

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**April 5, 1984**

**Public Hearing: Department of Social Services**

**MR. CHAIRMAN:** — Okay. I want to open the session. Welcome to our committee, Walter Podiluk, who was here last year. Thank you for returning, Mr. Podiluk. Dan Cunningham . . .

**MR. PODILUK:** — Dan is not present, Mr. Chairman.

**MR. CHAIRMAN:** — He is not present. Con Hnatiuk, assistant deputy minister of program services; Art Uhren, deputy minister of administration; and Graham Craig, assistant director of administration. I want to welcome you gentlemen to Public Accounts and thank you for coming.

As we traditionally tell everyone, the proceedings for Public Accounts are privileged and, therefore, nothing that's said here can be the subject of any libel or slander . . . (inaudible) . . . criminal action. On the other hand, everything is taken down verbatim and is readily available for use elsewhere as I think all members of the committee, at one time or another, have found to their chagrin.

A matter arose yesterday with respect to questions put by myself to the deputy minister of . . .

**A MEMBER:** — Government Services.

**MR. CHAIRMAN:** — Yes, it was actually, I think . . . It was now the deputy minister of Supply and Services answering for the old Department of Government Services.

Questions concerned whether or not I might ask for a breakdown of severance pay. The questions had been asked as to how many . . . what severance pay was paid by the department for people severed in the year under review, how many people that covered, and then a subsequent question was put as to whether or not any of the people who were so severed were executive assistants of the former government.

At that point in time certain members took exception to the comments, and the matter dragged on for a few minutes without resolution, I think. We've now had the benefit of an opinion by the Clerk, for which I thank him. I've had an opportunity to read it.

Having read the report, I would rule that those questions were in order. I refer members specifically to the opinion rendered by our Clerk, of April 4, page 2, paragraph 3, sub-paragraph 3, which states that members may ask how much a program cost — and, I take it, you may ask the details of that — but not whether or not the department should have established a program; that's policy on the question for estimates. So I rule that those questions were in order.

**MR. KATZMAN:** — Mr. Chairman, we might as well clear the air and get it over with. The question to ask is: severance pay. You may ask how much severance pay is paid; you may ask how many individuals were involved. You cannot ask for a breakout of the individuals.

**MR. CHAIRMAN:** — I would ask the member to . . .

**MR. KATZMAN:** — . . . is what was discussed yesterday, and agreed to.

**MR. CHAIRMAN:** — Okay. I'm not quarrelling with your definition or . . . (inaudible) . . . I wasn't listening particularly. I think the member should put his comments in the form of a motion. I have made a ruling. I am going to ask those questions unless someone moves a motion . . .

**MR. YOUNG:** — I move:

That severance pay is not a program, as you define it to be, and accordingly is not the

subject matter . . . (inaudible) . . .

**MR. CHAIRMAN:** — I missed your last half a dozen words.

**MR. YOUNG:** — I said I move:

That severance pay is not a program as envisaged by the word program and how it's intended to be used in the ruling of the Clerk, and thus is not available to you vis-a-vis breakdowns on programs because it ain't a program.

**MR. CHAIRMAN:** — . . . (inaudible interjection) . . . No, we don't. It's not customary to ask for seconds. Any comment on the motion before I call the question? I don't intend to restate all of the arguments.

**MR. YOUNG:** — A one shot four-year thing that happens with a change of government. It is not a program.

**MR. KATZMAN:** — If I correctly read . . . I guess my question is, Mr. Young . . . What Mr. Young's motion says is: you can say okay, X-amount of dollars severance, there were six people involved, and to break it out or ask for value for money or that is not allowed. That's what we agreed to yesterday. Am I correct, Kim?

**MR. YOUNG:** — Yes.

**MR. CHAIRMAN:** — All right. Any other comment on the . . . The member from Assiniboia-Gravelbourg.

**MR. ENGEL:** — Mr. Chairman, thank you. I think that by the committee members on the government side asking us to group or lump expenditures together so that we can't determine how much was paid to individuals or individual projects . . . If this is the kind of ruling that we're going to operate on when we discuss other departments — if we take an example like Sask Housing, for example, and we're supposed to group ten houses together, and say that the total value for those 10 houses was X-number of dollars, and that one house got 90 per cent of the money, and the other 10 got the other 10 per cent — I don't think we have a way of determining whether there has been proper accounting or whether there has been legislative authority for the expenditures or whatever.

I think we can't get into grouping items, and I'm not going to agree to saying that, but by grouping six together and dividing it by six, makes all six look like it was an equal, or a good number, or that was a fair expenditure, or wasn't a fair expenditure. So I think the committee is trying to hide some facts here that the public needs to know what the breakdown was and, therefore, I'm strongly opposed to setting this kind of precedent for the committee.

**MR. YOUNG:** — My motion that it should be addressing of Mr. Engel, is whether or not it's a program. Certainly your example is a housing program, I won't quarrel with that. My point was that this is not a program. This is an oddity that occurs every four years when governments change. And thus I respectfully submit to you that your arguments do not address my motion.

