

# **HANSARD**

**NOVA SCOTIA HOUSE OF ASSEMBLY**

**COMMITTEE**

**ON**

**PUBLIC ACCOUNTS**

**Wednesday, June 24, 2015**

**LEGISLATIVE CHAMBER**

**June 2015 Report of the Auditor General**

**Printed and Published by Nova Scotia Hansard Reporting Services**

## **Public Accounts Committee**

Mr. Allan MacMaster, Chairman  
Mr. Iain Rankin, Vice-Chairman  
Ms. Margaret Miller  
Ms. Suzanne Lohnes-Croft  
Mr. Brendan Maguire  
Mr. Joachim Stroink  
Mr. Tim Houston  
Hon. Maureen MacDonald  
Hon. David Wilson

[Mr. Brendan Maguire was replaced by Mr. Bill Horne]

In Attendance:

Ms. Kim Langille  
Legislative Committee Clerk

Mr. Gordon Hebb  
Chief Legislative Counsel

Ms. Nicole Arsenault  
Legislative Counsel

### **WITNESSES**

#### **Office of the Auditor General**

Mr. Michael Pickup, Auditor General  
Mr. Terry Spicer, Deputy Auditor General  
Ms. Evangeline Colman-Sadd, Assistant Auditor General



House of Assembly  
*Nova Scotia*

**HALIFAX, WEDNESDAY, JUNE 24, 2015**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

10:00 A.M.

CHAIRMAN  
Mr. Allan MacMaster

VICE-CHAIRMAN  
Mr. Iain Rankin

MR. CHAIRMAN: Good morning. I call this meeting to order. I would ask all members to place their phones on silent so we don't have interruptions during the meeting.

Today we have the Auditor General with us to discuss the June report. We will begin with introductions of members, starting with Mr. Horne.

[The committee members introduced themselves.]

MR. CHAIRMAN: We will now begin with opening comments from Mr. Pickup.

MR. MICHAEL PICKUP: I have very little in the way of opening comments because I want to turn it quickly over to members for questions on the four audits. The only thing I would want to add is while two of our executive team are with me today, I would want to extend thanks to 30 other people who are back in the office who have worked on these reports and produced the audits to assist you in doing your job.

Also I would add that I would extend my thanks on behalf of the audit teams to the entities that we audit. We receive full co-operation and zero difficulties in performing the audits that we do, which is I think very important to mention. With that, that will be the end of opening comments and I turn it over to you.

MR. CHAIRMAN: We will now begin with questions, starting with Mr. Houston of the Official Opposition.

MR. TIM HOUSTON: Thank you to the Auditor General and his staff for the important work that you do. It really is important that we have an organization like yours looking over how government money is spent and looking at some of the policies and procedures of the government and making sure they're followed. I appreciate the work you do and I thank you for it.

I want to start off just trying to orient myself a little bit on the whole issue of accountability. Accountability of governments and accountability of taxpayer dollars is obviously at the forefront in the minds of a lot of Nova Scotians and taxpayers. So when I look at a report like this that kind of looks across different departments, I'm just curious. do you have a primary liaison with the government outside of this committee or is this committee really your only direct contact to the government?

MR. PICKUP: Our contact, just for explanation in terms of what you mean by the question - in the day-to-day work we do with the entities that we audit generally it's the deputy minister down in terms of the Public Service. In terms of whether a minister may get involved, fairly rare. I'm always available if a minister wishes to discuss a report, but it's very rare that a minister would call to discuss a report.

MR. HOUSTON: So you don't really have kind of a primary direct contact to the government, you have a series of contacts and you have a different contact in each department. I guess that's kind of what I'm curious about.

MR. PICKUP: So my contact generally, for example, if I want to discuss an issue, I would call the deputy minister. If I felt there was something that I wanted to discuss with a minister because we had an important issue, then I would do that as well.

MR. HOUSTON: I guess you're dealing with a number of people and so you're dealing with a number of personalities and outlooks so they all take your recommendations with a different degree of importance, I guess. When I look at the overall implementation rate, a slight increase from 50 per cent last year to 57 per cent this year - a 57 per cent implementation rate of your recommendations is pretty disappointing, in my mind.

It's just a question in my mind really, does anyone really feel accountable for implementing your recommendations? I guess the short answer to that is, well there's no one person who is accountable for making sure that the Auditor General's recommendations are taken seriously. There's a series of people who each have their own responsibility for taking them seriously. I just wonder about that because the recommendations you make, you are identifying known weaknesses. They are weaknesses that, after your report, are known to people in the government and yet still only 57 per cent of them are taking action to fix those weaknesses.

It was just kind of a curiosity in my mind if there's one person in the government who has a responsibility that you can go to and say hold on a second now, we're getting no traction on these recommendations. It doesn't sound like, as the system is today, is that's not the case today; you have - however many departments there are, that's how many people you have to go to and follow up on the recommendations.

MR. PICKUP: It is the departments that we deal with, it is also a number of other entities. For example, if we made recommendations to a health authority, if we made recommendations to a school board as well. I think the importance of this follow-up work is we do this every year and we report to you, as the Public Accounts Committee, so that ultimately you can hold the government accountable for the implementations. Really these results are meant to be a tool.

We also point out in that chapter on the follow-up that where those six entities we saw that did greater than 70 per cent, what we noticed was there was good tone from the top, there was interest from the top as well. So in answer to your question, no, there is not one person across government but I think the issues are different than having one person responsible. It's things like the tone from the top across the individual entities, be they a government department or a school board or a hospital, health authority.

MR. HOUSTON: Okay, I'll just leave a final comment on that. I don't know how many times an Auditor General has come before this committee and said that he has had a department that has been unco-operative; it has probably happened. I think for the most part the Auditors General are coming here and saying that everyone co-operated with us, everyone accepted our recommendations, everyone was very helpful. But when we look at these types of reports that suggests that's a lot of talk. A lot of people are saying the right things, but there is very little action. That's an overall concern of mine as I look at your report today and I just wonder if there's a way to hold somebody to account, if maybe you'd get more action. I'll leave that one for today.

I do want to get into specific chapters; I'll start with Chapter 2. The first one I was a little disappointed in and it raised a couple of questions in my mind was that in 2012 an Auditor General Report found that Annapolis Valley Health, ". . . does not take adequate steps to ensure the accuracy of all data it enters in the provincial addiction services information system . . ." In fact, at that time, 226 of the 1,760 cases had data entered incorrectly or not at all.

As we sit here today, we find that five of the seven recommendations made at that time remain outstanding. So two have been implemented, and five haven't. Addictions Services is something that is a great concern to me. I think people with addictions need a lot more support than they are getting.

I wonder, with the stark reality that five of the seven recommendations remain outstanding, can you shed any light on what was the reasoning for this? What was kind of the excuse for the lack of implementation of those recommendations?

MR. CHAIRMAN: Mr. Spicer.

MR. TERRY SPICER: I would have to get some details on the specifics of those particular recommendations. I don't have that detail as to exactly why.

MR. HOUSTON: That's fine. My sense is there's no real reason why five of the seven aren't done three years after the fact. My question and my concern about that is I just wonder, when you have people who are interacting with Addictions Services and then Addiction Services is not capturing correct information about them or accurate information, or maybe in some cases just not capturing information about them, then I read in the media about some of these horrific stories about people who aren't getting proper services or are getting released from hospitals or released from places with no place to go, I just wonder if they have been severely let down, if the implementation of the recommendations and capturing information about them and knowing the patients' situations and stuff like that would have meant that these types of things didn't happen. I'll maybe leave that for a comment from Mr. Spicer.

But it just puts an exclamation point on it that the recommendations that are made from an Auditor General's Report are not just words on a paper, they have very real impacts and they go from social impacts to financial impacts, but they're very real. I wonder if your team had looked at that or at least thought about that in their own minds, had their own "aha" moments that I wish these recommendations would have been implemented because we could have maybe saved somebody. I don't know if that played into any of your thinking.

MR. SPICER: I can just respond and maybe elaborate on what I just said to your earlier question. To sort of set the stage for what we do with this particular chapter, we do look at if an entity says that a recommendation is complete, we will do our review and determine whether we think that's complete or not. If they indicated that it's not complete then we really don't do much work at all with them, because the entity said they're not complete so there's not much work to do. So we don't provide comments on what status the progress is, or what have you, in these. Back to your earlier comment as to why those things weren't done, we wouldn't have a lot of information about that because we didn't look at those ones that weren't done.

MR. HOUSTON: Thank you for that, and I apologize, I know you didn't have the actual recommendations to hand, but I'll ask you this one in case you know it. One of the recommendations of that 2012 report recommended outcome monitoring for Addictions Services. I wonder if you just happen to know whether any outcome monitoring was implemented following that. I'm asking that question knowing that two of the seven recommendations were implemented, but if you don't have it to hand, it's information we can take later on.

MR. SPICER: I'd have to go through a number of recommendations there; in fact, on our website is a detail of each recommendation and which ones are complete and which

ones aren't. Whether that particular one is complete or not, that would be in that appendix of 344 recommendations. (Interruptions) It's not complete? Evangeline just said it's not complete.

MR. HOUSTON: So that's one of the recommendations that's not complete and I do think that's a very sad fact, because that's probably the minimum that group could be doing is monitoring the outcomes.

The province has said that it does not intend to implement a single province-wide intake or wait-list for withdrawal management programs. I guess that would come in with the outcome monitoring thing as well. They've said that they're not going to implement such a program, and I wonder if you happen to know, do they have an explanation as to why they wouldn't want to implement that?

MS. EVANGELINE COLMAN-SADD: I would have to look for certain in our files, in our working papers at the office. I don't recall offhand that there was a detailed explanation for why they weren't implementing that one but I'd have to look to be certain. We can certainly look and let you know whether or not we were provided with, I guess, a more detailed explanation of why.

MR. HOUSTON: Okay, thank you. It's certainly an area of interest to me so I was keying in on that section.

Sticking with Chapter 2, I wanted to talk about some of the stuff around the Office of the Fire Marshal. There was a report in 2011 that made recommendations to the Office of the Fire Marshal to improve their operations and here we are, four years later since that time and this is one area where there has been a very poor implementation rate of the recommendations.

