

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

Published by Order of the Legislature

Standing Committee on Public Accounts

DATE OF HEARING: 25 APRIL 2018

MEETING STATUS: PUBLIC

LOCATION: LEGISLATIVE CHAMBER, HON. GEORGE COLES BUILDING, CHARLOTTETOWN

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)
Alan McIsaac, MLA Vernon River-Stratford
Hal Perry, MLA Tignish-Palmer Road
Allen Roach, MLA Montague-Kilmuir

COMMITTEE MEMBERS ABSENT:

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. Welcome, everyone, today. As I noted, we seem keen, bright-eyed, bushy-tailed and ready to get at it. Thanks again for the AG and staff coming in here this morning.

Call for adoption – actually, before we get into adoption of the agenda, I wanted to mention that I had a request perhaps after new business to go in camera for a short meeting put forward by Al Roach, and so I plan to do that.

Any discussion around problems with that?

Ms. Bell: No.

Chair: Okay.

With that small change to the agenda, then I call for the adoption of the agenda.

Ms. Casey: So moved.

Chair: Moved by Kathleen Casey.

We'll move right along then to the review of the report of the Auditor General to the Legislative Assembly.

Jane MacAdam: First, I would like to correct comments that I made at the public accounts committee meeting on April 18th in reference to the last sentence of paragraph 2.27.

I indicated that our office was recently advised by the department that changes to the food rates were implemented during 2017-2018. So this change was implemented in November 2017, but the date I provided to the committee was November 2016. This correction was previously sent to the committee members by the committee clerk, but I wanted to make the change to put it into the public record. So that's (Indistinct)

Chair: Yes, thank you. Thanks for letting us know via email as well.

Jane MacAdam: Okay.

I believe we were on the section dealing with annual reviews. We found that annual reviews, and this is really on page –

Ms. Bell: Eighteen.

Jane MacAdam: It starts on page 17 and then it goes on to 18. 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.

Of the files tested where the recipient received benefits for over 12 months, 78% of the annual reviews were not completed on time and over 40% of these cases were over two months late.

Mr. Fox: Chair?

Ms. Bell: Chair?

Chair: Yes, Jamie Fox.

Mr. Fox: Can you go back, Jane, to that 78%? Was there any common thread to that or –

Jane MacAdam: Pardon?

Mr. Fox: Any common thread to why 78% or did you find any –

Jane MacAdam: Not really. They just weren't being done. It's a requirement and we just noted that they were noncompliant with the regulations.

Mr. Roach: So the majority of them were actually (Indistinct) –

Chair: Allen Roach.

Mr. Roach: Sorry, Chair. I apologize for that.

Jane MacAdam: Well, 40% of the ones that were late were over two months.

Chair: Hannah Bell.

Ms. Bell: Am I understanding the thing you said earlier was for the system is set up with a check that requires an override for the benefits to continue if a review hasn't been filed?

Jane MacAdam: Well, that's really in the next slide.

Ms. Bell: In the next one? Okay.

Jane MacAdam: Yes.

Ms. Bell: Okay. We'll get to that, then.

Jane MacAdam: (Indistinct) continue and if you still have a question I can clarify –

Ms. Bell: Sure.

Jane MacAdam: (Indistinct) we'll go –

Ms. Bell: (Indistinct) next slide.

Jane MacAdam: Okay.

Chair: Allen Roach.

Mr. Roach: Thank you, Chair.

With respect to 2.42 and delay time, did you note that any of the fact that this was late, did any of this harm the clients?

Jane MacAdam: Well, they were still eligible when the reviews were actually completed, but changes in the benefit amounts were sometimes required.

Mr. Roach: So an increase in benefits or –

Jane MacAdam: I think it went both ways.

Mr. Roach: Okay.

Jane MacAdam: Sometimes it was an increase and sometimes it was a decrease.

Mr. Roach: Okay, thank you.

Jane MacAdam: To ensure that annual reviews are completed on time, controls have been built into the department's case management system, and if an annual review is not completed within 14 months of the last review and application, the system will not allow the payments to be released to that recipient. So a two-month window is

built in for unforeseen circumstances and is not intended to be used on a regular basis.

We found that in all cases in our sample where the review was over two months late, this control was circumvented to ensure payments continued. When these late annual reviews were subsequently completed, we found no issues with continued eligibility, but changes in benefit amounts were sometimes required.

Ms. Bell: Chair?

Chair: Hannah Bell.

