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Reports of the Auditor General

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Honourable Paul Lane, MHA

PUBLIC ACCOUNTS COMMITTEE

Reports of the Auditor General

Chair: Sarah Stoodley, MHA

Members: Jim McKenna, MHA
Joseph Power, MHA
Hal Cormier, MHA
Sheilagh O'Leary, MHA
Bernard Davis, MHA

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Appearing:

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Brad Brown, Assistant Auditor General
Jessica Nugent, Assistant Auditor General
Adam Lippa, Audit Principal
Adam Martin, Audit Principal
Jillian Roberts, Audit Principal
Lynette Hann, Audit Manager
Jillian Hood, Manager of Communications

Memorial University Facilities Management

Dr. Janet Morrison, President and Vice-Chancellor
Alison Horton, Vice-President, Finance and Administration
Rayna Luther, Associate Vice-President, Facilities
Scott Hill, Director, Operations and Maintenance

Royal Newfoundland Constabulary: Management of Inventory and Employee Training

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The Committee met at 9 a.m. in the House of Assembly Chamber.

CHAIR (Stoodley): Hello, thank you very much.

I'm Sarah Stoodley, MHA for Mount Scio and Chair of Public Accounts Committee. I'd like to welcome everyone to our public hearing respecting the report on *Memorial University Facilities Management*.

I'm going to do some opening remarks and then we're going to do introductions of our Committee, the Auditor General's office and then introductions of the Memorial University's team.

Today, for anyone listening live on the website, we have four hearings today. We're just going to do the first one now, which is the *Memorial University Facilities Management*, and then we'll have a brief recess before we go to our second hearing for the morning.

Right now, this morning, we're reviewing the Auditor General's report on *Memorial University Facilities Management* and so our Committee wishes to thank the witnesses from Memorial University for appearing today, as well as the Auditor General and officials from the Auditor General's office. I don't know if you'll mention this later but the Auditor General is very excited that the president of the university is here because I understand, in the past, that the president hasn't agreed to come.

So thank you very much. We really appreciate you being here today. Thank you very much. I just wanted to extend that. I hope you don't mind that we say that.

The Standing Committee on Public Accounts is dedicated to improving public administration in partnership with the Auditor General. The Committee examines the administration of government policy and not the merits of it, and strives to achieve

the consensus in its decisions whenever possible. Members take a non-partisan approach to their work on the Committee.

Before we start the review of matters under consideration, we're going to proceed with introductions of our Committee members, followed by the Auditor General and officials from her office and then the witnesses appearing.

So you do have to wave before you speak and then your light will come on when you're on the record. There's no video record today. It's just an audio record. There will be a transcript of the House proceedings today. So that's me.

I will pass it over to the MHA for Fogo Island - Cape Freels.

J. MCKENNA: I'm Jim McKenna, MHA for Fogo Island - Cape Freels.

S. O'LEARY: Sheilagh O'Leary, MHA for St. John's East - Quidi Vidi.

Welcome.

B. DAVIS: Bernie Davis, MHA for the beautiful District of Virginia Waters - Pleasantville. I'm happy to be here today with my friends from Memorial University.

J. POWER: Joe Power, MHA for Labrador West.

H. CORMIER: Hal Cormier from the beautiful, scenic, gorgeous, mountainous District of St. George's – Humber where the colours are starting to change right now, so I encourage you guys from Memorial University to come out to Grenfell in another couple of weeks when the valley will be the gold and golden browns and reds.

Anyway, welcome.

D. HANRAHAN: Denise Hanrahan, Auditor General of Newfoundland and Labrador.

B. BROWN: Brad Brown, Assistant Auditor General.

A. MARTIN: Adam Martin, Audit Principal.

J. ROBERTS: Jillian Roberts, Assistant Auditor General.

A. LIPPA: Adam Lipa, Audit Principal.

L. HANN: Lynette Hann, Audit Principal.

J. NUGENT: Jessica Nugent, Assistant Auditor General.

J. HOOD: Jillian Hood, Communications.

J. MORRISON: Good morning, I'm Janet Morrison. I'm the President and Vice-Chancellor of Memorial University.

A. HORTON: Good morning, I'm Alison Horton, Vice-President of Finance and Administration at Memorial.

R. LUTHER: Good morning, I'm Rayna Luther, Associate Vice-President, Facilities with Memorial.

S. HILL: Scott Hill, Director of Operations and Maintenance with Memorial.

CHAIR: Thank you very much.

I will now outline how the hearing will proceed as well as some reminders for witnesses. Then I'll call the Clerk to swear or affirm our witnesses.

Firstly, witnesses are reminded that this is a public meeting and your testimony here today will be part of the public record. Witnesses appearing before a Standing Committee of the House of Assembly are entitled to the same rights granted to Members respecting parliamentary privilege. Witnesses may speak freely and what you say in this parliamentary proceeding may not be used against you in civil proceedings.

Live audio will be streamed on the House of Assembly website and social media channels. An archived version will be available following the hearing and *Hansard* will also be available once finalized.

As I mentioned before, when called upon to speak, you raise your hand then the light comes on and then you identify yourself by saying your name before speaking. It's a bit clumsy but you get used to it.

First, I'll invite Dr. Morrison, the President and Vice-Chancellor of Memorial University, to make any opening remarks – oh, sorry. I didn't realize. I'm sorry.

Then we are going to ask questions in 10-minute periods and then the rounds will continue until we have asked our questions.

Now we have to swear in first. Sorry, I jumped ahead of myself.

J. MORRISON: No problem.

CHAIR: So now I ask the Clerk to administer the oath/affirmations to the witnesses, please.

Swearing of Witnesses

Ms. Janet Morrison
Ms. Alison Horton
Ms. Rayna Luther
Mr. Scott Hill

CHAIR: Thank you.

Now I call on Dr. Morrison for any opening remarks that you'd like to bring.

J. MORRISON: Thank you very much, Chair and Members of the Committee, for the opportunity to appear before you today.

I can't speak to history but I'm very clear on my accountability to the citizens of Newfoundland and Labrador, and so appearing today seems appropriate and, in fact, important. I'm equally clear on my

accountability across all of Memorial's campuses, the province in totality and pleased to report that I was in Corner Brook earlier in the semester and I'll be back there Monday.

I'm joined today, further to the introductions, by Alison Horton, Vice-President, Finance and Administration; Rayna Luther, Associate Vice-President, Facilities; and my colleague, Scott Hill, Director of Operations and Maintenance in Facilities Management, who are here to assist in answering the Committee's questions.

Memorial University takes its responsibility as a steward of taxpayer and tuition revenue, and university assets, very seriously. Accountability and continuous improvement are essential to maintaining the trust placed in us by students, by employees, by government partners and by the people of Newfoundland and Labrador.

As the province's only university, Memorial operates a complex physical and digital infrastructure portfolio that supports teaching, learning, research, student life and community service across multiple campuses and locations. Our facilities range from classrooms, laboratories, residences and libraries to specialized research and training environments all supported by critical digital services. Managing a portfolio of this size and complexity requires strong governance, careful planning and disciplined stewardship. Managing these assets effectively is essential to fulfilling Memorial's mission and delivering value to the people of Newfoundland and Labrador.

Memorial belongs to the people of this province. In that context, we welcome scrutiny that helps ensure we are meeting our responsibilities as stewards of the resources entrusted to us. This is the lens of accountability through which we have viewed the work of the Auditor General.

Specifically, the OAG has identified areas where we can strengthen our practices,

sharpen our focus and make meaningful improvements across the institution.

The Facilities Management audit, as you'll all appreciate, examined the period from January 2022 to March 2024 and was received by the university in early 2025. The report identified opportunities to strengthen governance, oversight planning, space management and deferred maintenance practices. Memorial accepted all of the recommendations and committed to specific actions.

This morning, we welcome the opportunity to discuss both the progress that has been made and our plan to complete the work that remains outstanding. The AG identified nine recommendations and 56 associated implementation tasks. In the 18 months since the report was released, more than 80 per cent of these items have been completed or are actively under way. The work that remains is concentrated in a small number of areas where foundational systems and processes must first be established. Chief among these, for example, is the implementation of a modern space management system.

Since the audit was released, we've taken significant steps to strengthen how Memorial plans for, invests in and manages its infrastructure portfolio. We've enhanced governance and board oversight. We've updated key policies and procedures and advanced a long-term infrastructure renewal plan supported by the province's investment of \$70 million over eight years. Together, these actions are helping build a more accountable, transparent and sustainable approach to managing Memorial's facilities and infrastructure.

Like many, if not most, universities across Canada, Memorial faces significant deferred maintenance challenges. These challenges have developed over decades and are influenced by the age, the scale and the complexity of our infrastructure. While they cannot be immediately resolved, they can

be managed through ongoing investment, risk-based prioritization, long-term planning and strong stewardship. We are committed to following sector-best practices to address deferred maintenance across our campuses responsibly and sustainably.

It's worth noting that all of this work happened and continues to happen in the context of global supply chain disruptions, construction industry shortages of materials and personnel and increasing costs, challenges not unique to Memorial or to Newfoundland and Labrador.

The Auditor General's report challenged us to improve specific processes and strengthen how infrastructure is managed across our institution. We have approached that challenge by working to build a culture that places greater emphasis on accountability, oversight, planning, risk management and stewardship. The reforms we've implemented are intended to embed those principles in how decisions are made across the university for the long term.

I would now like to invite my colleague, Rayna Luther, to offer brief remarks. Through her work at both Grenfell campus and the St. John's campus, Rayna has first-hand experience with the opportunities and challenges of managing facilities across Memorial's diverse portfolio. Her perspective reflects the realities of infrastructure stewardship in different campus contexts across the province.

Rayna.

R. LUTHER: Thank you, President Morrison, and thank you, Chair and Members of the Committee.

As President Morrison noted, my experience at both Grenfell campus and St. John's campus has given me a broad perspective on the complexity of managing infrastructure across a diverse, multi-campus university. While each campus has its unique needs, the common challenge is

ensuring safe, reliable and sustainable facilities that support teaching, research, a positive student experience and service to the people of Newfoundland and Labrador.

Facilities Management is responsible for approximately 113 buildings and 5.3 million square feet of infrastructure. Our large, diverse team includes administrators, custodians, campus enforcement officers, skilled trades, project technologists, engineers, accountants and an architect. Together, this team supports the operation and maintenance of our facilities, the delivery of capital and deferred maintenance projects, sustainability initiatives, protective services and the financial and administrative functions that support this work.

Our responsibilities extend beyond the university. Through a shared services agreement, Memorial provides critical utility services to Newfoundland and Labrador Health Services at the Health Sciences Centre. This includes regular and emergency power, high-temperature hot water, domestic water, chilled water and steam for sterilization.

Facilities Management in a university environment is inherently complex. We are, essentially, a city within a city. Projects must be completed in compliance with the *Public Procurement Act* and increasingly rigorous health and safety requirements. Work often takes place in occupied academic buildings, student spaces, residences, research laboratories containing specialized equipment and facilities that support critical health care operations. Our work is also impacted by external factors such as consultant availability, labour shortages in skilled trades, long lead times for materials and climate change, including the frequency and intensity of weather events.

Since receiving this audit in January 2025, Facilities Management has been working diligently to advance core audit recommendations. I am pleased with the

progress made and the quality of the fundamental work completed which has focused on strengthening the systems and processes required to support our core functions.

A risk-based deferred maintenance program has been created with oversight from the Board of Regents. New space management software has been purchased. A new fleet program has been implemented. A draft strategic plan for facilities management has been created, noting this audit as an opportunity for improvement.

Key performance indicators have been identified, benchmarked and measured against. A facilities maintenance plan has been drafted, governance and oversight mechanisms have also been strengthened through enhanced monitoring, reporting and accountability processes.

These initiatives are helping build a stronger foundation for long-term planning and asset stewardship. We have made meaningful progress and we remain committed to the continued implementation of the Auditor General's recommendations and to the responsible management of Memorial's facilities and infrastructure.

Thank you for the opportunity to discuss the progress made by our team.

CHAIR: Thank you very much, everyone.

I'll now recognize the Member for Fogo Island - Cape Freels. We have 10-minute question blocks and we'll go across this way and then we'll go to the back here.

I'll pass it over to the Member.

Thank you very much.

J. MCKENNA: Thank you, Chair.

I guess my first question is on the facilities management strategy. You note that it remains partially implemented. Can you

advise what work has been completed to date and if you will reach full implementation by the Auditor General's fall 2028 deadline?

J. MORRISON: I just say, across the board, I'm going to start in response and then the folks that are actually doing the work are going to provide an added level of detail.

I think across the areas identified and highlighted by the audit, we're here today to report measurable progress, clearer accountability and improved oversight and our commitment is to implement, as feasible, all of the recommendations. We accepted them, we intend to implement them and I hope what the Committee hears today is not just a commitment to do that, but demonstrable progress.

I'll ask Rayna to be specific on that front.

R. LUTHER: Thank you.

As part of the facilities management strategy, we've done a number of items to move this recommendation forward. We've updated the replacement values for our infrastructure, that align now with the insurer values. Our preventative maintenance is logged and scheduled in software. This is based on manufacturer recommendations, regulatory and code requirements.

The guidance related to the timing of infrastructure projects is managed and approved by the Board of Regents. We have plans for maintenance past due and critical, which I'll speak about when we talk about the deferred maintenance program.

We have a KPI created that measures the maintenance work and our asset condition changes are recorded in a software program with a detailed log of any changes that have been made by the consultant. We also have a KPI created to measure emergency repairs versus preventative maintenance, so the preventative versus the reactive maintenance.

We have created a formal action plan for deferred maintenance, two plans for this for the campus renewal fee that we manage and for the \$70 million, the program that we've implemented for facilities management and for deferred maintenance.

We've also drafted a facilities maintenance plan, working with documents that have been created from our colleagues across the country, we've adopted that and implemented into that day-to-day management of our deferred maintenance.

J. MCKENNA: Thank you.

My next question is space management system. You note that it remains partially implemented. Can you advise what work has been completed to date and if you will reach full implementation by the Auditor General's fall 2028 deadline?

J. MORRISON: Again, I'll just reiterate our commitment to ensure full responsiveness by the deadline. I'll ask Rayna to provide an update, but I appreciate the way the question is framed because as with most complex change and particularly technology adoption projects, the work has been incremental. It's in progress.

Can you just provide us with some details, Rayna, about where we're at and what we've done and what remains outstanding?

R. LUTHER: Sure.

The Board of Regents did approve funding for the purchase of space management software. We have purchased that software and we are working with the supplier now to install that software. Once we install it, we'll be able to continue building up on that and work on those recommendations that President Morrison referred to that need this fundamental step in order to proceed with those.

J. MCKENNA: My next question is on space information accuracy. You note that

you have taken no action. Can you advise of any work that has been completed to date and if you will reach full implementation by the Auditor General's fall, 2028 deadline?

J. MORRISON: Again, we anticipate further corrective action prior to the deadline. There certainly has been work done in this particular area and I would note and perhaps call on Vice-President Horton to speak about the work that has been done, particularly in the context of our new budget modelling.

So, Alison, can you just provide some detail on what's been done?

A. HORTON: Yes, as the audit referenced, the opportunity for transparent information to guide decision-making, it's something that we take very seriously. That is reflected in the new budget model that we are actively developing right now. We are about a year into planning and about to start implementation.

The focus of that budget model is on improving transparency and oversight and accountability. It shifts from a focus on incremental budgeting or historical allocations to connecting how we budget to activities and costs and, again, accountability.

It allows us to understand the full cost of operations, which is important given that facilities and infrastructure are a critical cost driver but also a key resource and an asset that we have at the university.

J. MCKENNA: Thank you.

That's all of my questions right now.

S. O'LEARY: Welcome again. It's a pleasure to have you here to answer some of the questions.

I'm just going to begin with a few things here. I guess, in a general sense, does

Memorial now have a clear picture of its condition index? Does it have a clear picture, understanding that there's a lot of technology that's being used now to catch up with the new president and new Board of Regents? Is there a clear picture now as was outlined the Auditor General's report?

I'm just wondering if you can give me some more specifics.

J. MORRISON: I can say with confidence that we have a better picture of our circumstances broadly.

I can speak specifically to my 14 months of experience. This has been an ongoing process to understand Memorial's circumstances and to contemplate the path forward. The university, like every university I'm familiar with in the country, is navigating tremendous disruption and uncertainty at the moment. Much of that is being driven by enrolment and the enrolment conundrum facing Canadian colleges and universities is a function primarily of three things.

The first is the demographic profile of the country, particularly in the burgeoning 18- to 24-year-old category. It is a function of just tremendously increased competition in the higher education space. The third piece of that puzzle is dramatic and perhaps poorly communicated changes to immigration policy.

Enrolment fundamentally drives everything about a university, its size, its scale, its financial circumstance. The disruption in that space is critically important to our current state and to our future. That obviously impacts infrastructure. Memorial has a tremendous investment in capital and physical infrastructure, digital infrastructure as well, but understanding our enrolment trajectory, I'm sure nobody is naive to our public statements that enrolment is down 2,000 students since 2021.

In the absence of intervention, which, of course, we are deeply vested in, the

forecasting alone would suggest we're going to be down another 12 per cent by 2030. So everything we do is impacted by that reality. It's why enrolment and enrolment recovery is amongst our top priorities.

I'm confident we have a much better handle on our current circumstances. I would not want to suggest, with due respect, that they're any less complex.

S. O'LEARY: Thank you.

That was a nice overarching kind of perspective to have.

I have a couple of questions here. Of course, understanding human resources is also one of education's strongest assets and, recently the university has eliminated, either laid off or through attrition, 105 jobs. We're just wondering if that money is being planned to use for deferred maintenance? Is that going to be a part of this equation?

J. MORRISON: Broadly, and again I assume people are quite conversant with the communications that we've issued in this space, and certainly I hope people recognize the transparency and the timeliness of the communications we've been committed to over the course of the last 14 months, but that contraction was in fact tied to our commitments on the operating budget for the 2026-2027 fiscal year.

I will ask Rayna, who can defer to Alison, if she'd like, to talk about how we are now budgeting for deferred maintenance.

I think it's important to note, we have specific and dedicated funding on deferred maintenance that is supplemented by operational dollars, which I think was rightly observed as a gap a couple of years ago, but I want to be very clear that those contractions in FTE on the employee side, first of all, were done with all intention to minimize the impact on colleagues but also

to meet our budget obligations in the context of the university contracting. Again, our revenue is tied to enrolment, so those would be on the operating side.

Rayna, do you want to speak to deferred maintenance and funding broadly?

R. LUTHER: Sure.

Deferred maintenance at Memorial is funded through two main streams; one being the campus renewal fee, which has been supplemented by the provincial government budget. That equates to about \$7.8 million a year that we put towards deferred maintenance.

The second funding stream is the \$70 million, eight-year plan that was announced in the previous government budget. That equates to about \$8.8 million over that eight-year period. Together, those combined, we used to budget for and allocate projects to our deferred maintenance.

S. O'LEARY: Okay. Thank you.

Again, talking about demographics, of course, we know that enrolment is a challenge and, of course, Newfoundland and Labrador has an aging population and significant labour shortages in professions trained at Memorial.

Have you asked the government for an increased funding to support the university's upkeep so these job cuts are not necessarily the answer?

J. MORRISON: So, first off, I want to distinguish between, again, the contraction exercise and our deferred maintenance. I certainly appreciate, at the end of the day, that it's all a consequence of funding.

For me, those are two equally challenging but distinct realities. We remain in very close conversation with the government about our current reality, about our current

enrolment state, but also our forecasted challenges. We're also in conversation with the government about labour market demand, particularly in the context of Newfoundland and Labrador's planned major infrastructure projects. Those conversations are ongoing and with direct relevance, I think, to the conversation we're having this morning.

I'm sure you can all appreciate that there are space implications for that. We need very different space to educate engineers or professionals in marine industries than we do to educate, for example, the incredible graduates from music or from folklore or from English. All of those learners are equally valued and, we expect, contribute equally, economically, culturally and socially to the province, but the space demands are very different.

As the enrolment trajectory shifts, both in numbers and in areas of programmatic interest, we have some challenges on the facility side where foresight, accountability, process and policy will be necessary.

S. O'LEARY: Thank you.

Certainly, as an older, mature student returning to university and getting a master's only in recent years, it's an interesting equation to see in the fine arts on Grenfell campus.

I'll just switch gears a little bit here with the limited amount of time I have left now. There was a good reference, obviously, to climate change, which I was very pleased to hear about. Obviously, a climate action plan is an absolute these days in regard to infrastructure and the impacts. I know, certainly, from my former municipal role and certainly here as an advocate and pushing our government to create a solid climate-action plan.

What do you have in store for climate action plans so that we can ensure that we have

our infrastructure protected going forward for the university?

Thank you.

J. MORRISON: Thank you.

I'm going to pass that to Rayna.

I will say, as someone from away, I never go anywhere where we don't talk about the weather here, so I'm somewhat comforted that it came up this morning, but I'll ask Rayna to comment.