It is one that is highlighted in your overview here, that it was one of the five organizations that you indicated had disappointing results in terms of correcting identified weaknesses. In this particular case, for the Office of the Fire Marshal, only 44 per cent of the recommendations have been implemented and here we are, four years on since the report. I think I saw in the report that the Office of the Fire Marshal has moved around a little bit and it's now under the Department of Municipal Affairs. They said that the poor progress in terms of implementation had to do with the transfer.

I wonder if you can just shed any light or have any comments on the recommendations around the Office of the Fire Marshal only having had 44 per cent correction rate over a four-year period? Do you have any general comments on that type of a result of implementation of recommendations?

MR. SPICER: I can't add a whole lot other than what we have in the report here in that that percentage is not as high as we would like to see it. Management in Paragraph

2.19 have provided their comments as to why they haven't been able to implement as many recommendations as we would like to have seen.

As I mentioned earlier, we don't go back and do audits of non-completed recommendations so this is what management has told us. Really I think those are questions for the department to answer, to be able to respond to why the rates are the way they are. They are the best ones to answer those questions.

MR. HOUSTON: Thank you for that. That's why in my opening questions I was kind of getting to how we can fix this and get a higher implementation. I'm familiar with an expression and maybe other members of the committee might be as well, I always remember hearing the expression, you have to keep the auditors happy - make sure you keep the auditors happy was an expression I'd hear in business sometimes. That doesn't seem to translate over to government. I think there are very real impacts from not paying attention to some of your recommendations.

I'll tell you why this one stuck with me and it does come to the fact that you have a 44 per cent implementation rate of your recommendations. It's obviously not a priority for the people who received the recommendations. It's obviously not something that's important to them.

In this case the reason that I was really keying in on this - and some people might say well, it's the Office of the Fire Marshal and stuff like that - back in my constituency in Pictou East, I have a great number of volunteer fire departments that are served by a great number of volunteer firefighters. These are people in the community who step up to look out for their friends and neighbours, and many times the volunteer firefighters feel unloved by the government or not respected by the government for the service they provide. That's a concern to me because across the province there's almost 5,000 volunteer firefighters and where would we be, as a province, without them? Where would the communities be without those people serving them? We certainly couldn't afford to pay firefighters across the province.

This one really resonated with me because when I see that the highest level at the Office of the Fire Marshal is receiving recommendations on how they can do things better and there's no interest level in implementing the recommendations, you don't have to wonder too long why the volunteer firefighters who are so far removed from that office feel unloved by the government. It's just a real disappointment to me.

So the Office of the Fire Marshall has now landed in the Department of Municipal Affairs, and they would have been the people that you would have been corresponding with during the course of this audit and this update. Did you have any sense from them as to whether - well, now these recommendations will be implemented; sorry for the four-year delay, but we're going to take these seriously. What was the feedback from that department at this time?

MR. SPICER: Well, we would have talked to them very briefly about some of the challenges that they would have had, based on what they've said here. I don't have a sense that they don't take these things seriously. I really think you need to ask the department those questions because I don't want to be speaking for the department. I don't think that's appropriate.

My suggestion would be for this committee to bring some of these departments in front of the committee and ask them, what are the challenges and why are their rates the way they are?

MR. HOUSTON: I certainly appreciate that and I respect that, but for me personally it's disappointing to see the low implementation rates. Is it personally disappointing for you guys?

MR. PICKUP: I think I would make an overall comment. I mean, I've been fairly clear in any discussions that I've had externally that 57 per cent implementation rate overall is not good enough and I think the government would acknowledge that as well. We're targeting for 90 per cent, but we can't implement these things. We make the recommendations and we follow up. Government tells us they agree with them and they tell us they're going to act, so then it comes to committees like this committee to hold them to account as well.

MR. HOUSTON: What is the highest level of government that has reached out to you in light of this report and said, this is a really poor implementation rate, how can I help you all across the government? Did any specific ministers or maybe even higher - did anyone from the Premier's Office come and say, Mr. Pickup, we're disappointed by this and we're going to fix this across the whole government? What is the highest level of government that has reached out to you and said, we'll work with you to try to get a higher implementation rate?

MR. PICKUP: I would have met as part of this - or I should say we - me and the Deputy Auditor General would have met with the Deputy Minister of Executive Council to discuss the report and to discuss the follow-up as well.

MR. CHAIRMAN: Order. Time has expired for the PC caucus. We'll move to the NDP caucus and Mr. Wilson.

HON. DAVID WILSON: I'm going to concentrate some time on Chapter 5 - the responsible gambling and prevention and treatment of problem gambling audit that you released. I know that there are a lot of people or stakeholders at play when you talk about gambling in the province. Of course we have the Nova Scotia Provincial Lotteries and Casino Corporation, the Department of Health and Wellness, the Nova Scotia Health Authority, Alcohol & Gaming Division, and also the Office of Aboriginal Affairs.

Through the audit, did you engage each and every one of the stakeholders? One that I specifically want to know about - did you engage Atlantic Lottery or the representatives that we have for our interests on Atlantic Loto?

MS. COLMAN-SADD: Yes, we would have spoken to all of those stakeholders, including Atlantic Lottery.

MR. DAVID WILSON: I would assume ultimately it would be the Department of Health and Wellness that would oversee - and I think it was in the report - the setting of the provincial direction of gaming in the province. The other entities would have their own smaller responsibilities. Am I correct in saying that ultimately the responsibility would be with the Department of Health and Wellness?

MS. COLMAN-SADD: There isn't one overall entity that's responsible for 100 per cent of the province's direction or strategy in terms of gaming. The Department of Communities, Culture and Heritage is actually the entity - I forget the year, might be 2011 - the most recent Provincial Gaming Strategy. The responsibility for implementation of that actually rests with CCH and then it's sort of parcelled out on an item by item basis to the various departments - NSPLCC has some responsibility, Health and Wellness has some, so it just depends on the area. Health and Wellness certainly would have the prevention and treatment end. The responsible gaming stuff, most of it is with NSPLCC.

MR. DAVID WILSON: And that's a bit of where I will go to next, on the addiction, prevention and treatment side of things. As I read the report and read through your concerns that's what stood out to me where we're concerned, as a caucus.

One of the things that we've seen the government take initiative is cancelling the My-Play system. I think through your report you had indicated that there were possible options the government was presented with, to see what direction they could go if they were going to take the step to eliminate the My-Play system. Were you given the opportunity to review those options or was it just you were told there were options, but the government wasn't going to take them and they were just going to cancel the My-Play system?

MS. COLMAN-SADD: For clarity, it was the expert panel that reviewed the various options, one of which was not simply cancelling and not replacing My-Play. The options all dealt with eliminating My-Play, but putting something else in its place. Yes, staff from our office would have reviewed what all of those options were and looked at what the expert panel had to say about each of those options.

MR. DAVID WILSON: Why would that information not be provided in the report? I don't recall seeing those options anywhere. Is there a reason why those options were not in the report?

MR. PICKUP: The point for us was really about the option that was selected was not one that was considered or evaluated by the external panel. Rather than getting into trying to second guess or question what the best option might have been, it was simply that the process that had been established was not followed in this case. We are not saying whether or not getting rid of My-Play and not replacing it with something was good or bad, we're saying it didn't follow the process that the other options went through.

MR. DAVID WILSON: I know some of these questions definitely would be more appropriate for the department and hopefully down the road we'll find that. But you were critical on that point where there was a process in place to look at responsible gambling tools or systems, yet the government seemed to not go down that road. Did they respond in any way why they did not choose an option? I was trying to find the response from the department and, of course, they'll respond specifically to some of your recommendations, but did you get a response from the Department of Health and Wellness why they decided to not follow that process fully?

MS. COLMAN-SADD: We would not have dealt with Health and Wellness on that. We would have dealt solely with Nova Scotia Provincial Lotteries and Casino Corporation on that - they would have been the ones that involved the expert panel.

The corporation, at a management level and at a staff level, did look at the various alternatives, including simply not having My-Play. The expert panel did not look at the option of just not having My-Play without an alternative. My understanding from our discussions with them is that corporation management were quite comfortable with that alternative.

MR. DAVID WILSON: Do you know if the corporation made a recommendation or would you have seen a recommendation to the department where I understand the corporation runs, manages and regulates gaming, the industry itself, but when we're specifically talking about a system that I would say was more on the prevention, treatment and responsible gaming side that the department had a bigger role there. Were you aware of recommendations that the corporation may have made to the minister, for example? Ultimately the decision came from the minister - I would say the minister must have signed off on it to eliminate that program. Are you aware of any recommendations for the corporation to the department, itself?

MS. COLMAN-SADD: Do you mean the Department of Health and Wellness?

MR. DAVID WILSON: The Department of Health and Wellness, sorry.

MS. COLMAN-SADD: No, I'm not. I would have to verify in our files, but I don't recall anything related to the Department of Health and Wellness in relation to this item at all. My recollection is that we solely dealt with NSPLCC on that.

MR. DAVID WILSON: I know you mentioned you had seven recommendations, and they accepted all seven, correct?

MS. COLMAN-SADD: Yes.

MR. DAVID WILSON: Did they give you a timeline? I know that your department definitely will be doing reviews and updates - were there timelines associated with all seven or some of them?

MS. COLMAN-SADD: My recollection is that there are some timelines associated with some of them. Some of that, I guess, is how an entity chooses to respond to a recommendation. Some entities have some information or have already started things and can provide you with an indication of how things are going to move forward and others might not be quite at that point when they provide their response, so it just depends on the individual recommendation. Some of them did have timelines for when they were going to get started and some might not be as detailed.

MR. DAVID WILSON: Through your audit, were you given any information on reasons for the cancellation of the My-Play system, for example - were there any financial discussions on where the corporation is going financially? Did you look at the revenue that we've seen over the last number of years? I think the overall revenue is about \$500 million, but specifically on VLTs, for example - I think the projection in this year is somewhere around \$117.5 million which is an increase.

I know - I was part of the last government when we brought in the My-Play system - we've seen a significant decrease in revenue from My-Play, to the tune of about \$32 million in the first couple of years. So through the audit, was there any discussion from the corporation on revenue and the need to - is that a driver for some of the reasons? Did you see anything that would indicate that it was a driver for the decisions being made, that revenue is a concern and a priority for the corporation?

MS. COLMAN-SADD: We did not have any indication - I think the corporation obviously has kind of a mandate to help to increase or grow or maintain revenues from gambling but specifically related to this My-Play item, that certainly wasn't something they brought forward as one of their primary considerations.