**MR. WEIMAN:** — I think we're talking about two different things. Maybe this is a definition that we need. We're using, we're hearing arguments and counter arguments regarding what is a program. But what we're dealing here with is a matter of breaking a confidence of a contracting of agreement among personnel. We're starting to get to terms of reference of weeding out individuals and talking about the confidentiality of contracts that they have signed.

And you know, it smacks to me of McCarthyism, where you start keying in on individual people as opposed to particular programs that the department comes down with. And I don't think that

we should be in the realm of things that have legalistic ramifications. And you, Mr. Chairman, being a lawyer, should understand the confidentiality of contracts signed between a client and a lawyer. Well, I don't think that's anymore different than contracts or agreements made between people who are released in confidence. I don't think this is the form to be bringing that matter up.

I do agree that we should be asking, are we getting value for money on a policy to terminate or release employees, and how much money that was involved. But I don't think we should be going into individual specifics.

**MR. MEAGHER:** — Yes, Mr. Chairman, most of my comments have been made by other members of the committee. I just think it would be appropriate to get on the record that what . . . I think it's quite clear that we're not attempting to withhold information by suggesting that this kind of information shouldn't be discussed. There's an obvious and apparent difference between comparing policies and individuals. And there's some contractual obligations and confidentiality there.

So I think it should be important that that be recorded, that we're certainly not attempting to muzzle the committee in any way by protecting the individual's confidentiality.

**MR. CHAIRMAN:** — Okay. I'm going to restate my position, and I'm not going to get any further drawn into this argument.

It is my view that it was the policy of the government, and I do not think the government members have denied it. Indeed, I think some have admitted it. It was a conscious policy of the government to sever a number of individuals who had worked in the public service. In my view, it is a proper function of this department to determine the cost of that program — not to discuss the merits of the program, but to determine the cost of the program. That cannot be adequately done if there are mixed into the figures other extraneous costs which, in this case, are the costs of severing executive assistants from the former government.

My view is we cannot adequately determine the cost of the policy without a further breakdown in the figures, and I think that is the function of the department. That's stating my views, as I say. I'm not going to restate it.

All right. Any further comments before I call the question. Okay. All those in favour of the motion. All those opposed to the motion.

AGREED

**MR. CHAIRMAN:** — I want to warn the committee that I'm going to consider an appeal to the Speaker on the thing. The individual question is not a great shattering importance if the principle is. Okay.

**MR. KATZMAN:** — There's two sets of rules by the NDP: one when you're in government, a different one when you're in opposition.

**MR. CHAIRMAN:** — The question before the House . . .

**MR. KATZMAN:** — Mr. Chairman, you've got a hand up.

**MR. CHAIRMAN:** — Oh, I'm sorry. The member from Saskatoon.

**MR. WEIMAN:** — I don't know whether I'm second guessing you or not. Are we going to deal with the second motion before we get on with Social Services, regarding times?

**MR. CHAIRMAN:** — I'd overlooked your motion. Yes, the member from Saskatoon-Mayfair has

a motion with respect to timing the committee sits.

**MR. WEIMAN:** — Saskatoon-Fairview. It may not mean much to you but it means a lot to those 22,000 people who live in my community.

The motion that I wish to place before the committee is:

That Public Accounts Committee meet on Wednesdays and Thursdays from 8 o'clock to 11 o'clock, to ensure that the same time-line in dealing with matters before us, commencing Wednesday, April 11.

**MR. CHAIRMAN:** — Okay. We've had an opportunity to discuss that motion before the committee was called into public session. Are there any additional comments that may be made before I call the vote on the question?

All those in favour? Okay. *Nemine contradicente*, I gather. All those opposed? The member for Rosthern who want to meet at 6 o'clock in the morning. That rather irrational view aside, all the rest of us, I think, are in agreement.

Okay. Social Services — on to your . . . The comments contained in the Provincial Auditor's report on page 6, which I assume you have had an opportunity, gentlemen, to acquaint yourselves with. I don't think the committee has seen your response to Mr. Lutz's letter. Perhaps you haven't had time to formulate a response; I don't know. That's really my first question: have you responded to Mr. Lutz's letter on this particular aspect?

**MR. PODILUK:** — Mr. Chairman, we did respond, and the date of the response is March 12, 1984.

**MR. CHAIRMAN:** — Yes. This raises the issues of the adequacy of the audits. Do I understand that their client's files are now audited once a year? Perhaps you can explain to the members of the committee — might be a better way to put it — perhaps you can outline for members of the committee the audit system that now exists.

**MR. PODILUK:** — We, of course, were mindful of the concerns that were expressed by the Public Accounts Committee and the Provincial Auditor with respect to the processes that were in place in the Department of Social Services. And we were also mindful of the fact that some of these processes had to be improved, had to be tightened up. That was largely, to a very considerable degree, attributable to the changing circumstances, the increases client roles, and also a different kind of client with different kinds of needs that we were encountering.