Ms. Bell: I know I'm repeating this back, but my understanding is you have a system where an application goes into the system and benefits are awarded, that is meant because there's a regulation that requires that to be reviewed annually. Then the requirement is that there is something, that review is filed to allow the benefits to continue whether they're increased or decreased. There's a two-month window for plus-minus, but that has to be manually overridden, and has been in 40% of the cases. Is that –

Jane MacAdam: Well, there's a new document inserted.

But it might just be a copy of the old one. There's just a new document added, so that triggers the system to continue making the payments.

Ms. Bell: There's a way to kind of get around that regulation or regulatory requirement.

Jane MacAdam: So it's not an annual review as the regulations would require it to be, like a thorough reassessment of the applicant's needs and their – both financial and otherwise.

Ms. Bell: Thank you.

Chair: I have a question.

Is there an audit trail for when they make these changes? Is that how you track it? Or is it – how would you determine that the controls were circumvented? Just by looking at the dates on the (Indistinct)

Jane MacAdam: Well, we could see that a new document was added to the system, but the new document could have been the exact same document that was there when they first applied; so there was no evidence of any new review procedures being done. It's just a document's inserted so that the system will continue payments.

Chair: And what is the system they use, do you know? Or what sort of system –

Jane MacAdam: ISM. ISM is the system –

Chair: Okay.

Jane MacAdam: – that they use.

Chair: Thank you.

Jane MacAdam: We noted that home visits were not consistently conducted. Program policy requires home visits be conducted in determining initial and continued eligibility. In 77% of the files in our sample there was no indication that a home visit had been conducted during our audit scope period.

We also found there's no process to consistently record denied applications. The department does not consistently track and record denied applications in the case management system. Information on denied applications is needed for management oversight and would be useful to monitor trends.

Chair: Hannah Bell.

Ms. Bell: When you say the management provided the report on denied applications but it was not complete, do you mean that the information provided was incomplete or that not all applications that were denied were tracked?

Jane MacAdam: Not all applications that were denied were tracked.

Ms. Bell: Okay. So, right, so we're not able to actually accurately state how many applications are even denied let alone why they're denied.

Jane MacAdam: Right.

Ms. Bell: Okay.

Jane MacAdam: There's inconsistencies in what case workers do in a situation where an applicant comes in. Sometimes they put it in the system and sometimes they don't.

Ms. Bell: Okay, thank you.

Chair: Just to get a better understanding, so how would an application be submitted and denied without a record being kept? Is it a paper form, is it a phone call, or a –

Jane MacAdam: Typically, the applicant would come into the office and meet with the case worker and provide whatever documentation would be requested and have a conversation, and based on that information the case worker – sometimes the case worker can quickly determine that the person's not eligible. In those situations they are not consistently putting the information in the system.

Chair: So just to be clear, when you say an application; it can be just a verbal application, a conversation. That's the application that was not (Indistinct)

Jane MacAdam: Well, it would be filled in after this at the time of the visit. Yeah.

Chair: So are they always –

Jane MacAdam: (Indistinct) case worker.

Chair: Are they always filling, the case workers always filling something in, but they're just not necessarily keeping it or –

Jane MacAdam: Not necessarily. There could be just discussion.

Chair: And –

Jane MacAdam: And based on the discussion, the applicant could indicate what their income is and what their needs are, where they're living, their situation; and based on their situation, the case worker may be able to determine quickly that they wouldn't qualify and –

Chair: Are the forms paper-based, or would the case –

Jane MacAdam: – indicate what their income is and what their needs are, where

they're living, their situation. And based on their situation, the caseworker may be able to determine quickly that they wouldn't qualify.

Chair: Are the forms paper-based or would they – the caseworker would be filling this in on the system as they talk?

Jane MacAdam: (Indistinct) fill it in.

Chair: Would they ever use paper to record it and then fill it in later?

Barbara Waite: Yes, sometimes they do that.

Chair: Okay, thank you.

Jamie Fox.

Mr. Fox: How many cases would a caseworker have? How many files?

Jane MacAdam: It varies from caseworker to caseworker. I'm not sure. We didn't do any work on that. We didn't do any audit work or analysis looking at comparing from one caseworker to another.

Chair: Hannah Bell.

Ms. Bell: I know this also follows on to the next piece about advising and writing because if there's no record of a denial then it's going to be very difficult to advise how or why somebody was denied.

The concern that I have with this is that if somebody is being denied through a conversation with a caseworker, then there's no evidence to state whether that denial was actually accurate. Whether, that, you know – somebody has come in and provided information that the caseworker is making a subjective assessment rather than an objective one because you don't have a kind of criteria to be able to say, can somebody else also look at this and confirm or deny is that was accurate, as you point out, in terms of, it's not just trends in locations, but sort of ensuring that decisions are actually being based on objective criteria.

