



Standing Committee on Public Accounts

REPORT

2014

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Halifax

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Honourable Kevin Murphy
Speaker
House of Assembly
Province House
Halifax, Nova Scotia

Dear Mr. Speaker:

On behalf of the Standing Committee on Public Accounts, I am pleased to submit the Annual Report of the committee for January to June 2014 of the Sixty-second General Assembly.

Respectfully submitted,

Allan MacMaster, MLA
(Inverness)
Chair
Standing Committee on Public Accounts

Halifax, Nova Scotia
2014



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INTRODUCTION

The Standing Committee on Public Accounts, an all-party committee of the House of Assembly, was struck at the beginning of the Sixty-second General Assembly. Pursuant to Rule 60(2)(b) of the *Province of Nova Scotia Rules and Forms of Procedure of the House of Assembly*:

(b) the Public Accounts Committee is established for the purpose of reviewing the public accounts, the annual report or other reports of the Auditor General, and any other financial matters respecting the public funds of the province.

MEMBERSHIP

The membership of the Public Accounts Committee is as follows:

Mr. Allan MacMaster, MLA – Chair
Mr. Iain Rankin, MLA – Vice Chair
Mr. Bill Horne, MLA
Ms. Suzanne Lohnes-Croft, MLA
Mr. Brendan Maguire, MLA

Mr. Joachim Stroink, MLA
Mr. Chuck Porter, MLA
Hon. Maureen MacDonald, MLA
Hon. Dave Wilson, MLA

MEMBERSHIP CHANGES

On June 19, 2014, the committee underwent the following membership changes: Ms. Margaret Miller, MLA (Hants East) replaced Mr. Bill Horne, MLA (Waverley-Fall River-Beaver Bank) and Mr. Tim Houston, MLA (Pictou East) replaced Mr. Chuck Porter, MLA (Hants West).

PROCEDURES AND OPERATIONS

The Public Accounts Committee traditionally meets on Wednesday morning in either the Legislative Chamber in Province House or in the Legislative Committees Office. The committee met on the following dates:

January 15, 2014	March 5, 2014	April 23, 2014	May 28, 2014
February 12, 2014	March 19, 2014	May 7, 2014	June 11, 2014
February 19, 2014	April 9, 2014	May 14, 2014	June 18, 2014
February 26, 2014	April 16, 2014	May 21, 2014	

NOTICES

Notices of the Public Accounts Committee meetings are sent to all members of the committee, staff of the caucus offices, Legislative staff and the House of Assembly Press Gallery. The notices are also posted in Province House and are on the committees' web page at the following address: <http://nslegislature.ca/index.php/committees/>.

TRANSCRIPTS

Transcripts of all Public Accounts Committee public hearings are available from the Legislative Library in Province House, the Legislative Committees Office or on the Public Accounts Committee's web page at the following address: http://nslegislature.ca/index.php/committees/committee_hansard/C7/.

All live coverage and re-broadcasts of the Public Accounts Committee are available on EastLink Cable channel 95. Live webcasts are co-produced by Legislative Television and Communications Nova Scotia. Video archives and podcasts are available at: <http://nslegislature.ca/index.php/proceedings/legislative-tv/>.

ANNUAL REPORTS

All reports of the Public Accounts Committee are compiled and written by the committee clerk. The draft is then sent to committee members for consideration. Upon completion of the review and approval of the report, the Chair tables the report with the Speaker of the House of Assembly or with the Clerk of the House of Assembly.

Distribution of the report is as follows: to the Speaker and to the Clerk of the House of Assembly, all members of the committee, all witnesses who appeared before the committee, the Legislative Library in Nova Scotia, and the caucus offices. The report is also available to the general public upon request through the Legislative Committees Office, or on the Committees' web page at the following address:

http://nslegislature.ca/index.php/committees/standing_committees/public_accounts.

RESEARCH MATERIAL

All research for the Public Accounts Committee is coordinated between the committee clerk and the researcher at the Legislative Library. Research material is compiled in an electronic format and is distributed one week prior to the meeting to members, staff and witnesses.

ACKNOWLEDGEMENTS

The Standing Committee on Public Accounts wishes to extend its gratitude: to the witnesses for their time and co-operation; the staff of the Legislative Committees Office; Mr. Robert Kinsman, Editor of Hansard Reporting Services, and staff; Mr. James MacInnes, Coordinator/Director of Legislative Television and Broadcast Services, and staff; Ms. Margaret Murphy, Legislative Librarian, and staff, and to Ms. Heather Ludlow, Information Services Librarian.

WITNESSES

January 15, 2014	Subcommittee on Agenda and Procedures Setting the Agenda <i>In Camera</i>
January 15, 2014	Organizational Meeting
February 12, 2014	Office of the Auditor General January 2014 Report of the Auditor General <i>Public</i>
February 19, 2014	Department of Economic and Rural Development and Tourism Funding Programs
February 26, 2014	Department of Transportation and Infrastructure Renewal Mechanical Branch Management / Paving Operations
March 5, 2014	Canadian Comprehensive Auditing Foundation Workshop <i>In Camera</i>
March 19, 2014	Chief Information Office Controls over Disposal of IT Assets
April 8, 2014	Subcommittee on Agenda and Procedures Setting the Agenda <i>In Camera</i>
April 9, 2014	Department of Health and Wellness Department Administration Costs
April 16, 2014	Department of Health and Wellness Public Health Surveillance
April 23, 2014	Department of Labour and Advanced Education Occupational Health and Safety
May 7, 2014	Department of Finance and Treasury Board and the Public Service Commission Public Service Superannuation Plan
May 14, 2014	Department of Natural Resources Forest Product Innovations

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May 21, 2014	Office of the Auditor General May 2014 Report of the Auditor General <i>In Camera</i>
May 28, 2014	Office of the Auditor General May 2014 Report of the Auditor General <i>Public</i>
June 11, 2014	Department of Transportation and Infrastructure Renewal Bridge Infrastructure
June 11, 2014	Subcommittee on Agenda and Procedures Setting the Agenda <i>In Camera</i>
June 18, 2014	Department of Communities, Culture and Heritage Bluenose II Restoration Project

PUBLIC MEETINGS

WITNESSES

There were no witnesses during this session.

MATTERS OF DISCUSSION

The Standing Committee on Public Accounts approved the following agenda proposed by the Subcommittee on Agenda and Procedures.

- Department of Economic and Rural Development and Tourism: Funding Programs
- Department of Transportation and Infrastructure Renewal: Mechanical Branch Management/Paving Operations
- Chief Information Office: Controls over Government Disposals of IT Assets
- Department of Labour and Advanced Education: Occupational Health and Safety Division
- Department of Health and Wellness: Health Authority Administrative Costs
- Department of Health and Wellness: Public Health Surveillance

MOTION

A motion was made for an amendment to the list “to invite the Nova Scotia Senators to appear before the Public Accounts Committee.”

Moved By: Hon. Maureen MacDonald, MLA
Motion was defeated

The committee agreed to the meeting date of the Auditor General with regard to the release of his January 2014 report.

The committee also approved the request to hold a workshop with the Canadian Comprehensive Auditing Foundation (CCAF).