More of the things they brought forward in terms of My-Play were that generally speaking, it was found that it was more your casual gambler who was maybe not gambling as a result of My-Play and for those with problems, My-Play wasn't having a significant impact on them; that's what the management would have brought forward to us. My understanding is that there was a lot of, you go in today, you take a card, you use it to play, you go tomorrow, you take a new card.

I think the idea of the system was that if I were gambling, I would register and then I would use that card every time so I would know how many times and that type of thing.

Very much those were the things that corporation management focused on when they talked to us about the cancellation of My-Play.

MR. DAVID WILSON: In the five options that were available, did any of them deal with that specific issue? I understand that's there but I know the system could have been expanded for mandatory use if all the options with the My-Play system as a whole could have been implemented. Do you recall that that might have been one of the options that they looked at?

MS. COLMAN-SADD: I can't recall off the top of my head what the five options that were looked at were. It would certainly be in our files but I don't remember them specifically.

MR. DAVID WILSON: Hopefully we'll get the department in front to try to figure that out. It does concern me where the only significant change that we've seen over the last little while from the government is to eliminate a program that has a history of reducing the amount of revenue coming in, which would mean that less people are gambling or less money is being gambled. I am concerned about that, and I guess I'll have to go to the department to get some of those answers.

Some of the comments you made around the First Nations and some of the contracts - I know they all probably come up at different times. Are you aware, though, that if the First Nations that do have gambling have the information provided? I often saw when I was going around the province that the gambling number, for example - I know that was a concern, the low access to that available at those sites that may be found on First Nations.

MS. COLMAN-SADD: With regard to the First Nations at a higher level, some of the agreements do have responsible gaming requirements. Most do not. The newer ones do. There are some provisions in there for accessing NSPLCC programming, that sort of thing. There are some ongoing issues with those agreements that have kind of led to that not getting implemented.

In terms of whether or not at those First Nations sites they have things like, for example, pamphlets on the responsible gambling help line and whatnot, I can't say - I'm not certain.

MR. DAVID WILSON: Did you have any discussions through your audit with those communities that do have gambling or was it just at the higher level with the corporation, department, and lottery? Did you actually get in to talk with any of the communities that had gaming in their communities?

MS. COLMAN-SADD: We did. The four First Nations gaming agreements that we reviewed, we met with individuals from those bands. In each of those instances and at the end of our audit, we also met with the chief that has overall responsibility from the

Assembly of First Nations for gaming on an overall level, just to fill him in on the results of the audit.

MR. DAVID WILSON: Thank you. I'll pass my remaining time to my colleague.

MR. CHAIRMAN: Ms. MacDonald.

HON. MAUREEN MACDONALD: I'm wondering, when was the last time that the province's gambling strategy was updated or refreshed?

MS. COLMAN-SADD: Well, 2011 comes to mind. I'm not positive if it's in our background section or not. I don't think it is - I'm not 100 per cent positive on the 2011 number. That's what I'm remembering in my own mind from when we did our planning work and whatnot - we certainly did look at that most recent strategy.

MS. MACDONALD: I myself am having some difficulty remembering exactly because I remember drafts of the work. Although it wasn't situated in Health and Wellness, Health and Wellness was certainly very involved, particularly the prevention and treatment end of things. It is concerning, I guess to me, to see how little work has been done in some ways to continue that work and build on that work and implement a strategy that was being worked on.

I'm wondering about the response from the Department of Health and Wellness specifically, around the need to implement the prevention strategies and standards. They've been under development going back to 2008, which seems like an extraordinarily unacceptably long period of time. Why has that work stalled and why have those standards not been approved? What rationale was provided to you and your audit for that?

MS. COLMAN-SADD: I don't recall a whole lot of specific reasons from the department for specific things that were pinpointed as to why this was taking so long.

MS. MACDONALD: I guess those are things we'll have to ask the department when we bring them forward. The state of play today in terms of research, tracking, data, and looking at what the rate of problem gambling is, what the characteristics are with respect to VLT use or perhaps other forms of problem gambling - do we have a good sense of that? Did you get a sense of that in the department? Is there work underway? Is there a study - any empirical studies underway to give us good information on which we can then develop a policy and programs and what have you?

Ultimately that really is what we're concerned about - particularly people who are vulnerable, who are that small portion of the population who become chronically addicted and end up wrecking their lives quite often, and maybe the lives of their families and those around them. We see these situations all too often, yet I'm really concerned that the kind of research that would allow us to act still does not seem to be completed or available.

MR. PICKUP: A couple of points on that. One of the comments we made in the report observation, if you will, was that the last prevalent study - so they use the term "prevalence" to say exactly sort of what you're summarizing - was done in 2007. Then there was another study done in 2013 that hasn't been made public yet because the department explains that there are still some scientific or empirical issues that they have with the report that they want to do before they finish that and table that.

To your point, one of the things that we did hear from the people who are delivering prevention and treatment across this province was that they need that type of information. As well, we indicated in the report that in 2011, a youth prevalence study was done, but that hasn't been released either, pending some issues with the report.

So our point is, yes, obviously if you want to use updated info, you want to make sure it's good, you want to make sure it meets the standards that you have. But at some point, these things need to get done so that people have the information they need.

MS. MACDONALD: At any time when you were doing your audit, did anybody talk to you about the integration of Addictions Services with Mental Health Services? When I look back and I think about how all of this has unfolded, I know that there was a move afoot to integrate Addictions Services with Mental Health Services, which may account for the slow roll-out of implementation for the gambling strategy.

MS. COLMAN-SADD: Yes, I am aware of integration of mental health and addiction strategies. That is something that we have been aware of for a while. We did some work on Mental Health Services a number of years ago now - we did an audit in that area and have done past work in addictions as well so I am aware that, yes, those two things are concurrent disorders, as it is referred to; it's quite common. I know that is something that the department does have ongoing work taking place in relation to is that concurrent disorders - those that have both addictions and mental health struggles.

MR. CHAIRMAN: Order, time has expired. We will now move to the Liberal caucus and Mr. Rankin.

MR. IAIN RANKIN: Thank you for the report and for coming in today. My focus will be on Chapter 2, Follow-up of 2011 and 2012 Performance Audit Recommendations.

So just getting back to the approach you used and how you're measuring the implementation, it is important to note that the rate of implementation has increased modestly, but it is important that it's going in the right direction, and equally important, our government is showing that it is on side. So I think that this body of oversight is important to add support, to expect timely evidence that all departments collectively will strive to not only maintain this positive direction, but hopefully improve upon it.

So six departments have achieved over 70 per cent implementation rate. That is up 100 per cent from the three departments last year and an assessment of best work practices,

it seems it's critical to have senior management lead that. As you noted, the tone from the top in establishing the accountability and looking at the action plans, and tracking and reporting on progress.

I'd like to provide some explanatory commentary on your cited departments with lesser performing rates. I believe these departments are equally on side. All of these apparent underachieving organizations, measured by degree of recommendation, implementation - they all deserve to be examined in the days ahead for their possible extenuating circumstances.

Is it organizational restructuring reality, such as being the case for IWK and Capital Health, as mentioned earlier this morning, or is it a challenge of finding solutions requiring actions across several departments such as cited IT interface implications or across many municipalities, as we were talking about Municipal Affairs, or is it a major transitional staff factor, such as the wholesale physical relocation of a department without its usual working bodies intact? All these factors happened in recent years.

These same departments, if they are to be dissected, need adequate opportunities to respond due to these and other possible extenuating circumstances. I'll note also that if you look at the two years in this, the year prior to, 2011, was actually 61 per cent, and 2012 subsequently, 54 per cent, so I would surmise that by the time we get to next year, the ones from 2012 would be up over 60 per cent and hopefully we'll improve upon that.

This really underscores the purpose of the Public Accounts Committee, bringing the chapters into the Public Accounts Committee, bringing the departments in to follow up on the progress so I hope that we can support you in that body of oversight.

In my few moments left, before I leave the time remaining to my colleagues, I'm going to conclude with several observations on possible refinement to further best practices of performance auditing. I think this would benefit as to how this government, in collaboration with this committee, can further assist the Auditor General in this oversight.

My question would be, would the Auditor General's Office, with the concurrence of the committee, consider in its future reports an additional category as to the status of his recommendation with the organization? So that would go from the three that you have - complete, not complete, and do not intend to implement - to four categories. I would suggest this dashboard of the ledger, I respectfully suggest: (1) fully or substantially implemented, (2) alternative action taken, (3) partially implemented or work in progress, and (4) no substantial action taken. I think this would be a more reflective way of tracking progress and I think it will add more effectiveness to the reporting. I guess I'll ask for your comments on that suggestion.

MR. PICKUP: My initial comment would be that we're always welcome to feedback from this committee. Our reports are meant obviously to serve you in your role in holding the government accountable so we're always open to suggestions.

I think generally the way we like to work is for me and the executive team to sit down, flush this out, think about what this would mean, the advantages, disadvantages, and benefits, and have further discussion with you as we move forward.

MR. RANKIN: Okay, that's good because I think that's important. I think from the public view it's going to continue on the same, where 99 per cent of the recommendations or 100 per cent are accepted and then you have this last column that says "do not intend to implement" which is almost futile to me, because it's going to be zero or one or two - so if you have that extra step that shows is the department working on it, what is the progress at that point in time? Hopefully as a committee we can talk about something like that going forward.

Then I guess another possible refinement of the process would be the measure of the risk in these implementations, so as another suggestion, assigning risk, to assign in your best judgment a ranking of risk assessments to the recommendations. I mean evaluating the two essential elements that add up to the amount of risk exposure, so it would be the degree of likelihood of something otherwise happening - low, medium or high. If the recommendation is not implemented, together with what is the type of impact to the organization if not implemented, whether it's revenue lost, cost increases, increased vulnerability to fraud, adverse changes to existing safety levels, impact on government's reputation - all good levels of risk management.

The intersection of those two elements should indicate for users and receivers of the report an assignment of priority ranking among the many recommendations. In turn, the departments would have an opportunity to respond with their self-assessment. In this path for consideration for your office and to reflect further in the name of risk mitigation, where found or identified, thereby reducing adverse exposure by our government. I think this would also be in pursuit of improving effectiveness prescribed by the government outcomes.

