



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, JANUARY 15, 2014

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:30 A.M.

CHAIRMAN

Mr. Allan MacMaster

VICE-CHAIRMAN

Mr. Iain Rankin

MR. CHAIRMAN: Good morning, I'd like to call this meeting to order. Before we begin I would just pass along a friendly reminder, if you have cellphones with you to put them on silent before we begin.

We have a new committee after the recent election. I'd like to give everybody a chance to introduce themselves, beginning with Mr. Maguire.

[The committee members introduced themselves.]

MR. CHAIRMAN: This is the first meeting of the committee. By way of background, we do meet - I think traditionally - about 35 times a year. It is the most active committee of the Legislature.

I think it is a very important committee, as we look at past government expenditure. I believe that its true purpose is to ensure that government is running as good as it can be. I know that any time I've sat on the committee previous to the recent election and I know that any time I've been on the committee, I've always asked questions with an intent to improve things.

I know traditionally there's also - I guess there's still a belief that sometimes the committee can be used to attack the government. But I think ultimately we're all here to try to make things better at the end of the day and encourage all members to keep that in mind. If we're asking questions, there are reasons for it. Oftentimes we may have constituents who derive some of the questions that happen here at the Public Accounts Committee and who better than they to understand how government is affecting them and to understand if government is operating as well as it can be to serve them.

The meetings are televised and as you'll note, there is a little red light that comes up on your microphone. Any time you speak, make sure the light is on and I will always recognize you to trigger that light to come on. If the light is not on, they can't capture what you're saying and we want to make sure everyone has a chance to hear what you have to say.

Each member was sent an organizational briefing package electronically by e-mail, outlining the mandate of the committee, and an overview of the Committees Office and other information that you may find useful. The support staff to the committee are present at almost all of the meetings: Mr. Lapointe, the Auditor General, and Mr. Hebb who is the Chief Legislative Counsel. Both of them will present you with an overview of their roles.

This committee has a Subcommittee on Agenda and Procedures, which has just met. We took a little more time than normal so that's why we're a little later starting this morning with this meeting, but we do have a list of topics that we'll be putting before you soon so you can have a look at those. They will form the basis of our meetings in the weeks ahead.

The role of the Subcommittee on Agenda and Procedures is to propose witnesses to be called, to assist in finalizing reports of this committee, to review sensitive documents, and to monitor the progress of the committee work and other such responsibilities as deemed necessary. It is made up of the chairman, myself; the vice-chairman, Mr. Rankin; and a member of the Third Party, Mr. Wilson. We meet in camera at the call of the chairman and it's usually on the first Wednesday of the month.

Following a typical witness presentation, we will have an opportunity to open the floor to questions beginning with the Official Opposition, followed by the NDP and ending with the government, allowing 20 minutes for each caucus. The process is repeated for a second round of questioning with a lesser time allotted, depending on how much time is left and we ensure it is equitable in terms of how much time for each Party.

Please keep in mind that when you are directing questions that you direct them through myself as the Chair, much the same as we do when the Legislature is in session through the Speaker. Please also ensure that you have sufficient copies of motions or any documents that you may wish to table during a meeting.

A note on in camera briefings: departments and agencies are to submit - one week in advance of a meeting - an action plan on the implementation of the recommendations contained within the Auditor General Reports. An in camera briefing will be held on chapters contained within these reports and are scheduled for half an hour at the end of a regularly scheduled meeting. The Auditor General and his staff present a briefing on the status of the recommendations contained in the action plan and the members can ask questions if they choose.

This process enables the members and researchers time to plan questions and to familiarize themselves further with the issues and allows the Auditor General and staff freedom to express areas of concern beyond what is written in the actual report. When I speak of reports, the most recent report was in the Fall of 2013. There is no formal question allotment during these sessions.

A note on the Auditor General Reports; when the Auditor General tables his annual report with the House of Assembly, he and his staff will meet with the Standing Committee on Public Accounts in camera one week, followed by a public meeting the following week. This process varies slightly from the in camera briefing session on the action plan recommendations whereby the action plans are on the Auditor General Report chapters and the witnesses that are called in to speak on a particular chapter. The annual Auditor General Report is on the entire report.

With that, I think we can get down to business. You will have a copy of the list of topics and witnesses; this was put forward from the subcommittee meeting just held. I understand there is not a lot of time for you to review this list, however, if you've had a chance to look at the list and if there are no questions, could we have a motion to approve those topics so that our committee can begin to schedule them? Ms. MacDonald.

HON. MAUREEN MACDONALD: Mr. Chairman, I'd like to move an amendment to the list and add an additional item for consideration by the committee, and that would be to invite the Nova Scotia senators to appear before the Public Accounts Committee.

