm wondering if Sask Housing has started stepping up its maintenance in the meantime to make sure that we don't get to that level. Or if not, if there's plans to sell off other housing

to make sure that the FCI remains at a more stable level.

Ms. Kirkland: — Thank you. So Saskatchewan Housing Corporation, first I will say that our portfolio was largely built in the late '70s and early '80s, so it is not financially or fiscally possible to replace everything at one time, obviously.

So what we do and are trying to do is prioritize the replacement of building components that are critical to the continued operation of the building or will help reduce operating costs overall, such as roofs, windows, doors, mechanical equipment. Whereas other items that are still important, such as flooring and cabinets, are assessed on a unit-by-unit basis and typically improvements are made on those types of areas when units are turned over to new tenants.

And the tool we use does show that the Saskatchewan Housing Corporation has done a good job of keeping up with the critical and health-and-safety building components but is behind on those interior upgrades.

I can provide if you'd like the dollar amounts spent on maintenance over the last number of years, so 2016, 42.6 million; 2017, 74.9 million; and 2018, 49.2 million.

Ms. Mowat: — Do you know what the current FCI is as well?

Ms. Kirkland: — The current province-wide FCI is 13.3.

Ms. Mowat: — I have no further questions, Mr. Chair. Thank you.

The Chair: — Any other questions from those around the table? If not, we'll conclude . . . sorry, Mr. McMorris.

Mr. McMorris: — I don't really understand a lot of how that works, the rent, how that's determined. But is there any damage deposit? I would think that these houses are often transient in nature at times. I'm wondering about, you know, how they're left. I mean the conditions can deteriorate quite quickly, depending on who's in them and how they're left. It's not necessarily a function of the age of the building but the wear and tear on the building. And is any of that taken into consideration?

Ms. Kirkland: — It's definitely a consideration. There is a damage deposit of \$326 per unit.

Mr. McMorris: — That compared to the private sector would be pretty small, I would think. Okay, thanks.

The Chair: — Not seeing any other questions, I'd welcome a motion to conclude consideration of chapter 43. Mr. Fiaz. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. So at this time, thank you so very much to our deputy minister and to the representatives of the Saskatchewan Housing Corporation, CEO and president Raynelle Wilson, everyone else that's involved in this work today. Thank you very much for being here. Would you care to have any quick final remarks?

Ms. Kirkland: — Sure, thank you. Mr. Chair, just to thank you and the committee for the thoughtful questions posed today. Thank the Provincial Auditor and her team again. And also just to acknowledge, as you have been, Mr. Chair, the efforts of the team that was here with me today and the 1,800-plus employees that we have in Social Services doing the good work every day. So thank you.

The Chair: — Thank you. Thank you to all them, and thank you to the auditor's office. We've had two full days — and committee members — two full days of committee. So thank you to the team at the audit office and our Provincial Auditor for all that work. We're going to take a very brief recess, and committee members, then we're going to consider our report to submit to the Assembly.

[The committee recessed for a period of time.]

The Chair: — Okay members, we'll reconvene and consider our final item, and that would be our third report of the 28th Legislature. And I believe at this time we have a motion. Ms Lambert has a motion.

Ms. Lambert: — Yes, I would like to move that:

The draft third report of the Standing Committee on Public Accounts be adopted; and further, that the final report be approved by the steering committee and filed with the Clerk, pursuant to rule 136(6).

The Chair: — So Ms. Lambert has moved that:

The draft third report of the Standing Committee on Public Accounts be adopted; and further, that the final report be approved by the steering committee and filed with the Clerk pursuant to rule 136(6).

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. Okay. With that, that concludes our work. I would welcome a motion of adjournment. Mr. Weekes moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — This committee stands adjourned until the call of the Chair.

[The committee adjourned at 15:40.]