

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, April 27, 2016

LEGISLATIVE CHAMBER

Office of the Auditor General

April 2016 Report

Follow-up of 2012 and 2013 Recommendations

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Public Accounts Committee

Mr. Allan MacMaster, Chairman
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Mr. Tim Houston
Ms. Lenore Zann
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[Mr. Gordon Wilson replaced Mr. Brendan Maguire]

In Attendance:

Ms. Kim Langille
Legislative Committee Clerk

Mr. Gordon Hebb
Chief Legislative Counsel

Ms. Nicole Arsenault
Assistant Clerk, Office of the Speaker

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, APRIL 27, 2016

STANDING COMMITTEE ON PUBLIC ACCOUNTS

10:00 A.M.

CHAIRMAN

Mr. Allan MacMaster

VICE-CHAIRMAN

Mr. Iain Rankin

MR. CHAIRMAN: Order. Good morning, I call this meeting of the Public Accounts Committee to order. Today we have with us the Auditor General's Office presenting their April 2016 Report, which is a follow-up on recommendations from their 2012 and 2013 reports.

We will begin with introductions.

[The committee members introduced themselves.]

MR. CHAIRMAN: I would ask members to ensure that their microphones are at an appropriate level for when they are speaking, so we make sure we pick up everyone's questions and comments.

We'll start with you, Mr. Pickup. Please introduce yourself and your colleagues could introduce themselves, and then begin with your opening comments.

[The witnesses introduced themselves.]

MR. MICHAEL PICKUP: Good morning, I would like to thank the Public Accounts Committee first for their interest in the follow-up work we do. In this case we've looked at 23 audits from the calendar years 2012 and 2013. I would note that this is our first time doing a stand-alone, separate report on the follow-up work we do based partially on the encouragement of the Public Accounts Committee and their interest in this work. So I want to thank them very much for that as well.

I would also like to take this time to thank the person on my left and the person on my right for leading this work, and the many people back in our office who really put a lot of effort into moving this report forward by such a substantial time and, also, by having it as a stand-alone report. It definitely took the work of a team and the team did a fabulous job in doing so, so I would certainly like to thank them.

Now to the report. The overall result, as you know, is 60 per cent implementation rate of the approximately 400 recommendations from the 23 audits. That leaves 40 per cent of recommendations not yet in the complete status, recognizing that some organizations hold more of the recommendations not completed. It is also important to point out that while an organization may have a higher percentage completion, they can still have recommendations that are critical and that need to be implemented as well.

I would also like to note, because I think it's important to recognize that six organizations did implement greater than 80 per cent of the recommendations - as an example the Department of Justice would fall into that category. So that tells us that this can be done and it is a reasonable expectation.

I look forward to the Public Accounts Committee holding these organizations accountable for their results and for what they're going to do going forward to act upon these recommendations, recognizing that the overwhelming majority of these recommendations continue to be accepted for implementation by the organizations, and I think that's important. For the most part, 93 per cent of these recommendations were not in disagreement about the importance of them. Therefore, I think the Public Accounts Committee needs to hear from these organizations to say then if you agree with them, why aren't they getting done more quickly and what risks continue as a result of this not getting done?

That is it for opening comments. I'd be pleased to take questions now from members.

MR. CHAIRMAN: Thank you, Mr. Pickup. We will start with Mr. Houston for 20 minutes.

MR. TIM HOUSTON: Thank you, Mr. Pickup, for the introductory comments. We're looking at the results from 23 audits that were conducted three and four years ago, I guess, and we're looking back to see what has been done. We know what people said would be done, that the vast majority of the recommendations were accepted, and probably

a little bit of head-nodding and we'll get to that. Now here we are years later, looking back, and a 60 per cent implementation rate. It seems low to me, but how do you feel about it?

MR. PICKUP: Overall I want to be clear that a 40 per cent not complete recommendation rate is not satisfactory. These things need to get done and where they continue to be accepted for the large part, let's see some focus on these and let's see these get done on a quicker basis.

MR. HOUSTON: Okay, so not impressed.

MR. PICKUP: I would say overall, not satisfactory results and I would hope that the government would do better.

MR. HOUSTON: Okay, I certainly share that hope. When you look at the range of recommendations, I'm sure there are some that probably even when they were discovered at the time of the audit and the fact that they have not been implemented now, there's probably some that really surprised you. Were there some that you kind of shook your head and said, I can't believe they don't do that? Would you say that covers a certain range of the recommendation?

MR. PICKUP: I would say that given there are 161 recommendations that are not complete, there are some significant program and service areas that we're talking about here. So if we're talking about prescription monitoring or occupational health and safety, these are significant areas where some recommendations have not yet been complete.

I think it's more about being disappointed on what has not been yet acted upon versus other types of feelings on this.

MR. HOUSTON: Is there any reason that you would find acceptable that, say, after three years a recommendation hasn't been acted upon? Presumably there would be some discussion on some of these and maybe the department said something that you kind of went well, okay, I can see why, or is it just the case that there's no good reason why they haven't been implemented?

MR. PICKUP: Two answers to that question. The overwhelming majority of these things, I would say, it's not reasonable that they're not yet acted upon. In some cases we have indicated in the report that it's a little more reasonable. The example I would give is the Health Authority. They decided to take recommendations on capital planning that were directed towards a predecessor health authority and say we want to apply that everywhere, we're going to say not complete. That's pretty reasonable.

Overall, in most of these cases, not reasonable, but there are pockets where it's reasonable and we will say it's reasonable.

MR. HOUSTON: How do we change the culture of government such that maybe more importance is placed on actually implementing these recommendations?

MR. PICKUP: Firstly I would say that my overwhelming discussion with the people who run government is that these recommendations continue to be important and continue to be accepted. What I would look for is accountability from people who are running these organizations, so if you're looking at the Health Authority, if you're looking at the IWK as examples, these organizations have boards of directors in place, they have presidents or CEOs who are ultimately responsible for oversight, and I believe implementation of these recommendations and oversight of those are part of that as well.

MR. HOUSTON: So at the moment each kind of department is accountable for their own implementation rate, so I guess the minister would ultimately be responsible for each department, is that kind of how it works at the moment?

MR. PICKUP: Right. So if you take a case like Transportation and Infrastructure Renewal, for example, and the mechanical branch audit that we did, with a very low implementation rate, it would be the Minister of TIR who would ultimately be responsible for the rate of implementation of his department's recommendations.

MR. HOUSTON: In your role, do you have a chance to speak to the ministers about what is being implemented and what's not, and have you spoken to any of the ministers of these departments?

MR. PICKUP: I'm clicking through my memory here as we go. For this report I did not meet with any ministers. Keeping in mind that big bucket of the 133 recommendations not complete, those are the ones organizations themselves said are not complete, so the point of having a lot of discussion around that was not quite as relevant for us at the time. I think it's a great question and we bring this forward to you as a tool to talk to these organizations to ask why this isn't done.

MR. HOUSTON: If it doesn't seem to be working, I guess - the system is not really working - and historically I think it's 60 per cent implementation rate and obviously a 40 per cent of non-implementation, historically that's probably kind of where it has been. So I wouldn't say that's a system that is working that effectively. Do you have any recommendations for this committee as to what we should be - like if having a minister responsible is not cutting it, in other jurisdictions do they have somebody higher? Is there somebody who oversees these, maybe in the Premier's Office, or any guidance you can give us, how we can bring more - I'm going to use the word respect - to the recommendations you make to the departments?

MR. PICKUP: Since you are asking, one suggestion I might make off the top of my head is that the government has an internal Audit Committee that oversees and monitors progress on these recommendations, and what you may want to consider doing is halfway through the year bring the chairman of that Audit Committee in and say give us a status

report where we are today. We cut off on October 2015, but if you bring them in, say, with the April deadline to ask where are we now. For example, if you had a status report as of April 2016, they should be able to update these, keeping in mind it's not going to be audited.

The other thing that the committee may want to consider is talking with the Audit Committee and chairman about - if you do want a little bit of assurance over an interim report, the government has an internal audit shop, and perhaps they could work with the Audit Committee of government to provide you some sort of ongoing or regular reporting.

MR. HOUSTON: That's an excellent suggestion. Thank you very much.

Before I get into some of the specific recommendations, I am curious - we've had some discussion in the past about ranking recommendations and I've heard the points that maybe it's not the Auditor General's Office's responsibility to give kind of give weight to, but I wonder if, as opposed to ranking, there might be an opportunity to categorize. So don't rank one recommendation against another, as one that's more important than another, but to categorize them as must, must have, critical, or should be done - in terms of what the risk is. Is that done in other jurisdictions or is that something that you've contemplated here - kind of making them green, red, yellow?

MR. PICKUP: The first thing I would say is we do eight to ten performance audits a year, and we pick areas which we think are higher risk, are critical to be done. So we do believe we're picking key areas for audit; therefore the recommendations that come out of that should all be important. I think the danger of us ranking them is - what would happen, for example, if we didn't rank that Prescription Monitoring Program as a high risk? What would happen if we said that was lower risk and then something happened and it would be up to us to explain when it's really not up to us to explain the ranking of these things - we think they're all important.

If I look to the control audits over the health information systems at the Health Authority and IWK - what if something happened because one of those controls were not implemented? Then you sort of run the danger of saying, well why did you? I like to stick to all of these are important.