Clearly, in the context of infrastructure, we have challenges around the elements and, as is being experienced all across the country and around the globe those, challenges are becoming more apparent and more significant every day.

Rayna, do you want to comment on that?

R. LUTHER: Sure.

We're actually working with our colleagues in the provincial government and Newfoundland Power, just to name a few, in terms of the climate change and our responsibilities to adapting to these changes. The challenges we're experiencing aren't unique to Memorial, so we learn and share with our colleagues to build upon that.

I actually spoke recently at an asset management conference where we spoke about the challenges of climate change and how it's impacting the way we do business. Our consultants, obviously, stay very up to date on code changes and things that we need to design for. It's not simply just replacing like for like anymore when something fails; we have to incorporate the resilience and changes needed going forward as we plan and prepare to make sure that we can sustain the frequent and intense storms that we've been seeing.

S. O'LEARY: Thank you.

B. DAVIS: Thank you all for coming.

It's always nice to see the president come to these things and show the value that the PAC has with each department and agency that we do have.

I may not get to all my questions now, but in the second round I probably will. A couple of them are quick and if you don't have them, that's fine, just let me know and we'll see if we can get that information.

How much leasing space do you currently have?

R. LUTHER: We have approximately 19 leases in place currently. That's a combination of space and land that we lease in various locations. Actual space, it sits around 75,000 square feet at the moment. That doesn't include accommodations across the province that fluctuates for medical student accommodations.

B. DAVIS: Thank you.

It's amazing when you hear earlier in your remarks 113 buildings and I think you said 1.3 million square feet of space. That's amazing.

Based on that information, it sort of slanted my question a little bit. If we've got that much space, have we done a good look at that now? Because I know in the report there was vacant space that could have been used, that I guess there were different silos that were existing that allowed leasing to happen when space at Memorial could have been utilized and done. Is that something that's being considered now on a go-forward basis?

J. MORRISON: Thank you for that question.

We are not entering into new leases, save for the medical space, where I assume, please ask, if there isn't clarity about that. But our commitment to ensure that we have

med students available all across the campus, I'll parcel that out for folks. I will say the level of scrutiny around leases has increased significantly, happy to speak specifically about what that looks like, but the Board of Regents are actively involved in those reviews and contemplation ultimately at the governance level.

We have, again, some challenges in the context of declining enrolment and an existing footprint that has not grown since but that has to be, I think, continually re-evaluated and assessed. I think there are opportunities based on experiences elsewhere to use space in new and different ways, but I don't think any of us would, for a second, suggest that all of our space is being optimized at this moment. Again, down 2,000 students since 2021, on the back end of COVID and changes in learner behaviour, particularly around the desire and demand for hybrid and online learning, we have to be responsive to that.

First and foremost in that exercise is a heightened level of accountability and oversight, and we hope you're seeing demonstrated progress on those fronts. Memorial is investing in a strategic planning exercise and central to those conversations must be our footprint, our obligations as a community anchor and a contributor, and I think space can play a big role in that conversation.

B. DAVIS: Thank you, Dr. Morrison.

You mentioned utilization then and that sort of leads into another question that I had based on labs and classrooms. I noticed in the AG's report that there seemed to be low utilization of those. It was a bit surprising to me, considering that wasn't known to the public until this result. Was that known to the university at the time and is that one of the consequences of the silos where each department were creating?

J. MORRISON: I can't speak to what people knew or didn't know at the time of the audit.

I think we certainly acknowledge that, as a consequence of the audit, we are obligated to respond in that space.

What you're hearing today, I hope, is a pan-university, one Memorial approach to oversight, policies, procedures, governance – very clear that Facilities Management and other functions span Memorial, all of its campuses, all of its activities. That is a renewed commitment to, again, a pan-university approach on all of those fronts.

On academic space utilization, in particular, I'll ask Rayna to comment but, again, this is not unrelated to Memorial's enrolment challenges, both a decrease in the number of students but also changing patterns in enrolment requiring different types of space and, in some instances, very specialized space, particularly at the graduate level in a building, for example, like Core Science which was built for specialized teaching and specialized research.

Rayna, can I ask you to just give some details on the academic space?

R. LUTHER: Sure.

As I referenced earlier, this is part of that fundamental work that we're doing to be able to build on the recommendations in the audit. A main step that the Registrar's office at Memorial has taken is to ensure the quality of that data. They've done great work in increasing the amount of academic units that are actually using Infosilem, which is the software to be able to track the utilization.

They also are working on academic scheduling guidelines, which they're aiming for next fall to be able to implement those. That is also going to work on assigning classrooms to specific spaces and slots which will impact the utilization.

It's also really important to understand that Memorial has classroom spaces which are fairly generic but also very specialized

teaching and learning spaces, so the utilization can't be compared across the board. There are some areas where 100 per cent utilization just wouldn't be realistic just in the nature of those labs, so we have to benchmark those accordingly to be able to measure against those in the future.

B. DAVIS: Thank you, Ms. Luther.

I don't think anyone on this side would think that 100 per cent would be where you need to get to. I think there has got to be some benchmarks across the country. I think the Auditor General has looked into those and it seemed to be somewhere around 60, 70 per cent, maybe, when we get there – I know we're going to try to get there and this is not all negative today. This is just more so delving in to see what progress has been made.

One of the things and sitting on this side of the House years ago when the new Core Science Building was built as a replacement for the old Science Building – and that never seemed to fruition because I still see the old Science Building there being utilized.

Do you want to speak to that for a quick second just to see what the next plans are for this?

J. MORRISON: Yes.

The Core Science building was built for specific teaching and research purposes. At the time, this was the building that was determined to be necessary and responsive to enrolment student and research priorities.

I would say much has changed since that planning was undertaken. Again, I know I keep coming back to this but enrolment patterns, in particular, have changed dramatically since the original planning for that building.

It was never the intention to entirely substitute what was happening in the old Science Building, but like many other

projects at Memorial, part of the challenge in relocating some of the outstanding occupants of that building is cost and the suitability of space.

Rayna, do you have some specifics? Is there anything else to add on that front?

R. LUTHER: Some units did move out of the Science Building into the Core Science Facility when it opened. There are several units that are still operating in the Science Building today. There is a plan, some fully designed, to move those occupants such as geography, humanity, social sciences, psychology, but they are still operating out of that building until funding is available to be able to implement that plan and move those occupants out of that building.

If we're successful in moving the occupants, the demolition of the Science Building would proceed then.

B. DAVIS: Thank you.

I'll squeeze a quick one in, sorry to my colleagues for that.

You mentioned a plan for deferred maintenance and the liability. I just wanted, as of today or recent time, what is the deferred maintenance liability and has the university achieved any reductions since the audit has been put in place? I think there's some positive stuff that we talked about here, so I think it's important for the public to hear.

J. MORRISON: Thank you very much.

I'd start with two pieces and Rayna, Alison or Scott can chime in. The first piece of the puzzle is the heightened level of governance accountability and oversight on deferred maintenance. You heard my colleague Rayna talk about enhanced processes on deferred maintenance: dedicated funding sources, again from the campus renewal fee, but also from government; renewed investment and a

long-term plan for addressing the deferred maintenance backlog.

I will say long-term planning is challenging in an environment where Memorial lives year to year. We don't have long-term funding commitments. We live fiscal to fiscal with uncertainty in that space. So we continue to talk to the government about the consequences of that, particularly – I was very pleased with the outcome of this. We can always use more, but when funding is announced into the fiscal, there are planning challenges associated with that approach.

I think on the funding side, more accountable, heightened oversight but I'll also draw Members' attention to some of the very difficult decisions that Memorial has made over the course of the last year around the divestment of real estate deemed not to be closely aligned with the university's academic mission.

So those were very, very difficult decisions but the decision, again, to divest of property specifically in all of these instances are different and being managed differently and carefully. The decision to divest of the Harlow Campus, of the Signal Hill campus, of the Geo Centre and of the Ingstad Building, all of those over time with that divestment action will decrease the university's current and, more importantly, long-term deferred maintenance liability.

Is there anything else to add, colleagues?

R. LUTHER: So we do measure and a common term that you'll hear is facility condition index, and that's a ratio of the deferred maintenance that's outstanding versus the total replacement of the buildings. Memorial has reduced the facility condition index from the audit period to now, and that's a combination of the work that we're doing and the asset replacement values being adjusted. We're currently at around 25 per cent.

There's a lot I could say about deferred maintenance. As spoken, our oversight processes have changed significantly since the audit and we have excellent data to show all assets and the conditions of all assets in all of our facilities and that's all documented.

J. POWER: Welcome.

You said earlier that enrolment was down 2,000 students. It seems like a lot and you said you had a recovery plan. I was just wondering if you could give the general public some reasons why the enrolment is down and what your recovery plan looks like.

J. MORRISON: Thank you for that question. I'm happy to talk about enrolment because I actually think it's not just one of Memorial's top priorities, I think it has to be one of the province's top priorities.

I very much view Memorial as a magnet for talent; for economic, cultural and social growth, development and renewal in the province. It has for a hundred years served as an important magnet for that talent, but also as a delivery agent for the next generation of leaders in this province, again, across all industries and community partnerships. The challenges on enrolment, again, are not unique to Memorial. I want to be very clear about that because I'm not sure that that conversation has been public enough, but I think we're feeling some impacts more acutely.

The first piece of that puzzle, frankly, is the demographic profile of the province. I don't need to tell representatives about the challenges that that poses. Memorial. I'm very pleased to report an increase in first-year enrolment this fall and next fall. I'm going to distinguish very carefully between first-year enrolment and total enrolment. Total enrolment is still down, but first-year enrolment is up nominally. This is a consequence of a bump that is, we understand, largely driven by new

Canadians and their children graduating from Grade 12.

As I think everybody in Newfoundland and Labrador would expect, Memorial has worked very hard to capitalize on that and to register as many of those students as possible; because, we know when students study at Memorial, they stay in Newfoundland and Labrador. So we saw a positive bump in new student enrolment this fall. We're anticipating and hoping for a similar bump next year, but total enrolment continues to decline. That's a consequence of five years of progressively fewer students choosing Memorial.

That's the first piece of it: demographics. The second piece of it is unprecedented – I've been working in the post-secondary space for 40 years, never has competition between domestic universities been higher. That's a consequence of every province and territory wanting to keep their own talent. We have to compete more successfully in that space, and so we're working to understand what the value proposition is for learners. That is about cost, which we compete very successfully on, but it's also a commentary on the value proposition post graduation. Where is there income security? Where is there job security?

The third piece of that puzzle is the changing immigration environment. I met with the federal minister of Immigration, Refugees and Citizenship yesterday, again, to talk about the unique circumstances, not just of the Atlantic region, but, frankly, of Newfoundland and Labrador. I would ask every representative from our province to continue the advocacy for a carve-out for Atlantic Canada and, specifically, for Newfoundland and Labrador.

If I forecast six, seven years down the way, Memorial can deliver the social, cultural and economic talent that this province needs, but we need to plan for that now. The absence of foresight, I fear, is going to be significantly detrimental to the commitments

that we've made and the energy and enthusiasm across the province that some of those projects have generated.

J. POWER: Okay. Thank you.

Next question, are there any critical maintenance projects existing today that are being delayed beyond the recommended timelines? How do you decide what to defer versus what to proceed with?

J. MORRISON: Good questions. Two questions there, the first is are there – I might not use the word "critical," I would maybe use "urgent projects" that are being delayed or are on hold. The answer to that is yes. I'll ask my colleague, Rayna, to give some examples.

Your second question is about how we decide what to do first. I'll ask Rayna to just elaborate on our risk-based approach, which was, I think, absent previously and has now become fundamental to our culture and our practice.

Rayna?

R. LUTHER: One of the key changes that we made in the new process of managing deferred maintenance going forward was that risk-based approach that the president just referred to.

We have strict criteria for projects to meet that first criteria level to be considered under the program. If they meet that initial intake, we have a working group that assesses based on risk. We evaluate each project and we prioritize based on the severity and the impact that that project could have.

So instead of looking at priority on a timeline, some things could be past due based on when they should be replaced but we've switched that thinking to look at a risk-based approach, we're prioritizing projects that have the potential for the largest impact to the university community if

they were to fail. That's a big change that we've seen in our new approach going forward.

J. POWER: Thank you.

Do you believe you have reliable information and data to make informed management decisions given the audit highlighted the unreliability of information?

J. MORRISON: So the question is, do we believe we have reliable information to make good, informed, safe and accountable decisions?

J. POWER: Yes.

J. MORRISON: I believe we are in a far better spot than we were 18 months ago, and I appreciate the value of the Auditor General's findings to spur the continuous improvement that I hope you're seeing evidence of today.

J. POWER: Thank you.

Are you leasing any spaces outside of MUN's footprint, and how much space are you renting outside MUN's facilities?

J. MORRISON: I can ask Rayna to reiterate our commitments on number and square footage of leases, but I will just note, again, yes, we do lease property off MUN's campuses. The example I would note for folks relates to medical education, particularly in rural, remote Northern communities where our commitment is to ensure access to medical learners in those spaces.

Rayna, do you just want to reiterate the numbers on leases, please?

R. LUTHER: So we do lease space and land in off-site, off-campus locations. We have about 19 of those leases right now and total building space is in the vicinity of about 70,000 to 75,000 square feet.

J. POWER: Thank you.

Is the current science building being fully utilized for academic purposes and services to students?

J. MORRISON: The short answer is no.

As Rayna has referenced, there are a number of units and departments that have moved out of that building into the new Core Science building. There are a number of moves that are pending funding to move colleagues and programs. All of this is a function of resource. The moves are a function of resource. The planned demolition of the building is a function of resources.

Do you want to talk about where we're at, Rayna, and what the kind of medium plan is?

R. LUTHER: The science building is approximately 60 per cent occupied at the moment. It is occupied by units that we have a plan to move. In some cases, we have areas designed and we're ready to go to tender on some of those areas, but it's pending funding.

So the main focus would be the geography department, the psychology department and humanities and social sciences. We would need to move them to a dedicated space and then, once that building is vacated, we would then proceed to demolish. The plan would be three wings of the four, because we would have to maintain some critical services that are in that remaining wing.

J. POWER: Thank you.

That's it for me now. I'll pass it over to my colleague here.

H. CORMIER: Good morning.

I apologize in advance if some of these questions may seem repetitive as a lot of the answers given this morning so far have

answered other questions. So I'll apologize in advance if I seem repetitive.

Have you reviewed what the Campus Renewal Fee has been used for since the audit? Has the university informed students on that spending?

J. MORRISON: Thank you very much because I don't actually think we have focused on that piece of the puzzle. Again, this is an area where I think you'll observe a heightened level of accountability and reporting. I think this is a great example of our demonstrated commitment to transparency and communication.

So excellent, I think, updates in terms of process, but also in terms of the transparency with which people know how we are expending public resources.

Rayna, do you want to give specifics on the approvals process and how information is now publicly available?

R. LUTHER: Sure.

An overview of the oversight that's now in place for deferred maintenance at Memorial, I'll give a little bit of a timeline.

December 2024, the Board of Regents approved a new process and the risk-based evaluation criteria that I referred to earlier. In January 2025, a new oversight committee was established, with co-chairs being myself and the chief information officer, terms of reference is created for that and agendas and meeting minutes for each of those meetings.

In March 2025, the Board of Regents approved the 2025-26 Campus Renewal Fee physical and digital project allocation, which was about \$7.8 million, and that was recommended based on the risk-based approach that was used to create that list.

In December 2025, the Board of Regents approved the \$70-million eight-year

deferred maintenance program that was presented to them, and that was developed using eight guiding principles for the university. Updates for that program are provided at each Board of Regents meeting through a capital projects report.

In February 2026, the Board of Regents approved the 2026-2027 campus renewal fee physical digital project allocation, so another \$7.8 million dedicated to deferred maintenance. In June of this year, a status report on the projects funded in the '25-'26 fiscal year was reported to the Board of Regents to update them on the status of that work that was completed.

Both the 2025-26 and the 2026-27 campus renewal fee programs are listed on Memorial's website in full transparency so that students, members of the public, anyone that wants to look, can see what has been approved under both of those programs.

H. CORMIER: Thank you. In answering those questions, you've answered some more for me. So thank you very much for that.

I'll cut right to the chase. Will the university reimburse the fund for expenditures that could be considered inconsistent with its intended purpose?

J. MORRISON: Is the question specifically around the campus renewal fund?

H. CORMIER: Yes.

J. MORRISON: I would just offer, you know, the pan-university Campus Renewal Committee that was established is very clear on the specific purpose of those funds with enhanced policies, processes and criteria. I am confident that the renewed approach aligns with the fund's intended purpose and would just further suggest that the transparency with which funded projects are communicated, both internally and then

publicly, is yet another mechanism for accountability in that space.

H. CORMIER: Thank you.

I'm switching gears. In the audit report, it was noted that there was like a \$481-million backlog of deferred maintenance. Coming from an industry that did a lot of deferred maintenance that put employees, staff and visitors at risk, what is the current deferred maintenance liability with Memorial now?

J. MORRISON: Thank you.

I'll ask Rayna to go back over the numbers.

Just a couple of points. The first is that we have transitioned to a risk-based approach because, consistent with your comments, obviously, the health, the well-being and the safety of our communities, including our internal community, visitors, users of our campus, is of utmost concern and priority. So the risk-based approach off the top and then the mitigation strategies on deferred maintenance, both the work that has been done, that is scheduled with longer term planning under way. Then to the numbers, which I'll get my colleague to speak to, the initiatives over the last year that have served to bring both the index but also the deferred maintenance liability down.

Rayna, do you want to go over those numbers again for Members?

R. LUTHER: Sure.

Memorial currently sits at approximately 25 per cent for the facility condition index, with a deferred maintenance liability of approximately \$570 million. I will just speak for a moment about work with CAUBO – if people are familiar with that the Canadian Association for University Business Officers. They've done a lot of work in the deferred maintenance area. They have issued a number of reports over the years, the last being in 2019, where they stated the values

of deferred maintenance across Canadian universities.

Deferred maintenance isn't unique to Memorial. Our colleagues across the country also experience challenges associated with that. That association is currently working on updating the numbers and being able to have a centralized approach for the universities across Canada. I am sitting on that committee.

H. CORMIER: Thank you.

I'll finish up. Before requesting additional provincial funding, what evidence can Memorial provide that has addressed the deficiencies in planning, oversight and maintenance prioritization?

J. MORRISON: I hope we have effectively communicated that the governance and oversight are demonstrably stronger today. Happy to have Ms. Luther review some of the tactical changes again and policy in practice in measurement.

There are concrete, verifiable corrective actions that either have been taken or are committed to over the outstanding balance of the audit period. I hope, perhaps, most fundamentally what the Committee is hearing today is a commitment from Memorial's leadership to continue building a culture of accountability and transparency across all of our operations, noting the fundamental importance of facilities.

Would you like us to list some of those examples again? We'd be happy to do that. We're very proud of the work that's happened. So we'd be happy to do that if that's a good use of time.

H. CORMIER: I would love to hear a few examples. Sure.

J. MORRISON: Okay.

H. CORMIER: I like what I'm hearing here this morning. I like how Memorial has come

in with an open mind and a progress of what the audit has produced. So I would like to hear a couple of examples and we can move forward from there.

J. MORRISON: Rayna.

R. LUTHER: Sure.

So deferred maintenance work sometimes ranges from very specific replacements, for example, of an air handling unit. It can also be represented in larger projects that do a number of deferred maintenance projects all in one. An example of some of this, we demolished Coughlan College this year. By demolishing Coughlan College, we reduced approximately \$8.4 million of deferred maintenance liability that the university carried with that facility.

So that's the example of a larger project that had a big impact on our deferred maintenance. We waterproofed approximately 500 metres of tunnels across the university. We've completed structural repairs to utility tunnels that carry very critical infrastructure for both Memorial and the Health Sciences complex. We've started the construction of a new data centre. We've completed conditioned assessments on all elevators on campus to help us prioritize that work going forward as it relates to the \$70-million deferred maintenance program over the next eight years.

We've completed arc flash studies, which is deferred maintenance, as well as it has big safety impacts, and we've completed corrective work on that arc flash initiative in the main data centre at the university.

We've also done a number of roof replacements and repairs across the university, as well as heat pump replacements, air handling units and, as mentioned, in full transparency, we've listed the deferred maintenance program components on our website.

H. CORMIER: My time has expired.

CHAIR: Thank you very much.

I'll also mention – I did mention this earlier – there are bathrooms in the hallway behind you if anyone needs to dip out. We do have another hearing this morning before lunch. So after I speak, we'll go around and see if anyone else has any other questions.

The most burning one for me, as I've been involved with Memorial in various capacities since being an undergraduate student and there's always a tension between academic freedom or how it's put to a non-academic person, like myself. I know a school or a department or a faculty member will get research money and they can spend it as they wish, and that causes a lot of IT technical debt or maybe infrastructure technical debt. That may not be the right term.

