

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, February 6, 2019

Legislative Chamber

**Financial Management Controls and Governance:
December 2018 Report of the Auditor General - Performance, Chapter 2**

**Financial Audit Work Results:
October 2018 Report of the Auditor General - Financial, Chapter 1**

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Public Accounts Committee

Mr. Eddie Orrell (Chairman)
Mr. Gordon Wilson (Vice-Chairman)
Mr. Ben Jessome
Ms. Suzanne Lohnes-Croft
Mr. Brendan Maguire
Mr. Hugh MacKay
Mr. Tim Halman
Ms. Lisa Roberts
Ms. Susan Leblanc

In Attendance:

Ms. Kim Langille
Legislative Committee Clerk

Mr. Gordon Hebb
Chief Legislative Counsel

Mr. Andrew Atherton,
Assistant Auditor General

Mr. Adam Harding,
Senior Audit Principal

Mr. Matt King,
Audit Principal

WITNESSES

IWK Health Centre

Dr. Krista Jangaard,
President and CEO

Ms. Karen Hutt,
Chair - Board of Directors



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, FEBRUARY 6, 2019

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIRMAN

Mr. Eddie Orrell

VICE-CHAIRMAN

Mr. Gordon Wilson

MR. CHAIRMAN: Good morning, everyone. I would like to call the meeting of the Public Accounts Committee to order. First, I would ask everybody in attendance to please put their phones on silent or vibrate. We'll start by asking the committee members to introduce themselves.

[The committee members introduced themselves.]

MR. CHAIRMAN: On today's agenda, we have officials from the IWK Health Centre relating to the December 2018 and October 2018 reports of the Auditor General. At this time, I would ask the witnesses to introduce themselves, please.

[The committee witnesses introduced themselves.]

MR. CHAIRMAN: Thank you, ladies. If we could, now we would get you to do your opening remarks, please. Ms. Hutt.

MS. KAREN HUTT: Good morning, committee members. Thank you for inviting us to discuss the improvement work that has been completed and work that is currently under way at the IWK Health Centre. I'm joined today by IWK's new president and CEO, Dr. Krista Jangaard. Krista and I look forward to answering your questions this morning.

The IWK Health Centre is dedicated to improving the health of women, children, youth and families in the Maritimes and beyond. In its role as a tertiary care centre, the IWK provides highly specialized and complex care that is not available anywhere else in the region. As an academic health sciences centre, the IWK is a global leader in health research and knowledge-sharing and partnering with Dalhousie University and other post-secondary institutions in educating and training our next generation of health professionals.

The IWK has been delivering on its mandate in an ever-changing health care landscape here in Nova Scotia and indeed across Canada. Over the past few years, we have been seeing higher-acuity patients and increased pressures in our emergency department, higher usage in key areas like our pediatric intensive care unit and pediatric medical unit as well as increased visits to many of our ambulatory clinics. We have been focused on managing the pressures we're facing while working to improve access to care in these and other areas through intensive improvement efforts that are shortening wait times, improving the experience of our patients, and removing roadblocks so that our physicians and staff can be more efficient in their roles. Through these efforts, we have seen significant improvements in wait times in mental health and addictions, orthopaedics, and dentistry, just to name a few.

We're proud of our accomplishments in improving our facilities. Many of our critical care areas have either recently been redeveloped or are currently in the midst of becoming modernized with state-of-the-art facilities and equipment. From the IWK's recently redeveloped neonatal intensive care unit and our early labour and assessment unit to the forthcoming redeveloped pediatric intensive care unit and emergency department, we have been laser-focused on providing the best care for patients and families in the world-class facilities they expect and deserve right here in Nova Scotia. Responsible stewardship is a key enabler to consistently deliver on our broad mandate.

Organizations as large and complex as the IWK are always looking at ways to improve internal processes and identify and implement efficiencies both at the bedside and support areas. During our time here this morning, we'll share with you the areas where our work has been strengthened and where we are continuing to improve. At the end of today's session, there are three messages that we're hoping to leave with the committee and indeed all Nova Scotians.

Number one, our care has always come first. The exceptional and leading-edge health care that the IWK is known for has never wavered at any point. The well-being, the safety, and the care of patients and families has always and continues to be the IWK's central focus for everything that we do.

Number two, we have been steadfast in our commitment to be transparent and accountable. The board of directors committed from day one that we would be transparent and accountable when the issue of the past CEO's expenses came to light, and this commitment has not changed. We took immediate steps then, asking the Auditor General

to do the review, and going so far as pointing out key areas of concern, and have since accepted every recommendation in the Auditor General's Report and have been committed to completing the work.

Number three, our actions have been swift. The board and management did not wait to take action. We addressed the former-CEO expense issue head-on, and we continue to make steady process in evolving the control environment at the IWK over the past 18 months. The improvement work that we have undertaken reaches beyond the 10 recommendations the Auditor General provided in his report, and I truly believe that the organization could not have achieved this significant progress on the Auditor General's recommendations to date if it were not for the extensive amount of work that was completed or under way prior to receiving his report in December.

I'm pleased to share with the committee this morning that more than half of the Auditor General's recommendations are already complete, with the majority to be completed by the end of March of this year and the remainder by March 2020. The amount of work completed to date has been remarkable and reflective of the IWK's commitment to sustainably close the gaps and improve processes and policies for the betterment of the IWK.

The board has confidence in the new executive leadership at the health centre. They are the right people to continue to drive momentum and results around this important work. Being accountable and transparent is not something that the board of the IWK takes lightly. We have been relentless in exploring all possible avenues available to help us make the important and required improvements and have shared all of the findings and recommendations we received, good and bad, with Nova Scotians.

From being one of the first government agencies to complete a fraud-risk assessment to enhancing the health care centre's travel and hospitality policy, along with over 15 other financial control policies, to launching and implementing a new disclosure of wrongdoing policy and a confidential whistleblower phone line, we have been aggressively making the needed improvements throughout the organization. The IWK fully embraces continuous improvement in all areas, and these audit recommendations align to that philosophy and the work that is delivered each day by talented and dedicated professional teams.

Finally, it is my deepest hope that history will look back on this chapter and the response by the IWK's board of directors with respect. I'm immensely proud of how members of the organization have responded to the challenges that we faced over the past two years. From front-line care providers to support staff to leaders and my volunteer colleagues on the board, we do what we do because we love the IWK.

We are grateful to have an opportunity to speak with you today on the work that we have done, and we continue to make the IWK better and carry on the legacy of delivering exceptional care to women, children, youth, and families of our region.

Thank you, and we welcome your questions.

MR. CHAIRMAN: Thank you, Ms. Hutt. I'll open the floor to questioning, starting with the PC caucus. Mr. Halman.

MR. TIM HALMAN: Good morning Ms. Jangaard. Good morning, Ms. Hutt. Welcome to Public Accounts. Mr. Chairman, I must note that this meeting is proceeding without a key witness as outlined here on the agenda. Ms. Amanda Whitewood, the chief operating officer, is not present. I think that is of great consequence, especially in light of an email I received this morning. My colleagues and I were under the impression that we would have three witnesses, and this meeting is proceeding with two out of the three. I believe the fact that Ms. Amanda Whitewood is not present is going to be of consequence to today's deliberations.

This morning, Mr. Chairman, I received an email from the committee clerk. This is what it states:

When I arrived at work this morning, I had an e-mail waiting for me from Dr. Jangaard the CEO of the IWK regarding their appearance this morning.

I have been advised that one of their panelists has become unexpectedly ill and is receiving medical care and will not be able to attend this morning. Dr. Jangaard has advised that this person's expertise would be very important to addressing issues related to the financial controls contained in the AG report. Dr. Jangaard is asking that, given the unexpected circumstance, that their appearance be rescheduled.

The Chair has asked that I contact members to inquire if they are agreeable to rescheduling this meeting in these circumstances. I will need unanimous consent from members in this regard. Please contact me asap.

As per the instructions - and I will table this, Mr. Chairman - I contacted the clerk and expressed that yes, I'm of the opinion that it should be rescheduled, especially when one of the key witnesses has indicated that it is of consequence that Ms. Amanda Whitewood is not present for today's meeting.

It's interesting, Mr. Chairman. We have asked IWK for over a year to appear at Public Accounts. The government has delayed and delayed that. Now all of a sudden there's a rush when it has been expressed by one of the witnesses that it will be of consequence that Ms. Amanda Whitewood, the chief operating officer, will not be present.

I would like to put forward the motion that if questions today are not answered satisfactorily - because Nova Scotians want to know what happened. It's a key issue to Nova Scotians. I would like to put forward that we could reschedule another meeting with Ms. Amanda Whitewood, the chief operating officer, to ensure that we get proper answers.

MR. CHAIRMAN: There's a motion put forward, as stated. You're using your time for questioning, you realize.

We'll have a discussion. Mr. Wilson.

MR. GORDON WILSON: For the record, I would like to have a little clarification or maybe if he does have that motion in writing, we would like to have that. I'm a little bit curious. Are we asking definitively to have a meeting, or if we feel that there are questions - if we feel satisfied that all the questions have been asked?

It is unfortunate what has happened here - I don't mean to take up the honourable member's time. We're not averse to having the IWK come back in again. We felt it was extremely important here today for Nova Scotians to hear and not to push this down the road. Ironically, we had another committee the other day where there was a request also for a witness who could not attend for health reasons, and the decision was to push that one. Anyways, different stories for different committees.

I do understand, and I do respect the honourable member's position. We would support that, but I just want clarification on what the motion is.

[9:15 a.m.]

MR. HALMAN: Yes, I'm happy to clarify for my colleagues. If questions are not answered satisfactorily today, we would allow for another meeting to be rescheduled with the chief operating officer, Ms. Amanda Whitewood, to get those answers to the satisfaction of Nova Scotians.

MR. CHAIRMAN: Ms. Leblanc.

MS. SUSAN LEBLANC: I'm just going to put forward that the way Mr. Halman has worded this, "if questions are not answered satisfactorily," is very subjective. I feel like we might all have a different version of what satisfactorily is. I would suggest, and I know there has to be a new motion, or can I make an amendment to a motion? What do I do here?

MR. CHAIRMAN: You can make an amendment to the motion.

MS. LEBLANC: I would like to make an amendment to Mr. Halman's motion, and that is, we will just, no matter what, reschedule Ms. Whitewood to come and speak with us at a later date.

MR. HALMAN: I'm in favour of that, Mr. Chairman.

MR. WILSON: Not to belabour the point, I think we're making an assumption here that we're not going to have our questions answered, as he had mentioned in his first motion. Would it be possible for us, at the end of the meeting, to see how well these two very capable people do in answering those questions and decide at that point? Again, we're not averse to not having another meeting. Let's just not make the understanding here right now that they can't answer those questions.

