

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

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Standing Committee on Public Accounts

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LOCATION: COMMITTEE ROOM, J. ANGUS MACLEAN BUILDING, CHARLOTTETOWN

SUBJECT: REVIEW OF REPORT OF AUDITOR GENERAL MARCH 10, 2017

COMMITTEE:

James Aylward, MLA Stratford-Kinlock [Chair]
Dr. Peter Bevan-Baker, Leader of the Third Party
Jordan Brown, MLA Charlottetown-Brighton [Vice Chair]
Kathleen Casey, MLA Charlottetown-Lewis Point
Darlene Compton, MLA Belfast-Murray River
Bush Dumville, MLA West Royalty-Springvale
Chris Palmer, MLA Summerside-Wilmot
Hal Perry, MLA Tignish-Palmer Road

COMMITTEE MEMBERS ABSENT:

none

MEMBERS IN ATTENDANCE:

Bradley Trivers, MLA Rustico-Emerald

GUESTS:

Auditor General's Office (Jane MacAdam, Gerri Russell, Barbara Waite)

STAFF:

Ryan Reddin, Clerk Assistant (Research & Committees)

Edited by Hansard

The committee met at 10:00 a.m.

Chair (Aylward): Okay ladies and gentlemen, the clock on the wall is just slightly off so we'll get going here. I'd like to call the Standing Committee on Public Accounts to order and welcome everyone here.

First, I'd like to just call for an adoption of the agenda.

Dr. Bevan-Baker: (Indistinct)

Chair: Thank you, Peter.

Just a couple of housekeeping announcements.

As always, we just remind you to put your cellphones on silent and if they are on vibrate, please take them off the table because it affects the microphones and Hansard. Then, just the last thing I'd like to mention is, I guess by convention or one of the rules of the standing committee and the Legislative Assembly – that we have a certain dress code to maintain, but I'd like to advise all committee members today around the table and our witnesses that are here, if somebody feels the need to shed your jacket, that the Chair will certainly overlook that breach of protocol today.

An Hon. Member: Thank you, Chair.

Chair: You are very much welcome.

Ms. Compton: No more of that when we go to video.

Mr. J. Brown: Yeah, exactly. Hopefully they have AC over there though.

Chair: Yes, exactly.

With that, I'd like to welcome Jane, the Auditor General of course, for the Province of Prince Edward Island. When we last left off we had just completed chapter two, moving into chapter three of the 2017 AG's report, so I'll turn it over.

Jane MacAdam: Chapter three is on the Office of the Public Trustee.

The objectives of this audit were to determine whether the public trustee office has adequate processes to safeguard and administer client assets held in trust, and whether it publicly reports on its performance.

As a bit of a background, the public trustee protects the financial interest of some of PEI's most vulnerable residents. The office responds to the needs of those who are deemed medically incapable of making their own financial decisions or where required, by order of the court. The public trustee was responsible for approximately 300 clients at March 31st, 2016, and the number and value of transactions processed by that office is significant. Over a three-year period ending March 31st, 2016, the public trustee office processed approximately 18,000 transactions related to 10.9 million in receipts and 10.5 million in disbursements.

The first section of our report is on authorization and administration of client files. The first key finding in that section is that client information was not readily available. There was no summary of basic client information available in the files. The information is important for continuity and efficiency in the administration of client files. This information could include, for example, the client's age, living conditions, family support, caretaker information, terms of court orders, monthly living requirements and those kinds of things. We found that that information wasn't readily available and summarized in the files. The next key finding was that client transactions were not always recorded.

Client monthly receipts are sometimes forwarded directly to care providers, such as nursing homes, to cover living expenses. We were advised that these amounts are not recorded within the public trustees' records. Under these circumstances, the client financial records are incomplete. For three clients in our sample: revenues and expenses were not recorded in the client accounts; there was no documentation on file to support that the office had periodically checked in with the client or the caregiver to provide financial oversight for the client.

The next key finding in this section was that asset information was not complete.

When the public trustee is authorized to take financial responsibility for an individual, staff should establish a complete listing and take control of known assets and liabilities in a timely manner. We found that in general, asset information was not summarized in client files. In fact, during our audit we noted instances where client assets were not listed and/or recorded in the clients' trust accounts.

In some cases, the offices require to take possession of a home and its contents and the assets are liquidated through an auction. Staff informed us that auction proceeds were reconciled, but documentation was not maintained. Without this documentation we could not conclude that these reconciliations had been completed.

We make five recommendations to improve administration of client files:

The public trustee office should document and update summary client information;

They should record revenues and expenses for each client;

Provide adequate oversight;

Establish a complete listing of assets and take control of all assets and liabilities and;

Reconcile auction proceeds for significant assets.

The next section was on financial controls and oversight.

Chair: Jane, just one moment.

Peter had a question.

Dr. Peter Bevan-Baker: Thank you, Chair.

I'd just like to note that in the chapter summary at the beginning you mentioned that this is – many of the issues identified in this year's report are not new and that you brought this to the attention of the Office of the Public Trustee before. I'm just wondering when was the last time that you did an audit of the Office of the Public Trustee. I know there's an annual requirement to do so, but in terms as part of the AG report.

Jane MacAdam: We did do a value for money audit back in 2006. But I mean some of the findings were similar but the audit did have a different audit objective at that time. But it's mainly the financial audit that we do on an annual basis where some of these issues are brought to the attention of the public trustee office.

Chair: Peter.

Dr. Peter Bevan-Baker: Can I ask if any of the recommendations – you mentioned five so far but I know there are many more to come in this section – are many of them, or any of them, repeat recommendations in the 2006 report that you did?

Jane MacAdam: In particular, the one about contacting known heirs, that was in our previous report. We had done some work in that area, but I'm not really sure about the other ones. I can get that information and bring it back if you'd like, but I really just don't know.

Chair: Peter.

Dr. Peter Bevan-Baker: The reason I ask is that as we all know sitting around this table, you do very thorough, clear, concise, for me, educational work and I thank you for that. But the purpose of this is in order to improve services and make sure that various departments that we're studying improve their habits.

For me, it would be interesting to know whether the recommendations made in 2006 did have a practical impact on the department and make sure that you're not having to repeat the work that you did 10 years ago each time you do this. I would actually like to see that Jane, if that's possible.

Thank you.

Thank you, Chair.

Chair: Anyone else?

Okay, Jane.

Jane MacAdam: The next section is on financial controls and oversight. Our first key finding there is that there was insufficient internal controls over receipts

and disbursements. A basic key element of an effective control environment is the concept of segregation of duties and this requires having more than one person to complete a task as an internal control intended to prevent or detect unauthorized transactions and errors.

We found there is an inadequate segregation of duties which could expose client assets to risk. One staff member can set up new clients, initiate disbursements, record transactions, transfer funds between client accounts, handle all aspects of client investments, and perform bank reconciliations. We also noted instances of inadequate supporting documentation for payments and in addition, bank reconciliations were not prepared on a timely basis and reviewed by the public trustee.

Another finding is there was insufficient management information available. The public trustee office does not produce regular summary reports. High-level financial reporting such as monthly client transaction summaries would facilitate review and oversight of client receipts and disbursements and could allow the public trustee to identify missing information and/or unusual transactions.

Chair: Jane, Jordan had a question.

Mr. J. Brown: I'm just curious as to how many, I guess over the scope of your audit period, were working in that office.

Jane MacAdam: How many were working?

Mr. J. Brown: Yes, yes, sorry. How many were working.

Jane MacAdam: I believe we note that in – I'm just looking for the paragraph here.

In paragraph 3.5: They are delivered by the public trustee, the deputy public trustee and an administrative support staff member and the public trustee and the admin support spend at least 50% of their time on other responsibilities related to the public guardian and the official guardian. Really, it's just the deputy public trustee that's full-time.

