



*House of Assembly
Newfoundland & Labrador*

Public Accounts Committee

50th General Assembly – Report 5 *Committee Activity – Second Session*

Report to the House of Assembly

November 2024

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



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Committee Members

Current Members:

- Pleaman Forsey, Exploits, Chair (as of April 3, 2023)
- Lucy Stoyles, Mount Pearl North, Vice-Chair (June 1, 2021 - June 29, 2023; and effective November 6, 2024)
- Joedy Wall, Cape St. Francis (as of October 31, 2023)
- Jordan Brown, Labrador West
- Perry Trimper, Lake Melville (as of October 25, 2023)
- Sherry Gambin-Walsh, Placentia - St. Mary's

Previous Members during the 50th General Assembly:

- Brian Warr, former Member for Baie Verte - Green Bay (resigned March 1, 2024)
- Helen Conway Ottenheimer, Harbour Main (October 19, 2022 - October 31, 2023)
- Tony Wakeham, Stephenville - Port au Port (June 1, 2021 - January 24, 2023)
- Lloyd Parrott, Terra Nova (June 1, 2021 - October 18, 2022)
- Scott Reid, St. George's - Humber (June 1, 2021 - July 19, 2024)

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



Transmittal

Speaker,

I am pleased to present the fifth report of the Public Accounts Committee for the 50th General Assembly, further outlining the Committee's activities throughout the Second Session, since November 2023. I thank the 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,

A handwritten signature in blue ink, appearing to read "Pleaman Forsey".

Pleaman Forsey, MHA
Exploits
Chair



Mandate & Order of Reference

The Standing Committee on Public Accounts is established pursuant to Standing Order 65. Standing Order 65(6) 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

Since the tabling of the Committee's previous activity report, the Public Accounts Committee has met 14 times, on the following dates:

1. November 16, 2023;
2. November 28, 2023;
3. November 29, 2023; (public hearing)
4. December 12, 2023;
5. February 6, 2024;
6. February 27, 2024;
7. March 5, 2024;
8. March 19, 2024;
9. May 14, 2024;
10. June 19, 2024;
11. June 20, 2024; (public hearing)
12. September 26, 2024;
13. October 22, 2024; and
14. November 12, 2024.

Continuing Work

The Public Accounts Committee continued follow-up on a special report of the Auditor General ([Physical Mitigation of Muskrat Falls Reservoir Wetlands](#) – December 2021), as well as five performance audit reports (Nalcor Energy – [Discretionary Expenses, Conflict of Interest & Use of Embedded Contractors](#) and [Compensation](#); [Adult Custody and Community Corrections](#); [Food Premises Inspection and Licensing Program](#); [Innovation and Business Investment Program](#); and [Office of the High Sheriff](#)) that were tabled earlier in the 50th General Assembly.

Audit Report	PAC Follow-Up Actions
Physical Mitigation of Muskrat Falls Reservoir Wetlands	– On May 16, 2024, the Committee tabled Report 4 – Review of the Auditor General's Report on Physical Mitigation of Muskrat Falls Reservoir Wetlands , a report summarizing its follow-up work.



Audit Report	PAC Follow-Up Actions
<p>Nalcor Energy – Discretionary Expenses, Conflict of Interest & Use of Embedded Contractors</p> <p>Nalcor Energy – Compensation</p>	<ul style="list-style-type: none">– The Committee held a public hearing on these matters on November 29, 2023, with officials from Newfoundland and Labrador Hydro appearing. A list of witnesses is available in Appendix A of this report.– The Committee will continue to monitor the implementation status of recommendations in this report through future monitoring reports of the Auditor General, including whether further follow-up with the entity on these matters is required.
<p>Adult Custody and Community Corrections</p>	<ul style="list-style-type: none">– In December 2023, the Committee requested an updated action plan from the Department of Justice and Public Safety (JPS) regarding the progress it has made in implementing the recommendations contained in this report. The Department submitted a status update in January 2024.– On June 20, 2024, the Committee held a public hearing on this matter, with officials from JPS appearing. A list of witnesses is available in Appendix A of this report.– The Committee will continue to monitor the implementation status of recommendations in this report through future monitoring reports of the Auditor General, including whether further follow-up with the entity on these matters is required.
<p>Food Premises Inspection and Licensing Program</p>	<ul style="list-style-type: none">– In April 2024, the Committee requested an updated action plan from the Department of Digital Government and Service NL (DGSNL), regarding the progress it has made in implementing the recommendations in this report. The Department submitted a status update later that month.– On June 20, 2024, the Committee held on a public hearing on this matter, with officials from DGSNL and the Department of Health and Community Services appearing. A list of witnesses is available in Appendix A of this report.– The Committee will continue to monitor the implementation status of recommendations in this report through future monitoring reports of the Auditor General, including whether further follow-up with the entity on these matters is required.



