

STANDING COMMITTEE ON PUBLIC ACCOUNTS

April 11, 1984

MR. CHAIRMAN: — Okay. With that we will call this session of the Public Accounts Committee into order. The chairman would like to know a couple of things. First, I would like you to welcome Sherman Petersen to our committee. He replaces Kim Young who we are going to miss. Mr. Young was an active, diligent, and interesting member of the committee, and we are going to miss him; and welcome you. We know you will put the same amount into it as Mr. Young did.

In addition, there was an error in *Hansard* which I advise should be made on the transcripts, so I'll ask you to do that now if I might.

MR. BENSON: — Okay, Mr. Chairman. On April 4, I believe I was misquoted, and should I just read . . .

MR. CHAIRMAN: — Yes.

MR. BENSON: — . . . what I think should be the case. In the middle paragraph under my name it should be:

Are you suggesting that as we disclose each virement separately for each subvote, we would disclose each special warrant. Is that what you're saying?

MR. CHAIRMAN: — Yes. Okay. Yes, Mr. Kraus.

MR. KRAUS: — Mr. Chairman, I would like to introduce some of my staff who appear from time to time as observers. They deal with some of the issues on this learning experience. Today I have Mr. Blair Swystun and Mr. Gordon Anderson.

Public Hearing: Department of Advanced Education and Manpower — West Side Community College

MR. CHAIRMAN: — Good. Welcome gentlemen. I want to welcome to the committee someone who is no stranger actually, John Law, here today in the capacity as acting deputy minister of the Department of Advanced Education and Manpower. Welcome as well to someone I'm sure we haven't seen before, Mr. Morris Onyskevitch; someone who has been here before, Henry Kutarna; and Rod McKay, director of the northern branch. Welcome gentlemen.

Let me begin by saying to witnesses that what is said before the committee is privileged in the sense that it can't be used outside the committee and cannot be the subject of a libel or slander action. On the other hand, it's taken down verbatim and is readily available for use elsewhere by the meeting and otherwise. Gentlemen you've had . . . I may say as well that we leave it to Mr. Law, the acting permanent head, to determine who answers these questions. He may answer them himself, he may refer them to someone. I'm sure Mr. Law understands that.

There were some serious reservations about your annual report about your year's activities in the *Report of the Provincial Auditor* for the year ended March 31, 1983, and that's the fiscal year we're in. There were some fairly serious reservations about your accounting records and your systems of internal controls. We had an opportunity to discuss the matter with the auditor before you — the auditor who had done the auditing — before you came in, and we gathered that the accounting systems were not what — did not meet the minimum standards in that they were not, or the expenditures were not always assigned to a proper code, nor were disbursements properly billed to the department. I'd appreciate your comment on it, Mr. Law. Do you agree with the comments of the Provincial Auditor? If not, why not? If you do agree with them, what steps have been taken, if any, to remedy the situation?

MR. KATZMAN: — Mr. Chairman, before Mr. Law answers, could I ask a question?

MR. CHAIRMAN: — Okay.

MR. KATZMAN: — Just for clarification. Last year we had Mr. Wilson, the legal group and so forth, in. We allowed him to ask his questions — answer his questions, through directly, without going through the department. Can we give Mr. Law that opportunity if he so wishes today? I don't know whether he realizes that — that the other people realize that.

MR. CHAIRMAN: — Oh, indeed, I had hoped Mr. Law had realized that, that he may either answer the questions himself or let one of his officials do . . .

MR. KATZMAN: — Yes. I understand that. I'm concerned with the other people, not Mr. Law, because I knew he'd know.

MR. CHAIRMAN: — I see. Okay. Yes, indeed.

MR. LAW: — Mr. Chairman, in consultation with the people who were involved at that time, we have — we, in fact, agreed with the auditor's observations. As a result, there were some actions taken, not the least of which was some staff changes. And we also introduced, later that fall when realignment took place, some of the controls and the evaluations that take place in the rest of the province, into the North, into West Side Community College particularly. As a result, and although we're outside of that fiscal year, there's been a turn-around in the quality of accounting. And, in fact, I believe, the West Side Community College accounting procedures, if you will, are on track, and we're quite satisfied with them right now.

MR. CHAIRMAN: — Is there any comment that you'd like to make?

MR. McKAY: — Just that in the year ending 1983 the audits are clear, as Mr. Law says, and we had a mid-year budget review ending December 31 of '83, and at this point we have no — the department has no reservations whatsoever about the accounting practices of the West Side Community College. Everything is looking very good.

MR. LAW: — As a matter of course now, Mr. Chairman, we do a mid-year audit ourselves with our staff. We do a year-end audit with our staff before the auditors come in, just to be sure that what is predicted and what has happened, in fact, has happened, and to make sure that we're comfortable with the books.

MR. CHAIRMAN: — Do you do that with all community colleges?

MR. LAW: — Yes, Mr. Chairman, we do.

MR. CHAIRMAN: — And when was that practice established, of doing mid-year and year-end audits?

MR. LAW: — To be honest, I'm not certain. That's been the case, certainly, for the last year that I'm aware of.

MR. CHAIRMAN: — Is there any way to go back and tidy up the year under review? I gather there's some suggestion that the department may not have been billed for all the disbursements. Some funds intended for programming may have been used for administration. Is there any way to tidy up that year, or is it just going to be assigned? Are we unable to do that — and that may be the case. I ask the question. It's not an . . . (inaudible) . . . question.

MR. LAW: — I'm not aware of anything we can do, Mr. Chairman, but I can certainly — we can certainly have a look at it, and get back and see if there's anything that can be done.

MR. CHAIRMAN: — I'd appreciate it if you could do that, if you'd report back to the committee on the question of what, if anything, can be done to finalize the year under review and tidy it up. It may be nothing. I gather the staff, or at least the secretary-treasurer, was changed.

MR. LAW: — Yes, sir.

MR. CHAIRMAN: — There may be nothing you can do, and that may be the answer. I would ask you to look into it and report — report to the Clerk. You have to provide 15 copies of your correspondence to the Clerk, who will distribute it.

MR. KATZMAN: — Mr. Law, I think, to put this in perspective, the community college . . . not this one necessarily. This one has been named before in the auditor's reports. A lot of the groups who received money without . . . (inaudible) . . . in the past, and this is an example of what's happens, that the accounting systems and everything isn't stayed quite on top of because they're more concerned about delivering their programs than making sure their books are exactly right.

Fair game. I understand that, but part of conditions . . . Part of the responsibility for receiving the money is a responsibility to do an audit and to do it properly — to keep track of the money. You now are doing that, and I'm very pleased to see the double check. But six months and the year end, it shows that good business practices are now being used, because in business you do the same. And in my case, I do it every three months. But you know, subject to the size of the business, be it a farmer or whatever, it's a good policy.

Even though we're calling you in, I think that some of the comments made by the committee, for your benefit, should not be realized or directed to this community college itself. We are directing them, basically. They are the one that was picked to bring in to cover all community colleges. So it's not just them we are concerned with. It is the whole process. And I think it should . . . (inaudible) . . . the now acting deputy minister.

We would appreciate you making sure that the rest of the — through the whole system are start to brought into line, to make sure that the little blue book the auditor writes will soon be void of any comments about community colleges.

I leave that statement. I think that's what the committee would love to see — that the little book will be so small, it'll just have his rules of . . . (inaudible) . . . But I don't think we'll ever see it.

MR. CHAIRMAN: — That . . . (inaudible) . . . may not have arrived immediately, notwithstanding the sterling and diligent efforts of the Provincial Auditor.

