

April 20, 1983

**Mr. Chairman:** — Ladies and gentlemen, we want to welcome Walter Podiluk. I believe you were deputy minister when your department last was heard before the committee, but you were engaged elsewhere and one of your officials very ably took over. I think everyone else is a familiar face to us: Steven Pillar, assistant deputy minister; Art Uhren; and Loretta Eberts, executive director of community and personal services; Steve Petz, executive director of continuing care; John Allen, assistant director of administration.

You will recall that when we met in . . . I should say, incidentally, for the benefit of those who weren't here before, that what is said before this committee is privileged in the sense it cannot be the subject of a libel or slander action or criminal action outside the committee, and to that extent it's privileged. On the other hand, what is said is also taken down verbatim, so to that extent it's readily available for use outside, and one sort of has to remember that sometimes. With that, let me welcome you to the committee.

We had your department, Mr. Podiluk, we had your department here in February. There were a number of items that we covered, and we were going to get together with you sometime after July, and your officials indicated at that time that that was sort of the time frame you needed to wrestle those problems to the ground. It wasn't our intention to re-cover that ground this morning. We're going to actually leave that until some time after July and we'll have your department back before the committee sometime during the summer, probably.

However, in the auditor's report, which was filed this spring, in March, an item was raised that I do not recall having discussed with your department. The minutes didn't show it had been discussed. My memory may have failed me; the minutes may be incomplete, but I do not recall it having been discussed. It's the matter of day care. The committee thought we might raise that, discuss it with you, and if it's part of the larger problem of monitoring claims, then we might throw it into the mix and deal with it after July 1st. If it's not, if it's something that is of lesser magnitude than that, well and good. But we thought we'd raise it now and if it's something you want to deal with when you return after July 1st, at least we'd have it fed into the system.

And it has to do with the day care. The staff of the Provincial Auditor did a random check of 100 claims and we've been led to believe that . . . (inaudible interjection) . . . I'm sorry. I'm told by the Provincial Auditor that the department did the check of 100 or so claimants and found a 13 per cent error factor, which I would think would have been relatively higher than one would have expected. So perhaps you could comment on that and give us the benefit of your comments.

**Mr. Podiluk:** — We believe that there was a considerable degree of validity and legitimacy to the concerns that were expressed by the Provincial Auditor in this regard. We, I suppose, were, in terms of systems and monitoring and checking, lacking in sophistication in this area. So with the identification of these particular concerns, we have been addressing ourselves to them in some very specific kinds of terms. We have been changing some of our systems and making some improvements in order to provide for much better control and much better monitoring of expenditures, and ensuring that the regulations and the conditions are being followed.

At the same time, we have not completed certain aspects of this area because of the fact

that we are having consultations at the present time with the comptroller; we hope that the end result is going to be a much more refined system with respect to all of those areas that were identified than has been the case. But I would suggest that certain steps have been taken now, but we would like to indicate in more specific terms, perhaps after consultation with the comptroller, what particular actions we will be taking. But I want to . . . (inaudible interjection) . . .

**Mr. Chairman:** — I'm sorry; I didn't mean to interrupt you. Go ahead.

**Mr. Podiluk:** — I was going to suggest that, at the same time, it's not a matter of waiting and not doing anything during the consultation period, and there are some very specific things that we have done now.

**Mr. Chairman:** — You may want to outline, for the benefit of the committee, what steps you've taken to date, and you may want to defer the whole subject till after July 1 and deal with it as a whole. I personally don't feel strongly about how it's dealt with. Perhaps the other committee members may have some view on it, but if you wanted to outline what you've done for us to date and then deal with the balance after July 1, or if you want to leave it all till . . . and give us one comprehensive report. I don't know that the committee has any view on it.

**Mr. Podiluk:** — Do you wish to . . .

**Mr. Chairman:** — That's probably not fair, Mr. Podiluk, to leave that mess with you. Why don't we then, gentlemen, hear what they've done to date and get a more comprehensive report, then, after July 1st. You're able to tell us what steps you've taken to date.

**Mr. Podiluk:** — The first concern that was suggested to us — that there should be an improvement in the checking done by assessing clerks in preparing day care subsidy payments — we have adopted a plan whereby we bring forth applications on a regular basis. For instance, in the case of married or common-law relationships where one person is shown as unemployed, they're brought forth after a two-month period of time, so that way we maintain a tab, which was not the case in the past. And if unemployment continues, it's assumed that if one of the parties is unemployed, they can assume responsibility for looking after the children and not having to be sent to day care. So, therefore, at that point, benefits are terminated.