Presentations were then made by the Auditor General and Legislative Counsel as to their supportive roles to the committee.

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2014jan15

WITNESSES

Office of the Auditor General

Mr. Alan Horgan – Acting Auditor General

Ms. Ann McDonald – Assistant Auditor General

Ms. Shelley Creighton – Audit Principal

MATTERS OF DISCUSSION

The focus of the meeting was to review the Auditor General's January 2014 Report.

This is a specialized report from the Auditor General that consolidates financial audit work from past years. The report incorporates results of financial audits and reviews; indicators of financial conditions; reviews of audit opinions and management letters; and a follow-up of 2010 financial recommendations, as well as a chapter on the Public Service Superannuation Plan.

COMMITTEE BUSINESS

The correspondence from the Auditor General outlining his three proposals to the committee was again brought to the members' attention to take back to caucus and to be placed on the Public Accounts Committees' agenda at the next meeting.

Following this meeting there was an *in camera* briefing session on the Department of Economic and Rural Development and Tourism re: Funding Programs.

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2014feb12

WITNESSES

Department of Economic and Rural Development and Tourism

Mr. Simon d'Entremont – Deputy Minister

Ms. Lilani Kumaranayake – Executive Director, Policy and Planning

Mr. Jeff Larsen – Executive Director, Investment and Trade

Mr. Wayne Sumarah – Executive Director, Productivity and Innovation

MATTERS OF DISCUSSION

The Department of Economic and Rural Development and Tourism (ERDT) supports the growth of the economy and the creation of jobs throughout the province. Each year it receives about 3,000 applications and manages a range of about 1,700 to 2,000 transactions to provide support to businesses, non-profit and community organizations through a wide range of programs.

ERDT offers approximately 28 individual funding programs, each having different goals, criteria, and administrative processes.

The findings of the Auditor General's Report showed that the bulk of the funding was not well-managed. The process to evaluate applications and disburse funding requires significant improvement; there is limited monitoring of approved projects and a lack of accountability for funds expended.

ERDT accepted the recommendations of the Auditor General and has implemented or are well on the way to implementing most of the past and present recommendations. They feel they have strengthened their controls, processes and monitoring systems, improved the programs overall in records management practices, and advanced accountability and transparency.

ERDT is working with the Internal Audit Centre to implement a comprehensive monitoring system for all funding programs and has hired an investment funds manager to oversee processes and compliance related to the Jobs Fund. ERDT staff are updating and consistently using their checklists to better evaluate and monitor investments. Jobs Fund processes are further being reviewed and the fund's Process Guide is being updated to reflect new controls and procedures.

There are many checks and balances in the process and these are being strengthened. The department is committed to continuously improving the administration of all programs.

REQUEST FOR DOCUMENTATION

The committee requested and received the following documentation:

- Information on the Capital Investment Incentive Program and the requirement that all equipment be used in Nova Scotia.

COMMITTEE BUSINESS

The correspondence from the Office of the Auditor General with regard to his three proposals to the committee was discussed.

The three proposals were:

“1. That PAC formally accept and endorse recommendations contained in the Auditor General reports when they are issued, and ask that departments and agencies commit to, and take responsibility for, full and timely implementation of those they have accepted.

2. That PAC request that the Deputy Ministers Audit Committee assume responsibility for on-going monitoring and oversight of the implementation of auditor general recommendations, and take a proactive role in promoting full and timely implementation.

3. That PAC accept and approve my May 17 letter. The May 17 letter contained one additional proposal:

That PAC consider holding a hearing at least yearly on the status of implementation of audit recommendations, possibly subsequent to our annual follow-up report. This hearing would require attendance of the Chair of the Audit Committee and possibly other selected Deputy Ministers whose performance in this respect might be lagging.”

MOTION

It was agreed that the committee accept proposals number one and number two.

The motion was carried.

In addition, a fourth recommendation was put forward by the Liberal Caucus:

“We would like the AG’s Office to explore the idea of ranking recommendations from the most important which should be done immediately to the items that can wait a little longer to a later date”.

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It was asked that the fourth recommendation be discussed at a later date.

Following this meeting there was an *in camera* briefing session on the Department of Transportation and Infrastructure Renewal re: Mechanical Branch Management / Paving Operations.

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2014feb19

WITNESSES

Department of Transportation and Infrastructure Renewal

Mr. Paul LaFleche – Deputy Minister

Ms. Barbara Baillie – Executive Director, Maintenance and Operations

Mr. Dan Leopold – Director, Fleet Management

Ms. Diane Saurette – Executive Director, Finance and Strategic Capital Planning

MATTERS OF DISCUSSION

The province has been expending \$200 to \$250 million over the past several years on highway operations. However, with the closure and sale of the government-owned mobile asphalt plant, this will allow the private sector to tender on the province's \$235 million investment in roads and highway work.

The plant was originally purchased for \$3.6 million three years ago. The province is interested in getting the maximum value for the sale of the plant.

With regard to Mechanical Branch Management, the Auditor General's recommendations focused on the Miller Lake branch, but these recommendations also apply to the other branches. In total, there are six branches that are responsible for repairing and maintaining department vehicles. The Miller Lake branch, in addition to their other responsibilities, also does a significant amount of construction on auto bodies, i.e. snowplows and other specialized vehicles.

Prior to the audit, the department was in the middle of making improvements and had recognized many problems including those of accountability, the work order system and vehicle maintenance.

The findings of the Auditor General's Report showed that management of Mechanical Branch Operations is deficient. Management lacks fundamental information needed to effectively manage operations. Oversight of operations is inadequate, which has contributed to a number of the deficiencies identified. Controls and processes, which are fundamental to ensure inventory is adequately safeguarded and equipment is appropriately repaired and maintained, either do not exist or are ignored. The Office of the Auditor General is concerned with management's lack of action to correct operational problems which they know to exist.

The Department of Transportation and Infrastructure Renewal fully agrees with the recommendations and will ensure that solutions are fully implemented in a timely manner and that proper accountability is in place.

REQUEST FOR DOCUMENTATION

The committee requested and received the following documentation:

- Information outlining the amount in Canadian dollars on the buy, and the amount in U.S. dollars on the sale and depreciation of the mobile asphalt plant
- A copy of the original business case for the asphalt plant
- The status of this year's current tenders
- Verification of the cost per kilometer for paving for both government and private paving operations
- All fuel costs for the TIR fleet
- A breakdown of the annual depreciation cost of the asphalt plant

Following this meeting there was an *in camera* briefing session on the Chief Information Office re: Controls over Disposal of IT Assets.

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2014feb26

In Camera

WITNESSES

CCAF – FCVI, Inc.

Paul Lohnes – CEO and President

Shawn Murphy – Former House of Commons Public Accounts Chair and CCAF Associate

Geoff Dubrow – Principal Associate

MATTERS OF DISCUSSION

The focus of this workshop was to discuss maximizing the effectiveness of Public Accounts Committees (PAC).

This was an informal workshop designed to allow the members to have an open and frank discussion on the role of PACs. It was said that the PAC's role is to hold government accountable, to examine past expenditures and not to deal with policy. As well, the committee should operate on a non-partisan basis, follow-up and implement recommendations, report once a year on follow-up recommendations from Auditor General Reports, and request action plans from all departments audited.