I was an elected member on the Board of Regents and it seems to have a significant negative impact on the ability to officially and effectively manage the resources of the university, maybe rightfully or wrongfully.

I'm just wondering if I can get your thoughts on that in terms of this audit report. Can the needle be moved and should it be moved? I just welcome any comments you have on that tension, because that's the top thing that comes to mind when I reflect on this Auditor General report.

Thank you.

J. MORRISON: Thank you for that.

That's the beauty of a university campus, both in terms of benefit and challenge. I will defend academic freedom at every opportunity. The Board of Regents would too, and I really appreciate your active involvement over the years. Academic freedom is a tenet of what we do. It's the foundation of the teaching, learning, research, discovery and service that the

university does all across this province, nationally and globally.

I think in the context, again, of broader challenges, the example I will use is cybersecurity. I would say, 40 years in the sector, there is a shared understanding of the imperative to be pan-institutional, particularly in the context of risk. I think we have found a very positive, collaborative space to work collegially on campus on issues of shared concern, whether that's cybersecurity or safety and well-being, the maintenance of the facilities.

I talk all the time, consensus on a university campus is an illusion. You are never going to get 3,000-plus people, whose job it is to cultivate critical thinking and classrooms and research labs, to agree on anything, but what you do get is good ideas and informed conversation. Where we have found residence in shared purpose is around issues of risk. Again, the facilities management, both digital and physical infrastructure, is a good example where we respect academic freedom but also articulate and then pursue interests of shared concern to the university and its stakeholders.

So I hope what you've heard today, this is a pan-university approach to managing our facilities. We take a similar approach across digital and physical infrastructure, and I would argue we are moving in that direction on enrolment, because I think we all appreciate that the university's future depends on it.

CHAIR: Thank you very much.

Some specific questions – you mentioned the divestiture of real estate, I'm wondering if you can walk us through what the next steps are for those, because I don't think they've been on the market yet. So I'm wondering when that will happen and what the steps are to get there.

J. MORRISON: I'll ask Vice-President Horton to comment on that.

A. HORTON: Thanks for the question.

As Members would know that the announcement in January 2026 to divest of the properties that were listed previously occurred. As we mentioned before, as well, our expectation is that this will provide about \$3 million in reduced annual operating costs as well as appropriately \$20 million in future deferred maintenance liabilities.

We are actively working on all fronts on this project. That's including appraisals which have been completed. Market readiness activities, there's a wide variety of that. Transition planning, as well, as you can appreciate, we have various teams and departments and partners that are at these various locations. Also transitioning students who are living in residence at Signal Hill campus to our main campus and other housing opportunities working very closely with them, and then decommissioning planning as well, that is under way.

What we are waiting for is LGIC approval so that we can initiate that next phase and we're ready to move as soon as that happens.

CHAIR: Thank you.

I know LGIC approval is required to buy buildings, so I'm assuming that it's the same for selling buildings.

WITNESS: Yes.

CHAIR: Yes, okay.

Thank you.

President Morrison, I believe your response to the first question, you mentioned that your commitment is to implement the Auditor General's recommendations as feasible. So I'm wondering if there are any

areas where you've identified which are not feasible or you believe that may be more challenging to implement?

J. MORRISON: Thank you.

The example I would just come back to is our current enrolment state and our enrolment trajectory. Notwithstanding, I think the audit did a great job of identifying areas of focus and opportunity without being explicit or directive about targets, but in some spaces, for example, the changing nature of our enrolment where we are seeing shifting patterns in student interest in some programs versus others, there may be a longer term planning process necessary to try and transition to the types of spaces that will be required to support learners in specific disciplines.

So the messaging and the direction, I think, about measuring what we do, being more accountable, enhanced oversight, understood and being actively embraced, some of the specifics around, for example, academic space usage subject to a number of variables that are very challenging for us right now. I hope that helps.

CHAIR: Thank you very much.

I'm wondering if there are any areas in the Auditor General's report that you would, I guess, disagree with or want to add reflections on or any other commentary that comes to mind.

J. MORRISON: That's a good question.

I wasn't here at the time and so certainly the observations, I think, spurred tremendous conversation, and as was the intention, I assume, heavy investment in continuous improvement. I'm really proud of my colleagues across the organization, up, down and across, because what I've observed is a strong embrace of the messaging around where we could do better.

There is a tremendous commitment all across Memorial to serving this province and to doing that with integrity. You talk about shared purpose. The commitment to the special obligation that the university holds, maybe particularly in its 100th year, but certainly you see that, you hear it, you feel it. I think this was a call to action, and I think it's been widely embraced. I hope you'll agree.

CHAIR: Thank you very much.

One more question from me. I note in the Auditor General's report it appears Memorial does not have the culture to manage its aging infrastructure. I know you weren't here then, but I'm wondering if you can speak to – and I think you've touched on this already, but would you agree that the spirit of that in terms of the culture to manage the infrastructure is still in place or is that changing, and how are you changing that?

Thank you.

J. MORRISON: So culture is an interesting thing. In my experience, it actually is a function of policy, process, the commitment to oversight and measuring activity and success. All of those things are the component pieces that, together, move culture forward.

What we've reported on today, both in practice and then with reference to specific tactics, we appreciated you'd want to know specific tactical improvements but all of those things serve, in my view, to move culture, in this instance, positively forward.

So the combination of an enhanced governance framework, a policy framework that has been largely updated, we're deeply invested in policy renewal and approval all across the organization, not just in facilities management. But policies, practices, again, the commitment to oversight, accountability and measuring what we're doing, why and

to what impact, that, to me, is what culture is.

Our intention today was to speak very clearly, directly, honestly and accountably about how we are moving that culture. We are in a much different place today than we were and that work will continue.

Thank you.

S. O'LEARY: Thank you.

Yes, just one or two more questions and thank you so much for this. I realize we're in a completely different time but we do have to, obviously, reflect upon past practices.

Following up on MHA Stoodley's question regarding the divestment of properties, you've also talked about leasing. So the leasing component, is that, again, a part of your divestment plans? Are you going to start reducing your leasing footprint in community? Because obviously, we're starting to see moving out of St. John's East - Quidi Vidi District, the infrastructure that you have there with Emera and Geo Centre. It feels like it's shrinking onto a more centralized campus component with the exception of Coughlan College coming down.

I guess my point is, is that the direction that you're going to continue to go? Are you going to, again, divest in those leased properties and try to get them into the infrastructure that you actually own on campus?

J. MORRISON: Certainly a contraction in some spaces would be helpful to cost management. This is the contraction of those campuses, as you and I have discussed. One of the challenges in that space is the specialized needs. So, again, a not insignificant number of those cases actually provide housing to medical students who are out in community supporting essential, fundamental care. So we're not

going to pull back on those leases. I don't think anybody is suggesting that we should.

In other instances, leases are supporting highly specialized work that is fundamental to our commitments, whether those be on the teaching side, the research side or on the service side. So, certainly, there has been a very critical assessment of our leases to date and a commitment to trying to lessen our reliance in those spaces, but some of that, it's just not going to go away in service to our commitments to the province, to our learners and to our researchers.

Rayna or Scott?

S. HILL: I just wanted to point out, too, some of our leases are nursing facilities out in Gander and Grand Falls and then the Labrador campus as well. A number of our leases aren't in the St. John's region, and you can't contract to that. So those areas are also important to the province and Memorial.

S. O'LEARY: Understood.

Of course, full transparency on those leasing agreements and no conflicts of interest and things like that are things that I'm hoping are very clearly transparent, obviously, in the processes that you're undertaking.

J. MORRISON: Yes.

The commitment to ensuring accountability includes across the board a full review, full oversight and navigation, identification and then mitigation of any conflicts of interest, for sure.

S. O'LEARY: Perfect, thank you.

Just one more question from me – thank you so much for everything here. I'm just going back in history again as somebody who grew out of the MUN Extension arts program many, many years and many

moons ago in the Extension Services that Memorial University used to have, of course, which brought on the onset of Grenfell Campus, which is a beautiful facility and certainly serves the province as well.

Being the capital city, of course, we have the highest concentration, certainly, of cultural community and arts community. The only intersection at this stage of the game that the university has in the capital city would be programs through humanity, social sciences. There are these intersections throughout those programs.

Certainly a lot of art colleagues of mine have gone after a Master of Philosophy and humanities programs and things like that, because it intersects with their craft and their art practice. So understanding that and relating it to infrastructure, the humanities and social sciences and all of those departments that are now housed in the Science Building, where are they going to go? Are they going to be dispersed throughout the campus? Are they going to be going into the new Core Science building? What is the future for that because that is, in my opinion, imperative to the health of the cultural community here in the capital city, understanding that Grenfell Campus certainly has a very fulsome program?

J. MORRISON: I'll ask Rayna to give you – we're happy to be transparent about the planning, the current unfunded moves out of that space. I will take the opportunity just to reiterate Memorial's commitment to delivering on what the province needs culturally. We talk a lot about economic. We often talk about social in the context, most specifically, of health care, for example.

But I want to reiterate Memorial's commitment to supporting and promoting growth and development in the cultural space. There are lots of examples of that we can talk about offline. But specifically with reference to the programs and colleagues that are in the Science Building,

Rayna, do you want to talk about the plans to relocate?

S. O'LEARY: Thank you.

R. LUTHER: Sure.

We have a fully developed plan for that relocation. The department of geography would be moved to the biotechnology building. That would need to be renovated to house that and the design is ready and ready to go to tender for that move.

The humanities and social sciences would move to a renovated chemistry/physics building. That one is in contract design stage, pending funding, so would move that design further if we were to receive funding for that. The psychology department that's still in Science would move to the Core Science building in a current shell space in that facility.

All those plans are on hold at the moment, pending funding for that work.

S. O'LEARY: Okay, thank you very much.

B. DAVIS: So in other words, show me the money. Right?

I just have one quick question. Maybe the answer will be a little longer, but the divestiture of Harlow Campus, I've had a number – as you can imagine, it's somewhat of a lightning rod for some people that have been there and understand how important it is to them. They reached out to me and I just wanted to ask a question for the record more so than anything else.

The partnerships – have you reached out to the corporate community on partnerships? Because some of these individuals who reached out to me have said there's great value in that facility as a – I don't want to say a leaping out area but not just for the academics, but also for international business development and things like that.

I just wanted to hear your thoughts on it. I know we're waiting for the LGIC approval to allow you to divest of those assets, but I just wanted to make sure that we've looked at all options.

J. MORRISON: Right.

Across all of the properties, we've held multiple meetings with folks who might be interested in the properties in the facilities. Always happy to take those meetings, so please encourage those partners, business leaders, industry and community representatives to reach out. We'll happily take those meetings.

I had the privilege of being at Harlow about a year ago. Every student, every faculty staff member I talked to who has experienced Harlow has a similar lived experience. It was transformative for them, and I've been very clear about that. In all of the consultations that we did on Harlow, I think it has provided exceptional learning experiences.

The challenge for us is that the capacity at that campus is relatively low and the costs are high. The affordability, in the context of inflation broadly, it was becoming very difficult for students to afford and so increasingly not accessible. The number of students who could be at the campus in any given semester was a small sliver of Memorial's total enrolment, and Memorial's total enrolment was being called upon to fund the operations at Harlow.

A very difficult decision, one of many that we have navigated over the course of the last year and a bit, but, as is the case, you will appreciate there's tremendous community interest in the Geo Centre. It's a provincial asset that people care deeply about. We have been meeting with just about anybody who would come forward, happy to continue doing that as the divestment, kind of, plan rolls out, and it's the perfect time now. If people would like to

contact Vice-President Horton, we're happy to take those meetings.

B. DAVIS: That's good.

Thank you.

J. MORRISON: Thank you.

J. POWER: Thank you.

You don't have to answer this, President, but I'm going to ask it.

J. MORRISON: Yes.

J. POWER: You're new. You're here 16 months. You said you're a fresh set of eyes. Is there anything in the audit that you probably hadn't seen before or had shocked you?

J. MORRISON: That's a good question. I didn't prep for that one.

I would observe that many of the significant challenges that Memorial is facing, and there's a laundry list of them, but enrolment, aging facilities, rising costs probably at the top of that list, changing student markets, these are national in context.

What is unique about Memorial and I think both drew me to the province and continues to energize me every day is the university's centrality to everything. I believe in the transformative power of higher education. It happened to me. It probably happened to a number of you. I think, unlike almost any other public institution in our ecosystem, it has the capacity to truly transform learners. Here, you feel that. The university's impact on this province is broad and deep.

So as we face those challenges, the imperative to do our very best work is more acute. Certainly, the microscope is more acutely trained on what we do and how we do it. I'm okay with that because I think it underscores how important Memorial is to Newfoundland and Labrador, has been for

100 years. But, critically, as we look at the next couple of decades, the university has to be an important piece of the puzzle, again, economically, socially, culturally.

Probably not surprises but the imperative weighs very heavily on me.

J. POWER: Thank you.

I don't have any more questions. I've got a statement. I have a daughter now attending MUN and in three years' time, I'll have another daughter attending MUN.

J. MORRISON: Thank you.

J. POWER: That's where they want to go.

AN HON. MEMBER: You are doing your part.

J. POWER: I am doing my part, yes.

I just want to thank all of you folks and anything that you can do to make MUN a better place for future students and that, it's greatly appreciated.

Thank you.

J. MORRISON: That's our mission – every day.

CHAIR: Thank you very much.

I guess, in concluding, I want to ask the witnesses here is there are any closing remarks and then we'll pass it over to the Auditor General in case she has any closing remarks.

J. MORRISON: Thank you all, again, for the opportunity to be here. I wanted to underscore the tremendous pride I feel in serving the Memorial University community. On behalf of our students and our employees, our faculty and staff, our leadership team, there is actually energy and enthusiasm in being here today. It's not easy to reflect on what you could have,

perhaps should have, been doing better, but I hope what you'll see reflected in our reporting is a genuine commitment to continuous improvement and to heightening our accountability.

We genuinely appreciate the opportunity to share what our colleagues have been working so hard at over the last 18 months.

Thank you very much, Madam Chair.

D. HANRAHAN: Thank you, Chair, for the opportunity to speak.

I want to thank the Public Accounts Committee for taking this report and holding a public discussion about the findings and the recommendations, and a sincere thank you to our audit team of Memorial University for seeing your responses to the recommendations.

I certainly can appreciate, as a graduate myself and everybody in my house being the same, the impact of Memorial is very wide in this province, very important to see that commitment and happy to see that. We will not be looking at these recommendations from an AG's office perspective for a couple of more years, but I think it's really important to see early action and that gives us a good indication that those recommendations will be fully realized when we look at them later in 2028.

So thank you on behalf of my team here today for allowing us to participate.

CHAIR: A final thank you from the Public Accounts Committee and from the House of Assembly. I do want to thank you for your openness and responses and, also, thank you for your public service. I know working in the university is public service, and so thank you very much for that.

I will now call a recess until 10:45, in which case then we'll resume the next portion of today's hearings.

Recess

CHAIR (Stoodley): Thank you very much, everyone.

We're breaking from recess, but I will go through some of the intros again and my overview.

I'd like to welcome everyone to the Public Accounts Committee public hearing. This session, we're going to be talking about the *Royal Newfoundland Constabulary: Management of Inventory & Employee Training* report from the Auditor General.

We wish to thank the witnesses from the RNC for joining us today. Thank you very much, as well as the Auditor General and officials from her office.

The Standing Committee on Public Accounts is dedicated to improving public administration in partnership with the Auditor General. The Committee examines the administration of government policy and not the merits of it and strives to achieve consensus in its decisions whenever possible. Members take a non-partisan approach to their work on the Committee.

Before we start with the review, we're going to introduce the Committee Members, introduce the Auditor General and officials from her office and then an introduction of the witnesses. You'll get used to it, but when you speak, you have to wave your hand, then the light will come on and then you'll be speaking on the record.

We'll start with our introductions. I'm Sarah Stoodley. I'm MHA for Mount Scio and I'm chair of the Public Accounts Committee.

J. MCKENNA: Jim McKenna, MHA for Fogo Island - Cape Freels.

Welcome.

S. O'LEARY: Sheilagh O'Leary, MHA for St. John's East - Quidi Vidi.

Thank you.

B. DAVIS: Bernie Davis, MHA for the beautiful and hilly District of Virginia Waters - Pleasantville.

J. POWER: Good morning.

Joe Power, MHA for Labrador West but before MHA Cormier tells you he's got the best district in the province, I do.

H. CORMIER: Good morning.

MHA Hal Cormier from the beautiful, historic, culturally rich, mountainous District of St. George's - Humber.

D. HANRAHAN: Denise Hanrahan, Auditor General.

B. BROWN: Good morning.

Brad Brown, Assistant Auditor General.

A. MARTIN: Adam Martin, Audit Principal.

J. ROBERTS: Jillian Roberts, Assistant Auditor General.

A. LIPPA: Adam Lippa, Audit Principal.

L. HANN: Lynette Hann, Audit Principal.

J. NUGENT: Jessica Nugent, Assistant Auditor General.

J. HOOD: Jillian Hood, Communications.

P. ROCHE: Patrick Roche, Chief of Police of the Royal Newfoundland Constabulary.

S. LAGACE: Stephanie Lagace, Deputy Chief.

D. WHITE: David White, Deputy Chief, Operational Patrol Services.

A. GREEN: Andrew Green, Executive Director of Support Services for the RNC.

G. GREENING: Gorvin Greening, Audit and Compliance Manager with the Royal Newfoundland Constabulary.

D. White
A. Green
G. Greening

CHAIR: Thank you very much.

CHAIR: Thank you.

Now I'll outline how the hearing will proceed and some reminders, and then I'll ask the Clerk to swear or affirm each witness.

That makes it seem scarier than it is but for the record.

Firstly, witnesses are reminded that this is a public meeting and your testimony here will be part of the public record. Witnesses appearing before a Standing Committee of the House of Assembly are entitled to the same rights as granted to Members respecting parliamentary privilege. So witnesses may speak freely and what you say in this parliamentary proceeding may not be used against you in civil proceedings.

I now call upon Chief Roche to bring any opening remarks that you'd like to, please.

P. ROCHE: Good morning, everyone.

Thank you for the opportunity for us to appear here before you today.

I'll also mention, there's a washroom in the hallway behind you. Feel free to go out at your convenience and come back in.

I want to first begin by thanking Members of our team who are joining me here and answering questions of the Committee here today. I also want to take the opportunity to acknowledge all of the uniformed and civilian members of the RNC who are dedicated and passionate individuals working every day to improve public safety in Newfoundland and Labrador.

Live audio is streamed on the House of Assembly website and social media channels, and an archived version will be available following the hearing, and *Hansard* – a written transcript – will also be available once that's finalized.

The very nature of police work is challenging, coupled with public opinion and increased complex crimes. The work environment can be overwhelming, especially given the constantly changing demands and workloads.

When called to speak, you raise your hand and the microphone will be activated when the light is on. Before you speak, we ask you to please say your name so that the Broadcast and the Hansard team know who is speaking for the record.

As chief of police, I am in a unique position that I get to see the way our team shows up for one another and for those we serve. It is truly remarkable to witness the resolve of a team that no matter how much more is asked of them, they continue to put others first. They are patient, they are thorough, they are supportive, and regardless of assignment, rank or position, all uniformed officers and civilian members of the RNC are contributing to safer communities in our province.

I'll ask Chief Roche for some opening remarks and then we'll ask questions in 10-minute turns for our Committee Members.

First, I'll ask the Clerk to administer the oaths and affirmations to the witnesses, please.

Swearing of Witnesses

P. Roche
S. Lagace

I preface my remarks with this background, or to set the scene, if you will, of the Auditor General's report. This audit was not a review of policing services. This was an

audit of documentation, reporting and file management processes, with a particular focus on inventories, property control and training.

Some of you may have heard me say before that the RNC is a modern, progressive police agency committed to transparency and accountability. Well, the accountability doesn't just apply to our officers; that applies to our support services as well. While not ideal, unfortunately there are times when administrative or support functions are not prioritized as they should because of emerging public safety issues.

In saying that, we have taken this report seriously and understand its importance. Our civilian staff and the commissioned officers have worked tirelessly to implement the recommendations of the Auditor General, and I believe our work to date shows that.

I want to thank the Auditor General and her team for their work. We value the feedback and are supportive of any effort that will strengthen our police service. As I mentioned to the Auditor General prior to starting, bringing in a fresh set of eyes is always helpful. We talk continuously about being transparent and that's very easy to say, but without eyes from the outside, as the Auditor General, it makes us easier to be so. So thank you again.

Of the seven recommendations made by the Auditor General, the RNC created an action plan that included 54 action items to assist in implementing the recommendations. I'm pleased to report to this House today that 87 per cent of those items are considered complete.

The action plan we created is making a difference. I will now outline some of the changes to date. One of the biggest changes is the implementation of the quartermaster's inventory management system, which first went live in December of 2023. As a result of the inventory

management working group that began in 2022, the system was live across all RNC jurisdictions in July of 2024.