We also have adopted a plan, a bring-forth system, which is in effect to ensure that each client submits a reapplication every six months, and any failure to reapply results in loss of benefits. We, also, in the case of self-employed applicants, we require them to submit an income and expense statement, accompanied by a copy of their previous year's income. And in the reapplication, this provides us, and the checking and the bringing forth of the documents . . . It is possible for us to monitor the fluctuations in salaries which are then flagged to the verification unit for investigation. So those are the specific kinds of actions that we have taken in this regard in response to the expectations, or the concerns expressed by the Provincial Auditor.

With respect to the second point about reinstituting the requirement for parents to sign attendance reports to acknowledge receipt of day care services, we have taken the first steps in that direction. The policy, with respect to that requirement, is under review, and the implications are being considered at the moment. But we have instituted a spot-check system and a random sample kind of thing, and we have found, on the basis of

investigations to this point, that the random sample has resulted in elimination of discrepancies quite significantly. And so, therefore, we are looking at about a 10 or 12 per cent sample, which is normally considered to be a fairly adequate kind of sample. However, we are considering, rather seriously, the whole matter of requiring every parent to sign, and inclined to consider this as a desirable kind of approach. But we expect that this is not going to occur until the fall, in terms of any new policy development, because we want to study the random sample thing, and consider implications as far as the system and staff are concerned.

The concern was expressed by the auditor about . . . or suggestion that we should perform additional income verification procedures as are performed in the department's family income plan. We have some problem in that respect because of the fact that we do not have an automated system, and it's a matter of matching one with the other. But we have budgetary provision for studying an automated system; we have to move in that direction most decidedly. So until we are able to introduce an automated system and have an automated system in place, it would be difficult for us to follow up on that particular suggestion, but it is one that we are agreed has a lot of merit.

**Mr. Chairman:** — If I can just interrupt you for a moment. Your records are now manual? They are all manually kept?

**Mr. Podiluk:** — Yes. Day care records.

**Mr. Chairman:** — Day care records? Okay.

**Mr. Podiluk:** — So we're a bit behind in terms of automation in this particular area of the department, which requires a very special kind of attention quite obviously. We are . . .

**Mr. Chairman:** — I think the member from Rosthern wanted to get in on this subject.

**Mr. Katzman:** — Just one comment here. Is it correct that a lot of your other departments will have . . . get the computer, and this is lined up to hit it in due course, or not?

**Mr. Podiluk:** — We are in the process of moving in the direction of automation, automated systems, in several areas of the department. We find ourselves in a situation where we have to play some catch-up ball in several areas, so this is very much a priority of our administration

**Mr. Katzman:** — The second part of the question if I may. Your minister was on radio in Saskatoon several weeks ago making the comment about doing pre-audits as well now, Are you looking at pre-audits in this department as well?

**Mr. Podiluk:** — Not in day care.

**Mr. Chairman:** — Tell me, in your review in day care systems, were the number of spaces in the day care centres matched with the number of payments? Did you have too few spaces or too many spaces, or how was the system being utilized?

**Mr. Podiluk:** — We have discovered a very strong preference, at the moment, as indicated by choices made by parents, for home day cares as compared to day care

centres. And although I don't have the specific figures for you at the moment, a number of day care centre vacancies appeared in 1982-83 because of that preference. And yet on the other hand the number of home day cares has increased fairly significantly over the past year. And that's all determined by parental preference rather than by any kind of action taken by the department.

**Mr. Chairman:** — And you license all of them? The institutional day care as well as the home day care?

**Mr. Podiluk:** — Yes. Those that receive any kind of funding are certainly licensed.

**Mr. Chairman:** — And what follow up checks are done to ensure the adequacy of the care the children are given, or is there any?

**Mr. Podiluk:** — Well, we do have a set of standards, of course, and we expect that these standards are adhered to. And the responsibility of ensuring that these standards are met is done, it's the responsibility of our field staff, who then, in the end of course, report to their supervisors, and then of course, the ultimate responsibility in turn before it gets to the deputy minister, I suppose, is that of the executive director, Loretta Eberts. But we do have standards and we insist that those standards are met; and of course, we have to because of the fact that we're dealing with a . . . (inaudible) . . .