Without that data, we are not actually able to know whether the denials are – we're actually denying people who should have

been eligible. That is a significant concern in terms of eligibility.

Jane MacAdam: That's one of the things that we talked about during the audit. They should really differentiate between what is an application versus what is an inquiry.

There are various stages, right? An inquiry versus an application. Then, when there is an application, to consistently put that in the system. There's –

Ms. Bell: So, a process of intake and moving through that system would – sorry, Chair. A process of moving, I was just saying, this is the nature of your inquiry versus the piece where – because it's also about protecting information and confidentiality and safety of the client, as well. But, protecting the staff, as well, so they're following process appropriately.

Did you find – I know my colleague here asked about caseload, but is there an indication – is there anything from your audit that indicated that it was a lack of process or of volume of work that was the issue there?

Jane MacAdam: I think with the issue on the denials, it was the process really needs to be more well defined in terms of, like I said, what is an inquiry versus what is an application. Then, if it is an application, there has to be more consistency in the process in terms of entering the information into the system so that management can, you know, provide some oversight and periodically look to see whether or not the correct decisions are being made, and to gather important management information on the number of applicants, for instance, that are being denied.

There's good information that could be produced if this information was consistently input into the system.

Ms. Bell: Thank you.

Thank you, Chair.

Chair: Allen Roach.

Mr. Roach: Thank you, Chair.

I'd just like to go back to the home visits. I think you mentioned that in some instances the client actually comes to the office. Is that correct?

Jane MacAdam: Yes.

Mr. Roach: Okay.

Was there anything, when you talked about not completing home visits, was there any indication in your audit where it was the caseworker was unable to contact the client, or the client was not returning calls or those sorts of things?

Jane MacAdam: Sometimes, the supervisor maybe indicated that a home visit did occur, but it's not documented in the file.

Mr. Roach: Okay.

Jane MacAdam: We can only go by what's documented in the file. The files that we examined indicated that 77% of home visits had not been conducted.

There could be some home visits that are not documented, but I can't say.

Mr. Roach: If a home visit was attempted, and there was no response, that's not documented.

In other words, I'm on the phone. I'm trying to contact a client. I've called this week; no answer. I call next week; no answer. I call the next week; no answer. There's nothing. There's no detail like that on the file from the caseworker to indicate how many attempts were made to contact the person?

Jane MacAdam: In our sample, there wasn't any –

Mr. Roach: Nothing like that?

Jane MacAdam: – indication of that.

Mr. Roach: Okay.

Ms. Bell: Chair?

Chair: Jamie Fox.

Mr. Fox: (Indistinct) why would an applicant do a home visit to the caseworker's office?

Jane MacAdam: (Indistinct)

Mr. Fox: Didn't you say that second ago?

Mr. Roach: I thought that was indicated that in some instances I thought it was said that the client came to the office –

Mr. Fox: Yeah.

Mr. Roach: – I asked if that –

Ms. Bell: (Indistinct)

Mr. Roach: – was –

Ms. Bell: The policy requires –

Chair: Sorry.

Ms. Bell: Sorry.

Chair: Hannah Bell.

Ms. Bell: The policy requires –

Mr. Roach: I'd like an answer from here.

Jane MacAdam: When I mentioned that the applicant could come to the office, that was more in relation to when they would apply –

Mr. Roach: The initial application –

Jane MacAdam: – or seek information –

Mr. Roach: – not the follow-up.

Jane MacAdam: Right, not the follow-up.

Mr. Roach: Thank you.

Chair: Jamie, did you have any –

Mr. Fox: That's it.

Chair: Hannah Bell, did you have?

Ms. Bell: That was it.

Chair: Thank you.

Jane MacAdam: We also noted that applicants were not always advised in writing of the decision and the right to appeal.

The *Social Assistance Act* regulations

require that all applicants, all applications for financial assistance be advised in writing of the decision. If the application is approved the applicant is to be informed in writing of the amount that will be paid, the method and duration of payment, as well as his or her responsibilities.

If the application is denied, the applicant is to be advised of the reason for the denial. In addition, all applicants are to be informed of their right to appeal the decision.

40% of the applicants in our sample were not informed in writing of their right to appeal the decision. When applicants are not provided with written notification they are not receiving adequate information on the decision, and may not have sufficient information to exercise their right to appeal as provided under the legislation.

In this section we made four recommendations to improve the determination of eligibility. The Department of Family and Human Services should complete annual review in accordance with the *Social Assistance Act* regulations; conduct and document home visits in accordance with program policy; record all applications in the case management system; and inform all applicants in writing of its decision regarding social assistance, the reasons for the decision and any amounts approved and the right to appeal.

Chair: Allen Roach.

