

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, September 20, 2017

Legislative Chamber

Organizational Meeting

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Public Accounts Committee

Mr. Allan MacMaster, Chairman
Mr. Gordon Wilson, Vice-Chairman
Mr. Ben Jessome
Ms. Suzanne Lohnes-Croft
Mr. Brendan Maguire
Mr. Hugh MacKay
Mr. Tim Houston
Hon. David Wilson
Ms. Lisa Roberts

In Attendance:

Ms. Kim Langille
Legislative Committee Clerk

Mr. Gordon Hebb
Chief Legislative Counsel

Ms. Nicole Arsenault
Assistant Clerk, Office of the Speaker

Mr. Michael Pickup
Auditor General



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, SEPTEMBER 20, 2017

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIRMAN

Mr. Allan MacMaster

VICE-CHAIRMAN

Mr. Gordon Wilson

MR. CHAIRMAN: Good morning everyone, I call this meeting of the Public Accounts Committee to order. I'd like to welcome everyone here. This is our first meeting since the election. I would like to remind everyone to place their phones on silent. I do that before every meeting so that we avoid interruptions.

I would like to ask members to introduce themselves.

[The committee members introduced themselves.]

MR. CHAIRMAN: Just a point on microphones, it's probably best to keep them in the same spot. I remember my first Public Accounts Committee meeting I think I was shouting into the microphone. Nobody has done that today. The microphones work very well as long as we leave them in sort of the same position.

Today's meeting is largely about explaining how the committee works. It will be an opportunity for you to ask questions. We have the Auditor General here and our Legislative Counsel, who will be offering comments later on.

Some of you have been on the committee already so there's nothing really new here for you. However, I thought it would be good for us to all get together to have this meeting.

We'll start with some basic housekeeping items. As you've seen before you came to this meeting, you receive a package of information and that is something that you will receive before every meeting. When we call a witness, information is prepared by the Legislative Library and by our clerk's office to provide to us.

Our mandate says that the Public Accounts Committee is established for the purpose of reviewing the Public Accounts, the annual report or other reports of the Auditor General and any other financial matters respecting the public funds of the Province.

I'll speak about this later, but we have an offer from the Department of Finance and Treasury Board, which has offered to come in. Perhaps not all of us are familiar with going over the financial statements of government, there will be line items that we may have questions on. That will be an opportunity for you to gain a better understanding of how this public expenditure is reported, so that you can ask questions.

Our meeting is weekly. We have an average of around 25 to 30 meetings per year, so we meet quite frequently. We are probably one of the busier committees of the Legislature. Myself, as chairman, sometimes I'm called to rule on items. I can consult with our Legislative Counsel to get support for a particular decision or other. I do rely on that advice because I do aim to be fair.

We all come to this committee representing our own political Parties, but as chairman, I certainly make as good an effort as I can. I have been questioned in the past and I suspect that may be the case in the future, but my aim is to be fair and to follow the rules and I do call upon Legislative Counsel to provide me advice from time to time.

Of course, we also have the Auditor General as a frequent and very regular guest here at our meetings, and members have the opportunity to ask questions of the Auditor General from time to time.

Our meetings are televised and they are live streamed now. Of course, our dress is important; it's similar to what we would wear if we were in the Legislature. I mentioned about the microphones, they are best left in the same position. They work quite well when they're in that position. Similar to the way the Legislature operates, in this case, when members wish to speak, they call for my attention, and I will recognize them.

Typically, our meetings are quite structured. Each caucus is given the same amount of time to ask questions, and it's usually divided up as each caucus sees fit. It's always in the order of the Official Opposition followed by the NDP and then the government members. There are typically two rounds of questions. Usually the first round begins after a short introduction from our witness. Each caucus has 20 minutes. Then there's a second round that's usually around 14 minutes. Then our guests have a chance to provide closing comments. Every meeting is run like that, with that structure.

Just another point on the microphones: you'll see I have a red light on my microphone. Always wait until your light comes on before you speak. That's important, so that we hear what you say but also so that it can be transcribed by Hansard because it becomes part of the public record.

We had a meeting of the subcommittee of this committee recently where topics were put forward. You will have an opportunity to vote on those topics later today. The purpose of the subcommittee is for organization. In this case, topics were selected and voted upon by the subcommittee to go to the full committee here today. We met recently on that.

That meeting is in camera. Sometimes we will have meetings in camera. That means that what is said in the room stays in the room. That's for the protection of all members, so members can feel they can speak freely. We have had a couple of incidents in the past where, and I believe it was truly by accident, members may have referenced a comment made during an in camera meeting because those meetings were held on the same day - we had an in camera before we had our full public meeting. That's just something I bring to your attention. If something is said in camera, we ask that you keep it confidential within the room here for everybody's benefit.

Our subcommittee has been formed, and that includes Mr. Tim Houston as member of the Official Opposition; Hon. Dave Wilson as member of the NDP caucus; the vice-chairman, who is Mr. Gordon Wilson, of the Liberal caucus; and myself as chairman. In the past, sometimes there have been just three members on the committee. I feel it is better that I stay as chairman and that the wishes of the PC caucus are represented by Mr. Houston, which I think allows me to stay more independent. It has worked well, and I think everyone has agreed to that format. If there are any concerns or questions about that, you can certainly raise them whenever you wish.

I've got lots of notes here. I'm trying to go through them quickly for you.

