

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, October 3, 2018

Legislative Chamber

October 2018 Report of the Auditor General - Financial

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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
Hon. Christopher d'Entremont
Hon. David Wilson
Ms. Lisa Roberts

In Attendance:

Ms. Kim Langille
Legislative Committee Clerk

Mr. Gordon Hebb
Chief Legislative Counsel

WITNESSES

Office of the Auditor General

Mr. Michael Pickup,
Auditor General

Mr. Mike MacPhee,
Assistant Auditor General

Ms. Anne-Marie Fraser,
Audit Manager

Mr. Morgan McWade,
Senior Audit Principal



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, OCTOBER 3, 2018

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIRMAN

Mr. Allan MacMaster

VICE-CHAIRMAN

Mr. Gordon Wilson

MR. CHAIRMAN: Order. I call this meeting of the Public Accounts Committee to order.

This morning we have the Auditor General with us to answer questions pertaining to his report tabled yesterday, here in the Legislature. It's a financial report.

We will begin with introductions.

[The committee members and witnesses introduced themselves.]

MR. CHAIRMAN: Mr. d'Entremont.

HON. CHRISTOPHER D'ENTREMONT: This is the first opportunity that I had to address the committee since the Speaker ruled on my point of privilege yesterday, which unfortunately did not go in the direction I wanted it to go. I guess he said give it a try in committee and see how it goes there.

Again, we know that what transpired last week was a motion that came before this committee to just simply look at the Auditor General's Reports and the chapters therein, and not consider any other topics that the Opposition would be interested in looking at. In the House of Assembly, I did do a lengthy point of privilege in the House, and I will go over some of this.

I think Rule 1 of the House and the committees established pursuant to the Rules: “The proceedings in the House of Assembly of Nova Scotia and in all committees of the House shall be conducted according to the following Rules.” Rule 2 goes on to state that the Speaker and the Chairs of committees shall be guided by the usages and precedents in the House.

In accordance with this Rule, as well as Rule 85, last week a motion was put forward by the Government House Leader, if you remember, and it required that in order to create the new Health Committee, it required a two-thirds majority vote of the House of Assembly in order to change the Rule of the House. Rule 85 says; “No Rule adopted by the House shall be dispensed with, unless by consent of at least two thirds of the Members present.” Two-thirds of the members of this House or of a committee, Rules governing votes in committees require a simple majority, if you remember many of these Rules.

The mandate for the Public Accounts Committee is set out in Rule 60(2)(b) which states: “the Public Accounts Committee is established for the purpose of reviewing the public accounts, the annual report or other report of the Auditor General” - and I’ll underline this part - “and any other financial matters respecting the public funds of the Province.” That’s pretty clear.

Every single member of this House has a stake in it. We feel that Nova Scotians do, and if the government is not prepared to be accountable for all spending decisions, they are not governing in a democracy.

As convention of this committee has been for many years, the Liberal members or the government members could have continued voting against topics that they didn’t want to come before the PAC or if they found it embarrassing. Trying to limit what topics can even be brought before a committee is only part of the mandate established by the House Rules, and of course I feel that insults me and the Opposition members of this House.

The standing orders of the House of Commons expound further that mandates of committees directed by the House, specifically in Standing Order 108(1)(a) because Rule 1 of this House also gets us to secondly look at “the standing and sessional orders and forms of the House of Commons of Canada in force at the time,” to be referenced in cases not provided in applying the Rules of this House.

In this regard I maintain that our Rules are clear and that you - and I would appeal to the Speaker a few days ago but to you, Mr. Chairman - I have a solemn obligation to ensure that a simple majority of a committee cannot change a rule or a mandate of that committee and that it must be done according to Rule 85.

I’m going to move this that my privileges as a member of the Public Accounts Committee were circumvented and rendered null by the actions of the members of the Standing Committee on Public Accounts when the Liberal majority of members, by simple

majority, changed the mandate of Public Accounts Committee according to Rule 60(2)(b) and they contravened the House Rule 85, which requires two thirds of the members of this House or a committee to do so.

I ask you to look into this and that the mandate of the Public Accounts Committee cannot be limited other than by two thirds of this committee and I ask you, Mr. Chairman, to overturn the motion. So my motion is to overturn the motion that was brought forward last week and uphold Rule 60(2)(b) and return to the previous long-held tradition to use subcommittee on agenda setting to book topics here at Public Accounts Committee.

MR. CHAIRMAN: Thank you, Mr. d'Entremont. As chairman of the committee, of course, any decision I make can be overruled by the vote of the committee.

Mr. Gordon Wilson.

MR. GORDON WILSON: Thank you and I appreciate the comments by my colleague also. I understand his points and I would just certainly like to emphasize the fact that the Speaker I do believe took this all into account. I am curious from our legal counsel if that is even an appropriate motion and I would ask for some guidance on that from our legal counsel.

MR. CHAIRMAN: As I understand, any motion can be put forth before the committee by a member, but I will confer with our legal counsel.

Actually, Mr. Hebb, if you'd like to explain to the committee perhaps you can answer the question that Mr. Wilson has proposed.

MR. GORDON HEBB: If I follow the question and the point by Mr. Wilson, the situation in committee is, first, you cannot raise a point of privilege in the committee, but what you can do is certainly put forward a motion suggesting that there has been a breach of privilege and that the committee report to the House.

I believe that's what the Speaker said in his ruling, if there was a report from the committee, which would require the committee to pass a motion raising the point of privilege except in exceptional circumstances. In the time I've been here, which is much longer than anybody else I think in the room, there's been one occasion when this did happen out of the Law Amendments Committee where the Speaker did find there was a point of privilege that was raised by a single member.

I'm not sure if I've answered all the question.

MR. CHAIRMAN: Mr. Hebb, for clarification, would this mean that the committee as a whole would have to put forward a report to the Speaker indicating that a member's privilege has been infringed upon?

MR. HEBB: Yes, that is correct - except in exceptional circumstances as the Speaker said.

MR. CHAIRMAN: Does the member wish to put forward a motion as such?

Mr. d'Entremont.

MR. D'ENTREMONT: Yes, if that's the direction we need to take, then I so move that my privileges as a member of this committee have been breached and I believe the privileges of the Opposition members have been breached and I would like to report that to the Speaker. I don't know what else needs to be in the motion to make this valid.

MR. CHAIRMAN: The motion before the committee from Mr. d'Entremont - he has stated that he feels his rights as a member of the committee and as an MLA have been infringed upon. He has put the motion forward. It is up to the committee if they wish this motion to be passed and put forward to the Speaker of the Legislature.

Mr. Gordon Wilson.