PAC members should be asking tough questions to obtain clear, concise answers to complex problems and subjects. Failure to ask good questions renders the subject closed and it becomes lost. Hard-hitting questions asked of witnesses by all committee members enforces the oversight aspect.

Working together in a collegial and non-partisan manner not only makes an effective committee but is for the betterment of the province.

CCAF agreed to prepare a summary of highlighted areas in which there was agreement for potential enhancements to the committee's operations and influence. In summary:

- Strengthening Action Plans/Status Updates
(Update: this is a current practice in Nova Scotia; a template has been developed to further strengthen this practice)
- Role of Researcher
- Follow-up Process
- Self-Initiated Inquiries

TRANSCRIPT

This workshop was *In Camera*. No public transcript is available.

WITNESSES

Chief Information Office

Ms. Sandra Cascadden – Associate Deputy Minister

Ms. Carolyn MacKenzie – Director, Client Services

Mr. Blaine Maxwell – Director, Service Management

MATTERS OF DISCUSSION

The Chief Information Office mandate is to plan, organize and direct the strategic direction and leadership for information management and information technology across government, to protect information, to secure the infrastructure, and to ensure that IT investments and resources are used to their full capacity.

The current operating budget for the 2013 – 2014 fiscal year is \$31.76 million of which the office spent \$11 million on capital projects and improvements to infrastructure.

The Chief Information Office plays an important role in supporting government's overall goals and priorities by setting IT strategies, policies, standards, frameworks and solutions that support and enable government efforts.

According to the report of the Auditor General, government does not have adequate data security and inventory controls to prevent sensitive information from being exposed when information technology assets are disposed of. Computers issued to government employees are not configured to encrypt the data on hard drives.

Government's inventory of information technology assets is not managed appropriately; responsibilities for tracking information technology assets are not adequately communicated; government has no processes to maintain the accuracy of inventory records. Reconciliations of physical IT assets to inventory lists are not performed. There is no validation that all computers sent for secure wiping were actually wiped.

The Chief Information Office is committed to supporting the Auditor General's recommendations by adopting best practices of continual service improvement. CIO has prioritized all of the Auditor General's recommendations from the recent audit and has completed a number of these recommendations. They have made substantial efforts in creating and applying standards to ensure that data is wiped from computers before disposal, and have initiated improved tracking systems that allow them to quickly and easily determine if a computer is cleaned and ready to be transferred.

The goal of the office is to work collaboratively to meet the challenges and ensure opportunities are realized to the benefit of Nova Scotians.

Following this meeting there was an *in camera* briefing session on the Department of Labour and Advanced Education re: "Occupational Health and Safety".

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2014mar19

WITNESSES

Department of Health and Wellness

Ms. Frances Martin – Acting Deputy Minister

Ms. Paula English – Acting Assistant Deputy Minister

Mr. Kevin Elliott – Chief Financial Officer

MATTERS OF DISCUSSION

The mandate of the Department of Health and Wellness includes the delivery of health care and the prevention of disease and injury, as well as setting the strategic direction and policy for health care across the province to ensure that patients have access to consistent, timely, quality care. This is done by developing standards, monitoring system performance, and measuring and evaluating the quality of programs and services.

The department funds the district health authorities and the IWK Health Centre, and monitors those budgets to ensure dollars are spent responsibly. The department is a \$4.1 billion organization. Administrative spending last year was 1.6 percent of their budget or \$6.2 million. Long-term care and continuing care make up 14 per cent of the budget.

Over the past two years, the department has reduced its administrative spending by 0.3 per cent (from 1.9 percent in 2011/12 to 1.6 percent in 2013/14). This amounts to almost \$10 million and was accomplished by reducing 50 full-time positions; cutting back on travel and meeting expenses; and reducing professional services budgets. The department ensured it would continue to keep its administrative costs in check.

COMMITTEE BUSINESS

The Standing Committee on Public Accounts approved the following agenda items proposed by the Subcommittee on Agenda and Procedures, with the exception of combining three similar topics into one. It was agreed that the Nova Scotia Pension Agency, the Public Service Commission, and Department of Finance were all related to the same topic. Those three will now become one topic, and that will be the Public Service Superannuation Plan.

- Department of Finance: Public Service Superannuation Plan - Plan Management and Asset Mix
- Department of Labour and Advanced Education: Workplace Safety, including Inspections and Penalizing Small Businesses
- Office of the Auditor General: May 2014 Report
- SAP: Cost of Overtime to Government
- Department of Natural Resources: Forest Product Innovation

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- Department of Transportation and Infrastructure Renewal: Bridge Infrastructure
- Workers' Compensation Board: Safety Association Funding

The subcommittee reported that it had decided not to have the Auditor General's Office rank recommendations as proposed by the Liberal Caucus. This was agreed to by the full committee.

The full committee accepted and agreed to the action plan template on Auditor General recommendations to departments.

Following this meeting there was an *in camera* briefing session on the Department of Health and Wellness re: "Public Health Surveillance".

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2014apr09

WITNESSES

Department of Health and Wellness

Ms. Frances Martin – Acting Deputy Minister

Dr. Frank Atherton – Deputy Chief Medical Health Officer

Mr. Peter Crowell – Acting Director, Finance

MATTERS OF DISCUSSION

Public health surveillance is a critical component of the department's work. The prevention of disease and the protection and promotion of good health requires appropriate processes, skilled expertise from epidemiologists, as well as information systems which allow the department to report on notifiable diseases, and identify, manage and notify others of outbreaks.

Nova Scotia needs an electronic information system with many integrated components, including an immunization registry for case managing, tracking both notifiable and non-notifiable diseases and other public health indicators. However, participation in the development of the "Panorama" system started in 2004 proved to be too costly for Nova Scotia; development was too slow and it wasn't certain that it would meet the province's needs.

The province put their participation in the development of the Panorama system on hold in 2009. Those provinces that continued working on Panorama are only now getting some components of the system up and running. As yet, no province has a comprehensive system in place. Now that Panorama has been further developed, it is an option for the province to once again consider.

Currently, there is no single system that will perform all public health surveillance functions for the province. The department has identified several options that could work, but are now determining the process to choose the best one and get it into place.

According to the report of the Auditor General (November 2013), the public health surveillance system is not adequate. An effective surveillance system provides information on trends and outbreaks of disease and guides improvements in long-term health for citizens. Significant changes are needed to move Nova Scotia to an adequate public health surveillance system. Current information systems have limited functionality because they do not enable detailed analysis of disease data. The surveillance system does not address other areas of public health, such as indicators of overall population health.

The current system to report specific diseases has limited functionality; errors and omission in data were found during the audit. In 2008, the audit recommendations were to implement an electronic immunization registry; this was not addressed.

Despite these issues, there have been improvements in recent years. Lab and epidemiological capacity has improved. However, there is no implementation plan detailing how these changes will be achieved. It was recommended that such a plan be developed immediately.