So in order to address ourselves to the concerns that were expressed by the Provincial Auditor, we tried to develop some systems, some new approaches, in consultation with the comptroller's office as well, and have established a pre-audit system, and have established a verification unit, and indeed we do an annual review of each file.

We've also established some processes that we suggest represents some simplification, and that provides us with an opportunity to monitor, to check more adequately, more readily, than has been the case before.

Another aspect in an encouragement. It is a process thing as well, where workers are encouraged to refer applications to the audit . . . to our audit units, to our verification units, if they have any doubt. And, of course, with the introduction of our automated client index it provides us the opportunity to access information much more readily than we've had in the past.

The automated client index is far from complete. We're in the first stages. We hope that our systems will be improved, our controls will be superior to what they have been, once we have

terminals in our offices throughout the province.

**MR. CHAIRMAN:** — When do you expect the computerization of this system to be complete?

**MR. PODILUK:** — About 24 months — up to 24, 25 months. The automated client index, of course, is the beginning of it. The installation of terminals in the regional and district offices is the next step. But the complete implementation of a new automated system will take up to 24 months . . . I'm saying up to 24 months . . . I'm very pleased to report that as a result of the experience of some staff that are now associated with the department at the present time, with the expertise in this area, that we expect that some of the process, some aspects of this process, can be speeded up.

As far as terminals are concerned, we expect to have some of them in place as early as September and, indeed, moving to a complete installation during the fall months.

**MR. CHAIRMAN:** — In what percentage of the cases that were audited were there overpayments?

**MR. PODILUK:** — Well, we talked about an error rate, and we have talked about an error rate of 8.4 per cent. I think there was reference made to that and concern expressed to that. Is that . . .

**MR. CHAIRMAN:** — Yes, I think that's what I was asking. Let me continue. Is that 8.4 per cent in terms of money, or 8.4 per cent in terms of clientele.

**MR. PODILUK:** — 8.4 per cent of clientele. A dollar value.

**MR. CHAIRMAN:** — 8.4 per cent of the dollar value. Someone give me a hand, here. Which page is it on in this thing? There we are.

What was the total amount paid out, then, in social assistance? It's what I'm trying to find in your *Public Accounts*. Page 372 I'm told.

**MR. PODILUK:** — In '82-83 the total amount paid out was \$146,535,000. The overpayments amounted to \$3,943,836, in actual overpayments.

**MR. CHAIRMAN:** — You paid out 150 . . .

**MR. PODILUK:** — 146 million.

**MR. CHAIRMAN:** — Public assistance estimate, 153; expenditure, 153 — 151. Page 372. Are we working with different . . . (inaudible) . . . Public assistance, page 372.

**MR. KRAUS:** — That's only \$153,000, Mr. Chairman. That's for social services training. Or are you looking at the . . .

**MR. CHAIRMAN:** — No, I'm looking at public assistance estimates.

**A MEMBER:** — 151 million.

**MR. CHAIRMAN:** — Right.

**A MEMBER:** — Or 190,000?

**MR. YOUNG:** — From the annual report, it says 142 million. Why don't these books jibe?

**MR. CHAIRMAN:** — 8 per cent, I would have taken to be an error of \$12 million — taken to have resulted in an overpayment of \$12 million.

**MR. PODILUK:** — I can explain the difference in figures, Mr. Chairman. The figures that you're referring to, our *Public Accounts* figures, include DNS that was taken over in the latter part of 1982. And the figures that I gave you earlier, the 146, was only for the southern part of the province.

**MR. CHAIRMAN:** — Okay. So 146 is the area south of the northern administration.

**MR. PODILUK:** — That's correct. Then that's the figure that we have . . . That's what we applied our air rates to. That's the figure that we were most familiar with.

**MR. CHAIRMAN:** — Can you give me the figure again.

**MR. PODILUK:** — \$146,535,000.

**MR. CHAIRMAN:** — Okay. My calculations show that with an 8 per cent error rate you'd be looking at close to \$12 million.

**MR. PODILUK:** — Correct.

**MR. CHAIRMAN:** — Okay. Last year I recall asking, as well, what percentage of those overpayments, resulted in errors on the part of the department. What came about by reason of . . .

**MR. PODILUK:** — We estimate . . . I'm sorry.

**MR. CHAIRMAN:** — Yes, go ahead.

**MR. PODILUK:** — We estimate that three-quarters of that eight point . . . about 75 per cent of the 8.4 were client-originated, because of wrong information presented, inaccurate information, and so on, and one-quarter was department's.

**MR. CHAIRMAN:** — Okay. So you estimate one out of every four is yours, and three out of every . . .

**MR. PODILUK:** — And that's what we're trying to address ourselves to, as far as the pre-audit approach that we are using in the verification unit approach, is to, well, to both aspects. But we feel that in both instances they can be reduced very significantly because of the processes that are in place today, and which are being developed further.

**MR. CHAIRMAN:** — Okay. Any other . . . Any members have any questions on this aspect of it? The member from — I just happened to see your hand first — Eastview, and then the member from Prince Albert.