Another point, and for those of you who are new to the Legislature as well, is that questions are actually directed through the Chair. I do like to be flexible on that. I don't mind, when members are asking witnesses questions, if there's a bit of back and forth going. I am fine with that as long as it remains respectful. If the questioning becomes too aggressive or takes on a tone that's inappropriate, or the answers take on a tone that's inappropriate, I will, as I have in the past, call either members of the committee or witnesses to task on that and ask that they return to a dialogue that is more befitting of the committee. Questions technically are directed through me, but I don't mind if you direct them looking at the witnesses. In a lot of cases, questions build off the answers, and I think it's important for a free flow of that communication to take place.

Here's a point that was raised by our Clerk's Office, and that is if members are referencing a document that they intend to table, please make an effort to have copies made and brought with you for the meeting. If you are referencing something that other members

may wish to look at while you are referencing it, it helps that those members have a chance to look at it as you're referencing it, so please do your best on that. We can make copies at the last minute but the preference is for you to have them with you. Sometimes people may be bringing a large document and it's impossible to copy them in a short amount of time for everyone.

Many of the topics we will discuss for this committee are topics that will be put forward by members on the committee. We have, as I mentioned before, our Legislative Library which provides research services for us and our Clerk's Office which provides information for us, and perhaps caucuses are doing their own research as well on topics that are brought forward and that will be the case many times.

We also have an Auditor General's Office which has, I believe, about 40 people (Interruption) - 35 people working in the Auditor General's Office. They are writing reports, they are auditing services of government.

We have the opportunity to select topics that the Auditor General raises in his reports, for our meetings here, which brings with it all of that research that comes from those 35 people. It's very thorough, it's in-depth. So those are topics that the subcommittee considers when it puts topics forward to our committee. I know the Auditor General will speak about that later today.

There are essentially two sources for our witnesses; one is from our own wishes but we also have the opportunity to call upon reports that the Auditor General has prepared. Not only do we ask the Auditor General questions about those reports but when we bring the department in that is relevant in the report then you have the opportunity to ask the department questions. These reports are thorough, as I mentioned, and perhaps most importantly, they hold recommendations that departments have agreed to. Oftentimes we do follow-up reports to see if the departments have followed through on the recommendations that they have accepted and agreed to. I will let the Auditor General speak more about that in a moment.

When we have witnesses who are brought in based on Auditor General Reports, we often have in camera meetings with the Auditor General where you can ask questions freely and privately - certainly at least privately within our committee - to help inform you before we bring in the department to ask questions.

I think at this point if perhaps I've not explained too much of that, I will turn the table over to our Auditor General, Mr. Michael Pickup, and he can provide you with some comments. Thank you.

MR. MICHAEL PICKUP: If I seem to be looking down a fair bit, my apologies. I forgot my regular glasses today so I'm using the backup pair that were on my desk, from the pharmacy, so it's a bit awkward to look at my papers.

I wasn't going to say too many things, partially because I just want to focus on a few things, but I also had the opportunity, after the election I extended an offer to each of the three major caucuses to come in and meet with the entire caucus or those who wanted to meet, so I had a chance to do that. Two of the caucuses took me up on that, so I had a chance to meet with most of the members in those caucuses and essentially go over things like the role of the Office of the Auditor General and many of those types of aspects. I know that at least with one of the new members I've had a chance to chat with her individually as well.

I'm always available to a full caucus or to a partial caucus, to new members only, to do separate information sessions. I really want to try to be demand-driven rather than supply-oriented and try to meet needs only if they're there and not just look for things to do, if you will, because we have enough things to do. I'm really letting you folks drive the bus in terms of if you want us to come and do things, let us know.

[9:15 a.m.]

I think I would also extend that to the chairman and vice-chairman as well, if you want to meet outside of this or you want to have discussions in terms of what things you may want from us, what things you may want us to do differently. I think we've had some good interaction with the previous Public Accounts Committee over the past three years, in terms of the way we report and things we could do to streamline reporting, to make it more efficient for you, to make it easier for you. It's hard for us to be in your shoes if you don't help us know what it's like to be in those shoes and how we can help you do your job.

I always tell people that the organizations we audit are the organizations that we audit. Our client is the House and secondly would be the Public Accounts Committee, so I'm very much driven by that.

I have all kinds of ideas on ways we might help the committee. I know that most of the members are returning but it doesn't diminish the opportunities or what I'm willing to do, including, for example, the former CCAF, which is now the Canadian Audit and Accountability Foundation. Because there was an election and there's a new PAC, they will have available one free training session where they would come down and meet with PAC members and sort of tailor some training. I said to them not to reach out directly to PAC until I've had some discussion.

Mr. Chairman, I don't know how you want that discussion to happen, whether it's you and the vice-chairman or whether it's at a subcommittee meeting, but again, I want to be demand driven with the CCAF. There's no sense in them coming down here and (1) doing a presentation if it's not going to be of any use and (2) coming down here and doing a presentation that doesn't meet your needs and everybody leaving and saying well that was a half-day or a day wasted that I'll never get back. None of us want to do that so I think we need to figure out how we go about that.

I also have other ideas, none of which I'm going to sort of put into place without some discussion. As an example, on our October 4th report that's coming up, we meet early that morning. We have a subcommittee meeting with you - we have an in camera meeting to brief you and then we go right to the public session. But this year, starting on the October 4th report, rather than an 8:30 a.m. release, we're going to do a 7:00 a.m. release, so at 7:00 a.m. the full report will be available. The two-minute videos will be available per audit, as will the one-page - and this is in response to something that you seem to like - the one-page per report summary will be available at 7:00 a.m. on the website as well. All of those things will be available at 7:00 a.m. and then we come over here, I think, for 9:00 a.m., or whatever time it is for an in camera briefing.