The department agrees with the recommendations of the Auditor General's Report and has made significant progress in carrying out these recommendations. In many instances, work was started on recommendations before the Auditor General released his report. There has been an increase in the number of epidemiologists, an all-hazards plan was created for the health system, and from 2005 to present, the department has completed 75 percent of the 349 audit recommendations.

TABLED DOCUMENTATION

The following documents were tabled by the Hon. David Wilson, MLA:

- News Article from the Kings County Advertiser – quoting the Minister of Health and Wellness with regard to article entitled: “Province House to Home: Resolution 2014 – my personal health accord”
- FOIPOP email from Steve Machet to Dr. Strang re: Minister's Opinion Editorial (*ibid.* News Article from Kings County Advertiser)
- Letter from Pamela Harrison, Provincial Coordinator of the Transition House Association of Nova Scotia to Hon. Leo Glavine, Minister of Health and Wellness re: News Article from Kings County Register

COMMITTEE BUSINESS

The Standing Committee has agreed to merge the three Labour and Advanced Education topics together in one meeting since they were of a similar nature, those being - Occupational Health and Safety, Workplace Safety and Inspections and Penalizing of Small Businesses.

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2014apr16

WITNESSES

Department of Labour and Advanced Education

Ms. Lora MacEachern – Associate Deputy Minister

Ms. Christine Penney – Senior Executive Director, Occupational Health and Safety

Ms. Anne Partridge – Acting Executive Director, Occupational Health and Safety

Ms. Laurie Bennett – Director, Financial Services

MATTERS OF DISCUSSION

Workplace safety is the responsibility of employers, workers, industry leaders, and government. This is why the department accepted the analysis on the province's Occupational Health and Safety Services in the Auditor General's Report. Through the Workplace Safety Strategy and the Auditor General Report, the department has heard that there needs to be an increased focus on prevention, more inspections of high-risk industries and offenders and a review of compliance practices.

The Auditor General's Report provided good direction for improvement and confirmed that the department has been moving in the right direction. The department has been setting targets for safety officers to ensure they focus their efforts on high-risk industries, evaluate inspection results, and confirm checklists for inspections.

The Auditor General's Report also pointed out that compliance and follow-up are critical. The department does track every compliance order and will make changes to improve how actions are documented. As well, the department will ensure businesses show evidence of compliance for violations.

The department agrees that orders need to be acted upon in a timely fashion.

The department will strive for greater consistency with response times, recognizing that serious issues like fatalities take priority. They have reviewed their policies around extensions for complying with orders to assure approvals are obtained and documented before an extension is granted.

The addition of more staff will help to implement the Auditor General's recommendations. The department is partnering with the Public Prosecution Service to add an additional prosecutor who will focus on occupational health and safety offences. Within the Occupational Health and Safety Division, a new unit will focus solely on education and outreach. Five new inspectors will focus on inspections in all businesses, including high-risk industries.

The department stated that over the past few years they have steadily increased the number of inspections. Last year, safety officers conducted nearly 2,500 field activities.

As outlined in the November 2013 Report of the Auditor General, the Department of Labour and Advanced Education's investigations into serious workplace accidents are adequate, however, there was insufficient evidence in inspection files to determine whether occupational health and safety inspections were adequately carried out.

Although workplace safety is a shared responsibility, an effective regulatory process is key to success. Preparation of inspection reports, obtaining recipient signoff and collecting evidence of compliance with orders are not consistent. A checklist which focuses on the risk areas which should be examined during an inspection would serve to ensure all essential risk areas are addressed.

Orders issued by inspectors to address health and safety weaknesses are not adequately followed up to ensure corrective action is taken. There were 1,228 orders issued from April 2012 to March 2013 that were not complied with by the date required, yet, inspectors issued only 10 summary offence tickets for violations or noncompliance during that time. Additional guidance on follow-up and the types of situations and outstanding orders that would warrant a summary offence ticket is needed.

Improvements in operational planning and monitoring are also needed to ensure high-risk workplaces are targeted for inspections. Management uses Workers' Compensation Board information to identify higher-risk industries, however, more specific inspection targets need to be developed and monitored to ensure resources are directed primarily to higher-risk workplaces.

Management does not use the department's information system to its fullest potential. Information that could be useful to management is not collected, or is not collected in a consistent manner. The department's file review process is not functioning. The department does not have a system to log and track complaints to ensure all complaints received are recorded and investigated. The Auditor General's Office recommended that the department establish such a process.

COMMITTEE BUSINESS

The committee agreed to have the Public Service Commission come in to discuss the "cost of overtime to government", instead of the SAP witnesses.

REQUESTED DOCUMENTATION

The committee requested and received the following documentation:

- Statistics on the number of warnings issued by inspectors in the course of a year
- The number of “stop work orders” issued
- The number of fatalities related to construction sites
- A listing of public sectors that are covered under the Occupational Health and Safety regulations
- Information on the types of workplace settings and where the pilot projects are in regard to occupational health and safety in the health care sector

Following this meeting there was an *in camera* briefing session on the Public Service Superannuation Plan.

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2013apr23

WITNESSES

Department of Finance and Treasury Board

Mr. Byron Rafuse – Associate Deputy Minister

Mr. Geoff Gatién – Acting Controller

Public Service Commission

Ms. Laura Lee Langley – Commissioner

Mr. Steven Feindel – Executive Director

MATTERS OF DISCUSSION

As a result of legislative changes in 2012, the Nova Scotia Pension Services Corporation is jointly owned by the Teachers' Pension Plan Trustee Inc. and the Public Service Superannuation Plan Trustee Inc., whose mandates are to administer pension benefits and investment assets. The Public Service Superannuation Plan Trustee Inc. is the trustee of the Nova Scotia Public Service Superannuation plan and the Public Service Superannuation Fund.

The new trustee has made some positive policy changes from a pension liability perspective and from a plan administrations perspective. For example, the plan is now under joint trustee between employers and employees, which gives employees a say in their pension plan.

In the report of the Auditor General, it was said that the Nova Scotia Pension Services Corporation should conduct a risk assessment to existing policies and procedures and map the results. The Risk and Compliance Manual and its related monitoring program should be updated. According to the department, they are working on this procedure and explained that the risk officer reports quarterly to the board of trustees on the superannuation and its audit committees. The delivery date for this recommendation was June 2014, but was actually completed in March 2014.

Another concern raised in the report of the Auditor General is that there are Nova Scotians whose records of employment were not available in order to calculate or make sure they are getting the right amount for their pension. The Public Service Commission (PSC) assures that they are confident that the information the pension agency has regarding pensions and pension payouts is accurate.

According to the PSC, prior to 1989 the retention records around personnel files required that files be kept for a period of seven years. Employee records are maintained within their departments and transferred to the PSC after retirement. In the 1990s, personnel record policies changed so that there is now a longer retention period for records. Currently under PSC policy, records are kept for a period of 60 years.

The department states that the records exist; it is a matter of going back over a period of time to the department where the employee was first employed.

However, according to the report of the Auditor General, the Public Service Commission should revise its file retention policy for retired employee files to ensure these are maintained until pensions are no longer paid.

The department states they have put together a team to respond in a timely way, to this recommendation and to make sure they review all of their policies, including their retention policy.