**MR. YOUNG:** — Mr. Podiluk, as I understand it, when you have an overage like that, either being it your department's error or the client's, you (if the guy stays on assistance, that is), you collected back by taking it off his next cheque, so to speak, eh? So in the end, if the guy stays on welfare, you should zero out on all that stuff.

**MR. PODILUK:** — That's right.

**MR. YOUNG:** — But if he quits and moves to B.C. or something, you've had it.

**MR. PODILUK:** — We've had some problems. We have had to obtain some interpretations of what is the proper process for us to follow in terms of recovery of overpayments. We've had a very recent interpretation from Justice which clarifies our position in terms of what is

appropriate, an appropriate course of action for us to take.

And it is our intention to present a report to treasury board seeking their approval for tightening up this whole process. And not only tightening up, but developing a policy and procedure statement which will clearly indicate what is an appropriate course of action for us to follow.

**MR. YOUNG:** — What would be your policy in the circumstance that I've put forward? It happens to be one of your 25 per cent departmental errors — you have husband, wife, and a kid. Cheque comes in, they're not too sophisticated, and they spend it. You determine departmental error, you overpaid 30 bucks a month, or something like that, and that ran for six months.

Now assuming that the needs allowances, shelter allowances, on and on, were accurately set, how is it that you can take off so much per month to catch back your error and not leave these people short in one particular aspect of their need? How can you ever collect that under those circumstances?

**MR. PODILUK:** — There's no question that collection, in some instances, has been very difficult because of the fact that some of the needs are such that, to try to recover some amount of money, it may work a hardship on individuals, and that's one of the factors that is taken into account.

But as long as a person is on the roll, an arrangement is worked out whereby recovery is made in a manner that is acceptable to the client as well as to the department. Indeed, in some instances, it is a long, drawn-out process.

**MR. YOUNG:** — Most circumstances arise from need. It's certainly not agreed to, to be agreeable to the welfare recipient. He don't like it. And I would be surprised to find one that you could get agreed to taking off the back payment for an overpayment. But you're suggesting in your answer that all of them are agreed to.

**MR. PODILUK:** — No, I'm not suggesting all of them are. No.

**MR. MEAGHER:** — Your breakdown on a percentage basis of overpayments, 75 per cent, approximately — the department is responsible for the original error?

**MR. PODILUK:** — No, no. The client.

**MR. MEAGHER:** — The client. Okay, 25 per cent for the department. But in there, there's no percentage for fraud, or outright fraud. Is there any . . . Can you give us that percentage?

**MR. PODILUK:** — No. But when I speak of client error, that frequently means that the wrong information about assets might be provided, and the basis on which the support is claimed might . . . That, of course, constitutes fraud, in that respect. So, therefore, that could be initiated by the client.

**MR. MEAGHER:** — In the case of deliberate error or fraud, what steps are taken, then, to recover that — those moneys?

**MR. PODILUK:** — Really my answer before related to this. There's a contact made, there are letters written, there's an investigation undertaken, but in certain . . . And the referrals to the police.

**MR. WEIMAN:** — Mr. Podiluk, you brought up the point of trying to get the paybacks, and to not cause undue hardships, is my understanding (and please correct me if I'm right or wrong), but within this consultative process between the worker and the client that it is trying to amortize over a longer period of time, so that there is not that undue hardship. Is that correct?

**MR. PODILUK:** — That's correct. We have not . . . The repayment schedule may vary from one person to another by a very significant amount.

**MR. WEIMAN:** — I'm wondering if you could point out one further thing regarding this undue hardship. Is there not a process of appeal should the client not accept . . .

**MR. PODILUK:** — There is a process of appeal. There is . . .

**MR. WEIMAN:** — So, there is that final . . .

**MR. PODILUK:** — There's a regional appeal board; there's a provincial appeal board.

**MR. WEIMAN:** — Just wanted to clarify that.

**MR. GLAUSER:** — Well, I always play a little bit of the number game here, and when you're looking at dollars, and you're looking at \$9 million on the one and \$3 million on the other, that's about the ratio, I believe, where it is client initiated as opposed to department problems. I think that is the figure that becomes more relative.

And I understand that as a result of tightening steps being taken, that even some people are coming forward. I have had two or three instances in my own constituency where I know that has happened — where they have come forward and sort of bared their souls.

I was wondering if those are just isolated cases, or if there is any significant turn around in — if that is happening as a general rule.

**MR. PODILUK:** — I have no indication that it is happening as a general rule throughout the province. I think that probably there are individuals that are coming forth in every area. But not as a . . . I'm not suggesting . . . I've had no indication that this is occurring in any significant numbers.

But I do feel that there is a different kind of attitude. I don't suggest — I don't feel, I know — that there is a different kind of an attitude there. And partly it's attributable to the initiatives that have been taken by the department in terms of even training of personnel. And so, therefore, there is a notion of greater responsibility and better control that has been communicated. And I feel that that has to be a basis for any specific action that has to be taken. And that's perhaps, from my perspective, one of the more significant kinds of developments.