MR. KATZMAN: — And the comptroller.

MR. CHAIRMAN: — And the comptroller. Indeed, not to forget our ever-active comptroller.

MR. KATZMAN: — On that point I think that . . . (inaudible) . . . the message out.

MR. CHAIRMAN: — I just have one additional question. I gather that there were no other problems with any other community colleges. I've been very quickly flipping through this and haven't seen that — at least no reservations in the auditor's certificate.

MR. LAW: — From an audit point of view, there were no other problems in community colleges.

MR. CHAIRMAN: — No. You didn't have the accounting problems, though.

MR. LAW: — That's correct. I'd just like to make a comment, Mr. Chairman, if I may. I think the committee should be aware that we do have people assigned to community colleges on a

full-time basis throughout the province. And although we do the formal audits twice a year, they are involved with these institutions on a regular basis, and in fact, discussing financial problems, looking at accounting matters throughout the year. So, although we do the formal thing twice a year, from a departmental point of view there's almost a constant review.

MR. KATZMAN: — I think Mr. Shillington has hit it on the head that this is the only one in for financial reasons of the auditor. But there is many other problems that have cropped up because of the system there, and auditing will flash some of them and won't flash some of them.

A few years ago we were talking about groups that got funding for doing special products here in Social Services. The same type of problem — the money wasn't where it was supposed to, and so on. I think this is the new problem if we don't cut it off — because community colleges are going to grow so much in the next couple of years.

MR. GLAUSER: — My question, Mr. Chairman, relates to . . . Okay, you have three funds in this particular case here. It always concerns me, where moneys are passing through one fund to another, which was the case in the past. Is that still going on? Is there money being drawn from one entity, going into another, or has that been stopped? And . . .

MR. LAW: — No, that is not the case any more. There are three separate accounts, and they operate . . . three separate back accounts, if you will, and they operate as separate back accounts, as separate entities.

MR. GLAUSER: — Okay. My next question is that, and this would go back to the point where this was brought into line: have you reasonably satisfied yourselves that the funds were used, in fact, for the purpose which they were designed, or . . . are you satisfied that everything was okay in there?

MR. LAW: — Yes, we are now.

MR. GLAUSER: — I think this relates to the question, perhaps, that Mr. Shillington, the chairman, was asking, and perhaps they're going to go through an exercise that may not — that may be somewhat time consuming, and may not have too much value.

That's why I asked that particular question. Because that's where your problems would come in, is the left hand not knowing what the right hand was doing. And if you're satisfied that there is a good account of those funds that you tracked, going from one entity to another, I think that is the crux of the matter.

MR. CHAIRMAN: — That's the main thing . . . (inaudible) . . . The member from Saskatoon Fairview.

MR. WEIMAN: — Just a couple little questions. Exhibit 3 on page H90 — page 90 of the blue book, volume 2. Volume 1, I'm sorry. Regarding tuition fees. I was under the impression that all tuition fees would be counted as revenue, and there's a little note there saying tuition fees are only accounted for as revenue when the funds are deposited in the college bank account. And I'm wondering why all tuition fees are not considered revenue.

MR. CHAIRMAN: — What else would you do with tuition fees but deposit them in the back account?

MR. WEIMAN: — No, but it said only those deposited, which suggests that there are other ones that aren't deposited, which aren't classified as tuition fees, or classified as revenue, sorry.

MR. RIGGS: — I would say that what that means is . . . (inaudible) . . . I'm not quite sure why that note's there but, from what I recall, maybe that there's tuition fees billed and not collected.

There may have been in the past. I'm not sure.

MR. McKAY: — Mr. Chairman, I think the answer to that question probably is that, in federal-sponsored programs, programs sponsored under the Canada Manpower training program, the tuition fees are paid by the federal government directly . . . (inaudible) . . . does not get the money for those at all.

MR. WEIMAN: — Another one, and pardon my lack of knowledge on it, and that's on page H92, Exhibit 6, subtopic, "Contribution to Fund Surplus." I don't understand the category, "Home furniture." Could you explain that for me please? Home furniture — \$10,917.86. I don't understand that classification.

MR. RIGGS: — The community college has trailers and such things that it furnishes.

MR. LAW: — It's staff housing. They're unfurnished trailers or apartments or whatever we have, and it's provided for by the college.

A MEMBER: — The home furniture is provided by the college.

MR. LAW: — Yes, by the colleges. Well, in this case it is, and this was before. It's not normal government housing as a public servant, you know. They're not PSC (Public Service Commission), if you will, folks, so it has to be looked after by the college.

MR. WEIMAN: — . . . (inaudible) . . .

MR. CHAIRMAN: — Any other questions of the West Side Community College?

MR. GLAUSER: — Just one more, Mr. Chairman. And I take it that now there are sufficient staff. There was some indication in the auditor's report that there perhaps weren't sufficient staff. I think perhaps it was more a case of qualified staff as opposed to numbers. Is that correct?

MR. LAW: — That certainly was the problem in the past.

MR. McKAY: — We're satisfied.

MR. CHAIRMAN: — I'm getting out of the year under review here, and you may not have the information. The enrolment from '81-82 to '82-83 increased by about 7-8 per cent. Did you experience a similar increase in the fiscal year that just came to an end, in '83-84? I'm talking about the enrolment at all community colleges and not just West Side now.

MR. LAW: — I don't know, Mr. Chairman, but . . . (inaudible) . . . I know there's been an increase, but I don't know if it's of that magnitude. As far as West Side was concerned, Mr. Chairman, of course, that's because of the opening of the Buffalo Narrows centre. As a matter of fact, I think in two years it jumped over 105 per cent, as far as revenues were concerned at least, maybe not enrolment.

MR. CHAIRMAN: — I was getting onto a different area, the area of your department in general, and if there's any further questions of West Side Community College, let's deal with them first. I just had . . . (inaudible) . . . The member for Rosthern.

MR. KATZMAN: — If I read correctly, the community college of West Side works like all other colleges. If enough demand for a program is there, you deliver it — if you can find an instructor.

MR. LAW: — That's correct.

MR. KATZMAN: — So it's basically the same program as everywhere else in the province.

MR. LAW: — That is right.

MR. KATZMAN: — That's it.

MR. CHAIRMAN: — I note that the community college enrolments increased by about 6 per cent. Technical institutes increased by about 6 per cent. Do you know what percentage the enrolments at the universities increased in the year under review?

MR. LAW: — I don't know it offhand, Mr. Chairman, but I can certainly get you that information.

MR. CHAIRMAN: — Do you know if it was greater or less than that?

MR. LAW: — It would be similar. They're all very . . . Well, it's very close to that 6 per cent, or whatever you said there, but I don't know precisely. I have that information, but I just don't have it with me.

MR. CHAIRMAN: — Are we beginning to strain at the seams in community colleges in terms of space, equipment, and staff? Are we . . .

MR. LAW: — To say we're straining at the seams might be an exaggeration. They're certainly getting busier but, I think, as a general rule they're able to cope.

MR. CHAIRMAN: — What about technical institutes? Are they . . . Would that be a fair comment with respect to technical institutes? Are the enrolment increases which we have seen consistently, over the years, beginning to strain those . . .

MR. LAW: — It's difficult to generalize, Mr. Chairman, because it depends an awful lot on the program. There are some that the demand far exceeds what we're able to provide, and others where enrolment is certainly less than we would like, considering the training spaces we have.

I think it's fair to say, though, that we are not able to meet the demand that the institutes, as a general rule . . .

MR. CHAIRMAN: — Why is the problem of enrolments so acute at the universities? Is it because they're not making as efficient use of their facilities as they can, or does the nature of the universities not allow for more efficient usage?