REQUESTED DOCUMENTATION

The committee requested and received the following documentation

- Percentage of Nova Scotians not covered under a work plan pension
- List of all investment managers used by the Public Service Superannuation Plan (PSSP)

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2014may07

WITNESSES

Department of Natural Resources

Mr. Frank Dunn – Deputy Minister

Mr. Allan Eddy – Associate Deputy Minister

Mr. Jonathan Kierstead – Director of Forestry

MATTERS OF DISCUSSION

The Department of Natural Resources is responsible for the protection of biodiversity across the province, operating a network of provincial parks, and management of mineral and forestry resources. Among those forest resources is fibre, which is needed to make paper, create energy, and make construction materials.

The forestry industry is a staple of the economy. It provides jobs in rural areas, supports communities and acts as a source of exportable products and energy sources. This year, the department will invest \$1.2 million for silviculture on the former Bowater lands.

In 2012, the industry contributed approximately \$283 million to the provinces gross domestic product, employed 5,200 people and exported more than \$384 million worth of products internationally.

Since the economic downturn, major changes have happened in lumber and paper markets. Newspapers have struggled due to smaller demand for newsprint, and the construction industry has slowed, affecting lumber exports.

Nova Scotia has to evolve to prosper; it has to look forward to find a future. The industry is working with the department to develop new products, new markets and new opportunities to revitalize the sector. Innovation in many forms is happening within the forest sector in many forms. The Cape Breton Private-land Partnership is an example of new ways to coordinate activities for landowners and ensure that services are provided efficiently. This pilot project will be evaluated and considered for province-wide implementation.

There was a recent announcement of a \$1.1 million investment to support innovative pilot projects designed to help the sector become more cost efficient and to help it expand. The department has partnered with F-P Innovations (one of the world's largest private, non-profit forest research centres) for pilot projects which would run a broad gamut, from investigating the impact of Nova Scotia's harvesting guidelines, to improving yields at hardwood sawmills, to converting wood to biochemicals.

COMMITTEE BUSINESS

The committee discussed and approved the following:

- The Department of Finance and Treasury Board training session for September
- There will not be a meeting on June 4 due to an-out-of town caucus and
- The information requested from the CCAF workshop was tabled and approved by the committee

MOTION

The following correspondence was read by Mr. Maguire on behalf of Ms. Suzanne Lohnes-Croft and put forward as a motion.

“Dear Mr. Chair,

I’m writing in regards to a matter of public interest on a subject that is of great importance to the constituents of Lunenburg. Of course, I am writing in regards to the Bluenose II Restoration Project.

The delays and cost overruns have been well documented by both the media and all caucuses. Because of these delays and cost overruns, the Auditor General was asked to review this project. We do know that at this time the Auditor General is reviewing this project and will eventually report to this committee.

However, out of public interest on this matter, I would like to ask this committee to consider bringing in the Deputy Minister for Communities, Culture and Heritage to present on this matter at the Committee’s earliest possible convenience.

Sincerely
Suzanne Lohnes-Croft, MLA
Lunenburg”

Moved By: Mr. Brendan Maguire, MLA
Motion is carried

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2014may14

In Camera

WITNESSES

Office of the Auditor General

Mr. Alan Horgan – Acting Auditor General

Mr. Terry Spicer – Assistant Auditor General

Ms. Evangeline Colman-Sadd – Assistant Auditor General

MATTERS OF DISCUSSION

The purpose of the meeting was to present the May 2014 Report of the Office of the Auditor General. Discussions on specific chapters were led by the individual auditor responsible.

This was an *In Camera* briefing session afforded to members of the Standing Committee on Public Accounts to review the report privately prior to its public meeting.

TRANSCRIPT:

This meeting was *In Camera*. No public transcript is available.

WITNESSES

Office of the Auditor General

Mr. Alan Horgan – Acting Auditor General

Mr. Terry Spicer – Assistant Auditor General

Ms. Evangeline Colman-Sadd – Assistant Auditor General

MATTERS OF DISCUSSION

Each of the auditors presented an overview of the report sections for which they were responsible.

The chapters discussed were:

- Follow-up of the 2010 and 2011 Performance Audit Recommendations
- Communications Nova Scotia: Advertising, Procurement, and Performance
- Department of Education and Early Childhood Development: iNSchool Student Information System
- Department of Environment: Public Drinking Water Supply Program
- Department of Health and Wellness: Physician Alternate Funding Arrangements
- Department of Natural Resources: Minerals Resource Management

REQUEST FOR DOCUMENTATION

The committee requested but did not receive the following documentation:

- The number of boil orders issued in 2013 with regard to public drinking water

In response to this, it was stated that the Office of the Auditor General does not have that information and suggested that the committee obtain this information from the Department of Environment.

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2014may28

WITNESSES

Department of Transportation and Infrastructure Renewal

Mr. Paul LaFleche – Deputy Minister

Mr. Bruce Fitzner – Chief Engineer, Highway Programs

Mr. Peter Hackett – Executive Director, Engineering and Construction

Mr. Will Crocker – Bridge Maintenance Engineer

MATTERS OF DISCUSSION

The Department of Transportation and Infrastructure Renewal (TIR) is responsible for the safety and maintenance of 4,300 bridges and infrastructure, including bridges that are abandoned or those on abandoned roads.

The department employs nine bridge engineers and 10 bridge inspectors who are designated bridge specialists. It has a research and sponsorship partnership with Dalhousie University, studying ways on how to better repair existing structures and/or build new ones that will last longer. The challenges of maintaining these bridges are numerous, from aging infrastructure (some bridges are 50 years old or more), to usages, funding and climate.

Many bridges were constructed soon after Confederation and then following the Second World War as a result of stimulus spending. This is one of the reasons why there are so many bridges in the province and why many are due for replacement or repair at the same time. Due to there being a number of bridges within a short distance of each other, future needs dictate the reality of maintaining so many. Decisions need to be made in communities/areas with regard to providing high levels of service and safety while ensuring there is enough infrastructures.

TABLED DOCUMENTATION

The following document was tabled by the Hon. Chris d'Entremont, MLA:

- Canadian Press Article entitled “Nearly 400 Nova Scotia bridges corroding, crumbling, database says”

MOTION

The committee had previously agreed to accept the recommendations from the Auditor General with regard to the improvement of the implementation rate of recommendations actually accepted by departments, and that the Deputy Ministers Audit Committee assume responsibility for on-going monitoring and oversight of the implementation of Auditor General recommendations and take a proactive role in promoting full and timely implementation.

“I move that the Public Accounts Committee formally accept and endorse recommendations contained in the May 2014 Auditor General’s Report and ask that departments and agencies commit to and take responsibility for full and timely implementation of those recommendations they have accepted.”

Moved by Mr. Iain Rankin, MLA
Motion was carried

The committee previously agreed to bring in the Deputy Minister of Communities, Culture and Heritage to speak on the Bluenose II Restoration Project. However, during a recent announcement there was a change of responsibility for the file which now rests with Deputy Minister David Darrow.

After some discussion, the following motion was put forth, “I would like to move that Premier McNeil appear before the Public Accounts Committee on June 18th in place of the officials from Communities, Culture and Heritage.”