I think to give you a tangible example of something we are doing, starting with the audits that we did in the Fall of 2014, we are focusing the recommendations, and over the next couple of years you will probably see the number of recommendations that we are actually making will be approximately half of what they are now. That will help the Public Accounts Committee focus, help the department's focus as well.

MR. HOUSTON: Okay, I appreciate that. Just in terms of procedure, this is the report that looks at how the departments did on implementing recommendations from audits that were done in 2012-2013. I think last year there was a similar report that looked at recommendations from 2011-2012, so it was a two-year cycle. Does that mean that next

year another year will fall off? This year we are no longer looking at the implementation rate from audits done in 2011. Next year we will no longer be looking at the implementation rate of 2012. Is there a risk there that, given your audit cycle, stuff just does not get done and maybe government realizes if we can weather this out for a couple of years it will fall away? I am just wondering if that may have an impact on what gets implemented and what does not. It really should not have that impact.

MR. PICKUP: A couple of thoughts there. I would really hope that that would not impact an organization's timeliness on implementing these things, and I think all the more important is that things get implemented in a timely basis. I think the indication is that the organizations continue to agree is important.

The other thing I would note is that we audit, plan, and pick our eight to ten performance audits a year, on a regular basis; we update our audits. Some of the discussions we have internally are, what has happened to our past audits? For example, if you look at the Health Authority and IWK, just because 2012 is disappearing next year, we are going to keep an eye to say, okay what are we hearing on these audits? Are things being addressed? If we get a sense and we think it is important internally in terms of the ranking versus what we can do with our resources, we may come back and re-audit something like this, because we feel it is important.

So, yes, on your first part, things will drop off, but we continue to monitor risky areas to say, maybe we need to come back.

MR. HOUSTON: Thank you and to your point earlier about the Internal Audit Committee, I think there probably is a role and something like that for the Internal Audit Committee, in making sure that these things get implemented.

I am just trying to remember, I think at some point this committee wrote to the chairman of the Internal Audit Committee asking that they provide some assistance to other departments and supervise their implementation of recommendations. Do you - I might be misremembering - do you recall?

MR. PICKUP: There was some correspondence, but I think maybe what you want to do is talk to the chairman of the Audit Committee again to see what is being done because I run the risk of not giving you the most up-to-date process in terms of what is happening.

MR. HOUSTON: My recollection is they said no, they are not interested in helping with that.

MR. PICKUP: I am going by memory, but I am not sure it was something as concrete as an interim report because presumably government - and that is part of the point we make in the chapter - government is monitoring these things all of the time, right? This is something that should be done on a quarterly basis at least.

MR. HOUSTON: Sure, yes, so there is definitely a role there, okay. There are some good ways forward from that; I appreciate that.

In terms of the failure to implement recommendations - and these recommendations are made to address risk areas, whether it is safeguarding of assets, whether it is protecting Nova Scotians, there is always something behind the recommendations - in terms of the failure to act on these recommendations, I think we have seen, unfortunately, some very concrete outcomes, negative outcomes, from that - and I am thinking, obviously, of the prescription drug monitoring system. If those recommendations that your office had made around prescription drug monitoring had been implemented a couple of years ago, it is possible that we would not have seen at least the recent case that we have seen in the news, of the abuse of the system. I guess it is hard to say, but I am sure that it would have reduced risk in the system. Is that fair?

MR. PICKUP: I have two responses to that. Firstly, I don't want to comment on the particulars of that case; I don't think that would be appropriate. Probably more importantly, we were pretty clear in that report that while these recommendations are not implemented, the risk of abuse and misuse continues. The conclusion in that report was fairly clear. I went back and read it again the other day. The front page of that report indicates that.

MR. HOUSTON: Yes, the risk was real. Over the last month or so, has the department come to you and said, let's talk about these recommendations again?

MR. CHAIRMAN: Ms. Colman-Sadd.

MS. EVANGELINE COLMAN-SADD: Do you mean specifically the Prescription Monitoring Program?

MR. HOUSTON: Yes.

MS. COLMAN-SADD: No, the department has not reached out to us. Generally speaking, I would say we wouldn't get a lot of requests after the fact. If my memory is right, I don't think we typically would get a lot of requests on any of the audits afterwards to talk about them. I think we have a fairly robust process to clear the reports. To start with, departments usually have a pretty good understanding of the recommendations at that point.

MR. HOUSTON: I think at the time the minister was on the news saying he was going to look into this whole prescription drug monitoring system and do a type of review. You must have been thinking to yourself, I know a good place for you to start, the recommendations of our report. It's interesting that nobody reached out to you. Would that be an opportunity for you to write them and just remind the department of the recommendations that have been made?

MR. PICKUP: The departments know we do this follow-up work. This happens every year, so they expect that. Keeping in mind that we as well are trying to be efficient, we're following up 400 recommendations. When departments or organizations put the response in that bucket of not complete, it's not complete, so we move on from there. The risk is with the ones that departments indicate are complete or where we disagree.

MR. HOUSTON: Across these 133 recommendations out of 400 that the departments have said, yes we agree that's something we should do, yet over the time period of years, they haven't gotten around to doing it, there will be a wide range of risks, and we know of one situation where the risk came to fruition. I'm sure it would be impossible to quantify even the financial risk of some of the other ones. I hope that that situation brings a sense of urgency to getting around to these recommendations.

I can't assess whether that sense of urgency is actually happening or not. My sense is maybe it's not, if, even in the face of that, the Department of Health and Wellness didn't reach out to your office to say, let's talk about these again. That hasn't happened. I don't want to infer from that that there's no sense of urgency, but do you feel a sense of urgency coming to get these in, or is it business as usual of no, we didn't get to that yet?

MR. PICKUP: I think in answering that, I would focus on why we do this report and why we do this work. The idea for us is we're telling Nova Scotians where things stand, but we're also using this, really, as a tool for the Public Accounts Committee to hold government to account. For those organizations where they're not complete and they agree they're not complete, it's really a chance for the committee to speak to these entities and say to them, why isn't this done? How urgent is this for you? What are the limitations? What are the risks that continue? Really, we're doing this, in many ways, as a tool for you and to help you fulfill that role of accountability.

MR. CHAIRMAN: Mr. Houston, you have about one minute remaining.

MR. HOUSTON: There is a recommendation here that's not going to be done, and it is with the Addiction Services, that the province should have a single province-wide intake and wait-list. That seems like a pretty solid recommendation, that the province should have a province-wide intake and wait-list, but it's not going to be done. Can you shed any light on why something like that wouldn't be done?

MS. COLMAN-SADD: So, as Mr. Pickup said, when recommendations are not completed, or when they're not going to be implemented, there really isn't a whole lot of work for us to do on them. We focus our work on the recommendations that they've said are complete, to determine whether they really are complete. So for an answer on that, I would suggest that you talk to the department about why they don't intend to implement it.

MR. CHAIRMAN: Order. The time has expired. We'll move to the NDP caucus and Mr. Wilson.

HON. DAVID WILSON: Thank you, Mr. Chairman. Thank you for being here and thank you for kind of pulling out the follow-up and recommendations. I do think it's useful, and a heightened importance of the recommendations and implementation of them, compared to the way we did it in the past where recommendations and follow-ups were kind of at the tail end of an audit you've done - not to dismiss how important those audits are.

With the recommendations, who in government is ultimately responsible? Is it the department heads? The ministers? The Premier? I mean, ultimately, when you do an audit and you make recommendations, who's responsible to ensure they follow up and implement the recommendations out of your reports?

MR. PICKUP: Accountability and responsibility for the recommendations, including the ones that are not complete, in my mind very much rest with the nature of the organization.

For example, if you have the IWK and the Health Authority, those organizations have a president or CEO, depending on which one, who reports to a board of directors. The oversight, of course, is very much at the board of directors - recognizing that they are responsible to the minister as well, but I would look to the boards of those organizations to determine what their role is in overseeing how well their organizations are doing on these audits.

If you take an organization like Transportation and Infrastructure Renewal, which is on the list of not implementing many recommendations, you would speak to the deputy minister in a forum like this, but ultimately, in the case of Transportation and Infrastructure Renewal, he reports to the Minister of Transportation and Infrastructure Renewal, who would have to answer as to why these things aren't done.

So I think a lot of the answering on this recognizes the way our system is and who has accountability for these recommendations.

MR. DAVID WILSON: Great, thank you. One of the reasons I ask that - I mean ultimately, and I would agree with the organizations - you're looking at the IWK and maybe some of the arm's-length organizations that provide the services - but ultimately, I mean, as you said, the deputy minister and the minister need to play a role in ensuring these organizations are following through. Would you agree with that?

MR. PICKUP: I would agree.

MR. DAVID WILSON: Okay. Knowing from my past experiences in Communities, Culture and Heritage, and the Department of Health and Wellness, often - I don't believe I've ever met with staff from your office on the recommendations. I think you answered this just a minute ago, but do you tend to target the senior managers or, I would say, the deputy ministers within the department? Is that who you mostly work with

when you do the audit, but also doing follow-up and getting the response from the department after an audit is done?

MR. PICKUP: I will start with an answer to the follow-up part. In this case, for example, I have no trouble sharing with you that I would have met with the president of the IWK. I met with one of the VPs of the Nova Scotia Health Authority - the CEO was going to be there, but she got called away - to talk about the results on the follow-up. I also met with the Deputy Minister of Transportation and Infrastructure Renewal.