It's apparent to me then, in the absence of a discipline or construction that looks at the risk assessment, that many of these recommendations may not at senior levels be adequately flagged or prioritized for its correction within the system. The reason why I say that is because there's a pattern of which departments aren't having the high recommendations because you have a government engaged in big structural change that the population wants so they have to prioritize, are they following up on a timely basis with some of these recommendations? Does that slow down the progress of the amalgamation of the district health authorities or other important restructuring? In Municipal Affairs we have many municipalities that are going through amalgamation and so forth, what is the priority?

I think it's important to note that this government is engaged in big structural change unprecedented in recent years and still improving on the implementation rate. But I think if it's refined better, I think we can do a better job at both managing the risk and managing the work in progress to improve on the implementation.

MR. PICKUP: There was a lot in that commentary - I'm not sure if we want to spend the next 30 minutes of me giving a full answer to that. I think in terms of a short answer to that, keeping in mind I won't remember every single point that you made - again I go back to we are here to help you hold the government accountable. We make recommendations that we believe address effectiveness, economy and efficiency. We make recommendations based on a risk-based audit that we do, so we pick things that are of high risk in terms of which audits we do and within those audits we pick high-risk areas.

We get agreement from the departments that we have their agreement in terms of our audit plan, our audit approach, the audit criteria, the findings. Let's say, for example, if we have five recommendations within an audit - let's say we cover five key areas. It wouldn't be for me to tell the department, for example, I think you should do this one first, I think you should do this one fourth. A lot of that will depend on the department's situation that they're in as time goes by, for example, maybe organizational change. It may be that Item No. 3 on the list gets done first because the organization decides from a resource perspective they'll pick off the low hanging fruit, if you will. They'll do the easy things first.

Really, we've got to watch the line here between auditor and auditee. We're not looking to be the ones to say okay, folks, we're going to do this one first because we think it's the highest risk; some of that will go to the department. While I appreciate what you're saying about the direction and looking for ways for us to be more effective in terms of helping you do your job, I think that's a discussion we can have, but I think we always have to appreciate the auditor-auditee relationship. At the end of the day, these aren't our recommendations to implement; it's up to the government to implement. The people who should answer the questions like why isn't this done, what is the impact, why did you make this decision, what is happening - it shouldn't be me. It should be the departments and it should be the deputy ministers that you're holding accountable for that.

One of the things that we have done to try to help departments, to help this committee and to help Nova Scotians get a better gauge of what we're doing, is we significantly reduced the number of recommendations that we make in an audit. If you look at the last four reports that I've been involved in since I came here a year ago, those recommendations - we're trying to get at the root cause, we're trying to get more at what are the key significant things. So you would probably see I haven't added it all up, but in the eight or nine performance audits that we've done, the number of recommendations are probably half of what they would have been in a prior year. That was my short answer.

MR. RANKIN: No, that's great, thanks.

MR. CHAIRMAN: Mr. Stroink.

MR. JOACHIM STROINK: Thank you very much for your report. I just want to touch on a couple of things. First I want to go through the aquaculture piece. You mentioned that it's a \$50 million industry for Nova Scotia, with 600 jobs; that's quite a

substantial industry for Nova Scotia, with the opportunity to expand as our coastline allows for that. You also indicated how important it is to make sure - there are regulations now coming from the department and I think you'll see some of that coming out from this government within the next year, over the summer, just to allow for a new regulatory body.

I think one of the things that I wanted to touch base on was that the Department of Environment now is getting involved in the aquaculture industry and do you think that's a good thing, in the sense of compliance within Nova Scotia?

MR. PICKUP: We were sort of in the business on this audit of looking at what was happening within aquaculture and making the recommendations based on what we looked at. We haven't looked forward to say okay, the potential roll-out of what may be happening may be X or Y. That would be for the future so we don't sort of look at something and give an advance ruling, if you will, that okay, that's likely to take care of the recommendation. I mean the departments indicate that in their responses. If they believe that to be the case, that's what they put forward. You can always sort of pose the question to them, how do they know that and how do they know that will address the issues?

MR. STROINK: Let me ask you another question then, do you think the relocation of the Aquaculture division to Shelburne, did that have any effect on the department's monitoring and licensing processes?

MR. PICKUP: The point we made on the relocation, one thing I want to be clear on is that that was a government decision. We are not questioning whether that decision was good, bad or otherwise. What we are saying is we saw an impact on processing times as a result of the relocation and the department was not able to give to us sort of a clear implementation plan to address the risks in terms of the rollout. So we're not questioning the actual relocation, we're saying this is what we see as an impact of that.

MR. STROINK: So you're just saying that the relocation did impact the processing of new licences or renewal licences which could have . . .

MR. PICKUP: Right. During the time of relocation the processing times increased and obviously there was probably a larger than anticipated turnover of staff, of people who didn't relocate, so that had some impact.

MR. STROINK: Okay, great. My other question, I just want to just touch base on my colleague's concerns about the fire marshal. Just looking at Page 17 of the report, you're touching on the Office of the Fire Marshal. This was a big - it was highlighted as a concern and I think one of the things that we have to continue to understand is that the Office of the Fire Marshal was moved to the Department of Municipal Affairs in early 2014, ". . . the necessity to coordinate with municipalities of various sizes, and some resourcing issues, slowed the Department's progress in implementing the recommendations."

To me that's saying that there are so many organizations that are involved and so many fingers in the pie that it is going to be a very difficult thing to get everybody on the same page - is that fair to say?

MR. SPICER: That would be fair to say. It's management's contention that that would be a difficult thing to do, yes.

MR. STROINK: And add to that all of the amalgamations and closings of communities and areas that's going to create the whole different structure so it's going to make it even harder again to implement that.

MR. SPICER: Yes, and those are plausible reasons for why certain recommendations wouldn't be implemented, yes, in what we would consider a timely basis.

MR. STROINK: What I'm trying to lead to is what you said a little while ago when you stated that it's important to bring those departments forward to have those discussions and dive into those in a more detailed manner. I think one of the topics upcoming is to bring in a follow-up on the 2011-12 performance audit recommendations; that's going to be one of the chapters that you put forward and be a topic here. That's an opportunity to have that discussion about why the Office of the Fire Marshal is taking so long - is that correct?

MR. SPICER: Yes, and I guess on that, again as I mentioned before, it's not our office's job to speak for the department so really you would need to get the representatives from the various departments in front of the committee to answer as to why those rates are the way they are.

MR. STROINK: What I'm just trying to get at is that when we bring the topics forward, you think it's probably very crucial to kind of follow the Auditor General's Report and bring those departments into this Chamber to have those discussions, to ensure that implementation is occurring and holding those departments accountable for those actions?

MR. SPICER: Agreed.

MR. CHAIRMAN: We'll now move to Ms. Miller.

MS. MARGARET MILLER: Thank you very much for your presentation, it was wonderful. I, too, want to focus a little bit on Chapter 2 and the overall conclusions in this report. I certainly do support my colleague Mr. Rankin - very well said, we're on the same train this morning of looking at the work in progress and seeing how to be able to track that. I know that you don't have that mechanism in place yet and I'm just wondering how often you might find that somebody has completed 60 or 70 or even 80 per cent of the work or more, and yet that's not shown anywhere.

Also, I'd like to talk a little bit about the implementation of the reports. A lot of the recommendations say that recommendations two years after they're made - are you finding that the time frame is sufficient for most of the recommendations?

MR. SPICER: We would generally say yes, and that's now why we've started to move to - and I think it's appropriate that we speak to the departments that aren't doing that well and let management make some comments about why that is.

So I would generously say yes, but we also recognize that there are things that happen that can impact on implementation like an amalgamation of district health authorities, as an example. I think that's reasonable and plausible that that would impact implementation recommendations.

MS. MILLER: Also, I was looking at the numbers where it's showing that it's up 57 per cent from 50 per cent last year. What are the historic rates of compliance? I mean, obviously in a perfect world you'd want to see 100 per cent, but what historically has been happening in Nova Scotia with these reports?

MR. SPICER: I can talk generally. I don't recall exact percentages, but historically - and I think annually we come to this committee and say that we're not happy with the level of implementation, that the rates are 50 per cent. I think it might have been less the year before that. So we're on a slight increase right now, which is positive, but I think over the last several years the rates have been less than what we would expect them to be.

MR. CHAIRMAN: Ms. Lohnes-Croft, you just have about 30 seconds.

MS. SUZANNE LOHNES-CROFT: I think I'll pass and start out the next round.

MR. CHAIRMAN: We'll now move to Mr. Houston and the PC caucus.

MR. HOUSTON: I've enjoyed the discussion this morning and I think one thing I'm a little worried about is that I don't want this committee to start giving the opportunity for excuses as to why recommendations aren't being implemented. I think comparing - if we go down the slope of trying to gauge today's implementation rate against historical ones and saying, well that's good enough or it's the same as or something, I think there's a big danger in that.

I do like some of the ideas that my colleague had there, but I'm just more concerned about even if you put an in-progress column, well then maybe something gets in there and then that becomes the excuse - well, we're working on that. I can't think of many places in the world - many jobs or many environments where somebody would come to you and say, here's something you need to do to make things better and that person says, yes, I accept that - and four or five years later they haven't gotten around to doing it. At some point it becomes laughable. I worry that many of the recommendations of the Auditor General are

being seen in that light of yes, we'll do that, we'll agree with that, and then that's that, close the file.

So I am definitely an advocate for finding ways to get more recommendations done and I'll be happy to have discussions about different ways that that can happen. I think there has to be a way because it's not good enough, what's happening now. I think we're all paying a bit of a price as Nova Scotians for some of the recommendations that aren't getting implemented in any number of ways that are probably unknown to us today as to how we're paying a price, but it's absolutely guaranteed that we are. Specifically when I think about Mr. Pickup's comments about the Auditor General is picking high-risk areas to begin with and then identifying weaknesses that aren't being addressed, there's just no excuse for that. So I think we need to be careful that we don't create excuses for that, but we need to find ways to get action.

With that in mind, I am interested in Chapter 3, which is Fisheries and Aquaculture: Aquaculture Monitoring. I noted that the government has said in response to your report that a new regulatory framework will not be fully in place for 18 months. I'm just wondering, time goes on and even when we see reasons - if we think about the Department of Health and Wellness and maybe a reason for failure to implement a recommendation would be we're working on amalgamation, well, that's all well and good. But as you're working on that amalgamation, people are presenting themselves, they need services, people are still sick - it's a slippery slope when we start saying we're not doing it because of this.