We have set up some new target figures, Mr. Chairman, if I may share those with you. We are suggesting . . . We discovered that the error rate had been increasing year after year by a fairly significant amount. It had increased from 6 per cent in '80-81, to 7-point-some per cent in '81-82 to 8.4 per cent in '82-83. And we are . . . A variety of factors quite obviously contributed to it.

The time to try to turn things around was very obvious. We outlined the processes for you and, at the same time, we did set some targets. The target we set is 4 per cent — 2.5 per cent what we call uncontrollable client error, that is, information that's supplied by a client that is difficult to get at — and 1.5 per cent controllable department error. So therefore we're reducing the percentage of error, or trying to, from 8.4 per cent to 4 per cent.

I might say that we're the only jurisdiction in Canada that has set these kinds of targets for ourselves.

**MR. CHAIRMAN:** — . . . (inaudible) . . . but I was about to ask you, if I might just . . . Would you complete that. What do other provinces do?

**MR. PODILUK:** — As a matter of fact, the information I have would suggest that most other provinces do not keep tab. They don't have verification units. They don't have the verification



process of the kind that we have.

**MR. CHAIRMAN:** — That's interesting.

**MR. ENGEL:** — In the annual report, on page 11, where it says table 7, page 11. See the table 7 there. This is what we're talking about, isn't it? Are those the same numbers? Am I at the same place?

Municipal governments contribute 1 per cent, the federal government 50 per cent, and the provincial government 49 per cent. When you have an overpayment or a problem with, say, \$8 million — or 8 per cent, not 8 million — 8 per cent of the amount, does that reflect on your collections from the federal government in the following year?

**MR. PODILUK:** — There's a complete cost sharing in overpayments. They expect . . . As a matter of fact, we've had discussions with federal authorities about our new processes and procedures, and certainly they are most supportive of them because of the fact that they'll be cost sharing in less overpayments. But they cost share. They accept the fact, it's accepted, that there's going to be a certain amount of error in this kind of a program, regardless of whether it's located in Saskatchewan or some place else. And so therefore, their policy is uniform in that regard.

**MR. ENGEL:** — A question that arose in my mind was because of some comment that was made in the committee. Should a person leave the province, would the federal government then follow up and try and collect that amount, or . . .

**MR. PODILUK:** — No, it's a provincial jurisdiction.

**MR. ENGEL:** — That is strictly a provincial jurisdiction. If the amount is collected that was a departmental error, will the federal government get credit for that?

**MR. PODILUK:** — Yes.

**MR. ENGEL:** — They will, eh? That is a problem, because in cases that I've run into where an individual thought he filled everything out correctly, and because of some error in the department he got \$20 a month more than he should have, or something, and then you go back, and that money is spent. We've been causing some hardships and, if the federal government is benefiting on that, you're only getting 50 cents on your dollar. I was just wondering: if it's an error you make, if we should be that tough, or what is your opinion on that? Because it almost looks like harassment of people that are on some kind of an assistance plan or other.

**MR. PODILUK:** — Well, as I indicated earlier, that if there are some very special circumstances that exist, quite obviously, perhaps some particular considerations would have to be made of those circumstances. But it's more a matter of principle, more a matter of attitude and responsibility. One of the components of any social assistance program is that the client feels a sense of responsibility with respect to the appropriate use of the dollars that are coming to him from the taxpayers of a jurisdiction, and so, therefore, that certainly has to be translated into the matter of providing accurate information and having responsibility for returning — on easy terms, if you want to, in certain circumstance — the money that he received, or she received, that was not rightfully theirs. So it's a matter of attitude and principle as far as I'm concerned, and would like to . . . I've been directing the department to regard it that way.

**MR. CHAIRMAN:** — . . . (inaudible) . . . Rosthern, and he's gone, and is not returning.

**MR. YOUNG:** — In the year under review, do you happen to know how Saskatchewan rated with respect to the overall richness of its program? We certainly have the lowest, or very close to the lowest cost of living, be it electrical bills, or whatever, in the province. And that, to some extent, would have to be taken into account vis-a-vis what is needed to live in this province at

the same standard as a high-priced jurisdiction, shall we say, Quebec.

Now you have to know how we rated in the overall richness of the benefits to welfare recipients vis-a-vis other provinces.

**MR. PODILUK:** — Generally speaking, in all categories, rather generous, very . . . by comparison with other provinces. As a matter of fact, in quite a number of instances the benefit levels would probably be at the top of the scale, the range.

**MR. CHAIRMAN:** — Any other questions before we get back to the member from Rosthern?

**MR. WEIMAN:** — If I may, since one of our reasons for being here is value for money, you indicated the automation coming in line. The amount of money, I didn't get that clarified — the amount of money that you projected will save the taxpayers of Saskatchewan by going this route.

**MR. PODILUK:** — It's difficult for me to make that kind of a projection. First of all, I have to deliver, in terms of targets that we have set with respect to the . . .