**Mr. Chairman:** — When you say your field staff, you're talking about this front-line social worker. Is that who does the checking or is there . . .

**Mr. Podiluk:** — We have day care . . .

**Mr. Chairman:** — . . . or is it the individual himself who's . . .

**Mr. Podiluk:** — . . . out in the field.

**Mr. Chairman:** — Pardon me?

**Mr. Podiluk:** — We have day care consultants out in the field.

**Mr. Chairman:** — I see. Specialized. Specialists who do the . . . I've heard the comment made, perhaps unfairly, that some of the standards in some of the day care places around the province are inadequate. I've heard of it much stronger than that. Does your staff perceive a problem in that regard? It may not be one that you can particularly deal with, but does your staff perceive a problem with the quality of the day care that children get?

**Mr. Podiluk:** — The staff would not permit a day care to operate if it did not comply with the standards that are set by the department, and again we are thinking about the welfare of children. There are perhaps a couple that might be considered somewhat marginal. But, on the other hand, there is the whole matter of people in the community — people who have a special interest in day care — who may have certain expectations that might vary from the department's standards, and it may be more of a general kind of a philosophical almost kind of consideration rather than a very specific day . . . a particular centre consideration.

**Mr. Chairman:** — It strikes me that there's two aspects to this. One is enforcing

minimum standards and making sure that the place is clean and that children are properly fed and so on and so forth. It seems to me the other side of the sword, which is really not an edge of the sword, might be some positive program to assist day care centres in upgrading the kind of services they provide. I know there are vast differences in the kind of services provided. There's one over at the university which is quite impressive. And then there are others which just sort of keep the children . . . I think they see their role as sort of keeping body and soul together . . . (inaudible) . . . And I wondered if we are doing anything in an educational way to assist them in upgrading their standards, and assist them in providing the kind of positive atmosphere that I saw in that university day care.

**Mr. Podiluk:** — We have not undertaken any kind of initiative to suggest that there be an upgrading. We have unquestionably operated on the basis of existing standards but, at the same time, some of the suggestion that the standards be upgraded are coming from certain sources — people who may have a very special kind of interest in day care. And quite obviously this is the kind of matter that would be under review, and as circumstances change quite obviously regulations or conditions or requirements change.

We are in the process of looking at the whole matter of day care, not only in terms of standards but in several other aspects right now. There's a fairly significant study that is in the process of being written right now that will address itself to these various issues, which will represent an updating with respect to day care in several areas.

**Mr. Chairman:** — I can see the point beyond that which there perhaps should be. I've had some exposure to the Montessori system for looking after small children. Frankly, I've been quite impressed with it. So has the member from Estevan. Our children go to the same Montessori school, together with the former member from Regina Wascana, Matthew Merchant. And frankly we're very impressed with that system, and I wonder if there isn't so much more we could be doing for those very young infant children — so much more we could be.

**Mr. Katzman:** — I hate to jump into this, Ned, but in Ontario where they've had it longer they're backing away from it for some reason. Because my niece is a teacher in Ontario. I don't know why.

**Mr. Chairman:** — I wasn't suggesting that the Montessori system become compulsory. I don't know how you as an educator, as a former educator, would react to that. I'm not sure that we're ready for that yet. But it strikes me that we could view day care as something more than just a place to deposit children for seven or eight hours, and could view it as an extension of the educational system. And it seems to me we waste . . . If I could get into this and then I'll quit and let you respond. It seems to me we waste a valuable opportunity to develop very young children in day care when we see it as just a sort of a depository.

**Mr. Podiluk:** — With respect to Montessori, I'm somewhat familiar with Montessori because of the fact that there were some Montessori classes accommodated in the school system with which I was associated. But I have found that as far as Montessori is concerned, it's very much a parental preference. There are those who prefer it and like it, and there are those who do not have those strong feelings about it. And, of course, as far as we're concerned, as far as the Department of Social Services is concerned, we feel it would be inappropriate to indicate any particular direction in this respect.

In addition to that, in terms of what happens in the day care centre, to a considerable degree it's determined by local boards. We want to emphasize the importance of local boards in this regard. We want to be supportive of local boards; we want to provide the resources, but would prefer not to be too terribly directive in terms of how they handle their affairs, as long as they ensure that there's a safety as far as children are concerned.