In terms of aquaculture, I think aquaculture does have good potential here in this province and obviously that potential needs to be realized in a carefully managed way. But every day that we wait and say we'll manage that potential tomorrow with this thing we're going to come out with down the road is a day wasted, so these are serious things. Even when one department here had a communications plan that has been in the works since seven years, in that time Twitter was probably invented, so 18 months is what they're saying is the time frame for the new regulatory framework and there's a lot of stuff on hold during that 18 months.

Can you give any commentary on that? I guess it's probably beyond your scope as to what's going to come down the pipe in 18 months or not, but I just wondered if you had any commentary in terms of when a department says to you, well, we're not implementing your recommendations today because we're busy working on this, and in this case they're busy working on the regulatory framework and they're not implementing some recommendations. What's your gut reaction to that kind of a comment?

MR. PICKUP: My reaction to that would be generally, when we pick areas to look at, we would like to see where we agree that there's a weakness, we and the people we are auditing agree there's a weakness, they agree they have to do something, generally we would hope that within two years those recommendations will be addressed. In terms of your specifics, in terms of whether this will take care of it in 18 months - again, to go back

to something I said earlier, I guess - we don't give an advance position to say yes, we know if you do this, because it just wouldn't make sense.

I have also, though, encouraged audit entities to say if you think it's going to take four years to deal with something or five years, say so in your response and then Nova Scotians can judge, committees like this can judge and decide okay, is that reasonable or not reasonable to take that amount of time to address, and that discussion can occur and people can judge.

MR. HOUSTON: Thank you for that. In terms of the framework that is meant to be in place in 18 months, in your discussions with the department around that, did you get a sense of whether anyone was accountable for making that happen within 18 months? Is there anybody who's kind of minding the store there to make sure that it will happen?

MR. SPICER: We didn't discuss the regulatory framework roll-out or even really what was in it. We focused on the scope that we have here.

MR. PICKUP: If I could add - not in relation to the specific aquaculture audit, but I would note that the Minister of Fisheries and Aquaculture did contact me, and the deputy and I met with him on follow-up in general, not specifically the findings of this audit and how this is going to roll out but in terms of his interest in seeing follow-up happen.

MR. HOUSTON: Thank you for sharing that, it's good to hear. You did point out that the department doesn't have specific written guidance for assessing aquaculture applications, and that there was no requirement for staff to document their decisions. Holy Lord, that sounds like a very dangerous little situation there in terms of what applications might get approved and what might not. Were you able to determine in any way how staff were making those decisions from the files that you looked at?

MR. SPICER: Yes, and to just clarify, the renewal application, as an example, has a column that says pass or fail, so the decision is really there; they put pass or fail down. The points we were bringing out were that it isn't clear how they assess some of these areas. If they are technical, they are biologists and they would use their professional judgment but some of the areas relate to the financial stability and viability of the actual operation.

It was unclear to us and we discussed with staff but we didn't get a clear sense whether there was a real consistent approach to how they do that.

MR. HOUSTON: Was there any evidence of kind of peer review, like one person might decide to approve an application whereas another person might look at it a little differently? Was there any evidence that peers were working on these things together? It could be as simple as somebody getting an application and making it in the approved column and moving on. In the absence of proper rules and procedures, that could happen.

I'd hate to think that it does happen but did you see any evidence to suggest that's not happening or could that very well be happening?

MR. SPICER: There are a number of approval processes on these so there's a number of people who sign these applications right up through the organization, so there are a number of people who look at them.

MR. HOUSTON: This is my final question on this, I believe - in terms of the renewals. I think I heard you reference that some of the renewals were taking up to over 300 days for a renewal and most of them were done after the fact. The reality of that is that many operators could be operating with an expired approval, for some period of time. That obviously is not good for the frame of mind of the operator or maybe the community.

What did you hear about how they are going to mitigate that in the future and get to the renewals in a timely fashion that protects the operator and protects the public? Are you confident that that's something we're not going to see happen again?

MR. SPICER: There's no question that they acknowledge that this is an issue and part of it, as we mentioned in the report, I think had to do with the move and the fact that a number of experienced staff left. I think it's sort of reasonable to understand that that would have an impact on processing information.

They recognized that and although we didn't discuss with them an implementation or a plan about how they're going to address it, there's no question that they know the problem is there and they acknowledge that they plan to fix it.

MR. HOUSTON: Oftentimes we hear business owners worried about red tape. This would seem to me, if I am an operator seeking my renewal and it's not coming month after month and probably my anxiety level is going up a little bit, my anxiety level probably would not be alleviated by somebody saying we're moving offices, you'll have to wait.

Was there anything in the files that suggested that in these cases a letter was sent to the operator saying, here's an extension on your licence pending an outright renewal? Or was it just kind of, we're moving offices, we have our own issues, sorry. Is there anything in the files?

MR. SPICER: We actually didn't look at the files in that depth for that reason. When we looked at the move, we were looking at the renewals at a very high level to see when they came in and when they were approved, to get a sense of whether there was an impact related to that move. In fact I think our stats show that there was an impact. We didn't examine every one of those 120-some files to see what was in there supporting what might be communicated to anybody, so I can't answer that specifically.

MR. HOUSTON: Fair enough. Let's hope that there was some communication with them in those files.

In my last couple of minutes I would like to touch on Chapter 4, Procurement and Management of Professional Services Contracts. There's \$255 million of professional services that were purchased by the province and I wonder if you can break that down, particularly in the context of - maybe you may know this without the numbers, but is the province purchasing a lot of professional services within that \$255 million that already exist within the department and maybe with a better use of resources didn't need to be purchased externally because it existed internally? So two-part in the short period of time: do you have the breakdown and did you have any sense of maybe your own reaction as to when you saw the types of things that were being purchased, if you thought to yourself, gee, I'll bet that exists somewhere in expertise?

MS. COLMAN-SADD: With regard to a breakdown, the breakdown that we have in our chapter just deals with it at a department level. Breaking it down by specific type of service would be a little bit more challenging because it all lives in the various departmental files in terms of information.

With regard to whether or not there's staff available in the departments for those services, I can speak more on an anecdotal basis. Certainly much of what we've heard anecdotally, and I guess supported by our samples, a lot of the services are things that departments feel they don't have in-house. That was certainly the reasoning on a number of our sample items, was that it's a service that isn't available in-house.

MR. HOUSTON: Do I have time, Mr. Chairman?

MR. CHAIRMAN: You have 10 seconds. (Laughter)

MR. HOUSTON: Thank you for your time this morning.

MR. CHAIRMAN: We will now move to the NDP caucus and Ms. MacDonald.

MS. MACDONALD: I'm going to go on to the Aquaculture chapter first and then I'm going to come back probably to some of the recommendations from prior audits that aren't going to be implemented.

On the Aquaculture report, I'm going to ask again what I asked you in camera, to get it on the record and out into the public domain more than anything else - this question about the federal jurisdiction and the provincial jurisdiction, and what the relationship is and what the overlap is.

First of all, it's my understanding that the federal Department of Fisheries and Oceans have the responsibility to do an environmental assessment. Is that accurate? Perhaps you can explain that to me a bit.

MR. SPICER: Well, I can't speak a lot to what the federal department is responsible for because we didn't audit them nor can we. There used to be environmental assessments

done with aquaculture sites, but I believe that is not being done anymore, but there is ongoing monitoring from an environmental point of view. There are operators who are supposed to do that and the Province of Nova Scotia is actually going in and monitoring that and doing their own audits to see how that's going. That's the Province of Nova Scotia's responsibility.

MS. MACDONALD: There would be a memorandum of understanding between the federal government and the provincial government with respect to individual sites or is that a more global MOU?

MR. SPICER: It's more global.

MS. MACDONALD: So that would then define who is responsible for what?

MR. SPICER: Yes, it does. It was done in 2002 so it's a few years old, but that gives a high level - and it covers basically leasing and licensing, environmental monitoring, as I just talked about, and sort of in compliance and inspection areas. So it provides high level guidelines in those areas.

MS. MACDONALD: One of the bullets in your report is this bullet: "A disease outbreak could occur without the Department knowing because there is no provincial regulatory requirement for operators to report fish disease outbreaks." I had asked whether or not a disease outbreak would be reported to the federal monitoring agency, so I'd like to ask that again.

MR. SPICER: The federal government is responsible for food health, so they do monitor certain diseases that would impact the edibility of the fish. So there are requirements that operators, if they discover those diseases, they have to let the federal department know. Then through the fish monitoring program that the province has, because they are in all of these sites, they would be aware of that as well.

Our report highlights - there's also other diseases that the province is interested in monitoring. Those would be diseases that would impact the health of the fish but not necessarily the edibility of them. As an example, if they were to escape, what that might do to the wild population and stuff like that. That's the area where there's a hole, that operators now are not required to report that type of an outbreak to the province.

Now because the province has this program and they're all involved in it, right now it's highly likely that they would know. But going forward, if an operator decided they weren't going to participate in the fish health, because it is optional, that province may not know about that.

Now the regulations as they stand now - if the province discovered that there was an outbreak, they do have the authority to go in and then require that they look. But it's the reporting and of course it's the ability to react is the issue.

MS. MACDONALD: Thank you for that. I think my concern would be that if someone in the general public, who doesn't have an opportunity to drill down into your report, heard that there is no obligation to report diseases of fish in these aquaculture sites, if they are diseased fish, they might get the impression that there's a safety issue in terms of human health. So I think it is kind of important to let people know that if there is a disease that has implications for human health and safety, there is a mechanism and an obligation to report that and it is to the federal agencies and I suppose that hopefully that would be done. Those weren't the concerns you were raising, it was about other forms of diseases and whether or not we're tracking those and how.

My last point is around the expert panel. I think the purpose of the expert panel was in fact to examine all the regulatory issues and the need to improve regulation of this industry, if it's going to - first of all, it is here and secondly, if it's going to grow in any way that we have an excellent standard of regulation in place.

My final question on this chapter would be whether or not your recommendations are consistent with the recommendations of the expert panel, whether you see those as being fundamentally the same?

MR. SPICER: We did, as part of our audit, look at those recommendations and looked at what our findings were and came to the conclusion that there was no big inconsistency.

MS. MACDONALD: Now I want to ask about several of the follow-up audit recommendations that have not been accepted for implementation. One of those recommendations is a recommendation to include wait-list information concerning long-term care placement on the government website. I understand that subsequent to the release of your report, the minister has indicated that in fact that will be placed on the website. Are you aware of that?