Mr. Roach: Thank you, Chair.

I seem to see a real consistency here; 40%, 40%, 40%. It just makes me curious. Based on what I used to do years ago, when I had something that was that consistent, sometimes there was always something behind that.

Do we have 60% of the social workers doing it correctly? And do we have 40% of the social workers that just aren't pulling their load? I always like to dig deeper when I see something that has a consistency like that and say: Okay, what is that issue? Is it a staffing issue? Is it an understaffing issue? The only reason I bring that up, I just see the consistency in 40, 40, 40.

Mr. Fox: Chair.

Chair: Did you want to respond to that?

Mr. Roach: Yeah, just only in that observation that it's 40, 40, 40.

Jane MacAdam: It is a high percentage. I mean, it's really 77% in a lot of cases, too. Seventy percent of our sample items didn't have home visits. Seventy-seven percent, I believe, didn't have the annual reviews completed on time.

There's a large percentage of our sample that these things are not getting done. It's really non-compliance with policy, in some cases and regulations in the other.

We make the recommendations and it's certainly, when the department implements those recommendations, I think they're going to have to dig a little deeper and see how they're going to ensure that those policies and regulations get adhered to.

Mr. Roach: Thank you.

Chair: Jamie Fox.

Mr. Fox: With Al's question; that 40%, is it confined to one area of the province instead of another?

Jane MacAdam: We looked at files from all areas of the province so it wasn't isolated to one area.

Chair: Kathleen Casey.

Ms. Casey: Thank you, Mr. Chair.

Jane, did the department indicate to you that when you were there doing your audit that they had already taken, undertaken an internal analysis and they were starting to work on some of the recommendations that you recommended and they fully accept.

I'm wondering, are you familiar with motivational interviewing, because, it's apparently the minister is really excited that there's this new method, and we're kind of leading the way on this motivational interviewing process that helps you better understand the individual's needs. The minister is quite excited about that.

Are you familiar with the motivational interviewing?

Jane MacAdam: In the management response that's provided here on page 25. It is indicated by the department they've recently trained all staff on motivational interviewing –

Ms. Casey: Yeah, so –

Jane MacAdam: – I mean, as far as my knowledge of motivational interviewing not – I've never been trained in motivational interviewing, but it certainly was something that the department indicated that they had conducted.

They were going – it says here in the response they would continue to support staff through additional training, coaching and mentorship.

Ms. Casey: Right. No, when I spoke to the minister she was quite enthusiastic for this type of interviewing so that for the future clients' needs will be – they're be more in tune with clients needs and I just thought I would mention that.

Thank you.

Chair: Allen Roach.

Mr. Roach: Thank you, Chair.

Also, when you were doing the interview, this goes back to something that triggered this from the member from Borden-Carleton.

They were talking, I know that there's work being done in the department on a new collaborative case-management model that they're working on so that they can more effective – there would be better more effective case management, hence better outcomes.

Was that underway when you did this audit?

Jane MacAdam: It wasn't implemented. There were some discussions that they were moving forward with some new approaches, but it wasn't implemented –

Mr. Roach: It wasn't implemented at that time.

Jane MacAdam: No.

Mr. Roach: Thank you, Chair.

Chair: I had a question.

For recommendations 2.45, 2.48, 2.54, and 2.55, are the policies and regulations and procedures in place and they just weren't being followed or are there new policies, procedures, regulations needed in some of these recommendations?

Jane MacAdam: These were policies or regulations that existed.

Chair: Okay.

Jane MacAdam: While we were doing the audit. We checked for compliance.

Chair: Okay. I just wanted to clarify that.

Thank you.

Chair: Al Roach.

Mr. Roach: That leads me to a question.

Thank you, Chair.

How old are those regulations and procedures?

Jane MacAdam: There are a lot of policies for sure in that program. Some of them are – there's a variety. Some of them are quite old. It varies, really.

Mr. Roach: When the department talks about a greater focus on performance management, and that they're introducing an accountability framework there, would you consider that to be a move in the right direction or a step forward in moving away from the older policies that just don't seem to get it done?

Jane MacAdam: We did have a recommendation that they move towards establishing performance indicators and targets that would – that are linked to the program objectives.

I don't think they're mutually exclusive. I think they need to work towards an accountability framework to measure and monitor and report on whether or not they're achieving the objectives of the program.

They can do that by developing these indicators.

Certainly, we were advised that they plan to move forward and really look at their policies. I don't think you can eliminate policies just because you're going to have a performance management framework, I guess, is what I'm saying.

Mr. Roach: Yeah, and I agree with you –

Jane MacAdam: Yeah.