MR. KATZMAN: — Mr. Chairman, before the acting deputy minister answers, would you like to ask that question one more time? Because I have a strange feeling that we have got so far away from the topic, it's not even funny.

MR. CHAIRMAN: — We're not dealing . . . I don't intend to be dealing with the West Side Community College. I'm dealing with this department as a whole.

MR. KATZMAN: — But I think . . . Would you mind asking, because I only heard part of it.

MR. CHAIRMAN: — Well, I was noting enrolment increases in community colleges, in the technical institutes, and I did not see in here the enrolment increases at the universities. I asked that; and he didn't know.

Let us assume, and for the purpose of this discussion I was assuming a similar increase in the enrolment in universities.

MR. KATZMAN: — It was the last part of your comment that . . .

MR. CHAIRMAN: — Okay. The question was, what it was, was why the pressures were so much more acute at universities than at technical institutes, in the colleges, and whether or not there were any efficiencies in the use of facilities which might be used and aren't being used.

MR. KATZMAN: — That's the question that I wondered about. Is it proper of the acting deputy minister, or is that proper of one of the two presidents or somebody? I don't know the answer. It's a policy question. That's why I'm asking the question before we get into it.

MR. CHAIRMAN: — I don't think it is a . . . Well, I think it's within the purview of the committee. You may be right that this . . . and Mr. Law may make that comment. But that's a question you'd have to ask the university. It strikes me the question is proper. The question of whether or not Mr. Law is the person to answer it, I suppose, is a fair question.

MR. GLAUSER: — Another question to that, perhaps, is that are we dealing with the year under review, or are we moving forward into current times?

MR. CHAIRMAN: — No, it's dated '82-83.

MR. LAW: — There are analyses that we have in the department, Mr. Chairman, regarding the causes. But I think it would probably be more appropriate to address the question to the university administration. We have labour market analysis in these kinds of things, but our conclusions are somewhat subjective, I suggest.

The biggest problem that we have in all institutional training, that I think everybody in the committee is aware, is that . . . And the reason I mentioned the labour market, if you will, and the demand for education, is that predictions are subjective at best and unfortunately, to create the facility, you need quite a few years lead time. Should things change as they have in the last few years, you're just unable to provide the infrastructure that is needed when the demand's there.

We can provide the committee, if you wish, with some analysis that was done in the department. I prefer not to comment explicitly because I don't have the information with me.

MR. CHAIRMAN: — No. And you would want to review it. It strikes me that there has to be some monitoring institution. No one is suggesting, including universities, that we simply write them a blank cheque, and that they build for what may be a bubble.

So someone has to provide the government of the day with background information, and I was assuming that was your department.

MR. LAW: — You were correct in that we, in fact, do that, Mr. Chairman. And we're doing that constantly.

MR. CHAIRMAN: — Does your . . . And again you may not know. You may want to respond to these in writing. Do your analyses suggest that this is a bubble or is it . . . The key question, it seems to me is, if it's a permanent increase in enrolment, then we should obviously be doing something about the facilities. I gather there is no question about overcrowding. No one denies that.

MR. KATZMAN: — I have the feeling that the Minister of Advanced Ed has maybe answered that question in a policy statement. And I think the president of the University of Regina has also publicly made a statement, suggesting the bubble is a fact rather than the other. If I understand correctly I remember a Saturday evening program where they interviewed the president of the university, Mr. Barber, and he seemed to indicate he believed it was a bubble at this time.

MR. LAW: — And that's certainly what our analysis says. You know, we're still feeling the effects of the baby boom. I can't recall . . . And as I say, we've done some analysis into the future and

identify, and predict, if you will, as well as we can, if you will, when the bubble — I guess burst isn't the right word — but when the demand . . . (inaudible) . . . give it to you. It's near the end of this decade, but I can't recall — I think 1981 — but I'm not certain of that. But I can certainly provide that analysis if the committee would like.

MR. CHAIRMAN: — I would certainly be interested in seeing those, Mr. Law.

There are how many technical institutes in the province?

MR. LAW: — There are three, with Prince Albert in the planning stages.

MR. CHAIRMAN: — Wascana, Kelsey, and what we used to call STI in Moose Jaw.

MR. LAW: — It's still STI.

MR. CHAIRMAN: — It's still called STI. Do you have the enrolments at those — for the year under review, if you like — the enrolments for those three, even in rough terms?

MR. LAW: — I don't have that information with me, Mr. Chairman, but that's easy to get, and I will get it to the committee.

MR. WEIMAN: — . . . (inaudible) . . . stand corrected, I believe the number of available seats in those three institutions approaches 4,500. If memory serves me correct from a discussion in the House regarding the increase of another 3,000 over the next two years, the number of 4,500 sticks in my mind.

MR. CHAIRMAN: — You may be right . . . (inaudible) . . .

MR. LAW: — It's in that ballpark. Incidentally, as far as technical training is concerned, of course we provide vocational training in Meadow Lake, as well, and Buffalo Narrows.

MR. CHAIRMAN: — Yes, I guess that's right.

MR. LAW: — Incidentally, they are done by STI and Kelsey, if you will, but going up to Buffalo and . . .

MR. CHAIRMAN: — Sort of a branch plant operation.

MR. LAW: — Yes.

MR. CHAIRMAN: — With respect to the increases in enrolments at technical institutes, is that part of the same bubble, the same phenomena? Or is it believed to be more permanent?

MR. LAW: — We believe it's more permanent.

MR. CHAIRMAN: — But why is that?

MR. LAW: — Because the technical institutes are not only involved in entry level training, they're involved in ongoing and upgrading training. And we can see that demand continuing. That's certainly the information we're getting from industry. Our emphasis may have to change, as I say, from entry level to the other thing.

MR. CHAIRMAN: — Is that not also true of the universities, though? Do they not also provide ongoing education as well as degrees for people who graduate from high school?

MR. LAW: — Yes, but the thrust is slightly different. We're talking the technical institutes, if you

will, trades primarily — the electronics, the electricians, the carpenters, the plumbers, whatever, the mining trades. They are shorter courses in most instances. They are people who are already in the work-force that come back for a month, for two weeks, whatever, and I guess in some cases, for months. And that's certainly a new thrust in the technical institutes.

MR. CHAIRMAN: — Do you know what percentage of people who come to a technical school are there for a second or third or fourth time? What I'm trying to get it: what percentage of students at universities are there for the first time, and what percentage of them are back for some nature of additional education? Do you have those facts for both technical schools and universities?

MR. LAW: — I can provide that for the technical institutes. I'm not certain, Mr. Chairman, whether I have it for the universities, but I will certainly attempt to get it.

MR. KATZMAN: — Going on Mr. Shillington's question, I think let's put it in a nutshell. When I graduated from high school, you had a choice of going to university, or a very limited choice of technical training. If you wanted technical training, you had to go into the industry who ran programs within the business of their industry.

Today that isn't filling the need of the expansion and, therefore, the technical institutions are doing as much training now as, I think, the industry was — is still doing it, I believe. For example, a mechanic spends about three months, I think, in a technical institute, and about nine months working in the industry. But there's so much more demand that the spaces are needed.

And as far as coming back twice, I did a little survey on my own, while in opposition still, and discovered that there was more what I call "permanent" students in the university than I was finding in Kelsey. It was just those two — the university of Saskatoon, Saskatchewan, and Kelsey — that I did some checking on.

And I was told by one of the people that works in the registrar's office, that they have more what you would call professional students, I think is the title they give them, in the universities, who come back and get two or three degrees.