Mr. J. Brown: Just kind of having some sense of the practicalities of monitoring trust accounts and stuff like that and what happens typically to make that – like typically a trust account, you're going to require two signatures and there will be a requisition to generate a signature and a cheque and all that kind of stuff, but beyond that I'm wondering in a small office like that with really one person doing the heavy lifting on a day-in-day-out basis, you had – I think it was in 3.38 or 3.37 – recommended that extra steps could be taken to do that.

I'm just wondering if that's kind of a plain – that those extra steps are well known steps or if somewhere you have compiled a list of what they would be or –

Jane MacAdam: Are you talking about in 3.37 or – I'm not sure –

Mr. J. Brown: I think that's where – I was just looking back at what – what was the paragraph that jumped up to me? (Indistinct) so I think this is the paragraph: segregation of duties can be challenging in a small office. In the absence of an appropriate segregation of duties, we'd expect compensating controls. So that's what I'm referring to.

Jane MacAdam: Okay.

Mr. J. Brown: Mitigate the risks of unauthorized transactions and errors going undetected.

I don't – so again, I mean – I have a background in a private sector law firm. We would have complex accounting software that requires the generation of a cheque and appropriate designation of those funds to go in and then somebody who is in kind of the administrative part of the office to authorize it and then two signatures to go forward.

But, I guess what I'm wondering is in a small office where you really have one person and then maybe some part-time people going through, and you're in an office where basically people are, I'm sure, requiring money to go in and out all the time, what do you do practically speaking to – I mean short of always having two people in the office, which is probably burdensome –

Jane MacAdam: Right.

That's what we're really getting at in that paragraph, that we acknowledge that in a small office you can't necessarily have a perfect segregation of duties, but we said in the paragraph here we say: It's important that the public trustee provides oversight and authorization for key processes.

In the absence of all these – a really good segregation of duties, there should be at least some procedures that mitigate the risks of errors going undetected. We say this should include, at a minimum, authorizing disbursements and reviewing bank reconciliations. Those things were not being done as well, so I guess that's where we come up with those recommendations.

Mr. J. Brown: Right.

I guess what I was wondering is there a standard kind of – somewhere where you would turn to say: Look, these are the things that we might consider doing to guide those recommendations or any further ones that we might make as a committee to the Office of the Public Trustee.

Jane MacAdam: I think we centered around reviewing documentation – that the public trustee would review the documentation and initial the documentation to signify that it had been reviewed, and that the bank reconciliations would be done on a timely basis and the public trustee would initial that the bank reconciliations were reviewed.

But in addition, the whole oversight, that's where we get into the summary financial reports. There's no sort of summary reporting that that's another layer of oversight that could be provided by the public trustee if those reports were generated. It's another sort of safety net to detect missing information or unusual transactions. It could raise red flags, so it's just another control that would be important to safeguard client assets.

Mr. J. Brown: I guess maybe one or two final questions. The deputy public trustee, who is that? Is that person a professional? Would they have professional credentials?

Jane MacAdam: He's a professional, yes.

Mr. J. Brown: Member of the law society or –

Jane MacAdam: No. It's an accountant.

Mr. J. Brown: – chartered professional accountant?

Jane MacAdam: It's an accountant.

Barbara Waite: (Indistinct)

Jane MacAdam: He's a certified general accountant. He's now a CPA.

Mr. J. Brown: Okay.

Presuming that they would be a member of a society that would probably have insurance and the rest of that, I'm just wondering if there's access or if they pay into a defalcation fund.

Jane MacAdam: Pardon me?

Mr. J. Brown: I'm wondering if this person basically is backed by, for a lack of a more complex term – a defalcation fund?

Jane MacAdam: I'm not sure (Indistinct)

Mr. J. Brown: (Indistinct)

Thanks.

Chair: Darlene?

Ms. Compton: Just getting back to the reporting. We're looking at 9.4 million as of March 31st, 2014, that's the value of the client assets.

Jane MacAdam: (Indistinct) assets, yes.

Ms. Compton: Yeah, I'm just wondering why you just have til 2014 and not 2015 or 2016.

Jane MacAdam: In paragraph 3.9 here we say: Client net asset balances for 2015 and 2016 were not prepared by management. So, they weren't available when we were doing this work and that's part of the issue we have –

Ms. Compton: Yeah –

Jane MacAdam: – with the accounting system and –

Ms. Compton: We have a reason or just – they just weren't available? Do we have a reason why they weren't available?

Jane MacAdam: They weren't prepared.

Ms. Compton: Because we're at 2017 now and we're reviewing back to 2014. It would be good to be up to date.

Jane MacAdam: Now we recently advised that the 2015 financial information is available for audit, which is – at the end of July we received the March 31st, 2015 information and the office is working on the 2016 and the 2017.

Ms. Compton: So we're basically working two years behind.

Jane MacAdam: Yes, they are; they're behind.

Ms. Compton: That's, I guess, fairly concerning especially for families. I mean, the only personal experience I've had with this is through the nursing home and the clients there that would have someone to look after them through the public trustee office, and the concern was always there as to whether they were being looked after and how much on the radar they were, especially when someone passes away and you're trying to find family members and you're relying on the public trustee.

I know it was quite a demand on that person, on the public trustee and the deputy trustee, to ensure that those people are looked after. You mentioned how many staff they have and whether that's enough, I mean maybe for day-to-day work, but to do the research and to try and ensure that those people are being looked after in the right way is a concern.

I know I've heard it over and over again from staff at the facility that I was at about: Do we know if the public trustee is on top of this? If we're looking at accounts that are two years behind, or three years behind, it's really a concern. It's just something that I'd like to come forward to you on a personal level.

Chair: Just to continue on with what Darlene is saying there, too, there was a section here where I read that the individual that was responsible under the public trustee had been deceased, I think, for three years and the public trustee didn't even have that record. They were being charged, I think, for three or four years for administration fees for their affairs. Yeah, I think there are many red flags here that would need to be addressed. Again, as a committee, we can put forward some recommendations.

Also, I double checked with the clerk a few minutes ago; we still haven't received the management letter or the action plan that the department would have put together to address the AG's recommendation. We'll maybe send out a little polite reminder that we're still anxiously awaiting that.

Peter.

Dr. Peter Bevan-Baker: Thank you, Chair.

If I can ask a fairly blunt question and feel free to give your opinion on this or not, but in your opinion, do you feel that this not being up-to-date with the reporting requirements of the department, is that in your opinion, a lack of capacity within the department? Or is it just inefficiencies in the way that work is carried out?

Jane MacAdam: We didn't analyze the staffing in the office so that wasn't part of our audit objective, but certainly we looked at the accounting system and we know that the accounting system isn't adequate.

I mean we have, I think, 12 recommendations here. These recommendations are intended to improve processes to safeguard and administer a client trust account. For government to implement these recommendations, staffing would definitely have to be considered. Staffing was raised as an issue by the client when we were doing that work. They did indicate that they felt overworked and did not have enough staff.

But again, our objective was to look at the processes and make the recommendations. So, on a go-forward basis, if they need more staff then that's what they're going to have to do in order to implement the

recommendations. I think it's a combination (Indistinct)

Chair: Peter.

Dr. Peter Bevan-Baker: Just in terms of practicalities, the record keeping within the department, is that largely computerized, somewhat computerized, entirely computerized, or is there a lot of manual record keeping going on?

Jane MacAdam: We talk about it over in – later on. It's a combination. There is some electronic, but as we indicate here in the report, they don't record the transactions on an ongoing basis. They don't allocate them to the clients. At the end of the year they need to really analyze the transactions and allocate and record some of the assets for specific clients. It's just a very inefficient, cumbersome system that they have and it's prone to errors and it's inefficient. It doesn't lend itself to timely and financial reporting.

Chair: Peter.

Dr. Peter Bevan-Baker: All of those things to varying degrees could be mitigated or overcome if we had a good system, a good computerized system in place. But I notice that none of the recommendations actually stipulate that; I'm wondering why not?