Something for folks to think about and again, Mr. Chairman, I'm not sure how you want to facilitate this type of discussion and engagement. We are open to doing things like if members thought that us having some sort of working breakfast where we invite people in at 7:00 a.m. or 7:30 a.m. to come and sit down with the folks who do the work and have some discussion before the in camera meeting and then still do the in camera meeting - I know some of my colleagues do that in other jurisdictions - all of those types of things.

I have lots of ideas, but again, there's no sense in us going about doing it if you think that's a waste of time or you're not going to take it up, then there's no point in us doing that. Maybe, Mr. Chairman, we can park that for now but look to have a discussion as you see fit, in terms of going forward and ideas we might have to serve you better.

I would also hope that as we move from the October 4th report that we can engage somehow, whether that's through the chairman and vice-chairman, on a discussion very quickly on lessons learned, to say okay, just after that report, what would have made it better for you? I think the one-page has responded to some of that. The videos have, to some extent, but communication and all this stuff is constantly changing and is different for everybody.

If we can quickly do different things that don't cost us too much that we can turn around rather quickly in how we present our results to you and how we get that, to help you do your job better at the Public Accounts Committee, we're certainly all ears on that. That was that sort of first bucket that I wanted to talk about.

The next one was on the handout that I brought copies of for everybody. It was on the coverage over the last three years, so I'll provide that, with all due respect, as information as you decide going forward as to what you might want to look at. I think there's a very quick picture that shows, if you go to the far right, as to whether something was called to the Public Accounts Committee, it quickly shows how much of our work has been called. If you look at the 2016 work we did, most of it has not been called to the Public Accounts Committee which - I'll be honest, with all due respect to how you set your agenda - some of those are topics that I would hope would be called to the Public Accounts Committee in terms of witnesses being called in to discuss these things.

It's always risky, I guess, to point out examples but when you look at things like critical infrastructure, licensed child care, species at risk, and topics like that, I think they're all significant topics. Anyway, I say that with all due respect to say I hope the Public Accounts Committee will consider those.

I also just came back - as some of you know, I was at the Canadian Council of Legislative Auditors and Canadian Council of Public Accounts Committees joint annual meeting in Fredericton. I don't know if it's on your behalf but I explained to your colleagues from across the country from Public Accounts Committees and to the Auditors General from across the country that were in attendance, of the situation in Nova Scotia where there was recently an election and that the Public Accounts Committee was recently formed. Nova Scotia was one of the two jurisdictions that didn't have anybody from the Public Accounts Committee in attendance at the meeting. I explained that to folks, with all due respect to the committee of course, and to what happened. It was Nova Scotia and B.C. that weren't able to have anybody at the committee meetings.

I bring up that conference because I was asked to be on a panel discussion about what I see as the role of a Public Accounts Committee, in terms of the financial statements of the government, the Public Accounts, if you will. I guess it lines up very nicely with the name of the committee - the Public Accounts Committee - the Public Accounts of Nova Scotia, the Financial Statements of Nova Scotia.

One of the things - and I think I have forwarded to you folks the presentation I did. Certainly, I made it clear to the audience because there was myself, the Chairman of the Public Accounts Committee of Alberta, and the Auditor General of Alberta - so the three of us were on the panel talking about the role of the Public Accounts Committee. Certainly, I expressed to that group quite clearly that I thought that last year there were excellent questions when we came to the Public Accounts Committee on the results of our financial work.

I had a Hansard summary by types of questions. There were 49 questions posed to us in a two-hour session on the financial statements. I did say that the one disappointment I had and the one thing that I think would have served the Public Accounts Committee better, which for those who were here last year can recall, my answer quite often was that those are great questions for the government, for the people who prepare the financial statements, the people who own those financial statements, and the people who have the more detailed knowledge.

Again, I encourage the committee, with all due respect, to call in the government after we present the results of our October 4th report because I do think we're one of the few jurisdictions in Canada where the people who prepare the statements are not called in to explain the financial statements and take questions.

In fairness to you folks, I'm sure that last year you got frustrated with me that I just don't have the detailed knowledge, because I'm not the preparer or the owner. We do the

Public Accounts of Nova Scotia. It's an \$11 billion a year organization. Materiality is over \$100 million, so for something to be critical for us, you know we're starting with \$100 million, so if we're asked a detailed question on something that's \$500,000 or \$1 million, there's a very good chance that we didn't even look at that because of the nature of materiality. Anyway, I'll stop on that now, on my feelings on the need to call government.

I do want to bleed that into the October 4th report to say that in that October 4th report, we have three key areas that we're looking at that I really believe will require government to come and talk about some of those results and some of the findings in those reports. This work is a summary type of report. This is a new type of audit work, new summary type reports.

We have three chapters. Chapter 1 is the result of all the financial audit work that we did. We'll be looking at things like whether there are significant control deficiencies in the Government of Nova Scotia. Is fraud being managed well in the Government of Nova Scotia? Are there significant board vacancies that may be at issue? How is disclosure of travel and hospitality working across the government? They're big ticket items. That's just Chapter 1.

Chapter 2 will be a snapshot of some of the information we extract from the financial statements to highlight to you. It is something we've had a discussion on in the past. All of that information is essentially available in the Public Accounts, in the hundreds and hundreds and hundreds of pages of the Public Accounts. I've engaged with the Public Accounts Committee in the past to ask if you find this report that we do useful. Is this helpful to you? One of the things I've heard from the Public Accounts Committee is, yes, this is helpful to us; this makes it simple for us.