In the regions, inventory management has historically been a secondary duty to front-line policing, and when I speak of regions, I speak of Corner Brook and our Labrador regions. I'm happy to report that a resource was hired in 2024 with the sole responsibility to manage our property control centre and quartermaster stores in our Corner Brook detachment. With the recent expansion of our jurisdiction in that region, our detachment has seen increased workloads, which come with increased exhibits to handle and increased staffing which means an increase in uniform and equipment management, so it was important that these areas received the attention that was necessary.

The Labrador City quartermaster store duties remain a secondary duty but we have enhanced security measures in the Corner Brook and Labrador detachments to align with the Northeast Avalon. These measures include the expansion of CCTV in Corner Brook, the installation of a CCTV in the Labrador detachment, the installation of electronic fob systems to both the Corner Brook and Labrador detachments in all high-risk doorways and we added extra locks and safes to Corner Brook and Labrador property control centres to segregate high-risk inventories and provide an added layer of security.

To help ensure consistent processes are followed across the organization, the RNC developed standard operating procedures in all four of the inventory areas reviewed by the Auditor General. Additionally, we expanded and provided further general guidance, as available, to all areas of the RNC that conduct inventory management, including those not included in the scope of the audit.

We have amended and standardized a number of forms in all areas to ensure that

adequate information is being collected, internal controls are implemented, segregation of duties is occurring and that management oversight is included where required. All 57 policies identified by the audit are being reviewed and a resource was hired to prioritize this work.

As the audit identified, while we had an internal goal of reviewing each policy every five years, that was not being met. However, it is important to note that some policies are reviewed and amended much more frequently, with amendments made annually, in some cases based on operational need. Because a policy has not been formally reviewed in five years, it does not always mean that the policy is inaccurate. In fact, we feel that because some policies are updated more frequently than the five-year benchmark, it demonstrates the RNC's ability to react to changes in practices and procedures in a timely and efficient manner.

As of this week, RNC has 128 of its own policies. As of yesterday, the RNC has reviewed 73 per cent of its policies within the last five years, a statistic that is continually improving. As of yesterday, the RNC had fully reviewed and revised 68 per cent of the policies identified by the audit to better align with the recommendations.

Historically, through the use of policy, we had set expectations for additional specialized training that goes above and beyond basic level training. The mandatory training referenced in the audit includes everything from ATIPP to the use of firearms. All of these are in addition to basic level training.

Let me be clear, members of the RNC are highly trained police officers. For understanding, prior to being hired, all RNC officers undergo training as part of our improvement program currently completed at the Atlantic Police Academy; and prior to that, Memorial University. Back in the early '80s, '81 our first class started at the Atlantic

Police Academy and continued going there until the early 2000s. We are now back at the Atlantic Police Academy which is an accredited police training program. That is what we would consider a basic training that enables and qualifies one to become an officer. As a result, all members of the RNC are adequately trained to be a police officer from the day they are hired, not just here in this province, but across the country.

Not all officers perform the same duties, though, so not all officers would have the same training requirements or courses completed. RNC officers also frequently move between divisions, and by divisions I mean from Operational Patrol Services to our Criminal Investigation Division to, it could be, our Community Services and the like.

The audit did identify discrepancies between mandatory and non-mandatory training as defined by RNC policy. To help distinguish between what is mandatory or required training versus what is optional, we have since created a course list for all divisions of the RNC that identifies the type of training and the required frequency of the training needed.

In 2022, the RNC implemented a training needs assessment. Needs assessments are meant to help our employee health, safety and training division plan for the year ahead. They are completed by divisional heads and are meant to be a prediction of the training that will be required – only a prediction.

The application of the needs assessment has been a growing process which has been improving year over year. With the implementation of the RNC course list in April of this year and with enhanced record-keeping, divisional commanders will be able to better forecast the needs of their divisions than ever before. This will allow for the employee health, safety and training division to better plan and close any gaps that may exist.

Earlier this month, we completed the digitizing of all active and current member employee training files. Prior to this, employee files were paper-based and difficult to review. Now that the files have been digitized and organized, a review is underway to identify any gaps that may exist between the RNC course list and the employee training based on their current positions.

Our employee health, safety and training division has implemented a number of tracking sheets to show us a better quantity of the volume of training that our officers receive and in what areas. In 2025 alone, 236 courses were offered to members of the Royal Newfoundland Constabulary to a total of 523 participants. Those courses would include everything from forensics, explosives, technicians, first aid, suicide prevention, sobriety testing, carbines and interviewing for officers, or ATIPP, cyber security and harassment-free workplace for officers and civilians.

We also have a training request process. As new courses and other educational opportunities become available, members can formally request to receive those trainings. In many cases, these courses go above and beyond what's outlined in the course list. Many of these courses are provided by agencies, such as the Canadian Police Knowledge Network and the Royal Canadian Mounted Police, and they are continuously updating their course content. While much work has been done related to training records, we are aware that the Centre for Learning and Development is working towards a new learning management system and are hopeful that this new system may be of use to further help improve the RNC training records and reporting processes.

While significant progress has been made in addressing the issues identified in the report, we recognize that further improvements to our operations and business processes are needed to meet the

Auditor General's expectations and achieve the intended outcomes of the recommendations. We will continue to review and refine our processes to ensure alignment with best practices.

Members of the Committee, that is a summary of our actions to date. I want to thank the members of my team who are not present here today who have spent countless hours on the items that I have just outlined, along with all of the other work that they do day in and day out.

I now invite any questions that you may have; however, where further details or information is required, I may refer to the colleagues who have joined me here today.

Thank you.

CHAIR: Thank you very much.

I now recognize the Member for Fogo Island - Cape Freels.

We'll go with the front row and then the second row and maybe do a second round. We'll see how it goes.

Thank you.

J. MCKENNA: Thank you, Chair.

My first question is on management of inventory and employee training. What actions are being taken to ensure that the RNC employees are appropriately trained?

P. ROCHE: As I stated, all police officers are trained, with their basic training coming out of the Atlantic Police Academy. So they are trained and qualified as police officers within the province. Additional training may be required in particular areas such as breathalyzer technicians. If they move into the Criminal Investigation Division, they may be required to have additional sorts of training when it comes to interviewing and the like. Or if they go into Forensic Identification section, that is a program that

takes place outside of our province, the training, and it is about a three- to four-month process.

Depending on where you are working is when we do specialized training, as such.

Does that answer your question?

J. MCKENNA: Thank you. Yes.

What will be done to ensure all types of inventory are properly safeguarded?

P. ROCHE: We have implemented some of the recommendations from the Auditor General in relation to the inventory management system within our Property Control Centre as well as to CCTV cameras, as well as new forms that have been in place for signing out and signing in property.

J. MCKENNA: Thank you.

What actions are being taken to deal with the findings from this audit regarding policies, procedures and processes?

P. ROCHE: I'm going to ask my colleague, Gorvin Greening, to respond to that.

G. GREENING: Yes, certainly.

We've taken a number of actions in regard to your question. The RNC, since the release of this audit, has developed five standard operating procedures. I believe one of our issues throughout the scope of the audit is that we did not have clear, confined, concise policies and procedures.

So we've now built the roadmap that will outline all of the areas that the Auditor General issued. As it comes to inventory, for example, we now have guidance on the purchasing, the issuing, receiving, transferring, disposing of the inventory. So all of those standards have now been clearly set.

J. MCKENNA: Thank you.

My next question is on inventory and security. You note that it remains partially implemented. Can you advise what work has been completed to date and if you will reach full implementation by the Auditor General's fall 2028 deadline?

P. ROCHE: I'll ask Gorvin to respond to that, please.

G. GREENING: Can you just clarify that question there for me?

J. MCKENNA: Okay.

On inventory and security, you note that it remains partially implemented in the report. Can you advise what work has been completed to date and if you will reach full implementation by the Auditor General's fall 2028 deadline?

G. GREENING: Yes, absolutely.

In terms of the inventory securities, we've added in a number of additional measures, particularly in our regions. The Auditor General identified inconsistencies across our jurisdictions, being St. John's, Corner Brook and the Labrador West regions.

We have expanded the CCTV system in Corner Brook, and we have installed a new CCTV system in our Labrador West detachment. We've installed fob systems on high-risk areas in both detachments as well. We've additionally added in safeguards such as additional locks, secure cabinets and caged areas to help segregate some of those high-risk inventories to be consistent now with the Northeast Avalon.

J. MCKENNA: Thank you.

My next question is on use of force and quartermaster inventory. You note that it remains partially implemented. Can you advise what work has been completed to

date and if you will reach full implementation by the fall 2028 deadline?

G. GREENING: Yes, so we fully anticipate that all that work will be implemented. Much of that work has been done through the development of the standard operating procedures, updating of required supporting documentations and review of all of the applicable policies. I believe as I sit here today, nine of the 11 inventory-related policies have been fully reviewed and revised.

J. MCKENNA: Thank you.

My last question is on firearms and storage area inspections. You note that it remains partially implemented. Can you advise what work has been completed to date and if you will reach the full implementation by the Auditor General's fall of 2028 deadline?

P. ROCHE: In relation to the firearm storage, there is an inspections officer in place for that. There was a vacancy there off and on from around 2020 to 2022 in relation to persons moving from that job to another and being left vacant.

I will qualify by saying that there was a transition in 2021 with a number of senior managers leaving the organization and retiring, and then there was some delay in, shall we say, staffing those positions. Unfortunately, that was part of it. One of the managers from that particular area was gone and wasn't replaced.

We have since had an inspections officer put in place there and are confident that those inspections are occurring, as well as new forms have been created and an annual report submitted to the office of the chief of police in relation to firearm inspections

J. MCKENNA: Thank you.

That's all the questions I have, and thank you once again. I'll pass it over to my colleague, Sheilagh.

S. O'LEARY: Thank you.

I'm really pleased to see you here. I also do want to take this opportunity to give a shout-out to the Auditor General and her staff and team who are doing very diligent work here, as are our RNC. So this is a really excellent opportunity – my first time doing this with the Public Accounts Committee. It's an excellent exercise in transparency and accountability.

In my former municipal role, I had a very strong working relationship with the RNC and obviously that continues in my new role as MHA. There's no question about it, we live in very difficult times right now with a lot of complex mental health and addictions issues. So training is certainly one of the biggest things that's on my mind.

So with that, I'll just jump into a couple of questions there. With so many prominent mental health and addictions issues, in particular in my district but we know province wide, the mandatory versus optional training that has been referenced, that's specific to this, can you speak a little bit to what is – obviously with a lot of training courses, I don't expect you to detail them all, but specific to some of these issues that we're dealing with, especially in concentrated population areas, what is the difference between mandatory and optional?

Because when something is optional, that is where, I guess, a little flag goes up for me personally about whether or not there's adequate training in a particular area. So if you could enlarge on that, I would appreciate it.

Thank you.

P. ROCHE: So mandatory training is sort of like our firearms training that they have to

requalify once a year. All officers within our organization requalify once a year. Respectful workplace training, ATIPP training, there are a number of issues that all officers need to be familiar with. There is training as it relates to mental health and wellness and our interactions with people, that is mandatory training.

Optional training, as such, would be if someone wishes to become a breathalyser technician or not. Not everyone has to be, that sort of a role. Interviewing is for Operational Patrol Services. They're provided a basic level of interviewing training. When they move into other areas such as our Child Abuse and Sexual Assault Unit, there is mandatory training that they have to receive in order to work in those specialized units.

So, optional is a term we use, but for dealing with the issues that you're talking about, we have training that we provide to our officers, whether it be through front-line sort of internet training and/or virtual sort of training as such or we bring in specialists to speak. We have training days every – how many weeks, David? Six weeks is it?

D. WHITE: Eight weeks.

P. ROCHE: Every eight weeks we have a training day that a particular shift is in a classroom for the entire day and we may bring people in to speak to those sorts of issues and how we interact with persons with special needs, whether it be the homeless or mental health and addictions sorts of things.

That's ever ongoing and no different than on the West Coast; we've availed of colleagues within the Women's Centre and Willow House to come in and educate, especially our new members, on those sorts of issues.

That may not be mandatory training but, if they're working, it's not optional for them not to attend, shall we say. We are providing education to our members on a wide range

of topics and sometimes it's not a one-off, because our community is ever evolving. The needs are changing from when I started, which was a very long time ago, to today to what it was five years ago.

So those sorts of issues that you identified in relation to the needs in your area are, as you've acknowledged, not restricted to just your area. Those are things we're very cognizant of and how our members interact with people with special needs and challenges.

S. O'LEARY: Thank you.

Just following up on that, again, regarding Recommendation 6 on mandatory training, you note that it remains partially implemented, so can you please advise what work has been completed to date and if you will reach full implementation by the Auditor General's fall 2028 deadline?

P. ROCHE: Standard operating procedures have been identified for various units within our organization, whether it be within the Criminal Investigation Division, which is what courses and training do you require to work in that particular unit, whether it be our Major Crime Unit dealing with serious assaults or homicides and the like and what sort of training would an officer require to work there and/or even within our Forensic Identification section which deals with fingerprints and that sort of stuff. There is a basic course for that that's about three months long.

Also, once you get that basic course in that particular area, and I'm just using this as an example, there may be additional specialized training for officers in that area, blood splatter examination and the like or gunshot residue and the like. We've identified what additional training is required for these specialized sections and we are implementing it through our standard operating procedures and then working with the units and the managers to ensure that

when officers move into these sections they receive that training in a timely manner.

We have to look at how many officers in any one particular specialized section require that training. Not all officers are required to be a blood splatter examiner. If you have 12 officers, you may need three or four, as well as then three or four others would get some other specializer. So we will reach our goal and we will have it all completed when our time is required.

S. O'LEARY: Thank you.

Well, as you've stated, there is 73 per cent in terms of the policies and some of the actions 87 per cent complete shows that there is good progress happening for sure.

Regarding Recommendation 7 on training needs assessments, you note that it is fully implemented. Can you advise what work has been completed on this recommendation and your confidence that it will be confirmed by the fall of 2028, as per the AG?

P. ROCHE: I'll ask Gorvin to address that piece.

S. O'LEARY: Okay. Thank you.

G. GREENING: In relation to Recommendation 7, which was the utilization of needs assessments, there was a number of action items that we've undertaken to sort of clarify that process. The first one being a complete standard and operating procedures for our employee health, safety and training division, which would facilitate that process.

As part of that standard operating procedure, processes have been implemented whereby now our training division is meeting with the divisions on a regular basis to monitor progress. In addition to that, we've enhanced some of our current tracking processes which will help us to better coordinate the training that

has been completed and then help us to better forecast the training that would be needed in the upcoming year.

So with the development of the course list that was finalized in spring of 2026, we think that's going to be a great tool that our divisional commanders and the training division are going to be able to utilize to identify gaps that can help them plan better for the upcoming year to ensure the gaps are closed where possible.

S. O'LEARY: Okay. Thank you.

Two more questions quickly, did you have any indications before this report that the mandatory training requirements were not being tracked centrally?

P. ROCHE: I believe we were of the belief we were tracking our training records. I will qualify that, in the sense that, as I stated when I first started my comments here, we went through several persons who are in charge of our training division from 2015 until 2023, and I guess paper tracking is not the most ideal way to keep records.

I think it's fair to say we learned the hard way, but a nice way, to improve. I commend my team for working diligently to have our records in place and we will be much better in the near future.

S. O'LEARY: Wonderful.

One last question, has anyone been assigned executive accountability for inventory management and training compliance, having followed up on that?

Thank you.

P. ROCHE: So, you know, we have our in-house auditor here and processes have been put in place to do regular reviews within areas that have been identified, and other areas as well.

We have a director of our training, a section of training in health and wellness, as well as our inventory control, our process centre at the quartermaster store – our property room – and it's incumbent on those managers to provide annual reports to the Office of the Chief of Police.

Hopefully that answers your question.

S. O'LEARY: Yes. Thank you.

P. ROCHE: Thank you.

B. DAVIS: Thank you, Chief Roche, and your team.

It was nice to read the implementation plan and seeing so many completed or in-progress or nearing completion or partially completed recommendations and sub-recommendations to the report. So that's good news, and thank you for being here today.

I would never want to give the impression that the police officers in the RNC are not trained at all; they're very skilled, talented and some of the best in the country, so I wouldn't want to give that impression to the public whatsoever. There was a misalignment, I think, from you said earlier, about what was mandatory and the numbers that are being talked about in the Auditor General's report are more about paperwork being filed than actually officers being trained or not trained. You said earlier, I think, that the officers are very well trained before they come out of PEI. I've been there; I've seen that work.

I guess, your thoughts on the misalignment of what was mandatory versus optional and how that's been fixed? That would, I guess, bring those numbers quite significantly different than they were in the Auditor General's report?

P. ROCHE: Thank you.

I think it's the term "mandatory" and/or "required." I think it was optional that was used and I think we're looking at that term within our policies. We were probably our own worst enemies in using mandatory as a term in many, many areas. There are, as I stated, areas that are mandatory for officers in training to receive and that's not always a one-off. Respectful workplace training, I think it's not a one-off and we try to make sure our officers receive that before they hit Patrol Services once they graduated from the Atlantic Police Academy.

To put it in perspective here, when an officer cadet graduates from the Atlantic Police Academy, when they return to us, they spend the first three weeks in classroom here being brought up to speed on our policies which are ever-improving and that affect them on Operational Patrol Services and throughout our organization, as well as our use-of-force policies, as well as our report-writing policies, as well as communications and the likes.

So they spend three more extra weeks once they graduate and come back to us in a classroom, and it may be we have guest speakers coming in and speak in relation to that. We have the sergeant from our Intimate Partner Violence Unit coming in and speaking to them.

This is not training they probably would get at the Atlantic Police Academy, but these are things they need to be aware of going out into the streets as a police officer. We'll also have someone from our mental health crisis unit going in and speaking to them and advising them what that unit is about and educating them what they can do and how they can assist officers on regular patrols.

So it is ever-evolving. Officers, as my Deputy White acknowledged, every eight weeks, a platoon – and a platoon is our Operational Patrol Services, so that's upwards of 40-odd officers that meet on a Wednesday in a classroom at our MUN

campus and are giving training on various topics during that day. It could be in relation to mental health crises and what is happening in our community at that time.

Mandatory training is, as I said, our firearms training every year has to be happening, and if you go into specialized units, we work diligently to make sure you're only there a short period of time before we can get you the training we feel is needed. Some of that is hinged on that training happens outside the province. It doesn't always happen in the province, and we can only avail of seats.

A homicide investigators course may be only put off once or twice a year at a location in Ontario, so we are one of multiple agencies looking to attain seats. Officers may be working in this unit and not have that training immediately, but we work diligently to ensure that we get the training for them.

Critical incident officers responding is another training course that's very specialized and it's for anywhere from a sergeant, staff sergeant up level, and those courses, not always can we get the seats for it. We sometimes may have an abundance of officers trained in those particular areas and then through retirements or the like, we may find ourselves in a deficit and we work very diligently to get back to where we feel we are comfortable as an organization. Sometimes we can't do that as quickly as we like.

Some steps we have taken to deal with it is to have our own officers in-house trained as trained and, that way, we can provide the training when we see fit. Other times, we will bring in instructors from outside of our province from the Atlantic Police Academy and other organizations to train a large number of officers.

One such training was an advanced first-aid for patrol officers and we trained 12 trainers. It's to deal with if an officer is at a scene and

a colleague is injured and/or shot, they can triage until the paramedics or assistance can arrive. That's additional training that we have 12 officers trained that they can now put this all out to all of our officers, and we're working to implement that.

Again, it takes time. That is training that all officers will be asked to avail of. It's not optional. It's required but it's going to take time to roll that out.

B. DAVIS: Thank you.

You mentioned the digital training records. I think it's a very good idea. When do you anticipate that being completed? I'm sure that will undoubtedly improve the training outcomes or at least know what gaps may exist with officers in particular divisions.

P. ROCHE: So they have been working diligently on the digitalization of it and getting all of the records for current serving officers. I believe that is all up to date and now it's a matter of entering it into the system and keeping track of it. It's being done through an Excel Spreadsheet.

We're also working with the Centre for Learning in relation to a new program, which we met with them last year, just after the Auditor's report came out, about a program they're implementing throughout government.

I think, hoping that sometime in 2027, we may be able to avail of that as well and that may assist us in maintaining our records. I will qualify that by saying I would like to have a backup. There are always gaps and I think we need to be, in our house, keeping our records. If there is another system we can avail of to assist us, great, but we still have to have something as a backup so we don't find ourselves in a situation when we're relying on one product that may or may not suit all of our needs.

B. DAVIS: Thank you, Chief.

I don't know if you have this at your fingertips or not but the number of officers that are in the Tactics and Rescue Unit.

P. ROCHE: So I do have those numbers. I'm not sure if I want to share those numbers for officer safety reasons.

B. DAVIS: No, that's fair.

There's a thing in the findings with the Auditor General's report that said only one of two of the tactical rescue unit officers were trained in chemical agents. I looked at that as a very small number of a sample, so I just wanted to question that, but I understand completely. I wouldn't want to put anyone in jeopardy for sure.