Jane MacAdam: We have a recommendation that they should take action implementing an accounting system that facilitates timely, accurate information from management decision-making and reporting. We didn't want to be –

Dr. Peter Bevan-Baker: That implies that a computerized system would –

Jane MacAdam: We didn't want to be prescriptive.

Dr. Peter Bevan-Baker: Okay.

Jane MacAdam: We highlight all the deficiencies in the current system and really they need to implement a new system, or a system that can do what it's supposed to do. We tend to – in our recommendations – try not to be too prescriptive and point out the deficiencies and keep it at sort of a higher level.

Dr. Peter Bevan-Baker: Thank you, Chair.

Jane MacAdam: The next key finding in that section was there was a lack of supporting documentation for some transactions. In our sample we noted six files where the office could not provide supporting documentation for regular recurring payments. This would be authorization of at least the initial monthly disbursement for ongoing payments.

We also checked for proper documentation for a number of non-recurring transactions and in a level of 30 client files tested, the public trustee office could not provide the supporting documentation we requested.

We made three recommendations to improve financial controls and oversight. The public trustee office should develop and implement adequate internal controls to safeguard and maintain clients' financial assets, obtain regular summary reports to facilitate oversight of client accounts, and maintain organized client files containing all relevant documentation to support transactions.

The next section is on the accounting system.

Chair: Jane? Sorry, just on 3.46 where you say: In 11 of the 30 client files tested, the public trustee office could not provide the supporting documentation when requested. In one of these instances, the Office could not provide support for significant costs of approximately \$125,000 withheld on the sale of a condominium.

What would be the significant costs associated with withholding \$125,000 and then no backup being there to explain what it was for?

Jane MacAdam: The net amount of – what was the number? 70,000 was it?

Barbara Waite: I think so (Indistinct)

Jane MacAdam: The condo sold for about 195,000 or something like that, approximately 200,000 and there was 125,000 withheld on this sale. So, there just wasn't documentation on the file to support what those costs were for.

Chair: So –

Jane MacAdam: I mean if there were legal fees and realtor fees and commissions or taxes or whatever, it just wasn't broken down so you couldn't really see – we couldn't reconcile the gross proceeds of the sale to the net amount that was transferred to the client.

Chair: Would this client have been deceased at this time when the condominium was sold or –

Barbara Waite: (Indistinct)

Jane MacAdam: (Indistinct)

Chair: So there's no family. Obviously that's why their affairs were being looked after by a public trustee? Maybe?

Jane MacAdam: I'm not sure if there was an executor – I just know the client was deceased.

Chair: I guess I just find it extremely alarming that somebody's condominium could be sold after their passing and that 125,000 of \$190,000 sale is withheld and there's really no rhyme or reason or documentation of why it's withheld.

Darlene, I think you had a question.

Ms. Compton: Well, just I guess on the whole section: Who does the public trustee answer to? We're talking financial here, but I'm looking at it from the client's point of view and who advocates for the client and who is ensuring that the public trustee is doing the job that's put forward, or the staff is. It's just, I don't know. I don't know if anyone around the table does. Are there checks and balances in place to ensure that the public trustee is doing what's best for the client and who advocates for those clients?

Jane MacAdam: Well, we talk later in the report about a lack of performance reporting. We think there should be more reporting from the public trustee's office on the activities of the public trustee and we noted that even the financial reports are behind.

Chair: Darlene?

Ms. Compton: I feel like I'm going back in time here. About a year ago we were doing a review on maintenance enforcement and it seemed to be a lot of the same issues as to who looks after the issues, who is following up to make sure that parents are paying. I think both of these departments are under the Premier's umbrella. Am I correct on that?

Jane MacAdam: It is the department of justice.

Ms. Compton: I think we have some huge issues here both – and we went through them with maintenance enforcement and now we're going through it a year later with the public trustee, and from what I see it's a lot of the same issues as to who is ensuring that the Island's most needy are being looked after. I commend you on the work that you're doing, but I think there's a lot more work needs to be done and we need to get some of these questions answered.

Being behind by two or three years on financial reporting is just not acceptable. That's just what I'd like to go on the record as saying, and how do we ensure for those clients that what they have left is going to the right place? It's a concern.

Chair: Are you responding or there is no response?

Jane MacAdam: Well, I think –

Ms. Compton: Comparing one to the other, I mean maintenance enforcement and all the questions and the answers you got for that department versus public trustee and the questions and the answers, it's a lot of the same problem, right?

Jane MacAdam: Well, there are problems with the administration of accounts. I mean, there are a number of recommendations here, like 12 recommendations, really, to improve the processes in the office. So, yeah, these findings are significant.

Chair: Next, Peter.

Dr. Bevan-Baker: Thank you, Chair.

I think Darlene has raised a very, very important point here and we have before us the fruits of the labours of an independent

office, an independent body of government, and yet we have so much within government that is not overseen by an independent body. I think this is another example of why we desperately need an ombudsperson here on Prince Edward Island so that these people will have an independent advocate who they can go to.

It's not a question, Chair; I'm just making a statement.

Chair: Yeah.

Dr. Bevan-Baker: Thank you.

Chair: I guess one question I'd had is I made a statement a little earlier while we were still waiting for a copy of the management letter and the action plan from the department in response to the AG's report. Jane, have you received the action plan from the department?

Jane MacAdam: Yes. I did receive a response from the department and I received a response – it was April 28th, so it highlights planned improvements and progress that they are making. So they did respond.

Chair: In their response are there any areas where they're saying that we do require additional resources to be able to fulfill our mandate?

Barbara Waite: (Indistinct)

Jane MacAdam: They do indicate that government will be adding an additional staff member in the spring of 2017. In the fall of 2016, it said government began working on a technological solution to support the transactions of the office, and government will seek legislative amendments to the *Public Trustee Act* and develop new legislation on guardianship, and government will review and implement new policies at the Office of the Public Trustee.

Those are sort of – that summarizes, basically, some of the action and then it goes on and gives more details on each one.

Chair: Okay, thank you.

Brad Trivers.

Mr. Trivers: Thank you, Chair.

Thank you for your great work here.

There are a number of cases – the government failed to give asset balances for 2015-2016. You have clients, individual sample files for the clients that you didn't get the whole picture for; there was a client with the four-month lapse. We just don't have that information and I just wondered if you could clarify again what reasons government gave to you that this information wasn't prepared or the information was missing.

For example, with the asset balances, why weren't the asset balances provided? Was there a reason given? Just if you could clarify that – I want an answer to why.

Jane MacAdam: No, there was no specific reason. Just the accounts weren't ready. They just weren't ready.

Mr. Trivers: So they didn't say: We didn't have enough resources or we didn't spend the time.

Jane MacAdam: Well, they did raise staffing as an issue when we were doing the audit. We didn't specifically look at staffing as part of our audit.

Mr. Trivers: So just to clarify, there's all these pieces of missing information – reports that should have been done that weren't been done, but there was really no reason given by the government or the public trustee as to why that information was missing?

Jane MacAdam: No.

Mr. Trivers: Okay, thank you.

Chair: Chris?

Mr. Palmer: Thank you, Chair.

Jane, in the management letter that you received, were there any recommendations that you made that the management letter said: We reject this recommendation. Is there anything that they effectively are not adopting as a go-forward?

Barbara Waite: (Indistinct)

Jane MacAdam: There was one on the lack of supporting documentation. It didn't say they didn't agree with the recommendation, but they questioned the need for supporting documentation on recurring transactions and I don't agree with that. I don't agree with what they have to say because these recurring transactions were monies that were taken out of the clients' accounts and there was no documentation to support the amount. The amounts may have changed but there was no additional documentation to support why it changed.

They said in the one file there were private caregivers hired to provide an additional level of care at a nursing home. Issued invoices as a handwritten requisition for payment. The office often is required to accept invoices that are not audit grade given the clientele and private service providers it deals with.

In this particular instance, it was a handwritten note from the daughter to pay X amount per hour times so many hours, but there was no indication of what the service was and the invoice did not come from the care provider, it came from the daughter. We don't consider that to be adequate documentation. That's just one example where they questioned why they would need that level of documentation, but we don't agree with them.