What we're doing in Chapter 2 is focusing on two things. What happened in 2017? What are the short-term results? What does that show? What do the 10-year trends show? In 10-year trends, we're essentially breaking it down into two five-year periods to look at the last five years and look at the five years before that, and 10 years a trend does make. It will be the presentation of this information to you. Why I bring that up is as an example of why you may want government officials in to talk about it. We're going to present the numbers to you. We're going to present the impact of numbers to you.

I obviously won't be taking a position on whether I think, for example, debt is good or debt is bad, whether a deficit in one year is worse than a surplus in another year. What I will talk about in that report is financial impacts of those, not a judgment call on whether that was good or bad in terms of a surplus or a deficit in any given year. Those are really policy type questions. Those are discussions for people who hold the government accountable. I will be giving you a tool in this chapter to say, here are some of the key highlights in 12 or 13 pages versus the 400 or 500 pages that are in the Public Accounts.

Finally, Chapter 3 of that report will be on pensions in the public sector, and it has been a project. Essentially, we will be providing you with a summary of the three major

pension plans covering most of the workers in the public sector in Nova Scotia. That's the pension plan covering health care workers, the pension plan covering teachers, and the pension plan covering the Public Service. That will be presented from an information perspective. We haven't done audits of those organizations, but we are pulling out publicly available information, we're summarizing it into one point, and we're showing the position these plans are in, the risks to government, and the risks to the people who are in the plans, both who are working people and people who are retired. In addition it will summarize key aspects of the MLA pension plan, so that people can visually see how the four plans may be similar and how the four plans may differ and the exposure those plans actually give.

I think there is going to be one or two fundamental public policy discussions that probably should happen as a result of that. This information piece is meant to feed into that. We'll talk about it on October 4th, but I think there are some very big ticket items there.

[9:30 a.m.]

One of the things that has come out of that is when you look at these plans and benefits paid over the last five years, these plans have paid out \$4.2 billion in benefits. The point of this work is workers, Nova Scotians, the economy depends on these pension plans being in good shape and continuing in the future because they are significant in terms of even the assets they're managing, close to \$17 billion in assets being managed by these three pension plans - huge dollars involved.

I guess from a finance perspective, in my view something that size has to be of interest to the Public Accounts Committee. Also, there are about 110,000 Nova Scotians in those pension plans, either as retirees or workers directly. That doesn't include the spinoffs. If every one of those workers has a family or somebody else who is impacted, all of a sudden we're getting closer to 200,000 people. There's only 700,000 Nova Scotians over the age of 20 so we're talking a large percentage of the population that is directly or indirectly impacted by these pensions. Anyway, all of that is to say that's what's coming on October 4th.

I look forward to more discussion, be it with the chairman and the vice-chairman or the subcommittee or the whole committee, on how we can continue to serve and I hope better serve and continually improve how we serve you folks in holding the government accountable.

I liked one of the presentations last week at the committee, they were talking about the role of the Public Accounts Committee - it wasn't me who said it, it was somebody else - and they talked about public money having no politics. I thought that was a very interesting perspective from the Public Accounts Committee members, in terms of the interest of all of this.

All that is to say I look forward to our next number of years together. I just started year four of my mandate so I'll be around another seven years, so we'll be working together.

MR. CHAIRMAN: Thank you, Mr. Pickup. You made a number of recommendations, including the summary of chapters that have been called to the Public Accounts Committee, those that have and those that have not. For members' benefit, is it appropriate for members to ask your office, to recommend to your office to investigate specific issues in government or departments in government?

MR. PICKUP: If I understand the question, if the Public Accounts Committee has a concern or issue they want us to look at, I think is your question - very often, and it has already happened this season, with the new Legislature in place, members will call me and want to come in directly to talk about an issue. I generally am very responsive to sit down and talk and say we'll look at this to see how that impacts our plans, so it can be that one-on-one.

It can be a resolution, if you will, a request if you will, from the Public Accounts Committee itself, as a group, that we would consider. We get requests all the time. I can tell you that I take all requests seriously but certainly any time an MLA calls or is interested in something, frankly that goes to the top of the list in terms of being responsive and sitting down.

Does that mean we always do what you would like? No, it doesn't. We sometimes do but you've got to remember that we're doing 10 performance audits a year, we're 35 people, and we're auditing an \$11 billion a year organization, so we have to see what we pick.

I will add two examples that come to mind that members came to see me about or different people came to see me about and that we advanced our work on is that in November we're going to be reporting on mental health and on physician planning, family doctors, so we're reporting on both of those in November. They were on our list but we advanced them significantly in terms of timing, in response to members' concerns over those areas.

We do our best to be responsive but you don't stop - you know, we're only across the street here, so I'm always available to take requests.

MR. CHAIRMAN: Thank you, and I'm sure our committee will do our best as well to work with your office. Are there any questions for the Auditor General? Ms. Lohnes-Croft.

MS. SUZANNE LOHNES-CROFT: I just wanted to know, with having the Ottawa group come here to do a workshop, were there any new ideas or approaches they were presenting, other than what we've had before?

MR. PICKUP: Part of this really in my frank, direct view would be, how brave are members in terms of the training they want? If you want sort of an analysis to say, here are examples of the last number of years of probably very good types of PAC discussions around issues that a PAC likely should be doing, if you follow good practices, if you want that kind of feedback, and likewise, on good types of things in terms of discussions and analyses, and I would give that Public Accounts example.