MR. CHAIRMAN: There is an amended motion on the floor. We'll deal with that first. Would all those in favour of bringing the IWK COO back, as the amendment stated, please say Aye. Contrary minded, Nay.

The motion is carried.

Would all those in favour of Mr. Halman's motion please say Aye. Contrary minded, Nay.

The motion is carried.

You can get on with your questions, sir.

MR. HALMAN: My question is first for the Office of the Auditor General. The IWK health board, I believe, has lost the trust of Nova Scotians. It's unclear how long these flawed practices have been ongoing or how far back leadership has mismanaged funds. In my opinion, submitting a proposed high-level scrutiny should be mandatory after such a significant breach of public trust.

Can the Office of the Auditor General confirm if something is being planned to the effect that the IWK health board will be subjected to a probationary period where the AG's office or another appropriate arm's-length committee with financial expertise looks over the books to ensure they are following new practices?

MR. CHAIRMAN: Mr. Atherton.

MR. ANDREW ATHERTON: There's nothing special or unique scheduled. A regular financial statement audit is under way, and we will be doing our typical follow-up in two years. There has been no different approach for this situation than any other.

MR. HALMAN: Is the Office of the Auditor General of the opinion that, given the circumstances of this mismanagement, there should be a different approach?

MR. ATHERTON: It's not really our place to say whether there needs to be a unique approach. We have done many hundreds of audits over the years with the same approach and the same follow-up. I'm comfortable with that approach.

MR. HALMAN: My question is for Ms. Hutt or Ms. Jangaard, whoever feels most comfortable in responding. Essentially, the fundamental issue here, in my evaluation of what has transpired, is that the IWK simply did not do a sufficient job in policing itself. Most of the recommendations are that the IWK do a better job of policing itself in the Auditor General's Report. Most of the responses are that the IWK is saying, we'll do a better job of policing ourselves. Why should Nova Scotians believe an organization that failed should be capable of fixing these issues itself?

MS. HUTT: If I'm allowed, may I just add a comment to your previous question around what is different? There is a significant difference in how we're performing the financial audit this year and indeed the Auditor General's Office is doing that, and that is a new practice, so there's a significant difference in how we're moving forward.

To address your question, that's a fair question, and I respect that you must ask that. It's one that we have asked ourselves. The reality is that we weren't without policies. We weren't without controls. We weren't without oversight. We're now in a position where we look back on that and we ask, was it sufficient? It certainly wasn't. Unfortunately, we had to learn that lesson in a very public and open way.

What I would tell you is that it is very typical in control environments to understand how you need to get better when a control doesn't work. That is the trigger, and that is what has happened here. When we immediately became aware of the discrepancy around the former CEO's expenses, we took action. The board stepped in, and the board told management at that time that they needed to move away from all of the issues related to this, and the board would carry its work forward.

The board, in my view, absolutely did our job. It was our responsibility to look out for the best interests of the hospital. We did that, and the most effective way of doing that was shielding the board from management and not having management involved in that.

The first thing that we did is call in Grant Thornton, a professional accounting firm, and we asked for their help, and then we continued to engage others along the way. Not for one moment did we stop looking for ways that we could remedy the situation to be able to ensure that if we encountered a situation like this in the future, the control environment would withstand that.

The other point that I will make on this that I think is important is that we are working very hard to put the best control environment we can put in place. No control environment can protect somebody who simply believes they're above policies and the rules. We will never, ever shield ourselves from that entirely, but we are working very hard to make sure that we have best practices and the most robust controls in all areas. I can tell you that every single member of the board takes very personal responsibility for being able to leave that behind.

MR. HALMAN: So the IWK Health Board stated that it has accepted all the recommendations made by the Auditor General, and you have even begun to implement some of them. Could you please expand on what efforts the IWK Board has been doing so far in pursuit of fulfilling the AG's Reports?

MS. HUTT: I'm just looking for my notes. As I mentioned at the outset, out of the 10 recommendations, five of those recommendations have been completed. If you were looking at the Auditor General's Report, Recommendations 4, 5, 8, 9, and 10 are 100 per cent complete. If you're looking at Recommendations 1, 2, 6, and 7, those are 75 per cent complete, and we expect them to be fully completed by March 31st of this year. The balance of the last one, No. 3 which is really around the ongoing testing of the control environment, is something that we have plans to have in place by March 2020.

There's a whole series of work right now on the control areas. In fact, we have stood up a formal project management office. We have dedicated project management resources working on that. They have a full project management set with deliverables and timelines and milestones and interdependencies and critical dates - all of those pieces. We're tracking on that. Perhaps Dr. Jangaard can talk about the internal scrutiny on that, but I can tell you that that work is now all being reported regularly to the Finance, Audit and Risk Management Committee as well as the board of directors. Does that address your question?

MR. HALMAN: Just for purposes of clarity, which recommendations have yet to be started on?

MS. HUTT: None.

MR. HALMAN: How long do you suspect it will be until all recommendations will be completed? What will be the timeline for that?

MS. HUTT: All but one will be completed by the end of this March, and 50 per cent of that remaining one is complete. The balance is expected to be completed by March 31, 2020.

MR. HALMAN: The IWK Health Centre has stated that it will have a fraud line in place. Does this fraud line exist? Could you get into the mechanics of that? What are the policies and procedures around that?

MS. HUTT: Indeed it does. This was a policy that was passed by the board earlier in 2018. Dr. Jangaard, do you want to talk about how that's working?

MR. CHAIRMAN: Dr. Jangaard.

DR. KRISTA JANGAARD: Our fraud policy is the last of the suite of policies that are actually in place for our respectful workplace. They have been in place and we have been updating those over a number of years.

We have had in place the entire time of this a code of conduct, which does have in it ways in which you can express and report any issues that you have of any kind. They weren't explicit about reporting for fraud, but fraud was included. As Ms. Hutt just alluded to, the fraud policy is one of the works that we have gone forward with and the disclosure of wrongdoing policy was passed earlier last year.

The fraud tip line is actually a tip line that is housed by an independent outside source that is easily attained by people by going onto our Pulse website in the respectful workplace domain. The number when you put up and ask for it is there, as well as instructions of how to get to it. We have not had the fraud tip line used to this point, but it is operational and is hosted.

There are a number of other ways, however, if people do not feel that they want to go that way, that they can give feedback. All of the directors, managers, VPs, myself, the board chairs, emails and direct contact are available for people if they want to report using our code of conduct and the new disclosure policy. There is an anonymous feedback line that is available for our staff and of course there is always a patient feedback line. They're easily available on our website and quite intuitive to use.

MR. HALMAN: It has been mentioned that Tracy Kitch was accused of doing the same thing she did here at the IWK as at her previous place of employment in Ontario. How was this not found out?

MS. HUTT: First of all, I'm not in a position to speculate whether or not that's the case. What I can tell you is at the time of the recruiting process, there was due diligence. All the typical due diligence that you would expect that would go into recruiting an executive level role, that did occur. Certainly there wasn't anything of that sort of information presented at the time. In its most hypothetical sense, I can tell you that if it were, certainly that would have caused a change in action by the committee.

MR. HALMAN: So what sort of background checks and investigations does the IWK do for a hiring process? Could you get into the specifics of that, please?

MS. HUTT: Perhaps I can talk about the most recent process that we went through in selecting our most current CEO. That's the one I'm most familiar with. We did hire the services of a professional recruiting firm. We did that through a public tender process and we selected the firm that we felt would provide the best service to the organization, and certainly one of the objectives was we wanted to make sure that we search for the best talent we could from a Canadian-wide perspective and beyond, if that was required.

One of the key elements was that the successful individual had to certainly understand Nova Scotia and the Maritimes and the importance of being connected to this community in a very meaningful way. That was a primary concern for us. Obviously the other concerns that you would expect a recruiting committee would have - which by the way, I just want to say that was a large committee. We purposely made that very broad. We had representatives from physicians. We had representatives from our clinical team. We had representatives from Dalhousie, as well as the foundation and members of the board. We wanted to make sure that we had all of the important voices around the table, and we reached out to several other stakeholders through that process, including perhaps some people here, others inside the government.

Then we went through, obviously, an important referral process. As we converged onto who our preferred candidates were, it became obvious to us that Dr. Jangaard was our preferred candidate. Still, despite the fact that Dr. Jangaard spent her entire career practically at the IWK, we went through a robust referral and reference-checking process for her. So we tried at every corner to make sure we were doing the very best that we could and we think we were successful.

[9:30 a.m.]

MR. CHAIRMAN: Thank you, that concludes the questioning for the PC caucus. We'll now move to the NDP caucus and Ms. Roberts.

MS. LISA ROBERTS: Thank you for being here today. Ms. Hutt, when did you join the board of directors of the IWK?

MS. HUTT: I joined the board in January 2014.

MS. ROBERTS: How many members of the current board would have been board members during the time of this audit investigation and the activities related to it?

MS. HUTT: I can check the number. I think there are about four of us. It's in my notes, I can check and get you that.

MS. ROBERTS: So there has been significant turnover through this period.

MS. HUTT: Absolutely. We have a process where when a new director joins the board it's for a three-year term that can be renewed for an additional three years. One of the objectives of the board was to make sure that we were staggering the terms of when new directors were joining and others were leaving to make sure that we had some organizational depth within the board. That is a result of normal transition within the board.

MS. ROBERTS: Given that you were on the board from 2014, to what extent did the revelations that were made, through the initial breaking stories, the Auditor General's Report, the police investigation - to what extent did those come as a complete surprise? Was there somewhere in your gut where you were - maybe things aren't right here?

MS. HUTT: That's a really good question, and it's a challenging one because I - through my own self-reflection - would say that I feel like I have a pretty good gut. We did not see the kinds of overt signs that you might have expected that we would see. We relied on the information that we were being provided by the management at that time, and that is perfectly reasonable for any board to do that. We need to be able to rely on that. Certainly we need processes and controls, and as I mentioned, those were in place.

We had annual audits of our financial statements completed all through the time that I was there, and I believe before that. What happened was there was a series of breakdowns below what would have normally perhaps been reported to the board as those began to crack, and we became aware of that.

I can tell you the moment we became aware of the discrepancy, we acted. We didn't stop acting and we haven't stopped since.

MS. ROBERTS: Many of your comments thus far have referred to the CEO expenses and obviously, any Nova Scotian would find those discrepancies alarming and egregious, but if we look at the audit report there are multiple other areas where there have been a lack of controls at the IWK. I'm thinking specifically about control over procurement. How has that whole set of issues been confronted by the board? How does procurement on an ongoing basis filter up to the level of the board to ensure that there are adequate controls?

MS. HUTT: I'll make a couple of comments and then I know Dr. Jangaard will want to add to that. Certainly, you're right, when we first began to act it was in response to the CEO expenses, but I said several times at the time, that we're dealing with this first, but there's a bigger question for us of how could this have happened, and we're going to get to that next. We got to that next - the former CFO is no longer with the organization.