MR. GORDON WILSON: Yes, again, I appreciate the comments made by the member. I sort of understand what he's bringing forward here. I just would like to note a couple of things - this isn't exceptional, I don't think what we're doing. I think going to the actual mandate of this committee is a very, very open, transparent, and forward move that shows a lot more accountability for government. It's in my heart and my mind it's a very positive step for not only the committee but for the appropriateness of having the AG's Reports before the committee.

I would like to just again note that of the majority of topics, I think of the eight or seven topics that were brought forward, there was only one that really would not have made it through. A far majority of the topics that have been brought forward by members are now on the agenda.

So not only are we following the spirit of the committee, but also the process of selecting witnesses. I don't feel that this motion is one that is certainly going to help us move forward. We've heard the ruling from the Speaker and I do believe that we feel very firm in what we're doing is a good thing for Nova Scotians.

MR. CHAIRMAN: We have a comment from Ms. Roberts and then Mr. d'Entremont.

MS. LISA ROBERTS: I'm going to accept my colleague, Mr. Wilson, that his intent may have been to genuinely make this committee work in a better fashion so that we can hold the Government of Nova Scotia to account for how it administers public monies. However, for this committee to work in the way that it ought to, it actually requires all

members of the committee to be involved in making changes together, and that requires goodwill. Tyranny of the majority does not result in productive work in a non-partisan fashion, and it cannot simply be one member or the majority imposing their will because it's in the best interests of Nova Scotians. It simply doesn't function like that.

Unfortunately, I think the result of the government member's actions last week is that, instead of having a discussion about how we will set our agenda in an in-camera subcommittee meeting, we now must resort to having that discussion here in public during the committee meeting. So in fact, we're functioning less productively than we would have been.

I think there are very legitimate reasons within the mandate of the Public Accounts Committee to call topics other than Auditor General Reports. I think we have a case of that right now where it appears that the Nova Scotia Gaming Corporation has misspent public funds. All three Parties seem to be in agreement on that, and I would very much be interested in calling the Nova Scotia Gaming Corporation together to understand how they made a decision to fly three witnesses in from out of province to appear at the Law Amendments Committee, which is supposed to be a space where citizens get to opine on legislation before the province.

That is for me a case in point where we as a committee ought to have the space, the flexibility, the responsiveness to look at public administration of funds in a timely fashion - not simply by saying, Mr. Auditor General, can you please stretch your resources further and put this on the list of audit topics that will perhaps come back to us in a year and a half's time. That's my comment.

MR. CHAIRMAN: Thank you, Ms. Roberts.

Mr. d'Entremont.

MR. D'ENTREMONT: Two points on the comments of my colleague revolve around this - the report that came out of that subcommittee had a number of topics that we agreed upon that in some way echoed the spirit of what the member was trying to do, that we did together as three Parties. I thought we did a good job of that. We accept the letter from the Auditor General that we should be looking at more of the chapters that are being brought forward. We accepted that, but in no way do we feel that we should be giving away the opportunity to sit around a table as adults and discuss what the agenda should be. That's where I feel my privileges have been taken away. I think the member has well-communicated the issue that's now just before us.

[9:15 a.m.]

The second thing I want to say is that according to the motion that was brought forward by the honourable member last week would have us looking at the May Report of

the Auditor General, not the October Report of the Auditor General. Even in that, I think the Auditor General should be ready to talk about his May report and the chapters that are held therein. That's the problem that we now have sitting before us.

MR. CHAIRMAN: Thank you, Mr. d'Entremont. Mr. Gordon Wilson.

MR. GORDON WILSON: Again, I think a couple of valid points. I just want to clarify, and I know it wasn't really reported by the media but I did make it clear - and I'll make it clear again - that this is not meant to stifle other issues that may not be before the AG specifically at that time to come before the committee. There are several ways that they can come forward, either through the Legislature, through the AG himself, through us lobbying the AG, and through this committee. I just want to assure my members that this is not meant to stifle that.

My fellow member pointed out an interesting point that just came aware to us yesterday, though I'm not necessarily saying that this is a topic that needs the fulsome discussion of a Public Accounts Committee. I just want to make sure that everybody's aware that there still is a process and the Speaker made that very clear in his ruling, also. There still is the opportunity. This is not meant to handcuff, this is more meant to focus on that letter that we receive from the AG and do what we should be doing in Public Accounts and that is really looking at his reports.

MR. CHAIRMAN: Thank you, Mr. Gordon Wilson. The honourable David Wilson of the NDP caucus has joined us. He wishes to make a comment.

HON. DAVID WILSON: Thank you. For those who might be listening or reading Hansard later on, the practice was that each caucus would provide the clerk of this committee submissions and topics of witnesses that we would like to see. What the government members have done on the committee is voided that. From what I'm hearing now, I guess we don't need to send our topics to the clerk but over to the Liberal caucus so that they can vet topics for the committee. That's just not productive.

I believe, and as my colleague just mentioned, there was an asserted effort on behalf of Opposition members to address some of the concerns that the Auditor General brought forward about the frequency of his audits being reviewed here at this committee. I think we made a genuine attempt when six of the seven topics were dealing with the past audits and I think it showed goodwill on behalf of the Opposition Parties to move forward and really have a strong Public Accounts Committee.

This is a unique committee that is important for taxpayers and important for Nova Scotians to function well, not just be a committee that a few members get to determine what the witnesses are going to be into the future. I support my colleague's motion.

MR. CHAIRMAN: There is a motion before the committee. Mr. d'Entremont has moved a motion that his rights as an Opposition MLA have been infringed upon, the rights of the Opposition members have been infringed upon on this committee and wishes for a report to be submitted to the Speaker of the House, the Legislature, stating that. That is the motion before the committee.

Would all those wishing to have that communication presented to the Speaker, please say Aye. Contrary minded, Nay.

The motion is defeated.

I have something to say as chairman of the committee. What we are seeing here is that the power of majority government is not good enough for this government. They have to take control of committee decision-making so Opposition has no say in who appears before the committee.

As my colleague, the honourable David Wilson has just stated, maybe we should all join the Liberal Party and move our democracy from this Chamber over to the Liberal caucus office. We could have elections to elect Liberal MLAs. They do that in some countries, you know. You can vote for whomever you want as long as they are a Liberal. (Interruption)

I'll tell the member for Halifax Atlantic that my wife came out of Communist Czechoslovakia in 1984. That's the way they did politics there. You could vote for anyone you like, as long as they were a member of the Communist Party. Then the wall came down. Here in Nova Scotia, we have this government putting a wall up to the selection of witnesses by Opposition members to appear before this committee.

