



*House of Assembly
Newfoundland & Labrador*

Public Accounts Committee

50th General Assembly – Report 3 *Committee Activity – Second Session*

Report to the House of Assembly

November 1, 2023

This report is privileged until tabled in the House of Assembly.



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Committee Members

Current Members

- Sherry Gambin-Walsh, Placentia - St. Mary's, Vice-Chair
- Brian Warr, Baie Verte - Green Bay
- Joedy Wall, Cape St. Francis (as of October 31, 2023)
- Pleaman Forsey, Exploits (as of April 3, 2023)
- Jordan Brown, Labrador West
- Perry Trimper, Lake Melville (as of October 25, 2023)
- Scott Reid, St. George's - Humber

**The position of Chair is vacant, as of the tabling date of this report.*

Previous Members during the General Assembly

- Helen Conway Ottenheimer, Harbour Main (appointed on October 19, 2022; up to October 31, 2023)
- Lucy Stoyles, Mount Pearl North (up to June 29, 2023)
- Tony Wakeham, Stephenville - Port au Port (up to January 24, 2023)
- Lloyd Parrott, Terra Nova (up to October 18, 2022)

Unless otherwise noted, Members were appointed by motion on June 1, 2021.

Substitutions

October 11, 2022

- Helen Conway Ottenheimer, Member for Harbour Main, substituted for Lloyd Parrott, Member for Terra Nova

October 18, 2022

- Barry Petten, Member for Conception Bay South, substituted for Tony Wakeham, Member for Stephenville - Port au Port
- Helen Conway Ottenheimer, Member for Harbour Main, substituted for Lloyd Parrott, Member for Terra Nova



October 31, 2023

- Joedy Wall, Member for Cape St. Francis, substituted for Helen Conway Ottenheimer



Transmittal

Speaker,

Speaker, I am pleased to present the third report of the Public Accounts Committee for the 50th General Assembly, outlining the Committee's activities throughout the Second Session, since October 5, 2022. I thank members of the Committee for their diligence and hard work toward fulfillment of our mandate to ensure accountability on behalf of the Legislature and the people of Newfoundland and Labrador.

Respectfully submitted,

Sherry Gambin-Walsh, MHA
Placentia - St. Mary's
Vice-Chair



Mandate & Order of Reference

The Standing Committee on Public Accounts is established pursuant to Standing Order 65. Standing Order 65(5) outlines the Committee's mandate and prescribes the Public Accounts Committee (PAC) as the Committee to which all reports of the Auditor General shall, upon tabling, stand referred. The Committee also reviews the audited accounts of the House of Assembly and the Clerk's role as accounting officer, pursuant to the *House of Assembly Accountability, Integrity and Administration Act*. It may also request special reports from the Auditor General on issues it deems to be of concern, pursuant to the *Auditor General Act, 2021*.

The Committee is dedicated to improving public administration, including how government delivers services to its citizens, by overseeing the implementation and effectiveness of government programs and operations in accordance with intentions of the Legislature. It uses powers vested in it by the Legislature to ensure the correction of deficiencies identified by the Auditor General.



Statement of Values

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. The Committee strives to achieve consensus in its decisions, whenever possible, and members take a non-partisan approach to their work on this Committee.



Summary of Work

As of the tabling date of this report, the Public Accounts Committee met 26 times during the Second Session of the 50th General Assembly on the following dates:

1. October 4, 2022;
2. October 11, 2022;
3. October 18, 2022;
4. November 3, 2022;
5. November 9, 2022;
6. November 23, 2022; (public hearing)
7. November 24, 2022; (public hearing)
8. December 6, 2022;
9. December 13, 2022; (public hearing)
10. February 23, 2023;
11. March 6, 2023;
12. April 19, 2023;
13. April 27, 2023;
14. May 4, 2023;
15. May 11, 2023;
16. May 23, 2023;
17. May 25, 2023;
18. June 7, 2023;
19. June 19, 2023;
20. June 21, 2023;
21. July 5, 2023; (public hearing)
22. July 12, 2023;
23. September 19, 2023;
24. October 10, 2023;
25. October 25, 2023;
26. October 31, 2023.

Continuing Work from the First Session

The Public Accounts Committee commenced follow up on two special reports received from the Auditor General that arose from matters referred by the Committee in the First Session ([MV Veteran and MV Legionnaire](#) – August 2021; and [Physical Mitigation of Muskrat Falls Reservoir Wetlands](#) – December 2021). [50th General Assembly – Report](#)



[1 to the House of Assembly](#), tabled May 17, 2022, details the Committee’s work during the First Session.

