

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

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Standing Committee on Public Accounts

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SUBJECT: REVIEW OF THE REPORT OF THE AUDITOR GENERAL, DATED MARCH 7, 2018

COMMITTEE:

Bradley Trivers, MLA Rustico-Emerald [Chair]
Hannah Bell, MLA Charlottetown-Parkdale
Kathleen Casey, MLA Charlottetown-Lewis Point
Jamie Fox, MLA Borden-Kinkora (replaces Steven Myers, MLA Georgetown-St. Peters)
Hal Perry, MLA Tignish-Palmer Road
Allen Roach, MLA Montague-Kilmuir

COMMITTEE MEMBERS ABSENT:

Alan McIsaac, MLA Vernon River-Stratford
Steven Myers, MLA Georgetown-St. Peters

MEMBERS IN ATTENDANCE:

none

GUESTS:

Auditor General's Office (Jane MacAdam, Gerri Russell, Barbara Waite)

STAFF:

Ryan Reddin, Clerk Assistant (Research and Committees)

The Committee met at 10:00 a.m.

Chair (Trivers): I'd like to call this meeting to order of our Standing Committee on Public Accounts. Welcome everyone here and thank you for making some time to meet while the House is sitting. I know it is a busy time for us all, including the Auditor General, so thank you very much for making time in your schedule as well.

To start off, I need an adoption of the agenda.

Mr. Fox: (Indistinct)

Chair: Jamie Fox? All right.

I guess for the audio visual team, if you could just each state your name and position so they know what mics you're at.

Jane MacAdam: Jane MacAdam.

Barbara Waite: Barbara Waite, Audit Director.

Gerri Russell: Gerri Russell, Audit Director.

Chair: Thank you.

I'll leave it up to you as to how you'd like to go through the report. You could always start at the beginning, but whatever you feel is most appropriate. The way I'd like to do it is similar to what has been done in previous Public Accounts: ask questions as we go along, but if you have any motions to put forward for items to bring back and these sorts of things, please hold them and we'll stop at the end of each section and we'll discuss those motions.

Thank you.

I'll turn it over to the Auditor General.

Jane MacAdam: We'll start at chapter two, which is the first special auditing examination. It's through the social assistance program. I have some slides and the Chair mentioned if there are any questions throughout the presentation, just feel free to ask.

Chair: One other thing I should mention since we're in the official meeting, the target is to have discussion on the Auditor General's report until around 10:45 a.m. or so and then we'll go into the rest of our new business in adjournment of the meeting with a target to be done by 11:00 a.m. start of the Public Accounts meetings. That's the way we'll work it every Wednesday going forward.

Thank you.

Jane MacAdam: Social assistance as defined in the *Social Assistance Act* includes both financial assistance and social services. So, under the act Executive Council is responsible to establish categories and rates of assistance and rates are established for expenses such as food, clothing, household, and personal requirements.

The monthly benefit provided is the difference between the benefit rates established for basic needs and non-exempt household income. The amount of financial support depends on several factors including: the income, family size, the composition of the family, the age of the family members, and those kinds of things.

The objectives of the social assistance program are to provide basic necessities of living to those who are unable to provide for their own basic needs; to provide time and appropriate services to prevent social dependency, or where dependency exists, to prevent it from being ongoing; and strive to enable individuals or families to achieve normal social functioning to the extent possible.

Ms. Bell: Can I just ask a question quickly there?

Chair: Yes, go ahead.

Ms. Bell: I think there's another (Indistinct) here that the numbers of people on social assistance has not fundamentally changed over the last five years. It's between 3,800 and 3,700 and I know I read somewhere in here that they're – I'm trying to find it now, but that where one of the objectives is they – preventing ongoing social dependency. I really need to get new glasses.

Is it in the context of your audit to look at whether those objectives are being met in the context of how many of these people are long-term in social assistance?

Jane MacAdam: That's one of the things that we looked at in the audit. We didn't measure whether or not those objectives were being met, but we indicate in our report that management needs to develop performance indicators that link to these objectives and to set the targets and measure and report on whether or not the objectives are being achieved and to what extent they're being achieved. So that's dealt with in the audit later on.