We talked about working together in the first committee meeting of September. The record of decision in our last meeting showed topics that were all in keeping with the spirit of the Liberal motion. We sat waiting for the record of decision to be printed out. Little did we know that the members already knew how they were going to vote. They came prepared. They knew what they wanted weeks ago. They probably knew what they wanted when they stated that they wanted to work with the Opposition members of this committee.

The matter before us is more than a gripe made by an Opposition member. This is not just about the McNeil Government having a majority in this Chamber. This is about individual MLAs who form the McNeil Government coming together as a collective to decide they know best, and there is no need for an Opposition Party or Parties to have any power. Here is an example of it with this Public Accounts Committee.

Most of these MLAs have never sat in Opposition and probably have difficulty understanding why it is important in our Legislature to give some power to the Opposition.

Why? Because that's democracy. If you don't understand that, talk to somebody who lives in a country where they don't have democracy.

This is why people in Nova Scotia don't vote. Why vote when the government is going to do what it wants anyway? With this action, this government expresses to the hundreds of thousands of Nova Scotians who did not vote for them: You don't matter, we don't care.

I have a message for people out there. Have you ever disagreed with government? Has government ever done something that you don't like? This government doesn't want to hear your voice. We in the Opposition are your voice. We see it every day in the Legislature. People come forward. They might come forward to the Law Amendments Committee saying, we are upset with the legislation that is put forth. Who is it that takes up the charge? It is the Opposition. That is the voice of the people who don't agree with the government. That is the voice that will not be heard in terms of selecting topics before this committee.

I can think of times when this committee worked well. I can think of times when the Opposition-driven business on this committee made a difference. I think about the Seniors' Pharmacare plan. Right here in this Chamber during a Public Accounts Committee meeting, information was revealed that confirmed that proposed changes to the Seniors' Pharmacare plan would increase the cost of premiums and reduce the number of Nova Scotians in the plan, ultimately driving up the cost of drugs for Nova Scotians remaining in the plan who could not afford to move to their own private insurance plan. The government was forced to stop their plan.

I can think of a time when NewPage pensioners lost 40 per cent of their pensions. It wasn't an Auditor General's Report that called the Superintendent of Pensions before this committee - it was the Opposition. NewPage pensioners filled the gallery the day that she appeared, and the question was asked, why was there no record of the vote to make changes to their plan, changes that helped contribute to the 40 per cent loss of their pensions? Those are just two examples of when Opposition-led business made a difference for Nova Scotians.

Why does this government say that they just want to look at Auditor General Reports? For a number of reasons. They can delay scrutiny. Departments and the ministers of those departments are well aware of these audits months in advance. Departments respond to audits months before they reach this committee. Another reason is that the government does not want surprises like the Seniors' Pharmacare plan changes.

Something else you will hear from the government: they will say implementation rates will go up. Well, they should. Why aren't they 100 per cent? These recommendations have already been accepted by departments. We in the Opposition have supported hearing reports from the Auditor General and trying to get those rates up.

Another reason: with this change, there's not going to be examination of the appropriateness of government spending and administration of programs at times when the public wants to know because something timely has happened. The Premier is getting what he wants, and so is the Auditor General.

Mr. Pickup, I know you have been trying to influence this committee. Really, how effective is it to have Liberal Government MLAs asking questions to Liberal Government officials on reports that those officials responded to months ago? Tough questions like one that happened recently, which basically asked: Were people happy with the grants you gave them last year? Questions likely prepared or at least vetted by the minister's offices of the departments appearing as witnesses.

Mr. Pickup, you have said that you want independence and the right to operate without the influence of politicians, and I believe you should. Yet here, through many different communications with this committee, you are influencing the business of the people which should be decided by the people they elect. I believe your letter and communications to this committee has opened the door for the Liberal Government to take the action they've taken here in this committee.

So, I as chairman of this committee do not want to appear as though I agree with what's going on. I considered resigning, but I don't want to be seen as a quitter, so to show my disdain for what has happened, I'm going to walk out of here today.

I'm hoping that members of the Opposition will join me, and may that be a statement for anyone who has ever disagreed with the McNeil Government or any government, or not like something they have done, or for when public expenditure failed them - and it may be a statement that what has happened here is wrong.

[9:27 a.m. The Opposition members left the Chamber, and Mr. Gordon Wilson took the Chair.]

MR. CHAIRMAN: We'll adjourn for one minute while we wait for our other member to return.

[9:27 a.m. The committee recessed.]

[9:35 a.m. The committee reconvened.]

MR. CHAIRMAN: I call this meeting of the Public Accounts Committee back to order. I'd like to apologize to everybody for the little delay there. It's certainly something unprecedented that I don't think we've seen before.

I'd like to start my comments by apologizing to the AG and his staff. We came here today to hear the AG. The whole intent of what we're doing here as government is to hear

more of the AG, which I cannot emphasize enough is our independent, unbiased person who holds the province accountable. It's a little dismaying for me to understand why we would not be wanting to see the AG in here more.

I also want to make it very clear to all my committee members that this in no way circumvents the bringing in of other witnesses on topics that would relate to our finances and financial control of the Province of Nova Scotia. I made that very clear from the very start, but it seems that that message is one that gets listened over.

I just want to say that the intent of things that we are doing here is to make this government more accountable, to make it more transparent and to bring forward best practices that we've seen in other jurisdictions on the Public Accounts Committee.

Again, my apologies to the Auditor General for the delay and to his staff for the delay. I'll open up our - I guess we have no time restrictions here but we will run questions for a while, starting with Ms. Suzanne Lohnes-Croft. (Interruption)

I'm sorry, yes. We're so far into this, and again, my apologies. We do have opening statements by the AG and I would like to offer the open floor for him to begin those.

MR. MICHAEL PICKUP: I have an opening statement. I just want to mention that as the Auditor General, with me today is Mike MacPhee, the Assistant Auditor General; Anne-Marie Fraser, Audit Manager; and Morgan McWade, Audit Principal. These are the folks who do the heavy lifting and get all this report together.

Before my opening comment I did just want to point out that this work is a result of the summary work that we do on all of the financial statement audits that take place, including the Public Accounts. We finish the audit work on those individual statements generally around the end of July and then the government releases the Public Accounts with our audit opinion on that. So roll forward, say from the end of July, early August, up until now, so we're looking at a relatively short time, nine or 10 weeks from the time the audits end through production of this report.

I think in terms of the issuing of the Public Accounts and our opinion on it, it's one of the earliest in Canada - certainly in the earlier tranche or the upper ones, in terms of reporting. To be able to issue a report like this within essentially two months after the year-end closes and the financial statement audits close - or the audit thereof, the year-end close - is a credit to my staff and I really want to give them credit for being able to produce a report like this within two months.