Mr. Palmer: Chair, is that something that we could follow up with, with the department and make sure that between the Auditor General and the department that everybody is on the same page with that level of documentation and that comfort level? Is that one of the – I guess I want to flag it as a recommendation that we can make at the conclusion of this, that we have the department work with the AG on that one out – specifically that one outstanding issue with their report because it doesn't seem to be something that they're adopting or maybe don't understand.

Is that something that can fit into the timeline, Jane, of your work and working with the department as a kind of a follow up to that management letter?

Jane MacAdam: Well, as far as the response, we don't change our finding. Our finding stands and our recommendation

stands. We will in next year's annual report be following up on this audit and we will report management's response in the 2018 annual report. I mean it will be public at that time, their response to our recommendation.

Mr. Palmer: So it will be addressed in there?

Jane MacAdam: Management will have an opportunity to provide their response and we'll report it in the annual report.

Chair: But to be clear, it's not the Auditor General's office or staff responsibility or mandate to go back and train a department on how to properly do their job. The Auditor General does a very comprehensive review audit that we've seen, makes recommendations and I mean especially if this individual is under the umbrella or credentials of a professional organization, I would think that whether there's CPA, CGA, that they would have professional standards that they've been educated and are required to follow in any event.

Jordan Brown next.

Mr. J. Brown: Kind of a sub-question on Chris's question, I guess. What kinds of things are we talking about? I guess when I ask this question, I have some idea of what the public trustee does on a day-in day-out basis, I'm not sure who all would, but I think it's important in the context.

I'm just wondering transactionally, what are some of the kind of day-to-day things that the public trustee is going to be asked to do for their clients, I guess we'll call them, and how would that typically happen in terms of requesting a cheque for whatever, and the cheque being cut and are those expenses always requested in advance or do they sometimes get paid after having been incurred? All that kind of stuff.

Jane MacAdam: I don't have all the detail but –

Barbara Waite: I mean there are a variety of situations as you said. In some cases, caregivers will come forward and ask for a cheque to be cut to pay for certain expenditures on behalf of a person. In one case it was indicated they were going to

provide receipts later but those receipts were never received or followed up on.

Sometimes if they're in the nursing home or something like that, there could be additional services provided such as foot care or hairdressing, things like that, that are paid for separately; but all we expected was at least some sort of a written documentation saying that x amount of dollars for this service during a certain time frame, and that wasn't always there.

Mr. J. Brown: Right.

Barbara Waite: So it's just minimum; it could be handwritten. It doesn't mean it has to be on a fancy invoice, but the minimum information needs to be there.

Mr. J. Brown: Just to clarify too: These could be – often what you'd see would be a person would be what we call committed by the court, and the public trustee then has basically the care of their finances and a large portion of their decision-making from there, and this could be family members of that person or like you had referenced I think earlier, caretakers or family members that are paying caretakers or different things like that on a day-in and day-out basis. Is that kind of a fair assessment of what –

Barbara Waite: That can be the case, yes.

Mr. J. Brown: Yeah. I thought it was worth, in the context, actually pointing out that you know, this is not business people doing transactions or whatever, it's everyday people that are having to interact with a public body that's taking care of somebody who's likely in an unfortunate situation and probably through no will or fault of their own, they're not able to take care of their own resources. It's a tough, I would say, situation, likely for all involved.

Chair: Next I had Kathleen Casey.

Ms. Casey: Thanks, Mr. Chair.

Jane, in the management letter that you received from the department, was it a detailed management letter? Did it say that contract solicitor position was advertised and that they were going to have that position filled by September 1st? And did

they talk about the work that was being done on the guardianship act and the amendments to the *Public Trustee Act* to make it more efficient and that would be coming to the Legislature in the Fall of 2018? And did they talk about the updating of the accounting system and the IT system?

How detailed was that letter to say that there is work – they've saw your recommendations and that there is work being done – how detailed was that?

Jane MacAdam: There were details on each recommendation, so it was fairly detailed. And the comments that I read earlier, that was just really a summary. That was a summary at the beginning of the document and then it went on in more detail on each of the various areas.

Ms. Casey: So the detailed letter, it does show that they've taken a look at the recommendations that you've recommended and then they came back with some: This is what we're doing.

Jane MacAdam: Right. They had some planned improvements and some progress on the various recommendations.

Ms. Casey: Well, it would be nice that if we do this on a yearly basis, that you'll be able to have a more – be able to compare apples to apples to show exactly what they were doing instead of being a few years behind. I just wanted to know how detailed the letter was.

Jane MacAdam: It's fairly detailed in terms of (Indistinct) –

Ms. Casey: So they do talk about the new guardianship act and –

Jane MacAdam: They –

Ms. Casey: – IT and –

Jane MacAdam: They did say that they plan to introduce legislative amendments to the *Public Trustee Act* and develop new legislation and guardianship.

Ms. Casey: And IT improvements, they talk about –

Jane MacAdam: Yes, they did talk about that.

Ms. Casey: And their accounting? Are they changing their accounting system or updating the accounting system?

[An electronic device plays audibly vocal content.]

Jane MacAdam: Excuse me, I just have to look –

Unidentified Voices: (Indistinct)

An Hon. Member: I think that was his thing.

Unidentified Voice: (Indistinct)

Mr. Perry: (Indistinct) coming in.

Unidentified Voices: (Indistinct)

Jane MacAdam: (Indistinct)

Chair: Hal? Perhaps you could step away from the table until you –

An Hon. Member: It's off.

Chair: Thank you.

Mr. Perry: Sorry about that.

Jane MacAdam: I'm just looking for the one on the accounting system.

So it says in the last several months the office has obtained fulltime temporary support to assist in modernizing internal processes. In September of 2016, the office began work with ITSS with a view to developing a new integrated system for the office. They have commenced exploration of operating systems in other jurisdictions to determine if there is value in obtaining technology from other provinces.

The project continues to move forward with extended meetings to be held on a biweekly basis. It is anticipated that this work will be concluded by March 31st, 2018.

Ms. Casey: Thank you.

Jane MacAdam: Thanks.

Chair: Brad Trivers was on the list next.

Mr. Trivers: Thank you, Chair.

I was wondering: Given the gaps and irregularities in process and reporting that you found, and you've recommended changes to fix, and especially because they're financially related, do you feel that any further investigation by an additional appropriate body would be needed to see if there was any illegal activities that were happening? For example, fraud or embezzlement, these sort of things: Do you think that is warranted?

Jane MacAdam: We didn't see any evidence of fraud when we were doing our work.

Mr. Trivers: Okay, thank you.

I had to ask that question, because when you're dealing with finances and the significant gaps and the lack of process, it seems to me there is an opportunity for someone to take advantage of that in an illegal way, so I wanted to get your opinion on that.

And you're saying, just to be clear, you're saying: No, you don't believe there was any illegal activities taken?

Jane MacAdam: I guess first of all I should clarify that an audit is not designed to detect fraud. We don't search out fraud when we do this work, but there was nothing that came to our attention that would cause us to believe that there was a fraud.

Mr. Trivers: Thank you.

Chair: Just one follow-up on something that you had mentioned prior, Barb: You had said transactions such as, if a client was living in a seniors home there could be disbursements for hair care or foot care, something like that.

We recently had a committee meeting at – I'm trying to remember, Richard Brown was at it, and he had raised some very serious concerns as well with regards to the comfort account –

An Hon. Member: (Indistinct)

Chair: – yeah, thank you, comfort allowance – and I know from my own personal experience with a family member, that is exactly what that account, or that allowance is used for, is for internal hair care and various things like that. I guess I'd be concerned whether it's being double-dipped in some way or some shape or some form?

I'd like to actually suggest, and I'll put a motion forward towards the end, that maybe we call the public trustee in to ask some more in-depth questions, but we'll get into that in motions at the end of the meeting.