Ms. Bell: Okay.

Thank you.

Chair: Jamie Fox, you had a question?

Mr. Fox: Interesting point that you say that the numbers for the last five years have basically stayed the same at 3,800 up to 3,700, so it's very consistent. Are there any factors you found that kept that numbers basically the same? So, changes in either policy, or regulation, or financial situations that kept that number at that – if you understand what I'm saying – kept that number at that 3,700?

Jane MacAdam: Well, there are various factors that are taken into consideration when making a decision on whether or not an applicant is eligible for financial assistance. So, those things include the rates – what they consider to be basic needs, as well as the income of the applicant – the household income. So we didn't specifically look to see: were there contributing factors to the caseload staying the same, these are just the facts. This was the caseload size based on the policy of the program – the criteria as to who's eligible and who's not.

Mr. Fox: So one thing I've been hearing over the last little bit is about credit card debt. In that number – that 3,800 or 3,700, was there any analysis done to find out if people are living more on credit cards to make their monthly, or weekly payments, or whatever – support for the family – that could impact the amount of social assistance they get, or they will maybe be refused, or not gain access?

Jane MacAdam: Well, we didn't look at that as part of the audit. Certainly, when the applicants apply, their income is considered and their non-exempt income is considered.

Mr. Fox: So what I'm learning is that some families, because their income is staying consistent – the same – where their income is whatever, in some cases they're refused or gain access to the program, but one thing that's taken into consideration is the amount of credit card. What I'm hearing from some families is due to medical expenses or the cost of living, they're forced to put expenses on credit cards and then that's not being considered. A credit card bill or payment is not being considered a payment – or pardon me – what would you call it, Al? A –

Ms. Bell: An expense.

Mr. Roach: I guess that's the question is –

Chair: Allen Roach.

Mr. Roach: – if the use of credit card – I don't necessarily know whether that's considered income.

Mr. Fox: So what I'm –

Mr. Roach: So I don't know how the department would determine whether or not somebody was using their credit card, so I don't think that could be counted as income.

Mr. Fox: One family I'm thinking about right now is he got laid off because of disability, sick, and she's on a limited job, a part-time job. Now they've got extra medical bills and medication, so they're having to put those bills – that payment – on a credit card and then when they went to meet with social services, they won't include that payment to the credit card or the bills they put on the credit card because it's on their credit card.

See what I'm saying here? It's not a legitimate expense to the family because it's on a credit card. Yes, you could hide a boat on a credit card, but when you've got receipts to back it up. I was wondering if you saw any of that, or even looked at that.

Jane MacAdam: Well medical expenses are – there is a provision for medical expenses to be covered under this program.

It's not included in the regular monthly entitlement necessarily, but if there are medical expenses, those things are considered.

Mr. Fox: Okay, thanks for now.

Chair: Thank you.

Jane MacAdam: A social assistance case is comprised of the applicant and his or her dependents. During 2016-2017, the average annual caseload is 3,700. Social assistance benefit payments averaged approximately \$34 million annually over the last five fiscal years.

Almost 95% of payments are regular monthly benefits. Monthly benefits are generally broken down into approximately 52% shelter, 36% food, 6% clothing, 4% personal requirements, and 2% household supplies. That's just a general breakdown. That's some background information on the program.

Chair: I have a quick question there.

One thing that I've noticed is when I've had various constituents who have had an issue with social assistance; generally, they want to get more assistance. Typically, I've found that if I can get a scheduled meeting with family and human services, with their caseworker, there seems to be some leeway and some, I'll call it, subjectivity, involved. In almost every case they've been able to find extra money to give people.

You talk about the general breakdown. And coupled into this, as well, I've noticed there are a huge number of policy documents that govern the relationship and the program. I was wondering if you've looked at, this complex web of policies and the leeway that caseworkers are given to see if there is any subjectivity, and if there is a lack of a way for people to know whether or not they're actually getting the amount of assistance that they're actually due based on the policies.