Part of that evolution, as we began to dig into these issues, that again - from a control environment there is a reporting mechanism that will now come to the board, but

in terms of the day-to-day processing of some of those activities, those wouldn't reasonably make its way to the board so we wouldn't have had any visibility into that. We'll now get that from a control reporting point of view, but as we were going through our work of unravelling this story and trying to understand what happened, indeed, one of the areas we spoke to the Auditor General's Office about when we talked with them was that we're concerned about procurement, we want you to look there - please have a look because that's something we're not comfortable with. We had identified that as an area of risk.

MS. ROBERTS: Just a last quick question related to the board specifically. You are a volunteer board. How much time do you as the chair spend in that volunteer role?

MS. HUTT: Is that a trick question? (Laughter) Certainly what I can say is, you're right, we are a volunteer board. I was Chair of the Governance and Nominating Committee from January 2014 through to June. I'm proud of the work that our committee achieved at that time. It was at that time that we formalized a skills matrix. We formalized a board recruiting process. We formalized a board onboarding process, which includes annual governance training. There were several other things that we put in place, including when we talked to prospective board members, we talked about the time commitment that would be required in order for them to serve.

It's our expectation that directors not only serve on the board itself, that they choose one of our committees to serve on. The work of the board is very much carried out through the committees. We have four of those. Certainly, we are very clear with our directors around what the time commitment is and the expectation around attendance and participating in the governance matters of the organization.

MS. ROBERTS: You didn't give me an hours per week or an hours per month.

MS. HUTT: I would say that committees meet every couple of months. The committee meetings would range anywhere between two to three hours. The Finance, Audit and Risk Committee has been meeting much more frequently, as you would expect. Those meetings can last four to five hours on a very regular basis. The board meets five times a year. We have an additional strategy session, and we have additional - in my capacity as chair there is certainly not a week that goes by that we're not talking, and probably every few days.

MS. ROBERTS: Dr. Jangaard, as Ms. Hutt mentioned, you have spent virtually your entire career at the IWK. Congratulations on being the CEO. Is this the first time that you sought that sort of leadership role at the organization, may I ask?

DR. JANGAARD: Thank you for the questions and for your congratulations. Certainly this is my first time seeking the CEO leadership role, but if you look at my career through my 30 years at the IWK, you will see a progressive leadership growth, which you would expect in someone's career. Starting as a pediatric resident through doing my

fellowship training to become a neonatal intensive care doctor to coming on staff in 1996, as a member not only on staff there but also of the two departments of Dalhousie - Pediatrics, and Obstetrics and Gynecology - I've had leadership positions within my department, within my division, and within the hospital progressively.

I have been the president of medical staff. I spent four years as the chair of the medical advisory committee, prior to coming into this role. It has been a career direction for me, such that as I understood that system management and leadership and looking at the broad picture for how we deliver care for women, youth, and families was an interest of mine. I went back and actually obtained my Master of Health Administration to qualify to actually look differently at the organizations.

Physicians as a whole bring a unique prospect to how we think about health care, and I think not the best, not the only, but unique in how we make decisions about what we need. You heard Ms. Hutt very eloquently talk about what our mandate at the IWK is, and that is to deliver care, to do research that brings us forward and discovers new things so that we can actually improve that care, and to train new graduates so that someday we can retire and others can take our place.

It is the first time that I have been a CEO. I moved into that role, as you know, from the Vice-President of Medicine role. It has been my growth in my career.

MS. ROBERTS: In the Auditor General's Report, there is a reference to the importance of setting the tone from the top. In your role as VP of Medicine previously, did you feel or were you aware of the absence of the right tone from the top in the organization? If so, how did you experience that?

DR. JANGAARD: I joined as the VP Medicine in March 2016, and to be honest, my focus at that time was coming into a new role, stepping away from my clinical role, and I was highly focused on the issues that were before me in my Medicine portfolio.

You may recall, at that time we were in the middle of negotiations of the physicians' contract. We were looking at new ways in which we could look at recruitment and replacement of physicians for the province; I undertook that work with my VP Medicine colleague at NSHA. My primary focus was to look at the engagement and inclusion of physicians.

My relationships with my colleagues were mainly at the executive table, mainly around the other parts of the portfolio that were more clinically oriented. My relationship with my VP Patient Care and the VP Quality and System Performance was rolling out a new safety program and all the quality things that Ms. Hutt talked about before.

My relationship with that group was good. The tone at the top in the areas that I was most closely working with was where I would expect it.

MS. HUTT: I just feel it's important for the committee to understand that what Dr. Jangaard is not talking about is stepping up as interim CEO when we tapped on her to do that. I just want to underscore that when it became evident to the board the path that we needed to follow with the former CEO and we thought about how we move forward, it was unanimous that we ask Dr. Jangaard to step up and do that. One of the primary reasons . . .

MS. ROBERTS: I'm sorry, my time is going to elapse and I do have another question I want to get to, so I'm going to interrupt and I don't do it lightly.

Dr. Jangaard, there were financial consequences as a result of some of the transactions and lack of controls that were discussed in the Auditor General's Report. I have been interested to understand how that had an impact on patients. For example, one very small program with an approximately \$300,000 expense that was cut under the leadership of Ms. Kitch was the Extra Support for Parents program, which many people felt very invested in. It was a real grassroots, volunteer-supported program of supporting vulnerable mums in the Halifax area - admittedly not across the region, but we know that now in Nova Scotia we've lost pretty much all prenatal support for mums, which I think is also quite egregious.

Would decisions like that have been made differently if there were adequate controls, and maybe if the focus was more on that experience of littlest babies and mums, as opposed to where I think the focus appeared to be, at least at the level of that very top echelon?

DR. JANGAARD: With respect to the Extra Support for Parents, that program was discontinued after careful consideration by our VP Clinical Services, and in consultation with others as looking toward what best practice would be. The decision was not made on financial grounds. The decision for that was made on what the best ways are that we can improve services for the people that we care for.

We understand that it was a loss for part of the community, but it is part of how we on an ongoing basis look to say what are the best practices for how we provide care to our community, so I would not link those two things. Decisions are made every day at the IWK about what services we provide, how we provide them, and we do that with the best evidence that we have from sources locally, from research, using evidence and informing them.

MS. ROBERTS: From your perspective as the CEO, what has changed - again, going back to the examples of procurement, going back to the examples of inventory, how has that change actually rolled out across the organization and getting up to you?

[9:45 a.m.]

DR. JANGAARD: Again, I would echo what Karen has said previously. It was not that we did not have any processes but that we needed to improve our processes. If you look at inventory and supply chain, for example, as one of the issues that was raised as a risk by the Auditor General in his report, we have something on a daily basis that's called our daily safety briefing. Our supply chain person is on that, our clinical folks are all on that. If there are any issues that are coming forward, they are discussed, and they are attended to before they get to an area where they can reach patients.

In addition to that, we are implementing a number of different changes within procurement. Ms. Whitewood could outline those for you better. I can tell you a little bit more about how we handle the supplies in stores because that was there. We have increased the footprint. We now have a visual queueing system that is improved.

If you want to get the big picture, one of the questions that was asked was about the dollar value that was required to get approval from the board outside regular business. That's in our governance policy. We have updated that. That is now set at a \$1 million value. That's not \$1 million a year. That's if we are looking at a contract that will cumulatively be \$1 million that we are looking for outside our approved business plans. We now have a process and documentation that has a checklist for everything that has to be considered and done before that actually can be approved. Seeking the input and the approval of the board is on that. There are a number of different explanations I can give from the smallest little thing to the biggest thing.

As we have said, they're not all complete. We are planning to enter - as long as we have no other emergencies that happen on our doorstep - the 2019-20 fiscal year with our controls in place so that by the end of the period, we can adequately, with our auditors, show that we can track, audit, and look at them.

MS. ROBERTS: I'm going to return to Ms. Hutt for a moment. When you came on in 2014, there were outstanding financial risks that had been identified in 2012, where certain lower-risk areas were addressed, but there were no plans to address the higher-risk areas. How, at the board level, do you explain to us that the board was not checking back on outstanding work around control weaknesses that had already been identified in reports?

MS. HUTT: I don't think we can conclude that the board wasn't doing that. If we look at the record of minutes, maybe there's an open question over what was recorded, but that wouldn't suggest that the conversations didn't occur. Certainly it's the job of an auditor to review their recommendations from the previous year and understand where those are, so that work would have happened.

I wasn't on the board in 2012 so I don't have the perspective on that, but I do know in 2016, we asked management to move forward with a broader enterprise risk

management framework. The hospital has always been extraordinary at managing patient risk, but it doesn't encompass all of the organizational risk that it needs to, certainly in an organization as large and complex as the IWK. That is when we set out building the entire ERP framework. That work has progressed exceptionally well. I think if you look at that from best practice point of view, we're certainly on the right road. I think that gets to the bigger question that you're asking: how can something be identified and then not later reported on through mitigation and risk management efforts? That framework now addresses that.

MS. ROBERTS: What is the next step moving forward for setting the tone from the top? I'm very interested in that language in the Auditor General's Report. I think it's very important, especially given the importance of the hospital's reputation in terms of it carrying out its work, but also for all the health care providers who I know do tremendous work within the organization. How are you actively working to set that tone from the top of absolutely every dollar being spent for the best interest of patients?

MS. HUTT: It's a good question. I believe that the tone has been set, and I believe that it was set the moment when the board stepped in and took over the issue with the former CEO's expenses. From that moment on, the board asserted its role in making sure that it was looking out for the best interests of the organization.

Part of tone - a material part of tone - is taking accountability and being responsible to step up and do our jobs. We've done that openly, we've done it honestly, and we've done it broadly with Nova Scotians, and we've spent a lot of time internally working with the physician groups, with the clinical teams, with our back-office teams, making sure that people understand why things are happening, and we're asking them to work really hard.

Part of the reason that we're doing that is we know that the stakes could not be higher at this moment - that having the trust and confidence in Nova Scotians in our ability to deliver on our mandate is fundamental to what we do, so there is nothing more important than this.

Part of reinforcing the tone was appointing Dr. Jangaard and having someone who understands the fabric of that organization has been instrumental in rebuilding employee commitment and trust and motivation to move forward, frankly.

MR. CHAIRMAN: We'll move on to the Liberal caucus and Mr. Wilson.

MR. WILSON: Thank you. I'll be brief and then turn my time over to the honourable member for Chester-St. Margaret's. Thank you for being here. As I mentioned earlier, it's very unfortunate that we don't have your full team, but you are doing an extremely good job. I just want to reflect on the fact that the concerns out in the general public were really around assurance that care has not been impacted by what has happened here. Can you give me your comments on that side of it, from the operational points?