And the registrar at Kelsey told me, at the time, that they had very few people coming back. They got a trade, and they were out working the trade, where at university the people didn't always work at the profession they were trained for.

MR. CHAIRMAN: — My experience . . . I'll say this, then I will behave. I will let the member from Saskatoon Fairview in; he's been waiting patiently. My experience has been that, while there are professional students at universities, and they have a fair profile there, they are actually few in number. There are really not very many of them. Few people have that luxury.

The member from Saskatoon Mayfair . . . (inaudible interjection) . . . Fairview, I'm sorry.

MR. WEIMAN: — Well, those 22,000 people are really getting excited, Ned.

MR. CHAIRMAN: — They're getting mad. They're angry at me, are they?

A MEMBER: — . . . (inaudible) . . . Yes, at least that.

MR. CHAIRMAN: — I'm sure if they would have been . . .

MR. WEIMAN: — Would it be fair to say that those people going to technical institutes, that are the traditional courses — you know, carpentry, plumbing, etc., etc. — that those have been maintained at a fairly constant level, and that the need and expectations for new technologies and new fields are the ones that are putting the additional burden on, or this increased demand?

MR. LAW: — It's a bit of both, but it's primarily due to . . . (inaudible) . . . and the changing technology. I think you're correct. But we still do a lot of the . . . We do a lot of the traditional training, but we're doing it in a different way, because the state of the art is changing, as far as they're concerned, as well, too.

One of the things that — and, of course, we're not talking '82-83 here as much — but one of the things, when you note enrolment at technical institutes, I think one of the important things is, again, the change where, in fact, the technical institutes don't do all their training in the institution.

Kelsey, as an example, is in 60 communities outside of Saskatoon right now, where, in fact, we take the training to the community for both . . . (inaudible) . . . and upgrading.

And we are currently negotiating with various sectors of the economy to, in fact, take advantage of some of the facilities in the plans that exist, and provide the instructors that the industries don't have. It's in its infancy right now, and we are doing something . . . (inaudible) . . .

MR. WEIMAN: — The chairman made reference to — it may have been the chairman or the member from Rosthern, correct me please — regarding returnees or so-called professional students. Does that go hand in glove with the sign of the times, the phenomena that we're seeing across North American and indeed western Europe, of educating people for change rather than educating for set vocations? What I'm getting at is: we've heard all kind of instances where within your lifetime you will be retrained, or wish to be retrained, for different occupations or vocations, five to seven times in your lifetime. That comes into play, that phenomenon, does it not?

MR. LAW: — Certainly. I don't know to what magnitude of it at this stage, but there are certain instances of that, without question.

MR. MEAGHER: — With respect to the new institute in Prince Albert, I assume that a lot of the, some of the planning that's taken place in the year under review, and in this year, toward the kind of programs and things that are going to be offered there in Prince Albert, I'd like to know if . . . My information is that there's basically a different approach, or a unique new approach, being taken in Prince Albert, as opposed to the traditional sort of techniques that are used in the other technical institutes. I would like a comment on that.

MR. LAW: — Yes. Prince Albert is going to be primarily, and I can't say it properly, competency — no, I did it — based education . . . (inaudible) . . . where in fact students will work at their own pace. We will not be in a traditional September to May, or whatever it is, training here necessarily. If it takes a student till the following September, that will be all right. The resource centres have changed. In fact, the traditional libraries, for example, will exist but in fact all the resources materials will be right in that training centre and there'll be all kinds of visual and hands-on aids so that these people can work through the various . . . develop these skills at their own pace.

This is also going in at Wascana, as a matter of fact, in the extension that's going up on Winnipeg Street.

MR. WEIMAN: — Reference, again this morning, has been made made to increased enrolments across this province in the institutes, universities, etc. . . . (inaudible) . . . Forgive me for the wrong terminologies. Some of the terminologies have changed over the years. The program I'm thinking of, and for some reason or other, the word Out Reach sticks in my mind, but it's not really called Out Reach. It's extension.

MR. LAW: — Well, we still have Out Reach and we have skills extension.

MR. WEIMAN: — That's what I'm looking for, the skills extension. Would that play a fairly significant part in the increased enrolments in the extension programs that are now going out to the communities north of Prince Albert, as opposed to having student have to come into the three traditional institutes in Saskatoon, Regina, and Moose Jaw?

MR. LAW: — Yes, I'd like Mr. McKay to speak to that.

MR. McKay: — Yes, today we have over 200 students in the Saskatchewan Skills Extension Program in northern Saskatchewan, and the three main centres are at Buffalo Narrows — we have an exact number of how many to date? In excess of 40 in Buffalo. And in La Ronge, we have in the neighbourhood of about 40 as well, and at Creighton we have another little centre.

MR. WEIMAN: — So it would play a significant part in that, you know . . . (inaudible) . . . in the statistics that show the enrolment increase across this province because of programs that just weren't there before.

A MEMBER: — Right. Exactly.

MR. WEIMAN: — I realize this isn't under the year of review. Are you at liberty to share with us some of your ideas . . . or not so much your ideas, in terms of expansion in the future? You know, you were talking 200, 300 enrolment. Do you have a target that you're saying, well, we want to increase this to other communities in the northern area?

MR. McKay: — Okay, I guess the committee of finance will deal with that next week when Advanced Education and Manpower is at committee of finance. The detail I'm not at liberty to . . .

MR. WEIMAN: — That's fair.

MR. CHAIRMAN: — This time the member from Saskatoon Mayfair, and I have to . . . (inaudible) . . . for saying it right this time. It is Mayfair.

MR. GLAUSER: — A question that comes to my mind and relating, of course, to the technical institutes. For instance, Saskatoon is fast becoming a high tech centre, and there has been some recruiting going on outside the province for technicians. Now, how much of the content of any core study that can be placed in the institutes relates to a high enough advancement for those people to become employable in those kinds of places? And I think of Develcon and SED Systems, as opposed to having an engineer's degree, you know. Are those all engineers with degree courses, or is there a component in there that is being looked at, as far as you are concerned, in the technical where they are employable in those kinds of high tech enterprises?

MR. LAW: — We are not looking at professional engineers necessarily. It doesn't mean that in the new high tech centre, for example, that we won't have . . . employ somebody with a professional engineer. But we are looking more at technologists, if you will, who I guess eventually could qualify to be professional engineers but, in fact, it's not . . . They are industry oriented, if you will. I'm not absolutely certain of the point you're getting at, but the people that we're employing and the courses that we offer are designed primarily based on the needs of the employers, if you will, and the industry out there that's going to hire them.

MR. GLAUSER: — Yes, I wasn't suggesting that they would be brought through a degree program in the technical area.

MR. LAW: — You're talking about staff.

MR. GLAUSER: — Yes.

MR. LAW: — The staff in the high tech — there's mixture. We haven't done all the staffing, as you are probably aware, in that particular area. In CAD/CAM, for example, it looks like at our initial review that there will probably be one person at least with a degree, but the rest will be technologists, if you will, the hands-on type of people. And that's certainly the aim, and the majority of our people are those kinds of folks.

MR. CHAIRMAN: — The member from Kelvington, and I gather a graduate of Kelsey as well. Go ahead . . . (inaudible) . . .

MR. PETERSEN: — Thank you. My question is more to do with some of the underprivileged people in our society. Has there been any thrust in the past towards people in sheltered workshops through either the Out Reach or the skills extension program, or some advanced training, whereby they may move out of the sheltered workshop and out into the work-force as we know it?