P. ROCHE: I'm not trying to avoid your question—

B. DAVIS: No, no.

P. ROCHE: — but what I can tell you is we have a new source of chemical weapons product, shall we say, and all officers on the team are currently, this week, going through training for this. There's an abundance of officers being trained in that right now. I will leave it at that.

B. DAVIS: More than two.

P. ROCHE: More than two.

B. DAVIS: Perfect, fair.

I may have another question after, if I don't get through this one. Can you provide assurance that no weapons, ammunitions, use-of-force equipment or evidence items were lost, misplaced or accessed by unauthorized by people during the time frame?

P. ROCHE: In relation to the Auditor's findings on the issue of firearms, we have a policy in place that if an officer is vacant from their position for in excess of 10 days,

their firearms should be taken. We're reviewing that particular policy.

We have officers off on maternity and paternity leave. In those particular situations, you need to understand a police officer's firearm is always secured when they're not working. They don't take it home. It's secured in our gun locker facility, which has ample security checks and balances in place. You just can't walk in and take a gun. A person has access to their gun locker.

My experience has been when officers are off on maternity and paternity leave, they're not really coming back to work to look for things like this. Having said that, we do have officers who may be off for mental health reasons and/or proceedings of investigations. They may be suspended. In those cases, those firearms are taken and their access to the building, it's required that their fob access is cancelled and that they are not permitted in our facility.

I know for a fact in recent months when we've had a couple of those incidents, it has been my instructions to ensure that those firearms and use-of-force equipment is removed from the officer's locker. I know that does take place.

B. DAVIS: Thank you.

J. POWER: Good morning.

Chief, it's a pleasure to have you and your staff here and it's nice to see so many of you again.

For anybody who don't know, I came, I came from the first responder world. When it comes to training and that, I understand it a lot because it's a lot of reflection when it comes to RNC training to our training. Not the same training now, don't get me wrong, but like Chief Roche said earlier — I'll just give you this example, when we come out of fire school, we've done our level I, done our level II, done our hazmat and we don't have to repeat it anymore.

It's much the same thing for, I'm going to say, police training. There's stuff that you don't have to repeat. You could be in that service for 30-odd years and unless it's specialized training, like Chief Roche said.

Chief, you can tell me if I took this wrong or right, but you said 73 per cent of your policies and standards are reviewed again and have been reviewed in the last five years. Is there anything in your policy stating that they have to be reviewed like on an annual basis or biannual basis? Is there any requirement there to how often they have to be reviewed?

P. ROCHE: Yes, we do have a policy that states our policies should be reviewed every five years. So that was our own fault, if you'd like, for putting that in policy.

Again, as I stated earlier, not all policies expire, shall we say, and because they haven't been reviewed doesn't mean they're not accurate or applicable. However, you will see some that are reviewed more often than five years. Again, changes in how we respond to calls for service potentially and/or if a use-of-force standard across the country changes, we have to update that policy to align with what are national standards, that sort of stuff. There are some that happen more frequently and there are ones that we have, no doubt, from the Auditor's report, not paid enough attention to, and those, we're playing catch-up.

I think when you put a timeline of every five years and we have I think it is 128 of our own policies now, you're always going to be doing the review. We have hired a resource to work hard on that and getting those reviewed within the timelines that we should. Once we've reached that, then we have a diary date, if you like, to continue to do so.

J. POWER: Thank you.

P. ROCHE: I'll add it's incumbent upon the managers of the various divisions and the

conversations we've had to make sure that their members and themselves are aware of the policies that affect their various units and divisions and to stay on top of those. Our process for updating policy is to have our policy unit work with the superintendents and the inspectors of those divisions to draft the policy and to make sure that it covers everything that is needed for the various units.

J. POWER: Thank you, Chief.

Again, coming from the first responder world, I'm a big advocate for mental health for first responders. Is there anything in your policy stating that you have to meet physical health and mental health requirements on an annual basis?

P. ROCHE: We have policies surrounding our psychological services. In recent years, we've hired an in-house psychologist, a lady who was with us for a couple of years and departed earlier this summer and we have hired a replacement.

Within that policy, we have a mandatory check-in for officers to meet with this person once a year. Given the number of officers we currently have – and we recognize this. We have over 400 current officers in our organization and are continuing to hire and are looking to attain close to, by next September, 460 officers depending on whether there are retirements or resignations, but we will be close to that number. We won't be able to do officers once a year, but we were looking to probably increase on the resources in the psychological services so we can better look after the needs of our officers.

What we do have in place for their mental health and wellness and through policies is we have a peer support team. After a critical incident, a member from our peer support team reaches out to officers to offer assistance and we also reach out to our psychologist to engage with the members as well.

We have a more robust policy surrounding the mental health and well-being of our members than we have had in the past. The policy is there, the resources we need to work on and build on as an organization.

Thank you for your question.

J. POWER: Thank you, Chief.

You stated earlier that, in the last year, you done 225 courses and 583 officers attended. I think you did mention it, but was there any critical incident stress management courses offered in the last year?

P. ROCHE: I'd have to get back to you on that. I know there is a list of the courses. We would have offered training to our peer support team on critical incident stress. That's an ongoing matter because we hire so many new officers in the last couple of years that we try to get that training to them before we release them out on to patrol, but I can check on that and get back to that for you.

J. POWER: Thank you, Chief.

Chief, when it comes to in-house training, I know on my side of it, the fire services side, we do a program for in-house training, Train-the-Trainer, I guess my question is, does the RNC do much the same line of approach for in-house trainers?

P. ROCHE: We do do Train-the-Trainers and, oftentimes, we will bring in facilitators from outside, whether it be from the Atlantic Police Academy, whether it be from other agencies across the country, depending on what the specialized training is, to train our officers to be instructors and/or trainers themselves.

J. POWER: Thank you, Chief.

Chief, does any missed training affect the use of readiness or officer safety?

P. ROCHE: Can you elaborate on that please?

J. POWER: Again, I know the difference between mandatory training and that, but I guess what I'm asking is, I'm assuming it's in your policies again, if people are missing training, I guess there are consequences to that and it's not affecting their safety on the streets or anything if they are missing training.

P. ROCHE: Yes, is a really easy answer.

I will speak to use of force training and firearms. Firearms requalification is once a year for all members within our organization. We have an other aspects of use of force training that has to take place every two years, I believe, as the cycle goes. So one year its firearms training and control tactics and then it changes every other year, but every year it's firearms training.

There is a mechanism in place that you have to complete your requalification of your firearms within the calendar year. If you don't do that, it doesn't mean you're not qualified to carry your sidearm if you go into January 1 or 2, it means that we will take steps and measures to ensure that it gets completed immediately or, in extreme areas, we may have to remove your sidearm until you complete the training. There are checks and balances in place.

J. POWER: Thank you, Chief.

I have no more questions but I just want to thank you, your staff and all your officers throughout Newfoundland and Labrador for the work that you do in keeping our communities safe.

Thank you.

P. ROCHE: Thank you, Sir.

H. CORMIER: Welcome, Chief and staff.

A lot of the questions have been answered and, based on the numbers that you provided so far, it seems like the department is moving in the right direction. So congratulations on that.

There are a couple of minor questions I have here. You mentioned about officers off for a period of time, the storage lockers for service revolvers are locked with their own personal lock or whatever. Coming from a hunting background, when I go hunting in the fall of the year – unfortunately it won't be this year – I take out my firearm and make sure it's well lubricated, working properly and sighted in. If an officer is off for an extended period of time, the service revolver, is there a policy in place to take that revolver and have it serviced to make sure it's working properly before the officer puts it back in service?

P. ROCHE: Yes, is the answer.

So if the officer, for example, has gone off on maternity or paternity leave, and that could be, as we know, anywhere from 12 months to 18 months, when they come back to work, prior to returning to Patrol Services or whichever section they're coming from, they spend a day or several days going back through the use of force, which is on the range with their firearm. We have a range in our building in St. John's; on the West Coast, we have facilities in Stephenville and/or Deer Lake; and, up in Labrador, we also have an ability for requalification purposes.

So there is, yes, checks and balances in place that, when they come back, they are not just given their gun and told to go back out on patrol, and redo that. We're working on a reintegration policy, as well as when someone comes back, as to what training needs they may require prior to re-entering Patrol Services. That's something we've been talking about for a while; it's a matter of putting pen to paper, I guess, if you'd like, and drafting something that works for us all.

H. CORMIER: Thank you.

Based on the numbers provided with the percentages of the recommendations completed, the Auditor General identified significant deficiencies in management and mandatory employee training and sensitivity inventory. A large percentage has been completed so far; when can we expect 100 per cent completion? Will it be by the date the AG has set, 2028?

P. ROCHE: I would like us to see having it completed by June of 2027. My team may want to hold me accountable for setting that, but I really don't think that's unreasonable, given what we've been doing so far and the resources we dedicated to it.

Having said that, as we know, anything could happen and change and cause us to be distracted, but I'd like to think that we could be on target for June – or August, I'll even give them until August of next year, which will be two years from the date of the report.

I'd like to get this done and off our plate. I think everyone would be happy with that, because no doubt, they'll be back.

H. CORMIER: It seems you're progressing in the right direction, so congratulations to your team.

I'll clue up with just a comment. As someone from the West Coast, we saw the Royal Newfoundland Constabulary expand two years ago in the Humber Valley region, the north and south shore of the Bay of Islands and as far as White's Road on the Trans-Canada Highway west. That's well received. Well done to your officers, Sir.

I've seen nothing but positive comments from the travelling public in my district and in my region. I've seen speeds down tremendously, and that's directly related to your officers, their training and what they bring to the table day in and day out.

So, on behalf of myself and my constituents from my district, Sir, thank you.

P. ROCHE: I'd like to thank you for those comments. I spend a fair bit of time on the West Coast, as well, in the Humber Village and Valley area, and it's probably the most beautiful part of the province – better hills and rivers.

I thank you for your comments. Thank you.

CHAIR: Thank you very much.

Chief, not necessarily down in the weeds of the report, but when the public thinks about the RNC's management of inventory and officer training, which I think are incredibly important topics here, do you have what you need? Does the RNC have what it needs to ensure that you can appropriately manage and oversee inventory and employee training to meet a very high standard that the public expects?

P. ROCHE: Yes, I do believe, and I think the Auditor's visit to our facility and her report has put us on the right direction.

We were already started down the path within our quartermaster store in implementing an electronic tracking system and even how we issued uniforms to our members, which is probably a massive expense to the organization.

As I said, I've been around, probably before some people here were born, since '85 in this organization and in the time of how uniforms were issued, we got X-number of shirts and pants and boots and jackets every year, whether you needed it or not, and it only took us to 2022 or 2023 to realize that that's not efficient. We started to implement a system where you're entitled to having four in your possession and, in order to get and receive a new uniform, you have to turn in your old one and there's paperwork that has to be signed off by various managers. We've become far more efficient in that respect here.

We've always provided training over those years and I've availed of a number of training courses throughout my career within the organization. As the tracking, if you can look at my training record, whether it reflects the training I've received or not, I think we are in a position now, with this system we're implementing and the path forward, to have a much more robust record of the training our members are receiving and for the areas that they're required to do the work that they're doing every day.

That will always be evolving and training will always become different. We have technological challenges now in investigation of crimes that we never had and they've become more difficult to investigate. The training becomes more specialized and more costly to train officers in, and we have budget for that. We then have to anticipate – and sometimes training comes up that we have to do. We are in a very good position today.

S. O'LEARY: Thank you.

I just have one final question or, I guess, comment or quest and, again, thank you for everything that you've disclosed.

Again, under the training thing, I was very heartened to hear you talk about intersection in some of the training with organizations that deal with gender-based violence, et cetera. Because these organizations, we know, are boots on the ground as well in community that inform issues on gender-based violence, mental health and addictions and such.

Again, in my particular district, these are big issues and that really helps. It's not just about information exchange but it also helps build trust in community, so I'm a huge fan of community policing. I really believe intersecting in community so you create this public trust, I think, is extremely important.

I was just wondering, Chief, if you could speak a little bit to your vision on that?

Because, again, I was really heartened to hear you speak about that particular aspect.

P. ROCHE: I'll speak a little bit about my experiences on the West Coast of the province. I worked out there for a number of years as a superintendent in charge of both Corner Brook and Labrador and I was able to develop some relationships with the Qalipu, as well as with Willow House, as well as with the Women's Centre.

I learned very quickly that issues that affect those organizations and the training they are able to provide an education to my members will make them better police officers for the community that they are policing and in understanding the challenges for these different groups.

Having those relationships with the leaders of those organizations makes it easier for them to call me in my role out there, when we mess up, because we do mess up. That happens in any organization, mistakes are made. It's about being able to acknowledge those mistakes, how do we fix it before it becomes a problem. Having relationships with those leaders and those three groups I mentioned, as well as with the mayors in the various areas, it affords you the opportunity to work with those groups in educating our membership, bringing them in to meet the membership so the membership understands what their needs are, what their challenges are and how we can assist in those.

That's no different than on the Northeast Avalon in working with the City of St. John's or the other various municipalities or groups that we interact with here. We have, as I said, basic training coming out of APA, Atlantic Police Academy, but there's always more education that assists us in being better police officers and how we understand the needs of the people we police, because the needs of people in the area you represent compared to the West Coast, compared to Labrador, are different.

There are basic, similar challenges across our province that we police in but there are special needs that need to be understood and how do we respond to them.

S. O'LEARY: Thank you very much for your service, I really appreciate it.

Thank you.

P. ROCHE: Thank you.

B. DAVIS: Just one quick question. I know I said I had a bunch more but only just one.

You jogged my memory, Chief, a second ago talking about the amount of uniforms and stuff that used to be kicking around for lack of a better term. We all know that it sounds funny that you would need to put checks and balances in place, but it's really important because we've seen all too often in recent memory in Nova Scotia what happened.

I know we placed legislation in place in the last couple of years; thank you for the help with that. The policies and regulations based out of that now are coming to fruition based on some of these things. Did you want to talk a little bit about those changes to help ensure that you protect the public interest from that perspective?

P. ROCHE: Yes, there has been legislation and I think once the whole report out of Portapique came out and the recommendations from that, at the time the executive in the organization, after that report came about, we recognized the need to change how we do business and how our uniform is issued and where it goes.

At one time, back in the day, a long, long time ago, if someone wanted a police shirt, they could avail of it. That's not the case any longer. Our times and our world has changed and we, as an organization, have to protect the public. In doing so, we're mindful of who has access to our emblems, if you like, and our uniforms. Our vehicles

when they leave are decommissioned, they have to be stripped down and all markings taking off them.

So it's very important for us to stay on top of that and manage it through the process we've started to implement and will continue to implement with the returning in of uniforms, the different levels of signature that has to be on it from your managers before you can get issued new uniforms and equipment.

B. DAVIS: Thank you.

I just want to say thank you for being here today. Thank you for your service and to the entire police force. You do fantastic work. We're pretty lucky in this province to have two amazing police forces that work really well together. I'm happy that we got the opportunity to have a back and forth and get some answers to some real big progress that you've made on the Auditor General's report.

Thank you, Sir.

P. ROCHE: Thank you.

CHAIR: Thank you very much, everyone.

I would ask Chief Roche if you have any closing remarks, and then we'll ask the Auditor General if she has any closing remarks.

P. ROCHE: I can't thank the team enough, to Gorvin and all the work he has put into getting us where we are today, and all of our folks back at our headquarters and across the province and in Labrador who have worked under his direction to get us where we are today. He is phenomenal at what he has done for us. I'm very proud of his work and his team, and I want to thank him here, publicly, for that, as well as the other managers here and back at headquarters who have worked on this.

I would like to thank the Auditor General for her report, for our conversations after it and the guidance that she has provided to us. I think it's very worthwhile and needed to have an auditor come in and look at our business practices and what's working and sometimes what's not working and how we fix it.

So thank you.

D. HANRAHAN: Thank you to the Public Accounts Committee for holding a hearing into this report, and certainly thank you to our auditee. It is good to hear the great progress that has happened with respect to these recommendations, and we are always happy to hear if you're going to implement them faster than our three-year check, and we will celebrate you in 2028 when we publish that because I really think it is important for public trust and transparency and accountability to see that when you recognize something needs to be improved, that you react to that.

Very thankful for that and thankful to my team that worked on that audit and thankful to be here.

Thank you.

CHAIR: Thank you.

In conclusion, I'd like to thank Members of the Public Accounts Committee, the Auditor General's committee, the House of Assembly team. On behalf of the Committee and I think the whole House of Assembly, to the RNC here, thank you so much to you and your team. I can't imagine how challenging your jobs are but incredibly important.

I do want to significantly thank you for everything you do every day and for coming in here and answering our questions today and for keeping us safe.

I will now call a recess until 1 o'clock when we will resume with the next portion of today's hearings.

We now stand in recess.

Thank you.

Recess

The Committee resumed at 1 p.m.

CHAIR (Stoodley): Thank you very much.

It's lovely to start right on time. I know we have some flights and people are flying out later today and stuff, so I appreciate everyone being very prompt.

Welcome to our Public Accounts Committee public hearing and, in this chunk, we're talking about the Auditor General report on the *Administration of Crown Lands*. So we'd like to thank the witnesses from Crown Lands for appearing here today, as well as the Auditor General and officials from her office.

The Standing Committee on Public Accounts is dedicated to improving public administration in partnership with the Auditor General. The Committee examines the administration of government policy and not the merits of it, and strives to achieve consensus in its decisions whenever possible. Members take a non-partisan approach to their work on this Committee.

We're going to do introductions of our Committee, followed by the Auditor General's office and then the witnesses. I'm sure you all know this, but you kind of just wave your hand and then the light comes on. Then I'll have a few housekeeping things after the introductions.

I'm Sarah Stoodley, MHA for Mount Scio and Chair of Public Accounts, and I'll pass it over to my colleague.

J. MCKENNA: Jim McKenna, MHA for Fogo Island - Cape Freels.

S. O'LEARY: Sheilagh O'Leary, MHA for St. John's East - Quidi Vidi.

B. DAVIS: Bernie Davis, the MHA for the beautiful and historic District of Virginia Waters - Pleasantville.

J. POWER: Joe Power, MHA for Labrador West.

H. CORMIER: Hal Cormier, from the beautiful District of St. George's - Humber, but I haven't got to tell the people opposite how beautiful it is because two of them are from there.

D. HANRAHAN: Denise Hanrahan, Auditor General.

B. BROWN: Brad Brown, Assistant Auditor General.

A. MARTIN: Adam Martin, Audit Principal.

J. ROBERTS: Jillian Roberts, Assistant Auditor General.

A. LIPPA: Adam Lipa, Audit Principal.

L. HANN: Lynette Hann, Audit Principal.

J. NUGENT: Jessica Nugent, Assistant Auditor General.

J. HOOD: Jillian Hood, Communications.

J. CHIPPETT: Jamie Chippett, Deputy Minister of Forestry, Agriculture and Lands.

T. MORGAN: Tara Morgan, I'm the Agricultural Strategy and Food Security Director, but until recently I was the Director of Crown Lands for the last nine years.

L. SKINNER: Linda Skinner, I'm Director of Communications. I'm from the beautiful District of Bay of Islands.

CHAIR: Thank you very much, everyone.

I'll just run through the procedures and some reminders. First, witnesses are reminded that this is a public meeting and your testimony here will be part of the public record. Witnesses appearing before a Standing Committee of the House of Assembly are entitled to the same rights granted to Members respecting parliamentary privilege. Witnesses may speak freely and what you say in this parliamentary proceeding may not be used against you in civil proceedings.

We also have live audio streamed on the House of Assembly website and on social media channels. An archived version will be available following the hearing, and *Hansard* – a written transcript – will also be available once that's finalized.

You all know about waving your hand to speak when the light is on and, if you can remember, say your name first. In a minute, I'll invite the deputy minister to make some opening remarks and then we'll pose questions in 10-minute chunks. We'll each get 10 minutes and we might go around the second time; we'll see how that goes.

I would remind the deputy minister that your opening remarks ideally are under 10 minutes, but we can go over a little bit if you need to.

Now I will ask the Clerk to swear in or affirm our guests, please. This is the scariest part.

Swearing of Witnesses

Mr. Jamie Chippett
Ms. Tara Morgan
Ms. Linda Skinner

CHAIR: Great, thank you very much everyone.

I'll now pass it over to my colleague from Fogo Island - Cape Freels to get started with our questions.

B. DAVIS: What about opening remarks?

CHAIR: Oh sorry, I'm getting ahead of myself. I apologize, Deputy Minister Chippett, opening remarks.

J. CHIPPETT: I won't be 10 minutes.

I'll just say thank you to the Office of the Auditor General and to the Public Accounts Committee for the opportunity to be here and to contribute to the discussion.

I want to just acknowledge some of the other people who would be involved in matters pertaining to Crown Lands. Our assistant deputy minister, Denise Woodrow, could not be here today but sends her regrets and is listening in. I would also just acknowledge in terms of the Crown Lands structure. and I'm sure people will refer to it today, we have a Crown Lands Division that is primarily responsible for the processing of Crown Lands applications and applying policy.