DR. JANGAARD: I will try not to use up all your time by talking about the care provision and the mandate provision because care is a really important part of what we do, as is the rest of our mandate for research discovery and education, but since you asked about care, I'll focus on that.

As Karen alluded to in the beginning of her remarks to you, care has not wavered. What has happened every single day throughout this entire thing is that our clinicians, our nurses, our physicians, and everyone who comes to work every single day do the very best job that they can for the patients.

In a year, we have delivered another 5,000 Nova Scotians. We've done more than 250,000 visits in our ambulatory clinics. We do our surgeries on our women and children. We are there for emergencies. We've seen a remarkable increase in our emergency visits. We're now up to over 32,000 visits a year in our emergency department, and we've coped with those and made sure that people get seen.

Our care providers come in every single day to do that work, but they're also heavily vested in how we can do that work better. How can we look and know in an ever-changing, complex, very complicated environment where every day there's something new to learn about the care of infants, women, children, and youth? How can we do things better, do things differently to deliver that care?

We have a number of innovative situations that have gone forward. We're capacity-building on mental health in our community clinics. We reduced our wait times by 60 days to have access in the community clinics in Halifax. We've reduced our wait times for dentistry by doing Lean exercises where people look to say, can we do this better and more efficiently?

The organization has put the time and effort and resources into not only providing the care, but making sure that we stay current, up to date, and on the forefront. Many other opportunities - we have, I think, nine Lean activities going on right now to improve access or improve the patient journey - because not only do we want you to get in, we want once you're in, for that care journey to be something that is smooth for you so that you can get in one end and out the other without having to do too much work.

Are we perfect? No. Will we continuously improve and believe in continuous improvement forever as we exist? Absolutely, because we always have. That will continue.

MR. WILSON: I appreciate those comments. To follow on the questions my colleague had around the tone - tone is one thing for a board. This has been a very challenging time. What is the mood of the board?

MS. HUTT: I'll be honest. If you asked anyone from the community to come and volunteer and tell them that the experience they were going to go through was that, you

would wonder if people would volunteer. I think that the best proof that I can give you is that we continue to have amazing interest from phenomenal people in the community who want to serve. That hasn't stopped. We recently brought on new directors. I am in awe of the commitment. When the time came that we needed to roll up our sleeves and do what needed to be done, people leaned in and they got the job done.

When I say that we do it because we care about the IWK, I could not be more sincere when I say that. This is important to people. The IWK connects to people in the most incredible and emotional ways. We all have our own stories that connect us to the IWK. That's why people do it. We continue, as I say, to have remarkable people step up and want to serve.

MR. WILSON: My last question is around credibility because again, that speaks to the foundation of what people look for in government and in their agencies and their boards. My colleague usually does not - I respectfully see where she - finishing a question, but you started to talk about our new CEO and stepping up and the credibility. I think it's important for me to understand why you feel this person is credible to do that job. You were talking in regard to not only her applying for it but taking the interim position. Can you make me understand better how the board feels in that respect?

MS. HUTT: Just to quickly recap, we were in a situation where we needed interim leadership. There was no question. We very quickly converged on that being Krista if she were willing to do that. I can tell you about one Saturday morning at a local coffee shop where I practically needed to scoop her off the floor when I asked her if she would consider this.

The reason we did this was because, one, as I said earlier, there's no one who understands the IWK and the culture and the people and the fabric of that organization better than Krista. On top of that, she's a world-leading neonatologist. She is an incredible physician who has outperformed in every role that she has ever held, including in her early days as VP of medicine. We had all of the confidence in the world that we had somebody who was homegrown talent, who had built their career through the organization and would step up and carry us through.

The other thing that I want to say because it's important for Krista - when we did the search, we told the search committee to not tell other candidates we have a preferred candidate. We don't. This is an open race, and we want to look for the absolute best talent nation-wide, and whoever gets the role gets the role. Krista got the role because she won it. She was the best.

MR. CHAIRMAN: Mr. MacKay.

MR. HUGH MACKAY: Ms. Hutt, in regard to the former CEO's expenses, if I understood it correctly, when this matter came to light, there was a firewall, if I may call it

that, put between the board and the management team at that time. I believe you said that the board stepped up in taking action on this. Could you walk us through that process of what the board did? What were the steps here?

MS. HUTT: This was in June 2017. It was about a week after I assumed my role as Chair. It became evident to me that we had a discrepancy with the expenses. It was also obvious to me that we couldn't count on management to lead this process because they were inherently conflicted.

At that time, I informed the former CEO that I was asking her to step away, and I engaged the board and asked for permission to form a special committee to focus on this issue. We had representatives from the board to be able to work through that. We also quickly engaged Grant Thornton to make sure that we had an independent view come in and literally reconcile every single expense so we could understand what we were dealing with.

I also at the time engaged legal representatives because I knew that there may be a point in time where the board needed to act in a way that it was protecting the interests of the hospital. Obviously, we couldn't affect that through the management team, so we did that independently.

Through that process, the board continued to meet on a regular basis. I can tell you, the special committee met every single week and more to look at the progress that Grant Thornton was making and then once we came to a conclusion of what we were dealing with, we then brought that to the board and made a decision of how we would move on.

Along the way, I think it's important for the committee to understand we made sure that members of the Department of Health and Wellness understood what was happening. It was really important for them to know that this issue had occurred and that they were well aware of the steps that we were taking, because I didn't want anybody to be surprised by anything that was happening.

We also at the time looked to others around us who could provide us with advice, so we continued through that process. Ultimately, it came to a matter before the board. The board made a decision that we could no longer continue our employment relationship with the former CEO, and that was terminated. She left the organization. She resigned, but she resigned without any severance, and the \$47,000 that was deemed to be owing back to the organization was paid in full.

MR. MACKAY: I believe you said that there are four committees within the board. I'm wondering if you could detail the structure of what those committees are, and has any of the structure changed since the time of the investigation into the former CEO's expenses?

MS. HUTT: Just so I'm factual, there are actually five when I include the executive committee, but I'll talk about that in a moment. There are four working committees. There's the Governance and Nominating Committee, which has the responsibility primarily of overseeing matters of the board in terms of recruiting, onboarding, education, performance, and all those elements. They also have the responsibility - we gave them the responsibility to help us build out a former CEO evaluation performance framework, and that's one of the recommendations that was outlined in the AG's Report, and we asked the committee for their help on that.

I'll talk about Finance, Audit and Risk Management last. We have a Performance and Quality Committee. That is the committee that really oversees the clinical progress of the organization. They've been working with the organization through the development of the enterprise risk management framework. They look at the overall delivery of programs. Certainly, they would look at if there is a safety incident that the board needs to understand - that would come through that committee first. They process an awful lot of the day-in, day-out oversight of the clinical delivery of care.

There's a Building and Infrastructure committee. We put that committee in place a couple of years ago because, as I mentioned in my opening remarks, we had so much work under way related to infrastructure renewal. We wanted to have a committee specifically focused on that. We have subject-matter experts who will look at builder contracts, they'll look at schedules and plans, they'll look at our prioritization of new equipment for the organization, and they'll look at the asset management function within the organization. That's been a really good addition to our committee complement.

Then the Finance, Audit and Risk Management Committee, as you would expect, has become the absolute workhorse committee over the past 18 months. This committee began with the Grant Thornton report that was produced. There were 17 or 18 recommendations, I think, that they provided in response to the former CEO expenses. Actually, through that committee, we asked management to report to us on a weekly basis the progress that they were making against the recommendations.

That then morphed into the work that we've been doing with the Auditor General, as well as the other work that's happening throughout the organization. That was the committee that has really processed a lot of this new control work that is under way. The control framework, the control project management team - all that work reports through the Finance, Audit and Risk Management Committee, and again, made up of subject-matter experts.

The executive committee is really just the clearing house of the work to make sure that we're queued up properly for our board meetings. My own philosophy is, I don't think the work of boards should be done through executive committees. I think that we are there to facilitate the will of the board, and that's really how we function.

MR. MACKAY: You have mentioned the Finance, Audit and Risk Management Committee. Certainly one thing that the Office of the Auditor General has made clear in their various audits is the importance of risk management, risk analysis, and so forth. What specifically has the IWK Board done in the area of perhaps improving risk management and risk analysis?

MS. HUTT: A lot. The first and foremost piece that we needed was an enterprise risk management framework. You don't know how to holistically look at risk if you don't have the broadest of frameworks. You have to go through and you have to identify all of the different risks that could occur throughout the organization. How do you then rank them in terms of both the likelihood and the consequence should it occur? Then how do you put plans around it? Then you have to go through a process where, once you rank them, you assign owners to that risk. Those owners need to bring back plans for how they're being mitigated. We have to establish metrics so we can understand how that improvement is occurring. We have to then go on to a continuous cycle of overseeing the work of that.

Risk management and monitoring of controls environment is an ever-lasting job - you're never done. What you do is, as you get into it, you will discover other areas where we need to move forward. When you're doing that, it's actually working the way it's designed, so it's a good thing.

In addition to that, they have been going through a number of the policies. We have 10 policies that we have already updated to give very, very clear clarity around signing, hospitality and expenses, how we need to make sure that all of the people throughout the entire organization who are spending dollars know exactly how to be accountable for that. We know that there was not enough clarity in that area. We processed all of those new policies over the course of the last year, so a number of different aspects of that and making sure that in the meantime, we're continuing with things like our annual audit now with the Auditor General and the other deliverables that we're required to do in order to meet the accountability commitments we have made to the government.

MR. MACKAY: Thank you for that. Mr. Chairman, I'll pass it over to my colleague for Halifax Atlantic.

MR. CHAIRMAN: Mr. Maguire.

MR. BRENDAN MAGUIRE: When it comes to the IWK, a lot depends on its reputation, on the brand, we'll say, and on the public's generosity. As a donor, how do you convince me that these past incidents won't happen again? How do you convince the public that we have the right people making the right decisions and leading this organization on the right path forward?

MS. HUTT: First of all, I am a donor myself, and I continue to be a donor. We know that confidence in the IWK is paramount to the donor community. We also know as

a board that it's paramount to Nova Scotians. It's Nova Scotians' tax dollars that are supporting our health care system, so when we think about public confidence, we think about it holistically, and that has never been lost on us.

That's one of the reasons why it was so important for us to be completely honest about what had happened. We did that in a way that we said, we're going to give people an opportunity to evaluate us and to trust us. They will demonstrate that through different ways, and one of the ways will be how they continue to give to the hospital. They have continued to give. We can get into specifics. I would ask my foundation friends to give you the details on that. What I can say is that Nova Scotians and Maritimers continue to give. I think you heard from Krista. One of the reasons is that we have never stopped taking care of families and patients.

MR. MAGUIRE: Do you have something to say? Go for it, yes.