I would suggest that that is about as good as it gets across the country, in terms of being able to come to you with this report. In fact, before these folks next to me took over, in the first year we were only able to get this done the following January or February. They've been able to advance it so as to get you this information in four months. I think

that's important, I did want to go on the record of saying that this is a feat, to be able to get this done within two months of the audits ending.

Now I'll move on to my quick opening comments. Yesterday, as you know, I tabled the annual financial report on work performed in our financial audit portfolio. The report contains three chapters. Chapter 1 is on the results of financial audit work; Chapter 2 deals with the province's financial numbers on the 2018 Public Accounts and Chapter 3 is an update on observations and recommendations from prior year.

As you know, the Province of Nova Scotia spends nearly \$12 billion a year of Nova Scotians' money. As such, a key way government is accountable to the people is through the province's financial statements that we audit. In Chapter 1 we shared the results of our audit of the province's financial statement and the information on the audits of other organizations that are part of that large government-reporting entity.

I'm happy to report that for the eighteenth year in a row the province received a clean audit opinion on its financial statements. This clean audit opinion means you can rely on the accounting information that government provides. Most organizations across government also received clean audit opinions. However, there were significant control deficiencies at four large government organizations: the IWK; the Halifax-Dartmouth Bridge Commission; and what were known as the Cape Breton-Victoria and Strait Regional School Boards, now known as Regional Centres for Education.

I'm happy to report that two organizations, Housing Nova Scotia and the Nova Scotia Health Authority, fixed the most significant control deficiencies that we reported in 2017. There are other organizations with deficiencies of lesser significance that continue year after year without being fixed.

In 2018, we identified examples of expenses that demonstrated a need for direction on the accounting and appropriateness of internal meeting and employee social event expenses. For example, the Speaker's annual Christmas reception was accounted for as a meeting expense, while in our opinion it was a social event. They did go back and change the accounting for this to a hospitality expense and disclosed it once we raised it with them.

There were significant matters that required our attention during the audit which all turned out to have proper accounting, but did take considerable time. This included, for example, the \$75-million increase in the environmental liability for Boat Harbour, the \$232 million in extra royalty revenues, and the \$230 million in funding to the Nova Scotia Internet Funding Trust and Research Nova Scotia. I raised those only because those were matters where we spent considerable audit attention. However, the accounting was appropriate and we were satisfied with it.

In Chapter 2, we looked at the numbers from the financials statements from the perspective of sustainability, flexibility, and vulnerability and provided information on the

current level of revenue expenses and population against levels from 10 years ago. The information is only part of the story and it doesn't consider such things as policy decisions, the programs and services that have been delivered, inflation, and other factors that may impact revenue and expenses.

While looking at current-year information provides a picture of what happened this year, it is equally important to look at what happened over the past number of years to understand the current situation. Therefore, in our report, we comment on five-year and 10-year trends on items like expenses and net long-term debt. We also provided highlights of revenue and expenses over the past 10 years, including indicators which provide a picture of the province's financial position at a point in time. Our analysis comes from the Public Accounts. In those Public Accounts, the government provides its analysis of the numbers. Our chapter is not a commentary on government policy or decisions made by the government today or governments of the past.

Finally, on Chapter 3, I wanted to update Nova Scotians on the status of the province's fraud management, travel and hospitality disclosures, board vacancies, public sector pensions, and recommendations from prior years. We found that government departments and organizations are not acting quickly enough to manage fraud risk. Nearly 80 per cent have not completed their fraud risk assessment and 55 per cent of government organizations do not have an approved fraud policy.

Overall, government departments and organizations are complying with the directive on travel and hospitality disclosure, and that's a good thing. However, there were five public sector units that were not disclosing but started to do so once we raised the requirement with them, and seven organizations that weren't disclosing in 2017 did indeed start disclosing in 2018. As well, we were pleased to note that the IWK and the Nova Scotia Health Authority expanded voluntarily the level of disclosure in 2018 to include more than just the most senior individuals in the organization.

Once again, finally, in this Chapter, I raised the issue of the \$1.4 billion deficit in the Nova Scotia teachers plan. The plan was 78 per cent funded at December 31, 2017, yet, the province and the Teachers Union do not have a formal plan in place of how they're going to address this.

Lastly, I want to offer also a thanks to those organizations that we audit. Whether it's the financial statements of the province or the separate organizations we audit like the Health Authority, I can assure you that we have wonderful cooperation. Even on the points that we do raise, there is acceptance of those points and an understanding of where we're coming from. I think we have an independent professional relationship that we all can be proud of.

Thank you to the members from my office here with me today, and also the folks back in the office who do all of this work. Essentially, the financial statement audit work

is something everybody touches in our office. Not everybody will work on every performance audit, but on the financial statement audits, it's all hands on deck to get this done and to result in this product today.

[9:45 a.m.]

We'll be happy to take questions.

MR. CHAIRMAN: Thank you. We will begin with Ms. Suzanne Lohnes-Croft.

MS. SUZANNE LOHNES-CROFT: Thank you. I would like to affirm the words of the vice-chairman - my apologies for the way you were treated this morning. It's not the first time I've seen witnesses mistreated at the Public Accounts Committee.

I do believe that with the letter that you sent, it affirms what I've heard at national conferences on Public Accounts, that sometimes here in Nova Scotia we haven't been doing like other jurisdictions and bringing your reports to the Public Accounts Committee and discerning them here.

I appreciated the letter that you sent. I'm glad that our caucus has taken it seriously and has decided that this is the way that the Public Accounts Committee should be done, and that it's good to get back to the mandate of the Public Accounts Committee.

On Page 33 of your report, or the Coles notes as I call them, you speak about the five Public Service units that did not disclose, when raised about - disclosure extended to two large organizations. So the IWK increased their disclosures and improved on them, and the Nova Scotia Health Authority. In which way did they show their accountability from where they were before?

MR. PICKUP: Those two organizations voluntarily expanded their disclosure where it might have been just the CEO before. For example, on Page 39 of the report, we lay out that the IWK expanded the level of positions disclosed from, say, just the CEO to the Chief Operating Officer, the Chief of Communications - all VPs and general council. Likewise, the Nova Scotia Health Authority expanded their coverage.

What this does is gives people a broader sense of the level of expenditures, and if they want to see them online, to be able to go and look. That's why we pointed that out. We thought that was a good thing to happen.

MS. LOHNES-CROFT: Before that, on Page 33 again, you cite some Legislative Services, which includes the Office of the Legislative Council and the Office of the Speaker. You found that the travel and hospitality were not disclosed. How did you find that out? How did it show up in your audit?