Audit Report	PAC Follow-Up Actions
Innovation and Business Investment Corporation	<ul style="list-style-type: none">– On June 20, 2024, the Committee held a public hearing on this matter, with officials appearing from the Department of Industry, Energy and Technology appearing. A list of witnesses is available in Appendix A of this report.– The Committee will continue to monitor the implementation status of recommendations in this report through future monitoring reports of the Auditor General, including whether further follow-up with the entities on these matters is required.
Office of the High Sheriff	<ul style="list-style-type: none">– In April 2024, the Committee requested an updated action plan from the Department of Justice and Public Safety (JPS), regarding the progress it has made in implementing the recommendations in this report. The Department submitted a status update later that month.– On June 20, 2024, the Committee held a public hearing on this matter, with officials appearing from JPS and the Office of the High Sheriff.– <input type="checkbox"/> The Committee will continue to monitor the implementation status of recommendations in this report through future monitoring reports of the Auditor General, including whether further follow-up with the entities on these matters is required.

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 since the Committee's last reported in November 2023:



Audit Report	PAC Follow-Up Actions
Report on the Province's 2023 Financial Statement Audits	<ul style="list-style-type: none">– The Auditor General briefed the Committee on the matters contained in this report in February 2024.– The Committee continues to discuss further follow-up, including a public hearing to be scheduled early in 2025 on the Public Accounts for the year-ended 31 March 2023 and related matters outlined in this report.
Monitoring Report on Outstanding Performance Audit Recommendations	<ul style="list-style-type: none">– The Auditor General briefed the Committee on the matters contained in this report in May 2024.– The Committee continues to discuss further follow-up.
Oil and Gas Corporation	<ul style="list-style-type: none">– The Auditor General briefed the Committee on the matters contained in this report in June 2024.– The Committee requested an action plan from the Oil and Gas Corporation in July 2024, outlining its response to the recommendations contained in the report. OilCo provided its action plan in September 2024.– The Committee continues to discuss further follow-up options.
Administration of Crown Lands	<ul style="list-style-type: none">– The Auditor General briefed the Committee on the matters contained in this report in October 2024.– The Committee continues to discuss further follow-up.

Special Audit Request – Personal Care Homes & Long-Term Care

In December 2023, the Committee initiated a special audit request to the Auditor General, pursuant to section 22 of the *Auditor General Act, 2021*, for an audit on matters related to personal care homes and long-term care in the province, which was accepted by the Auditor General.

The Auditor General's monitoring report in April 2023 provided an update on outstanding performance audit recommendations issued from 2014 to 2020. Sharing similar concerns that some recommendations issued in reports during that timeframe remained not fully implemented or otherwise resolved, the Public Accounts Committee began further follow-up and questioning of various entities. The Committee acknowledges that while work has been done to implement some of the Auditor General's recommendations, it is particularly concerned about remaining outstanding recommendations related to personal care homes



and potential similar issues with long-term care, given the ongoing issues experienced in these areas and the associated life-safety concerns.

The Committee appreciates the attention of the Auditor General to these matters as it continues its important work to improve delivery of programs and services that affect the lives of people across this province.

Consistently Conducting Public Hearings

The Public Accounts Committee is consistently holding public hearings in this general assembly, particularly on matters related to performance audits of the Auditor General. Following its public hearing in June 2024, the Committee has now conducted public hearings on all performance audits released by the Auditor General between 2021 and 2023.

Further Refinement of Follow-up Practices

Working in partnership with the Auditor General, the Public Accounts Committee has continued to refine and improve upon its established follow-up processes, particularly the process for requesting action plans from concerned entities for audit reports. The Committee recently adjusted its workflow process so that it now aligns the action plan request and template with criteria from the Auditor General's management letter to that entity.

Professional Development and Capacity Building

Committee members, together with the Auditor General, were pleased to attend the 2024 Canadian Council of Public Accounts Committees and Canadian Council of Legislative Auditors Conference in Quebec City in September 2024. This conference brings together Auditors General and members of Public Accounts Committees across Canada, where best practices in auditing, accountability and oversight are among the topics of discussion.



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



Appendix A

Witnesses (officials) who appeared at each public hearing:

November 29, 2023

Newfoundland and Labrador Hydro:

Jennifer Williams, President and Chief Executive Officer
Lisa Hutchens, Vice-President and Chief Financial Officers
Gail Collins, Vice-President, People and Corporate Affairs
Jackie Borden, Director, Internal Audit

June 20, 2024

Department of Justice and Public Safety:

Denis Mahoney, Deputy Minister
Lorelei Roberts, Assistant Deputy Minister, Public Safety and Correctional Services
Susan Green, Manager, Institutional Programs, Her Majesty's Penitentiary
Ashley Hardman, Chief Adult Probation Officers, Corrections and Community Services
Tyler Woodman, Manager of Accounting and Finance, Office of the High Sheriff

Department of Digital Government and Service NL:

Sean Dutton, Deputy Minister
Gail Boland, Assistant Deputy Minister, Digital Government and Services
Tammy McDonald, Manager of Operations, Environmental Health

Department of Health and Community Service:

John McGrath, Deputy Minister
Gillian Sweeney, Assistant Deputy Minister, Population Health
Janice Fitzgerald, Chief Medical Officer of Health
Douglas Howse, Manager, Environmental Health



Department of Industry, Energy and Technology:

John Cowan, Deputy Minister

Nadine Emberley, Director of Programs and Services

Kirk Youden, Director of Sector Diversification

Dana Grant, Director of Accelerated Growth

Taylor Parsons, Director of Business Analysis