**MR. WEIMAN:** — . . . should you reach those targets.

**MR. PODILUK:** — . . . should we reach that, it's obvious that it's going to be half, half of the \$12 million.

**MR. WEIMAN:** — \$6 million.

**MR. PODILUK:** — \$6 million.

**MR. WEIMAN:** — That would be per year.

**MR. PODILUK:** — Oh yes.

**MR. WEIMAN:** — \$6 million . . .

**MR. PODILUK:** — That's a rough estimate, but that's right.

**MR. KRAUS:** — Yes. I just wanted to clarify though, Mr. Podiluk, and perhaps for the committee, that any of those figures are split 50-50 between the two governments.

**MR. PODILUK:** — The cost of the development of the program, the developmental costs, and indeed, the hard costs associated with putting the program into place, the systems into place — is cost-shared with the federal government.

**MR. CHAIRMAN:** — . . . (inaudible) . . . Rosthern and then the member from Prince Albert.

**MR. KATZMAN:** — I apologize if it's been asked, and if it has I'll read *Hansard* and get the answer. When the members earlier were talking about the overpayments, and you sit down and try to arrange a settlement with the people to pay them back, what is the longest term? For example, let's assume that you look at what a man has been received overpayment, and if you took it off in one year it would be \$50 a month, and it is just impossible for that man to do it. Well, you may say, well we'll take it over three years, or four years.

**MR. PODILUK:** — There are some that even exceed that period of time, Mr. Katzman.

**MR. KATZMAN:** — What's the longest possible term?

**MR. PODILUK:** — I don't know. Mr. Uhren says potentially there could be some that could be up to 10 years.

**MR. KATZMAN:** — 10 years till you finally balance it out.

**MR. WEIMAN:** — The key there is that it doesn't cause an undue hardship to the clientele.

**MR. PODILUK:** — We are in the process though, as I indicated before, reviewing the situation, our actual experiences, with a view to developing policies that are going to be much more clearly — provide a much clearer direction in terms of what is appropriate, times of ranges, time lines, and this kind of thing.

**MR. CHAIRMAN:** — The member from Rosthern.

**MR. KATZMAN:** — The second part of my question is: the verification right now, basically, comes up really once a year.

**MR. PODILUK:** — Yes. Well it's more than that because the verification includes a pre-audit that is done before a cheque goes out to make sure that it is accurate.

**MR. KATZMAN:** — Okay. Well maybe I'm asking the question wrong. Somebody is on social services, comes in and makes out a system, and says okay, we're going to give you so many dollars. Now he starts to get the cheque each month. That individual or client is supposed to report if there is a change in his income as quick as he can.

**MR. PODILUK:** — That's correct — monthly.

**MR. KATZMAN:** — Okay. Let us assume he puts it into the system. How fast will the system check to make sure that it has been corrected?

**MR. PODILUK:** — Immediately. There will be a change from one month to the next month's cheque.

**MR. KATZMAN:** — I'm looking for the date — the time lag. Like, in other words, if I report at the end of the month, my other cheque may be on the road to me.

**MR. PODILUK:** — Oh, yes. It would be a month later — it would be on next month's.

**MR. KATZMAN:** — You'd correct it on the next month, so there would be one error, or one . . .

**MR. PODILUK:** — Now, that would not be considered an error because of the fact that that represents a change in needs. And so, therefore, despite the fact that the system quite obviously could not make an adjustment if it was reported. If the change in needs was reported on the 27th of the month, the cheques, of course, would be printed. So, therefore, quite obviously, it would have to take effect the following month.

**MR. KATZMAN:** — I have a question, and my question is, with all that aside now, and it may be a policy, therefore, I'm out of order. So I accept that if that's the case. It's a little different for a city person versus a rural person when you tabulate the amounts that they will be paid. And when you tabulate gas allowance, as I call it, to allow a person to drive to the city to the doctor or whatever he has to do, it was interesting to note a couple of years ago that you will pay him so much money, but you'd never pay for his plates for his car to go back and forth. Therefore, he would have gasoline money but he couldn't put plates on his car to go back and forth, so what good was the gasoline money unless he held it for two months. And if it was for medical problems he or she was going in to, it seemed to like bounce around.

**MR. PODILUK:** — My understanding, Mr. Chairman, is that we do not have any authority at the present time to pay for plates.

**MR. KATZMAN:** — That's my comment. My question is: that in the city you give a bus pass; . . .

**MR. PODILUK:** — That's right.

**MR. KATZMAN:** — . . . and in the rural I think there's a hardship, and I would just make the comment of some way to look at it, especially for the people that are chronically ill and must be going back and forth. I don't know if the gas allowance has got enough built into it or not. That's all my comment is.