So you can see I sort of target. It's difficult to get out and see every single person, but I'm trying to target the ones that, frankly, aren't doing as well. I would have met with the Deputy Minister of Business as well, and the Deputy Minister of Education and Early Childhood Development. Areas where we have disagreement - because Business, and Education and Early Childhood Development we have a disagreement with - and areas where the implementation rates have not been as good, I would have met with them.

To go to the second part of your question on a particular audit, we're always available to meet with a minister, and the deputies know that, but in some cases we ask to meet with ministers. An example I would give you is - I've shared with the House before - on the oversight audit on Education last Fall, we would have met with the Minister of Education and Early Childhood Development to talk to her about our concerns from that audit as well.

MR. DAVID WILSON: Thank you for that. Just one area, I didn't hear you with the Deputy Minister of Health and Wellness, with a lot of concerns around the Prescription Monitoring Program and knowing that there is a financial component to addressing all of the recommendations - is that something you are looking at or are you satisfied that your issues and concerns can be met, meeting with the VP of the IWK - well I guess it wouldn't be the IWK but the new Health Authority? I'm just wondering, are you looking at the Deputy Minister of Health and Wellness as potentially someone to meet with?

MR. PICKUP: Deputy ministers receive copies of a draft of the audit report. In this case we didn't meet with the Deputy Minister of Health and Wellness.

MR. DAVID WILSON: Prescription monitoring, though, I would think would be more - would it not be more a responsibility of the Department of Health and Wellness to really push the changes that are needed, to address the gaps and the shortfalls in the audit?

MR. PICKUP: The recommendations were to the Department of Health and Wellness, keeping in mind we did not have a disagreement with the department and with the fact that these are not complete. So the department said these are not complete; there was no request on their part to meet with us.

Now people on the team - and if Ms. Colman-Sadd wants to add to this - people on the team would have met with officials at the Department of Health and Wellness in doing this work.

MR. DAVID WILSON: Continuing on the theme around the Prescription Monitoring Program, the audit was done in 2012 - what was the response of the department at the time, and were you satisfied with that response? Maybe a bit of a comment on, at the time after that audit, how did you find the department responded to that audit of the Prescription Monitoring Program?

MR. PICKUP: If you are okay with this, I am going to focus on the four recommendations that continue to not be implemented as of this point in time when we did this audit work. There were four recommendations, all of which were agreed to by the Department of Health and Wellness at the time. In going back to the recommendations, the responses from the department were very concrete, which is great, they had timelines, which are wonderful, and they indicated that the work would be done in 2014 - that's not the case, and not so wonderful.

MR. DAVID WILSON: Definitely I think that's the concern that I think Nova Scotians have and we have. There was a commitment and we know that there has been a change in government. I was minister at the time and the work and the issue of the Prescription Monitoring Program was taken very seriously by the department and I think, as you indicated, a detailed response and a timeline.

I believe the response of the minister yesterday about why they may be off track, one was attributed to the amalgamation of the district health authorities, which I think we would have to all agree, when you are taking on that task it would delay the work being done within the district but, more important, within the department. Are you satisfied that that was kind of an answer from the government?

MR. PICKUP: I'm not going to - recognizing that we cut off at a point in time, I'm not going to try to assess the commentary by the Minister of Health and Wellness. We cut off in October 15th, the department indicated it is not yet complete, that's where I would stop.

MR. DAVID WILSON: The other area which may not be as well known, as former minister, a lot of the work is on the shoulders of the deputy ministers. On the Deputy Minister of Health and Wellness, as minister you turn to your deputy and say okay, there's an audit done, there are some serious issues that we need to address, please run with this and keep us updated.

Unfortunately one of the first things with the change in government - of course there will be some delay, we have to expect that - in the Department of Health and Wellness one of the first decisions they made was to let go or fire the Deputy Minister of Health and Wellness, former Deputy Kevin McNamara, which I know the work that that deputy did,

or any deputies previous, is huge. I have to link this delay not only to the amalgamation but to a change in deputy ministers, especially in an important department like Health and Wellness. Maybe you can't comment and maybe it is best for the minister to comment, but would you have seen that move contributing to a delay in implementing recommendations, especially in the Department of Health and Wellness?

MR. PICKUP: I believe that the explanations for the delays should really come from the department and I shouldn't attempt to explain that. Recognizing as well - and I know I continue to make this point - when an organization says they're not complete and they acknowledge they haven't done that recommendation as they said they would, we put a box around it and then we report it as not complete.

MR. DAVID WILSON: What concerns me also is that the follow-up is on a cycle basis, and unfortunately this issue around prescription monitoring will fall off that cycle. What assurances do we have - are you going to be looking back further than that two-year cycle for another update down the road? Are we going to continue to still see maybe an update in your upcoming audits like we did in the past about recommendations? I know you're trying to pull a lot of that out for this report, but in future reports, in future audits, are you still going to have a section in there about recommendations and about the follow-up and implementation of those recommendations?

MR. PICKUP: A couple of points to respond to. Firstly, because we no longer follow up, I believe the government doesn't take that as not being important or that they shouldn't do it. The reassurance I get from government people is they agree these things continue to be important.

Secondly, when something is important and we make a recommendation around it and we believe that it's not implemented and it continues to be important, we will look at that and evaluate from a risk perspective whether that's something we should be auditing.

So we make choices, just like anybody else makes, and if we think that one of these audits still hasn't been implemented just because they fall off of a follow-up year, it doesn't mean we can't re-audit something as well, or it doesn't mean we can't follow it up as part of some other audit that we may be doing in that area.

MR. DAVID WILSON: Just on the one question around your future audits, are you going to continue to just have a stand-alone report, a follow-up, or will you continue to put in some of the recommendations completed maybe, or a percentage, in your audits? Is it June when the next audit report will come out?

MR. PICKUP: We'll do the follow-up report as a stand-alone, separate report from now on, like we just did. That will list the ones that are complete, not complete, the status of all of them - so we'll continue to do that in the Spring of each year. Our June report this year will just be on three new audits and whatever findings and recommendations we may make in those three audits.

MR. DAVID WILSON: I am a bit concerned. I know you're concerned with the implementation and the rate; as we said, we're 60 per cent completed and 40 per cent not completed. The concern is as these new audits come on, the attention of course will be on those and less attention on these. I hope that we are able to continue to have the government be accountable to that.

When there's a disagreement, or the department or the government decides that they disagree with you, where are we left as a committee on pressuring or trying to engage the department on the importance of the recommendations from your office? Is it just that they disagree with your recommendations and that's the end of it? What could the committee do to maybe continue the discussion on maybe trying to get the government to understand that the recommendations out of the audits that you do are important? What avenue do you have to continue to maybe have an argument or a stage to make sure that the government - your reasoning behind this is important. I don't know if you understand where I'm coming from, but what do we do as a committee - how can we try to improve the discussion to continue when there's disagreement between a department and your office?

MR. PICKUP: One suggestion I would respectfully make to the committee is that there are really two organizations in this report where there is disagreement.

There are 28 recommendations. Of the 20 that the government says are no longer applicable and we disagree, 17 are with the Department of Business. Perhaps I could suggest that you bring the Department of Business in and have the discussion. If you want us - we're always here anyway, but certainly you can pose questions to us at the same time. Maybe you could ask the department, in preparation, to take those 17 recommendations and explain why the fundamentals of those recommendations no longer apply to a new funding program.

I would also respectfully suggest that you could do the same thing with the Department of Education and Early Childhood Development and say, well, you agreed to these before, why do they suddenly become under the bucket of we are no longer going to do these? Again, I would offer us as potential witnesses as well. We can have that discussion.

The other thing I would add is that if we feel that an exposure continues - for example, on home-schooled children - and the government says they're not going to implement the recommendations because they decided not to, we could go re-audit that area with a new scope, with heavier involvement in terms of focus on outputs. There's nothing to prevent us from going back, re-auditing, and getting into more detail, and perhaps focusing even more on a different aspect of it - not to come up with the same recommendations, that might be silly, but to bring new information, even, out in an audit to the committee - to make the case and say here are the impacts. If we feel strongly about it, we hold that option as well.

MR. DAVID WILSON: Do you get requests from the general public on areas of government that maybe you should audit? I know Opposition Parties have called in the past on certain issues that are sensitive or are being seen by the public as an area that we need to look at. Do you get requests from the general public on this as an area of concern? Maybe you're fielding more emails and more phone calls about a certain department or a certain program?

MR. PICKUP: I think it's fair to say that I get requests all the time. My colleagues to my left and right often end up responding to people as well. Very often, the inquiries hit your heart, but you say, what a sad situation, but is there really an audit there? Can we really use resources? I take all of those seriously when we get those. Sometimes we will get various inquiries on everything from education to health care.

MR. DAVID WILSON: Going through the follow-up from 2012-13, many of the recommendations, especially around Health and Wellness and some of the others, fell on to organizations that no longer exist - so if there's a change in the makeup of the department or amalgamation of the district health authorities. I noticed many of the recommendations had to do with Capital Health, for example.

With this change in responsibility, does the onus fall on the new department, the new identity, to follow up with the recommendations? Are you concerned that because there is a change - and potentially a change in senior-level directors, managers, deputy ministers, or ministers - your recommendations fall off the table of who was in charge of addressing them? Do you have any concern that that has happened? There has been a lot of movement in the last year with a number of departments, health authorities especially.