MR. LAW: — I can't tell you to what extent, but we certainly, we are involved in that, and we have people who are working with, for example, the SCCCA (Saskatchewan Council for Crippled Children and Adults). And we have the . . . (inaudible) . . .

So we are working on that, and we are in communication with those people on a daily basis, if you will, and in fact, trying to find ways to get the type of people you describe out into the regular work place.

One of the difficulties that we have — and I just was on the board of SCCCA so I know this — one of the problems we have, and I guess I shouldn't editorialize, but they get a good employee in their workshops, particularly at their money-making ventures, it's pretty difficult to get them out of there. They are rather keyed to the sheltered workshop, or the activity centre, or whatever we call them any more.

But certainly we are working on that all the time. We have people that are on staff who work with the various organizations. We have a . . . There are other, if you will, special interest groups like natives, who have some serious concerns. We have a native services branch that works regularly with the natives in this area. We have a women's services division or branch that is working with the women in the province, as well, to find out how they can become . . . have more access to what services we provide, and, in fact, find jobs in the province.

MR. CHAIRMAN: — I'm sure there's an explanation for this. I asked you for the summary of the enrolment in the various technical institutes, and I see that it is, in fact, in the annual report in table 19.

It seems that the cost per student is considerably higher in Moose Jaw than it is in either of the other institutes. And modestly higher at Kelsey. And that may be because of the nature of the course. That may be because of the nature of the training. They may be using more expensive equipment in Moose Jaw. I don't know.

MR. LAW: — That's correct, Mr. Chairman. And that's the reason.

MR. CHAIRMAN: — Could you elaborate on that a bit?

MR. LAW: — I can only give you an example of a, you know, a specific program. For example, a heavy equipment operator — we have caterpillars and graders and very expensive heavy equipment that would, you know, the cost per training hour would be significantly higher there than in the admin program.

MR. CHAIRMAN: — Where all they need is some textbooks.

MR. LAW: — And a typewriter.

MR. CHAIRMAN: — I have a question akin to that of the member from Kelvington. It had to do with the program, table 39 and 40, non-status Indian and Metis program. Have you ever done any follow-up to determine the level of success in this? How many of the people . . . It is no secret that Metis and Indian unemployment is among the most stubborn problems in society. Did you ever do any follow-up to see what kind of success you're having with these dollars? How many of these people are able to find employment once the training is complete? It would be interesting to know whether their problem is insufficient training or whether it's more deeply rooted than that.

MR. LAW: — We are involved in that process right now as the result of a question we received from treasury board, Mr. Chairman. We do this kind of analysis. In talking to the natives, which I do regularly, I think the problem is more deeply rooted than education alone. However, I don't have those statistics right now, but as I say, we're working on that as a result of a question we received from the treasury board.

MR. CHAIRMAN: — Would you share the information with us when it's available and after it has served its purpose in treasury board?

MR. LAW: — Yes.

MR. CHAIRMAN: — I think those are virtually all the questions I have, actually, unless someone has some others.

MR. KATZMAN: — I would make a comment, Mr. Chairman, that we should thank West Side College. We didn't forget about you even though you are here. I think that, because of the excellent job on changing your ways, you were excused a lot of questions that you might have received. And we compliment you, as a committee, that you have cleaned up the act. We hope others who will now see what it's possible to do will follow your example. We compliment you on that, Mr. Chairman, and I thank you for coming.

MR. CHAIRMAN: — Thank you very much, gentlemen. I had intended to provide a five-minute break. I think we have not been entirely fair to our employee from *Hansard* to keep her locked up there for three hours. I think that's a little rough. Well, maybe let's spend half an hour on Social Services and have a five-minute break at 10 o'clock, sort of a three-quarter-time break. We may be finished with Social Services, too, in that length of time.

Public Hearing: Department of Social Services (continued)

MR. CHAIRMAN: — We'll resume the seventh meeting of the Public Accounts Committee.

I have a question, first of all, not of Social Services, but really of the Provincial Auditor's staff. I think I know what salaries, services and gratuities are in the supplementary book — the D section. I am not sure I know what is included in other expenses in the supplementary volume, part D. How do you define that?

A MEMBER: — You should ask Mr. Kraus.

MR. CHAIRMAN: — All right, I'll ask Mr. Kraus. What is included in . . . (inaudible) . . . any other, is it just a catch-all, or are there certain items that are included in there?

MR. KATZMAN: — Is this the \$10,000 . . . (inaudible) . . .

MR. CHAIRMAN: — No, I was just thinking generally of . . .

MR. KATZMAN: — Those clauses, if there's anything over \$10,000 to be paid, has to be indicated, except to MLAs where they indicate all our stuff.

MR. CHAIRMAN: — Yes. Except in the other expenses there's sums considerably in excess of that. There's everything from . . .

MR. KATZMAN: — Above 10,000.

MR. CHAIRMAN: — Above 10,000.

MR. KRAUS: — Mr. Chairman, it is intended to be a catch-all, other than salaries and travel, generally, and any other expenditures that are made to suppliers, that exceed \$10,000. It's a catch-all, I guess, is a good way to put it.

MR. CHAIRMAN: — Obviously, any breakdown of all figures would be impossible.

MR. WEIMAN: — Mr. Chairman, what page were you referring to?

MR. CHAIRMAN: — Really the D section. As I say, I'm sure any sort of detailed breakdown of that would be impossible. Can you provide detailed breakdowns of any specific item? Or is that not possible?

MR. KRAUS: — When you say "detailed" do you mean . . .

MR. CHAIRMAN: — An itemized list of what's included in that other expenses for any given item. You obviously can't do that for every item in the field.

MR. KRAUS: — No, no. What really . . . Of course . . . Yes, these are by, well as Gary says, payee, and as you're probably aware, in volume 2, if a department has paid \$10,000 for more than a supplier, it would appear individually in volume 2 under the respective department. This is just an attempt to show you how much we have paid to a supplier regardless of what departments have used it. Okay.

MR. CHAIRMAN: — On any particular item . . . I happen to have it open at D3 and one that comes to mind is . . . I was going to say Larry Birkbeck, but that doesn't make any sense, because I know what that's for. It's Pauline Bishko. If I asked, could you give me an itemized list of how the \$10,780 was made up.

MR. BENSON: — For which one?

MR. CHAIRMAN: — Well, I just picked one at random. Page D3, a Pauline Bishko. Could you give me an itemized list for that, or not?

MR. BENSON: — It would be very difficult. You're talking about . . . This may be several hundreds of invoices making up this claim for payment.

MR. KRAUS: — It would depend on the particular item and, I guess, generally speaking, Mr. Chairman, we prefer to have the departments provide information for the expenditures. And in some cases what's going to happen here is that many of these suppliers, anyway, would be used by some or all of the departments. Now, in individual cases, it may be that the transaction was the result of dealing with one specific department. But I would prefer to have the department provide that information in that certainly we make the payments and so on, but as far as what the transaction is all about and so on, I think they're in the best position to do that.

MR. CHAIRMAN: — This is totally off the subject of social services, but let me run the thing to ground. My curiosity has been piqued because of a news item the other day. Other expenses for

MLAs — that includes telephone? Anything else? Can somebody help me? It does not include salaries or travel; that's all separately listed. What does "other expenses for MLAs" include?

MR. KATZMAN: — I think you may be partially incorrect, Ned. Gerry, are you digging?

MR. BENSON: — We would have to go back and . . . (inaudible) . . .

MR. KATZMAN: — My understanding, Ned, is — and I'm going back in the past — I have a feeling that they have done the blue book different than they have done it in the past with MLAs for the first time. MLAs used to be on one page and you — mileage in one section, telephone on another line, and so forth.