Jane MacAdam: There are regular month – in exhibit 2.2, for example, there are regular monthly benefits. It's like \$36.1 million. Over and above that there's medical, dental and optical, which was \$1.6 million. And special needs of \$0.2 million. There are provisions for special needs, special

circumstances that are taken to consideration.

There is a policy on special needs. There would be some criteria that would have to be applied to determine whether or not the case itself fell into that situation.

Chair: Now, maybe another way of putting my question is, with the complexity of the system, and the caseworkers do a great job themselves, I think, trying to weave their way through the web.

Do you think there's any issue with people being able to advocate for themselves to make sure that they're being considered for all the programs?

Jane MacAdam: We do have comments, later on, about applicants not having information that clearly states that they have a right to appeal. We did find that when we did our audit, that sometimes they're not informed of the decision in writing. They're not informed of their right to appeal. That's, to me, way to advocate for yourself, if you have a clear understanding that you do have a right to appeal, that's important.

Chair: Thank you.

Jamie Fox.

Mr. Fox: Thanks, Chair.

Jane, how many cases did you find that in?

Jane MacAdam: I believe it was –

Chair: Maybe, we should wait until that section, perhaps (Indistinct)

Ms. Casey: Yeah.

Mr. Fox: (Indistinct)

Ms. Casey: So we're not jumping all over the place.

Chair: Thank you.

Thank you, Jane, if you want to continue.

Jane MacAdam: The first report section with findings was the program performance and reporting.

We concluded that the department has not developed performance indicators to measure and report on the achievement of program objectives.

I'm going to provide some detail to explain our conclusion. Program performance was not assessed. The department has not developed a suite of relevant performance indicators to measure and monitor its progress in achieving the objectives of the program. There were no performance targets developed for the program.

Defining program indicators and targets is an important element of tracking and measuring the progress and success of the program. The indicators, which are selected, should drive the information that the department routinely obtains and analyzes.

We also found a lack of compliance with legislative reporting requirements. The *Social Assistance Act* requires that an annual report be provided to the Legislative Assembly on the administration of the act.

There has not been a separate report on the administration of the act, although some activity-based information has been included in the department's annual report.

The *Financial Administration Act* requires that departmental annual reports be made public within six months after the financial year end, and that these reports contain the goals and results achieved for the department.

As of December 31st, 2017, the last annual report of the department was tabled in February, 2015 for the 2012-2013 fiscal year. The department has not issued annual reports for the last four fiscal years as required by legislation.

Chair: A question from Hannah Bell.

Ms. Bell: Thank you, Chair.

You had mentioned in a previous one, around the lack of the performance indicators and targets are now – the requirement to do the annual report. Other than the fiscal, you know, just sheer plain data, what would there be to report? To report against goals if there aren't any goals set?

I guess there's two things; the absence of the reporting at all, but then what value or content would that report be if those performance indicators haven't been met? Is there any indication of what those reports contained?

Jane MacAdam: First of all, it's the departmental annual report that's referenced in the *Financial Administration Act*, so that's the department as a whole. That would include more than just social assistance.

Ms. Bell: Okay.

Jane MacAdam: That's one aspect.

Typically, the annual report would include some financial information, but the 2012-2013 one, which was the last one, it gave some statistics on the social assistance average monthly caseload. It – for the last three years, in that report, and it gave some information on the percentage of Islanders earning below the market-basket measure.

There was some information included about the program. But, it certainly was not as extensive as we would expect.

Ms. Bell: Yeah.

That's it, particularly when there has been so much focus on speaking about and you mentioned it in other places in your report about the commitments to poverty reduction strategies and plans and so on that, you know, part of that is that collection of data.

The absence of data from the department, it has, sort of, the most direct relationships with clients in that area of need, would, sort of, speak to the challenges of producing plans that look at how we can target and affect those areas. In terms of the accountability, as well, of having even just basic department reports without performance measures in, the fact that it's four years in an absence, is, in a significant budget-line item. That this department as a whole is, like you said, this is one piece.

There's disabilities supports and all of those other Child and Protection Services, so, it's a \$200 million department, is a significant gap. Certainly, the lack of data, I think, is really concerning. Not just financial data, but data, in terms of affecting value for the

clients and for the programs that are delivered.