MR. PICKUP: We would be aware of that from the perspective of how you are aware in terms of seeing the minister say that, but I didn't have a discussion with the minister on it.

MS. MACDONALD: I'm going to go to the third recommendation on the list and this is one where "The Department of Health and Wellness does not intend to implement a single, province-wide intake and wait list for withdrawal management programs." Did they give you a reason for that? The reason I ask that question is, we hear from this government quite a lot about having one provincial health authority, and the rationale for that is standardized care across the province and better use of provincial resources and efficiency in getting those resources fully allocated and so it strikes me as odd that this particular recommendation is not being implemented. What was the rationale for that? What can you tell us about that?

MS. COLMAN-SADD: I know Mr. Houston had a question on that earlier and between that question and now, I looked up the original recommendation when that report was published and the department actually disagreed with the recommendation at that point in time. So I guess it's not a surprise that it wasn't implemented, because they didn't agree with it at the time it was made as a recommendation.

In that instance, they referred to an information system that the districts use that has information on withdrawal management and intake and whatnot, and said that they believed that was sufficient. That system is not a single provincial-wide wait-list - that's important to note. If anybody is interested in reading the details of that, it is Page 52 of our May 2012 report and the department's response is published underneath the recommendation.

MS. MACDONALD: So the next recommendation that I want to ask about is from the Department of Justice. It's this one where an audit identified a gap between unsupervised bail and pretrial detention for youth facing criminal charges. First of all, can you refresh our memories about maybe a bit more specifics on this particular recommendation? That may not be a fair thing to ask.

MR. SPICER: You're going to tax my memory probably beyond its capabilities. I'd have to go back because I don't want to misspeak about the details of it.

MS. MACDONALD: I'll hold you to that. We'll look for that information down the road.

Then as well, the final one is "The government does not intend to obtain an independent second opinion on market projections for the new convention centre." I'm wondering if this - first of all, what entity? Would that be Trade Centre Limited themselves rejecting this idea of a second opinion, or some other component or entity of government?

MR. SPICER: That particular recommendation was addressed to Treasury Board. At the time, I do recall that they basically disagreed that another one was necessary, and that was the end of it.

MS. MACDONALD: So this is why these are here?

MR. SPICER: Yes.

MS. MACDONALD: That's it, I'm finished.

MR. CHAIRMAN: We will move to the Liberal caucus. Mr. Rankin.

MR. RANKIN: I'm just going to ask one question on Chapter 3, Aquaculture Monitoring. I will say that one improvement made in this whole reporting is that one-pager idea. I think it's very useful. On that one-pager, the very succinct Overall Conclusions

there, which I think, number one, the bullet point: “Improvements needed in monitoring and managing risks related to aquaculture industry” - do you believe that the Department of Fisheries and Aquaculture adequately had the competencies to monitor and track, or do you think the transition for inspection over to the Department of Environment is a more appropriate department to reinforce better compliance? I say that because you actually used the word “environmental monitoring” in that last round so, in my eyes I think that’s a positive step in terms of addressing that kind of gap, in terms of looking at the compliance and monitoring the effectiveness.

MR. SPICER: We couldn’t comment on the competencies that were in the department. The decision to move is a policy decision and we really don’t comment on that. We did make comments about the Environmental Monitoring Program and some of the limitations that we saw there. Whether that will be addressed through the move to the Department of Environment, I guess, time will tell.

MR. RANKIN: Okay, I say that because I see it similar to the Yarmouth ferry because in that report you had no problem saying that it shouldn’t have been in the Department of Communities, Culture and Heritage, it should have been in the Department of Transportation and Infrastructure Renewal. So I see some relevance.

MR. PICKUP: That was on *Bluenose II*, I think you mean.

MR. RANKIN: *Bluenose II*, right.

MR. PICKUP: We haven’t done anything with the Yarmouth ferry.

MR. RANKIN: Yes, *Bluenose II* you’re right, but you did say the competencies were more adequate in the Department of Transportation and Infrastructure Renewal so I thought you might have a comment on a shift of environmental compliance to the Department of Environment?

MR. PICKUP: So that comment at the time was based on audit work, not thinking forward saying okay, we’ve looked at this, clearly it should have been with another department. Here, as Mr. Spicer said, time will tell.

MR. RANKIN: Okay.

MR. CHAIRMAN: Ms. Lohnes-Croft.

MS. SUZANNE LOHNES-CROFT: Thank you, your report has been very informative today and I’m looking forward to the departments being here as well as follow-up.

The health authorities and school boards do their own procurement traditionally on things like busing, roofing, sometimes their heat, their fuel if they’re burning woodchips

and whatnot. Are they following the same procurement policies that are set out by the province?

MR. CHAIRMAN: Ms. Colman-Sadd.

MS. COLMAN-SADD: Now you're going to tax the ability of my brain to distinguish between the Act and the policy here this morning. (Laughter)

The Public Procurement Act applies to a number of entities and the Sustainable Procurement Policy doesn't apply to as many entities. You're correct in that school boards and health authorities do their own procurement, or at least they did at the time of the audit - my understanding is some of that is going to come under Internal Services going forward. In terms of whether they follow the detailed procurement policy, I'd have to get back to you on that, I can't recall. I don't want to confuse it and the Act when I answer you.

MS. LOHNES-CROFT: Okay. So when you follow up with that, I'm just wondering - now that we have one health authority, will there be localized tendering and procurement?

MS. COLMAN-SADD: I don't know, that's something you'd have to ask the Nova Scotia Health Authority. We didn't get into that in our audit.

MS. LOHNES-CROFT: Going on with procurement, you made reference to contract-specific projects. Would that include property management, snow removal - those types of contracts?

MS. COLMAN-SADD: Not as much because we wouldn't have considered those professional services contracts, we would have considered those other types of services contracts. We would have looked at things like consultants, when they hire project management expertise, if they hire design expertise, those sorts of things. So not necessarily things like snow removal or say, for example, laundry services at a health authority - we wouldn't have considered those part of the professional services realm.

MS. LOHNES-CROFT: So where would these contracts fall under with procurement because I understand many of them have three-year terms and should the work and the outcomes be satisfactory, the contract keeps flowing until the third year, but they can stop a contract or make it void should they be dissatisfied with the services by the contractor. I'm looking at maintaining buildings, like TIR contracts out the mowing of their lawns or snow removal. So if they're dissatisfied, I'm just wondering, are they actually discontinuing services when they're unsatisfactory?

MS. COLMAN-SADD: So those specific types of contracts?

MS. LOHNES-CROFT: Yes.

MS. COLMAN-SADD: We didn't look at it in this audit so I wouldn't be able to speak to mowing or snow clearing, whether or not those might be discontinued. And just on your earlier point, thank you, Mr. Pickup, for finding that in the report. I knew it was in there somewhere.

Once the shared services initiative is implemented, and it says May 2015 that the health authorities would then have to comply with the government procurement policy. In the past they did not and on a go-forward basis, they will have to. So it is the Act that has applied to them for quite some time but the policy is more recent application, and school boards as well.

MS. LOHNES-CROFT: That's great - and school boards.

MS. COLMAN-SADD: Yes, in 2016-17, moving forward. That's part of that shared services initiative that is sort of a staggered implementation is my understanding of that.

MS. LOHNES-CROFT: Okay, that's great. I just wanted to ask a question about aquaculture. Did this also include closed-pen aquaculture or was this mainly open-pen aquaculture?

MR. SPICER: This would have been both on land and in the ocean.

MS. LOHNES-CROFT: Okay, so were there different guidelines for waste-water management?

MR. SPICER: There are different requirements if it's on land, and I think the Department of Environment is more heavily involved because that's their monitoring area, new applications for on-land sites versus the other sites.

MS. LOHNES-CROFT: Okay, so when these licences expired or were not approved, did the work still go on as far as monitoring the fish farms? Was the Department of Fisheries and Aquaculture aware that these farms were in operation even though their licences had expired or were not renewed?

MR. SPICER: Yes, all that stuff continued. But there is a problem with having operators out there who don't have approved licences. The department has said, I mean the requirements of their old licence applies until such time as a new one is issued but I still think there are implications to not having operators operating for a year-plus without approved licences and that's our focus, looking at the process to make sure that gets done on a more timely basis.

MS. LOHNES-CROFT: Okay, thank you.

MR. CHAIRMAN: Thank you, Ms. Lohnes-Croft. We'll now move to Mr. Horne.

MR. BILL HORNE: Thank you for your presentation today, I think it's very important for our government to know these issues and relate back to how it's going to be solved but revitalized a lot of the departments' monitoring.

I guess what I'd like to talk about a little bit more is the aquaculture aspects. Our government is committed to continuous improvements and strengthening the way we identify, monitor and manage risks so Nova Scotians can be confident that this industry is operating in an environmentally sustainable and accountable way.

One of the ways this may be done is by more monitoring. I think with the provincial Department of Environment involved in monitoring with the new inspections people moving over to provincial Environment, it's important that they be successful.

One of the things you commented on was the lack of ways of enforcement, which might be two ways: the ministerial method or through, I guess, requesting loss of licences. I'm wondering, have you considered the other ways that could be very important to the department to do the monitoring and what aspects of enforcement could be followed up on that?

MR. SPICER: Through other audits that we've done on regulatory organizations, we are aware of some of the sort of enforcement tools they have. They would be able to issue summary offence tickets, that's an example, or issue a fine or something like that.

Our comment on this one was that that mechanism, that tool doesn't exist as it stands now. If you're getting what you would consider somewhat minor non-compliance but still non-compliance, they need a mechanism to sort of help enforce compliance with that. So those are some of the tools that are out there that they should be exploring.

MR. HORNE: I take that to mean that they can write into their monitoring requirements for industry that they can put in fine stipulations - as simple as that - if they do not conform to policies?

MR. SPICER: I think it's more complicated than that in that I think they would need some regulatory authority to do that. I believe - going back to some of the other questions we received today - I think that is one of the things that the department has recognized that, yes, we need to do that and they're exploring the ways and what mechanisms they need to do to get that. So it may be required from a regulatory point of view that they'd have the authority to do that.

MR. HORNE: Do you know if any industries are doing on-land caging of fish for the idea of producing fish for the masses?

MR. SPICER: In Nova Scotia, I believe there are, yes.

MR. HORNE: No comment on whether there should be more of that or you let the economics decide which way they go?