MR. PICKUP: What happened is, during the course of our work, we looked to see if these - they're called public sector units, and there are 18 of them - we looked to see if they were disclosing, and these five weren't disclosing. When we had a discussion with them, the directive that the Department of Finance and Treasury Board put out didn't end up going to these organizations. They said, we weren't aware through the Finance and Treasury Board channel. We said, we think it's good practice to know that anyway.

So that's the one issue, but they completely agreed once they saw the directive and we made them aware that they should be disclosing. They went back and fixed their disclosure to follow along.

MS. LOHNES-CROFT: This is separate from the Speaker's Office that handles our constituency expenses and whatnot? You're speaking about the actual Office of the Speaker?

MR. PICKUP: Right, exactly.

MS. LOHNES-CROFT: I want to speak about the control deficiencies. You had four organizations, but you cited some school boards here that - Cape Breton Victoria and Strait Regional School Boards. My experience - I was a former school board employee, but not of one of them - is that there are quite comprehensive audits done within school boards. Were they not auditing different schools within their school boards. Is that what was happening?

MR. PICKUP: I think that's an excellent question because it gives me an opportunity to clarify where we get those points from. The Cape Breton -Victoria Regional School Board and the Strait Regional School Board, on Page 10 of the report where we point out those weaknesses, that actually came from those financial statement audits that they get done. They have auditors and the auditors pointed these things out and then we collect it all from all of these auditors across the province.

We don't do all of these audits. Our team doesn't actually go to the Cape Breton-Victoria or the Strait and do those financial audits. It's audit firms that do it and then we collect all of the results and pull it all together in here. Yes, this did come from their auditors, so their auditors are finding these things.

MS. LOHNES-CROFT: Good. That's good to know because I am aware that administrators, not in the sense of principals but the administrators that actually do the bookkeeping and whatnot at the schools are very diligent and they say the audits are quite comprehensive. It's good to see that those are coming up.

When you give these reports and you go in and you speak to the staff when you find the deficiencies, do they give any explanations for why they're not following certain practices? You have Housing Nova Scotia, Nova Scotia Health Authority . . .

MR. PICKUP: An example of what we provide is on Page 10 - we asked for a short management response as to why things weren't getting fixed. If we take the IWK, for example, with the poor restrictions in the monitoring of user access, we say that was reported in 2017, it hasn't been corrected in 2018. We ask them for a very short answer as to why that didn't get done and then we included that under the section.

If you look on Page 10, you have the organization - IWK - what the issue was, and underneath you see management's response, which we didn't audit. They said the issue was more complex than anticipated and now they've extended the likely completion date to be March 31, 2019, on the case of the user access, for example. We asked for a small response, and partially to help you folks judge what you think of the responses and whether you're comfortable with the responses they gave on the issues in terms of accountability.

MS. LOHNES-CROFT: Thank you very much for the clarification. I'll pass it over to Mr. MacKay.

MR. CHAIRMAN: Mr. MacKay.

MR. HUGH MACKAY: Thank you very much, again, for being here and thank you very much for getting this report to us in a very timely manner. I think that the timeliness of your reports being delivered, and I'm sure that is something that will continue, is very much in alignment with the majority of this committee in getting this committee back to work on what it's truly meant and intended to do, which would be aligned with similar committees in federal and provincial jurisdictions across the country.

I'd like to speak to some of the notes on Page 19 of Chapter 2. One thing that I'm curious about is that we see the ten-year trend in sustainability and the 5-year trend in flexibility. I note that the ten-year trend notices a debt increase by \$4.1 billion which would be the years from 2008/2009 to the present. However, the five-year trend long-term debt increased by only \$500 million, which would be since 2013. I was wondering - if I am reading this correctly - in the past five years the debt increased by \$0.5 billion, but in the previous five years it had increased by \$3.6 billion? Am I interpreting that correctly?

MR. PICKUP: The short answer is yes, you are interpreting that correctly. What we're trying to show here is that essentially of the \$4.1 billion, 12 per cent of it is in the last five years, and 88 per cent, and then we make the next point but the carry-over from that is the interest on that is roughly the same over the 10-year period.

MR. MACKAY: Okay. That would seem to indicate quite an improvement since the year 2013. Given that trend over the last five years, the fact that the debt has slowed, what would you attribute that to? What do you think has impacted that?

MR. PICKUP: Again, the short answer would be all of this is essentially what has happened in terms of the numbers, the accounting. What we're trying to present here to

people is the five- and ten-year numbers. When you get into years of surplus of course, then you're going to have less accumulation of debt. So the \$500 million over the last five years would be attributable partially to having surpluses in the last two years, right? Then the net long-term debt is growing less quickly, if you will. That's why it went up only \$500 million over the last five-year period.

MR. MACKAY: Thank you. Over the past few years, three years I guess it might be, our government has delivered three balanced budgets. What would you say has been the impact on that on the financial situation for Nova Scotia?

MR. PICKUP: I think in terms of what the numbers show, it's pretty clear, right? You've got \$4 billion increase in debt over a 10-year period, 12 per cent of that - \$500 million - is from the last five-year period and the rest is from the period before that.

I also want to remind folks that the carry-over, if you will, from having that level of debt - the interest on that is over \$700 million a year. The debt didn't go away. The accumulated deficit - this is the result of a loss of cumulative years of spending.

MR. MACKAY: Thank you for that. No further questions at this point, Mr. Chairman.

MR. CHAIRMAN: Mr. Jessome.

MR. BEN JESSOME: Thanks folks for being here. I'm probably going to jump around a little bit, so I'll do my best to be as clear as I can.

I want to start by referring to your outcomes with respect to the disclosure of hospitality. Specifically, you indicated that seven out of eight that had been targeted had responded positively, noting that Arts Nova Scotia hasn't disclosed to date. Can you comment on any type of conversation that you've had with the organization with respect to them not meeting that recommendation?

MR. PICKUP: Sure, we will answer that. I'll ask Mr. MacPhee next to me, who is really responsible for the clearance, to sort of give you the brief highlight - without speaking for the organization of course, but we can share with you what they had to say.

MR. CHAIRMAN: Mr. MacPhee.

MR. MIKE MACPHEE: We do validate all of our findings with everyone mentioned. When we cleared the funding of non-disclosure with Arts Nova Scotia, they responded in the summer stating that they will be commencing disclosure of their senior managers' travel and hospitality by the end of July 31st via their annual report disclosures. As of our report date in September, the last time we checked that was not the case. I guess that's the support, if you will, for the non-compliance and their mentioning the report.

[10:00 a.m.]