I know we had spoken before about the role of the committee in terms of making recommendations. Is there a scope in this to recommend, not only that the commitment is followed up, in terms of those reports, but those reports for the previous years also be filed?

Or, would it be, like, when there's that much of gap, is the expectation that those reports for those previous years should be filed, or do you just skip them and go with where we are now?

Jane MacAdam: The *Financial Administration Act* requires –

Ms. Bell: Requires them.

Jane MacAdam: – so it is a legislative requirement.

Ms. Bell: There is a backlog of work to be filled, as well as getting up to speed.

Chair: Maybe, along the lines of what you're talking about, even if detailed performance indicators and targets aren't in place, as is one of the recommendations that need to happen, the overall goals of the department are there. That's what the legislative reports can be – require reports can be about for those years that are missing.

Ms. Bell: So Chair, I would like to note that I do think very clearly there's a committee recommendation in terms of the minimum – meeting the requirements of the act would be something that we should strongly recommend.

Chair: Great. Point noted.

Ms. Bell: Thank you.

Chair: Thank you.

Jane MacAdam: We made two recommendations. In paragraphs 2.22 and 2.23, to improve the measuring, monitoring, and reporting of program performance: The Department of Family and Human Services should establish performance indicators and targets to measure and monitor its progress

in achieving the objectives of the Social Assistance Program. And the department should annually report to the Legislative Assembly on the administration of the Social Assistance Program including program goals and results achieved.

The next section is on the rates of social assistance benefits. We concluded that: Social assistance rates and exemptions were not submitted annually to Executive Council for review and, information on specific rates and exemptions was only provided when changes were requested by the department.

The *Social Assistance Act* regulations state: that Executive Council shall review annually the established rates of financial assistance; and exemptions from the calculation of financial resources to determine their adequacy in meeting the needs of applicants. The department should be routinely obtaining and analyzing information on program performance. This information would assist in making policy decisions on rates and exemptions. We observed that this information was not provided annually to Executive Council. Information on rates and financial exemptions was only provided when a specific change was requested.

Chair: Jamie Fox.

Mr. Fox: Thank you, Chair.

Was there any analysis done between these rates and other provinces?

Jane MacAdam: As part of our audit, no, but in our report we indicate that this would one of several relevant performance indicators that the department could consider.

Mr. Fox: Okay, thanks.

Chair: Hannah Bell?

Ms. Bell: You had noted in section 2.26 and 2.27 around the five-year plan for the food rates, which are at 70% of the National Nutritious Food Basket target. I just wanted to clarify, you talked about that the year one increase went in, year two and three were delayed and there was an increase for year four that hadn't been implemented. So now we're in year five and there has just been an increase put in this current budget, but from

my understanding, that would be, actually, year four's increase – we've missed a year is what I'm reading from this at the point of the report. Is that?

Jane MacAdam: Subsequent – outside our audit testing scope period, which ended on March 31st, 2017, we did become aware just recently that there was a rate increase implemented in November of 2016, but it was not – so, it was delayed. It was delayed from what was originally planned, but it did not get Executive Council approval.

Ms. Bell: Right.

Jane MacAdam: So it's another example that we highlight in the report where some of these rates are actually implemented prior to Executive Council approving the rate change, or via Order in Council, which is what the act requires. So it's Lieutenant Governor in Council approval, which is Order in Council approval.

Ms. Bell: Okay. Thank you for that clarification.

Chair: I have a quick question on this too. So even though the rates are not reported to Executive Council, would they be reported to the minister responsible?

Jane MacAdam: They're implemented by the department. I can't say who all is aware. Whether the minister is aware or not, I can't say, but the rate – we have examples in this report where rate changes were implemented prior to Lieutenant Governor in Council approval.

Chair: And also, would they not need Treasury Board approval when they're doing these sort of rate increases? Is that not required?

Jane MacAdam: It's not required to make a rate change.