Jane MacAdam: The next section is on the accounting system, and the key finding there is that there is an inadequate accounting system and external financial reporting is not timely.

The general ledger maintained by the office does not include all balance sheet accounts, therefore changes to client asset and liability balances are not updated as transactions occur. Instead, on an annual basis transactions impacting assets and liabilities are manually recorded and reflect the client net asset balances.

So this manual process of sorting through client files is inefficient and increases the risk of human error. The public trustee office is responsible for preparing annual financial statements. This inefficient and inadequate accounting system in the Office of the Public Trustee has contributed to significant delays in preparing its financial statements.

The March 31, 2014 audited financial statements were completed in February of 2017 and at the time of our audit the public trustee office was in the process of preparing its March 31, 2015 and 2016 financial statements.

We have one recommendation, that the public trustee office should take action to implement an accounting system that facilitates timely, accurate information for management decision-making and reporting.

Chair: Peter, and then Kathleen.

Dr. Bevan-Baker: Thank you, Chair.

Jane, I'd like to look at section 3.51, when you were conducting the financial statement audit on March 31, 2014 and you discovered errors totaling approximately \$1 million relating to client assets.

That represents more than 10% of the entire amount of money that's being held in trust by the public trustee. I'm wondering whether that is considered to be a satisfactory accounting error percentage or what are we looking for in a situation like that?

Jane MacAdam: Well, I guess there are a couple of things. Like, the \$1 million related to client assets held in trust, that's the absolute value of the errors so there were some plus and some minus, and some of those errors related to disposals of assets and some of them more like acquisitions type thing, so they were going on both sides. But, all of these errors were corrected by the client before the financial statements were finalized. No, it's definitely not an acceptable amount or – we asked them to adjust in order to sign off on our audit opinion.

So no, that's too high of an error rate.

Chair: Peter?

Dr. Bevan-Baker: I would agree with you, Jane. I wouldn't know what an acceptable in accounting circles it would be. But clearly, if you're going to have to go back and correct 10% of all of the transactions (Indistinct) be – you've done it within the office, that's an enormous amount of labour and time involved incredibly inefficient. So it just, again, points to the fact that we need a more adequate accounting system, yes.

Thank you, Chair.

Jane MacAdam: Yes.

Chair: Kathleen.

Ms. Casey: Thank you, Mr. Chair.

Jane, you stated in our earlier conversation that at the time of your audit the 2015 report wasn't ready, but you have indicated that you've now received that as of July –

Jane MacAdam: End of July, yes.

Ms. Casey: The end of July, and also in our last conversation you were talking about the inadequate accounting system here, but as a result of your recommendation you've got a detailed report from the department saying that they have taken it to – the department is now updating their accounting system to make sure that it's more efficient so that it increases the accountability and clarity and consistency in reporting.

We know now that they are working on that; now we just have to make sure in next year's report that we'll be able to see the – hopefully see the differences for the betterment of the people, the clients they represent.

Jane MacAdam: (Indistinct)

Chair: (Indistinct) Kathleen.

Jane MacAdam: Okay, The next section is on policies.

Documented policies and procedures establish expectations and provide a resource for staff to follow and a framework for achieving objectives. The public trustee should have policies and procedures, consistent with legislation, to safeguard and administer client assets.

At the time of our audit, the public trustee office had three documented policies. Several issues raised in our report support the need for additional policy guidance in areas involving administration of client files and financial controls. We also noted the need for additional policy guidelines related to investments and contacting heirs.

The office has no approved investment policy. There was a draft policy developed back in 2008. We noted two cases in our sample where the cash balance for a client was maintained – sorry, two cases where cash balances for clients were maintained for an extended period at an amount much higher than the monthly needs. There was one 170,000 and the other was 225,000.

In each of these cases the client could have earned interest on the excess cash if it had been invested by the public trustee office.

Chair: A question for you, Jane.

We have approximately \$6.5 million that the public trustee is responsible for in investments. Does this public trustee have a background in investment?

Or is it farmed out to an individual or an investment house?

Jane MacAdam: Well, in some cases when they take control of the assets, if there is – if the portfolio is being managed by a third party they will just continue on and stay with that third party, but that's not the case all the time.

Chair: Bush?

Mr. Dumville: The trustee leaves it up to the investor where it was already placed? Would the public trustee have the authority to make investments on behalf of the client, or does that just stay there and collects whatever low interest it is presently in?

Jane MacAdam: No, the public trustee has the ability to make investments for the client.

Mr. Dumville: Thank you, Chair.

Chair: Darlene.

Ms. Compton: Just to clarify, so if the client has a broker from before managing the portfolio and maybe they're in a long-term care facility and they've got dementia, so that broker continues to do it or the public trustee can determine whether it changes and it's not the broker anymore? Is there any kind of set rule for that?

Jane MacAdam: Well, it would be up to the public – I mean, the public trustee accepts responsibility for all the client assets. If they were going to continue on with the broker we would expect to see that the public trustee had made a decision and approved that.

Chair: Darlene.

Ms. Compton: What would determine whether it remains with an independent broker or whether it's passed over to the trustee and he then administers or farms it out to someone else? Is there a set company or is it through the province that the investments are made if the public trustee

decides to change that? Or who makes – is it the public trustee that makes that decision? We're no longer using ABC investment; we're going to use whoever the public trustee uses.

Jane MacAdam: It's up to the public trustee to make that decision.

Ms. Compton: It's up to the public trustee?

Jane MacAdam: Yeah.

Ms. Compton: What would determine changing that? Do you have any idea? Again, back to rules and systems and you know.

Jane MacAdam: We didn't really look at particular cases. We didn't look to see what the criteria were. We just noted the absence of an investment policy, that documented investment policy would assist the office in making those decisions, would provide guidance in different kinds of situations.

Chair: Darlene?

Ms. Compton: Yes, so the 6.5 million right now in holdings, is that a combination of both the public trustee choosing the broker or the investment, or is it all administered through the public trustee and there's no broker involved? Has it gotten to that point where everything has been changed to the public trustee to make that decision? Do you know?

Barbara Waite: Some of them are still held by the broker that was in place when the person became incapacitated and they try to continue to do that, but they get reports from the brokers and examine the portfolio and monitor.

Ms. Compton: So it would still be the public trustee ensuring that the rights of the client and what's best for the client is happening with that (Indistinct)

Barbara Waite: Yes.

Chair: That's it? Next I had Brad on the list.

Mr. Trivers: Thank you, Chair.

My question has to do with 3.64. I think you have that slide up there right now, and it's

talking about what happens to a deceased person's assets after five years. You're saying in 2014 the government really took in \$545,000 of additional revenue from 72 deceased Islanders. Do we know now how much they took in in 2015 and 2016 from deceased Islanders?

Jane MacAdam: They only do it every five years. They will in 2019, I believe, will calculate the value of assets that – unclaimed amounts and then they'll transfer that to the Minister of Finance. So it says here: The act states that all property held of a deceased person that is not claimed within five years of the date of death shall be converted into cash and paid to the Minister of Finance.

Mr. Trivers: Okay.

I would assume that's a rolling window. Right, so every year they look back five years and for the people that hit that five-year anniversary and roll – sell those assets, put the cash in the government coffer –

Jane MacAdam: (Indistinct)

Mr. Trivers: – so for 2015 and 2016, what would that be –

Jane MacAdam: I don't have it for 2015 and 2016 because we didn't get it from – it wasn't prepared. It would be included in that financial information that wasn't prepared when we were doing the work.

Mr. Trivers: Okay, but that financial information is prepared now. Isn't that right? Isn't that what we found out today?

Jane MacAdam: We were advised the end of July that for 2015 it's prepared, but we didn't look at it. At the time of our audit it wasn't available.

Mr. Trivers: I think that's key information. I would maybe ask the committee if we come back with that information, those reports, or we should be able to look at those reports ourselves and find it. Is that right?

Jane MacAdam: It would be reflected in the financial statements. I'm not sure if it's a segregated as a line item.