They have a new guide that came out. My view would be we wouldn't want them to come. I mean it's free in one sense, in that they're not going to charge, you get one free, but it's still a cost, right? You don't want them to come, in my view, to do a generic sort of here's what you should do and here's the way things work. I think I would be willing, if the chairman and vice-chairman wanted it, to sit down and do a very, very tailored, directly what do you really need and want?

Probably most of the risk to me on this is what do you want to hear? Do you really want to hear direct, concrete, specific things to the Nova Scotia Public Accounts Committee, or do you want to hear more generic stuff or do you want a balance of that, a mix of that?

MR. CHAIRMAN: Mr. Gordon Wilson.

MR. GORDON WILSON: I'm curious - and this isn't maybe a suggestion, it's just more of I wouldn't mind getting your thoughts on - if you've ever seen in other Public Accounts for other areas where there's a witness or a set agenda item that maybe would take multiple sessions to present and discuss.

I noticed most of work we do is one-in, one-out, that kind of stuff. Do you have any comment or have you seen any opportunities where that happens?

MR. PICKUP: I think that leads me into what I would call a great idea, the idea being that if somebody is coming to the Public Accounts Committee to talk about one of our audits, as an example, and they say okay, they're going to get through that Public Accounts Committee, they're going to come and chat with you about the results and what they're going to do with the recommendations, then why not, for example, have them back six months or a year later to say okay, you were here, you talked about this, you said you were going to do this - give us a short update and come back and chat about things?

When I worked federally for 25 years at the Auditor General of Canada, the organizations that were audited that had a report, they would give a very brief action plan as to what they were going to do with the recommendations and then the PAC would look to have them come back to talk about that.

I think the November 1st report is going to be our first dedicated, full report on the environment. I think that's going to be a good example to demonstrate the concept of what you're talking about because there's going to probably be too much in there for the

Department of Environment officials, in my view, to cover that in one session. Probably you'd want to think about strategically having them come back at a few key points.

MR. GORDON WILSON: Do you know if it has ever been done in this Legislature, within the PAC?

MR. PICKUP: I'm trying to think back to the time that I've been here. I would guess but I don't know, I can't say for sure when and how that has happened.

MR. CHAIRMAN: We'll move to Mr. Jessome.

MR. BEN JESSOME: Mr. Chairman, through you, I would like some clarification on the scope of the Auditor General's Office. This committee, as I understand it, is primarily here to cover the subject of financials with respect to government departments and I'm just curious. I see a number of topics. Can you elaborate? What is the scope of the Auditor General's office outside of the financials of the respective witnesses or topics?

MR. PICKUP: Sure. The mandate of the Office of the Auditor General is very broad. It's the financial audit world that we can look at, of course, in any of the entities in the government reporting, but it's also the performance audit practice. It is looking at how effectively and efficiently government is managing programs and services. In fact, roughly 70 per cent of the work that my office does is related to this performance audit bucket, if you will, versus the financial statements. The mandate of the office, on anything in the world of government, is broad. It's systems and practices and how things are being managed. For example, we're into wait times and operating room use, and another day we might be auditing the financial statements of an organization, so it's a fairly broad mandate.

MR. CHAIRMAN: Mr. Houston.

MR. TIM HOUSTON: My colleague raised an interesting point about the recurring meetings. It made me wonder, what do you see when you look across the country in terms of meeting length? We meet 9:00 a.m. to 11:00 a.m., a couple of hours. Is that the norm? Is there a norm? It occurs to me that there might be certain topics that are a little meatier that maybe we schedule from 9:00 a.m. to 12:00 p.m., or maybe we reserve the right to extend that meeting. Sometimes there will be some that require multiple meetings, but maybe an extra hour might be helpful, too. Is two hours kind of a standard meeting time? What are your thoughts on that?

MR. PICKUP: First, I haven't surveyed to know the exact answer to that, but informally, having been in the federal system, I think it was usually common for a three-hour meeting. I was speaking with the Auditor General of Ontario at the conference last week. She told me that their Public Accounts Committee meetings, which are generally Wednesdays, are full day. I'm not suggesting that. What I'm saying is, again, I would be demand-driven rather than supply-oriented. You tell me what you need in terms of coverage, and then I will make sure that we are here to cover that.

MR. CHAIRMAN: Ms. Roberts and then Ms. Lohnes-Croft.

MS. LISA ROBERTS: Something that strikes me that would be helpful, and I don't know how much work this would require from your staff, would be to extract the recommendations and the commitments from the departments for a reasonably short but also reasonably long time, the previous three years or previous five years, of audits and break those down by department. We get our critic areas, and they're not done by audit, they're done by department. I have seven critic areas, which is a fair number. I imagine that for each of those departments, there's a number of fairly recent recommendations that it would be worth checking back on or at least being aware of, what those issues are that have been identified, so that we can have those in mind when preparing questions, for example, for Budget Estimates. That might all be work that I'm supposed to undertake by myself or with my caucus research staff, each of whom also have at least seven departments that they're responsible for. Anyhow, in my dream world, somehow magically, this list would re-sort itself by department.

MR. PICKUP: I have to get this straight in my head because it can get convoluted in my head. Let's see how well I do here. Essentially, we do the performance audit, we make recommendations, we get responses, and we wait two years. We say, okay, we're not going to follow up on those recommendations for two years - we'll leave you alone. Then we'll come back, and we'll follow up on those recommendations for another two years - a two-year cycle. Then what we do is, we report to the House on the status of that follow-up.