Chair: So in the normal budgeting process, the department would request additional dollars potentially that are associated with any of these rate increases, or decreases for that matter – a change in budget – and that would just go through the normal budgetary process without, potentially, the minister or Executive Council being aware of the

underlying changes that cause the budget to increase or decrease?

Jane MacAdam: Well, if they put it in as a potential budget increase, I'm sure the minister would be aware that it was maybe submitted, but in terms of the actual changes to the rates, the rates are supposed to be approved by the Lieutenant Governor in Council.

Chair: Okay. Thank you.

Jamie Fox.

Mr. Fox: I'm confused. The department implements a rate change – we'll say it's a positive, it's a plus, it's increase, right? That has to go to Executive Council to be authorized or it has to be signed off on that we agree with this, right? Are you saying that there were cases where rate changes were supposed to take place, went to Executive Council, and Executive Council failed to implement the changes?

Jane MacAdam: No, that's not what I'm saying.

Mr. Fox: Explain that – that's what I'm trying to understand.

Jane MacAdam: It's in paragraph 2.36 of the report: We noted ten instances where rate changes were implemented by the department, so the department initiated a change to the monthly payments that were given to clients prior to receiving Executive Council approval.

Mr. Fox: So the end user did receive the payment or (Indistinct)

Jane MacAdam: Yes.

Mr. Fox: That's great. Okay.

Ms. Bell: Chair?

Chair: Yes, Hannah Bell?

Ms. Bell: Just a question of clarification.

This may not have been in scope, so it's a scope question. I think it may be coming out of your question about targets – the 70% of the food basket as the reason – as why that food rate is set at 70%. Is that a performance

target question? Was that in the scope of why that is the measure that's been chosen?

Jane MacAdam: They made a decision to go with 70%, so we didn't question that 70%. That's a policy decision of government on what the rate would be. We just know – it's a fact in the report that we point out that that was a – at the end of year five, they want it to be at 70% of the Atlantic average cost of a National Nutritious Food Basket.

Ms. Bell: Right. Thank you.

Jane MacAdam: We noted specific information on the rates and provided this information in our report. PEI food rates are based on a five year plan. In 2014, a target was established to bring food rates to 70% of the Atlantic average cost of the National Nutritious Food Basket by the 2018-2019 fiscal year. Food rate increases for year one were implemented based on the plan. Food rate increases for years two and three were made, but were delayed from what was originally planned.

We noted that shelter ceilings for social assistance was last increased in 2013. There is no standard methodology for setting shelter rates. The majority of monthly benefits are for shelter costs. As of January 1st, 2018, shelter ceilings had not been increased in over four years – since November of 2013. We noted that the department administers subsidized housing programs and these rent ceiling rates are reviewed annually.

Chair: Jamie Fox.

Mr. Fox: In the shelter rates, what's all determined in the shelter rate? Is this the actual shelter itself, or are electricity, utilities, and that kind of stuff calculated in it?

Jane MacAdam: It would include rent or mortgage costs plus heat, utilities, fire insurance, and property taxes. We outline that in – it's in paragraph 2.29 and there's further in appendix D on page 31. Appendix D – there's some more detailed information on what's included. So it's, actual shelter costs are provided up to a ceiling cutoff. It includes rent or mortgage, heat, utilities, fire insurance, property taxes and they range

from a maximum of \$536 for a single person to \$854 for four persons.

Chair: Hannah Bell.

Ms. Bell: Thank you, Chair.

To be clear, when you're talking about these two sections – within the same program, within the same department there are two different ways of assessing how much funding is provided under a shelter, right?

For subsidized housing, it is reviewed and does that imply that it is increased annually, or it is reviewed and therefore assessed differently than the shelter rates under the assistance program?

Jane MacAdam: There's no standardized process for the Social Assistance Program to review the shelter rates on an annual basis.

I mean, there is a process where Executive Council is to review them annually, but –

Ms. Bell: Which isn't happening.

Jane MacAdam: It's not happening.

Ms. Bell: Right.

Jane MacAdam: But, with these other subsidized programs there is a process to review them, mostly through surveys.

Ms. Bell: The subsidized housing program doesn't require those rates to be reviewed or approved in Executive Council? They're done separate – differently?