DR. JANGAARD: I think that what I would add as a care provider in that organization for the 30 years I was there is that I could not walk down the hall without touching something that a donor had provided through their giving that makes the lives and makes the care that we give better. That is no different. The donor dollars that have been pledged have been used for what they were intended. You just have to come and walk in our new neonatal intensive care unit to see that, to look at our beautiful new ELAU, to go in our Garron Centre for Child and Adolescent Mental Health to see that and to see the ongoing work.

What you don't see quite as much, which is a little harder - I know that when I need to have an IV for somebody, the pump is there. The public may think that those pumps are just paid for and they're there, but they're part of the donor dollars as well, as is training, support, and all the other parts that it takes to have the best people there to be able to use the best resources.

We just came off last week a very successful Radiothon, and the donors in the Maritimes continue to give small amounts to big amounts. At the end of the Radiothon, we actually had a call in. We were raising money for baby scales - really important to know how much a baby weighs before they go home. Somebody called in at the end of the afternoon and said, I want to buy a whole scale. It's important.

We're intensely grateful for our donor community. They are very generous and we're very fortunate.

MR. CHAIRMAN: Thank you. That concludes the Liberal Party's time for questioning. We'll go back to the PC caucus and Mr. Halman.

MR. HALMAN: Despite this whole affair being a major hit to the board, ultimately the responsibility for what has transpired, I believe, has to be placed with the Department

of Health and Wellness and the minister. That being said, the Auditor General has noted that although the Department of Health and Wellness has had the right to appoint two board members, it has historically not exercised this option. Am I correct in saying that - that they haven't historically exercised that option?

MS. HUTT: Indeed they have. We welcomed the government's appointees in April of last year. Those two individuals are now part of the board.

MR. HALMAN: Does it stand to reason that there could have been a reduced risk of this transpiring if those board members had been appointed prior to that? Am I correct in saying that?

MS. HUTT: I think I would have a different perspective on that. What I would say is we are pleased that those appointments have been made. They're two very talented individuals and they complement the existing board, but we had already gone to work in making sure that we developed a best-practice skills matrix to understand all the different skills and experience and perspectives that we needed directors to bring, and we've continued to recruit against that. I would say that those two new members complement the existing talent that was there and we're happy to have them now on board.

MR. HALMAN: Do you think it would have been reasonable if those two board members who had knowledge in accounting and operating procedures would have mitigated or potentially reduced the potential of this occurring?

MS. HUTT: I can't speculate on that. What I can say is that we're putting their skills to good use today, and certainly as we went through this whole series of events, we ensured that the department was aware of what was happening, and we knew that they were obviously an important voice in this, and so we worked hard to make sure that they were in the loop.

In terms of if the situation would have been different, it's difficult for me to answer that. But as I say, we're very pleased to have them on board now.

MR. HALMAN: We know this expense scandal affecting the board was based on questionable practices that occurred between October 2014 and June 30, 2017. The AG's audit covered from April 2017 to March 31, 2018. That's three of the 33 months in which there were suspicious transactions. Am I correct in saying that there will be a forensic audit that will be covering the other time period?

MS. HUTT: I'm not aware of that activity, no.

MR. HALMAN: We all know that health care in this province could be better administered. Due to financial constraints, we need to be wise stewards and ensure that the public's dollars are being spent in the most cost-effective way. Procurement was seen as a

major issue mentioned within the AG's Report. For example, it stated that 19 near misses had occurred in the supply chain that would have impacted patient care in a negative way. What were those 19 near misses? Could you comment on that?

MS. HUTT: We can get you the specifics on that. That's not a detail that I have at my fingertips, but again, I would like to emphasize that procurement was, indeed, an area that we asked the Auditor General to look at because we were concerned about its functioning.

[10:15 a.m.]

DR. JANGAARD: With the supply chain, as I alluded to earlier in one of my answers, being sensitive to where we are with supply chain is now a daily report. The person who is responsible for that is on our daily safety call and interacts with our clinical directors, who are the people looking for supplies. We have a way in which we have immediate access to know when we're becoming short of something, before we actually get there. The inventory management - we talked about using the visual clues and the increase in space for our inventory stores that are now in place are also put in place to mitigate the risk for that.

MR. HALMAN: Furthermore, on the topic of procurement, it was stated that approximately 40 per cent of contracts did not use a potentially more cost-effective purchasing option available to the IWK. Certainly, I think in most organizations, this is standard operating procedure - I know that was the standard when I was a high school athletic director. You got three quotes, and you tried to get the best bang for the dollar. I'm curious as to why these potentially more cost-effective purchasing options weren't opted for.

DR. JANGAARD: Let's put into context the patient population we take care of at the IWK. They range from a 500-gram baby to a full-sized adult woman to teenaged males who may weigh 250 pounds and would be good for your athletic equipment. The supplies that we need for those populations are quite different than sometimes you can buy in a med pro buy arrangement that is largely based on getting us savings for the average adult Nova Scotian who comes into a hospital. There are occasions by which we need to have alternate procurement that occurs to get those things. My patients would have been a perfect population to deal with that. I need specific sizes of tubes, lines, and so forth for it.

As part of looking at procurement, looking at alternate and how we best can leverage, that is one of the continuous improvement activities, so using what we can under standard buying and having the resources saved that way so that we can actually ensure that we have enough to buy the special equipment and the special things that we need for our really different population is important and part of the new look in our procurement policy.

MR. HALMAN: Given that there is a need for alternate procurement given circumstances, were there specific guidelines around those alternate procurement practices?

DR. JANGAARD: There are specific guidelines. Again, those will be part and parcel of us looking at how we improve our processes and improve our documentation moving forward. They are part of the improvements that are happening in our control environment project.

MR. HALMAN: A former landscaping contractor with the IWK - Ronnie Albert of RJP Landscaping - has done 40 years in his field, during which he has done a number of contracts with the IWK. It was then to his surprise that in the records it claimed that it was falsely billed to the IWK for snow-removal services in May and June 2017, as well as landscaping services in months such as November and December 2016-17. Despite having a two-year contract with the IWK, the records also show that he had billed the IWK for a number of expenses that were claimed to have been made that fall outside of the contractual time frame. Do you have any idea how much these false billing figures total?

MS. HUTT: I believe that that's a matter before the courts at this moment, so I don't think that we're in a position to comment on that.

MR. HALMAN: Do you have any idea how it could be explained in terms of what you know that something like this could occur in the record keeping? We have talked a little bit about the culture that existed. Could you comment on that, how something like that could occur?

MS. HUTT: That's exactly why we're doing the work that we're doing. I'm not in a position to get into those details, but the reality is that there's a certain level of detail that simply wouldn't make it to the board; it just doesn't work that way. The board has to rely on something, and the board has to rely on a control framework, a control environment. It's about establishing what the key controls are. You develop your processes within that. You assign owners to that. You have those owners attest to the control being effective. That is how we get the comfort that we need and the reliance that we are able to depend on from the organization, so that's exactly what we're doing.

I just want to make it clear, I don't want anybody to think that before 2014 there weren't any policies in place. That's not the case. What we're talking about are situations that could occur. When you become aware of a situation that could occur, you need to react, and that's exactly what we're doing.

MR. HALMAN: The Auditor General has indicated time and again that culture is what culture does, and I have concerns that a group-think mentality had emerged. As we all know, group-think mentality is that psychological phenomenon when there is a desire for harmony or conformity, which can sometimes lead to irrational behaviours, almost

dysfunctional decision making. Do you think that group-think mentality had an influential role in the board's decision-making process?

MS. HUTT: I think the very fact that the board separated itself from management as soon as we became aware of a potential discrepancy demonstrates our commitment to act independently.

MR. HALMAN: The AG stated that one of the things he would always remember in the investigation would be when management had reportedly told the board that the internal controls were working in part because of the internal audit group - despite not having an internal audit group. He stated that he was concerned that no one had asked any key questions. Does this example make you further believe that maybe group-think was a factor in this mismanagement?

MS. HUTT: It's a good question. That one's a head-scratcher for me because I absolutely have known that we don't have an internal audit group and it's one of the budget priorities that we put forward for the government to consider.

MR. HALMAN: I think in many respects everything that has transpired is certainly a head-scratcher for a lot of Nova Scotians. It was noted that the hospital had extensive spending on outside communication services, including more than \$135,000 to T Chisholm Communications, which is owned by Tracy Chisholm. By coincidence, she also happened to work at Mount Sinai Hospital in Toronto, the very same location that Ms. Kitch worked previously. I'm curious as to the rationale, the reasoning that T Chisholm Communications was selected.

MS. HUTT: It's a good question. That provider was selected by the former CEO. The expectation certainly would have been that there are established practices for how you procure services. If you're going to receive the services of a consultant, then there's a process for that and we follow that.

When we were looking at the former CEO's expenses, we identified that as a concern and we asked Grant Thornton to do a particularly deep dive into that because we didn't like what we were seeing. That is one of the areas that would have been part of our conversations with others along the way, but the board identified that, and it was obvious to us that the rules were not properly followed. That's obviously not without consequences.

MR. HALMAN: What was the extent of the work conducted by T Chisholm Communications? Can you comment on that?

MS. HUTT: I understand that a lot of the work was speech writing, some event planning, and supporting the former CEO I presume. We weren't party to the specifics of that and I'm not even sure - this was before Dr. Jangaard joined the executive. This was a

relationship that was established between the former CEO and that consultant. I can confirm that vendor no longer provides services to the organization.

MR. CHAIRMAN: Thank you. That concludes the time for the PC caucus. We'll now move to the NDP caucus and Ms. Leblanc.

MS. LEBLANC: Thank you for all your answers so far. Because we have Dr. Jangaard here, with your wealth of experience and knowledge at the hospital, I wanted to ask you a more general question about health care right now. It's based on your comment about emergency room numbers rising to 32,000 last year. That's obviously really concerning, and I was wondering if you could talk a little bit about that - about maybe some of the reasons you're seeing, why we're seeing a rise in visits to the emergency room, but also in general.

Since you have been at the hospital for 30 years or so, if you could talk a little bit about if you're seeing trends in sicknesses. I'm particularly interested in trends related to issues around poverty. I'm wondering if you can talk a little bit about that and possibly speak to what the hospital might be doing in general around addressing the social determinants of health or public health in the community.

DR. JANGAARD: First of all, I will be very forthright to say that we'll not comment on emergency services for the rest of the province and NSHA - that's well outside my foyer. Emergency services at the IWK - one would ask, what kind of patients are being seen and are these patients being seen at a lower acuity? What we're seeing is that is not the case. These are kids who actually need to come to the emergency, who need testing and X-rays and the expertise of the specialists who are there.

We know overall in health that the health of the population is not as good. You talked about social determinants of health. We also know that the kids that we're seeing are often much more complex. Our complex kids are receiving good care and therefore are home and in their communities, but they do need more emergency service. They do need to get to hospital for things that children who didn't have other complications might not need.