I came here in 2014. What we used to do, in my first year, for example, is we would report in June, so in springtime we would report on the recommendations and the follow-up, based on the status from the previous October the government gave us, on recommendations from two years before that.

For this year, for example, in February 2018 we will report on the status of roughly 20 audits that were done in 2014 and 2015 calendar years. See how comical that gets for me for me to keep in my head.

So essentially in February 2018 we will give you a picture by department, by recommendation, for every recommendation we made by department, by chapter. We do it in a few ways; we do it by the organizations, we do it by the calendar years and we say okay, if you are in Environment, for example, here are the audits we did in 2014 and 2015. We followed up on whether the recommendations were complete during the Fall of 2017 and we report to you in February 2018 - so next February.

What we did on that is, that used to be part of just another Auditor General Report and with all kinds of other audits. And then working with the committee the direction I got was that you should do a stand-alone report. Then we started doing the separate report where we just do follow-up.

MS. ROBERTS: So in short, you are saying that you already do what I am asking, what I am hoping for, and I just haven't figured that out yet.

[9:45 a.m.]

MR. PICKUP: Yes, but I would add - do you know what? You are going to give me a chance here to advertise something. On the November 1st report when we're doing the environment, we have a new audit on climate change and we have a new audit on environmental assessments. But in there we're also going to put a summary of here are the audits we did in the area of environment over the last 10 years, here are the recommendations we made over that period and here's where they stood the last time we followed them up. So on the environment as a special one, because we're doing this special report just on environment, all of that will be in that chapter.

I'd be interested to see as we go through that November report whether you actually found that helpful or not. Notwithstanding that, we're still going to do the regular dedicated follow-up process.

If I could mention one other thing quickly, I mentioned about talking to the chairman and vice-chairman and I guess the timing is critical because we're reporting on October 4th. I would also extend that invite if people thought it would be useful, I'd be more than happy to have people in the office sit down with your research staff because I know that the Public Accounts Committee doesn't have a dedicated research staff. If you want to send some of your researchers over, we could arrange an early morning session, keeping in mind that the folks will talk to them and explain what's in the report. We can't talk on anything more but we can explain, well this is what this means and take questions in a fairly informal way that's not public.

Again, if I don't hear from anybody that it would be useful, I won't go about organizing it or doing that. I really need, to some extent, to work with you to react with what I think you need.

MR. CHAIRMAN: Ms. Lohnes-Croft.

MS. LOHNES-CROFT: I'd just like to go back over to what the member for Pictou East said and you replied with something like some PACs meet day-long. From attending the conferences last year, what I learned about a lot of PACs is they only meet when their Legislature is open for sitting and also in Parliament as well, because so many of the provinces are geographically so large that to bring people in for weekly meetings - we meet weekly, which is very unusual for a PAC. Most jurisdictions meet only when there are sittings, so they may compact more information in one meeting than what we would do.

MR. PICKUP: I hope I was clear that I wasn't suggesting all-day meetings, but I would go on record to say that if you want me here all day, I will make sure that I am here.

If you want me here twice a year, I'll come twice a year. It really is about how we serve you.

MR. CHAIRMAN: Ms. Roberts.

MS. ROBERTS: Just to note that also, as I understand it, the Ontario Legislature meets from September until March. There are far more sitting weeks in both Ontario and in Ottawa, where it is from September to June. I think Nova Scotia sat the fewest days of any jurisdiction last year.

MR. CHAIRMAN: Any further questions? We did not introduce a couple of other people in the room. I would like to move to our Legislative Library staff and ask that for the members' benefit that she introduce herself and everyone else in the Chamber.

[The legislative staff introduced themselves.]

MR. CHAIRMAN: Now you know who you'll be seeing in the room, who they are and what they do.

Our next item on the agenda is the Legislative Counsel Office. I believe Mr. Hebb will be providing some comments. If you have any questions for him you certainly have an opportunity to ask them after he is finished. Mr. Hebb.

MR. GORDON HEBB: I thought I'd start by, although it's old hat to many of you, just a brief description of the office as it relates to the committee. In the Legislative Counsel Office, in addition to myself, there are four other Legislative Counsel, plus support staff. In case you want to see us, we're on the eighth floor of the CIBC building on Barrington Street.

As Legislative Counsel we are the legal counsel to the House of Assembly, including the Public Accounts Committee, and we're totally non-partisan. Despite our label, we act as both Legislative Counsel and Parliamentary Counsel. Our role here is to provide legal and procedural advice to the chairman, to the committee and committee staff. It includes the preparation of subpoenas, where necessary, although this is a rare event. We can provide assistance in preparing motions that members may wish to present to the committee, and we're available to give general advice to individual members of the committee and to caucus staff assisting the committee.

I have prepared about three pages of notes which I've labelled *Committee Basics*, which I am going to give out. I wanted to highlight a couple of items on that that I thought I should mention. You know, of course, that you invite witnesses and I just wanted to point out that you do have the power to subpoena almost anybody here, if they won't come. There are some exceptions, one of the most notable one being an MLA. You can't for example, subpoena a minister.

Witnesses must answer all questions they are asked, if the committee insists. I want to point out that that does not mean that you should insist upon all questions because it may well be inappropriate - you should use common sense.

A couple of things I want to talk about that are different here than in many other places. Motions, for example, do not require a seconder although I often hear people trying to second a motion - they doesn't require a seconder. Unlike in the House, they don't require notice.