The Committee’s work on both matters continued in the Second Session, as follows:

Audit Report	PAC Follow-Up Actions
MV Veteran and MV Legionnaire	<ul style="list-style-type: none">– The Committee held a final public hearing on November 9, 2022, with former officials of the Departments of Transportation and Infrastructure, and Industry, Energy and Technology.– On April 25, 2023, the Committee tabled 50th General Assembly – Report 2 – Review of the Auditor General’s Report on the MV Veteran and MV Legionnaire, a substantive summary of its inquiry into the matter, which highlighted key themes of its finding and included six recommendations.
Physical Mitigation of Muskrat Falls Reservoir Wetlands	<ul style="list-style-type: none">– The Committee held public hearings on November 23, November 24 and December 13, 2022, with current and former officials of the following entities:<ul style="list-style-type: none">○ Department of Municipal and Provincial Affairs;○ Department of Environment and Climate Change;○ Office of Indigenous Affairs and Reconciliation;○ Independent Expert Advisory Committee; and○ Nalcor Energy.– The Committee’s work on these matters continues.

Hansard transcripts and archived audio of the proceedings of the above-noted public hearings are available [here](#).



New Matters in the Second Session

Further to its mandate, the Public Accounts Committee is the Committee to which all reports of the Auditor General stand referred. The Committee's role with respect to these reports is to conduct a thorough examination on behalf of the Legislature, holding entities accountable by ensuring the correction of deficiencies.

The Public Accounts Committee is actively examining matters contained in the following reports of the Auditor General, tabled during the Second Session of the 50th General Assembly:

Audit Report	PAC Follow-Up Actions
Nalcor Energy – Discretionary Expenses, Conflict of Interest & Use of Embedded Contractors	<ul style="list-style-type: none">– The Committee was briefed by the Auditor General and officials on the findings and recommendations of both audit reports (Fall 2022).– The Committee requested a written action plan from NL Hydro for each of the Auditor General's recommendations in December 2022, receiving a response during Winter 2023.– The Committee has confirmed a public hearing on these matters for November 29, 2023, with officials from NL Hydro scheduled to appear. The Committee will release further details closer to the hearing date.
Nalcor Energy – Compensation	
Adult Custody and Community Corrections	<ul style="list-style-type: none">– The Auditor General and officials briefed the Committee on the findings and recommendations of the audit report (December 2022).– The Committee requested a written action plan from the Department of Justice and Public Safety for implementation of the Auditor General's recommendations in December 2022, receiving a response during Winter 2023. The Committee met with officials from the Department to discuss the initial action plan in April & May 2023.



Audit Report	PAC Follow-Up Actions
	<ul style="list-style-type: none">- In July 2023, the Committee requested an updated action plan on the implementation status of recommendations from the Department, receiving a response in September 2023. The Committee's review of the updated action plan is ongoing.
Monitoring Report on Outstanding Recommendations (2014-2020)	<ul style="list-style-type: none">- The Auditor General and officials briefed the Committee on the status of outstanding recommendations contained in the report (April 2023).- Following additional consultation with the Auditor General in June 2023, the Committee identified nine audit topic areas to conduct further follow-up on, including:<ol style="list-style-type: none">1. Provincial Home Support Program (2017);2. Oversight of Provincial Wellness Priorities (2019);3. Road Ambulance Services (2016);4. Salaried Physicians (2016);5. Student Transportation (2019);6. Acute Care Bed Management (2016);7. Financial Assistance to Business (2016);8. Personal Care Home Regulation (2015); and9. Nutrition in Long Term Care (2015).- The Committee requested additional information from the concerned entities identified in the above-noted audit topic areas as to the reasons why certain recommendations remain outstanding, receiving responses in July 2023. Further to these responses, there was additional written follow-up with concerned entities on Personal Care Home Regulation (2015) and Student Transportation (2019) in September 2023. The Committee's work on these audit topic areas continues.