MR. CHAIRMAN: Do any of the other members on the committee have any comment on that or any input they would like to offer? Mr. Maguire.

MR. BRENDAN MAGUIRE: In regard to the issue around senators, the Premier has said repeatedly that he's open to an elected Senate and that the Senate needs reform and accountability. The former Minister of Finance is well aware of the role of this committee and that this does not fall under the mandate of this committee.

MR. CHAIRMAN: Thank you, Mr. Maguire. Ms. MacDonald.

MS. MACDONALD: Thank you. I don't know - do we need a seconder for the motion by any chance? It's just a small point.

MR. CHAIRMAN: Yes, we would and we could put it to a vote by the committee.

MS. MACDONALD: I would like to speak a little further to the motion. I totally understand the role of the Public Accounts Committee, that the Public Accounts Committee historically operates with a fair degree of latitude. It seems to me that if this committee were to extend an invitation, we have no power with respect to requiring members of the Senate from the Province of Nova Scotia to come here but it seems to me that this is kind of a friendly invitation to those people who, for some considerable period of time for many of them, have been representing the interests of the province in the Senate, which we know is a body that Nova Scotians and Canadians are quite concerned about with respect to its role in our parliamentary democracy.

In thinking about the work of the senators from Nova Scotia, what it is that they're doing and what benefit that is to the province, it seems to us in the NDP caucus that when you look at the standing committees of the House, this would be the standing committee that would be most suited to issue that invitation and to see what uptake there is from our senators.

As you indicated, this committee meets more than 30 times in a year. We only have on our witness list right now seven topics. We have a considerable agenda to fill and this is something that I would see as a process that would take some period of time. It would require the committee writing a letter to the individual senators, and I think there are currently about eight who are actually active, who haven't retired. So it is in that light that I would say we are a body very appropriately suited to invite the senators from the province to appear here and to give us an opportunity to hear from them with respect to the work we do.

It's not necessarily the members of this committee who will hear this alone, what that will do is it will allow the people of the province to assess the work that is being done by the members of the Senate from the province and the financial or other impacts that it has on our province.

MR. CHAIRMAN: Thank you, Ms. MacDonald. Mr. Wilson, did you have a comment?

HON. DAVID WILSON: I'd actually just like to second the motion - sorry, I should have done that earlier.

MR. CHAIRMAN: Just for clarification, and I will catch onto some of the finer points of running these meetings, but a seconder is actually not required. But because there is a motion put forth to add to the list of topics, the topic of calling upon the Nova Scotia

senators to appear before the committee, I will put that before a vote of the committee at this time. Mr. Maguire.

MR. MAGUIRE: Mr. Chairman, as I stated earlier the Premier has said that he's open to an elected Senate. We understand that the Senate needs reform and accountability. The former Minister of Finance is aware that this does fall outside the mandate. We want a committee that is effective and does not waste taxpayers' time or money, so I too suggest that we bring it to a vote.

MR. CHAIRMAN: Thank you, Mr. Maguire. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is defeated.

Since that motion is defeated we still do have the list of topics from the subcommittee meeting this morning. Could I have a motion for approval of those topics?

MS. MACDONALD: I would make a motion to accept the topics and the witnesses in front of us.

MR. CHAIRMAN: The motion is before the committee. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

We have a list of topics and witnesses approved. With that I will now ask Mr. Jacques Lapointe to present a brief overview of his role within the committee, followed by Mr. Gordon Hebb.

Mr. Lapointe.

MR. JACQUES LAPOINTE: Mr. Chairman, I'd be happy to provide a few comments about my office and our relationship to the committee.

We have also distributed a little card that we produced that condenses a lot of some basic information about the office including our role and priorities that we follow when doing our work, so you might find it helpful as well.

First of all you should know that my office is created and regulated by legislation of the Auditor General Act. This legislation has a long history, but was substantially rewritten in 2010. The Act establishes the powers, the mandate, and the responsibilities of the Auditor General; it also sets out the relationship with this committee.

Under the Act, the Auditor General is an officer of the Legislature. The AG serves the House and is independent of the government and independent of the administration of government. The Auditor General provides assurance to the House on the expenditures of public funds. Now that is a very broad mandate and is accomplished primarily by conducting two kinds of audits or reviews: financial audits or reviews of government financial reports of various kinds, including some aspects of the budget, and performance audits of departmental and agency programs and processes.

The results of these audits are presented to the House in the Reports of the Auditor General. The results of financial audit work are reported once a year and that's the report that you will receive from us next Wednesday. Actually, I should mention that in terms of the process, you will receive them the day before. We will be tabling the report officially with the Speaker on Tuesday afternoon, for his convenience, and that means we can make it available and distribute it to the members of this committee on the Tuesday afternoon, which gives you a little bit of time to look at it before the meeting.