Jane MacAdam: No, they're not required to be reviewed by Executive Council.

Ms. Bell: Okay.

Chair?

Chair: Go ahead.

Ms. Bell: So where the shelter ceiling rate has not been increased since 2013, and obviously, we've got a very large conversation happening right now around housing costs and the availability of housing.

The average rental price without utilities in

Charlottetown is \$880 for a two bedroom apartment right now. Where we've got an actual rate of \$587 under the current piece, that implies that that someone receiving assistance is \$300 under every month in what they're receiving under Social Assistance Program. Is that a correct assumption to make?

Jane MacAdam: Yeah, I mean in general, if that's – I'm not sure what the – the first number that you quoted there, you said that's the –

Ms. Bell: That's from the Canada Mortgage and Housing Corporation –

Jane MacAdam: Okay.

Ms. Bell: – so we have a range of rental accommodation prices. You can get rental accommodations, but there are very specific limitations under social assistance of what you can have an as accommodation. If you are a family, and you want a two-bedroom apartment, in PEI, the average rental rate right now goes from \$800 to \$900, almost \$1,000, but the average for the whole province is \$880 without utilities.

Obviously, people can find some cheaper than that. I don't know if they're places that anybody else would want to live in. I guess what I'm asking is, is if the rates haven't been increased, but people are having to meet that market rate, where does that other money come from because we've got a maximum that they can get in total in the month?

They're already at only 70% of food allowance, as well.

Jane MacAdam: It is capped at the maximum.

Ms. Bell: Right.

Jane MacAdam: So –

Ms. Bell: And there's a cap on income. You mention, later on, there's a cap, in terms of income that can be earned, as well when you're on assistance.

I guess it's perhaps something we need to dig in a bit further. The general take away is that the ceiling rate not having been

increased needs to be done by Order in Council and should be done annually, as per what you have mentioned previously.

Jane MacAdam: It doesn't necessarily have to be increased or adjusted, but the regulations require that they be reviewed.

I mean that's a policy decision of government whether they increase it or not, I guess. I just want to make that clear.

The information should be brought forward to Executive Council by the department so that Executive Council can make an informed decision.

Ms. Bell: Right.

Thank you.

Chair: Allen Roach.

Mr. Roach: Thank you, Chair.

The Auditor General just answered my question.

Chair: Jamie Fox.

Mr. Fox: Is there any consultation between the department and IRAC, who sets rental, tenant rates? Did you find any of that?

Jane MacAdam: I'm not aware of any ongoing dialogue, but certainly they would be aware of increases that are approved by IRAC. Those are public.

We noted that rates for clothing, household and personal requirements have not been increased in over 10 years.

The department has not established a methodology for setting monthly rates for clothing, household and personal requirements. As of December, 2017, these rates have not been increased in over 10 years.

We also noted incidences of rate changes being implemented prior to Executive Council approval. From 2007 to 2017, there were 10 instances where rates were implemented prior to Executive Council approval. In all of these instances the rates were subsequently approved by Executive Council.

We made two recommendations in paragraphs 2.37 and 2.38.

2.37: The Department of Family and Human Services should annually provide information to Executive Council to support its review of social assistance rates and exemptions from financial resources.

2.38: The department should ensure that changes in social assistance rates are approved by Executive Council prior to implementation.

The next section is on determination of eligibility.

We concluded that the Department of Family and Human Services assessed eligibility based on requirements in legislation and policy, however, annual reviews required to confirm continued eligibility were often overdue.

Some further details on that. We found that annual reviews were not always completed on time. The *Social Assistance Act* regulations allow assistance to be provided for a period not exceeding 12 months.

To continue beyond 12 months, a new application is required, which is generally completed during the annual review. The annual review is important to ensure continued eligibility of the recipient and to identify changes in the needs of the recipient.

Chair: I have a question about your recommendations to 2.37 and 2.38.

You say that the Department of Family and Human Services should annually provide the information to Executive Council to support its review of social assistance rates and exemptions from financial resources.

Now, and that's in line, of course, with the *Social Assistance Act* regulations, right?