MR. CHAIRMAN: — I think that's still in there.

MR. KRAUS: — Under Executive Council you'd likely find that same information Mr. Katzman.

MR. CHAIRMAN: — What I'm looking at is "other expenses" and Birkbeck just happens to be on the page that's open — \$25,298.

MR. BENSON: — What page are you on?

MR. CHAIRMAN: — D3, supplementary volume. What would you include in that? That's obviously not all communications, when you can spend \$25,000 . . . (inaudible) . . .

MR. WEIMAN: — It's probably . . . (inaudible) . . . communications and telephones.

MR. HUNT: — Mr. Chairman, it I may. If you look at volume 2, in the legislation vote you'll find quite a detailed schedule of payments . . .

MR. KATZMAN: — Page, please.

MR. HUNT: — 284. Now that will pick up probably some of what you're discussing. In D3 I think you're talking about . . .

MR. KATZMAN: — Is there a duplication here? That's the question I was going to get to.

MR. HUNT: — . . . Well, D3, as I understand it — Mr. Kraus can perhaps correct me — but I understand D3 to be a summarization of all payments from all departments to any particular individual, whether it be for salaries or other payments.

MR. KATZMAN: — Well, using Mr. Birkbeck . . .

MR. BENSON: — Not in D3.

MR. KATZMAN: — D3 should not show anything that is showing up on page 285 and 284. Am I correct?

MR. BENSON: — These are other expenses, John.

MR. KRAUS: — 285 and 284.

MR. KATZMAN: — Yes, page 284 and 285 shows Mr. Birkbeck across the page, and it shows blank, blank, blank, blank until you get to his secretarial . . .

MR. KRAUS: — Mr. Chairman, and Mr. Katzman, I think John Hunt, the Provincial Auditor's office, has probably described it best, that it is an attempt to summarize the payments to

individuals, regardless of what department they received the money under, and they may have received it from Executive Council. It may be from the Legislative Assembly Office, or, in cases of buyers, it might be that they've received money from many departments. It's a bringing together of that information.

So in some cases, it would be reported twice.

MR. PETERSEN: — Would that then include CPA trips as well, or . . .

MR. CHAIRMAN: — Well, I think it must. It must, because Birkbeck — the total listed here is 17,000. There's another 8,000 to be accounted somewhere now. That can only be his work on that special committee, the ambulance committee.

MR. KATZMAN: — No.

MR. CHAIRMAN: — No? I'm not sure this is germane to the Social Services, but I think . . .

MR. KATZMAN: — I think what you've come across, Ned, is — remember Mr. Birkbeck and myself and others get the double payment that year for two sessions, for an extra session.

MR. CHAIRMAN: — That would be in salaries, not in other expenses.

MR. KATZMAN: — . . . because of the re-elected part, you know.

MR. CHAIRMAN: — See, Sveinson's an example, \$43,000 shows up on page D 24. There is only 20,000 accounted for on page 287 of volume 2.

MR. KATZMAN: — But I wouldn't think that Legislative Assembly stuff will show up in here, because that's parliamentary association, if you're talking about trips. Do you follow me? You see, the parliamentary association does not show up in this book. Am I correct, Mr. Kraus? The parliamentary association will not show up in this book.

MR. KRAUS: — If it's under \$10,000.

MR. KATZMAN: — No, no. The parliamentary association.

MR. CHAIRMAN: — Are trips paid for by the Canadian Parliamentary Association . . .

MR. KATZMAN: — Will not show up here.

MR. KRAUS: — If they disbursed the money, no, it wouldn't.

MR. KATZMAN: — That's correct. Now, second of all, a person as Mr. Birkbeck or myself is a Legislative Secretary. We will show up with our \$7,000 in here, I assume, as extra money, because we are paid roughly 6,000-something as a Legislative Secretary.

MR. CHAIRMAN: — That would show up, not in other expenses, but in salaries, services, and gratuities.

MR. KATZMAN: — No, no. It will show up here, because it does not come from the Legislative Assembly.

MR. CHAIRMAN: — Do you people know how . . . it's really curious. Obviously, Sveinson didn't spend \$23,000 on postage.

MR. KRAUS: — I would like to go back and just examine how those figures are made up,

because there are payments all throughout, obviously, the legislation, or Legislative Assembly Office, and also there may be some under the Executive Council office for some members, for the cabinet members anyway, and I'd like to go back and examine how these are put together and report back to you.

There are payments for many, many different activities, or for many purposes.

MR. KATZMAN: — . . . (inaudible) . . . They've taken everything that's here and put it in here, as well. So this figure here, in this page, should. . . (inaudible) . . . subtract what you have on page 284 and 285.

MR. CHAIRMAN: — Sveinson was not in that year, though.

MR. KATZMAN: — Never was.

MR. CHAIRMAN: — Never . . . Not as Legislative Secretary. No, that doesn't account for his 23,000 bucks.

MR. KATZMAN: — But what does, Mr. Chairman . . . What you're missing is a . . .

MR. CHAIRMAN: — We're wasting Social Services' time, but maybe you should get on . . . (inaudible) . . .

MR. KATZMAN: — Okay. You've got . . . Well, just a minute. You have an example. You pay for postage as a member, the cheque goes back to you, it shows up here.

MR. CHAIRMAN: — Right.

MR. KATZMAN: — If you mail it out of the Legislative Building, it never shows up to you in either place.

MR. CHAIRMAN: — No, wrong.

MR. GLAUSER: — . . . (inaudible) . . . it comes on you.

MR. KATZMAN: — No.

MR. CHAIRMAN: — It comes . . . Yes, it does. It's taken off your communications . . . (inaudible) . . .

MR. KATZMAN: — It comes off your communication, but you didn't get a cheque written to you. There's a difference. For example, when I mail out a mail-out . . .

MR. CHAIRMAN: — Gosh, I'm surprised to hear that the accounting system is that crude, Ralph. I would think . . . (inaudible) . . .

MR. KATZMAN: — There's nothing crude. It's just the way it's charged directly to the Assembly. It's not charged to you, because there's no cheque written to you.

MR. CHAIRMAN: — That's a goofy system, if that's the system.

MR. KATZMAN: — No, it's correct.

MR. CHAIRMAN: — Mr. K . . . Oh, you're going to inform yourself about what is included . . . (inaudible) . . .

MR. KRAUS: — I would like to know how the, yes, the figures in volume 1 or volume 2 — I guess it's in volume 2 — come together for the members, in volume 3, and what each item in volume 3 represents, because, as I say, there's a number of different reasons for receiving payments, if you're an MLA. And I'd like to know just how those numbers came together out of volume 2, summarized in volume 1, or volume 3.

MR. CHAIRMAN: — Let's take a less difficult example. I happen to have the page open, just by chance, on D 23. I'll pick an easy one. Schrempel Construction (1983) Ltd.

MR. KRAUS: — That won't be a difficult situation. It's more difficult with the MLAs, because they get payments for different purposes, and how are they brought together and described there, I'd have to look into that. But this situation will be where, obviously, this business has received more than \$10,000.

MR. CHAIRMAN: — Because they renovated something there — the court house or something, yes.

MR. KRAUS: — But it may be that they dealt with more than one department. It may be that they've received payments from two or three departments. Now, highly likely it's only Supply and Services, but on the other hand . . .

What we were trying to do here was that, in some cases, a supplier may do business to the extent of 4, 5, \$6,000 with a number of departments. Okay? So they would never, ever show up in volume 2.

But if they've done more than \$10,000 in business with the total government, then that will show up in this volume 3. That's what it does for you.