Voting is quite unusual in committees in that the chairman has a vote in the first instance and then has another vote if there's a tie. Points of order are permitted but points of privilege, which members sometimes raise - you can raise points of privilege in the House, but you can't raise a point of privilege in the House respecting what goes on here. You can raise a point of privilege in the committee but the chairman can't rule on it. The only way it gets to the House to be ruled on is if the committee as a whole agrees to send a report to the House to have that point of privilege resolved.

Those are just a few of the points but I'll give out these sheets with some of the other things but that's all I have to say unless there are questions.

MR. CHAIRMAN: Thank you, Mr. Hebb, that's very helpful. We have a question from Mr. Jessome.

MR. BEN JESSOME: I'd just like Mr. Hebb to please clarify the distinction between a point of privilege and a point of order. I should know this by now, probably, but I just want to be clear.

MR. HEBB: A point of order is a procedural point about how the meeting is proceeding, whose turn it is to speak or something of that nature. A point of privilege is something that infringes on the privileges of the members of the House. The most well-known one is freedom to speak, that sort of thing. They are really quite different; one is procedural, and the other relates to your privileges and the privileges of the House as a whole, these limited privileges which you as members of the House of Assembly have, without getting into a long thing on all the privileges. We could talk about privileges for half an hour or more.

MR. CHAIRMAN: Are there any further questions for Mr. Hebb?

Our meeting is scheduled to end at 10:00 a.m. and I will do my best to end it as close to that as possible. May I have agreement from members to extend the meeting as necessary to complete our agenda?

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

The motion is carried.

We will move to correspondence from the Office of the Auditor General. We have the 2016-17 Performance Report and the 2017-18 Business Plan. Does the Auditor General wish to make any further comments about that correspondence for the committee? Mr. Pickup.

MR. PICKUP: I'll make just one comment. I wasn't going to go through the documents other than to say that in serving the House and serving this committee - all of what is in that report is really thanks to the people I have across the street who do all this work. I'm not going to attempt to advertise the achievements we've had, other than to express that, without those folks doing the hard work that they're doing, none of that would have been achievable.

What has been achievable essentially in 2015 and in 2016, both of the last two years, we've had record years of output in terms of the work we've done in advancing things. Also, in each of the last three years, we're returned a significant amount of our budget back to the government, in terms of underspending and managing our resources well. It's not me, it's the 35 people across the street who, as you will experience or have experienced, are very dedicated to the work they do on behalf of you and on behalf of Nova Scotians as well.

I wanted to extend that thank you to those folks because what you see in those reports really relates to the work they all do.

MR. CHAIRMAN: Any questions on the correspondence? Hearing none, we'll move to our next item, which is approval of the subcommittee record of decision.

The committee met on September 13th. You have before you the record of decision, and I will ask for a motion to approve those topics. Mr. David Wilson.

HON. DAVID WILSON: I move that the topics submitted from the subcommittee be approved at the full committee.

MR. CHAIRMAN: Mr. Jessome.

MR. JESSOME: I would just like to point out something our Auditor General highlighted earlier in today's meeting, with respect to a subject that will be addressed in the near future, specifically November 22nd and 29th, health and corrections audits. We believe that there will be ample opportunity for the topic of physician recruitment to be covered over the course of these two opportunities and are recommending that the Department of Health and Wellness and Tony Kelly of the Digby Area Health Coalition be omitted from this list. Again, we recommend that all members of this committee save their questioning around the very important topic of physician recruitment for that point in time.

MR. CHAIRMAN: There is a motion before the floor which, according to the rules, we should dispense with. Since I'm hearing that there may be some lack of support for the motion, perhaps we'll just have the vote on the motion. Then we'll carry on with Mr. Jessome's comment.

Would all those in favour of approving the existing record of decision from the September 13th subcommittee meeting please say Aye. Contrary minded, Nay.

The motion is defeated.

Mr. Jessome has raised the item of the Department of Health and Wellness, physician recruitment. Mr. Jessome, are the other topics remaining on the list satisfactory to you? The reason I ask is to try to determine if that is the only subject that is requested to be put off for now. We could perhaps have a motion on the record of decision minus that one subject.

Mr. Gordon Wilson.

MR. GORDON WILSON: Also, the first one at the top of the list, the IWK governance - I don't want to speak out of turn, so I'll ask my colleague from Pictou East if he would like to comment on that. But I believe that it's a little pre-emptive right now to discuss that seeing that the Auditor General - and thank you very much - is taking that up, and the police investigation.

MR. CHAIRMAN: Any other comments? Mr. Houston.

MR. HOUSTON: I was pleased to see the Auditor General announce yesterday that he will be looking at the IWK. I guess I would go back to the Auditor General and ask if he sees any value in bringing the IWK before this committee over the next few weeks, presuming we can schedule it. That would be in advance of your audit, which I think is scheduled for a Spring release. Hopefully, you'll bring your report to this committee in the Spring when it's complete. I guess I would defer to the Auditor General on whether or not he would see value in this committee trying to bring the IWK before it.

MR. PICKUP: My answer to that, I guess would be, what would be the objective in bringing them? If the objective is to describe the work that they've already done, that's one objective. If the objective is to see what our audit comes up with and the conclusions that we come out of with our audit, it may be better to wait and see what the audit results show and get the full picture after that. What they won't be able to do is talk to the work that we are doing now. Really, do you want to understand what has already been done, or do you want to wait and see as we do our work and get that picture as well? I think that would be my response.