MR. PICKUP: One thing I've learned in 27 years in the federal and provincial public sector is that there are always changes. One thing that concerns me, that we noted in the report, is when there are changes in programs or reorganizations, previous recommendations get lined up to the new organization as relevant. We provided an example where that didn't happen.

I think that should concern the Public Accounts Committee. Recommendations shouldn't fall off the table because somebody doesn't bring them to the right new organization. I don't find that is good oversight of the recommendations.

Now we have good examples - I would give credit to the Health Authority, for example, for taking the previous recommendations on capital planning and saying we're going to put those in the bucket of not complete because we want to apply these recommendations across the board to the new Health Authority. So there are positive examples, I believe, where an organization will take those recommendations and appropriately apply them.

The first scenario I outlined, that just should not happen. Somebody needs to be overseeing these things and sharing them and giving them out.

MR. CHAIRMAN: Order. We'll now move to the Liberal caucus and Mr. Rankin.

MR. IAIN RANKIN: Mr. Chairman, I just want to say it's good to see this report, especially the addition of the overview document. I think it's helpful for committee members and probably helpful for every member in the House to see that.

To continue on with the discussion about the recommendations falling off, I was going to ask about that actually because you have a lot of recommendations. For the Prescription Monitoring Program, 13 have been completed but four are remaining, so it seems to me the committee now has to take over and ensure that those four are followed up on, so I think there's a huge opportunity for the PAC to bring in these departments and focus on addressing the recommendations and assist the Auditor General. That's the whole idea of when I was speaking to the committee at numerous times over the last several months to try to resist bringing in political issues, but focus on the issues that are to do with the administration and improving on the recommendations.

I appreciate the recommendation to bring in Business and Education and Early Childhood Development, and I think we can do the same thing with Health and Wellness. We have multiple avenues to improve these recommendations, we have the official endorsement, which I'll move later, from the committee, we have the frequency of meetings which is more than any other province in Canada I've learned, we have the Audit Committee, and we have the tracking system.

I guess I'll ask the question - how do you feel the effectiveness of the tracking system is working - the TAGR system I'm speaking to - and if all departments are using it in a uniform type of way? I'm just not certain who is accountable for that, would that be the Audit Committee? Is that your understanding? I know we're going to look at bringing in the Audit Committee so we'll see how that's going to work. How do you feel that system is working? Is it improving the way that departments are held accountable?

MR. PICKUP: I do want to indicate before I turn it to my colleagues, if they want to add anything on the detail, we are not auditing that system of TAGR here and looking at the structures in place, the process, to see what can improve because that, frankly, would be a small audit on its own, sort of an oversight type of audit. We're focusing here on the results. To me the results speak for themselves in terms of how well that process is working or not working.

I think it's great that you're suggesting to bring the committee in and have more discussion on it but we really did an audit, here's 10 things that can work better in that system. We rely on the information that organizations put into the system.

I would also encourage you maybe to ask organizations when they come in, what control processes they have in place to make sure they're updating the system and that the system is working for them. I'll see if Ms. Colman-Sadd wants to add anything - no.

MR. RANKIN: I did ask before and you said the Department of Health and Wellness gave a specific timeline to try to complete by 2014, is that consistent with the other departments? Do the departments typically give timelines or do you recommend timelines on these recommendations?

MR. PICKUP: One of the things that we're talking to entities about is when they respond in the recommendations, if they can put timelines in and very tangible things that they can be held to account for, it helps the committee, it helps Nova Scotians, and it helps us as well.

I don't have a sense, say, of these 400 recommendations that X number had timelines in them. If Ms. Colman-Sadd has any sense of that she could add to it.

We are also encouraging organizations, if they think they're not going to get something done within two years, to say that in the response. If they think something is going to take three years or four years, have that in the response so that people manage their expectations and then they can come to a committee like the Public Accounts Committee and say, this is going to take us X period of time and this is why, and then you can have the discussion with them to see how valid you think that is. Do you want to add anything, Ms. Colman-Sadd?

MS. COLMAN-SADD: When we originally discuss the recommendations we always suggest that if they have timelines, it's great to include. Sometimes they do, sometimes they don't. We don't require that they include that, but we always suggest that they do.

The other thing that we always discuss when we discuss recommendations when they're initially made is - do you feel this is implementable; is this a recommendation that you feel is reasonable and practical and all of those sorts of things - because it's not in anyone's best interest for recommendations not to be practical and implementable. So we try to have those discussions when the audit comes about to start with, which I think is why you see a very small number disagreed with.

MR. RANKIN: So if they say that they don't think that's feasible within that two-year timeline, do you still go ahead with the recommendation or is that kind of a judgment call to figure out? If you think it's reasonable, then you might not think it's reasonable that it won't be happening in two years.

MR. PICKUP: I think it really is a judgment call, but I would say that in the overwhelming majority of cases, we are not into a disagreement on a recommendation. I think it goes to how we scope an audit, how we plan an audit, how we hit the risk areas, so that when we know what questions we can answer at the end, the department knows where we're going. They have the audit objectives, they have the criteria.

We're in the business of trying to improve government by making suggestions to departments that they want to do and will do. It's very rare that we really get into an argument at the end as to whether a recommendation is feasible and makes sense.

MR. RANKIN: I think the member for Sackville-Cobequid mentioned some real factors that come into play with change in deputies, change in government. Actually there was an election since 2012, but I do see almost 80 per cent recommendation implementation rate from the PMP program, which is better than most. I know that is the one that has a lot of the attention from members and the media, but with 13 complete - and you've said that all of them are virtually high risk. We talked about possibly ranking low, medium, high. So you recognize 13 that are complete to be high risk over two years. I would ask the question, have the controls and monitoring of effectiveness for the Prescription Monitoring Program improved since 2012 - just as a basic question?

MR. PICKUP: I think I would stick to - we are satisfied that 13 of the 17 recommendations have been acted upon, which is a positive thing because they would have addressed an observation of something that wasn't happening, so those would have gone to reducing risk areas, but I would also point out that while only four of 17 remain in the incomplete, some risks continue.

MR. RANKIN: Right, but out of the 13, with the logic that they're just as high a risk, those 13 are just as important to implement as the four that are outstanding that presumably the department are working on.

MR. PICKUP: Right, it is progress - notwithstanding the fact that some things remain.

MR. CHAIRMAN: Mr. Stroink.

MR. JOACHIM STROINK: I want to touch base on the education part, the home-schooling part. Like you said, this was implemented in 2012 with the recommendations of the department. When you look at that, that was the decision of the government at the time to make all of the recommendations, and at this point I don't think that, looking at all the information here, the minister at the time actually looked to see if those recommendations were doable on the legality of the recommendations.

When you look at the legal rights of a parent and an educator for home-schooling, those parents make the choice to home-school their children, maybe based on religion or what they want to do, the Department of Education and Early Childhood Development then forwards that, gives them the support tools to do with the Nova Scotia curriculum. Those kids flourish in universities once they graduate out of the home-school sector.

So the question really is - I don't think the department can legally actually implement this because of the right of the Education Act, so then that's why they're not able to do those. That's one portion of it.

The other portion is, if the new government that comes in, and we talked about the government has a new direction or a new view or a new opinion or a new thought or a new whatever, where they went ahead, then these become null and void too. They are always going to remain on the books, and you are in agreement that you feel that they need to happen, but in the Department of Education and Early Childhood Education, they feel that they legally cannot do it.

In that kind of impasse, this will never be completed, and it looks bad on the department, saying this will never be completed.

MR. PICKUP: My comment would be that we continue to stand by the recommendations, with the focus of this being that the outcomes of children who are home-schooled should be assessed to know how they are doing. If they are all doing wonderfully, great, and maybe there are things to be learned from that. If some of them are not doing well, does somebody know that, and is somebody helping to fix that? That is really what it focused on.

MR. STROINK: I guess my question is, legally, does the province have a right to go into someone's home and see this when they have made a choice to home-school their children based on religion or based on other views or thoughts?

MR. PICKUP: When we did this audit - which was a few years ago now, and the department agreed with the recommendations - there was no response that this was not within the legal authority of the province. The response at the time was, we agree with these recommendations. So at the time, legality of this was not a consideration.

MR. STROINK: Right, and we could argue that maybe what happened is that the minister at the time just said, yes, we will take them all, because it was the Auditor General, not really looking at the recommendations clearly to see if there were any legality issues within those recommendations.

MR. PICKUP: I won't attempt to speak for previous ministers, but I would say that we go through a pretty healthy clearance process with the entities we audit. When we get to the end of an audit and we get an agreement to implement a recommendation, it isn't based on five minutes of work. It is based on the departments having spent a considerable amount of time and discussion with our office.

MR. STROINK: But the Auditor General does not look at the legality of the recommendations that they are putting forward to see if there actually can be implementation based on the Education Act. There seems to be a little bit of a void here, because you are making a recommendation that kind of goes against the Education Act.

MR. PICKUP: At the time, when the recommendation was agreed to, the legality of this was not raised as an inhibitor of being able to do this, or I assume it would have been raised at the time.

Mr. Spicer, to my left, was in charge of this audit, so if he wants to add a comment to your question, feel free.