MR. HUNT: — It's the same information that's contained in volume 2, but it's summarized and classified . . .

MR. KRAUS: — It's government-wide, rather than by departments.

MR. HUNT: — And it's . . . That was at the direction of the Public Accounts Committee, was it not?

MR. KRAUS: — Yes, I'm not sure that every government produces this. I'm not absolutely sure, but I know we may be one of the few that . . . (inaudible) . . .

MR. CHAIRMAN: — Mr. Lutz said it was provided some years ago at the request of the committee and specifically, Ed Whelan, who wanted a summary.

MR. MEAGHER: — Mr. Chairman, I just would like it run by me again, one more time, in very simple layman's terms. What are in these three volumes? What's the purpose of the three volumes?

MR. KRAUS: — In volume 1, you have essentially the financial statements of the province and supporting schedules. Okay? Primary financial statements of the government and supporting schedules.

MR. MEAGHER: — Of the departments?

MR. KRAUS: — No, of the government. These are your financial statements. Just like a business has financial statements, that's what these are in volume 1. And then there's financial statements for other entities that aren't a part of your big financial statement, like, well, like the people we had in this morning, like the community colleges.

Then the second volume are details of the spending by department, shows the spending by the various branches at the subvote level. And it also provides you with details as to what individuals were . . . If an individual received a salary in a department for more than \$20,000, that is displayed here by department. Or if a supplier received a payment in excess of \$10,000, that would be shown by department. Okay.

MR. MEAGHER: — So, the details of expenditure, based . . .

MR. KRAUS: — The details of expenditures by department are in volume 2. That's the details right there, okay, by department.

Well then, I guess at some point in time somebody said: well, that's fine, but what's happening government wide? I could think of some stationary companies that must deal with virtually every department in government. Well, how much are we paying those people, as a government? So that's where volume 3 is brought together and printed, and so you can see how much, as a government, we've paid any particular supplier, if it's over \$10,000.

MR. CHAIRMAN: — Anyway, Mr. Kraus is going to inform himself . . .

MR. KRAUS: — For the MLAs.

MR. CHAIRMAN: — For the MLAs, yes . . . (inaudible interjection) . . . I gather it just isn't possible to provide an itemized list of what other expenses would be included . . .

MR. KRAUS: — For the MLAs?

MR. CHAIRMAN: — For everybody.

MR. KRAUS: — I could tell you again what those categories represent. But if you're saying could we provide itemized lists for all of them — no, then you are into the thousands of payments we make.

MR. CHAIRMAN: — A specific question. A reporter asked me what was included in "other expenses." Indicated that he understood there was a thirty-five page list of items which might be included in "other expenses," not with respect to any specific account, just a general list of what might be included in "other expenses." Did he misunderstand that?

MR. KRAUS: — He said there was . . .

MR. CHAIRMAN: — Apparently he phoned the Provincial Auditor's office and was told there was a thirty-five page, itemized list of what's included in "other expenses." And I . . . (inaudible) . . . of curious . . . I'm probably out for my own interest sake, not really for his.

MR. HUNT: — Well, the comptroller has developed an object-of-expenditure coding system. And it may be that that detailed legend runs to several pages, but I'm not sure.

MR. CHAIRMAN: — I don't know what use the detailed legend would be but . . .

MR. KRAUS: — I'm not sure exactly what the question was or who answered it specifically, but I guess what this is though, as you can appreciate, is a summary of payments that are made to individuals. And there would be thousands of individual payments behind each of these summaries, you know, in total. Any individual may have received — didn't receive necessarily a \$50,000 lump sum, but may have received 16 individual payments to arrive at that 50, or 40, or whatever the amount is, so . . . But I'm not sure what the 35 pages would be, and that doesn't make sense.

MR. CHAIRMAN: — It doesn't make sense, I agree. Let's just leave it, and you can come back specifically with . . . On the social services — it's a few minutes before we break. We had on Thursday last canvassed the issue of your internal control, I think with some degree of thoroughness, when we broke at 9:30. Were there any additional questions on the aspect of internal control?

Just for my sake, you were asked, I recall, you were asked about the comment on page 6 of the Provincial Auditor's Report:

That officials were unable to provide (you) with reports resulting from their audits.

I gather your response to that was . . . Your response to that, as I recall it, was that they were provided later in the year.

MR. PODILUK: — They were provided.

MR. CHAIRMAN: — Later in the year. The other comment contained herein, computer and employment services branch:

Each such grant to these . . . contains a condition which requires the grantee to submit appropriate financial statements . . . and there was no follow-up procedures to ensure that . . . (was being done.)

Could we have your comments on that? They say this is a problem not unique to the Department of Social Services. It's a problem virtually of everyone who gets those grants.

MR. PODILUK: — Mr. Chairman, I would like to suggest that perhaps we did have some procedures, but those procedures were not sufficiently sophisticated and sufficiently adequate to meet today's circumstances.

In the Department of Social Services we have a partnership with such a variety of non-governmental agencies that we had to develop some systems. And most important, we had to develop a uniform reporting system from the various agencies so that we could have a more adequate — get a more adequate assessment of the situation in each particular instance.

So we have . . . I suppose the most significant development has been that we have been working in a closer personal contact with Non-Governmental Organizations and have changed the role, to some extent, of our field personnel to become identified more closely with these organizations.

And we do now expect that we are going to receive a quarterly statement. That is required by agreement. We sign an agreement with each NGO, and the agreement specifies that we receive a quarterly financial statement. In addition to that, we are also requiring a report, an audited statement, from those NGOs that receive a grant of \$100,000, and a financial statement, a verified financial statement (and I have some difficulty in suggesting to you how we're going to insist that that be done), but from all the others.

And I think that perhaps the most important aspect is that the kind of relationship, the kind of working arrangement that exists with NGOs, have become much more systematic and much more refined. And that is a thing that developed as time went on. But now we have become very specific.

MR. CHAIRMAN: — I guess the comments of the Provincial Auditor were that not that there weren't proper systems, but that they weren't being followed. There seemed to be no follow-up to make sure it was done.

MR. PODILUK: — They are being followed, I can assure you, with a considerable degree of diligence. In addition to that we have some further developmental plans in terms of working relationships with NGOs.

So I feel very comfortable and confident in assuring you that we have tightened up in this whole area in terms of ensuring that the public funds are being utilized for the purposes that are indentified.

MR. CHAIRMAN: — If I might just take you back a moment to the question of control of payments under the Saskatchewan Assistance Plan. Am I right? Is the following statement accurate? — It is the function of the social worker to assess the needs of a client and determine whether or not the client is eligible for social assistance. But once the person is on social assistance, then the social worker is no longer responsible for ensuring that the person continues to be eligible. That then switches to be the responsibility of the audit department. Or is it a joint responsibility?

MR. PODILUK: — I would like to suggest that the social worker, in every instance, must not ever feel that his or her job is finished when the application is taken and the payment is made. A social worker's responsibility is to continue to monitor on an ongoing basis the needs that exist in a particular family unit, the circumstances that may change, because social workers do have a supportive role to play as well.

However, the significance of the verification unit, the pre-audit procedure, has increased. And one of the things that perhaps is the most significant development is the procedure established where referrals are made by social workers on their own initiative to have applications, to have files checked, to ensure that there is accuracy — that there's a high level of accuracy.

MR. CHAIRMAN: — Is that realistic? Are your staff complements sufficient to permit social workers to carry through with that supportive role? I hear complaints.