Gerri Russell: (Indistinct)

Barbara Waite: (Indistinct)

Jane MacAdam: Yeah.

It should be in the cash flow statement on the financial statement whenever the financial statements are finalized. In 2015-2016-2017, we should be able to see (Indistinct)

Mr. Trivers: I look forward to finding out those amounts.

Chair: But on that point, if we have the audited financial statements for 2015, which we have already, but the report wasn't prepared so we wouldn't have those figures.

Jane MacAdam: We don't have the audit – we just got the financial statements for 2015 from the client at the end of July.

Chair: Right.

Jane MacAdam: So we didn't do any audit work on them yet because we just got them.

Chair: But, I thought you said that – you stated that it would be reflected in the financial audited –

Unidentified Voice: (Indistinct)

Chair: Yeah.

Jane MacAdam: Of the public trustee. It would be on the audited financial statements of the public trustee.

Chair: But if those monies are coming back to the government, to the Minister of Finance, as potentially income and cash flow – basically the public trustee is holding up the actual true picture of what the finances are of the province because they're at least two years behind in their reporting.

Jane MacAdam: (Indistinct)

Chair: Is that a concern to you?

Jane MacAdam: Well it is a concern and that's why we use it here. It is a concern that these records are not prepared on a timely basis.

Chair: Next on my list I had Peter.

Dr. Bevan-Baker: Thank you, Chair.

In 3.62, Jane, you talk about the – I'm sorry, it's 3.61 – the 6.5 million in investment holdings that the public trustee is responsible for and I'm wondering whether that 6.5 million includes portfolios that are managed by a third party.

Jane MacAdam: Yes, it does.

Dr. Bevan-Baker: It does? So do we know how much is actually managed by the public trustee themselves?

Jane MacAdam: I don't have that with me.

Dr. Bevan-Baker: So we have no policy on whatever that amount is, less than 6.5 million, obviously. But, I also note that further down the GICs are used. I can't remember exactly where I read that. Yeah, any excess funds are invested in GICs.

Now, is that in policy or is that just the practice that – is that just the individual choice of the public trustee?

Jane MacAdam: That's what we were advised.

Dr. Bevan-Baker: Okay, but there's no policy which they typically –

Jane MacAdam: No.

Dr. Bevan-Baker: Clearly a low-risk investment would seem to make sense in a situation like this where the client clearly can't have any input into what level of risk she or he would like. So I'm glad to see that, but it would make sense to me that that would be in policy rather than just something which is typically or traditionally done.

Jane MacAdam: Yes.

Dr. Bevan-Baker: Thank you, Chair.

Chair: Next I had Chris on my list.

Mr. Palmer: Thank you, Chair.

I just wanted to follow up on Peter's question and Darlene's as well. It's around that, the managing client investments. You had made that recommendation that there

does need to be a policy around that so that's it's not guess work on our part of whether it should be a GIC or whatever those should – we could go back to the policy and find out how that's being managed.

So you had made the recommendation that there should be a policy around that, and in the management letter did they accept that recommendation?

Jane MacAdam: It says: the office will create written policy on investing available assets and formally adopt the draft investment policy.

Mr. Palmer: Okay, so in the future we will know –

Jane MacAdam: Yes.

Mr. Palmer: We will have a policy around that and then they will be guided by that policy?

Jane MacAdam: Yes.

Mr. Palmer: Thank you, Chair.

Chair: Thank you, Chris.

Darlene is next on the list.

Ms. Compton: Thank you, Chair.

Just back to the financial statements. When we get the audited financial statements for the province we aren't seeing this money, obviously. We're not seeing where this money is actually deposited into the Minister of Finance's department. There's no line item, I don't think. I don't remember seeing that. But, if we have just gotten the financial statements through the public trustee for 2015, those audited financial statements are already out for the province so there's nowhere that that money is going to be recorded.

Is it recorded then the next year, and forgive my ignorance if we're supposed to know this, but would it be recorded the next year and listed as 2015 public trustee account of deceased clients with – I'm just wondering: What is the reporting process to the province and the audited financial statements? Where do we see 2015? If we just received that

from the public trustee, when will we see that in the financial statements of the province? Do you know? Was there an indication?

Jane MacAdam: (Indistinct)

Gerri Russell: If they don't know about it, it can't be received in advance. Obviously when they know, it will be recorded. Like 2015 or 2014 when they were transferred over, would probably be in the 2015 Public Accounts or manual – whenever –

Unidentified Voice: (Indistinct)

Gerri Russell: The 2017, exactly.

In terms of dollar value, it is not material to the Public Accounts, so it's not going to really affect the (Indistinct) –

Ms. Compton: But it is –

Gerri Russell: But yeah –

Ms. Compton: It is the money of Islanders –

Gerri Russell: Oh, absolutely.

Ms. Compton: – who are receiving it and the checks and balances need to be in place to ensure that it's done timely.

I know myself just through personal experience with dealing with a deceased person who is under the guardianship of a public trustee, trying to ensure that the funds that are there for that person, it can be an arduous task to ensure – and so my question is I think we deal with it in 3.64. Until there is an executor or an administrator of an estate, or if there is going to be one, is it going to be the public trustee and continue to be that – whose job is it? Where does the buck stop to ensure that there is someone through Public Accounts who is going to do whatever they can to try and find a relative of one of the clients?

Is it the public trustee, is it the deputy – are they sharing that task and: Oh well, we've got a break today so we'll spend another afternoon trying to figure out if we can find out who these people are. You know? I'm just wondering if there is a process in place

to ensure that they do whatever they can to find the heirs of the client (Indistinct)

Jane MacAdam: Well, we did say here that – we noted the action taken to contact family varies. So, it's not consistent. It's inconsistent and –

Ms. Compton: There should be a policy, yeah.

Jane MacAdam: – and a documented policy would ensure that minimum efforts are made and there's consistency.

Chair: Jordan Brown.

Mr. J. Brown: Yeah, I just want to follow up on Darlene's, kind of, question and point there. I don't think it says in here – I was just looking back through and I don't know whether you had clarified previously on this point so excuse me if you did.

I'm wondering if the transfer of funds over is actually happening – like money being sent and received and recorded on the other end and presumably – although given the questions and answers earlier today I'm not sure what the recording practices is on this end – but I'm wondering if the money is actually being sent and received in that time period and it's just a factor that the accounting process on the public trustee is two years behind, or if the money has yet to go that kind of should have gone two years ago and will be received.

Jane MacAdam: Yeah, and we wouldn't know. We wouldn't know because we didn't have the records.

Mr. J. Brown: Right.

Jane MacAdam: So yes, I agree with you. The cheque may have been written and passed over to the Minister of Finance, but we don't have the records. I don't know if (Indistinct)

Mr. J. Brown: Yeah, just to kind of clarify what (Indistinct) asked you know, is it showing up on the – would it be in the blue books if you look back – well it might be general revenue, I guess, under the Receiver General or whatever but it's just not accounted for on that end, or the cheque

might not have been written yet and it might be general revenue this year –

Jane MacAdam: Yes.

Mr. J. Brown: – but it would still – when the Receiver General gets it, presumably they put it in their general revenue account.

Jane MacAdam: Right.

Mr. J. Brown: (Indistinct)

Jane MacAdam: Yeah, so there could be timing differences for sure, just it depends when they actually calculate the amount and write the cheque and then which year it relates to.

Chair: Any other questions?

Okay, Jane, back to you.

Jane MacAdam: Okay, so I think we covered the inconsistent efforts in contacting heirs. We have one recommendation here:

That the Public Trustee Office should establish documented policies and procedures to guide staff in conducting the work of the Office. At a minimum, these should include administration of client files; financial controls; managing client investments; and contacting known heirs.

The final section of the report is on performance reporting. We know that a lack of performance reporting – annual reporting of the Office's activities and performance is important for establishing transparency and accountability.

Although it's not a legislative requirement specifically for the Public Trustee Office to publicly report on its performance, it is the practice in most Canadian provinces.