MR. CHAIRMAN: Mr. Spicer?

MR. TERRY SPICER: I would obviously agree with Mr. Pickup wholeheartedly that when we would have done this, we would have looked at the Education Act, and if there is a legal agreement or legal opinion that says this is not possible, we have not been provided with that. However, the Education Act does allow the minister to ask for certain information and do certain things, and we still believe that these recommendations that we have made fall under the Education Act and would apply to that.

You mentioned going into a home and looking at a student in there. That is only one of many options as to how you could assess a child. Our recommendations are fairly broad, to say the Department of Education, you know, there are many ways you can do this; have a look at those things and do it so that it does comply with the Act.

MR. STROINK: Could you argue in this situation that if they graduate out of the home-school situation and go forward because of the great work that has been done at the home-school level, that they have graduated based on the Nova Scotia curriculum, and are now accepted into a university or into a community college - that is the mark that says that they have succeeded?

MR. SPICER: For those kids, I would say yes. I think it's reasonable, and the reality is that not all of the kids do that.

Our focus for this audit was to make sure that they have a process to identify those kids who are not getting the education that they should get, however the Department of Education and Early Childhood Education defines that. As an example, the report mentioned that there is a public school curriculum, but that's only one option. The Department of Education and Early Childhood Education could monitor that or could change that in any way they saw fit. The emphasis of the report is really about, how do you identify those kids who are not getting an appropriate education, not those that are? I think that's really the focus that's critical in this chapter.

MR. STROINK: Just a little bit more on this, because I think we're having a good dialogue here. My struggle that I'm having with this is that we had a past government in 2012 that had one direction, and then you have a new government that comes in that has a different direction, that has a different philosophy or belief, or has a different format of the education rights.

To me, that doesn't even seem to be playing into this discussion. You're saying, nope, this is it, and not having any consideration of what the new direction of the new government is trying to do in that relationship. So we'll be at an impasse because this will always be on the books as incomplete.

MR. PICKUP: Ms. Colman-Sadd just pointed out for me that the language of the Education Act is very similar to our recommendation, so that is very much taken from there.

To your comment/question in terms of changes in government, governments may make decisions, and it may be decided, for example, not to do this. We continue to feel that it's important. So while we disagree on that, we disagree and things go on.

MR. STROINK: Then you could say - I mean, based on disagreement - that chapter is pretty much complete. (Laughter)

I'll end it there, and I'll turn it over to my colleague.

MR. PICKUP: The only comment I would make on that is, I would talk less about the legalities of it and less about complete or incomplete, and more about the students themselves. I mean, this is about young people, and the audit was all about, how does the department make itself comfortable? And if part of the answer is A, B, C, D, E, F, G, then outline that for people and tell people where that comfort is coming from.

MR. STROINK: But that's what the Nova Scotia education curriculum is for - for those ABCs and for those children to succeed. I mean, home-school parents have a phenomenal amount of support. They're incredible educators; they're incredible people who make the home-schooled Nova Scotian kids succeed. The success rate on those kids is very high - look at the amount of people who come out of the homeschool system and graduate and move on into universities and stuff like that.

Anyway, we're going to go back and forth and it doesn't matter. I mean, that's just my thought, it's your thought, so I'll just pass it on to my colleagues.

MR. CHAIRMAN: Mr. Wilson, you have just a bit over two minutes remaining.

MR. GORDON WILSON: I don't know whether I should thank you or not. Thank you.

The Jobs Fund, that's the Department of Business. I'll be very quick and pointed on these. Very distinguished difference between the Jobs Fund and Invest Nova Scotia. Can you elaborate to me on why you would like to link them together, even though they're so, so different?

MR. PICKUP: Sure. We recognize that the approach to funding has changed. On that there is no disagreement. Why we think these recommendations continue to be relevant is - I'll give you some examples that we think apply to any funding program.

There should be disbursement controls before a payment is made, we think that's still relevant. The board or the approval body should get complete and accurate information

before they make a decision, that continues to apply to any funding program. There should be a checklist to ensure compliance with the arrangements of the funding approach, that continues to apply to any funding mechanism. There should be a complete analysis of a decision to fund.

We recognize that the Jobs Fund no longer exists, but you can put any funding arrangement in front of these recommendations, and it's hard to argue with the fact that disbursement controls over payments are key and basic in financial management and control.

MR. GORDON WILSON: Great. I couldn't agree with you more. I'm curious, then, have you done any kind of a review on the Invest Nova Scotia procedures and guidelines around that funding?

MR. PICKUP: We haven't done an audit of that funding arrangement that is still being developed. Ms. Colman-Sadd and I did meet with the Deputy Minister of Business and had some discussion in terms of whether they're going to look at these recommendations and how they might be relevant.

MR. GORDON WILSON: Those are two important points to make, I think, to try to see how we can move forward with these 17 recommendations because, to be quite honest with you, all of us hope the Jobs Fund is gone. We want it to be gone. It was a bad fund. It wasn't set up . . .

MR. CHAIRMAN: Order, please. I do apologize for interrupting, but we have run out of time. We will move to Mr. Houston for 14 minutes.

MR. HOUSTON: I see we have some visitors join us. Welcome to the young folks here with us this morning. It is very appropriate as we're talking about education.

I do want to follow up on my colleague's challenge of the validity of your recommendations. Those departments - the recommendations around home-schooling will not be implemented, but the Auditor General's Office didn't withdraw them. Through the process of the department saying that they won't be implemented, did they raise a question over whether you were asking them to do something illegal?

MR. PICKUP: No, I did not receive that question. The discussion really was on we're not going to implement this. On our end it was - we still believe these things are relevant.

MR. HOUSTON: If a department thought you were asking them to do something illegal, surely they would probably tell you.

MR. PICKUP: I would hope that before a recommendation is agreed to - as it was in this audit - that any questions around legality of something would indeed be addressed at that time. These recommendations were agreed to.

MR. HOUSTON: I did want to run through a couple of the recommendations. In Chapter 4 of the May 2012 report, it was around infection prevention control at the Nova Scotia Health Authority, and it talked about discontinuing the use of spray wands. I kind of remember a little bit when that was in the media at the time. It was found that spray wands as a disinfecting tool weren't very effective. I see this recommendation is still on the books as not complete, so does that mean that the department is still using spray wands to disinfect?

MS. COLMAN-SADD: That recommendation related to the former Capital Health and I would take that fact that it is not complete to mean that there would still be locations within what was the former Capital Health that would be using spray wands, yes.

MR. HOUSTON: Do you recall the reasoning behind the recommendation to discontinue the use of spray wands?

MS. COLMAN-SADD: My recollection of that is that a lot of that related to C. difficile outbreaks that we had in the province at the time, and the fact that using spray wands sometimes in patient washrooms right on the unit - if you have one patient that has C. difficile and another patient in a ward setting who does not have that, then using a spray wand in the washroom can push bacteria into the air and aerosolize things. That was a concern that the spray wands could contribute to the spread.

MR. HOUSTON: I did notice if a recommendation is complete, you wouldn't have looked at that at all, would you? I did notice that there was in the August 2013 report a review of MLA Samson's entitlement to benefits as an outside member. There was a recommendation that the Office of the Speaker should seek repayment from Mr. Samson for inappropriate claims listed in this report. The status is complete. Do you know if there was a repayment required or if they said it was complete - would you have looked at it?

MS. COLMAN-SADD: I don't remember the specifics of that particular recommendation. I can tell you that we do look at all recommendations that government management put forward to us and say are complete, and we look at whether or not - from a review level of assurance, they are complete. That is not as high a level as an audit, it's not as high a standard, but we do generally look at some information that is provided from them to see that a recommendation is complete.

MR. HOUSTON: Thank you for that. I want to talk quickly about Transportation, the recommendations around inventory control and this type of stuff. When I was reading this I was kind of thinking of that old Johnny Cash song, the '54, '55, '56 Chevrolet. We always hear stories that you think are way back in the past, of factories weighing workers on the way in and weighing them on the way out and that type of stuff. But you do think

of that as something that would happen way in the past with the way there would be control around inventories now.

It seems like you've identified some serious weaknesses at the Department of Transportation and Infrastructure Renewal around inventory control, and made some recommendations and there hasn't been a move to address those risks. Is that a fair summary that there's a very real risk there of misappropriation of assets, just on the basis of the way the procedures are set up - is that fair?

MR. PICKUP: There are over 20 key controls that we consider basics over inventory control and management. When controls to that extent are not in place, it creates risks of inappropriate things happening, for example. So given that this audit was in May 2013, we feel it should be implemented by now.

MR. HOUSTON: Would the department be able to - you might not have looked at this but presumably they would be able to look at what they've had to reorder, they should be able to do a reasonableness check on the assets in their kind of inventory - were they doing any of that? Would they argue that this risk is mitigated for this reason. I guess if they would have proposed something that mitigated the risk, you would have assessed whether it did or not and, if it didn't, you would have made a recommendation - is that kind of how it would have worked?

MR. SPICER: Yes, that's correct, we would have looked at the information that was available. We would have done a lot of testing. All of these recommendations come from the fact that we would have done detailed testing there and identified those as control weaknesses that should have been addressed.

MR. HOUSTON: Can you elaborate a little bit on the opportunity for money-back rebates based on purchasing? The department, if they purchased from certain vendors I guess, or certain materials, had an opportunity under the agreements that were in place to receive some rebates, but they never took that opportunity?