MR. PODILUK: — I would like to suggest that there's no question that case-loads have increased, given today's circumstances. But at the same time, there have been some other things that we were mindful of this — we recognized the fact that there were additional demands that are being placed on staff. So therefore we felt we had a responsibility to undertake certain initiatives that would compensate for it. And those initiatives included, most particularly, a simplification process and procedure in terms of handling of applications, the back-up kind of staff through the verification and pre-audit units, and the supportive training and seminar initiatives that were intended to assist staff in coping with this.

I might also mention that, despite the increase in the numbers of cases that are the responsibility of the department, we have employed casual staff, temporary staff, to handle the peak case-loads. And, at the moment, our case-load is one of the lowest in Canada. We're very mindful of that component. And I believe that our average is around 195 — 194, as compared to 200-plus in most other provinces.

MR. CHAIRMAN: — Do you happen to know the Canadian average?

MR. PODILUK: — I'm just informed that in '82-83 our average case-load was 170, and my information is that the average case-load — I don't have the specific figure — but I have been informed that our case-load is below the Canadian average in '83-84 as well.

MR. CHAIRMAN: — I'm just running through the Provincial Auditor's report. On page 14, with respect to the child care program, they suggested that the control of disbursements was not adequate, and disbursements were not being properly approved. I'd appreciate your comment on that, as well, if we might have it.

MR. PODILUK: — We accept that as a very valid observation, and I think we have taken steps to control the situation, and to address ourselves to that concern. The package now requires authorization. Any application, any request requires the authorization of a person at the supervisory or director's level at a minimum, or at least supervisory minimum or director's level.

Information is checked by an independent clerical person to ensure that all the required kind of detail is in place. So I hope that kind of criticism that was expressed in the report has been attended to in an adequate way. I'm fairly certain that it has, but the situation naturally is going to continue to be monitored.

MR. CHAIRMAN: — Page 20 contains a comment with respect to a specific grant of 66,590-some dollars. And at one point in time I had the OC (order in council). I think I still do. It seems to me it was with respect to a group in Saskatoon.

MR. PODILUK: — I think it was Saskatoon — right.

MR. CHAIRMAN: — Greenhouse, the C.J. Greenhouse Ltd — a specific comment about a specific grant. I would appreciate your comments on this as well.

MR. PODILUK: — There's a problem in that particular instance, and I think that perhaps some degree of flexibility was exercised to a degree that perhaps it was not completely appropriate. But we did not have certain procedures in place. I think we do have them in place. We check all eligibility sheets. And after checking, by the way, we found that of the 51 employees, there were 46 who were SAP (Saskatchewan Assistance Plan) eligible; five were not. And to prevent a recurrence of similar situations, a client index will be used to determine the eligibility status of the employees. As well, SAP eligibility must now be confirmed prior to making payment to the employee. Failing confirmation, payment will not be made.

Another development is that we have developed a greater central control as far as the employment support program is concerned. And we feel that the director of the employment support branch will be in a better position to exercise control over each project in terms of its approval, and in terms of its monitoring.

But this one was a problem, and perhaps one that we had a special responsibility to address ourselves to, to make sure that a recurrence . . .

MR. CHAIRMAN: — Did not occur. I have a few specific questions arising out of your annual report. On page 4 of your annual report for the year ending March 31, 1983, reference is made to highlights of the department, one of which was a job creation program.

Has the department ever monitored these job creation programs, to see what you leave — whether or not these are temporary jobs? What percentage of them are permanent, and, I suppose, equally as important, what percentage of them are new jobs that wouldn't have occurred but for the expenditure of public funds?

MR. PODILUK: — In every instance, one of the criteria that were applied in approving projects was that this was going to mean new jobs — the jobs that, certain undertakings that would not have occurred, had the injection of these kinds of dollars not been made. And there are examples of this in both the public and the private sectors — in the private sector, the matter of providing some developmental, or undertaking some developmental aspect of the business that would not have occurred, had there not been an involvement of a person and some financial support provided. In the public sector, of course, undertakings of school boards, of municipal councils, that normally may not have occurred, had it not been for this kind of assistance being made available. So in every instance it was a matter of providing opportunities for those people, and encouraging undertakings that otherwise would not have been in place.

As far as continuation: our experience, on the basis of '82-83, indicated that, overall, about 20 per cent of the jobs continued after the 26-week period. And the other interesting thing is that about 50 per cent of the jobs continued with the small business sector after the 26-week period. Now, by saying continued, I cannot give you an indication as to how long some of them continued. Some of them, I think, they continued over an extended period of time. I know one or two that did, and are still continuing, and others that probably have come to an end.

MR. CHAIRMAN: — So what you're saying is, by far and wide your greatest success was with small business in terms of — you view the objective of this program as the creation of permanent jobs. It was more effective in the area of small business than it was with the municipal and the volunteer organizations.

MR. PODILUK: — Because of the nature of the enterprise. In the public sector, usually the application is made on the basis of having a particular project in mind, whereas, in the case of small business, it has a developmental component which should indeed increase the potential of the job continuing.

MR. CHAIRMAN: — Has the department ever given any consideration to following up one of these programs six months or a year hence, to determine the permanency of the jobs? It strikes me as being a very relevant consideration when you're determining whether or not large sums of public funds should be spent in the area, because it seems to me — and I suppose people may argue this — that if you haven't created permanent jobs then you at least would want to know that in designing other programs.

MR. PODILUK: — We have that built into the '84-85 program most particularly. But we've also . . .

MR. CHAIRMAN: — Could you say that again?

MR. PODILUK: — We have built that into our '84-85 program to do a longer-term evaluation. But we did an evaluation of the '82-83 program, and we were encouraged by certain kinds of responses on the parts of individuals who were participating in the program, and we were encouraged by the fact that some people said things such as, "I now have a reference that I can use when I look for a job elsewhere," and to me that was . . . I would have never thought of that as being particularly significant, I suppose, but to a person it was, "I have acquired new skills. I feel differently about myself." So I suppose that providing these kinds of opportunities, there is a dimension that you suggest, Mr. Chairman, that there should be a continuity, a long-term thing.

But job creation in the sense that we are looking at it — and of course I'm speaking from the department's perspective, I'm speaking of people who have, for a variety of reasons, particularly due to lack of educational background and skills, not been able to compete for jobs in the mainstream. So therefore it does provide people with an opportunity to develop skills, to change attitudes, and to perhaps contribute generally to the development of the personal dimension that may be hopefully, and I . . . it's not . . . I don't believe that that's only a matter of "hopefully" as far as a dream is concerned, but a reality in the case of some people who, indeed, will be better equipped to approach potential employers.

MR. CHAIRMAN: — That, I suppose, is a possibility. I suppose that's a possibility. I have the same question then with respect to table 13, page 14, the fine option program. Have you ever done any follow-up on this program to see whether or not people who get the fine option have any higher or lower rate of recidivism than people who are given incarceration, which I assume would be the alternative?

MR. PODILUK: — I can't really comment on this one. It was in '82-83 an evaluation was requested, or it was initiated. It was something that was an ongoing kind of consideration

because this represented a relatively new and interesting kind of alternative, but the corrections, of course, as you know, Mr. Chairman, are now associated with the Department of Justice, and I don't know what the status of that program is.

MR. CHAIRMAN: — I had forgotten it. I think that then about exhausts . . . There's a whole list of questions on corrections and, while it was yours for the year under review, it's probably not fair to ask them of you now because you don't have them. I think those are all the questions I had unless some other members have something . . . (inaudible) . . . Okay. Well thank you very much, gentlemen for coming and assisting us in our inquiries. We look forward to seeing you another year. Okay. I think we'll take a five-minute break now and perhaps resume at a quarter after by this clock.