Mr. Roach: – that would be integrated.

Jane MacAdam: Right, it would have to –

Mr. Roach: Yeah –

Jane MacAdam: (Indistinct)

Mr. Roach: Compliment each other.

Jane MacAdam: Exactly. Yes.

Mr. Roach: Thank you, Chair.

Chair: I have another question. There are at least 85 different policies if you go to the website and you look at the documents. Maybe, more than 90, I know, Hannah, you said you counted.

Ms. Bell: (Indistinct) count.

Chair: Do you think that the number of policies and the complexity of the policies contributed to them not being followed. Is it really hard to follow the policies and regulations for someone in the department? Do you think that contributed to the reason they weren't being followed in some cases?

Jane MacAdam: I mean, it could but, from an auditor's perspective, we audit the policies that exist at the time.

We do know that management mentioned to us that they felt like there were a lot of policies and they were going to work to try and streamline some of these policies. They were doing a review of the policies really. I think they recognize there were too many.

Chair: Compared to other departments you've audited, did you find that there are a

large number of policies and regulations, or is it possible to compare?

Jane MacAdam: It is difficult to compare from one program to another.

Chair: That's fair.

Thank you.

Jane MacAdam: The next section is on payment of benefits. We concluded the social assistance payments were not always appropriately calculated, and most payments were not authorized in accordance with Treasury Board policy.

We found that for our sample recipients, proper income and needs documentation was obtained and it was on file. All benefit payments were reviewed and paid to the correct payee. However, we found that some payments were not properly calculated.

Thirteen per cent of the recipients in our file, in our sample, received less benefits than they were entitled to receive based on their circumstances and information in their file. The impact ranged from \$9 per month to \$154 a month.

The department has an audit services section, which now has a process to randomly review recipient files. These internal reviews are a key control and it's important that the department continues to randomly select files to ensure compliance with regulations and policies.

Chair: Jamie Fox.

Mr. Fox: Can you explain that a little bit, Jane. What you found in that (Indistinct)

Jane MacAdam: Pardon –

Mr. Fox: That 13% that between the range of whether you say \$9 and \$150. Can you explain that a little bit, what you found there?

Jane MacAdam: It's the difference between what we calculated to be the monthly benefit versus what they received.

Mr. Fox: So, is it –

Jane MacAdam: In – there was a range of between \$9 and \$154 per month.

Mr. Fox: Could you pinpoint it down to if the payment was less for, we'll say, electrical need or housing need or a food need or?

Jane MacAdam: Yeah, we – there was a variety of reasons. It related to different types –

Mr. Fox: It wasn't just –

Jane MacAdam: – needs.

Mr. Fox: Okay.

Chair: Kathleen Casey.

Ms. Casey: Thank you, Mr. Chair.

When it was determined that the clients – the range varied between \$9 and \$154 that they weren't paid, what was the timeframe or the turnaround time from the department to the client to actually get them their money?

Jane MacAdam: In a couple of cases, this was corrected at the next annual review. Then, in a couple of situations, the client left service. So, it never really got corrected.

It was – the client was on assistance for a period of time and it wasn't corrected during the time that they were there. They left service.

Ms. Casey: Can you define 'left service'? Does that mean –

Jane MacAdam: Well (Indistinct)

Ms. Casey: – they've left the program?

Jane MacAdam: – assistance. Yes, they left the program.

Ms. Casey: Okay.

Jane MacAdam: Or they may not have been on short-term assistance, but yes they left the program. They were no long receiving assistance.

Ms. Casey: Is the majority of the people, who missed – there was a discrepancy in the

payment, would they – would you say the majority of them had left the program?

Jane MacAdam: No, not the majority.

Barbara Waite: It was about half.

Jane MacAdam: It was about half and half.

Ms. Casey: But, in the end did they all receive their payment?

Jane MacAdam: On a go-forward basis. It wasn't applied retroactively. It was correct at the next annual review for the people that were still in the program. After it was corrected, they go the correct amount going forward based on, you know, during our scope period is all I can speak to.

Ms. Casey: Right, thanks.

Thank you.

Chair: Alan McIsaac.

Mr. McIsaac: The dollars (Indistinct) leave the program? The dollars that are not paid out, are they sent back into general revenue, or are they held in case that person realizes there's money owing to them (Indistinct) they come back?

Jane MacAdam: It's just left in general revenue, I believe. Yes. It's not held, no.

Chair: My apologies, Allen Roach.

Mr. Roach: Thank you, Chair.

Thank you for your response. Part of my question was answered under (Indistinct). If I get it right, you're telling me that while you were there – so they do an annual review of the monies to make sure it's correct? They go over it? Is that what you were saying?