We have a Land Management Division that focuses on agriculture as well as land use planning and resource conflicts. We have a GIS and Mapping Division that looks after things like the Land Use Atlas and mapping for the province. Those three would factor into the recommendations of the Auditor General's report.

The other two divisions or departments I'll reference are the Resource Enforcement Division, which is not in the Crown Lands branch but in the Forestry, Wildlife and Resource Enforcement Branch and the Department of Government Services, of course, has responsibility for the Registry of Deeds Act and the Registry itself. I think all of those would be a part of the discussion today.

Lastly, I would just say thank you to Tara for her time as director of Crown Lands as she moves into her new role, and also to Tara and Linda for a lot of the preparation associated with being here today. Also,

thank you to Crown Lands staff who, obviously, work in the regulatory environmental and the legislative environment that the House sets or the government sets for them. They are located across the province in a lot of the communities that people here or other MHAs represent. I just want to acknowledge their work each and every day as they do what they do for Crown lands.

I'll pass it back to you, Chair.

CHAIR: Thank you.

I now pass it over to my colleague from Fogo Island - Cape Freels.

J. MCKENNA: Thank you, Chair.

My first question is, when will the government act on the land system recommendation from the 2015 *Lands Act Review*?

J. CHIPPETT: I'll speak to, initially, I guess, what that recommendation said, which was that the department at the time, Municipal and Intergovernmental Affairs, should investigate the possibility of moving to either a mandatory land registration system or a land title system.

Our department, FAL, has the Crown Lands Registry. The notion of a title system or mandatory land registration would most appropriately fall within the Department of Government Services. There has been a working committee between FAL and Government Services on that. At present, Government Services is revisiting the jurisdictional scan of the practices across the country because there have been some changes, or contemplated changes, in some other jurisdictions. When that piece of work is done, that committee will reconvene and continue to consider the notion of a land title system or mandatory registration.

J. MCKENNA: Thank you.

What action will government take to fix departmental administration issues relating to policies, procedures, monitoring and oversight identified in this audit?

J. CHIPPETT: This is probably the recommendation or the criteria for the recommendation that has required the most work.

In terms of a tally, just so we can present our progress on this recommendation, our count or our inventory, if you will, is 81 policies in the Crown Lands branch and 29 procedures. We started with a number of 110. We focused initially on policies that would impact the greatest number of people or that would make the biggest difference to people who struggled with clarity of title. So 19 policies that we reviewed of the 81 have been flagged for abolishment because they're no longer relevant.

The *Lands Act* changes, for example, that occurred in 2024 changed the fact that we didn't need to advertise in a newspaper. We eliminated policies where technology and so on had passed, kind of, usefulness. In 2024, there were changes to section 36 with respect to squatter's rights that should make it easier for people, that policy has been updated.

There are a couple of policies that are referenced numerous times in the Auditor General's report, that being the referral policy and the delegation of authority policy, and both of those policies have been amended, reviewed and signed off by myself, as the deputy, and now being rereviewed based on our experience so far with those policies. There was a new primary residence policy, and a market-value assessment was also raised in the Auditor General's report; how we do appraisals for land and how we document appeals, so processed documents have been completed for both of those.

There are an additional 12 new policies drafted that are ready to be reviewed and

there are 28 new procedures that are currently being advanced for approval. Our policy priorities over the next number of weeks will be around Crown lands for municipalities, federal and provincial transfers, agriculture-related policies, market value pricing policy and the enforcement policy.

J. MCKENNA: Thank you.

My next question: How will government ensure that complaints received from the public are appropriately and consistently handled?

J. CHIPPETT: There were recommendations and findings in the Auditor General's report with respect to the handling of complaints and confusion between the Crown Lands division and the Resource Enforcement Division that I referenced earlier.

I'll start with Resource Enforcement Division. Laid out in the report is a series of changes over time around the advice that we had in terms of the ability of resource enforcement officers to enforce the *Lands Act*. We clarified that advice in May of 2024, and we have considerable data on enforcement action since that time.

The other thing that should happen this month is a new resource enforcement information management system will be tested with resource enforcement officers and staff. That will track an enforcement complaint or a Crown lands complaint, whether that is referred from the public or referred from Crown Lands officials to resource enforcement officers. That will be catalogued so that every complaint will be tracked right up to the last step, which could be charges being laid under the Crown Lands legislation.

J. MCKENNA: Okay, thank you.

This is my last question; it's on policies and procedures. You note that it remains

partially implemented. Can you advise what work has been completed to date and if you will reach full implementation by the Auditor General's fall of 2027 deadline?

J. CHIPPETT: I went through, earlier, the status of the policy review. I do believe we'll be able to meet the Auditor General's suggested time frame. We have a little bit more ambitious time frame internally than the fall of 2027.

We do feel the next step or one of the next steps is there are a number of policies that have not been reviewed, that will be reviewed, but we feel they are still relevant to today's standards. I'll use some of the municipal leasing and Crown reserve policies as an example. They remain in place. They are used by municipalities. They find them helpful.

So I think one of our next steps will be to isolate policies, that we will have a look for things like department names, any changes through the passage of time. But we think that will greatly advance our tally towards our 81 policies being reviewed.

J. MCKENNA: Thank you.

I'll pass it over to my colleague to my left.

S. O'LEARY: Thank you and thank you for being here today to answer the questions. I have a few questions here.

Who within the department is accountable for ensuring province-wide consistency in Crown Lands administration and is it operating effectively?

J. CHIPPETT: I'll start that one and maybe turn it to Tara.

The minister's authorities under the *Lands Act* are delegated to the Crown Lands director in terms of being able to sign off on things. The director largely has accountability for consistency across regions. One of the actions we took just

prior to the Auditor General releasing her report was the creation and filling of a position of the manager of operational efficiency, and that person in particular is tied into the implementation of this review and the recommendations from it, as well as ensuring that the implementation occurs consistently across divisions.

The Auditor General's recommendations around kind of a centralized repository for all of our policies, the referral policy is probably the best example, and ensuring that is available to all staff who need it has been accomplished and completed.

But I think Tara might be able to add some more detail to that.

T. MORGAN: Like Jamie said, we have this manager of operational efficiency that reports directly to the director, and that person works closely with the regional managers to be able to communicate and offer support in policy delivery and understanding.

In addition to the policies, we're spending a considerable amount of time looking at procedures, but also training documents and training manuals with screenshots, things that can be used by staff as kind of direction on how to process applications, how to do something fairly step by step to avoid any interpretation by staff to help with the consistency challenges that we've seen in the past.

S. O'LEARY: Okay, thank you.

From my understanding, the AG has critiqued the lands administration being built on inadequate lands registration system. We're one of the last provinces in Canada still using a land registry system is my understanding, where government neither guarantees nor monitors the land title.

Just wondering if there's a recommendation towards a land title system where government will record the title of every

parcel and guarantees ownership, and has that been looked into?

J. CHIPPETT: Just to back up a little bit in answering that question, from a Crown Lands perspective, we are responsible for a Crown Lands Registry system. If an individual from a community comes in, applies for a piece of land that is Crown land and is granted that land through the Crown Lands process, we would register that in the Crown Lands Registry. That would mean that that person has clear title to that land.

As I said earlier, Government Services is responsible for the *Registration of Deeds Act, 2009* and for the Registry of Deeds. Obviously, individuals are free to use that process to register an interest in land.

Doing so does not prove that the individual has title under the current rules and legislative framework, but Government Services is examining the type of system you mentioned, a land registration system. A type that is common in the country is the Torrens system. Some Members may have heard of that.

Government Services is doing the piece of work on the jurisdictional scan and then we will re-engage with them on how we can work with them to make that a reality if that's the decision at the end of the day.

S. O'LEARY: Thank you.

Also, just from municipalities perspective, and certainly that's a lot of the work where we have previously connected, the Crown lands issue has been certainly a contentious issue, obviously, where a lot of municipalities have been interested in having the direct ownership over Crown lands within their jurisdictions.

Can you provide any updates or status on those conversations, and where municipalities lie in the scheme of the

recommendations that the AG has put forward?

J. CHIPPETT: Sure.

A couple of things – obviously, anything that we would do from an efficiency perspective would benefit the municipality as an applicant just as it would any company or an individual in Newfoundland and Labrador. Just to kind of lay out the framework from a municipality's perspective as it currently exists, section 9 of the Crown Lands legislation enables a municipality to get a free grant for anything that would be deemed a municipal purpose. If you think about a road, if you think about a water system, if think you about a community centre, a municipality would be able to get a free grant under section 9.

Once it's outside of what a municipal purpose would be, then a municipality, currently, would apply just as any other individual or company would to access Crown land within their jurisdiction.

There are two current policies that I think, in part, address the notion of a municipality's desire to access more Crown land. There's a Crown land reserve policy where municipalities can apply for Crown land reserve. The department will put a Crown land reserve in place for the municipality through section 8 of the *Lands Act* and they would not pay for that land until they developed it five years later.

There's also a leasing policy for municipalities where if, for example, the municipality was going to do an industrial park, the municipality could lease that Crown land and they would not pay for that Crown land until there were actually tenants signing up and buying land or going to take a lot in that. You would not pay Crown Lands until then.

Obviously, there's a current government commitment around increasing municipal access to Crown lands, so we are

examining policy options for that. Now, one of those could include the ability for municipality to enter into an agreement with the province and the municipality would be able to, basically, take on the role of administrator of Crown land.

That's one option as an example.

S. O'LEARY: So if I could just follow up on that. Is that a one-on-one with specific municipalities? Is that how that is conducted?

J. CHIPPETT: That's one option. I don't think we would be in a position to say we're going to do this blanket across the board. I think it might depend on the willingness of the municipality. It might depend on the capacity of the municipality. Those are all things that will need to be talked about. Obviously, we would need to do consultation with municipalities through MNL or other means.

S. O'LEARY: Okay, thank you.

What is the current average processing time for applications? Can you provide the Committee with statistics on backlogs and assurance that you are meeting your application processing service standard?

J. CHIPPETT: I've got a couple of stats on that.

Just to be clear, on our service standard, which I think was published in 2018 or 2019, there is a 90-day service standard that is publicly available.

As is pointed out in the Auditor General's report, our service standard is calculated on what we call phase one of the Crown lands process, which is from the moment an application is registered until the moment that you get a letter with the decision on your application, whether that is rejection or whether that is approval with conditions. That would come to you in a letter at the end of the decision-making process.

Phase two includes things like us drafting title documents, us providing survey authorizations to surveyors, us providing conditions to applicants who come back to us on particular things like the survey and on septic approvals and so on required through Government Services.

In terms of our standard of the 90 days, it references routine applications. It's really difficult to define what a routine application is. You don't necessarily know that from the beginning of the application process. All applications, routine or not, our processing times suggest we meet the 90-day standard for the first phase of the application in 45 per cent of the cases.

S. O'LEARY: Okay, thank you.

B. DAVIS: Thank you, Deputy Minister Chippett.

My good friend, Derrick Bragg, used to always laugh about Crown lands with me and how I didn't have a lot to do with it as a St. John's MHA. He used to have an awful lot to do with it in his district, as some of my colleagues behind me have to deal with, but we do have individuals that are trying to acquire Crown lands from time to time. Sometimes we get involved based on just the questions that they have and the processes. That's mostly where my questions are going to lie today.

What are the risks that exist from multiple parties claiming interest to the same parcel of land? Can you describe that a little bit for us?

J. CHIPPETT: I'll start and then I'll turn it to Tara.

The risk to the Crown in that instance is primarily if we would, I would suggest, grant that land to a particular individual and then obviously there's the risk that we've not truly given it to an individual who owns it. I think Members would be familiar with the notion of a quitclaim deed. We will overcome that

risk in some instances by providing a quitclaim deed, which essentially extinguishes the interest of the Crown in that piece of land.

We will often advise people who write the minister, as an example, to say somebody is interested in that piece of land and I think it's mine or it was my father's land or what have you and, really, if we provide the quitclaim deed, that is a matter for a solicitor or solicitors to work out between those parties.

I think Tara has much more experience with that particular piece than I do.

T. MORGAN: That can be an issue. We do try to mitigate the risk with quitclaim deeds. Applications where the Crown is satisfied that our interest has been extinguished, so we are not interested in a piece of property that somebody's house has been on for a number of years, that sort of thing, we can offer a quitclaim deed – quit with a T, not a quick with a K.

It is a much faster process than a traditional land use application because, under our new referral policy, we don't refer to the same breadth that we do with other applications.

When we receive an application for, say, vacant land for a cabin or a residence of something like that and somebody asserts their interest in it, so this was my grandfather's land – we often see these things – we will halt the application once we're alerted to it and investigate.

We will review historical photos for the possessory period indicated in the act, the 10 years that Jamie mentioned, to see if there was any use and occupation and that may have extinguished the Crown's interest. If we, I guess, can't figure that out, but the person still asserts their interest, we are able and we do often issue what we call section 25s, where we give the person a period of time, 60 days, to go to the court

and essentially make an application under the *Quieting of Titles Act*.

There's a review process there where we would have an input but, essentially, it would be up to a judge at the end of the day. Where possible, though, we try to help the applicant and communicate with the person who's asserting their interest to avoid that if we can, just because it's better for everybody.

Where we can't do that, the quieting of titles process is helpful to us.

B. DAVIS: Thank you very much.

How many known unauthorized occupants currently exist? That's like counting hen's teeth, I'm sure. Has the department ever conducted a provincial-wide assessment or risk assessment regarding these illegal occupations?

J. CHIPPETT: That is a really good question. There's not an inventory or a number of illegal occupants and, rarely, do we do a province-wide scan. Obviously, some of those instances would be brought to our attention as a result of complaints from the public. That could be in instances where it's one cabin. I think everybody would be familiar with large sites where makeshift campgrounds or those types of things become established. Our approach to that is usually to try to find a way to work with the applicants.

As an example, we would look at a group of cottage owners or a group of trailer owners and suggest that they form an association, where possible. Our first attempt will be to try to work with the applicants or with the folks who are not legally occupying Crown land to find a way to work with them, to grant them title.

Currently, we charge \$1,000 as an illegal occupation fee in that instance. Otherwise, it would be advanced to the Resource

Enforcement Division to pursue other enforcement action.

B. DAVIS: This is just for more of my education on this. Would that \$1,000 fee be a one-time occurrence? If they're not compliant, then a year from now – let's just say they built their cabin within an area that's not supposed to be built and they pay \$1,000 for that, does that give them essentially that land then to squat on for lack of a better term?

J. CHIPPETT: It depends is the answer. The intent of the \$1,000 fee is to be charged at the point of application. Normally, that is in an instance where the application can be approved. I'll use two examples.

In an instance somebody builds a cabin, it's within an area where there are no conflicting land uses, it's not within the watershed, it's not within a protected area or a proposed protected area, all of those things that can make certain Crown lands applications more complicated, where there aren't those obstacles, the \$1,000 fee would be the extent of the fine or penalty for somebody who can become legalized for lack of a better word.

Obviously, if it's somewhere where that can't be done, it would then be pursued if the person couldn't be granted, through section 4, a regular grant, then enforcement action would be pursued up to and including notices to remove the structure.

B. DAVIS: Thank you very much.

Hopefully I can get this one in. Have key performance indicators and new quality control processes been established and what has been the results that you've seen so far?

J. CHIPPETT: I'll start with probably the biggest advance in the last two or three years towards that objective – I mean, we are not there, to be frank, on the establishment of all the indicators and so on

- is reporting that gives us, what I would say, a reasonably good understanding of where applications are in the system, which guides our action to correct problems.

At any point in time, we can generate a report that tells us how many applications are active in the system, what year, what date they're from, are there backlogs or bottlenecks at particular parts in the process. Because obviously if you see higher numbers at particular parts of the process, you know you could have an issue.

I think many Members would be aware that staffing is a challenge in terms of recruitment and retention, and if a particular job function happens to fall at the higher end of the vacancy factor, then you will see that reflected in the data and then we try to mitigate where the data shows us.

So we haven't evolved that to key process indicators, but it is being used right now to determine where we have an issue and how we can make an intervention to try to make it better.

J. POWER: I'd like to welcome you folks here this afternoon. Thanks for coming. I just got a couple of short questions.

In the audit report, it says it takes 172 business days for an application to be processed – and if I'm reading that wrong, tell me I'm wrong too, please – with the longest being 615 business days. That's almost two years. Why do it take so long? I don't know personally, that's why I'm asking.

J. CHIPPETT: So those are, to the best of my knowledge, accurate figures from the Auditor General's report. I think the 172 was an average of the 63 samples that the Auditor General looked at. I forget the top number, but 615 maybe was the sample that had the highest processing time.

A couple of different things I would say to that. More complex applications always take

longer. I don't think it's acceptable for 651 business days for an application to be processed. Again, that is, as I understood it, the methodology of the Auditor General was to take it, the final date, as when the title is issued.

So I don't think that's an acceptable amount of time to process an application. There are specific examples where it can take longer. I'll use the example of environmental assessment as an example. I don't think that's the case in the 615-day one that is quoted. We cannot legally make a decision on a Crown land application that is under environmental assessment based on the environmental assessment regulations of 2003. There would be applications that I've no doubt would be even beyond the 615 days because it would be held for environmental assessment.

There are other instances where there could, obviously, be an error on the part of Crown Lands and there are instances where the system that we use, a system called AMANDA, a legacy system within government, and that system doesn't allow us to do certain things easily in terms of automatic notices to people and so on.

Those are some of the instances where it can be longer but some of our work with the referral process and some of the work on the Land Use Atlas and a new initiative that we'll pursue in terms of notifying the public on where their applications are automatically, when we get there, I think you'll see some pretty big improvements to the process.

J. POWER: Thank you.

Extended boundaries for municipalities – just say a municipality wants to extend their boundaries, would that come under Crown Lands department?

J. CHIPPETT: So that would be referred to us but the actual process for boundary

extension would be through the Municipal Affairs Department.

J. POWER: I don't know if you would know but would that take just as long, or longer probably, considering what it is?

J. CHIPPETT: I'm going to ask Tara to respond to that one.

T. MORGAN: I would suggest that that probably takes longer. It may not take as long as some instances depending on the extent of the boundary extension, but there is a regulatory process that municipalities have to go through is my understanding when they seek boundary changes.

Like Jamie said, it does involve referral to other departments and review, but there's also a considerable amount of review at an executive level with the municipality. There are planners involved and I believe public consultation as well.

I think of one instance where I was told a municipality could expect a two-year turnaround on something like this, but not because it's a faulty process because there are so many things to consider with something like that.

J. POWER: Thank you.

The reason I asked because if and when everything goes ahead, just in Labrador alone, there may be municipalities that are looking for extended boundaries and I was just looking for a time period of how long it could take.

I just have one more here for me. In the report, it stated that mapping information in the Land Use Atlas was not always up to date and contained inconsistencies compared to records management system. When was that last time that mapping information was brought up to date?

J. CHIPPETT: We're still on, I think, the initial version of the Land Use Atlas. I'm not

sure of the year, but it was a number of years ago when the first version was put in place. There will be a new version launched in, I think it's October, early November. It needs to go through testing and so on.

It was a system that was built by our folks in the GIS and Mapping Division, and probably the biggest improvement in the Land Use Atlas will be it will be in a format that different regulatory systems in government will be able to talk to one another in the same language. That's as technical as I can say it.

I won't try to use the OCIO language necessarily, but I'll use the example of the Crown lands process being able to talk to the mineral rights quarry permit system that Energy and Mines would have. That would be an improvement.

The usability from a public perspective will be improved. I don't know who has used the Land Use Atlas; I have, both from a personal perspective and looking at particular things with respect to the department or inquiries. Right now, it's pretty complicated in terms of the number of layers that you would see. If you picked a point where you wanted to build a cabin, it can be pretty complicated. The new Land Use Atlas will operate a lot more like a land use planning tool than it is what I would call a dump of information that the public or government or interested entities would have to move through. That would be the primary benefits of it.

There are also references in the AG report to some of the titles that were lost in the great fire or titles that are not digitized. We are working on those. I think we've got somewhere between 1,000 and 3,000 titles or documents that could potentially fill some of the gaps with respect to files that are outstanding, not on the Land Use Atlas at this time, and that's a process that we have two staff dedicated to it at this point in time.

J. POWER: Thank you for that answer.

As you would know, if you put on the other hat, for the other side of your department, for forest fires and that mapping, I found mapping really useful when it came to forest fires for places outside the community. You knew how many individuals had cabins and stuff, so I found that really useful as well.

Thank you.

H. CORMIER: Just a couple of quick questions. Thanks, guys, for being here today.

Who's responsible for enforcement of Crown lands?

J. CHIPPETT: The Resource Enforcement Division of the Forestry, Wildlife and Enforcement Branch is responsible for enforcement of Crown lands.

In 2021, government changed the mandate for what was formerly the Inland Fish and Wildlife Division to enforce other resource-based legislation such as the *Water Resources Act*, *Lands Act*, *Animal Health and Protection Act*, *Forestry Act* and others.