MR. JESSOME: Thank you. I'll jump to Page 7 - the reference is to deficiencies with respect to four organizations in particular here. The two that I would like to focus on would be our former school boards. Since they've shifted to the Department of Education and Early Childhood Development, what has the communication been with respect to making improvements? How have they responded to date, since the report was put forward yesterday? Can you just comment? Evidently there has been a shift around the governance of the system as a whole. Can you comment on how that may or may not have played into the presentation in this report?

MR. PICKUP: In terms of where these points come from, these school boards had their own financial statement audits. Their auditors would have picked these items up and pointed these out to these organizations, and we carried it forward from that. Going from the school boards to the regional education centres, my understanding is the way it's going to work is that these regional education centres will continue to have financial statement audits. These points are still relevant. As part of next year's audits, this will get followed up on by the auditors to see if these things have been addressed.

I had a chance to meet with the Deputy Minister of Education and Early Childhood Development last week, and I raised these points again with her in terms of these things being important. As they switch to these regional education centres, it would be nice to see these things cleaned up and the holes plugged. Based on the responses that they gave, they're not refuting the points, and they're not indicating that they don't want to do it. I think we'll be hopeful that over the next year, these things get addressed through the regional education centre model, and we'll know during the next six months.

MR. JESSOME: Generally speaking, can you comment on the timeliness that is expected or that we should strive to meet or exceed with respect to meeting obligations or meeting recommendations that are in your reports from a national or international perspective? The goal is to do better. We seemingly are moving the bar a little to the positive, and that's a good sign. Is there a baseline or a goal that we want to try to strive towards in terms of any entity meeting the recommendations in as timely a manner as we can?

MR. PICKUP: There's a multi-part answer there and I'm going to give you the multi-part answer there because I think it's important. On the financial statement work and the financial audit work we do - and this is a financial audit report today - a lot of these things are around controls and financial management, these types of issues. Financial management and controls have been around a long time. A lot of these are basic things. If you're looking at user access to systems, those are more basic things.

I would argue that on the financial statement stuff, most of these things should be fixed hopefully within a year once an auditor raises them. I think where they're not fixed

within that time, there should be a good discussion because I think they are often basic things that have to do with the management of the finances of these organizations. There's that bucket of responses.

Now, if we were on the performance audit portfolio and the performance audits that we do where we are in correction or we are in other organizations, we set a bar to say, we'll come back and follow up in two years. When we come back and follow up in two years, the goal that we set is for 80 per cent of recommendations to be done within two years. We report separately on that process to you. Next March or so we'll have another one of the reports. I think this year we did it in April. That's the performance audit portfolio, which I see as different than these financial statement audits, which tend to be more basic control type, bread and butter issues.

MR. JESSOME: Again, to stay general here, there have been improvements with respect to managing our year-over-year budgets to the benefit of all Nova Scotians, I'd say. I know that we've had several surpluses in the past little while, but the one question I continue to get refers to and aligns with your findings about this massive debt that we continue to be faced with.

I was out on the weekend canvassing, just checking in with some constituents, and the debt piece actually came up on the doorstep. It notes to me that there is certainly relevance in the work that the Auditor General's Office is doing. It applies on the ground in our communities. I guess my question around those comments is: Is it within the scope of the Auditor General's Office to provide government with recommendations on how to better service that debt?

MR. PICKUP: On the financial statement audit, what we're really looking at here is presenting the information for discussion - something like how effectively someone is managing debt and looking at systems and practices around managing debt. It could be what kind of interest rates you're getting, how you're going about that process. That would be more of a performance audit - a separate engagement. On the financial statement audits, we wouldn't look at those systems and practices - that would be beyond that. That would be totally something separate.

MR. JESSOME: But possible in the form of a performance audit.

MR. PICKUP: Right, it would be possible in the form of a performance audit - again, not going to the policy issues of whether a government should or shouldn't have debt. I've been clear on that. I don't venture into those policy discussions, but in terms of the bread and butter issues - are you getting good rates, are you managing the portfolio, systems and practices type of stuff - for sure, that's something that could be part of a performance audit.

MR. JESSOME: That's all for me, Mr. Chairman.

MR. CHAIRMAN: Ms. Lohnes-Croft.

MS. LOHNES-CROFT: On fraud risk management, are there tools offered by government services to help departments with fraud risk management? I know we as MLAs had to take fraud training just last Spring. They were very strict on us having those tests done by a certain date, and if we didn't, we were reminded. Are public servants expected to take fraud risk training or are there other tools available to them to help departments?

MR. PICKUP: On the issue of fraud, if I may just sort of give you a highlight, government departments have a fraud policy. The government put in a fraud policy for departments. There are still some organizations outside of those departments that need to put in a fraud policy. The training came into place, which was mandatory for everybody to take the fraud training within all the government departments as well.

Then within the core of government - the departments, if you will - there's an Internal Audit Centre and an audit committee. A number of the fraud risk assessments that departments have had done, have been done by the Internal Audit Centre. Obviously, I don't speak for them, but I think sometimes it's a capacity issue. If there are 17 government departments, they can't get out and get them all done.

What I've said is that in terms of how an organization figures out how to get the fraud risk assessment completed, that's a different issue than this one organization can't do it on a timely basis because of limited resources. So, then I think the organizations need to figure out how they get the fraud risk assessment completed. Nobody is arguing with us that there should not be fraud risk assessments, it seems to be a matter of the timing and moving along more quickly.

I'm trying to give you a sense that a number of things have happened and yet there is still more work to be done to complete the fraud risk management.

MS. LOHNES-CROFT: So with Education and Early Childhood Development, 80 per cent have not completed. Does that include educators in that number or is it people who actually work in the department?

MR. PICKUP: When we're talking about Education and Early Childhood Development, this is looking at whether fraud risk assessments have been done so maybe I'll bring you to the right table here, once I check.

If we go to Pages 46 and 47, here we lay it out by what was known as the school boards on Page 47, so this answers sort of the three aspects of it, so do they have a fraud policy? As we roll down through the school boards, what was known as school boards, we see the only ones that did was the Halifax Regional School Board, the Nova Scotia Community College. Those were the only ones.

In terms of the fraud risk assessment, you can see all of the “Nos” there and the evaluated usefulness of a fraud hotline, two of them did so. It is a mixture, a couple of fraud risk assessments done or in progress, many not, these three issues. Yes, and the Strait Regional School Board was a “yes”, they are down below there. So it’s a mixture. Many don’t have a fraud policy, many haven’t done a fraud risk assessment. Many haven’t evaluated the usefulness of a fraud hotline.

This is separate from the question of whether they took the fraud training in the department within what was known as school boards, the staff, whether all of those folks have done the fraud training, I’m not sure on that. We didn’t look at that as part of this, we just chose these three elements.