Moved by: Hon. Chris d’Entremont, MLA
Motion is defeated

An amendment was put forth by Hon. Maureen MacDonald, MLA, stating, “If we could amend the motion so that we bring in both of the deputies – the deputy who is currently on the file and the former deputy. In that way we will have the benefit of both of their work on this file.”

Following this discussion, Hon. d’Entremont, MLA, changed his motion, “to have Deputy Minister Darrow and Deputy Minister Dean to come in and talk about that restoration project.”

Motion is defeated

The following motion was made, “to have Deputy Minister Darrow come before the Public Accounts Committee this Fall.”

Moved by Mr. Iain Rankin, MLA

After some discussion, the motion was amended to read, “that Ms. Dean appear as the witness next week for the Bluenose II discussion. The second part of that motion is that Mr. Darrow appear in the fall.”

It was agreed that the second part of the motion be brought before the Subcommittee on Agenda and Procedures for discussion, therefore, the motion now reads, and “that Ms. Dean appear as a witness for the Bluenose II discussion next week.”

Motion was carried

REQUEST FOR DOCUMENTATION

The committee requested and received the following documentation:

- A breakdown of the 4,300 structures into various categories
- Clarification on the delay of the Milton Bridge in Queens County
- A breakdown of the bridges within and outside of HRM
- A list of the 344 bridges in the inspection report that were ranked poor or worse

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2014jun11

WITNESSES

Department of Communities, Culture and Heritage

Ms. Kelliann Dean – Deputy Minister

Ms. Rhonda Walker – Acting Executive Director, Archives, Museums and Libraries

Ms. Rebecca Doucett – Manager, Financial Services, Department of Finance

Mr. Bill Greenlaw – Former Project Lead

MATTERS OF DISCUSSION

The Department of Communities, Culture and Heritage provided an explanation regarding the costs overruns and delay associated with the restoration. In 2007-08, significant structural issues needed to be addressed, especially the hogging of the Bluenose II's hull and keel. The government of the day examined options to keep the Bluenose in operation, those being continued on-going maintenance and capital upgrades, a major restoration, construction of a new Bluenose III, or to have the private sector operate the Bluenose II. Of these options, the government pursued a major restoration of the ship. This would address the ongoing capital issue and protect the well-established brand. The restoration was to be done in Lunenburg to create further economic benefits for the province.

The project was approved in 2009 under the federal-provincial Infrastructure Framework Agreement, with a \$14.4 million budget to be cost-shared 50/50. A project steering committee was also formed in 2009 to oversee the development of RFPs and evaluate proposals in accordance with the provincial procurement policy. Contracts for project management, design and construction were awarded between October 2009 and July 2010 to three firms, those being: MHPM for project management, Lengkeek Vessel Engineering for design, and Lunenburg Shipyard Alliance for the vessel restoration. The original delivery date was to be May 29, 2012. The total cost has since increased to \$19 million.

The completed vessel should have a design life of 50 years and be fully compliant with modern safety standards. The high-quality materials will provide longevity and contain structural steel to ensure that hogging does not occur in the future.

The province decided to bring the vessel "into class" by the American Bureau of Shipping (ABS) standards. This meant going above and beyond Transport Canada regulatory requirements. When the decision to bring the ship into class was made, it was agreed that any additional work over and above the required Transport Canada Regulations would be paid by the province through the change order process outlined in the contract.

Some of the challenges faced with the cost overruns and delay are: significant issues with the design, fabrication and installation of the rudder and steering gear; delays at various points

throughout the project related to designs, drawings, approvals and the change order process; and communications breakdowns among the various parties. One particular instance was when ABS gave approval to test the vessel prior to sea trials, Transport Canada stated a sea trial certificate was needed first. The test drive was necessary because there were problems with the rudder. Another instance was the announcement that the Bluenose II file was now the responsibility of the Deputy Minister of the Premier's Office and not the Department of Communities, Culture and Heritage. The Department of Communities, Culture and Heritage continues to be involved in the management of contracts, day-to-day operations, etc., while the Deputy Minister to the Premier now provides oversight.

A decision was made to proceed directly to sea trials in order to test the vessel's systems, functionality and seaworthiness. Depending upon the outcome of the sea trials, there will be modifications to solve outstanding issues with the rudder and steering, and ensure the vessel meets Transport Canada Regulations and ABS certification requirements.

The Office of the Auditor General has been asked by government to complete a comprehensive assessment of the challenges that have increased costs and lengthened the project timeline.

TABLED DOCUMENTATION

The following document was tabled by Mr. Joachim Stroink, MLA

- "Bluenose II Restoration Project Steel Rudder and steering gear Fabrication and Installation"

REQUESTED DOCUMENTATION

The committee requested and received the following documentation:

- Clarification on the decision to go with the American Bureau of Shipping vs Lloyds of London

MOTION

"That the committee meet again next week to further discuss the project, and that this time we invite those additional people who are now involved in overseeing the project. That we meet next week and invite the Premier, the minister, and also Mr. Darrow".

Moved by: Mr. Tim Houston, MLA
Motion is defeated

Amended Motion, "that the committee meet next week with Mr. Darrow."

Moved by: Mr. Tim Houston, MLA
Motion is defeated

COMMITTEE BUSINESS

The Standing Committee on Public Accounts did not approve the following agenda proposed by the Subcommittee on Agenda and Procedures.

- Mr. David Darrow (Deputy Minister/Clerk of the Executive Council) – Bluenose II Restoration Project
- Communications Nova Scotia – Advertising, Procurement and Performance
- Department of Health and Wellness – Physician Alternative Funding Arrangements
- Superintendent of Pensions – Financial Hardships Program
- Chief Protocol Officer – Hiring Process

The following motion was made, “to approve all the witnesses, minus the fifth one there for the Chief Protocol Officer.”

Moved by: Mr. Iain Rankin, MLA
Motion is carried

TRANSCRIPT

The transcript for the meeting can be found at:

http://nslegislature.ca/index.php/committees/committee_hansard/C7/pa2014jun18

**SUBCOMMITTEE ON AGENDA
AND PROCEDURES**

INTRODUCTION

The Standing Committee on Public Accounts' all-party Subcommittee on Agenda and Procedures is comprised of the Chair, Vice-Chair and a member of the Third Party. The subcommittee meets *in camera* at the call of the Chair to discuss and present agenda proposals to the full committee, assist in finalizing reports, review sensitive documents and monitor the progress of the committee work and other matters as deemed necessary.

When the subcommittee is satisfied with the witnesses/topics suggested, a report is compiled and tabled at the next meeting of the standing committee for consideration and approval.

Once the standing committee approves the report, the clerk completes the agenda by inviting the approved witnesses to appear before the Standing Committee on Public Accounts.

When the list nears completion, another Subcommittee on Agenda and Procedures is set so the process can begin again.