MR. SPICER: We wouldn't have a comment.

MR. HORNE: That ends my questions, thank you.

MR. CHAIRMAN: Are there any further questions from the Liberal caucus? Hearing none, the time for questions is now finished. Mr. Pickup, we'll give you an opportunity to provide some closing comments.

MR. PICKUP: Thank you for your interest today, for the questions. I didn't have any script prepared in terms of closing comments, but I will make a couple of closing comments just on a few observations that I noted during the question period.

One of the things that strikes me is the interest in the follow-up work and a lot of questions around the follow-up work, so I think we as the auditors will need to engage the chairman and the vice-chairman of this committee to explore how we present our follow-up work in terms of the actual mechanics around the recommendations and how we follow up and how we report on that, but I also think in terms of our reporting strategy, in terms of helping you do the job that you want to do in terms of follow-up, because a lot of the questions were around follow-up.

So I think we're preparing some strategy now around working with stakeholders and communication and all of this, so pretty much everything is on the table from my perspective, but that does strike me today, the interest in follow-up.

I do respect the patience that you showed to the Deputy Auditor General and the Assistant Auditor General, keeping in mind that there are 344 recommendations. We're not re-auditing - we're not auditing the responses we get. We're doing a review level of assurance, which sounds very auditor/accountant-like, but essentially it's a lot less work than auditing.

So while we were focused over the last six or seven months on the three audits that you see today, the number of recommendations that we do follow up - I know at times the answers may not be as extensive as you want, so thank you for your patience on that and thank you for respecting where we give the response that it's probably better to come from the department because ultimately again, as I made the point before, we make these recommendations and we hope that government implements the recommendations. We encourage, we work with this committee to do that as well, but ultimately, it's not us who can implement these recommendations.

So who is it really up to? I think it's really up to ministers to give the direction within their departments that these recommendations are important. They're not important because they should try to keep the Auditor General happy. It has nothing to do with

keeping me happy or unhappy, right? A little bit, okay. (Laughter) But it's really about what we exist for - to make better government, whether that's economic efficiency or effectiveness. That's what all of this is about.

Again, it goes to the ministers, I think, to hold their deputy ministers and departments responsible, I think, with all due respect.

It's a symbol of the efficacy of this committee. Part of what this committee does is oversees how government is doing and I think it's fair, with all due respect, for Nova Scotians to say okay, what role is this committee playing in overseeing the government. Really that's your role more so than it is our role.

We try to encourage and work with you, to the extent an auditor does. But really, I encourage in any interviews I do, any speaking engagements I do, is to elaborate on the role of the PAC. Very often I will hear, well, people aren't implementing your recommendations and I say, you know, talk to your members, talk to your Parties, talk to people who sit on these committees - these are the ones who are holding government accountable. If you're not satisfied with how government is doing, talk to your MLAs, talk to the people who are on the committee. I say that, with all due respect to all of you, but I just want to put that out there again that I think it's in all of our collective interests obviously for this to move forward.

I would also say that while we don't report it, I think ultimately this is about getting things done. Whether there is restructuring, whether there is change, government is always going to be going through change. There's always going to be different priorities, there's always going to be different things and I think we try to be reasonable. But I think it is incumbent upon the government when they respond to our recommendations to lay out clearly to people so that they know how long things are going to take to the extent they can do that. As I said before, if they think it's going to take five years, well tell people that from the beginning that it's going to take five years. If you, as a committee, agree that's reasonable and you give the message to Nova Scotians that that is reasonable, well then, as the auditors, we've done our job in bringing things forward to you. To me that is critical.

Also, when I meet with the senior level of the Public Service, I am overwhelmingly convinced of their interest in trying to make improvements. There are no senior public servants, in my view, that are trying not to implement recommendations and trying not to do positive things. So then it does beg the question why these things don't happen and I think, again, that comes back to your role as a committee and to the ministers to engage in these discussions as well.

So those would really be my closing comments. We appreciate the feedback and if anything, we look forward to working with the chairman and the vice-chairman on behalf of the committee as we move forward to help you do your job.

MR. CHAIRMAN: Thank you Mr. Pickup, to you and your colleagues for being with us this morning and for the work you are doing on behalf of the province.

We have some committee business. There was correspondence received from the Department of Education and Early Childhood Development from a meeting we held on April 29<sup>th</sup>, from the Nova Scotia Health Authority from a meeting we held on May 7<sup>th</sup>, and from the Department of Health and Wellness from a meeting we had on May 13<sup>th</sup>. If anybody has questions about that correspondence, please raise it with myself or our committee clerk.

Our next meeting is scheduled for September 16<sup>th</sup>. This morning we had a Subcommittee on Agenda and Procedures meeting. A record of decision from that meeting is before you and that is something I would like us to turn our attention to now.

The second topic from the top - the witness being the Office of the Auditor General and the topic is follow-up of the 2011-12 performance audit. I would like us to pull that one out of the list for the time being and I think it's something we can revisit in this meeting. The reason I say that is because it was noted by the Auditor General after our subcommittee meeting that if discussion about follow-up recommendations is to take place, questions are best asked to the relevant departments. I think that's a point the Auditor General had made in his closing remarks as well, so I think we should have further discussion on that one after we look at the broader list. So I am going to pull that one from our discussion until the end of our meeting.

Are there any comments on the record of decision? Mr. Stroink.

MR. STROINK: I think we're okay with that comment but based on his recommendation, I would like to add two other topics to that discussion. I'd like to add the ABCs to that, which is Chapter 4 and I'd also like to add Chapters 5 and 6 to the agenda as topics, respecting what the Auditor General said, that we need to bring in the departments and have these discussions and I think that's a fair request.

MR. CHAIRMAN: Okay, typically we would have these brought forward to the subcommittee but are there any comments from members? Recognizing that ultimately it is the full committee that does approve or gives final approval to the topics we do discuss here at Public Accounts Committee, I suppose we could have a motion from you, Mr. Stroink, to have them added to our list. I'll let you comment again, Mr. Stroink.

MR. STROINK: I'd like to put that motion forward but I'd also like to emphasize the importance of what the Auditor General and Mr. Spicer said, that it's our job, as members, to bring issues forward and the topics forward that the Auditor General has brought back. These are reports that were done in the past that have not come to the Public Accounts Committee so I think it's imperative that we audit and have a look at these, talking to the organizations or the departments about this topic.

I understand that in the subcommittee these things are brought forward. I feel you opened the door by removing a topic, based on the discussion that happened here, so I am now, with that door open, adding this to this discussion.

MR. CHAIRMAN: Just for clarification, I'm not removing it. I want to talk about it today because it is something that was approved but because there was a change that has come to my attention since that meeting finished, I want to make sure everybody on the committee is in agreement on how it is addressed because the Auditor General has raised a pretty relevant point.

I want us all to discuss that and come to a conclusion on it but I just wanted to separate it out for the time being.

MR. STROINK: Okay, fair. I'd like to put that motion forward, that those three topics come back onto the list.

MR. CHAIRMAN: So the motion put before the committee and for further discussion because I'm seeing that others want to comment, is that we also add Chapter 4 and Chapters 5 and 6. That is from the February 2015 Auditor General's Report.

Chapter 4 is Agencies, Boards and Commissions, Accountability Reporting, and Chapters 5 and 6 - Mr. Stroink, could you clarify, were you suggesting that they be combined for a meeting, Chapters 5 and 6?

MR. STROINK: Yes, they can be combined.

MR. CHAIRMAN: So that would be Chapter 5, Results of Audits and Reviews and Chapter 6, Review of Audit Opinions and Management Letters.

That is the motion before the committee. Are there any comments? Ms. MacDonald.

MS. MACDONALD: Just a point of clarification. The witness would be the Auditor General then, is that what the Liberal caucus is saying, that we have ongoing discussions with the Auditor General's Office on these topics?

MR. CHAIRMAN: Thank you, Ms. MacDonald, we will address that. Mr. Pickup.

MR. PICKUP: I think it's a great question because the issue would be the same. I think better off bring as a witness the people that we've talked about in those chapters, to have them answer directly. Otherwise, you may get a little frustrated in us saying "you should ask the department". So why not skip out that middle step and not have us and bring in the departments? Or we'll be there, you could ask us questions.

MS. MACDONALD: I guess the point is we already know what you found; it's recorded. You'll be here so we can always ask you questions for clarification with the relevant departments here, so just to be clear.

MR. PICKUP: With all due respect on process, I would welcome that and encourage that - while the department is here and you have us here, if you want to bounce things off us and ask us questions, by all means we'd be pleased to see that happen.

MR. CHAIRMAN: Thank you, Mr. Pickup. And just before we continue, do we have agreement from the committee that if we go past 12:00 noon that we continue discussion? Is it agreed? Unanimous agreement, thank you. Ms. MacDonald.

MS. MACDONALD: This is good that we're having this discussion. This is the one little fly in the ointment around Chapter 4, which is agencies, boards and commissions - who do we bring in? There are multiple agencies, boards and commissions. So there is no one entity that speaks for an agency or a board or a commission. For example, I see on the list that was discussed at subcommittee, the Nova Scotia Tourism Agency. I see Nova Scotia Business Inc. there as well, and the Nova Scotia Health Authority. These are all theoretically part of that group of agencies, boards and commissions. Any one on its own is pretty significant in terms of the issues that we could address.

MR. CHAIRMAN: Mr. Pickup, you may have a comment. I know that all appointments are done through the Executive Council Office. They manage the appointment process. I guess it depends on the types of questions that are being asked and who they're best directed to. I don't know if you have a comment, and I can appreciate you're not the one necessarily asking those questions, but would you expect most of those questions would be asked of individual boards or would you think that perhaps some of the mechanics of how appointments are made and the accountability back to government from those boards could be asked of the Executive Council Office?

MR. PICKUP: Yes, but as a general comment, what I was going to say is on any of these, whether there are multiple players, for example, a management letter follow-up, points like this - maybe pick a few that have some of the bigger issues in the chapter and get them in to talk about it. The ones where there may be nothing, from a practical perspective, that may not work.

MR. CHAIRMAN: Mr. Stroink, did you have any comments on this?

MR. STROINK: I think Mr. Pickup's recommendation is a good way of handling them.

MR. CHAIRMAN: Mr. Wilson.