MS. LOHNES-CROFT: Going over to the pensions on Page 34, you’ve noted the debt of the Nova Scotia Teachers Plan, you have the Nova Scotia Health employees, they have a surplus and also the Nova Scotia Public Service has a surplus. Is there a reason why these two public sector pensions have surpluses? Are they managed differently? What does that mean here, that we have two public sector plans being successful and one not being successful? Can you clarify any of that?

MR. PICKUP: That is a great question and one that I don’t have an answer for. I think when we put these questions here down below and the idea of sparking interest in this and having some discussion, I think that could be a valuable discussion with those organizations to say what are the differences? You are right, there are striking differences between these three pension plans. It does beg the question, I think, at a deep level as to why these differences exist, notwithstanding the other issue of how and when do you get out of this issue. But yes, it’s an excellent question to which I don’t have an answer.

MS. LOHNES-CROFT: Thank you.

MR. CHAIRMAN: Thank you. Mr. MacKay.

MR. MACKAY: I’d like to go to Page 40-41, board vacancies. I’m also looking at your question on Page 34, I guess, about the board vacancies being filled and the impact on these vacancy rates. Certainly, Executive Council did indicate that they were going to make very direct efforts to improve on filling boards.

As we’ve improved on these, they are still not full and my concern is, when you say what is the impact of these vacancy rates, it may be that we’re lacking the preferred level of expertise and experience. We may be lacking regional representation within some boards. We may be lacking sector representation - for example, crop and livestock, and are our vineyards represented to the same extent as our dairy farmers, and such things.

[10:15 a.m.]

I think within government we've got some thoughts and discussions. Even on this committee, we have some thoughts on what's required there. But I'm curious if you and your colleagues might have any thoughts or suggestions for us on both the impact and ways we could improve on this.

MR. PICKUP: I have nothing specific. I think you covered possibilities in your question, but I don't have any specifics to say that, as a result of what I have here, (a), (b), or (c) happened.

I think it's the potential and those types of questions - keeping in mind, I guess, that we're working under the assumption that if somebody says they need 10 board positions and you only have four of them, that six could potentially pose a risk for (a) or (b), but I can't tell you this happened or that happened. It was really just to get that out there to generate some discussion around that and whether there are any impacts.

MR. MACKAY: Okay. Thank you. No further questions, Mr. Chairman.

MR. CHAIRMAN: Mr. Jessome.

MR. JESSOME: I'll note this one example here, 2.26, on Page 28. I guess we're referencing departmental increases and expenses, and I'm just wondering if there are other examples, or just related to these ones in particular? Do you have a sense of the difference between - like, are these increases having to do with an increase in cost to our pre-existing services, or did these have to do with new programming or new initiatives that, respective to their department, would have taken on as new ones?

MR. PICKUP: The short answer is no, but the longer answer to that is that part of why we do this report and why we put information like that in here is to generate those types of questions and to say, in and of itself, the numbers are not good or bad. They're numbers. If you have an increase in spending of 39 per cent on Health and Wellness, well, that tells you the number went up 39 per cent. But to the questions you're raising, it doesn't give you that backstory to say, why is that, how much of that relates to inflation, how much of it relates to changing demographics, how much relates to additional programs and services?

I think the hope would be that this information could inform you to ask those types of questions that you're asking to the people who know the answers to that, and also can explain the impacts going forward as to what this means in terms of future expenditures. I think that goes to the heart of why we do this chapter.

We're not really answering a lot of those questions by design. That's not our job, in terms of saying this is good or bad. It's partially why I had a discussion, probably in my

first year as Auditor General with the Public Accounts Committee, to say, "This financial chapter, it's a little bit unusual for the auditor to be doing this. Do you find this useful? Do you want us to continue doing this? Is it generating the kind of discussion that you want?"

Again, this Chapter 2 is not an audit. It is - I take no opinions on anything here - it really is an extract of some information to generate the types of questions you're asking right now, which I think is exactly what we would hope would happen with some of this.

The response I got at the time was, "We like this. Continue with it. Keep it simple. Keep it streamlined." That is partially why we continue to do this work, trying to generate the types of questions that you're asking us.

MR. JESSOME: Okay, thank you. I guess as a final line of questioning for me - I know we've discussed it before, but I think that it's worth mentioning, given today's events. Can you talk a little bit about the process by which your office is chartered to conduct audits, be it performance or be it financial.

MR. PICKUP: Sure. The Auditor General Act lays out the mandate of the Auditor General and essentially what we can audit. It lays out in terms of financial audits and what we can do and it lays out in terms of the performance audit, the nature of that work and clearly, in my view, outlining we don't talk to government policy but we look at the administration of such policies and how government is administered, essentially. I've been fairly straight and narrow on that in terms of keeping to the audit of administration and not of policy types of issues, but in terms of what we can look at it really is everything in the government reporting entity.

All these organizations - and there are probably 60 or 70 government organizations in total - are potential things that we could audit from a financial perspective or a performance audit perspective. The fact is, most of the financial audits we don't do. We rely on the audit firms who are doing them and we have a relationship with them where they report back to us.

There's also part of the Auditor General Act where you can follow the dollar sort of thing. For example, on these trust funds that were created, we indicate in the report that those are potentially auditable from a performance audit perspective, to follow the dollars and to look at the accountability and do a performance audit on those as well.

The Auditor General Act really does lay out the mandate of the Auditor General and that Act went through significant revision before me - it was in 2010, I believe was the update to the Auditor General Act.

MR. JESSOME: Is it fair to say that if any member of the House, on either side, presented a topic that had a compelling rationale for an audit, that it would be considered by the Office of the Auditor General?

MR. PICKUP: Over the last four-plus years as Auditor General, I've met with MLAs from all Parties who have approached me to ask to talk about an area of interest - would you consider doing an audit on this? Sometimes it has been less formal, sometimes it has been more formal through a letter. I learned long ago, and I started this 29 years ago, someone taught me never refuse to meet with anybody who wants to meet. I will meet and listen to everybody and what I say to MLAs, no matter what Party they're from - I will meet with you, we will listen to you, and we will consider that issue in terms of our risk assessment going forward.

For example, if I think back on primary care, if I think back on mental health, those were audits we were going to do anyway, but I think it's fair to say we advanced those and we did them more quickly because of MLAs bringing concerns to me. The public writes me all the time. People contact me all the time and I have the same approach - I will meet with anybody who asks me. Not that I'm looking for additional meetings, but I will meet with anybody who wants to meet and talk to me, and we get lots of those things.