Jane MacAdam: Yes.

Chair: Isn't the responsibility of the Minister of Family and Human Services to make sure the regulations are followed by their department and to make sure that information gets to Executive Council?

It almost seems like Executive Council and the minister are being absolved of any responsibility in making sure this happened. I just want to make sure that's not the case because over the last 10 years, I mean, the Executive Council and the minister should have been making sure that this happened, is that not correct?

Jane MacAdam: The regulations require that Executive Council annually review these rates. In order for them to review these rates, it's important that they have good information to inform a policy decision. We would expect that information would come forward for that review.

Chair: Whose responsibility is it to make sure that these things happen?

Jane MacAdam: It's probably a shared responsibility. I mean, it's important for the department to submit the information for Executive Council's review.

Chair: So, a shared responsibility between?

Jane MacAdam: Executive Council has to review the information and make the decision. Then, the department has to provide them with adequate information to make that decision.

Chair: Whose responsibility is it to make sure the department provides that adequate information?

Jane MacAdam: It's the department's responsibility.

Chair: And the department is the responsibility of the Minister of Family and Human Services. So, really it's the minister's responsibility to make sure that happens, is that not correct?

Jane MacAdam: The minister as – yes, I guess, as the head of the department.

Chair: Okay, thank you.

Kathleen Casey.

Ms. Casey: Great, thank you, Mr. Chair.

Jane, my question is in the section we were just discussing, determination of eligibility. I'm wondering when you were reviewing

this topic; did you take a look at the eligibility form that people have to fill out with all the requirements?

I'm just wondering if you have any comments on the form. I know that when somebody fills out the form and then after they review it, it determines whether or not they meet the eligibility for funding or meet the criteria.

I've always wondered about the subjectivity of the form and can we do something with the form to improve – to take out that subjectivity so that it's not just the person making the determination: yes, you make it. No, you don't.

I want to make sure that that form is solid. I'm wondering if you reviewed that form.

Jane MacAdam: There is a calculation. Like in 2.40, we talk about. They are required to provide the necessary information to support their expenses and their income. They are required to provide backup support.

I mean it's a calculation that's completed. The needs are based on the rates established as approved by Executive Council. Then that's for the monthly benefits. So the monthly calculation is really: Here are the expenses and then your nonexempt income is subtracted off and then if there's a deficit there, and that's in a monthly amount, that would support whether or not they would receive financial assistance.

But there are other things on top of that, right? So there could be medical issues, medical expenses. There could be some travel, some other things; but it is based on having backup receipts to support.

Ms. Casey: Mr. Chair, just to follow up.

Chair: Kathleen Casey.

Ms. Casey: What's always stumped me is the subjectivity of the scoring on the form. Maybe I'm, maybe it's changed since I raised it a few years ago, but the person doing the interview or evaluating the criteria that you put on your form, you might rate it – it's a one-to-10 rating maybe and you might get a six where somebody else might get an eight.

It's very subjective, so I'm wondering what can we do to take the subjectivity out of it, to make it a solid form that if you and I were interviewing Mr. Roach and I might think he's got a six out of 10 and you may think he's a four out of 10, so – do you know what I'm getting at? How do we –

Jane MacAdam: I'm not aware of a rating –

Ms. Casey: Okay.

Jane MacAdam: – for social assistance, like for financial assistance. It's based on expenses or needs and income for the monthly benefit.

Ms. Casey: Right, and maybe I'm referring to the housing portion of that where somebody goes in and does an interview for housing and you get rated on certain things, so maybe that's in another section.

Jane MacAdam: We did that work last year and that was –

Ms. Casey: Yeah, and it was very good, thank you.

Jane MacAdam: – very subjective. There were ratings and there was a need for more criteria and a need for consistency in what different housing officers, in how they were scoring. We noted inconsistencies, so –

Ms. Casey: Okay, maybe that's my question, Mr. Chair.

Is the scoring the same for the housing criteria and the social assistance? Like, are there similarities in the criteria selection?