Documented performance measures provide a means to measure success and demonstrate accountability for the Office's work. We found that the Office has not established any form of goals or performance measures.

We noted that the department's annual report normally includes some summary reporting on the Office of the Public Trustee; however, as of March 1, 2017, the latest annual report for the Department of

Justice and Public Safety was for the period ending March 31, 2014.

So we had two recommendations:

That the Public Trustee Office should establish documented performance measures and;

Annually report to the public on its performance.

That concludes the Office of the Public Trustee.

Chair: Any outstanding questions on – Jordan.

Mr. J. Brown: On that last recommendation, do you guys have any sense – and I know obviously you guys put a great deal of time into this exact last point – but for I guess in this specific case an office with one and two half people, or one and two portion people, we'll call it that, that deals with six million in investments and I don't know how many clients they have –

Chair: Three hundred.

Mr. J. Brown: – (Indistinct) somewhere in there. Do you have a sense of how much actual time it would take to put together a report in accordance with 3.72?

Jane MacAdam: The time it would take? No, we didn't really look at the time. We think it's an important issue. Obviously, the financial statements would be part of the performance report, and it should be reported to the public, not just internal; but if there's some performance measures in there as well, it helps to help the public to know whether or not certain goals are being achieved.

For instance, even some of the performance measures could be how long does it take the public trustee to take control of the assets? What's the staffing-client ratio? They could establish a ratio for themselves and then measure and report on how well they're maintaining those balances. There are all kinds of measures that could be adopted.

Mr. J. Brown: Yeah.

Chair: Anything else?

Mr. J. Brown: No, and that's just for the committee's purpose. I get why the report – I guess the thing that troubles me a little bit with it is we see an entity that's clearly behind right now, so it would appear options, put more money in for more staff and that means somebody else gets less somewhere else, or you presume that people are doing what they're supposed to be doing and the other stuff is taken care of.

It's not to say – like, I think they do an annual report. It's not obviously the kind of performance reporting you're talking about, but I think that there's a level there that you have to kind of come to. I think when we're looking at entities such as this that are there in a government in a small province we have to be cognizant of what's required if you're recommending to take some time in a small office to prepare that kind of report.

Jane MacAdam: Right, and we do realize that some recommendations take longer to implement than others, and that's why when we do the follow-up we allow entities at least two years, to look at the recommendations and implement them.

Certainly then, the office would have to, within the added resources that they have, prioritize what areas that they want to focus on, initially. So yes, I realize that some of these things take time and they're not going to be done overnight, so we realize that.

Chair: Just to add on that, too, I know where you're going with it, Jordan, as far as the manpower and the limited resources the office potentially has. Regardless of the size of the province or the resources that are available, we're still talking about public money here, and there has to be accountability and there has to be transparency.

To me, if we have a department or an office that's perceived to be under-staffed, to be able to produce audited financial statements on a yearly basis in a timely manner, then maybe it's not the extent of, we need to hire another fulltime or another part-time staff member, but maybe it's reaching efficiencies through: Minister of Finance, could we have some assistance in accomplishing this? Maybe there's some interdepartmental cooperation that could

take place to ensure that these efficiencies and protocols are met.

An Hon. Member: Yeah.

Chair: Peter.

Dr. Bevan-Baker: Thank you, Chair.

I was going to ask Jane for some examples, because you mention here that most other Canadian provinces the Office of the Public Trustee does in fact use performance reporting and measures; but you gave us a couple of examples there of what you would be looking for.

I'm thinking out loud here, but Jordan asked how long that would take to do that; but I think with adequate reporting, record-keeping, documentation, extracting that information would not be a really onerous thing; and I think it's important to know that performance reporting is not for the benefit of – it's not an internal benefit, it's not for the department, it's for Islanders so that they have true openness and transparency and access to how their government is operating in terms of efficiency and effectiveness. I think that's important to make that point.

Thank you.

Thanks, Chair.

Chair: Okay, moving forward.

Jane MacAdam: Chapter four, the next chapter, is on the Seniors Housing Program.

The objectives of this audit were to determine whether the Housing Services Division developed a long-term plan for seniors housing to address the housing needs of Island seniors; performed assessments on applicants and selected new tenants in compliance with policy; and maintained an accurate, up-to-date listing of applicants waiting for placement. Our audit covered the period September 1st 2015 to August 31st 2016.

The Seniors Housing Program is delivered to low income seniors through provincially-owned housing units and rental supplements for units owned by private landlords. The program is intended to provide quality apartment-style housing to low income

individuals 60 years or older who are seeking independent living accommodations. In situations where the individual is permanently unemployable due to poor health, the age requirement for eligibility may be lowered to 55.

So exhibit 4.5 and through to that, it shows the number of units – it's on page 61. At March 31st, 2016, the province owned 1,117 seniors housing units located in 32 communities across the province. In addition, there were 104 rent supplements at the time; and in May, 2016, the province announced an additional 25 rental supplement units. So that's sort of the inventory of the units available while we were doing our work.

The province incurs costs to operate the provincially owned units, such as repairs and maintenance, property taxes, utilities, depreciation, insurance and other administrative costs. The province receives rental income from tenants to offset some of these costs.

The first section is on long-term planning. The key finding there was that there's no long-term planning for seniors housing. Seniors housing is impacted by a number of factors and trends: the number of seniors housing units in PEI is insufficient to meet the current demand; the inventory of seniors housing units is aging – approximately 50% of the buildings were constructed prior to 1980; the percentage of the Island population that are age 60 and over is increasing and is expected to continue to increase into the future; and there's also uncertainty regarding future funding due to the expiration of CMHC agreements.

We noted that the division has not analyzed and projected the future demand for the Seniors Housing Program. No new seniors units have been built or acquired since May of 2012. New units made available for Seniors Housing Program since that time have been in the form of rental supplements, and the division did not conduct a cost-benefit analysis to support this approach of addressing demand through rental supplements versus provincially-owned units.

We have one recommendation:

That the housing division prepare a long-term plan to address the current and expected future demand for low income seniors housing.

Chair: Peter.

Dr. Bevan-Baker: Thank you, Chair.

I think perhaps the most telling information in this section is the discrepancy between the two graphs on page 53 and 54, where we clearly see that with the actual and projected population trends on Prince Edward Island, the demands – and I realize that’s all seniors, not just seniors who will be eligible or applying for seniors housing – but clearly the number of seniors is increasing; and then you turn the page and you look at the units available and it’s an absolutely flat line.

We all know that Economics 101 is that supply and demand dictate price. Having spoken to many seniors across the Island who are struggling – well, firstly, there’s a wait list already of close to 1,000 Islanders as I understand it – it appears to me that that’s only going to increase given the demographic trends. That sort of thing, in my sort of humble economic opinion, is only going to manifest itself in one way, which is there’s going to be an increase in cost for this.

So I’m wondering whether – and you mentioned that there are two ways that these units are available. One is government-owned, and the other is through subsidies, supplements paid to private owners. But I see later on in this chapter there is a third option that is being used since 2012, I think it was, which is long-term agreements with private companies, and I’m wondering whether those are taken into account in the units available in this graph.

Jane MacAdam: The graph in 4 – oh, sorry, the flat line graph that you’re talking about?

Dr. Bevan-Baker: Yeah.

Jane MacAdam: Okay.

An Hon. Member: (Indistinct)

Dr. Bevan-Baker: It’s just below that graph, actually.

Jane MacAdam: The additional 25 that were announced in May, the additional 25 units that were approved subsequent to March 31st, they’re not in the exhibit.

Dr. Bevan-Baker: Okay.

Jane MacAdam: But the other ones are; the 104.

Chair: Anything else, Peter?

Dr. Bevan-Baker: Just a second, Chair. I’m sorry.

No, you can come back to me.

Chair: Brad is next on the list.

Mr. Trivers: Thank you, Chair.