The Auditor General Act has a provision where Executive Council can direct an audit, as well. That hasn't happened during my time here, but it is laid out in the Auditor General Act. I can think of organizations asking for audits - so we have the IWK who asked us to do that performance audit, which we'll be reporting to the House on December 11th. That came from the IWK.

If we think of the privacy work audit that we're doing, that came as a request as well, and we agreed to do that. It didn't come as a demand; it came as a request. If it was going to come as a demand, it would be through that Executive Council direction for us to do it. All of that is laid out in the Auditor General Act and what I'm trying to summarize for you is my fairly reasonable, common-sense approach, in my view, in terms of how we manage.

At the end of the day we're doing probably 10 to 12 performance audits a year, plus the financial audits, plus the work we're doing here. We have to juggle the requests that we do get. I want to take this opportunity to remind folks we're doing audits, right? We're not doing studies, we're not doing thoughts. Generally, the work we do are audits, audits take time. I think the credibility of our work comes from following audit standards that are laid out for the profession across the country. So does an audit get done in two months? Not usually. Do they usually take a year? Yes, it's fair to say they probably do take a year in most cases.

MR. JESSOME: I guess I'll just end with I think we're all making a sincere effort to share the load with respect to accountability, with respect to ensuring that we're providing quality services to - and I say all of us, I mean the Opposition is not here, I get it that they are frustrated at this point in time, but we're all here playing a role in trying to move this province forward. While we may disagree on how to get to that point, I think collectively our interest is how can we best serve Nova Scotians. That's it.

MR. CHAIRMAN: Thank you very much, Mr. Jessome. Again, I want to thank you. Just one quick - I did have a pile of questions, usually as the chairman you don't get to ask a lot of questions so I'll just finish briefly here.

What's interesting in your last statement is the mandate under the Auditor General Act that you have very much mirrors the mandate of the Public Accounts Committee. There's striking similarities in there of what you do, what your role is. Again it's not policy - it's in performance. It's in following the money, it's in accountability and transparency and I just want to note that. I don't know if that's the nature of why the mandate for Public Accounts Committee is struck the way it is but I think that certainly I just want to echo the fact that we feel very strongly that we want to work more with you, that is our intent.

We see the value certainly of having more and I certainly didn't take it as criticism when you did send us the letter and state that we were not probably where we should be in bringing more audited statements, audited reports to this open forum to discuss them. So I thank you for that. Again, we want to work with you.

In saying that I just want to reflect again quickly that it is also good to hear that there are several options for bringing topics forward here. I'll note that in our next meeting we do have Maintenance Enforcement that is coming in, which again, interestingly enough, something that was raised in Question Period yesterday quite a bit. So topics that are timely and that are on the mouths of our Opposition. Correctional facilities is the next one after maintenance enforcement and grants programs is the one after that.

I think we do have a very fulsome discussion coming up here of things that are certainly timely and also professionally done. Thank you. With that I'll ask you to have some closing comments.

MR. PICKUP: A few closing comments. I guess the standard one would be to thank you for the opportunity to talk about this today. We all appreciate it and again I want to thank the folks to my right with me here, also the folks back in the office, many of whom are watching, some of whom are here today. These are a hardworking bunch of people and I very much appreciate all that they do, including the evenings they give up through summer and the times they give up to get this work done.

I hadn't planned on mentioning this, I guess, but I do also want to respond in terms of just going on the record to say I wrote a letter to the Public Accounts Committee in early September. I think it was fairly clear in there that this is with all due respect that the committee decides what they're going to do and how they're going to do, here is a snapshot of our work over the last five years, here is what has been called to committee, here is what hasn't been called to committee.

I would hope, with all due respect, I think I said again in the letter that you would consider our work. It was in no way an attempt to try and control the committee. I know

my place and I know your place. It was meant to be informational and helpful, because I do believe as the Auditor General that the more information you have about our audits, including discussions here, that helps us complete our mandate, which is to serve the House, to provide reports to the House, to help all of you hold the government accountable.

[10:30 a.m.]

I would just remind folks that we report to the House, not to the Public Accounts Committee. We continue to report to the House. Then we come to the Public Accounts Committee at your request to help you understand our reports as well. I wasn't going to mention that, but I think I want to go on the record to say that the letter I sent really was meant to be helpful and with complete respect. I know how our legislative system works and how it doesn't work. I just want to go on the record as having said that.

The other thing I was going to say, and I don't normally talk about personal things here, but I will for one second. I want to say thank you to CPA Nova Scotia, the chartered professional accountant association. I think they issued a news release today that I will be getting my fellowship to recognize achievement. I want to thank them for that, but more importantly - I do thank them, but I want to thank the people who nominated me and also the people in my office over the last four and a half years and 25 years with the Auditor General of Canada before that.

I would like to say if it seems like I'm doing a decent job, it's because I'm surrounded by people who have made it seem like I'm doing a decent job. Really, all the thanks for FCPA, FCA goes to the people in my office over the last four and a half years and to the 25 years before that at the Auditor General of Canada. I wouldn't normally mention that, but I do want to thank CPA Nova Scotia.

I also want to thank the organizations that we audit. I'm sure it's tough being audited, but the overwhelming majority of cases - 99 per cent or more - of our recommendations get agreed to. We have a healthy independent relationship with the organizations we audit. They treat us very well indeed. I think that also helps in terms of that. I did want to mention that.

MR. CHAIRMAN: Thank you very much, Mr. Pickup for your time. That concludes our questioning. We do have some committee business that we have. You're free to leave here.

We have a continuation of some outstanding business from the past session. There is business that was commenced by Public Accounts prior to prorogation, and such documents that were requested have not been received by the committee. The compilation of the committee's annual report has not been completed. It's housekeeping. As the House has been prorogued, this business will lapse.

For example, any requested documents that were not received could not be pursued, and there would be no annual report detailing the committee's activities from the past session. In order for such work to continue, a motion would need to be passed to this effect. The motion that I would ask that be put forward by somebody.

Mr. Jessome, if you have that motion before you, I would ask that that be brought forward.

MR. JESSOME: This would be consistent with a similar motion that we entertained at Human Resources and other respective committees. With the favourable consideration of the committee, I move that the report be presented as scheduled if that's agreeable.

MR. CHAIRMAN: I think I have the exact wording here: That the committee continue its work it had commenced prior to prorogation in the House of Assembly on September 6, 2018, relating to the appearances of past witnesses and completion of its annual report for 2017-18.

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

The motion is carried.

Our next meeting is October 17th here in the Chamber, and the topic will be Maintenance Enforcement, Chapter 3 of the May 29, 2018 report of the Auditor General. The department will be the Department of Justice.

With that, I will adjourn.

[The committee adjourned at 10:34 a.m.]