Jane MacAdam: No, there's not a rating under this program. As far as the shelter, what's allowed is the shelter costs up to a maximum for shelter ceiling that's established under the program that's approved by Executive Council.

Ms. Casey: And you're saying that that ceiling hasn't been increased in ten years?

Jane MacAdam: No, since 2013 it was last increased.

Ms. Casey: Okay, perfect, thanks. (Indistinct)

Chair: Allen Roach.

Ms. Casey: Thank you.

Mr. Roach: Thank you, Chair.

Just touching on 2.40 again, I noted in there that, based on your sample testing, that the department followed the requirements in eligibility, but you made a note there that continued eligibility was not always assessed on a timely basis.

So when they came in initially, I don't know if you thought that that was timely or not, that once an individual or a family applied, that it was dealt with quickly; and I'm curious about the timeliness where you say that it wasn't there for continued – I'd like to know a little more detail on that if I could.

Is it that there's just not enough people there to kind of go in and make sure that they're reassessed on a timely basis, and what is the situational change that may require that, and how often?

Jane MacAdam: First of all, we didn't note any instances where if they were eligible it wasn't addressed on a timely basis. We don't have any reason to believe that was the case.

As far as the ongoing continued eligibility, we noted that 78% of the required annual reviews were not completed on time.

Mr. Roach: On time.

Jane MacAdam: So they are supposed to be completed within, like, annually, so they weren't completed on time.

Mr. Roach: So essentially, we'd want to see those reviewed prior so they met the requirement on the day, so to speak, that it was required.

Jane MacAdam: Well, there's a control built into the system that allows it to continue, the payments to continue for 14 months in case there's extenuating circumstances.

Mr. Roach: Okay.

Jane MacAdam: You wouldn't want the client to be cut off their payments; but we

did have an issue with that, because those – for all the annual reviews that were two months late, the system control was circumvented.

So that's an issue, because without going in and doing the proper annual review, the continued eligibility is not being properly assessed, as well as there could be new needs that would be identified for that client that should be addressed.

Mr. Roach: Do you ever run into situations during your audit where there was continued payments perhaps that wasn't required? So there would be overpayments. Has that ever –

Barbara Waite: (Indistinct)

Jane MacAdam: Yeah, in this case here when the actual review was done, they all continued to be eligible but there were, in some cases, changes to the benefit amounts required based on that process.

Mr. Roach: Okay, thank you.

Chair: All right, thank you.

It is now 10:45. Maybe we should extend to 10:50, or do you want to leave it at 10:45 today?

Mr. Roach: Yeah.

Chair: Okay, great.

Mr. Roach: (Indistinct)

Chair: Thank you very much.

I think we did make progress today. I know this isn't the length of meeting we're generally accustomed to, but if you have any issue with this length of meeting, please let the clerk know or myself and we'll continue forward like this for at least while the House is in session.

Jane MacAdam: So is it your intention – like, next week the meeting would be this same length?

Chair: That's the intention.

Jane MacAdam: Okay.

Chair: Are you okay with that?

Mr. Roach: Executive, it's required.

Jane MacAdam: For sure.

The Committee adjourned

Ms. Casey: If you're available.

Jane MacAdam: Yes, I'm available. Yes, and that's okay.

Chair: All right. Thank you so much.

Thank you, members.

Mr. Roach: Take care.

Ms. Casey: When will this (Indistinct) when does it go up on the web page?

Clerk Assistant: Pretty much immediately following the meeting.

Mr. Roach: (Indistinct)

Chair: Thank you.

All right, so moving right along to item number four on the agenda, new business, does anyone have any new business they'd like to bring forward today?

Jamie Fox?

Mr. Fox: I'd like to have a question now.

Maybe you can help me understand this: How do things be put forth before Executive Council to get approved or passed? Like, how does that happen?

Mr. Roach: That has come from the (Indistinct) from the department. The department has to push it up to Executive Council.

Mr. Fox: And then they look at every –

Mr. Roach: When it comes to Executive Council, it has to be dealt with.

Chair: Any other further comments or discussion within new business?

Okay, call for adjournment.

Ms. Casey: So moved.

Chair: Kathleen Casey.