Audit Report	PAC Follow-Up Actions
Food Premises Inspection and Licensing Program	<ul style="list-style-type: none">– The Auditor General and officials briefed the Committee on the findings and recommendations of the audit report (May 2023).– The Committee requested written action plans for implementation of the Auditor General’s recommendations from the Departments of Digital Government and Service NL and Health and Community Services in June 2023, receiving a response in September 2023. The Committee’s review of the action plans is ongoing.
Innovation and Business Investment Corporation	<ul style="list-style-type: none">– The Auditor General and officials briefed the Committee on the findings and recommendations of the audit report (June 2023).– The Committee requested written action plans for implementation of the Auditor General’s recommendations from the Department of Tourism, Culture, Arts and Recreation, the Department of Industry, Energy and Technology and the Innovation and Business Investment Corporation in July 2023, receiving a response in September 2023. The Committee’s review of the action plans is ongoing.
Office of the High Sheriff	<ul style="list-style-type: none">– The Auditor General and officials briefed the Committee on the findings and recommendations of the audit report (September 2023).– The Committee requested a written action plan for implementation of the Auditor General’s recommendations from the Department of Justice and Public Safety in October 2023, with a response expected by mid-November 2023.



On July 5, 2023, the Committee conducted a public hearing on matters contained in the Public Accounts Consolidated Summary Financial Statements for the year ended March 31, 2022 and related matters in the Annual Report of the Office of the Auditor General dated February 2023, hearing from officials from the Office of the Comptroller General. Further information on this public hearing, including archived audio and Hansard transcripts, is available [here](#).

Development and Improvement of Follow-up Practices

The positive and collaborative working relationship the Public Accounts Committee shares with the Auditor General and that Office has resulted in the implementation of practices and workflow that further improves the accountability process, as follows:

- A consistent practice where the Auditor General provides the Committee with a briefing on all audit reports that are ready for tabling. Should the Committee have follow-up questions following the initial briefing, the Committee schedules additional meetings with the Auditor General, as necessary.
- In collaboration with the Office of the Auditor General, the Committee developed an implementation action-plan template, which the Committee sends to concerned entities following tabling of an audit report. The Committee specifies a deadline for the entity to respond with its action plan, a copy of which the Committee subsequently provides to the Auditor General upon the Committee's receipt. The Committee determines its next steps following review of action plan responses, which may include additional written follow-up; meetings with officials from the concerned entities to discuss action plan responses; public hearings with officials from concerned entities; and/or issuing a report to the House of Assembly.

The above-noted processes are proving to be invaluable for the Committee in carrying out its mandate.



Amendments to Standing Orders – Public Accounts Committee Mandate

In December 2022, the Public Accounts Committee requested the Standing Orders Committee consider recommending amendments to the Standing Orders to codify and clarify the Public Accounts Committee mandate.

The Standing Orders Committee considered the request, tabling a report on October 24, 2023, outlining its findings and recommendations. The full report is available [here](#).

In consideration of the referral from the Public Accounts Committee, the Standing Orders Committee recommended, and the House adopted on October 25, 2023, the following:

“That Standing Order 65 be amended by adding immediately after Standing Order 65(5) the following:

(6) In addition to any matter referred to the Public Accounts Committee by the House under Standing Order 65(5), the Public Accounts of the Province and all reports of the Auditor General, shall, upon tabling, stand referred to the Public Accounts Committee.”

The Public Accounts Committee is pleased with the outcome of its request to the Standing Orders Committee, and subsequent decision of the House of Assembly, to adopt amendments clarifying and codifying the Public Accounts Committee mandate.

Professional Development

Committee members participated in the following professional development opportunities during the Second Session:

- Training workshop delivered by the Canadian Audit and Accountability Foundation in June 2023, on the foundations of an effective Public Accounts Committee; and



- 2023 Canadian Council of Public Accounts Committees and Canadian Council of Legislative Auditors Annual Conference in Whitehorse, Yukon, in September 2023. This conference provides Committee members and legislative auditors across Canada the opportunity to meet face to face to discuss matters of mutual interest and promotes professional development within this specialized area of parliamentary work.



Acknowledgments

The Public Accounts Committee wishes to acknowledge Denise Hanrahan, Auditor General of Newfoundland and Labrador, and employees of that Office for the exceptional support and guidance they provide to the Committee. The Committee looks forward to continuing the positive and collaborative relationship it shares with the Office of the Auditor General in working together to ensure accountability on behalf of the people of Newfoundland and Labrador.

The Committee also wishes to acknowledge the work and dedication of former Chairs during the Second Session: Tony Wakeham, Member for Stephenville - Port au Port; and Helen Conway Ottenheimer, Member for Harbour Main.

The Committee wishes to thank the Canadian Audit and Accountability Foundation for sharing their knowledge during the training workshop in June 2023.

Finally, the Committee acknowledges employees in the House of Assembly Service for their work in supporting the Committee in fulfillment of its mandate.