H. CORMIER: Thank you.

Can you provide us with the latest information since the audit: inspections conducted, warnings, orders, removals, prosecutions?

J. CHIPPETT: I have the data by year. If we go with 2025, the number of complaints recorded with respect to Crown lands at Resource Enforcement Division was 168. The number of complaints actioned were 138. Others were deemed to be outside the jurisdiction of RED.

In terms of inspections or investigations, there was no action required or identified in 45 complaints. There were no written warnings. There were nine stop orders. There were 35 removal notices. There were six charges laid, that was from one incident,

and there were two convictions resulting in \$1,625 worth in fines.

In 2026, year to date, there were 140 complaints and two fines that were generated without having a complaint, just based on enforcement action alone. There were 24 instances where no action was required. There were no warnings. There were six stop orders, 507 removal notices, 16 charges laid and one conviction for a \$500 fine. All the remainder of the charges are still before the courts.

Just a note on the 507. I think people would be aware of Cochrane Pond Park. About half of those removal notices, actually over half, about 300 of those were removal notices that were posted on structures in Cochrane Pond Park.

H. CORMIER: Okay. Have you ever received complaints about the enforcement?

J. CHIPPETT: Most of what I see relates to correspondence to the minister. There are instances where we get complaints about particular officers or particular actions of officers and those are handled through the appropriate internal government processes. Generally, there is, I think, sometimes frustration with how far enforcement will go.

I'll say that generally, but I'll let Tara have a comment on that.

T. MORGAN: I wouldn't necessarily know how many complaints about the enforcement, particularly, we get, but I can echo some of the comments that I've received from individuals on both sides, like Jamie said, saying enforcement is going too far. I would suggest that we probably get a similar number, at least to the Crown Lands department, on enforcement not going far enough. People with cabins that see trailers at the end of the road and asking the Crown to do something about it.

Those complaints aren't necessarily about individual officers or processes that are happening, but they are referred to Resource Enforcement, which is our process since the audit for logging an investigation. Then the Crown Lands Division will provide input to the Resource Enforcement Division as those officers conduct their investigation.

J. CHIPPETT: Just to add to that, there are 91 enforcement officer positions in the Resource Enforcement Division and they do enforce upwards of 10 or a dozen pieces of legislation. You can imagine that is a significant undertaking for those officers and obviously things need to be prioritized.

Where an officer is on a given day may not allow an officer to be somewhere else. Obviously, they're structured similar to a lot of divisions that would have a place across the entire province. There's a regional structure so you may have a couple or three officers in each office.

Generally, I would think the number of complaints we get are low, but they are of the nature that Tara just described.

H. CORMIER: Thank you.

What measures are in place to address illegal cabins, structures, roads, dumping, other unauthorized use of Crown lands?

J. CHIPPETT: There are really two different scenarios. One is somebody pursues some of those activities without the correct authorization. There's also the case where somebody has title or a lease or a licence and they don't abide by the conditions of the lease or licence. In both of those instances, people can be charged under the *Lands Act*.

As I said earlier, our general approach is to try to work with someone to clarify title for them and they may be charged the \$1,000 fee. The minister is able to request, in instances where that can't be done,

authority to ask for a structure to be removed. The minister is also capable of asking or has the authority to ask somebody to bring the land back into the condition it was before they took the illegal activity.

H. CORMIER: Thank you.

I guess one last question. Has the province lost any revenue as a result of land occupied without authorization?

J. CHIPPETT: Yes, I think would be the answer to that. As I said in response to a question earlier, there's not an inventory or a number with respect to the number of illegal occupations in the province. The officers, in particular, respond or Crown lands responds based on complaints oftentimes.

I would suggest, yes, obviously, when an illegal occupant is identified and the opportunity is given to them to clarify title, essentially, to apply under section 4 of the *Lands Act* for a grant, the policy of the government for a long time has been that you pay fair-market value for that land. Anybody who is occupying Crown land illegally, obviously, they have not paid fair-market value to the Crown for that piece of land.

CHAIR: Thank you very much.

So I've kind of a statement and then a question. I think one piece that – I don't know if we glossed over, but in terms of when we talk about moving to a new title system, I do want to put on the record my personal thoughts about that because I think it's easy to say why haven't we moved to a title system?

I mean, if anyone listening or for the record wants to – I'm happy to talk about that. I guess that would be a government decision. The government has to come out and say – that would be like hundreds of pages and pieces of legislation to change to the title system. The work that every lawyer in

Newfoundland and Labrador would significantly change. There's a Law Society committee actively working on this.

I do want to say that is a significant piece of legislative policy change that has far- and wide-reaching implications. Not to say we should or shouldn't do it, just to say that to change the land system is a significant endeavour by the government, which would require significant resources, significant change management.

That was something that I was looking at. I am certainly encouraging government to look at that, but I just did want to add a little bit of context. It's not just, oh, you haven't changed the system. So I just wanted to add that context.

That is my personal opinion as the MHA for Mount Scio.

Completely unrelated, my question is, I know that there was a new Crown lands system put in place a few years ago and my understanding was part of the reason why applications took so long was because there was a lot of missing information and people would submit partial applications. There was a lot of back and forth. It was sometimes months before you could get a complete package or sometimes Crown Lands would never get a complete application package.

So I'm just wondering if that system did improve things? Obviously, it's an ongoing work in progress, but I'm just wondering if that has improved or what changes are planned moving forward?

J. CHIPPETT: There have been 3,837 applications since the portal was put in place. We think that has helped things considerably. As an example, one of the things we did at the time was move to pretty much 100 per cent online applications. It's a very user-friendly portal. You can't move to the step after that one if you don't do what that particular step asked you to do. So if you need to upload a drawing or a map of a

particular area that you're applying for, if you don't do that, you can't move to the next step. There are built-in reminders and tutorials to help you fill it in.

I think one of the biggest utilities of the system is the fact that you can pay, at that point in time, online, and continue on in the Crown land application process. At one point, you had to deal with the Central Cashier, pay for it through the Central Cashier and then attach your receipt to your Crown land application. So I think it's improved things.

Obviously, if somebody uploads a poor map, I've heard people use the example – Tara knew I was going to say this – if you upload a picture of Homer Simpson instead of a map, all the system knows is that you uploaded an attachment, whether it was supposed to be a map, and you continue on.

So, unfortunately, there are still times when we have to do what we call information requests to applicants, but they are drastically reduced from what they used to be before. That would kind of be the biggest improvements, I think, in that system.

T. MORGAN: Just to add to Jamie's comments. The other improvement to the system seems, I guess, maybe small but definitely make a difference on our end, is that an applicant can designate somebody else to help them complete the applications. There are often people thinking, well, I don't have a computer, I don't know how to use a computer, that sort of thing. More often than not, there's somebody in their family, a relative, a close friend, a trusted friend that can assist somebody, and the system doesn't require the person to pretend that they're somebody else; you can designate somebody to assist you.

The other benefit where we saw, especially in our province where there are multiple places with the same or similar names, there was an addition of a GIS tool. It

doesn't allow us or the applicant to map their property in GIS in the mapping, but it does provide a very easy tool that puts a latitude/longitude coordinate on.

So when somebody says they're applying for, say, a property at Gull Pond, in order for them to advance, they have to show us, zooming into a certain scale, where Gull Pond is, which eliminates us having to guess. We've had instances in the past where applications were process in very wrong areas that caused confusion and delays. So those are two of the additional benefits of the new system.

S. O'LEARY: Just one final question.

Have all remaining policies, procedures and processed documents schedule for completion by March 31, 2026, now been finalized, implemented and communicated to staff? Can you advise the Committee on future policy reviews to ensure they remain current?

J. CHIPPETT: I had mentioned earlier, I think in response to one question, the Auditor General's suggested time frame was the fall of 2027, I think. So we will meet that deadline. We had supplied the Public Accounts Committee with a deadline of March 2026. We've completed the reviews and the drafting that I outlined in earlier questions, but we've set a deadline of the end of December of 2026 as finalizing those.

In terms off communication to staff, any policies that have been finalized – the key ones being the referral policy and delegation of authority policy – they have been completed and communicated to staff. We've also completed the policy that speaks to the Auditor General's recommendation of a schedule so our policies will be reviewed every five years, if they are not already being reviewed.

Just to reiterate from earlier, our focus from a policy review perspective right now will

focus on Crown lands within municipalities, federal and provincial transfers, agriculture-related policies, market-value pricing policy and probably the most significant amount of work is going into the enforcement policy.

S. O'LEARY: Thank you very much. I appreciate it.

CHAIR: Okay. Thank you very much.

I think that concludes our questions. I'll ask the witnesses if they have any closing remarks, and then I'll ask the Auditor General if she has any closing remarks.

J. CHIPPETT: I would just reiterate the thank you for the opportunity, the questions and for the Auditor General and her office's work. It has put a strong focus on the things that we needed to review. The more we've talked about some of the recommendations and the criteria and so on, just by focusing on some of the direct recommendations, you come up with a bunch of your own that will improve things as well. So we thank you for that and we'll continue to provide updates, if and when asked.

D. HANRAHAN: Thank you to the Public Accounts Committee for holding this hearing today into our audit into the *Administration of Crown Lands*. Thank you to the department for providing an update. It looks like you have good progress made. I am very hopeful that by the time we report next year – you'd be self-reporting this year to us, so we'll include the progress you've made to date in the next monitoring report, which will show a good indication that we're looking at 100 per cent implementation on four recommendations.

Certainly, thank you to my team that worked on this audit. It's good to see the impact that the audit has and then to see the good work that you've done. So thank you.

CHAIR: On behalf of the Public Accounts Committee, thank you very much for coming and thank you for your public service. I

know this is a very tangly department and you have a lot of legislation and a lot of systems, so thank you very much for working through that.

I will now call a recess of the Committee until 2:25 p.m.

Recess

CHAIR (Stoodley): Thank you very much, everyone.

I call us back from our recess.

This is our final hearing for today. This is a hearing about the Auditor General's report into *Medical Care & Dental Health Plans*.

Thank you to everyone who has been listening live all day. I hope it has been a riveting experience. I'd like to thank the witnesses from the Department of Health and Community Services and OCIO for being here today, as well as the Auditor General and officials from her office.

The Standing Committee on Public Accounts is dedicated to improving public administration in partnership with the Auditor General. The Committee examines the administration of government policy, not the merits of it, and strives to achieve consensus in its decisions whenever possible. Members take a non-partisan approach to their work on this Committee.

Before we start with the review of matters under consideration, we'll proceed with an introduction of our Committee Members followed by the Auditor General's team and then our witnesses appearing. I think most of you have been here before, but you just have to wave so the microphone team knows to put your light on. Once your red light is on, you can speak.

We'll go through with the introductions and then I have a few other housekeeping things.

I'm Sarah Stoodley, MHA for Mount Scio, and I'm Chair of the Public Accounts Committee. I do want to note that the MHA for Virginia Waters - Pleasantville had to step out, but he'll be back partway through this hearing.

Thank you.

J. MCKENNA: Jim McKenna, MHA for Fogo Island - Cape Freels.

S. O'LEARY: Sheilagh O'Leary, MHA for St. John's East - Quidi Vidi.

Welcome.

J. POWER: Joe Power, MHA for Labrador West.

H. CORMIER: Hal Cormier, St. George's - Humber.

D. HANRAHAN: Denise Hanrahan, Auditor General.

B. BROWN: Brad Brown, Assistant Auditor General.

A. MARTIN: Adam Martin, Audit Principal.

J. ROBERTS: Jillian Roberts, Assistant Auditor General.

A. LIPPA: Adam Lipa, Audit Principal.

L. HANN: Lynette Hann, Audit Principal.

J. NUGENT: Jessica Nugent, Assistant Auditor General.

J. HOOD: Jillian Hood, Communications.

T. KING: Tracy King, Deputy Minister of Health and Community Services.

L. CURRAN: Lisa Curran, Assistant Deputy Minister, Health Workforce Planning and Professional Services.

A. ROBERTS: Andrew Roberts, Assistant Deputy Minister at the OCIO for Design and Delivery.

CHAIR: Thank you very much.

In terms of how the hearing will proceed, as well as some reminders, firstly, witnesses are reminded that this is a public meeting and your testimony here today will be part of the public record. Witnesses appearing before a Standing Committee of the House of Assembly are entitled to the same rights granted to Members respecting parliamentary privilege. Witnesses may speak freely, and what you say in this parliamentary proceeding may not be used against you in civil proceedings.

We have a live audio that's streamed on the House of Assembly website today and social media channels, and an archived version will be available following the hearing. *Hansard*, which is a written transcript of the hearing, will also be available once that's finalized.

There are washrooms in the hallway behind you there, if anyone needs to go. I mentioned waving in front of the microphone.

First, I'll invite the deputy minister for opening remarks, and then we will have questions in 10-minute intervals around the group until we don't have any questions left. I ask the deputy minister, also, to keep your remarks under 10 minutes, if possible. We can go over a little bit, but 10 minutes will be on the clock.

I ask the Clerk now if we can swear and affirm our witnesses, please.

Swearing of Witnesses

Ms. Tracy King
Ms. Lisa Curran
Mr. Andrew Roberts

CHAIR: Thank you very much.

I'd like to ask, Deputy Minister King, if you have any opening remarks?

T. KING: Thank you very much, Chair. Good afternoon, everybody.

We're pleased to be here with you today. My remarks will be very brief. I really just want to say thank you to the Auditor General and her team for all of the work on the audit. I've always said, when you move into a new department, it's helpful to have a fresh audit to help guide some of your work. So, to the committee members, thank you for all of your work and the work we'll do together this afternoon.

I'd be remiss if I didn't thank Brad Sullivan, who is actually the director of the Audit and Claims Integrity Division. He is away on personal matters so he couldn't be with us but has certainly spent an awful lot of time with Lisa, Andrew and I over the last few weeks preparing, because Lisa and I are fairly new in the department.

Of course, I want to thank the staff at MCP for all the work they do day in and day out. They are a really passionate group of folks that are really dedicated to providing important services to the public of Newfoundland and Labrador.

With that I will turn it back to you, Chair, for any questions to get started.

CHAIR: Thank you very much.

I'll pass it over to the MHA for Fogo Island - Cape Freels.

J. MCKENNA: Thank you, Chair.

My first question is, giving you this responsibility for oversight of the Audit and Claims Integrity Division, how will the Department of Health and Community Services manage the IT systems, the identified control weaknesses and process inefficiencies?

T. KING: Thank you very much for that question.

I'll let Andrew chime in, perhaps, in a bit, but I think this audit is really the foundation of our work going forward. Following on some of the recommendations in the audit, the team has put together an operational plan that looks at the recommendations of this audit and the opportunities for improvement therein. So this really is the operational plan for the division going forward to ensure that we are filling any gaps.

One of the key pieces, and it comes out very clearly in the audit, is weaknesses within the control environment within our IT system. One of the key things that you'll probably hear several times throughout this hearing this afternoon is that MCP modernization is one of the cornerstones of the work we will do to implement the recommendations of this audit. This is a project that is getting under way.

Andrew, I'm going to turn to you, perhaps, to give an overview of the tasks we are undertaking on the IT system renewal.

A. ROBERTS: Sure.

The OCIO started a technology modernization plan a couple of years ago for all of our mainframe systems. Technology has been an inhibitor for our departmental mandates for a number of years now. The third one, which we are here to talk about today, is MCP. We've also started modernization for Student Aid and Motor Registration.

Specifically for the audit controls, the Auditor General highlighted several issues with MCP, including inadequate monitoring, limited audit productivity, poor visibility, the lack of KPIs. There were a number of things and, while not all technology related, a lot of them are definitely inhibitors from a technology perspective.

The new modernization project, which will give us a brand new MCP system that is cloud enabled; very, very forward facing; will do things like automated data feeds, work cues so that people can track the auditing activities, case management, system-assisted error detection, advanced reporting – there's a huge gap in reporting today that the brand new system is going to change the world for sure – Power BI analytics, so real-time dashboards that people can look at using the system that do not exist today.

A lot of the work today is very manual and spreadsheets and a lot of work that has to be tied together to be able to give the full picture for the staff using the system. Our modernization system is going to greatly enhance the way that team currently works.

J. MCKENNA: Thank you.

How will the department ensure that enough audits are undertaken to provide confidence that public health care funds are distributed appropriately and potential fraud is detected?

T. KING: Thank you.

Again, coming out of the recommendations of the audit, the division has established KPIs around the audit that are being monitored, both at the division level and then, as well, at the executive level, to ensure that we are commencing and concluding sufficient audits in the period.

J. MCKENNA: Thank you.

How will the department address issues with the collection of overpayments to physicians and dentists to ensure that funds are consistently recovered on a timely basis?

T. KING: This, again, is one of the matters that requires constant consideration. I don't think the solution is as clear for us yet within the department but, certainly, in the period

since the audit, that's been one of the pieces that we've been discussing.

We've taken several initial steps. One, around measuring, so that we know where we are and keeping a constant eye on what's happening, and then we are looking at strategies recommended in the audit around the different processes that we can be using to ensure that audits aren't dragging on as much as is within our ability, within the legislative environment we're in.

J. MCKENNA: Thank you.

On technological issues, you note that it remains partially implemented. Can you advise what work has been completed to date and will you reach full implementation by Auditor General's fall 2028 deadline?

T. KING: Thank you very much.

Andrew talked about some of the system work that we are undertaking. Certainly we're about to begin phase one. Really, we've done some of the scoping and getting ready now to begin the project. I think Andrew can take us through the timelines but we're probably looking at two to 2½ years before we're fully implemented.

Andrew, is there anything you want to add to that?

A. ROBERTS: Yeah, we've started. We're building already; the project is moving. We're trying to phase out the project such that we introduce value incrementally as opposed to waiting for that two, 2½ year period to see any value.

We've got a three-phased or four-phased approach over those two, 2½ years. Within the first year, we're already going to roll out some significant features that both internal and external stakeholders are going to be able to take advantage of.

J. MCKENNA: Thank you.

WorkplaceNL issues, you note this item is fully implemented. Can you advise what work has been completed under recommendations and your confidence that they will be confirmed by the Auditor General when they assess it in the fall of 2028?

T. KING: Thank you for that.

Yes, we have fully implemented this. We provided a notification to WorkplaceNL and they are required to report all of their billings to our Audit and Claims Integrity Division on a monthly basis and by 21 calendar days after the months end. This is keeping with our information sharing agreement between us and WorkplaceNL. So this is complete.

J. MCKENNA: Thank you.

Last question for me, on audit dental payment approval you note that it remains partially implemented. Can you advise what work has been completed to date and if you will reach full implementation by the Auditor General's fall 2028 deadline?

T. KING: Sorry, can you repeat which recommendation? Sorry, I couldn't hear.

J. MCKENNA: It's regarding recommendation on audit dental payment approval.

T. KING: We have implemented now that a manager is required to sign off on those manual audits as opposed to two staff members, which was the previous process.

J. MCKENNA: Thank you.

S. O'LEARY: Thank you.

I'll just take up there where my colleague has left off.

Regarding Recommendation 4 on aligning audit processes, you note that it remains partially implemented. Can you advise what work has been completed to date, and if you

will reach full implementation by the AG's fall 2028 deadline?

T. KING: Sure, thank you very much.

I mean, our operating goal is to meet that timeline. So we have a senior policy planning and research analyst within our Audit and Claims Integrity Division that's been leading the review of all of our policies. That position is vacant right now but, again, being filled. So we just had a bit of turnover.

We're also working with the policy division within the department to finalize our policies. We're also working with our Financial Services Division to ensure we're doing quality control reviews of the sample of our MCP audits, and this will continue and occur on an annual basis.

S. O'LEARY: Thank you.

Regarding Recommendation 5 on strengthened oversight processes, you note that it remains, again, partially implemented. So can you advise what work has been completed and, of course, if it will be completed, full implementation, by the 2028 deadline?

T. KING: Surely.

Following on the Auditor General's recommendations on formalizing the communications between the division and the department, we have done that. We have formal documented communication now on specific matters as we all go about our work.

We've also established key performance indicators on a number of audits so that we're monitoring that work. Then as well, like I said, we're continuing to review those and take action between the division and the executive.

S. O'LEARY: Thank you.

Regarding Recommendation 6 on collection processes, you note that it remains partially implemented, again. So just wondering if you can advise on the work completed date and if the full implementation will be reached for the AG's report as well?

T. KING: Thank you.

We are certainly on target to have work completed by 2028 as noted. We are working on looking at a timeline for the alternative dispute resolution process. I think we've certainly concluded that the 90 days that's set out at this juncture isn't sufficient for the work and the number of claims to be undertaken. So we're looking at that as well.

We've also defined our selection criteria now for the Physician Claims Intervention Program, and we are certainly looking at what our collection timelines need to be and monitoring that process. But we're still working through what the policy considerations are going to be there and where we're going to go, and looking at some of the different options that are available for us, for recovery tools, working closely with our solicitor.