Jane MacAdam: Well, we talked –

Mr. Roach: There's an auditor in there who audits the payments?

Jane MacAdam: We talked about the annual review earlier –

Mr. Roach: Sure.

Jane MacAdam: – so as part of the annual review, we say in paragraph 2.41: The annual review is important to ensure continued eligibility of the recipient and to identify changes in the needs. All supporting documentation must be provided and a client declaration must be reviewed and signed by the recipient, agreeing to report any future changes in circumstances.

So at the annual review, there is a revisit of what your needs are, what your income is. At the annual review for some of these the situations; the situation was corrected in terms of the payments.

Mr. Roach: So that takes us up to 2.60 where we talk about the recalculation of payments – so 13% received less benefits than they were entitled to. And we talked about it was 50-50, some left the program, some stayed. Can you tell me as a result of when you did your work there; did I hear you say that they have a process now where they check that?

Jane MacAdam: During 2016-2017 – which was our scope period –

Mr. Roach: Yes.

Jane MacAdam: – the department’s audit services section implemented a process to randomly review files. Part of this process, we say here, involved examining supporting documentation and application of program policies to ensure payments are correct.

Mr. Roach: Okay. Thank you.

Jane MacAdam: There’s a process that was introduced during our scope period to look at compliance with policy and that’s why we make the recommendation that this internal audit function should continue because it is important to pick up any of these – pick up, maybe not them all, but there’s a process. There’s a key control to monitor that payments are the correct amount.

Mr. Roach: Thank you, Chair.

That’s exactly what I wanted to hear. I just wanted to clarify it, so thanks.

Chair: I had a question along the same lines and I just wanted to clarify.

The 13% that were identified as receiving less benefits than they were entitled to were not identified through the internal review function? That’s a new function that’s come on?

Jane MacAdam: That was introduced during the year, yes.

Chair: And you feel that it will be effective in reducing that 13% number?

Jane MacAdam: We didn’t audit the internal review function, but it is an important key control and when we look at the purpose – that it would randomly review files and check for compliance with policy.

Chair: Again, just to be clear, how were those 13% found? Just through your random auditing?

Jane MacAdam: Through our audit procedures.

Chair: Was it a complete audit, or did you take random samples as well?

Jane MacAdam: We selected random samples.

Ms. Bell: (Indistinct), Chair, there could be more.

Chair: Well, that’s my point I was getting at; 13% is probably low.

Mr. Roach: I think, when you look at – Chair?

Chair: Go ahead, Al. Well, actually, I have Kathleen Casey on the list, sorry.

Mr. Roach: Sure. That’s fine.

Ms. Casey: Thank you, Chair.

The 13% of the recipients in our sample, how many people would that – what was the sample size and how many people would 13% equal?

Jane MacAdam: The sample size was 30 –

Ms. Casey: 30, okay.

Jane MacAdam: So there were four of 30.

Ms. Casey: So, only four of 30 had a variance in their payments?

Jane MacAdam: Right.

Ms. Casey: Only four people.

Jane MacAdam: Right.

Ms. Casey: Okay.

Chair: Al Roach.

Mr. Roach: Chair, I think we'd have to – I guess, when you talk between yourself and Hannah Bell there about there could be more, I think it's important to understand, there could be less. I think we have to rely on the Auditor General and her team to do a proper sampling and I think we – that's their job; they do their work and I think we have to be careful that we don't go either way on what the Auditor General brings back to this committee.

Chair: Point well taken there; thank you for that.

Hannah Bell?

Ms. Bell: Thank you, Chair.

I'd just like to clarify that from an audit perspective. This is standard audit practice, to take samples sizes and then to report on those samples sizes. What we're looking at here, in this case, is that from the sample size that you took, that there were – in that 13% of that sample size received less. I guess my question was: Did you identify in that sample size any clients who were receiving more than their benefits were (Indistinct)

Jane MacAdam: No.

Ms. Bell: No. Okay, thank you.

Chair: Kathleen Casey.

Ms. Casey: Thanks.

So the sample size you chose was 30, but how many clients overall are in the Social Assistance Program. Is it close to 3,700?

Jane MacAdam: Well, there are 3,700 cases, but there are more than 3,700 people because a case is the family unit.

Ms. Casey: Thank you.

Chair: Continue.

Jane MacAdam: We noted that payments were not authorized in accordance with Treasury Board policy. Treasury Board policy requires anyone authorizing payments to have signing authority delegated by the deputy minister. So caseworkers who authorize the large majority of social assistance benefits were not delegated signing authority in accordance with Treasury Board policy.