On the Wednesday morning we will be doing a combined meeting of one, the in camera session in which we present it to you and informally discuss it and answer your questions, but that will be followed immediately by the public hearing in which the cameras are on and the questions are in public. It doesn't leave a lot of time for you to prepare so we'll give it to you the day before, and you and your researchers can look at it then.

The performance audits on the other hand are included in two reports. These are issued approximately in May and November of every year, with several chapters in each one.

The focus of the annual financial report is to discuss my opinions on the annual financial statements on the budget's revenue estimates and on a small number of agency financial statements that we look at as well. You'll find other financial information in the report also, but the focus of the performance audit reports in May and November is to identify weaknesses in government programs and processes and, more importantly, to recommend improvements to them.

While we provide these reports to the entire House, we can't practically deal directly with the whole House, so instead we deal with this committee as our link to the House. We provide the Public Accounts Committee with our reports; we review them with you in camera; and then we discuss them with you in a public session in which, I must say, I'm very pleased to be a witness and to take your questions.

We do more than that, however, and a number of provisions are set out in Sections 17 and 22 of the Auditor General Act. Either the Auditor General or one of our senior management will attend every Public Accounts Committee meeting. We are there in our capacity as your expert advisers. We also attend your subcommittee meetings to assist you

in planning your sessions, so we assist and advise the Public Accounts Committee and that's our role.

As part of our accountability to the House, we also provide the Public Accounts Committee with the office's annual business plan and with the office's annual performance report on that plan so that you are fully informed of our activities and are able to measure our performance in how we feel we do.

The office is also audited. I have been asked the question of who audits the Auditor General as well - that's a small local firm. We prepare annual financial statements and these are audited by the external adviser who is appointed by the Speaker. The financial statements and the Auditor General's Report are then presented to the Speaker and to the Public Accounts Committee so that you have quite a range of information coming from us so that you can see what we do.

In the final part of this relationship, my office will consider any requests made by the Public Accounts Committee to examine or audit any matter and we have received such requests. The decision on whether to accept a request or not will depend on the individual circumstance so we can't prejudge what the reaction will be - it will depend.

In this role with the Public Accounts Committee, we work to help the committee to hold the government to account and to improve the operations of the Public Service. That's basically our role and our relationship in a nutshell. We also have, as you know, a Web site. It is oag-ns.ca, which if you want it, it has an awful lot more information on the office, including reports going a long way back.

I would like to mention one more thing before I answer any questions you may have. Next week's meeting will be my last meeting with the committee as I will be retiring a couple of days later. Alan Horgan, the Deputy Auditor General, who is beside me, will be acting and will take over what I have been doing. We're always available to you and we take your calls so you'll be able to call me or call Alan with anything you may want to discuss at any time. That should be it, Mr. Chairman. Thank you.

MR. CHAIRMAN: Thank you, Mr. Lapointe. I know we'll have another chance to do this, but I think any of the members on the committee who have sat here before certainly appreciate working with you and appreciate all your efforts on behalf of the people of the province, so thank you.

I would like to give an opportunity for Mr. Gordon Hebb to give us some background on his role for this committee. Mr. Hebb.

MR. GORDON HEBB: Like the Auditor General, either I or one of the other legislative counsels will attend all your meetings and those of the subcommittee. Our basic role is to provide legal and procedural advice to the chairman, to the committee, and to the

staff of the committee. Included in that, which is rather rare, if the committee were to decide to subpoena somebody, we would prepare the subpoena for the committee.

Aside from that, we're certainly available to give general advice to the individual members of the committee and to the caucus staff, including assistance in preparing motions that people may wish to present to the committee, if such help is desired. That's our basic role, unless anybody has any questions.

MR. CHAIRMAN: Thank you, Mr. Hebb. There is one item that I will mention and that is because we have a lot of new members on the committee, there is an opportunity for us to have a workshop with the Canadian Comprehensive Audit Foundation; they have been here before. I think it would be helpful for all of us, even people who have been on the committee before. The jurisdiction they cover is across the country but I think they are even helping out in other parts of the world with these types of committees, in areas where new democracies are being set up.

It's something I would recommend, it's something I am going to aim to attend myself and that's something that perhaps you'll see coming in by e-mail sometime in the near future so I just wanted to mention that.

With that, our next meeting is next Wednesday, January 22nd. Unless there is any other business anybody wishes to put before the committee, may we have a motion to adjourn?

MS. MACDONALD: So moved.

MR. CHAIRMAN: The meeting is adjourned.

[The committee adjourned at 10:07 a.m.]