The membership of the Subcommittee on Agenda and Procedures is:

Mr. Allan MacMaster, MLA – Chair
Inverness

Mr. Iain Rankin, MLA – Vice-Chair
Timberlea-Prospect

Hon. Dave Wilson, MLA
Sackville-Cobequid

The Subcommittee on Agenda and Procedures met on the following dates:

January 15, 2014
April 8, 2014
June 11, 2014

In Camera

IN ATTENDANCE

Mr. Allan MacMaster, MLA – Chairman

Mr. Iain Rankin, MLA – Vice Chairman

Hon. David Wilson, MLA

Also In Attendance

Mr. Jacques Lapointe – Auditor General

Mr. Alan Horgan – Deputy Auditor General

Mr. Gordon Hebb – Chief Legislative Counsel

Ms. Karen Kinley – Legislative Counsel

Ms. Heather Ludlow – Information Services Librarian

MATTERS OF DISCUSSION

The subcommittee met to propose the following topics for committee approval.

- Department of Economic and Rural Development and Tourism: Funding Programs
- Department of Transportation and Infrastructure Renewal: Mechanical Branch Management/Paving Operations
- Chief Information Office: Controls over Government Disposals of IT Assets
- Department of Labour and Advanced Education: Occupational Health and Safety Division
- Department of Health and Wellness: Health Administrative Costs
- Department of Health and Wellness: Public Health Surveillance

The subcommittee also agreed to the meeting date for the Auditor General with regard to the release of his January 2014 report.

The subcommittee agreed to take under advisement and discuss at a later time, earlier correspondence from the Auditor General proposing measures endorsing implementation of recommendations by departments and agencies in a more timely manner.

In Camera

IN ATTENDANCE

Mr. Allan MacMaster, MLA – Chairman

Mr. Terry Farrell, MLA

(substituting for Mr. Iain Rankin, MLA – Vice Chairman)

Hon. David Wilson, MLA

Also In Attendance

Mr. Alan Horgan – Acting Auditor General

Mr. Gordon Hebb – Chief Legislative Counsel

Ms. Heather Ludlow – Information Services Librarian

MATTERS OF DISCUSSION

The subcommittee met to propose the following topics for committee approval.

- Nova Scotia Pension Agency: Public Service Superannuation Plan -- Plan Management and Asset Mix
- Department of Labour and Advanced Education: Workplace Safety including Inspections and Penalizing Small Businesses
- Public Service Commission: Public Service Superannuation Plan Follow-up to Chapter 3 of the January 2014 Auditor General Report
- Office of the Auditor General: May 2014 Report
- SAP: Cost of Overtime to Government
- Department of Natural Resources: Forest Product Innovation
- Department of Transportation and Infrastructure Renewal: Bridge Infrastructure
- Department of Finance: Plan Management
- Workers' Compensation Board: Safety Association Funding

The subcommittee brought forward the proposed topic by Mr. Rankin concerning the Pension Valuation Adjustment in the provincial budget. When the topic was raised in January 2014, it was recommended that this topic be put forward at the next agenda setting meeting (currently April 2014). It was said that this topic is now past its time and no longer relevant.

The subcommittee discussed the recommendation of the Liberal Caucus regarding a proposal to the Office of the Auditor General which reads, “We would like the Auditor General’s Office to explore the idea of ranking recommendations from the most important which should be done immediately to the items that can wait a little longer to a later date”.

The Acting Auditor General provided a written response to the proposal as well as reading it into the record. In short, the senior management of the Office of the Auditor General unanimously agreed that ranking of recommendations would not be appropriate and cited the following as reported at the March 19th PAC meeting by the Chief Information Officer: “We have prioritized all of the Auditor General’s recommendations from the recent audit, and started with the most significant actions that would have the greatest impact . . .” Given this statement, the Office of the Auditor General stated this is how they think decisions about prioritizing and order of implementation should be made - by the auditee and not by the auditors.

That said, the subcommittee agreed that they would not call upon the Office of the Auditor General to rank their recommendations.

Finally, there was the discussion of the action plan template for departments and agencies to follow. This idea was discussed at the recent workshop held by the committee with CCAF. It is a tool used to help the committee track progress by the departments on commitments with regard to the recommendations of the Auditor General. This would help the committee ensure that departments are following up on commitments they have made.

The subcommittee approved the action plan template pending full committee approval.

In Camera

IN ATTENDANCE

Mr. Allan MacMaster – Chair
Mr. Iain Rankin – Vice Chair
Hon. David Wilson

Also In Attendance

Ms. Annette Boucher – Legislative Counsel
Mr. Alan Horgan – Acting Auditor General
Mr. Terry Spicer – Assistant Auditor General
Ms. Heather Ludlow – Information Services Librarian

MATTERS OF DISCUSSION

The subcommittee met to propose the following topics for committee approval.

- Mr. David Darrow (Deputy Minister/Clerk of the Executive Council) – Bluenose II Restoration Project
- Communications Nova Scotia – Advertising, Procurement and Performance
- Department of Health and Wellness – Physician Alternative Funding Arrangements
- Superintendent of Pensions – Financial Hardships Program
- Chief Protocol Officer – Hiring Process

STATEMENT OF SUBMISSION

STATEMENT OF SUBMISSION

All of which is respectfully submitted to the
House of Assembly this *29* day of *October*, 2014



Mr. Allan MacMaster, MLA – Chair
Inverness



Mr. Iain Rankin, MLA – Vice Chair
Timberlea-Prospect



Mr. Joachim Stroink, MLA
Halifax Chebucto



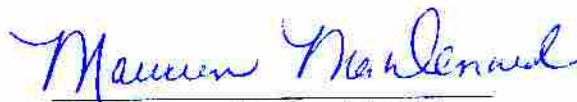
Ms. Margaret Miller, MLA
Hants East



Mr. Tim Houston, MLA
Pictou East



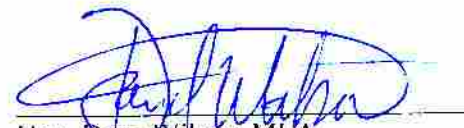
Ms. Suzanne Lohnes-Croft, MLA
Lunenburg



Hon. Maureen MacDonald, MLA
Halifax Needham



Mr. Brendan Maguire, MLA
Halifax Atlantic



Hon. Dave Wilson, MLA
Sackville-Cobequid

APPENDICES

Appendix A

List of Tabled Documentation

April 16, 2014

Public Health Surveillance

The following documents were tabled by the Hon. David Wilson, MLA:

- News Article from the Kings County Advertiser – quoting the Minister of Health and Wellness with regard to article entitled: “Province House to Home: Resolution 2014 – my personal health accord”
- FOIPOP email from Steve Machet to Dr. Strang re: Minister’s Opinion Editorial (*ibid.* News Article from Kings County Advertiser)
- Letter from Pamela Harrison, Provincial Coordinator of the Transition House Association of Nova Scotia to Hon. Leo Glavine, Minister of Health and Wellness re: News Article from Kings County Register

June 11, 2014

Bridge Infrastructure

The following document was tabled by the Hon. Chris d’Entremont, MLA:

- Canadian Press Article entitled “Nearly 400 Nova Scotia bridges corroding, crumbling, database says”

June 18, 2014

Bluenose II Restoration Project

The following document was tabled by Mr. Joachim Stroink, MLA

- “Bluenose II Restoration Project Steel Rudder and steering gear Fabrication and Installation”

Appendix B
List of Motions

January 15, 2014

A motion was made for an amendment to the list “to invite the Nova Scotia Senators to appear before the Public Accounts Committee.”