**MR. MEAGHER:** — I would like to pursue just a little bit, this verification process, that the member for Rosthern . . . The member for Assiniboia-Gravelbourg made an interesting observation that half of this money, or roughly 50 per cent — 50 cents on the dollar, is federal money, and therefore we shouldn't concern ourselves with recovering it. I don't take that position, of course. I think that we have to recognize that we're Canadian taxpayers as well as provincial taxpayers, and that federal money just doesn't fall off a tree branch.

I think that this recovery process is a good one. And I would like to know how you followed up on the comments of the auditor that the verification unit of the income support division makes some kind of post-audit. I would like to know if there are anything done prior to payments being set up, particularly to those recipients who may be on a monthly, sort of permanent arrangement.

**MR. PODILUK:** — In April 1983, we established a pre-audit process so, therefore, that is done. The applications are checked before cheques are mailed to determine the accuracy and to determine the appropriateness of the calculations, and so on.

So, therefore, that in itself . . . That is one of the most important initiatives in terms of reducing error rate.

**MR. MEAGHER:** — That is a relatively new development . . . (inaudible interjection) . . . in response to the auditor's comment that it is in his opinion that the rules and procedures applied were not sufficient to ensure . . . (inaudible) . . .

**MR. PODILUK:** — That's correct. That's right. We recognize the fact that some special initiatives had to be taken, so we developed the procedures which includes pre-audit.

**MR. CHAIRMAN:** — . . . (inaudible) . . . I think we had better close this down for the morning.

**MR. KATZMAN:** — I've just got one question for you. Are we going to finish this one today or not?

**MR. ENGEL:** — I just . . . (inaudible) . . . I hope I wasn't giving the impression that you weren't supposed to follow up and redeem amounts that were overpaid, but my concern that I expressed at that time was that if someone, not because of his own error . . .

The other follow-up question I had when I was listening to the member for Rosthern: how far back to you go to determine whether someone . . . Do you do this annually, or could you, all of a sudden, come up with something and say that three years ago you got so much money, and now you're going to have to pay it back? What kind of an audit system is in place, or how do we determine . . . I'm not talking now about a fraudulent one or something that was intentional. I'm just wondering how you determine whether an overpayment was made, or how are these audits conducted?

**MR. PODILUK:** — When a case is reviewed — when a file is reviewed — the total history of the case is reviewed. So therefore, indeed, an overpayment going back to 1977 could be identified. And it's certainly . . . I feel it's incumbent upon us to draw to the attention of the client that he has been receiving overpayment for a period of five or six years. Then how much of that can be recovered becomes again a different matter, because I think that one of the things that I wanted to communicate to you is that we have a responsibility to have processes and procedures in place that are going to ensure that there's a decrease in the misuse of public funds.

But at the same time there are the personal considerations, the kinds of considerations that have been raised by several members of the committee around this table who say that there are — there is a possibility of hardships, and as a department we have to be mindful of those.

**MR. ENGEL:** — Well my concern just on that very point is that we might have a member on this committee, for all I know, that in a year and a half's time isn't an MLA any more, and he finds himself in trouble. And six months down the line they're going to be looking for some help or some food allowance or something. Do we go back and say: oh, but you got \$30,000 a year three years ago.

What is the difference between that and somebody that was getting a monthly allowance, and that monthly allowance didn't include some little factor that maybe wasn't really an income property, but yet was something that maybe he owned a lot, or owned his thing. Then on a reassessment you go back and tell that person: look, you got \$20 too much from '77 on and now we're going to put the screws to you, buster, and for the next 10 years we're going to get this money back. And it isn't sufficient to maybe even . . .

**MR. PODILUK:** — I think I understand your question. When I say that you could go back to 1977, usually if the overpayment is due to some relatively — an administrative kind of thing, maybe something that is not too terribly significant that is picked up on a year-to-year basis . . . It's usually the overpayments that are discovered as having occurred for an extended period of time have come about as a result of obvious fraud that has been discovered as a result of checking into a particular one. So usually the long term ones are the fraud ones, and that, of course, puts it into a different perspective indeed. And I personally would . . . my own personal view is that I can be convinced to be a little less sympathetic in a case such as that.

**MR. ENGEL:** — That case I'd agree with you, but I was thinking . . .

**MR. CHAIRMAN:** — It's a most interesting sort of . . . (inaudible) . . . I can be convinced to be a little less sympathetic . . . (inaudible) . . .

**MR. ENGEL:** — A case I'm thinking of, and I'm not going to make public — but if an individual is reassessed because of a vacant house out in a small town that they'd own or something, that was actually maybe considered income property, and that individual was transferred to a city or something. Because failing that, if you move to, let's say, Swift Current (because that wasn't the town, but let's say that individual was still looking), if you move to Swift Current, there's a better chance for you getting a job there. And so this family moved to Swift Current, and yet they kept their old house in Timbuctoo that remained empty or something. And all of a sudden they were told, hey, you had a property there that's worth \$5,000, and because of that you are now going to be assessed, and that should have brought you \$40 a month or something.