So we made two recommendations to improve the payment of benefits: The Department of Family and Human Services should maintain the internal review function of its audit services section and ensure social assistance payments are authorized in accordance with Treasury Board policy.

Chair: Question.

Going back to the retroactivity – is it a department policy to not retroactively apply error corrections?

Jane MacAdam: It's not documented in policy, but we were advised that that's their practice.

Chair: Okay.

Allen Roach.

Mr. Roach: Thank you.

In the last bit that you talked about, we had social service workers who didn't have the signing authority to give money to clients, but they did so anyway – not according to policy, but according to, I guess, what the client was to receive anyway. Is that correct?

Jane MacAdam: Yes.

Mr. Roach: Okay. So the client, because of that kind of breach of policy, if I could call it that, or not having the correct delegation being given from the deputy minister or a director, the client was not impacted negatively as a result of that?

Jane MacAdam: No, we didn't have any evidence that incorrect payments were made as a result of the caseworkers not being delegated signing authority.

Mr. Roach: Thank you.

Chair: Jamie Fox.

Mr. Fox: Jane, how does it actually work then with what Al's saying? How does the actual authorization happen? If I'm understanding it right, if a case worker doesn't actually have the authority to issue the payments, but that's doing it, how are they overriding the system?

Jane MacAdam: There's an ISM system which is the case management system for social assistance cases. The case workers – they would authorize whether or not a client is eligible to receive a certain amount of money and what that amount of money would be. Then there's an interface between ISM and the province's financial payment system. So the payments to the social assistance clients are really issued through the province's financial information system. It's that system where there's supposed to be delegation of signing authority in accordance with Treasury Board policy.

Mr. Fox: I guess my worry would be, Al, – what's to stop somebody from – if they can override the system – a case worker – I'm not saying they're going to do it, but what's to stop somebody from going in there and just making a payment to Alan McIsaac?

Mr. Roach: Is that question directed at me?

Mr. Fox: Well, yes.

Mr. Roach: So my answer would be –

Chair: Al Roach.

Mr. Roach: Thank you, Chair.

My answer would be that like you, as an investigator for years, I've seen many people in the private sector who've done just exactly that. Sometimes it's not the system, it's the user of the – you know the old story: It's not the gun, it's the gunner. You may always have people out there, who are going to abuse the system.

Mr. Fox: Yeah.

Mr. Roach: I don't think we can – I don't want to go down that road –

Mr. Fox: Yeah.

Mr. Roach: – well, the audit, there was no indication of that, if I could –

Chair: And, members, maybe what we should do is save this conversation for when we discuss our recommendations resulting from the report. I do appreciate the concerns. Thank you for raising it.

If there are no further questions for the AG on this, we'll turn it back and we'll keep along.

Jane MacAdam: Our last section is on case planning. We concluded that case plans were not completed and updated for social assistance recipients in accordance with policy. The tasks and goals were often vague and did not reflect the needs of the recipient.

Case plans are required by policy and are to include specific goals, tasks and services, which are intended to help the recipient achieve the greatest level of self-sufficiency. Successful case planning is needed to achieve the program objectives.

Case plans should have goals and related tasks based on each individual's situation. We found that case plans often did not contain goals and tasks are required, and when they did contain goals, those were often vague and it was not clear how they would benefit the recipient.

We noted that case plans were not updated in a timely manner. Case plans should be updated to reflect changes in the recipient's circumstances and the impact on goals. Program policy requires a case plan to be updated at least annually. Adherence to the case plan is also required for continued eligibility.

In 77% of the files examined the case plans were not updated as required. Of these, over half were more than 60 days overdue. Case plans are an important tool to assist in achieving self-sufficiency and accessing appropriate services, which could benefit the recipient.

Without timely case planning, sorry, okay?

Chair: Hannah Bell has a question.

Ms. Bell: I could wait until the end of the section.

Chair: Oh, okay.

Ms. Bell: That's okay.

Hopefully – I didn't mean to interrupt you in the middle of your sentence, Jane.

The section 2.71, in particular, where you mention that case plans did not mention medical issues despite there being recipients who were specifically exempt from seeking employment. We know that seeking employment is one of the key objectives stated under the overall program.

Where it doesn't mention the medical issues or how they would be addressed, the – what I'm getting from this is, is that they have, sort of, generic case plan that was being used rather than something specifically suited to the needs of that client. That seems to be the statement.

The other piece was, for recipients who are then exempt then, they are long-term clients and they, potentially, may also have other programs they could access.

Is there a risk that that client is not getting all the services they should be able to access because their case plan doesn't identify that as a need, or is that one not in the scope of your –

Jane MacAdam: Well, we didn't look at whether or not they were accessing other services. We looked to see that there was a case plan and that it was complete, in terms of specific goals and that it was tailored to the individual recipient.