Moved By: Hon. Maureen MacDonald, MLA
Motion was defeated

February 19, 2014

“1. That PAC formally accept and endorse recommendations contained in the Auditor General reports when they are issued, and ask that departments and agencies commit to, and take responsibility for, full and timely implementation of those they have accepted.

2. That PAC request that the Deputy Ministers Audit Committee assume responsibility for on-going monitoring and oversight of the implementation of auditor general recommendations, and take a proactive role in promoting full and timely implementation.

3. That PAC accept and approve my May 17 letter. The May 17 letter contained one additional proposal:

That PAC consider holding a hearing at least yearly on the status of implementation of audit recommendations, possibly subsequent to our annual follow-up report. This hearing would require attendance of the Chair of the Audit Committee and possibly other selected Deputy Ministers whose performance in this respect might be lagging.”

It was agreed that the committee accept proposals number one and number two.

The motion was carried.

In addition, a fourth recommendation was put forward by the Liberal Caucus:

“We would like the AG’s Office to explore the idea of ranking recommendations from the most important which should be done immediately to the items that can wait a little longer to a later date”.

It was asked that this fourth recommendation be discussed at a later date.

May 14, 2014

The following correspondence was read by Mr. Maguire on behalf of Ms. Suzanne Lohnes-Croft and put forward as a motion.

“Dear Mr. Chair,

I’m writing in regards to a matter of public interest on a subject that is of great importance to the constituents of Lunenburg. Of course, I am writing in regards to the Bluenose II Restoration Project.

The delays and cost overruns have been well documented by both the media and all caucuses. Because of these delays and cost overruns, the Auditor General was asked to review this project. We do know that at this time the Auditor General is reviewing this project and will eventually report to this committee.

However, out of public interest on this matter, I would like to ask this committee to consider bringing in the Deputy Minister for Communities, Culture and Heritage to present on this matter at the Committee’s earliest possible convenience.

Sincerely
Suzanne Lohnes-Croft, MLA
Lunenburg”

Moved By: Mr. Brendan Maguire, MLA
Motion is carried

June 11, 2014

The committee had previously agreed to accept the recommendations from the Auditor General with regard to the improvement of the implementation rate of recommendations actually accepted by departments, and that the Deputy Ministers Audit Committee assume responsibility for on-going monitoring and oversight of the implementation of Auditor General recommendations and take a proactive role in promoting full and timely implementation.

“I move that the Public Accounts Committee formally accept and endorse recommendations contained in the May 2014 Auditor General’s Report and ask that departments and agencies commit to and take responsibility for full and timely implementation of those recommendations they have accepted.”

Moved by Mr. Iain Rankin, MLA
Motion was carried

The committee previously agreed to bring in the Deputy Minister of Communities, Culture and Heritage to speak on the Bluenose II Restoration Project. However, during a recent announcement there was a change of responsibility for the file which now rests with Deputy Minister David Darrow.

After some discussion, the following motion was put forth, “I would like to move that Premier McNeil appear before the Public Accounts Committee on June 18th in place of the officials from Communities, Culture and Heritage.”

Moved by: Hon. Chris d’Entremont, MLA
Motion is defeated

An amendment was put forth by Hon. Maureen MacDonald, MLA, stating, “If we could amend the motion so that we bring in both of the deputies – the deputy who is currently on the file and the former deputy. In that way we will have the benefit of both of their work on this file.”

Following this discussion, Hon. d’Entremont, MLA, changed his motion, “to have Deputy Minister Darrow and Deputy Minister Dean to come in and talk about that restoration project.”
Motion is defeated

The following motion was made, “to have Deputy Minister Darrow come before the Public Accounts Committee this Fall.”

Moved by Mr. Iain Rankin, MLA

After some discussion, the motion was amended to read, “that Ms. Dean appear as the witness next week for the Bluenose II discussion. The second part of that motion is that Mr. Darrow appear in the fall.”

It was agreed that the second part of the motion be brought before the Subcommittee on Agenda and Procedures for discussion, therefore, the motion now reads, “that Ms. Dean appear as a witness for the Bluenose II discussion next week.”

Motion was carried

June 18, 2014

“That the committee meet again next week to further discuss the project, and that this time we invite those additional people who are now involved in overseeing the project. That we meet next week and invite the Premier, the minister, and also Mr. Darrow”.

Moved by: Mr. Tim Houston, MLA
Motion is defeated

Amended Motion, “that the committee meet next week with Mr. Darrow.”

Moved by: Mr. Tim Houston, MLA
Motion is defeated

The Standing Committee on Public Accounts did not approve the following agenda proposed by the Subcommittee on Agenda and Procedures.

- Mr. David Darrow (Deputy Minister/Clerk of the Executive Council) – Bluenose II Restoration Project
- Communications Nova Scotia – Advertising, Procurement and Performance
- Department of Health and Wellness – Physician Alternative Funding Arrangements
- Superintendent of Pensions – Financial Hardships Program
- Chief Protocol Officer – Hiring Process

The following motion was made, “to approve all the witnesses, minus the fifth one there for the Chief Protocol Officer.”

Moved by: Mr. Iain Rankin, MLA
Motion is carried

Appendix C

List of Requested Documentation

February 19, 2014

Funding Programs

The committee requested and received the following documentation:

- Information on the Capital Investment Incentive Program and the requirement that all equipment be used in Nova Scotia.

February 26, 2014

Mechanical Branch Management/Paving Operations

The committee requested and received the following documentation:

- Information outlining the amount in Canadian dollars on the buy, and the amount in U.S. dollars on the sale and depreciation of the mobile asphalt plant
- A copy of the original business case for the asphalt plant
- The status of this year's current tenders
- Verification of the cost per kilometer for paving for both government and private paving operations
- All fuel costs for the TIR fleet
- A breakdown of the annual depreciation cost of the asphalt plant

April 23, 2014

Occupational Health and Safety

The committee requested and received the following documentation:

- Statistics on the number of warnings issued by inspectors in the course of a year
- The number of "stop work orders" issued
- The number of fatalities related to construction sites
- A listing of public sectors that are covered under the Occupational Health and Safety regulations
- Information on the types of workplace settings and where the pilot projects are in regard to occupational health and safety in the health care sector

May 7, 2014

Public Service Superannuation Plan

The committee requested and received the following documentation

- Percentage of Nova Scotians not covered under a work plan pension
- List of all investment managers used by the Public Service Superannuation Plan (PSSP)

May 28, 2014

May 2014 Report of the Auditor General

The committee requested but did not receive the following documentation:

- The number of boil orders issued in 2013 with regard to public drinking water

June 11, 2014

Bridge Infrastructure

The committee requested and received the following documentation:

- A breakdown of the 4,300 structures into various categories
- Clarification on the delay of the Milton Bridge in Queens County
- A breakdown of the bridges within and outside of HRM
- A list of the 344 bridges in the inspection report that were ranked poor or worse

June 18, 2014

Bluenose II Restoration Project

The committee requested and received the following documentation:

- Clarification on the decision to go with the American Bureau of Shipping vs Lloyds of London

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