**MR. PODILUK:** — I think that in a case such as that . . .

**MR. ENGEL:** — I know of a case like that.

**MR. PODILUK:** — . . . that there was some hardship worked on people. Well, I would certainly want to examine it. But we would have to take into consideration, I think, in every instance, and I expect that what would be taken into consideration is, indeed, what value the property may be

in the small town. And it's not only a matter of value, but I suppose there's a matter of its saleability that has to be taken into consideration. And the fact that the most important consideration that has to be made are the particular needs that exist with respect to a particular family in a particular period of time.

**MR. CHAIRMAN:** — I think I'm going to peremptorily cut off the member from Assiniboia-Gravelbourg. We're out of time, and there are two other people who wanted to get in. You may want to save your questions till Wednesday or you may want to go now. But we're really out of time now.

**MR. YOUNG:** — What's the deal on the time?

**MR. CHAIRMAN:** — It's 9:30. The meetings run from 7:30 to 9:30. We're never going to finish this, this morning. It's not as if we intended to clean this up.

**MR. YOUNG:** — The unfortunate part is we had these people sitting here since 7:30 out in the hall. Well I came in at 7:30, and Walter was there when I came, so . . .

**MR. CHAIRMAN:** — I apologize to the members of the committee for having got you here an hour early. I don't know that it was avoidable, because to deal with some of the things we did . . . And I don't think it's going to be possible to do this Department of Justice in a few minutes of overrun this morning.

**MR. KATZMAN:** — Mr. Chairman, I think that's an interesting question. Are the members prepared to sit a half an hour or 45 minutes?

**A MEMBER:** — No.

**MR. KATZMAN:** — That's the question . . . (inaudible interjections) . . .

**MR. YOUNG:** — I was more or less asking that question. I asked what was 9:30 all about.

**MR. CHAIRMAN:** — We've already employed and lost their vice-chairman, and I've got to go very soon.

**A MEMBER:** — He's gone home, sick.

**MR. CHAIRMAN:** — Is that right? Oh, I'm sorry to hear that. Do you people have something you wanted to get in today before we adjourn, or do you want to save it for next Wednesday?

**MR. ENGEL:** — . . . (inaudible) . . .

**MR. CHAIRMAN:** — Well no, I can't. We're not going to finish in 15 minutes either.

**MR. YOUNG:** — Us eager beavers will go to crowns in a few minutes.

**MR. WEIMAN:** — It was just a comment. You had me on the order paper, and that I found very interesting, a comment of yours, Mr. Podiluk. Not only is it our responsibility to ensure that these people's legitimate needs are taken care of, and that there isn't undue hardship caused or any penalty on, you know, penalize them because of our part, or their part.

But I found interesting that one comment of yours that there is that onus, also, of responsibility on the clientele, and I just wanted to comment on that.

**MR. YOUNG:** — I'll blue-line it tomorrow, I guess, or whenever.

**MR. CHAIRMAN:** — Okay, gentlemen, on Wednesday, April 11, in the year of our Lord one thousand, nine hundred and eighty-four, we have the West Side Community College coming up at 8:40. We have changed the hours. You people are going to be . . . This is agonizing news, I know, but we no longer start at 7:30. We've gone back to a much more civilized hour of 8 o'clock.

However, you're not the first on the deck. Next Wednesday, the first on the deck is the Advanced Ed and West Side Community College.

I think we will call you for 9:15 on Wednesday. And we'll probably put Urban Affairs on stand-by — 15 minute stand-by.

**MR. YOUNG:** — It might be good. Walter, when we meet again I'm going to be asking you if, under the year under review, there were any occasions wherein you triggered the laws of Saskatchewan which make it actionable for, I believe it's a rural municipality, to force children to support parents, which would accordingly take the parent off of the welfare rolls, and the duty lies, in law, for children to support parents. But I, in my career, have never seen anybody have the fortitude to force that to happen, which is a legal requirement of the child to support the parents. And I'm going to be wondering if, in the year under review, what you did to enforce . . . (inaudible) . . . And maybe it would be good to tell you now so that you'll have a chance to look into it and inform me if you've ever done that.

**MR. CHAIRMAN:** — Okay. That was sort of forewarned. We'll see you then, hopefully. We'll be ready for you at 9:15 — if you can forgive us for starting at such a late hour in the morning. You will try, eh! You will try to be persuaded to forgive us, Mr. Podiluk.

I have two trifling items which don't concern the witnesses. You may leave, and thanks for coming. Two trifling items in committee. PAC 20: yesterday was circulated a document from the Saskatchewan Hog Marketing Commission, their response — it should have been labelled PAC 20 and was not. So that's exhibit No. 20 — this document.

The other trifling item is that SaskComp are apparently going to present to us a five-minute or so audio-visual display, unless the members have some objection. I can't imagine us having any objection, but I sort of forewarn you that SaskComp will have a five-minute audio-visual display when they hit the deck on Wednesday.

**A MEMBER:** — They volunteered this to us?

**MR. CHAIRMAN:** — They volunteered this to us.

**MR. KATZMAN:** — It's a quick explanation of what they do.

The committee adjourned at 9:36 a.m.