S. O'LEARY: How old is the MCP claim system? And how much has been spent on maintaining it over the last decade and can the Committee trust the system and the department controls work?

T. KING: I'm going to defer to Andrew.

S. O'LEARY: So the age of the MCP claim system and –

A. ROBERTS: I'm not sure of the exact date but sometime in the 1980s, I believe, was when it was first implemented. Right now, it's on a very old technology, we call mainframe technology, and we spent a considerable amount of money every year supporting that system from a hosting perspective.

I don't have the exact number, but I can certainly get back to you for sure. The new system will be considerably more modern and much less expensive to support and maintain as we modernize over the next couple of years.

S. O'LEARY: Excellent, sounds like a great direction.

How will the department ensure that enough audits are undertaken to provide confidence that public health care funds are distributed appropriately and potential fraud is detected?

T. KING: So we have established KPIs for our audits and as well, as noted, we formalized our communication between the division and the Executive on matters such as this so that we're paying closer attention to what's actually happening in the division.

We're monitoring it more closely and we're also ensuring that we're appropriately staffed. I think we certainly have had issues in the past on staff turnover. So it's been one of the things that we've just been keeping a very close eye to, to ensure that we are keeping a good complement of staff so that we can deliver.

S. O'LEARY: Thank you.

How will the department address issues with the collection of overpayments to physicians and dentists to ensure that funds are consistently recovered on a timely basis?

T. KING: On this, we do have a variety of tools available to us and we do work really hard to use an alternative dispute resolution as much as we can. It's the primary way that we've been working through this, I think, in the past.

I think the audit highlights weaknesses there in the length of time that it takes to conclude a file. This is one of the pieces that the Auditor General has highlighted and we still

have some work to do to determine exactly where we're going to go. Our first step is to really understand the problem and figure out what's been going on.

I think, post-COVID, we all had a backlog. Now we're normalized, so we can get a better look at what's actually going on and the strategies we really need to use and how we want to move forward because we want to work in an alternative dispute resolution system as much as possible and avoid a court process and those types of environments, recognizing that eventually it might come to that, and to set out what those triggers could be and what that could look like more closely.

Similar, you know, we've set the KPIs so far. Now we want to look at what do we need to do next and that's where we're going.

S. O'LEARY: Wonderful, thank you.

I'm good.

J. POWER: How much money is paid annually through MCP and dental health plans?

T. KING: It's \$704,301,800. So \$704 million.

J. POWER: What level of improper payment does the department believe may exist today?

L. CURRAN: With respect to those that are presently in audit, we have approximately \$6 million in audit between the period of April 1, 2024, to current. Collections since that time are in the range of \$700,000. It's difficult to actually determine that they are inappropriately billed. They are framed as ones that are in under audit function, so we have approximately \$7 million there now.

J. POWER: Thank you.

Do you have estimates for overpayments, underpayments or duplicates that may exist?

L. CURRAN: With respect to the previous question, I think that that captures it, because we have them categorized as underpayments or overpayments that are presently under review for both those reasons.

J. POWER: Thank you.

How confident are you that improper payments are not occurring now?

T. KING: I think we're very confident. The division works very, very hard and they are very, very committed to ensure that taxpayers are being well served and that money is being used appropriately. That said, that's why we have an audit function, to ensure that we're discovering those things. Certainly, in the last number of years, we've increased our audit to ensure just that.

While, certainly, the technology improvements we're making are going to make that better and easier, we certainly have processes in place now that we have confidence in.

J. POWER: Thank you.

If the MCP system failed tomorrow, how long would it take to resume operations?

T. KING: Under our business continuity plan, I mean, MCP is one of our critical systems. So, certainly, to get up and running in a manual process is a matter of days. It is one of the things that has been highlighted by the Auditor General that we need to practice and work on our business continuity planning to ensure that we're ready, but it is days.

J. POWER: If it was to fail tomorrow, what would happen to physician payments?

T. KING: Again, in some ways, it depends on what the emergency is and if all of our banking systems are down or the impact of the emergency. I mean, worst case scenario, we're going back to printed cheques, as required.

J. POWER: Thank you.

How often do physicians dispute audit findings?

L. CURRAN: With respect to the frequency, it is infrequent that there are disputes from the physicians.

However, when they are flagged for audit, whether in preliminary audit or comprehensive audit, there is an opportunity for the physician at every time, or the billing agent for that said physician, to send in any of the concerns that they have. Should it receive a flag to go to comprehensive review that ultimately ends up before our committee, they also have an opportunity through the alternate dispute resolution to have their concerns addressed or have their responses reviewed in a comprehensive way with a goal to resolution by both parties.

J. POWER: Thank you.

Has a formal risk assessment ever been completed on the Medical Care Plan and dental care plan program?

L. CURRAN: I'd request that that question be repeated. I missed that first part.

Thank you.

J. POWER: Has a formal risk assessment ever been completed on the Medical Care Plan and dental care plan?

T. KING: I guess, to my knowledge, I would say that there's not a report of a formal risk assessment. However, I would suggest that, certainly, our business continuity plan goes through our risks for failure in that type of

emergency situation. Then, through our audit processes, and certainly this type of audit, and our own internal work, it helps us see where we're at risk and where the gaps may be.

J. POWER: Thank you.

I'll just ask one more and then I'll turn it back over to the Chair.

How will the department advance the MCP system replacement plan, which remains subject to approvals and budget appropriation, and manage the risks of an aging system in the meantime?

T. KING: Thanks very much for that question.

I think Andrew certainly talked about the important work that we're already undertaking. So we don't have uncertainty as to appropriation; the system is moving. This is going to be one of the pieces that the funds are set aside for. So the process is underway to develop the new system. In the meantime, certainly the program will continue to operate. Implementing these recommendations will help us ensure that, in the meantime, we're mitigating risk as best as we can.

As Andrew noted, one of the things that's happened over time is in weaknesses of the technology. Manual processes have been inserted to help us manage some of the risk that exists until the new program is fully implemented.

I would say, while we're obviously working very closely with our partners at the OCIO, but our stakeholders in the NLMA will be an important contributor as we develop the new system.

J. POWER: Thank you.

H. CORMIER: Thanks for coming today.

When will the department complete its full review of claims processing rules?

T. KING: That work is under way right now and our goal is to certainly have it complete before the 2028 deadline for the Auditor General. We're planning that that's a piece of work that will be complete in 2027.

H. CORMIER: Thank you.

Does this work depend on filling vacancies within the department?

T. KING: Right now, we're very fortunate in that we're almost fully staffed, so we don't feel like staffing right now is a constraint. Hopefully, we'll be able to maintain the current stability we're enjoying.

H. CORMIER: Sweet. Thank you.

What progress has been made in developing a business procedure for terminating access to the system when staff members leave the division?

T. KING: Thank you for that.

We do have a business procedure in place now that is initiated by our management staff as employees depart and, in the event of managers, obviously, the director, for notification to the OCIO to ensure that staff accounts are deactivated.

H. CORMIER: Okay, thank you.

Has a formal risk assessment even been completed on the Medical Care Plan – oh, sorry, Joe already beat me to that one.

How can you assure the Committee that payments are accurate if key controls were not functioning properly and your implementation of recommendations continues to be partial?

T. KING: Thanks very much for that question.

I think it's ongoing work of the team knowing the risks that we have to ensure that we've put in the mitigations and the manual processes that we can and by increasing the number of audits that we are doing. It's one of the ways that we will mitigate that issue.

H. CORMIER: Thank you.

I'll finish up with one last one. Has management formally quantified the risk of long service disruption?

T. KING: Not to my knowledge, I would say. We haven't formally quantified that. I think one of the key pieces is that now, certainly, we're exercising our business continuity plan to ensure that downtime is as low as possible so that we can resume service as quickly as we can.

H. CORMIER: Thank you.

That's it for me, Chair.

CHAIR: Thank you very much.

I know the Auditor General's report was 2023-2024, in which case I believe physicians were paid \$378 million through the MCP program. Deputy Minister King, you mentioned that the MCP is \$704 million today.

I'm wondering if you can walk us through, I guess, the MCP budget and the relationship between the MCP budget and then the IT program because, obviously, the majority, maybe, of claims I assume go through the MCP system, but are there other systems? Are there other payments made outside the system? I'm just wondering if you could give us a flavour of that, please.

T. KING: Thank you.

So the physicians' services budget under MCP is \$693 million and then dental services is \$11,279,000 for the total of \$704 million. Then the division has an

administrative budget of \$3.7 million outside of that number. So that \$704 million is funding that goes directly to providers that is primarily processed through MCP.

To my knowledge, there's not another system that physicians or dentists are paid through.

CHAIR: Thank you.

So all physicians' and dentists' payments would be captured in the \$704 million?

T. KING: That's correct.

CHAIR: Within the MCP program, are there other billers other than physicians, like nurse practitioners in a pilot program or things like that?

T. KING: No.

CHAIR: Okay.

Can you give us an overview of the \$3.7 million administrative fund and what that entails?

L. CURRAN: Primarily, that budget is staff; there are 58 staff in the division. That would pay for the staff salaries and then their operating, travel, office supplies, postage, that type of payment.

CHAIR: Thank you.

Are those staff primarily in Grand Falls-Windsor?

T. KING: They're primarily in Grand Falls-Windsor, with some staff in St. John's.

CHAIR: Okay. Thank you.

I'm wondering if you can walk us through who decides the amounts that the physicians and the dentists pay for each service?

L. CURRAN: We have a fee Payment Schedule that sets out the fee codes and the appropriate billing assignment of funds for that. That fee schedule, for the most part, arises through a contractual obligation under the MOA for the NLMA, as well as our three dental contracts with the Dental Association for those that are not covered under insured services but within the confines of the MCP system.

CHAIR: Okay. Thank you very much.

For a collaborative care centre where – maybe I’m misunderstanding, but my understanding is the physicians and staff are not fee-for-service. Would that still be paid under the MCP budget or would that be under a different budget or that’s NLHS budget?

L. CURRAN: It’s certainly a budget that’s assigned to the Department of Health and Community Services for salaried physicians; however, it does not come out of the MCP budget. The Family Care Teams, that for which you’re referencing, for the most part, are salaried physicians or other practitioners under the health care system.

CHAIR: Okay. Thank you.

Just so I’m clear, the staff or a physician working full-time on a salary in a collaborative clinic, their salary would not be in \$704 million?

L. CURRAN: Yes, they would be captured but they would be separated out from the fee-for-service budget.

CHAIR: Okay. Within the \$704 million, there are the ones that get billed through MCP. I’m wondering if you can walk us through, I guess, the others that don’t bill through MCP?

L. CURRAN: Yes, we certainly have a number of different fee modalities. We have the fee-for-service budget, for which we are here to talk about. We have an APP

program, which is alternate payment plan, whereby physicians in particular collaborate together for one assignment of dollars for which they all operate within that budget and then we have, again, our salaried physician group.

We have a new pay modality as well called blended capitation model, which is captured under the fee-for-service budget. That’s a combination of billing codes together with salaried activities. That’s a new program that we negotiated with the NLMA. We presently have approximately 95 physicians under that program.

CHAIR: Okay. Thank you very much.

Do you know if the NLMA agreement outlines what all the physicians would get paid, even the salaried ones, or is that just the fee-for-service physicians?

L. CURRAN: Within the MOA, the specifics around salaries are certainly captured under that agreement. With the fee-for-service physicians, that is captured under the fee schedule.

By way of example, we have a new fee schedule being issued on October 1, which incorporates the latest billing fee codes. They will be published on October 1, and that was in collaboration with the negotiated dollar amounts arising from bargaining with the NLMA.

CHAIR: Thank you.

The team that oversees MCP, because we saw in the Auditor General’s report that there is an internal function within Health that audits the MCP, can you walk us through the scope of their auditing? Is it just the claims processed or is it the overall higher level MCP budget of \$704 million?

L. CURRAN: With respect to MCP billing, Audit and Claims Integrity Division work primarily with the fee-for-service budget and

do not have responsibility for the salaried side.

We also have a division called Medical Services, and they have overarching responsibility under my branch for the entirety of the budget as expressed and work collaboratively with and provide a function in partnership with the audit function and integrity services in that division.

CHAIR: Okay. Thank you.

I know that internal to government there are roles like, for example, the chief medical officer of Health, would their salary come out of the \$704 million MCP budget?

L. CURRAN: With respect to the chief medical officer, that would be under departmental funds in which that salary is captured.

The assistant medical director under Medical Services has overarching responsibility for the fee schedule, as well as the MCC, which is the committee of medical consultants that meets regularly with respect to claims integrity.

CHAIR: Thank you very much.

Would it be possible to get a list of the titles of the positions that are paid within the \$704 million MCP budget that work within the Government of Newfoundland and Labrador?

L. CURRAN: Yes, we can certainly provide all the positions as well as the attached salaries that are within the department.

CHAIR: Sorry, I'm confused. I thought that the chief medical officer of Health, for example, would have been paid out of that budget, but obviously not. I'm just trying to recalibrate here.

So the chief nursing officer wouldn't either? No. They are departmental staff.

What other kinds of things are paid out of that budget, if you don't mind me asking? You talked about the medical services, could you give us an idea of what types of things? Does that fall under the \$704 million, the medical services?

T. KING: Out of the \$704 million, that is physician services or some of the physician administrator positions.

Divisions like the Integrity Division and the Medical Services Division are administrative functions within the department, and their divisional budgets are separate in the department's Estimates.

CHAIR: Okay. Thank you.

So you said there are 58 staff that get paid from the \$704 million budget?

T. KING: No, they get paid from the department's.

There is a \$3.7 million budget for those staff within the department's core budget.

CHAIR: Okay, sorry. My apologies.

T. KING: No, all good.

CHAIR: So the \$3.7-million administrative function, that pays for 58 staff?

T. KING: Yes.

CHAIR: Are there any staff within the \$704-million budget?

T. KING: No, the staff are within the division's budget.

CHAIR: Okay. I'm going to pass it over.

Thank you very much.

S. O'LEARY: Thank you.

Just two more questions for me, and clarify if these have been asked, but what

cybersecurity risks exist because the system is outdated? Have you encountered any significant security incidents as a result?

A. ROBERTS: The one good thing about having a really old system is that it's really hard to hack. We've seen that as well in the health care system with Meditech.

It is really old technology and it is not something that we see many attack factors on at all. From that perspective, we see very little activity from cybersecurity risks from the legacy mainframe system.

S. O'LEARY: My question beyond that would be, what would be the impact of a system failure on physician payments if something should happen?

A. ROBERTS: Yes.

Just to go back to some previous questions, it is an old system but it does have redundancy built in. So if we had a failure, we would bring the system back up again.

The biggest problem with legacy technology is not the fact that we have availability issues, it's the limiting of functionality from a departmental mandate perspective. It's not about availability. It's still a redundant system, it's just an old redundant system.

S. O'LEARY: I guess just following up on the fact that we're moving into a better system, better IT, again, for somebody who doesn't know a lot about IT, so now that will that increase our potential risks. So how do we mitigate those or how do you plan on mitigating those when we finally upgrade?

A. ROBERTS: It will increase the attack factor because it's going to be more cloud forward and more accessible, which will also increase the ability for people to try to attack it, but, at the same time, it brings with it modern capability, modern security.

That's the juggling act we do with all of our modern systems. We build these modern systems; they're Internet accessible and they're cloud accessible, and we have to bring strong security measures along at the same time to be able to countermeasure any attacks that these modern systems bring to the forefront.

S. O'LEARY: Perfect. Thank you.

My last question is, what performance targets exist for audits completed annually, specifically how long they take?

In that, can you explain to the Committee why some years there was only one or two completed audits, understanding that there is reformation happening?

T. KING: Thank you very much.

To the first part of your question, and in previous questions, I think that is the biggest chunk of work that we are undertaking the policy work on right now, how are we going to speed up those timelines and what are the levers we're going to pull on to move along alternative dispute resolution more quickly?

I think the first step in that, really, was to set out where we are and to start measuring that on a regular basis. Now we're measuring that quarterly, and then the director of the division is meeting with the ADM to talk about just those things and to try and clear those roadblocks as quickly as we can while we do the policy work for what other things we might do from a process perspective to help the process more along more quickly.

S. O'LEARY: Okay.

Thank you. I really appreciate the answers.

J. POWER: Sir, I was just curious – I wasn't trying to prove you wrong – and I thought it was a little bit over, so I just googled when MCP started. It was April 1, 1969.

T. KING: That's the program, not the computer system.

J. POWER: Okay.

I was just curious. I said to Hal, it seems like it's been around longer than that because we're older than that too.

T. KING: I think if you asked some of the staff, they would say it feels like 1969, but the computer system is later.

J. POWER: Thank you.

CHAIR: Thank you very much.

I don't mean to zone in – I do mean to – but just reflecting on the Auditor General's audit, it was to ensure physician and dentist claims are processed accurately and whether the department is providing effective oversight of the Medical Care Plan and Dental Health Plan.

I think this zoned on the system and the processing and the claims, which is obviously extremely valuable and very helpful, but I'm processing in my head, is there a delta between things that are processed in the system and things that happen outside the system that are still within the Medical Care Plan?

Just welcome to my colleague, the MHA for Virginia Waters - Pleasantville. Could we pass that down to him if you don't mind? Thank you very much.

Deputy Minister King, you mentioned that there were 58 staff members out of the \$3.7-million administrative budget. Would those report into NLHS or who would they – ?

T. KING: No, they're departmental staff.

CHAIR: Departmental staff.

They would all report to you?

T. KING: That's correct, through Lisa Curran.

CHAIR: I'll pass it over to MHA Davis if he has any questions.

B. DAVIS: Not at this point. I just walked in the door, so I apologize for that. I don't know where we're to with respect to what's been asked, so I'll just defer to my colleagues.

Sorry about that.

CHAIR: Just to clarify, these are all departmental staff. The 58 report to the Department of Health and Community Services and all the normal Public Service Commission, Treasury Board policies would apply to those staff.

T. KING: That's correct.

CHAIR: I don't think I have any additional questions.

Anyone else? No, okay.

In conclusion then, I will ask the deputy minister if you have any closing remarks and then I'll ask the Auditor General if she has any closing remarks.

Thank you.

T. KING: Thank you very much.

Thanks to the Committee for your time this afternoon; we certainly appreciate it. Thanks again to our very diligent staff. While I haven't been in the department very long yet, certainly the director has just really impressed upon me the dedication of the team and how passionate the people are who do this work every day. I'm very appreciative to them and, of course, to ADM Curran and Roberts for both being here with me today.

Thanks to the Auditor General and her team.

D. HANRAHAN: Thank you very much.

I do have just a question I'd just like to clarify. I know we have until 2028 before we have to worry about officially reporting on the three years, but I just have to understand. You mentioned that you're modernizing your system and you're just starting on that journey, to be fair. That's going to take a couple of years.

T. KING: Yes, two to 2½ years.

D. HANRAHAN: Right, so you may have the bulk of it done, like you said you're doing phases so you can get early wins. Some things may very well be completed, but systems take time, we totally understand that.

Is any part of those phases looking at the coding for the 700 codes? Is it a completely new system which means all the rules are rewritten, or are you taking the old rules and just carrying them over?

I know that's a real techy question but I just —

A. ROBERTS: We're not lifting and shifting the old system into a new system. We're rebuilding a brand new system and, as part of that, we are evaluating all the business rules, adjudication, fee codes, all of those things will be part of that modernization.

For example, right now if someone wanted to change an adjudication rule, it's a developer that needs to change that rule. In the new system, the business unit can go in and change those rules. We're making things much more accessible, much more visible.

It's not just technology modernization; it's business transformation at the same time. We're really focusing on ourselves in the department working hand in hand to make sure we modernize both aspects as we go forward.

D. HANRAHAN: Okay.

Like I said, some of my questions are in anticipation of what I know I'm going to ask you in year two, what I'm going to ask you in year three and our goal always is to help our clients get to 100 per cent implementation in three years. Maybe there's something we can have a chat about because part of you shifting the world, sometimes creates other questions and I just want to help you clarify that.

Thank you very much today for all your information and it's very helpful for us to see the progress that you've made and the information that's in your action plan certainly help us. This audit, there are lots of heavy IT in it, but there is also lots of processes and other things and then it's also sensitive. It has issues about collections; it has issues about a very vital service that is made for Newfoundland and Labrador. So I certainly appreciate your information and as we work through that.

Thank you to the Public Accounts Committee today again for having this hearing. A really important part for us, of course, is to see our recommendations be continued to be reinforced by the Committee, so I appreciate the opportunity for myself and my staff, who I also would like to thank, for doing this work for all of our hearings today.

Thank you.

CHAIR: Thank you very much.

On behalf of the Public Accounts Committee, I thank you very much for coming in, for your responses and your openness and thank you very much for your public service.

With no further business, I call for a motion to adjourn this hearing.

H. CORMIER: So moved.

CHAIR: Motion to adjourn moved by the Member for St. George's - Humber.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

The public hearing stands adjourned.

Thank you very much.

On motion, the Committee adjourned.