MR. SPICER: I think you are referring to the life cycle cost agreements they had and some of them are still in effect. Basically those agreements - they are a guarantee by the supplier that this particular vehicle or piece of equipment will only cost you so much to repair and maintain over a certain amount of time, so they have those agreements and part of our process was to go in to look to see well, how are you monitoring that? How do you know the costs associated with that piece of equipment so that in fact if it does exceed that limit that's there, that you know the amount you are supposed to go back to the supplier to get. We noted there were some control weaknesses there as well that we pointed out that they should be fixing.

MR. HOUSTON: In the course of your audit did you see any situations where rebates were actually received, where they had filed and received rebates on those?

MR. SPICER: I can't remember exactly the details.

MR. HOUSTON: So it could be that there was a system in place, but the system could be improved.

MR. SPICER: Yes, there was a system in place and it could be improved; in fact many of the recommendations in that report kind of linked to that because in order to be able to have an accurate amount to know how much you should go back for, you need to make sure that your work orders are correct, that all the supplies and repairs and equipment that you are using on particular vehicles is getting charged to those vehicles and that it is being done on a timely basis.

There are a number of the recommendations that, in fact, impact on their ability to monitor those guarantees in life cycle cost agreements.

MR. HOUSTON: Some of those agreements would still be in place, so this recommendation is still definitely relevant.

MR. SPICER: Yes, there are three or four of them that will end late in 2016 or 2017.

MR. HOUSTON: Okay, well that's very interesting, actually. I did want to look at another recommendation from May 2012 - Addiction Services, Health and Wellness. This recommendation seems like it was specific to Annapolis Valley Health, and it talked about the need to monitor outcomes of Addiction Services programs. First off, I wonder if you have any ability to say whether this recommendation would have applied to other health authorities at the time.

MS. COLMAN-SADD: At that time - if I'm looking at the right audit - we were only doing an audit of Addiction Services at Annapolis Valley. So it would have only applied to that former district health authority because that's the only thing we would have been looking at, at that point in time.

MR. HOUSTON: At that point in time, that health authority had no basis for determining whether the services it was providing - it couldn't tell you what the outcomes were of those services. Do I read that correctly?

MS. COLMAN-SADD: What we're getting at there is that they needed to implement outcome monitoring, so they needed to monitor to see what the outcomes were of their services. I don't remember a great deal of detail about what led to that recommendation, but I do know that what was at the heart of it, which was to implement an outcome monitoring process, something that looks at whether the services are working - are they doing what you intend them to do?

MR. HOUSTON: It's probably always wise to monitor the outcomes of programs and services you're providing. It would be disappointing that that wasn't happening. Maybe it was happening, but not in an organized fashion?

MS. COLMAN-SADD: At that time, what we reported was that there was an outside agency that did some outcome monitoring for some of its structured treatment and nicotine programs, but that there was ". . . no outcome monitoring, or other assessment, for other programs at Annapolis." At that point in time, there wasn't any outcome monitoring except for those two areas.

MR. HOUSTON: I appreciate the work done in this report, and I do think it gives good direction to this committee that hopefully we can act upon as we schedule witnesses coming forward, for sure. I think that the majority of these recommendations are not recommendations that should be dismissed or elevated based on the change of a government. I think these are recommendations that work to protect taxpayers, whether it's protecting the assets of the province or making sure services are doing what they're supposed to. I don't see a lot of political sensitivity in these types of recommendations, and I'm sure you probably take pride in that in your office; they're very matter-of-fact. Is that how you would see it?

MR. PICKUP: My comment on the 161 not completed is that there are very few that we are under disagreement on, and that we think the ones that we are under disagreement on continue to be relevant. We are always careful when we get into policy-type decisions that a government may make. We really try to focus on the efficiency and effectiveness of government and how government works, recognizing what can happen and what ought to happen within that.

So we very much stand by the 161 recommendations. I don't want to lose sight that in the overwhelming majority of these cases - 93 per cent - the government agrees. Yes, we have some disagreement on this box of things that we think are still important, but we still have agreement for the most part.

MR. CHAIRMAN: We'll move to the NDP caucus and Ms. Zann for 14 minutes.

MS. LENORE ZANN: I have to agree with my colleagues that it's a very good report; very thorough, and very interesting. One question I'd like to ask is on Addiction Services. I really agree that the Nova Scotia Prescription Monitoring Program needs to be obviously dealt with in a much better fashion. We've been having a lot of problems with that and a lot of young people dying across the province - not just young people, but others as well. In my riding in particular there have been some suicides lately because of this problem. So I can't state enough how urgent this is, so I'm really glad to see you flag that.

The other one I wanted to mention about the Department of Health and Wellness, and Addiction Services at Annapolis Valley was Recommendation 3.8, "The Department

of Health and Wellness should implement a single province-wide intake and wait list for withdrawal management programs.”

My question about that is, what rationale has the Department of Health and Wellness given to not implement this one singular wait-list for withdrawal management?

MS. COLMAN-SADD: At the time, the department provided a response to that recommendation. They didn't agree with the recommendation. Part of what they said was that clinicians hadn't identified that as an area of concern. We believed then and continue to believe that it is important to have a single source of intake and a single wait-list so that it's clear where people need to call if they need those services. They can call one place and it's clear that a particular individual is not on four different wait-lists or on one wait-list; there is a clear picture of how many people you have waiting for that service in the province versus if you have different wait-lists in different areas it's very difficult to know how many people you have waiting for a service.

MS. ZANN: Exactly, so did they give a reason why they felt it was not important to implement it?

MS. COLMAN-SADD: When we went back and did our follow-up work, we would not have gotten into a great deal of detail on that. It's still listed as “Do not intend to implement”. Because they disagreed with it to start with, that one wasn't unexpected that it might be listed as do not intend to implement.

MR. PICKUP: I would just add that if you have the opportunity to have the department here, they may be able to shed a little more insight as to why they did not intend to implement.

MS. ZANN: I would also like to move on and ask some questions - I'm the Education and Early Childhood Development critic so I'm curious about the education piece. I noticed you have 12 recommendations and there are six that they are saying that they do not intend to implement. I had one question in particular. How were you able to drill down into finding out what exactly you feel is missing in the home-schooling department in Nova Scotia? What research was done on that?

MR. PICKUP: I'm going to quickly take the first part of that and then I'm going to turn it over to Mr. Spicer who would have led that audit at the time. If we go to the core part of the recommendations, what we're essentially saying is you should have clear, measurable learning objectives; do an independent child assessment; assess the programs that parents are proposing for outcomes; as you do the assessments, document them; get information on the progress of the students; and where you need to take action on an assessment, document and take the action.

I do want to point to these things as being what we feel are basic monitoring and assessment of a program of an area. That's sort of the preamble to what Mr. Spicer may like to add to that.

MR. SPICER: As far as the actual detailed audit, we would have talked to school boards a little bit to understand their involvement, but we also would have done a lot of detailed testing right at the Department of Education and Early Childhood Development, looking at the files and information that they receive. All of our recommendations are based on what information do you get, what information do you request.

MS. ZANN: One question I had is, in preparing children who are home-schooled for universities, let's say, is there enough information there for you to be able to see whether or not kids are educated well enough to go into universities? How does that all take place? How does that happen?

MR. SPICER: I would say based on the recommendations that we've made here, based on our look at the files, there would be no way for them to know whether they were prepared or not.

Now, having said that, before they go into university, I think the universities do some testing to sort of see where they are and where they would fall from a registration point of view. But based on our review of the files back in 2012, and again if you look at these recommendations as to what's not being done, you can conclude that it would be very difficult for them to know whether they were getting the education they needed to do that.

MR. PICKUP: At the risk of sounding repetitive, I would also encourage you that if the Department of Education and Early Childhood Development comes in, to focus with them on how they are managing the risk. If the risk here is of children - not sure of the outcomes of these children, if you're not doing these things, how are you managing that risk to know that this pool of the student population is progressing as you would hope?

MS. ZANN: I also had another question relating to what Mr. Houston had asked earlier. Mr. Houston had asked about Mr. Samson's expenses back at one point in time. It was reported that he was claiming certain fees for travel back and forth to his home that he apparently wasn't staying at, and it was suggested that he repay those. Did you say that you don't know whether or not that actually happened?

MS. COLMAN-SADD: Do you know which recommendation that is? I'm just trying to - I know we would have done work around whether or not it was complete. So if it says complete, then I would say that they sought repayment.

MS. ZANN: It's on Page 59.

MS. COLMAN-SADD: I would say that they sought repayment if it says it's complete because we would have - I don't remember the specifics of that one.

MS. ZANN: I'm sorry, did you say they sought repayment?

MS. COLMAN-SADD: Well, I'm looking at the specific nature so I can't say for sure whether or not it was repaid. I may be able to find that really quickly if you want to move on to another area, I might have some info on that.

MR. PICKUP: A brief comment I would say is that we're dealing with 400 recommendations, and we don't mean to frustrate you, but it can take a little bit of time. On these complete ones, it's a rather generic answer, but we need to be satisfied to a review level and agree on the complete status versus those not complete ones. Once the organizations say not complete, we're done and we put a box around those.