On top of that, in Halifax, we are the primary emergency room for everybody under the age of 16 for health issues for HRM and some of the edges of HRM, which is a big place. We are the secondary source for some specialty care for specialties that don't exist outside of Halifax but need to be seen in the emergency and not necessarily admitted.

The other part of our EHS system that we didn't talk about was the critical care LifeFlight. We are the recipient of all the critical care LifeFlight for pediatric intensive care, high-risk maternity, and neonatology for Nova Scotia, and we do a certain amount of it for P.E.I. and New Brunswick as well. Some of the differences in those numbers are just based on our population.

We also know that our biggest growth in children has been impacted by some of our newly arrived Canadians who have bigger families and have health concerns that we need to think about and address in a slightly different way. Population has changed. That's one of the wonderful things, and one of the things I'm most excited about in this job: how do we actually look beyond the walls of the IWK and start to think about what the IWK's role is in advocacy and in capacity building?

What we do know is that not every child should come to the IWK. Children and their families and women should be cared for in their communities, as close to home with the services that they can have unless they need a specialist, in which case, they can be in a region, or they need a subspecialist, and they will be here either in Capital Health if they're adults or with us at the IWK. A tiered system like that that builds capacity and allows us all to work to our full scope is where we need to be.

The partnerships that you talked about with public health are not simply with public health. They're also with our sister organizations from the Department of Health and Wellness - so the Department of Justice, the Department of Community Services, and the Department of Education and Early Childhood Development. We have an active presence at the senior deputies' table in those groups to look at how we address the issues of health that are not related to health care delivery. Health is much more than health services delivery. We're very important, we're necessary, but not sufficient.

We have a number of initiatives that we're involved with at this time. We're involved in the inclusive education strategy that has just come out and how we keep kids in school, because kids shouldn't live in hospitals. Kids live in their communities and schools. We have a presence on the restorative inquiry and looking at how we better break down the silos for health for that. I could go on and on. There's a number of those.

What is the IWK's role in that? The IWK's role is to provide the leadership, to provide some of the guidance, but to work with our partners. Partners in all aspects of women's and children's health are going to be the way forward.

MS. LEBLANC: Can I just ask a follow-up question to that? I encountered an emergency room doctor - not a children's doctor but at another hospital, who mentioned that he is beginning to list poverty as a diagnosis. I'm wondering if that idea has come to the IWK and if that is happening at the IWK emergency.

[10:30 a.m.]

DR. JANGAARD: I don't know the exact answer to that, but what I can say is our Chief of Pediatrics, Dr. Andrew Lynk, is a tireless advocate for the health care of children and very involved in understanding the social determinants of health that lead us to needing to think differently about how we provide health care.

With him in charge and in the lead, the advocacy in that department is around what we need to do to think of things like poverty and long-term illness, to think about things like the impact of mental health that mothers have on their children is a priority within that group. I am uncertain as to what the list of their advocacy projects is right at the moment, but they have an active advocacy committee, which does very good work.

MS. LEBLANC: My next question is for Ms. Hutt. Mr. Halman mentioned it a bit, but can you talk a little bit about the relationship between the board at the IWK and the Department of Health and Wellness? With all of what has been happening over the last couple of years and the change that you're making, what role has the department been taking? Has it provided the board with educational opportunities? I'm wondering if you could characterize the support you've received from the department around all the changes.

MS. HUTT: As I mentioned, we've always had an ongoing working relationship between the Department of Health and Wellness and the IWK, as you would expect. When things began to emerge related to some of the things we're talking about here today, I talked with the deputy minister and at times the minister on an ongoing basis. It was really important for us as a board to have them understand what was happening, have them understand the actions that we were taking, to the extent that there was advice or additional things that they wanted us to be considering - there was an opportunity to do that. I think really a lot of it was just communicating the activities that were under way.

The other component, which speaks to the broader relationship between us and the Department of Health and Wellness is the accountability framework. There are a number of deliverables that we provide to them that speak to a lot of the things that Krista talked about around the delivery of care and performance metrics related to that, but also the financial performance of the organization.

It's a relationship that at any given day of the week there's some level of interaction, but very close communication throughout this because, again, it was really important that I understood the role that the government had in this. We wanted to make sure that we were equipping the government with all the information that we could provide to them, and as I say, taking whatever advice that they wanted to give back to us, and it was a supportive relationship.

MS. LEBLANC: You mentioned earlier that you just filled two board positions, but can you talk about the makeup of the board? Do you have a maximum number of board members and if so, where are you with those numbers and other recruiting efforts?

MS. HUTT: We don't have a mandated maximum number. A good question when you're thinking about good governance is how large a board should be before it becomes difficult to manage. Legislatively, we have a requirement for a representative from New Brunswick, Prince Edward Island, as well as eight representatives from Nova Scotia - two of which must be from rural areas.

In addition to that, we have two physician representatives from the two physician groups. We have a representative from the foundation, and we have a representative from Dalhousie University. At this moment, we have 20 members - 14 of them, I suppose, would be what you would consider independent directors, and then the representatives who have been appointed.

Someone asked me the question earlier of how many of the current board were in place in 2017. It was eight of the 20.

MS. LEBLANC: All of those mandated positions that you've just mentioned are all full right now?

MS. HUTT: Yes.

MS. LEBLANC: You talked earlier about the different committees that the board has, and the newly formed committee - I'm sorry, I'm going to get the name wrong, but the committee that was formed in response to some of the Auditor General's concerns around controls. Is that the new committee?

MS. HUTT: That's a project team that has been formed. That project team reports to the Finance, Audit and Risk Management Committee.

MS. LEBLANC: Can you talk a little bit about the project team and the nuts-and-bolts, day-to-day work to address some of the issues that have been going on?

MS. HUTT: Maybe I'll start and ask Krista to add in. First and foremost, we continued our work almost immediately when we received the recommendations from Grant Thornton on specifically the CEO expenses. At that time, we put a reporting structure in place that management had to report to the board on a weekly basis on the progress that it was making.

As we continued to do our work around risk management and identifying broader risk issues that we wanted to fold into the control work, it became obvious to us that we needed a formal project management team in place.

We have a dedicated project manager. We have a formal project charter that has been put in place, and through that a schedule that identifies all the work of the committee, the deliverables, the resources required to do it, and how we're tracking against it. That is the information that's reported to the Finance, Audit and Risk Management Committee on a detailed level, and the overall progress is also reported to the board through our regular meetings.

DR. JANGAARD: To flesh out a little bit about the kinds of people that are on that committee: we have a senior financial analyst; we have industrial engineers; we have some

MBAs; and we have folks that we know understand the control environment to a very significant degree, and also have the project management skills to be able to move things forward.

When we're talking about this control team, they're not only working on the recommendations from the Auditor General's Report - all the other work that was done, so our own internal work that was done that the Auditor General refers to in his report, findings from the fraud risk assessment, findings from the Grant Thornton review, and the findings from the observations of the Auditor General review were all there.

As you can imagine, many of them overlap and many of them are the same kinds of things said slightly differently. The first part of the work that they did was to sit down and go through every recommendation and look at all the actions that would be required for each recommendation. They are now all cross-referenced by report, by time, by theme, and by the owner. If they're around payables, they are handled by the finance people. If it's around procurement, it is our procurement person on that team, and so on and so forth.

We now can have weekly reporting and look at week-over-week progress. We can look and see what percentage of each of the recommendations is complete by report, by theme, and so on and so forth. This is reported weekly at the meeting of that team with the COO and is reviewed at the ELT on a regular basis prior to going to the board for information.

MR. CHAIRMAN: We'll now move to the Liberal caucus. Mr. Maguire.

MR. MAGUIRE: I'll just make it quick and pass it on to my colleagues. As the chairman of the board you're in a pretty unique leadership role, one that impacts not just Nova Scotians, but all the Maritimes for the most part.

The board really needed to step up and show some leadership during this chapter of the IWK's history to work with the AG and other stakeholders to bring forward the changes that were needed. Are you satisfied with the response thus far and with the plans moving forward?

MS. HUTT: I think you said something that was important and that was that we need to draw on whoever could help, and that was absolutely the philosophy that we took. We knew that our job was to step up and lead, but we were also smart enough to realize that every good brain we could have around these problems was absolutely what we wanted to do. So we engaged a number of different people, including the Auditor General's team to do that and others.

Am I satisfied with where we are? I would tell you that it's remarkable where we are. If you think about what we have been able to achieve in a short period of time, frankly, half of the Auditor General's recommendations were complete before we saw the report.

Clearly, we were aligned on the areas that required focus, and in order to be able to do that, you have to have a foundation in place. You can't stand that up from start, so I'm very, very pleased.

One of the questions Krista talked about - the work effort of the team - one of the questions that the board is asking management is, do we have enough people? Are the people taking care of themselves? Are we working people too hard? Let's make sure we do this in a way that's sustainable and we don't overlook the health and wellness of those individuals who we're asking to do this work. We're trying to take the most holistic approach to this because we never, ever want to deal with this again.

MR. MAGUIRE: Quickly, you did touch on employees. I have a lot of friends who work at the IWK and a lot who have transferred over from different departments to go to the IWK and consider it one of the best places they have ever worked. Have you had discussions with employees about the impact that this has had on them and what everybody collectively can do moving forward to ensure that the confidence is there in this organization?

MS. HUTT: You bet. I have participated in town-hall discussions, and Krista has had several town-hall discussions. As we were going through the process of selecting the new CEO, I had regular email updates go out to the entire IWK community so everybody could understand how we were progressing. We have made it a real priority to communicate and make sure that we're hearing feedback from people, but you can only get good feedback if you engage. That has really been important for us.

I'm not going to say for a moment that it hasn't been difficult for people. No organization chooses to go through this. Certainly, the way that we did this, I do believe that we're going to look back on this, and we will be better for this, and frankly, I think other organizations will be better for this because we've all learned some important lessons around this.

Krista is absolutely right. I remember the day that we met with the physicians. It was a room full of them and lots of really good questions. One of them came up to me after and said, look, you guys are doing a good job. Keep doing what you're doing, but you just need to know we're not thinking about this every day. I think that's reflective of how they go at their jobs.

MR. MAGUIRE: Thank you both for your leadership on this. I will pass this over to the member for Hammonds Plains-Lucasville.

MR. CHAIRMAN: Mr. Jessome.

MR. BEN JESSOME: I just wanted to ask Ms. Hutt a point of clarification on some of your comments in your opening remarks. You referred to chartering the services of the

Office of the Auditor General to respond and assist. I'm asking as a point of clarification because I may have heard you incorrectly.

Simultaneously, you were able to identify areas of concern pointed out to the Auditor General. I know that Grant Thornton was solicited to support the cause. What was the timeline there? Were these areas of concern identified prior to chartering the services of Grant Thornton and the Office of the Auditor General?