The question about responsibility for the contents, if I might put it that way, of the program is still one to be answered. Is it Social Services? Is that the mandate of this department or is that a mandate of someone else, considering the fact that our responsibility is to ensure that the facilities are provided, that certain needs are met; but once you go beyond that point, then the question of whose responsibility is one that has to be addressed, quite obviously.

**Mr. Chairman:** — There's pros and cons for both sides. The difficulty with making it part of the educational system then, someone is going to think it's mandatory that they all go, which may cause a bit of fur to fly. The advantage of having it in Social Services is it's viewed as a voluntary sort of a program. But it just strikes me that the programs, without getting into the Montessori system, the programs, I think in many cases, could be much more positive and encouraging.

**Mr. Podiluk:** — Mr. Chairman, I believe that this is sort of almost a philosophical question about day care and the role of day care, the place of day care. It's one, when I indicated to you, that we are involved in preparing a report which is going to have a sort of a future orientation. We are going to be commenting on that aspect as well. So that's being examined at the moment. But it's a larger, almost societal kind of question.

**Mr. Chairman:** — Yes it is, indeed it is. Anyone else want to get into this subject or are we prepared to fine-tune our inquiries over the next couple of months?

**Mr. Katzman:** — I think I have one comment, Mr. Chairman. Looking at our 1982 versus our 1981, it seems that we have less concerns here noted in the report than we did last year. I just comment on that.

**Mr. Chairman:** — Yes, there seems to be. I noticed that too, Mr. Katzman.

Okay. Thank you very much for your attendance this morning. We look forward I guess to seeing you in three or four months or so, something like July 1st, when we get together and have a thorough go at the whole matter.

Thank you very much. Adjourning, indeed, while we're still on the record. Mr. Lutz wants to comment.

**Mr. Lutz:** — Yesterday there was some discussion relative to what Mr. Kraus called volume 13 — I'm sorry, it's page 113 in the record. Volume 3. And we reviewed the history of where that came from, and I suggested yesterday that it was Mr. Skoberg who asked for that. In fact it was Mr. Whelan. I went back and checked certain things, and it was Mr. Whelan who said, could we get a consolidation of all things to all suppliers so we can see them in one place? It was not Mr. Skoberg. That's my correction.

**Mr. Chairman:** — Okay. As I say, one of the things that we might consider looking at is these three books — (a) so we have a better understanding of what's in them, and (b) I share Mr. Glauser's question as to whether or not we need all . . . (inaudible) . . .

Maybe we do but it's something I would like to have a look at sometime at a more leisurely moment.

**Mr. Kraus:** — Mr. Chairman, we're certainly at your direction to some degree, anyway, that the committee could indicate preferences, or may — I believe it's happened in the past. If you want us to print less, we're probably interested in that because it is costly.

**Mr. Chairman:** — I assume that we are one of the primary services . . . This committee is one of the primary users of this.

**Mr. Kraus:** — On behalf of the legislature, that's exactly correct, yes.

**Mr. Chairman:** — And I think before I want to cut down on the material, I'd like to have a better grip on what I'm getting, because frankly . . . I've been here seven years. Now, I haven't been on public accounts seven years, and Ralph may be able to handle it better than I, but I find these things, particularly the first volume, I really have to struggle with it.

**Mr. Katzman:** — I think, Mr. Chairman, when Cal and the rest of them are here we can go into a longer discussion on this, but I'll just make one point. It should be considered by the department somehow to make it a little simpler for the outsider to understand what you're writing in here. Example: we seem to have two or three rules on declaration. I notice if it's an MLA, no matter what the small amount, he is declared, and it's good reasons. Or in other areas, if it's 25,000, or what's the number?

**Mr. Kraus:** — Well, it's 10,000 for suppliers, 20,000 for salaries.

**Mr. Katzman:** — 20,000 and it's not declared. I kind of like the idea of the grouping that you've used on MLAs, by pulling those things all into one section. And it would be nice if you could group a lot of other things. We're prepared to adjourn, Mr. Chairman.

**Mr. Chairman:** — Okay. I've absolutely got to go; I'm sorry. I've got a bit of a problem this morning. Tomorrow morning, 8:30 sharp.

The committee adjourned at 9:17 a.m.