MS. ZANN: Okay, and also I seem to remember just in response to Mr. Houston, that there was a change of government. It went to the Ombudsman at that point in time - or the Conflict of Interest Commissioner, I believe, and the Conflict of Interest Commissioner made a ruling.

MS. COLMAN-SADD: Sorry, on your question on Recommendation 2.6, I found the answer. I didn't remember it offhand, but the notes that I have here say that we did a review, so yes, it was repaid.

MS. ZANN: Great, thank you very much, and I think that's all I have today. I think it's a very, very good report and I really appreciate you going to all this work, and this little pager is fantastic, it really helps. Thank you.

MR. CHAIRMAN: If there are no further questions from the NDP caucus, we'll move to the Liberal caucus. Mr. Wilson.

MR. GORDON WILSON: Mr. Chairman, just to finish off on my last round of questions, thank you, with the Jobs Fund. So the new Invest Nova Scotia way that we're doing business, you haven't had a chance to do any kind of a review or audit on that. I'm I'm wondering, is this something that might be identified as a way for us to move forward and deal with those 17 recommendations? Is it on your radar for a potential review?

MR. PICKUP: In any case where recommendations are not implemented, as we monitor what is happening in government on a regular basis and make our audit plans - recognizing that we do eight to 10 performance audits a year - we'll keep an eye to this, as we will many other factors, and then decide somewhere down the road whether this is something we scope into our audit plan or not.

MR. GORDON WILSON: Thank you. The reason I ask is because, actually, last night it was quite interesting during estimates. We had some very timely questions as a result of your report being tabled, and I guess coincidentally the Minister of Business was at estimates last night. I am guessing you didn't watch Legislative TV last night.

There were some very good back-and-forth questions around that. I think a lot of the answers to the questions were given during that time, that back and forth. I do know it was very clear that they really respected and did appreciate the work that was done on the 17 recommendations around the Jobs Fund, recognizing that there were some serious issues with that fund.

Also, there were some comments around how there were a lot of learned experiences from that review that were incorporated into the Invest Nova Scotia strategy, on how that was administered. As you are well aware, it's private-sector administered, independently led, and sector focused. I guess I'll just close with that and hope that there is a way to move forward in that area.

MR. PICKUP: My final comment on that would be in response - I would have been satisfied, I think, and comfortable, if on these 17 recommendations the department had indicated "not yet complete." I would have said, that's reasonable, given that you are going from the Jobs Fund into something new, and we will look at these as we go forward, recognizing that we'll have to put processes in place.

I think that would have been a perfectly reasonable explanation. I would have been satisfied with that, to put it in the bucket of, okay, not complete yet, makes some sense, we'll keep an eye to it, we'll see what happens next year.

It's when it moves to this bucket of "no longer relevant" that we then have a little more issue with to say, okay, we don't want these to drop off, we want you to continue to look at these.

I hope the reasonableness of our approach and where we would prefer to be comes through in our response to your questions.

MR. GORDON WILSON: A very good point. I can't agree with you more. That's an interesting segue into the next question. You did mention that there were several recommendations from the previous health authority alignment, where we had nine different health authorities that got captured into the one Health Authority. You were very pleased that, although not dealt with at this point in time, they accepted those recommendations and they would like to expand those recommendations across the province to all of the service delivery that we're seeing. Even though they are not completed, they are - in your mind, sort of, that was an acceptable response at that time, I believe is the way you put it.

I'm curious, do you know how many recommendations within the Health Authority would have fallen within that category, that would have been ones from previous health authorities? I believe there were around 37 recommendations grouped in that area.

MS. COLMAN-SADD: There are a couple of different audits that had recommendations to the former health authority. There's one related to personal health

information that doesn't fall into that category of them asking us - that they want to make it applicable across the province.

The ones that are applicable across the province were an audit that we did of capital planning at the Department of Health and Wellness - I'm just trying to find it quickly, and I'm sorry, it's not coming to me quickly, but that was an audit of capital planning at the Department of Health and Wellness and also at some of the former health authorities.

In the Health Authority's case they came to us and said, we would like to implement these changes across the new Nova Scotia Health Authority. So it applies to some of that particular audit that was done, that was a former health authority, but it doesn't apply to others.

MR. GORDON WILSON: Right. So of, say, the 30-some that were there for the Health Authority, it could be 15 or 20?

MS. COLMAN-SADD: No, I think it's a much smaller number than that. A very large number of them are the personal health information audit, and those ones are only applicable to the former Capital Health and the IWK.

MR. GORDON WILSON: That comes to my final points that I want to make. I think this is a tremendous - I call it a tool kit for government. The earlier comments from my colleagues around prioritizing - I guess we've gone from one end of the scale - prioritizing, categorizing, summarizing, ranking - they're all interesting words. I like the word "summary," because I think the document that you gave us to start with is a tremendous snapshot. If there are ways that we can bring in some of these other areas - I know that infrastructure and inventory asset management is another group that we see across all government that I think needs to be focused on.

You're going to do a review again next October. Is that the trigger point for that?

MR. PICKUP: The cut-off point for government will be October 16th, and then we'll report in the Spring, be it March or April.

MR. GORDON WILSON: So we are six months out from the last trigger point that we had, and the next one is six months from now. Where did the idea for this tool kit come from?

MR. PICKUP: The tool kit that we've passed out today?

MR. GORDON WILSON: The whole report that we have here. This is a trial - first time done. Where did the inception come from?

MR. PICKUP: Previously the office had always done a follow-up report in terms of one chapter as part of a report in the Spring. So there might be three new audits and then

one - something called "follow-up" in there. There had always been something on follow-up, and the approach to doing that may have changed over the years, but there was always something called follow-up.

When we had discussions with the chairman and vice-chairman over the last year, and given the interest in the follow-up in June of last year, we decided that we would pull it out and make it its own stand-alone report, a stand-alone snapshot. Then some of the other tools we gave you today were essentially us working together and trying, to the extent that we can, to put ourselves in the capacity you have today as a member of the Public Accounts Committee, to take 400 recommendations and follow what we're saying.

MR. GORDON WILSON: So it was an internal decision that was made to create this report?

MR. PICKUP: Essentially, yes.

MR. GORDON WILSON: My final question on this - again, I congratulate you. I think this is a tremendous tool for government.

Maybe it's early on to ask that, and again, it is a trial - what do you see as maybe some of the changes that we might expect in the next report, as far as reporting how we receive it and what it looks like?

MR. PICKUP: In terms of how we report or the results of the entities?

MR. GORDON WILSON: I would say the template that you're using.

MR. PICKUP: One of the things that we're going to try to do is take what we've given you that is not in the report and see - can we streamline the report, can we repackage, can we make it a little more user friendly? Again, we'll look at the tools that we provided you today and see what we can make changes with, based on some of the things that we heard today as well.

A big part of what we do is obviously to serve the House, but we very much believe it's also to serve this committee, in addition to all Nova Scotians. So to the extent we can get you the information that you can easily get through, the better we're doing our job in serving you.

Ms. Colman-Sadd wanted to make one quick point on something she was looking up.

MS. COLMAN-SADD: Earlier you asked me about the number of recommendations that applied to the hospital system capital planning audit that the Health Authority asked to have applied across the province. There are five recommendations that

are outstanding, that are assessed as not complete, and the Health Authority indicated they want to implement them province-wide rather than just in the former districts.

MR. GORDON WILSON: Did they indicate to you in those discussions what timelines they had for implementing those?

MS. COLMAN-SADD: No, I haven't had that discussion with them.

MR. GORDON WILSON: Thank you. That's it for me.

MR. CHAIRMAN: Mr. Porter, you have about five minutes.

MR. CHUCK PORTER: I want to thank the Auditor General and the staff in your office for preparing a report. I know a lot of work goes into doing that kind of detail, and we've had them over the years.

I want to touch on just a couple of things with only a short few minutes left. When I look at the chart, you have talked about the importance - there is no real ranking, they are listed, you chart them on Page 8 of the report specifically, I think, based on the colour coding and recognizing the percentages of where we are toward completion. I look at specifically the Health and Wellness one. It has been a key one you pointed out quite significantly in your chapter a little further on, and you describe details around that. But it is in the 50 per cent to 79 per cent range, so there is work going on. Is that correct on this - although it is not complete, there is work going on?

MR. PICKUP: The yellow one is the 50 per cent to 79 per cent, so that is better than 50 per cent and not as good as 80 per cent.

MR. PORTER: Not as good as 80. But there is work going on - I want to clarify that nobody has said we are not working on anything. We are working on this - is that correct?

MR. PICKUP: Right, and I would also make the point, let us not forget that while it is only 60 per cent, 240 recommendations essentially have been completed.

MR. PORTER: Correct.

MR. PICKUP: So, it is not zero or one.

MR. PORTER: No, right, and I guess I just wanted to detail that because some of the questions maybe did not quite go into that or maybe some of the answers were not quite detailed around how much has been done and continues to be done. And I would think on some of these cases with regard to the prescription monitoring - a very important case, you talk about it in the report further on, the potential that exists there - I would assume, and please correct me if I am wrong, and I look for your wisdom on this, but there is some

expertise in putting this in place to get this right, is that correct or no - outside of government, sir, I am talking about.

MR. PICKUP: I will not attempt to comment on what is involved in implementing this, in implementing the action. I would go back to the fact that in responding to the recommendation the government, itself, decided that it would be done in 2014. Now, I think it is up to the Public Accounts Committee to have the discussion why 2014, why not 2016.