MR. DAVID WILSON: That's why I think it's important that we bring these types of questions and topics to the subcommittee. Earlier as a member of the committee, there

were a number of chapters that were proposed and it was the recommendation of the Auditor General to lump in Chapters 2, 3 and 7 because they all dealt with the Department of Finance and Treasury Board. So I would suggest with this, maybe what we could do is we can have the motion, that's fine, but maybe hold off booking any meetings until September and have another subcommittee in our first meeting or second meeting, just to clarify who exactly we would want to come forward with the proposals of those chapters.

MR. CHAIRMAN: Okay, just to try to tie things together, Mr. Stroink, would you be content with maybe holding off until our next agenda-setting meeting and perhaps proposing specific departments that have agencies, boards and commissions that were discussed in the accountability reporting as part A? As part B we have Chapters 5 and 6 as well. Would you like to try to come back to a future subcommittee meeting with more specific requests for a certain department to come before the committee?

MR. STROINK: I think Chapters 5 and 6 can be dealt with today. I think that's fair. I think with September - I mean, I think what we should do is pick a date that's farther out and actually put a firm date on the ABCs, and then at that time in September put the departments that we would want there.

I guess what I'm trying to get at is - and I'm trying to respect the Auditor General's recommendation that he spoke very clearly about here today that anything that happens in his reports, and the time that he does, that this committee looks at those reports in a very detailed manner. I want to ensure that we don't blow those topics off and ensure that we're dealing with them, because the big issue is that in November we have another seven chapters probably coming forward so that's going to push us back even farther and farther, so that we're not even going to be able to touch other topics that we want to discuss. The primary role of the PAC is to talk and deal with the Auditor General's Reports and his recommendations, and then delving into those departments and dealing with those departments, and analyzing and looking at the processes that are occurring within those departments.

So this is my concern: if we bring all these topics forward we're going to get farther and farther behind on the main mandate of the PAC, which is the Auditor General's Report.

MR. CHAIRMAN: I guess as chairman of the committee it is my responsibility to try to provide a coherent direction for our meetings. We have processes like the subcommittee where topics are first brought forward. I can appreciate ultimately they do have to come before the full committee. The chapters and concerns you're raising now were brought forward by the Liberal caucus this morning in the subcommittee meeting, they were defeated there. The full committee, of course, can vote again on anything so if you wish to put the motion forward for these topics, in the interest of time and to advance discussion, I think it's important that you clarify what exactly you want to put forward.

We can't set specific dates; the reason being, when we approve topics we give them to the committee clerk and she moves on to discuss with departments to try to start

scheduling them in. Sometimes departments are unable to come on set dates, so that's sort of the mechanics behind this. I don't know if that helps, but I'm trying to help you advance your interests. Mr. Stroink.

MR. STROINK: I guess I'm okay with it, but what I'm trying to get at here is that in the discussion today, which was after the subcommittee, the Auditor General brought forward how important it was to follow the report and the recommendations in the chapters which again, yes, it occurred in the subcommittee, I understand that, but I'm trying to respect the role of the Auditor General, I'm trying to respect his recommendations he brought forward into Public Accounts. I feel that bringing this forward at this time is key.

I can let go of the ABCs for now on your recommendation, but I would like Chapters 5 and 6 to be added to the form and that can be in the motion.

MR. CHAIRMAN: Okay, the motion before the committee is that Chapters 5 and 6 be added to the list of your record of decision from this morning to be considered as a topic to be approved for a future meeting.

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

So Chapters 5 and 6 are hereby added to the record of decision. Ms. MacDonald.

MS. MACDONALD: Mr. Chairman, I raise this as a point of concern, I guess, more than anything else. I totally respect the Auditor General, the work of the Auditor General, the role of this committee in terms of the Auditor General's work, but I think it's very - well, first of all, it's just inaccurate to characterize this committee so narrowly in terms of what our mandate is. I think if the members look at the House of Assembly Act, the regulations, the definitions and explanations for each of the committees, they will find that the Public Accounts Committee has a much broader mandate than confining itself to reports that come through the Auditor General's Office. While I think that's a very important part of our work, our work is much broader than that if you look at the House of Assembly Act, regulations and definitions of this committee.

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

MR. STROINK: I guess what I'd like to do is I have the mandate here for the member, I can gladly table that. I guess discussing the importance of the Auditor General is front and centre here and then what the Leader of the NDP stated is yes, it is a broader thing, but we first need to deal with the Auditor General's Report. One hundred per cent respecting what you said, but I guess I'm following the mandate here and I'm happy to table that to share that with everybody so that they're clear.

MR. CHAIRMAN: If I may, if I can borrow a phrase from our Speaker of the Legislature, I believe this is a disagreement between two members and it's not really my place, I'm not going to offer any comments, I respect both members' comments. I think everyone has had their say on the record, which is important.

That being the case, if we could move back to the subjects before us. With the addition of Chapters 5 and 6 from the December Auditor General's Report, we now have 12 topics before the full committee. We can't have individual discussion on all of them. Perhaps the possibility that they may be all approved should be entertained, for simplicity's sake if nothing else.

The record of decision is before you, with that one addition as I've mentioned. Mr. Houston.

MR. HOUSTON: Mr. Chairman, I would make a motion that we approve all these topics.

MR. CHAIRMAN: So the motion before the committee is that all topics be approved that are on the record of decision, with the addition of Chapters 5 and 6 from the February Auditor General's Report.

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is defeated.

At this time we will now go through each topic individually and I will call a vote for each topic. If there is to be discussion, just please call it to my attention. I will go through them one by one, beginning with the Department of Fisheries and Aquaculture, aquaculture monitoring, a topic of the Auditor General's June report.

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The topic is approved.

The next topic is - I'm going to defer that, at least until the end of the meeting, for further discussion. So we move to the Department of Health and Wellness, responsible gambling and the prevention and treatment of problem gambling, which was in the Auditor General's June Report.

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The topic is approved.

The next topic, Department of Transportation and Infrastructure Renewal, the Yarmouth ferry. Mr. Stroink.

MR. STROINK: I'd just like to bring to the members' attention that that topic is being brought forward to Economic Development so it would be repeating doing that again, so it has already been approved there, it is being presented in September. I just wanted to give that to all members as information.

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

The topic has been defeated.

The next subject, the Nova Scotia Tourism Agency, the new agency. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The topic has been defeated.

The next topic, the Department of Internal Services, government procurement. Some of this matter was covered in the June Auditor General's Report. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The topic is approved.

The Department of Seniors, 50-plus Expo. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The topic has been defeated.

The Nova Scotia Health Authority, budget update and business plan. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The topic has been defeated.

The Department of Health and Wellness, funding reductions in this year's budget. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The topic has been defeated.

Nova Scotia Business Inc., transition of the Film Tax Credit from Film and Creative Industries to NSBI. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The topic has been defeated.

The Department of Finance and Treasury Board, from the February Report of the Auditor General, Chapters 2, 3 and 7. Chapter 2 was Information on Unfunded Employee Retirement Benefits and Compensated Absences, Chapter 3 was Indicators of Financial

Position, and Chapter 7 was Finance Follow-up. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The topic is approved.

Chapters 5 and 6 of the February Auditor General's Report; Chapter 5 is Results of Audits and Reviews and Chapter 6 is Review of Audit Opinions and Management Letters. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The topic is approved.

The last topic that we have is the second on the list and this one has been noted by the Auditor General in his closing comments and given that there were questions asked today by members on the committee to the Auditor General that were, in the Auditor General's opinion, best answered by the department because if we are following up on matters, perhaps they are best answered by departments who are responsible for that - do we wish to discuss this today? Do we wish to pick specific departments today or would you like to defer this discussion to our next agenda-setting meeting for the subcommittee? Mr. Rankin.

MR. RANKIN: I wouldn't mind having a meeting that wasn't specifically on those two years, but maybe a meeting in general of how Public Accounts Committee works, how we can support the Auditor General. In the interim he's going to meet with the chairman and vice-chairman because my questions certainly weren't directed at departments today so I see value in having the Auditor General's Office here in some capacity to talk about the relevance of Public Accounts Committee. I don't know what kind of topic you would say to that, but in terms of the process and auditing.

MR. CHAIRMAN: Any members in the committee have a comment on that?

MR. HOUSTON: I see value in the Auditor General, the chairman and the vice-chairman having a discussion about how that should unfold. So I think we should defer and then we may be able to have a more fulsome discussion on that once the Auditor General has had a chance to reflect on it and discuss it with the chairman and the vice-chairman.

So it would be my recommendation that we defer it for today until that discussion happens, and then we come back and look at it in what's an effective, efficient way for this committee to help him.

MR. RANKIN: I agree with that.

MR. CHAIRMAN: Mr. Stroink.

MR. STROINK: I'd add that once that meeting has happened, that you report back to the committee as a whole to give the recommendations forward, that's all I ask.

MR. CHAIRMAN: Have we agreement of the committee for that to happen? There is agreement. The clerk will take note of that and assist us in scheduling a meeting between the chairman, the vice-chairman and the Auditor General's Office.

We do still have this topic before us, unless you want this specific matter. (Interruption) I'm hearing it can be taken off. Is there agreement on that from the committee? I'm seeing the answer is yes, so we will take that off.

So I believe we have a number of topics here. The clerk has taken note of the ones that have been approved and she will distribute a record of that decision. Those meetings will be scheduled. Our first meeting will be September 16<sup>th</sup>. We do have quite a few meetings. If we decide we wish to have a meeting of the subcommittee, we will extend an invitation to members of the subcommittee and that will be to talk about additional topics, which we can schedule later in the Fall.

With that said, I think we have come to a conclusion. This is our last meeting as we go into the summer months.

Mr. Pickup, do you have a comment?

MR. PICKUP: I hate to make another comment, but it's probably better I make it now, Ms. Colman-Sadd just brought to my attention.

On the hearing you'll have on responsible gambling and the prevention and treatment of problem gambling, the only witness suggested is the Department of Health and Wellness. The only thing I wanted to say is, in fairness to the witness, Department of Health and Wellness are only going to talk about prevention and treatment. It's NSPLCC who would talk about responsible gaming. So you may want to consider the Department of Health and Wellness and NSPLCC together to cover both aspects.

MR. CHAIRMAN: Thank you, Mr. Pickup. I think unless there is any objection from members of the committee, I think we should take that recommendation. Hearing no objection to that, our clerk will make note of that. Thank you for that comment.

With that, unless there are any other comments, have a great summer.

We stand adjourned.

[The committee adjourned at 12:14 p.m.]