Of course, we will report on the work we're doing on IWK, just like all of our other work. We'll be reporting to the House, which generally includes, at your request, coming here.

MR. CHAIRMAN: Any further questions or comments? Hon. David Wilson.

MR. DAVID WILSON: I do support our topic, physician recruitment, to go forward. As was indicated by the vice-chairman of Public Accounts just a few minutes ago, he suggested that potentially there will be topics that may need more than one meeting here at Public Accounts.

I would say that doctor recruitment would be one of those topics that Nova Scotians expect the government and all members of the House to have as a top priority. A significant amount of government funding is allocated toward physician services and recruitment. It's most fitting that the Public Accounts Committee review what is going on, what the concerns are, and how we address what I think is a serious issue.

All I'm doing is agreeing with the government members on the committee that topics should be back here. From history, being on this committee for, I think, well over eight years now, I can guarantee you that physician recruitment will be a topic that I continue to bring back to this committee to discuss the issues that we're hearing are going on in the province. I would hope that they would reconsider and include physician recruitment. I can guarantee the members in the government caucus that I will be including that in future meeting requests for topics here at Public Accounts.

MR. CHAIRMAN: Mr. Gordon Wilson.

MR. GORDON WILSON: If it's appropriate, I would like to move that the next three items on the agenda list be accepted as topics: funding for the Centre for Ocean Ventures and Entrepreneurship, COVE, with Duff Montgomerie as the witness; alternate procurement process and IT services, with Internal Services; and the funding for pre-Primary with the Department of Education and Early Childhood Development.

MR. CHAIRMAN: We have a motion before the committee. All those in favour of the motion please signify by saying Aye. Those opposed. The motion is carried. Our Clerk will make note of that. We now have approval by the full committee for those three subjects.

We also had some other items on the record of decision, specifically some potential meetings based on the Auditor General Reports. There are, as you see before you there, in camera and public meetings.

This is what came out of the subcommittee. Is that an interest to look at these topics with the Auditor General as a witness? Do members have any comments or questions about that?

I will ask perhaps a member of the committee, if you wish to make a motion indicating if you wish to have some of those topics included for our Clerk to schedule meetings with the Auditor General as a witness. Mr. Gordon Wilson.

MR. GORDON WILSON: I assume you are referencing the October 4th, November 1st, November 8th, November 22nd and November 29th schedulings?

MR. CHAIRMAN: Yes.

MR. GORDON WILSON: I'd make that motion.

MR. CHAIRMAN: Okay, so the motion before the committee is to have meetings October 4th, November 1st, November 8th, November 22nd and November 29th, with the Auditor General on audit work that that office has completed.

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

The motion is carried, and our Clerk will make note of that decision.

We have just a couple more items on the agenda. We've spoken about them a bit already so I aim to keep you not much longer. The topic of training; we have two offers here. One is from the Department of Finance and Treasury Board, and one is from the Canadian Audit and Accountability Foundation.

With respect to the Department of Finance and Treasury Board, I have been in attendance in the past when they have come in. They essentially can show you the books of the province. You can go through them line item by line item. You can ask questions. Sometimes line items are not descriptive of what they actually mean. You need to ask and understand what the line item actually represents.

They are willing to come in to meet with us on a date sometime after September 27th because of course they are busy with the provincial budget right now.

Is there an interest in having the Department of Finance and Treasury Board come in to provide us a briefing? Any comments or questions? I open the floor.

I'm sensing some agreement. Is there agreement from the committee to bring the Department of Finance and Treasury Board in some time after the 27th of September.

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

The motion is carried, and our clerk will make note of that. Mr. Pickup.

MR. PICKUP: If I could make one suggestion on that, it might be worthwhile to do that before our October 4th report, given that we're coming to talk about the audit of the public accounts. There may be some benefit in that.

MR. CHAIRMAN: Let me get our calendar with that here. The challenge with that is that unless we schedule a meeting separate of our - September 27th is the next Wednesday before that, so unless we are able to schedule a meeting on a Thursday or a Friday or a Monday or a Tuesday, which is certainly possible, it is up to the members. Mr. Jessome.

MR. JESSOME: I think it's a positive idea but at the risk of I guess beating a dead horse, we'll have the opportunity to go through the financials and presentations from each department in the Legislature over the next few weeks. Then we'll have another opportunity to address the Auditor General's perspective as well.

I know it's important to continue this but is it so important that we can't perhaps have the department here at a later date?

MR. CHAIRMAN: It's entirely up to the committee. It's really the committee's business.

I'm hearing that there is an interest to see the Department of Finance and Treasury Board, and we will ask the clerk to assist with scheduling that.

The next opportunity for training is the Canadian Audit and Accountability Foundation. Information has been circulated about this organization. They have provided training in the past. They have visited with us in the past.

Unless there are some comments, I would ask members to perhaps go over that background material. It is something that should be discussed, perhaps even something that the subcommittee should discuss. I would like all members to look at the material. Has anyone looked at the material and had any thoughts about that training, any questions you may wish to ask, or comments? No, okay.

Instead of asking for a decision on that right now, I think it is something that we should discuss as a subcommittee. I would ask each member to have a look at the materials, think about it, think about what training you would like to have, and speak with your caucus representative, whether it's one of the Mr. Wilsons or Mr. Houston. It's a subject we can discuss at our subcommittee meeting.

With that, unless there is further business to come before the committee, and hearing none, this meeting is adjourned.

[The meeting adjourned at 10:11 a.m.]