MS. HUTT: The first engagement that we made was with Grant Thornton, and that was specifically to look at the CEO expenses. Through doing that work, it became evident that there were some process concerns. As I said earlier, our sequence was always to deal with the matter at hand, which was the former CEO expenses, and then move on to the bigger question of how this happened and how we fix it.

That brought us to our interaction with the Auditor General. We asked for help from the Auditor General. We all understand that the Auditor General has the latitude to look at areas where they choose. They ultimately determined the scope of this work. That was their decision, not ours. Our view was anything that could be done that could help us improve, we would be pleased to accept. I think the response to the report is reflective of that.

In the meantime, as I say, we understood where some of those gaps were and what some of those concerns were ourselves, so we didn't need to wait. We had the right thinking, the right expertise, to get that work under way, and certainly that is something that we welcome the review of others on. I think that's how all the pieces came together. Is that helpful?

MR. JESSOME: Yes, thank you for clarifying. I'll just submit that I'm grateful that we've had a fulsome conversation today, and I trust that all members would be satisfied with their responses here today. I do appreciate your time, and I hope that Ms. Whitewood is feeling better soon.

MS. HUTT: Thank you.

MR. CHAIRMAN: Ms. Lohnes-Croft.

MS. SUZANNE LOHNES-CROFT: Ms. Hutt, you spoke of your relationship with the current CEO. Can you describe what your relationship was like with the former CEO?

MS. HUTT: I obviously worked with the former CEO. I took over as chairman in June 2017 - the former CEO expense issue was already in flight, and it was very soon after that that I asked her to step away from the matter and let the board do our work. It's fair to say that we had an independent relationship between the board and management.

What I will say and I have said is that boards rely on management to carry out the work of the organization and there is a relationship of trust that needs to exist between boards and CEOs and management. It's not blind trust by any means, but trust needs to exist. I will say that even through all of this, one of the most important things that we need to do as individuals is be prepared to trust again.

We went to work, and we made sure that we had the most rigorous of recruitment processes for a new CEO. We also went through a process of putting a very capable COO in place. Those are individuals who we trust. We know now that we have continued controls to be able to provide additional comfort, but we all do our work through people and we need to make sure that we trust the people that we work with, and that has been an important aspect of how we think about our future going forward.

MS. LOHNES-CROFT: Were you a board member prior to becoming the board chairman?

MS. HUTT: I was. I joined the board in January 2014.

MS. LOHNES-CROFT: How was her relationship with the board? I know that's a subjective question and individuals would probably have different responses.

MS. HUTT: The new CEO came in, and the mandate at that time was to adapt to what at the time was a very changing health landscape in Nova Scotia. You'll recall that that's when NSHA was formed and there was a new model put in place, so there were a lot of changes that were in place. Her job was to try to lead the organization through that. There are aspects of the work that were created that continue today - the Lean exercises that Krista is talking about - which is about driving new efficiencies into our delivery system so we can do more with what we have. That work began through 2014 to 2015.

I don't want anybody to think for a moment that it was a colossal failure - it wasn't. But when the breakdown did occur, it was overwhelming enough for us to say, we can no longer continue with this. We can't repair this, and we don't believe that we can repair the confidence that Nova Scotians would need to have in this. We had a very difficult decision that the board needed to make, but there was some track laid that continues to help us move forward today.

MS. LOHNES-CROFT: You now have a whistleblower line. This allows staff at the IWK, board members or whoever to report possible fraudulent activity?

MS. HUTT: Exactly, that's the design of it. It's in place. It's run by an independent third party so it's completely objective and it is put in place to ensure that if anybody has any concern at all that they have a confidential means to be able to move that forward.

MS. LOHNES-CROFT: And that wasn't there before.

MS. HUTT: Not formally, but I will say that we had a code of conduct in place and all employees are subject to the code of conduct. In that code, there was a mechanism to elevate concerns if somebody did have one and where they could go. For example, if somebody wanted to come to the board chairman to voice a concern that they didn't feel comfortable taking to management, there was a path that they could do that.

MS. LOHNES-CROFT: Thank you, I have no more questions.

MR. CHAIRMAN: Thank you for your appearance today. If you have any closing remarks, we'll receive them now and again, thank you for your presentation.

MS. HUTT: I would say on behalf of Krista and the board, we are very grateful for this opportunity to be able to talk about this. We know that this is an important issue and it's important that we equip you with the right information so that you can be effective in the jobs that you need to do, so please continue to ask the questions. We welcome them. We want to get better. We are very proud of the work that has been done to date, and as you've heard us say, we're not stopping.

MR. CHAIRMAN: Thank you very much. We do have some committee . . . (Interruption) Mr. Wilson.

MR. WILSON: I'd just like to ask permission from the Chairman that immediately following our correspondence and our discussion on the witness that I be recognized for a motion.

MR. CHAIRMAN: You guys are welcome to leave - or stay if you like. Committee business - correspondence from the Department of Communities, Culture and Heritage, the information requested from the January 9th meeting. Are there any comments with regard to this correspondence? Hearing none, we'll accept that correspondence as presented and tabled.

The January 19, 2019 Report of the Auditor General witness - the witnesses approved by the committee with respect to the January 2019 AG's Report relating to information access and privacy information technology projects were the deputy minister of the Department of Internal Services and the Chairman of the Architecture Review Board. The deputy minister of the Department of Internal Services has advised the Chairman of the Architecture Review Board during that period focused on by the audit has passed away in December.

He has indicated that they could potentially provide a person who is familiar with the Architecture Review Board and how it functions and also that Sandra Cascadden, CIO, will be attending with the deputy and is familiar with the ARB roles both then and what changes are being presently made. How does the committee wish to proceed with respect to a witness on behalf of the Architecture Review Board? Mr. Wilson.

MR. WILSON: It is certainly a very unfortunate situation, to say the list, but nothing we can do to change that, certainly. I would suggest that we take whoever we have as the best opportunity to provide us with the information that we need for that - would be my suggestion, at their recommendation.

MR. CHAIRMAN: Any other comments, questions or concerns?

MS. ROBERTS: If I recall correctly, and not to aggrandize my role, I think I was the one who suggested the Chairman of the Architecture Review Board, and that sounds like a perfectly reasonable substitution.

MR. HALMAN: In line of what Ms. Roberts said, I agree with that. As Mr. Wilson said, it is the best person, and of course at their recommendation, I think that's reasonable.

MR. CHAIRMAN: We'll instruct the committee clerk . . . (Interruption) Mr. Wilson.

MR. WILSON: Thank you, Mr. Chairman. I'd like to make a motion. My motion is . . .

MR. CHAIRMAN: Is this motion on the witness?

MR. WILSON: No. I thought we already dealt with that.

MR. CHAIRMAN: Okay. We'll instruct the committee clerk to proceed with that witness and we'll go with that from there. Mr. Wilson.

MR. WILSON: Thank you, Mr. Chairman - little anxious there.

Mr. Chairman, I would like to make a motion. My motion has two parts. First, after the February 20, 2019 - once the committee had fulfilled its monthly meetings, the Public Accounts Committee will meet solely on topics that the Auditor General reports on with follow-up from appropriate departments. This is in keeping with a previous motion I passed on September 26th, which states - I'd like to read this from Hansard:

“MR. GORDON WILSON: Yes, I move that all agenda items for Public Accounts be set through the Auditor General Reports, beginning with the May 19, 2018 performance report and that future agenda sequences for scheduling to follow up the order of chapters, to follow the order of chapters for each subsequent report tabled by the Auditor General with the appropriate department witnesses.

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

The motion is carried. Our clerk will make note of that.

Mr. Gordon Wilson.”

That was the Hansard. Secondly, after the February 20, 2019 meeting of the Public Accounts Committee, we’ll meet monthly, meaning that the next Public Accounts meeting will be in March, the second Wednesday of the month following Tuesday’s Health Committee meetings. Thank you, Mr. Chairman.

Some comments to that - I would like to bring us back to where we’re at. We have had numerous discussions around our committees and we have refocused. We have expanded and we have created new committees. We have a new Health Committee, and as everybody is aware, there is a majority or a lot of items that were on the Public Accounts Committee that were health related.

We have now for the first time as government created a committee, which other governments previous to us did not do, solely dedicated to health - 12 meetings a year. With 12 meetings a year in Public Accounts Committee, that brings us to 24 meetings. That still exceeds by far the amount of meetings that are dedicated across Canada to these items. We stand out as meeting twice as much as any other Public Accounts Committee in Canada.

I would also like to note that, as the Speaker has mentioned to us, there are consequences of televising. Those are financial, and we aim to find a balance and be cognizant of that. We have agreed - again, we’re the first to have a Health Committee created. We also have agreed to televise that, which I think is an excellent thing to do, but we need to understand that that creates pressures, and we need to find a balance.

It’s important for us to understand that this is a refocus. This is not a restriction whatsoever. We have opened our doors so the general public is able to watch and see how our committees work.

We are following the best practices that have been set before us by the Canadian Audit and Accountability Foundation and by Public Accounts Committees, if you go to any of their national meetings. What we’re doing is the right thing, bringing in 100 per cent of the Auditor General’s Reports and making that accountability for the citizens of Nova Scotia.

MR. CHAIRMAN: Before we continue with comments, I would like to get the committee’s indulgence to extend the time for the meeting today. It’s supposed to end at 11:00 a.m., and we’re going to go over that, obviously. Is the committee okay with expanding the time?

It is agreed.

Ms. Roberts.

MS. ROBERTS: I would like to correct and also express some contrary views to those just expressed by my colleague, Mr. Gordon Wilson.

First of all, the committees of the Legislature have not been expanded. They have been reorganized. I sat yesterday on the Natural Resources and Economic Development Committee, which replaced two committees that were merged in order that we maintain the exact same number of committees, in total, of the House with the creation of the Health Committee.

It is entirely reasonable, given the job that we are given by the citizens of Nova Scotia, that committees meet once a month. Practices evolve in Legislatures and parliamentary democracies across the world. One of the things that I was struck by when I also attended the trainings of the Canadian Audit and Accountability Foundation is that, in fact, there are no two Public Accounts Committees across Canada that operate exactly the same way. There is not a best practice. There are good practices.

I'm really working hard to straddle what often seems to be two other members of the subcommittee who are trying to pull the work of this committee, which is so important in Nova Scotia, in various directions. Really, there are good practices. In fact, this committee has worked with good practices for a long time.

Mr. Gordon Wilson, though he got that motion passed in September, does not have the ability, with a vote in this committee - where of course, the Liberal caucus has the majority - to change the fundamental rules of how the Public Accounts Committee operates.

The Public Accounts Committee is responsible for investigating and overseeing the work of this government that involves the Public Accounts. We spend 50 per cent of the budget of Nova Scotia on health. The Auditor General has looked at health-related topics and, I certainly hope for the public interest of Nova Scotians, will continue to look at the expenditures of health and in some cases, the mis-expenditures of health, as we saw in the case of this topic today.