MR. PORTER: Okay, but I guess in the audit process, and this is a fairly detailed audit of this section and you use some language around this that obviously created some concern, rightfully so, but at the same time in quantifying that would it not mean that you need some sort of expertise to put this in place and that should be weighed in, this time it takes to put the solution and to complete the task?

MR. PICKUP: One of the things that we do if we go back to that 161 not complete, of the 133 not complete these are the ones that the entities say are not complete. Once we go into that not compete box, we are in the not complete box.

MR. PORTER: And you just leave it there. There is no further . . .

MR. PICKUP: Right, and we just leave it there. We focus on the ones where government says they are complete to make sure we are reasonably happy based on review level, that those are indeed complete. That is where we focus.

MR. PORTER: Okay, and thank you for that. I just want to be clear. So you put them in the box, and they are marked as not complete to date and does not mean there is not progress - you have already said there is progress being made; there is work being done on that. But you do not look at the detail of what it takes to complete that task although you weigh in on, I guess I want to say you weigh in on, strongly at times, on certain things not being done when you weight risk for example that we have talked about. I guess in trying to be playing the other side of that I am not sure how you do not weigh in on what it takes to complete that when you look at the risk level.

MR. PICKUP: When we do the initial audit we find an observation. Generally, if you were making a recommendation we say something is not being done. So the something not being done and how you address that is really incumbent upon the department to come up with that action – and they take it seriously, and we acknowledge that, and they agree with the recommendation. Then the timelines to do that and what has to be done is really up to the department.

MR. PORTER: Sure, sure, and realizing some of that takes more time and there have been things that happen obviously . . .

MR. CHAIRMAN: Order. I do apologize, but the time has expired. I would like to take this opportunity, Mr. Pickup, for you to give some closing comments.

MR. PICKUP: My closing pre-lunch comments would be, firstly, to thank you, thank you for your interest in the work that we are doing.

Thank you to the committee for calling in entities. Certainly, any chance I get I always highlight, be it in public speeches or elsewhere, the importance of the Public Accounts Committee. I think you know one of the avenues that Nova Scotians should go to is their Public Accounts Committee and say, how well is the Public Accounts Committee holding government to account to make these changes?

At the end of the day, you know, we are the independent auditors very much working for the House, for the committee, and for the Nova Scotians as well. But we are there to encourage better government; we are there to encourage improvements as all of you are here for in your role as Public Accounts Committee members. That really is what is driving us when we look at all these things.

Now, 40 per cent implementation, 40 per cent not implemented, yes, we have to say that is significant. We do want to see improvement. But I acknowledge, by the agreement, that so does the Public Service, and so does the government. They want to do these things.

I think where I really see the Public Accounts Committee coming in to help is bringing some of these entities in to say, help us understand why it is taking you this amount of time, and are you being up front to the extent you can be, and encouraged in your responses to tell people how long something is going to take in order to implement a recommendation.

I respectfully hope that the Public Accounts Committee will continue to call our work, as you have been, and call some of these organizations that aren't doing as well. I would encourage that at the oversight level as well - as you have done, for example, with some of the entities outside the core of government, like the Health Authority and the IWK.

My final word would be thank Evangeline Colman-Sadd, the Assistant Auditor General who led this. We are a small office - 36 people pushing out eight to 10 performance audits a year, doing all the financial audit work that we do in government, and then following up 23 audits and 400 recommendations.

I spent 25 years at the Office of the Auditor General of Canada and have been here in Nova Scotia for the last two years. Just when I think I can't be impressed any more, I continue to be impressed by the work that people in the office do. So it's not me - it's all the people who are here today, and probably more importantly, the ones who are in the building across the street who do all the real work and who may not even have time to do this. That's my final thought.

MR. CHAIRMAN: Thank you, Mr. Pickup. Mr. Spicer and Ms. Colman-Sadd, thank you for your work in helping to make the province better for us all.

We do have some committee business. We have some correspondence from the Department of Natural Resources. That was information requested from the April 6th meeting that we had with them. Do members have any comments or questions about that correspondence?

Seeing none, the next correspondence we had was from the Department of Community Services, and that related to information requested from the March 23rd meeting that we had with them. Are there any comments or questions on that? Seeing none - those are both quite straightforward.

We've had a couple of requests to reschedule meetings. The most recent one was just dated today. This is from the Department of Education and Early Childhood Development. I'll draw your attention to a meeting scheduled for May 11th.

We received correspondence from the Deputy Minister of Education and Early Childhood Development that they have been able to schedule a meeting with the four Atlantic Clerks to meet with the McConnell Foundation about potential investment in early years in Atlantic Canada.

Essentially the deputy is requesting that - well, I guess we have two options. The meeting on the 11th has been set up with four school boards and the Deputy Minister of Education and Early Childhood Development. Perhaps we could ask the Auditor General for his thoughts on this, but we could go ahead without the Department of Education and Early Childhood Development, given that the four school boards have agreed to attend. The meeting is on Chapter 2 of the Auditor General's Fall Report on regional school board governance and oversight, so I would expect that the main subjects for the meeting would be the school boards.

If we do go ahead with the meeting on May 11th, we would not have the Deputy Minister of Education and Early Childhood Development with us. Perhaps, if I may, Mr. Pickup, do you have any comments on that? Would it be critical that we have the Deputy Minister of Education and Early Childhood Development at that meeting?

MR. PICKUP: Respecting that this is just advice, of course, and it is your decision, I would suggest going ahead with the three Chairs of the school boards. This was very much an audit of oversight about how these school boards are doing. Then if something happens in that and they pass a lot of it on to the department, you could probably always have the option of bringing the deputy from the department in at a later date. That would be my advice.

MR. CHAIRMAN: Thank you, Mr. Pickup.

Does the committee have any thoughts? Is there agreement?

MS. ZANN: I think that's a great idea; I would agree with that.

MR. CHAIRMAN: I'm seeing agreement on the committee. Our clerk will take note of that and we will proceed with the meeting on May 11th.

The other request for rescheduling of a meeting has come from Service Nova Scotia, and this is regarding the registry of infrastructure renewal and associated costs. This meeting was scheduled for May 18th. We do have a vacancy on June 1st, when we could meet with them; otherwise, if we don't have the deputy minister on May 18th, we could have another senior person in the department. Option A is we move the meeting to June 1st, or B, we go ahead with the meeting on May 18th, but with somebody else senior in the department.

Any comments from members? I'm hearing June 1st, and I'm seeing agreement. Our clerk will make note of that. So we have a decision on both of those meetings.

Our next meeting is scheduled for next week, May 4th. We have the Department of Municipal Affairs to discuss Chapter 5 of the November 2015 Auditor General's Report - that is on monitoring and funding to municipalities. We will have a briefing for that meeting at 8:30 a.m. that morning, and we will have a briefing after that meeting at 11:00 a.m. for a meeting that we will be having the following week - is everybody okay with that?

MR. PICKUP: It is Department of Municipal Affairs Monitoring and Funding - I think it's meant to say to municipalities, not universities.

MR. CHAIRMAN: Perhaps I read that wrong.

MR. PICKUP: No, it says universities.

MR. CHAIRMAN: Okay. Oh, I'm sorry. Okay. So everybody is clear, because I am still not. (Laughter) If everybody else is, that's all that matters.

Mr. Houston.

MR. HOUSTON: It just seems like with the two briefings, one on each end of the meeting, that's a lot for me, personally, to absorb. Could we reschedule the briefing after?

MR. CHAIRMAN: If members wish, we could have the briefing for the meeting that will be coming up on - well the following week we could do the briefing that morning at 8:30 a.m. Is there agreement at 8:30 a.m. that same week?

Seeing agreement, our clerk will make note of that.

Thank you everyone, unless there's any business to come before the committee?

Mr. Houston, we have just a minute and a half left.

MR. HOUSTON: I would just like to get Mr. Pickup's recommendation. We did write to the internal auditor, and there are a couple of letters circulated asking them to take more responsibility in getting recommendations implemented. They wrote back saying they thought it was just fine in the hands of the department. I don't know if you have any advice or if there's somebody else we should write to, to try and move that along or . . .

MR. PICKUP: I do have some advice on that, and I just re-read the letter. What my suggestion would be is to bring in the chairman of the Audit Committee to talk about whether you could at least receive some monitoring information as a way of a status update to where things are. If you had some concerns, then you could bring the deputy in for the areas where you might have concern.

So you wouldn't be asking the chairman of the Audit Committee to speak to why a particular department may have low implementation, but he could bring you the tool to know that six months earlier, by coming in and walking you through that initial overview. I think that would be respecting what they're saying, but serving your needs in terms of getting an early gauge of where things may be off.

MR. HOUSTON: Maybe the chairman can work with Mr. Pickup to draft a letter for committee review?

MR. CHAIRMAN: Do we have agreement from the committee to extend the meeting just briefly past 12:00 noon?

It is not agreed.

Okay. Mr. Rankin, did you have a comment?

MR. IAIN RANKIN: I think we do have a subcommittee coming up within the next couple of weeks where we can discuss . . .

MR. CHAIRMAN: Order. The time for the meeting has expired. We'll pick up business in the next meeting if need be.

The meeting is adjourned.

[The committee adjourned at 12:00 p.m.]