Ms. Bell: And so in this case, Jane, sorry, Chair, in this case, Jane, it was not. It was a generic one that didn't meet their specific needs.

Jane MacAdam: We would have expected that referrals, for instances, would be identified in the plan. Like, if there was a medical issue where there was an addiction issue or something, we would expect to see

a referral around counselling or whatever to make it individual to the client, but there was no indication in many of the files that it was specific.

Chair: Al Roach.

Ms. Bell: Thank you.

Mr. Roach: I noted that there was a significant uptake in the case plans that were completed, although there were instances where they weren't completed thoroughly or completely.

In two points, I have one, when you're talking about medical reasons, is there a confidentiality thing here that falls into place where the medical issue with the individual is confidential? That, we as people sitting around this table should not have the direct information, when it comes to confidentiality and a person's right for privacy for medical and those sorts of things, is that a concern? Or something that is taken into account here?

Jane MacAdam: As far as the program policies are concerned a doctor's note is required to exempt someone from seeking employment in situations where they have a medical issue. So, for these people, who do have medical issues, what we were looking for was something in the case plan that would assist them given that they do have a medical issue.

You wouldn't have to have a lot of documentation on file to say it's important for this person to get a referral to another service, for example. Or, it's important for this person to know that there's assistance available if you have to leave the Island to seek medical attention that there are other government programs that will provide assistance, those kinds of things to assist the client.

Mr. Roach: Although, the caseworker could simply refer to them to another department for services.

Jane MacAdam: They could, and they could –

Mr. Roach: But there's no note on –

Jane MacAdam: Right, and they may be verbally saying that, as well –

Mr. Roach: Sure.

Jane MacAdam: – but it's not in the case plan.

Mr. Roach: And is it required by policy to be in the case plan?

Jane MacAdam: It's required that they have goals, and specific goals and tasks. The case plans that did contain goals were often very vague.

They would say things like: Client is to provide confirmation of residency. Client is to advise of change in circumstances. It's very generic comments like that.

Mr. Roach: Is that something –

Jane MacAdam: A goal would be to assist with basic needs. I mean, the program does assist with basic needs, so that's just a –

Mr. Roach: Should we have, Chair?

Chair: Go ahead, Allen Roach.

Mr. Roach: So, should we have something in there that says, there are specific questions that should be asked?

Jane MacAdam: I think the department would have to look at that in terms of whether or not that would get them to a place where the goals and tasks would be specific enough. I mean, that's one tool they could use to help make the case plans more individual to the client, for sure.

Mr. Roach: Thank you.

Thank you, Chair.

Chair: Kathleen Casey.

Ms. Casey: Thank you, Mr. Chair.

Jane, I know in the management response to this chapter they said that they intended to use the information that you have recommended to support broader evaluation and program redesign efforts.

When does a department let you know that

they've complied with your recommendation? Do they – if they've completed a recommendation, do they automatically notify your office that they've done that, or how often do you check back? Is it just an annual basis that you would check to see that they've carried the recommendations? What the process there?

Jane MacAdam: We will go back after three years and we will look to see whether or not these recommendations have been implemented.

Ms. Casey: Three years.

Jane MacAdam: Yes.

For this year we, like later on in our – in a later chapter we check for implementation of the 2015 recommendations, for example, in the 2018 report. It's really their outstanding – the client has at least three years to implement the recommendations and then we come in and see whether or not they've been implemented.

Chair: One more. We're close to the end of our time, here.

Ms. Casey: Do you see a need to lower that three-year period for when the recommendations need to take effect? Should it be one year? Should it be two years?

Jane MacAdam: We've established this process in our office in terms of what's reasonable. Some recommendations take a longer time to implement –

Some Hon. Members: Yes.

Jane MacAdam: – we need to give them time to work on them.

Ms. Casey: Thank you.

Thank you, Mr. Chair.

Chair: All right. Thank you, and we are at the end of our time, today.

Thanks, again for the excellent presentation. I look forward to having you back next Wednesday.

Thanks again.

Jane MacAdam: Thank you.

Chair: Just while they're clearing out.

The mention was to go in camera after new business. I thought, just while they're clearing out, just for the clerk it has to be an agreement of the committee.

All in favour of going in camera after new business, please say, 'aye.'

Some Hon. Members: Aye!

Chair: All against?

Okay, great. It's unanimous.

All right, excellent. We're going to go into new business first, really quickly.

Is there any new business people want to bring up –

Ms. Casey: No.

Chair: – today?

Okay, one last call for new business.

All right.

The Committee went in camera