It is absolutely ridiculous to think that by bringing into place a Health Committee, which does not meet under the same sorts of rules, where Opposition members do not have the same heft in terms of their ability to ask questions as the Public Accounts Committee - that is not a replacement for health topics on occasion coming to the Public Accounts Committee.

[11:00 a.m.]

The agenda items that were voted down by the Liberal members when Mr. Gordon Wilson was away were related to Auditor General recommendations, which have never been called before this committee. The topics that our caucus put forward were entirely from the November 2017 report - that's just over a year ago - an Auditor General's Report from 2017, which have never been called before this committee, which the Auditor General has provided to us to remind us that it would be helpful if these recommendations were discussed at the committee.

In fact, the obstinance of some committee members is preventing us from doing our job according to agreed-upon best practices, which are again not best practices, good practices. We have good practices in Nova Scotia. We should continue them.

MR. CHAIRAN: Mr. Halman.

MR. HALMAN: I have grave concerns with this. We are now witnessing, I believe - to my colleague's point that you made a few days ago - an affront to democracy. This Liberal Government has stolen the effectiveness of this committee and now you want to hide how taxpayers' money is being spent in relation to how this committee operates.

My colleague the member for Clare-Digby talks about finding the balance. There are three functions to this committee. The first function is to analyze public spending. The second function is to analyze and question the execution of public administration. The third function is reviewing, questioning the Reports of the Auditor General. Historically, my understanding is that committee always attempted to strike a balance.

This isn't a balance. What this does is constrain the ability of this committee to ask tough questions. That's the bottom line. That's the end goal - to limit the Opposition's ability to question government. I have a problem with that. The people of this province want government to be closer to them. So to put forward this notion that we'll meet once a month, I disagree with that.

This government has constrained this committee. They've constrained other committees. That's not right. Nova Scotians expect accountability. Historically, accountability was achieved through the Public Accounts Committee. Now that is not able to happen because of rule changes.

I urge Nova Scotians to pay attention to this, to see what's happening here. It's not right. It's not right for Nova Scotia. It's not right for democracy. The bottom line is, to have effective government, government needs to subject itself to Opposition questions - not less, but more - in the spirit of collaboration, of course, but with directions like this, it's not good for Nova Scotia. I am against this.

The Public Accounts Committee needs to find the balance between its three functions. The Public Accounts Committee needs to meet once a week to hold government accountable. I have grave concerns about the direction they're going here. This is not right for the province.

MR. CHAIRMAN: Ms. Leblanc.

MS. LEBLANC: I also have great concerns. I have a unique situation where I sit on both the Public Accounts Committee and the newly formed Health Committee, and I can tell you, the punting back and forth of responsibility about who reviews the Public Accounts and who is talking about the issues that are of the most importance to Nova Scotians, I just find it shocking, insulting and I cannot believe we are here even entertaining this, given the circumstances of last week.

As Mr. MacMaster last week reminded us, it says in the Rules and Forms of Procedure of the House of Assembly: "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 any other financial matters respecting the public funds of the Province."

It feels like, as we move forward with all these motions from the Liberal Government or the Liberal caucus, we are getting farther and farther away from the established rules and purpose of the Public Accounts Committee. I have a serious issue with that. I will echo what my colleague said, that we need a two-thirds majority vote in the House of Assembly to change the rules of the Public Accounts Committee. I don't even understand how we can be talking about this right now.

I also take profound exception to the idea that the Public Accounts Committee would be effective in meeting monthly from now on. The Auditor General tables 10 reports a year, so that's 10 months a year. We have 12 months in the year, as far as I know, the last time I checked. Then to call witnesses on any of those reports would be another 10 meetings. That's 20 meetings in 12 months. How is it possible that we could be effective only meeting once a month?

I think the people of Nova Scotia should be outraged by the actions that the Liberals are taking in this committee to try to curb the public's access to the discussion around Public Accounts and the discussions around the profound crisis we have in health care right now.

MR. CHAIRMAN: Further discussion?

Mr. Wilson, from what I'm seeing, you're looking for 12 meetings a month. Does that mean that the committee would meet both in July and August as well?

MR. WILSON: I believe my motion is fairly clear. Yes.

MR. CHAIRMAN: So one meeting a month for 12 months is the motion that's on the floor, 12 meetings a year.

Ms. Leblanc.

MS. LEBLANC: I'm wondering if our legal counsel can advise about what's actually happening here. Can we make these changes in this committee, or do we actually need the two-thirds majority in the House of Assembly to make these kinds of changes?

MR. CHAIRMAN: Mr. Hebb.

MR. GORDON HEBB: The member is quite right - the committee can't change its mandate, which is set out in the Rules. But it's open to the committee what they do within that mandate. It's entirely within the control of the committee.

MR. CHAIRMAN: Can I clarify what that means? Is this a legitimate motion that they can put forward under the Rules of the House of Assembly?

MR. HEBB: It's a motion that will determine going forward, but it doesn't prevent the committee, at any time, deciding to do something else within its mandate.

MS. LEBLANC: I would argue that if the rules of the committee are laid out the way I just read, these proposed changes do change the mandate of the committee or the way the committee can function. We can't address the issues. We can't do the work of the committee in the circumstances that Mr. Hebb is suggesting.

MS. ROBERTS: Yes, to my colleague. I beg the Liberal members of the Public Accounts Committee to vote according to how you think this is going to land with your constituents and with citizens across Nova Scotia.

First of all, it's ridiculous to think that we're going to be able to meet and call witnesses in July and August. I will show up - I live five kilometres from here. But that is very challenging and goes against all practice that has ever been carried out, as I understand it. Last year, our last Public Accounts Committee meeting, if I recall correctly, was the first week of June. I really question whether this motion has even been well thought out and truly deliberated on amongst the Liberal members of the Public Accounts Committee.

Also, we are blessed with an Auditor General's team, and Auditor General's Office, that is providing us good work, that is working with us. I think it is perverse and unanticipated that from an urging of the Auditor General that we please call Auditor General Reports and witnesses in response to Auditor General Reports that we would somehow arrive at a point where we are going to constrain the number of meetings that we

hold to such an extent that we will effectively not be able to respond to that initial request - which got Mr. Gordon Wilson with a bee in his bonnet - is absolutely ridiculous.

MR. HALMAN: To my colleague's point, you need to reconsider this. Stop and think - this is not the path forward. For us to get the best public policy, to get the best laws, government needs to be scrutinized. Limiting the scope, limiting the timing of this is not the best path forward for Nova Scotia.

You've constrained this committee as to the topics and witnesses we can bring forward. You've now put forward a motion that we will constrain the amount of time in which this committee can meet. The next question is, what's next? That's called political incrementalism. What's next? Where do you take us? At what point do we go over the cliff? This isn't right. You need to reconsider this motion. It is not in the public's interest to move in this direction where we constrain the scope of this committee and we constrain the committee to meeting once a month when this committee historically has done great work for the people of Nova Scotia.

MS. ROBERTS: Just to quickly also remind the members that the establishment of the Health Committee was supported by all members of the House. It was by three-Party agreement. It was with the understanding that it would be in addition to the Public Accounts Committee, that it would be complementary to the work that has a long tradition at the Public Accounts Committee. I really feel like this is the sort of move that, honestly, it feels like a dirty trick - that our agreement to the establishment of the Health Committee at this juncture, if this motion was to pass - I will withdraw that particular phrase.

MR. CHAIRMAN: The word "dirty" is unparliamentary. Will you rephrase that, please?

MS. ROBERTS: It seems to me that at this juncture, our agreement to and support of establishment of the Health Committee would have been gained by a misleading idea of what we were proceeding with. We supported the need for a Health Committee and I think there has been long discussion about it, given that it is approaching 50 per cent of our provincial expenditure. But it was to be in addition to the work of the Public Accounts Committee.

A last point - one of the really striking conversations that I had when I did attend the Canadian Audit and Accountability Foundation training in P.E.I. was when I sat for a time with - I think it was the co-chairman or maybe it was the chairman of the Manitoba Public Accounts Committee. The chairman and the co-chairman were there from two different Parties. The committee had actually not met in maybe approaching a year, maybe since the last election, I can't recall exactly the time, because the goodwill at that committee had been so eroded.

For this committee to function, for us to do our work for Nova Scotia, we require a certain amount of collaboration. We require a certain amount of respect for each other. With this motion, that has been eroded significantly on top of the many others that we have had to debate, and frankly, go down to defeat on from where I sit.

[11:15 a.m.]

MR. HALMAN: Let's be clear. Today the Liberal Government took the unprecedented step of hiding from Nova Scotians how taxpayer money is being spent. It is a continuation of a disturbing trend of secrecy the Liberals are imposing on government. Liberal members of Public Accounts Committee already forced changes on the committee that make the once-powerful committee look like no more than a toothless tiger. Today, they flexed their muscles to reduce the number of committee meetings from four per month to 12 per year. This is an outrageous act of arrogance from a secretive government that does not like to be scrutinized. It makes me wonder what the Liberals are hiding.

MR. CHAIRMAN: No further discussion? Mr. Wilson, I'll get you to read your motion again, we'll have a vote, one at a time, please.

MR. WILSON: Mr. Chairman, and I can table it for you also.

First, after February 20, 2019, once the committee has fulfilled its monthly meetings, the Public Accounts Committee will meet solely on topics that the Auditor General reports on with follow-up with the appropriate department. Mr. Chairman, this is in keeping with a previous motion I passed September 26th, which states, and this is the Hansard:

“MR. GORDON WILSON: Yes, I move that all agenda items for Public Accounts be set through the Auditor General Reports, beginning with the May 19, 2018 performance report and that future agenda sequences for scheduling to follow up the order of chapters, to follow the order of chapters for each subsequent report tabled by the Auditor General with the appropriate department witnesses.

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

The motion is carried. Our clerk will make note of that.

Mr. Gordon Wilson.”

That's the end of the Hansard. Secondly, after the February 20, 2019 meeting, the Public Accounts Committee will meet monthly, meaning the Public Accounts Committee

meeting will be in March, the second Wednesday of the month following Tuesday's Health Committee meetings.

MR. CHAIRMAN: There has been a call for a recorded vote.

[The Chairman calls the roll.]

YEAS

NAYS

Mr. MacKay

Mr. Halman

Mr. Maguire

Ms. Roberts

Mr. Jessome

Ms. Leblanc

Ms. Lohnes-Croft

Mr. Wilson

MR. CHAIRMAN: I will say Nay.

The motion is carried.

That concludes committee business. The next meeting will be February 13th in the Legislative Chamber from 9:00 a.m. to 11:00 a.m. with the Office of the Privacy Commissioner.

The meeting is adjourned.

[The committee adjourned at 11:18 a.m.]