Thank you for confirming what I think probably most of us as MLAs have seen as we go out and talk to community members, the aging low income homes.

One other point I wanted to bring up that I’ve noticed and has been brought up to me, is that much of these low income housing is not accessible. Really, there’s no way to get wheelchairs in.

Unidentified Voice: Absolutely.

Mr. Trivers: This is a priority item. It really distresses me to see that there is no long-term plan in place, and I know that it comes up often. People don’t understand the wait list process and they don’t understand why they can’t get the housing they need. Thank you for bringing this up, and I hope the government does address this immediately.

Accessibility, did you find out in your report what percentage of the housing is actually accessible? For example, via walkers and wheelchairs.

Jane MacAdam: I don’t think we have that information.

Mr. Trivers: Okay. Is that information that you could obtain easily or –

Jane MacAdam: We could if we have the information in the file. We could obtain that if you wanted it.

Mr. Trivers: I personally would like to see that because that would be a priority item I would think, and it would be interesting to estimate the cost of that to see how it might fit into government budgets. Again, I'm not part of this committee so I'd like to present that (Indistinct) as an option.

Chair: We can certainly at the end, we could put that forward as a request to the department itself.

Thanks, Brad.

I had Darlene on my list next.

Ms. Compton: Thank you, Chair.

I'm just looking at, in 4.12, the 10-year lease agreements that were signed in 2012-2013; can you tell us who the landlords are for those agreements?

Barbara Waite: (Indistinct)

Jane MacAdam: I don't have those names.

Ms. Compton: And do you know what the value was of the lease? Is it reviewed every year or would it have to be a set amount for the 10 years? I'm wondering about why 10 years and how the leases came about for a 10-year period?

Jane MacAdam: We didn't do a lot of work on that. We just noted that it was a new way of providing the units.

Ms. Compton: And they were additional 25 units in May of 2016.

Jane MacAdam: Announced. Not all those were awarded –

Ms. Compton: No.

Jane MacAdam: – when we were doing our work, but it was announced. I think six of them were awarded at the end of our scope period.

Ms. Compton: I think there was another announcement made just recently, and I'm curious as to where we are with that announcement as well. I'm sure you can't comment on that, but something we can look into.

The reason I'm asking this is because in District 4 there are three seniors housing units I can think of that are all government owned. The one in Belfast has, I think, six units. You have to leave your apartment and go outside to do your laundry. So a lot of seniors go: I can't do that. Then it's sometimes hard to find someone to go into one of those six units if one becomes available because seniors just do not have the capability.

I've been approached by some people in the private sector about putting up a seniors apartment in Belfast because it will keep people in their own community. I'm getting at: How are these leases signed? Who makes that decision? Why is it ten years? Because we have a wonderful facility for community care and long term care and a number of people who cannot be in their home any longer want an apartment but there just aren't apartments available; and if there was a commitment from the province to sign one of these leases, I think it's a way of keeping seniors in their own communities right through.

So I'm curious. That's why I asked the question: why the 10-year leases, who received the leases, but you don't have that information.

Jane MacAdam: I don't have that, no.

Ms. Compton: Okay.

Chair: Okay. Anything else, Darlene?

Ms. Compton: No, (Indistinct)

Chair: Okay. Jordan Brown next on the list, then Kathleen, then Bush.

Mr. J. Brown: I have a few questions. Just back to what Peter was asking there about the numbers kind of going up on your graph: When an individual turns 60 that's already in social housing, do they stay in their existing unit or do they move to seniors housing? Do you know?

Jane MacAdam: If they're living at home and they turn 60?

Mr. J. Brown: No, not at home.

Jane MacAdam: Okay.

Mr. J. Brown: In what I'm going to call subsidized housing.

Jane MacAdam: Okay.

Mr. J. Brown: Provincial, social housing, however you want to call it.

So if I'm – say I'm 59 and I'm in provincial housing. I'm paying the portion of my rent that I can based on my income and then I turn 60. Do I go into the – I guess what I'm getting at is we have an overall block and I think back to Peter's point with the waiting list, my understanding is the waiting list is a combination of seniors and subsidized housing and I'm wondering: Are they operationally two different – are there seniors in the normal housing block or are they just in the seniors housing block?

Barbara Waite: (Indistinct)

Jane MacAdam: (Indistinct)

Barbara Waite: There isn't like a policy where they automatically when you turn 60 and now have to go into a seniors home. It depends on the circumstances of the individual and whether or not it would be appropriate for them to do that.

Certainly we do, I guess – from discussions with the client, we didn't audit that, but they did make some comments that there are some people who are now in subsidized housing that could be moved into seniors housing.

Mr. J. Brown: Yeah, so I guess the point or what I'm driving at is that there's a need for both. My guess is the need does not change or get less just because people are aging (Indistinct) other non-seniors' housing, we'll call it for this purpose, so it's having an impact, I would say, on that too as these people age into their 60s where they normally would be in seniors' housing.

The next question I had, the CMHC piece, like the Canadian Mortgage and Housing Corporation used to have a program where if you were prepared to administer basically a – well administer a premises, I guess, it would be they would offer you so much on your mortgage to build the property and after 10 years, it would be – that mortgage would be forgivable if all of your tenants

met with the requirements of that mortgage and it was basically an income threshold, but it was set up for different purposes.

I'm wondering if through the course of this, like as an example, I can't remember where it was in here right now, but you had mentioned that there were agreements with CMHC that were expiring over a certain period of time, I think it was from 2018 to 2026 or something like that.

Jane MacAdam: Yes.

Mr. J. Brown: From the knowledge that I had, that program had no longer continued on. I'm just wondering if those agreements were part of that program or if there was something else and is the program that they're coming out of continuing on? Do we know? Does it exist today if you went to get another renewal of that?

Barbara Waite: Well, some of these buildings are funded through CMHC and there are various percentages of funding provided, and that's what we're talking about when we're saying that we were advised that some of these agreements are going to be coming to an end and the federal government has not provided the information and (Indistinct) my understanding as to what's going to happen down the road with these.

Mr. J. Brown: Yeah, so I guess what I'm wondering though is we know they're coming to an end, but what we don't know is is that program – like if they applied again could they get more or the same, is that 1.2 or 1.4 million, I think I saw was the amounts, that were gotten over the couple of years that you guys had looked at –

Barbara Waite: Yes.

Mr. J. Brown: When those agreements come to an end, is that amount just going to stop, do we know? Or as things exist right now, would it just stop or is there an ability to reapply and continue to get that kind of subsidy?

Barbara Waite: I think that's what the question is. Is it going to continue so that they can continue to reapply, or is it going to just stop? The province will have to make that (Indistinct)

Mr. J. Brown: Okay.

Jane MacAdam: I think there's just uncertainty. It's one of those factors that highlights the need to develop a plan (Indistinct) you know?

Chair: Okay, anything else Jordan?

Mr. J. Brown: No that's (Indistinct)

Chair: Okay, Kathleen Casey.

Ms. Casey: Great. Thank you, Mr. Chair.

Thank you for auditing the Seniors Housing Program. Is this the first time that the audit has been done on seniors' housing?

Jane MacAdam: I believe so.

Ms. Casey: Okay, thank you. I thank you for doing that because as everybody around the table knows that any of the questions that I've asked in the Legislature, the majority of them deal with seniors' housing. It's the number one issue that I deal with in a pretty stable part of the City of Charlottetown and it's been very frustrating for me over the last – I've been here for over 10 years – it's been really frustrating for me to deal with seniors' housing issues.

We all know that if a senior has stable housing, it takes away a lot of their other worries of stress and it has impacts on our health care system, but I think that this seniors' housing needs to be audited every single year.

I'm really frustrated and when I look at your background, it talks about the housing service division of the Department of Family and Human Services and then it talks about the housing corporation and I'm a little confused. Do we have two entities looking after housing and do they work together, and are they duplicating services and what's the relationship between housing services division and the Prince Edward Island Housing Corporation?

Jane MacAdam: I think, really, the housing corporation was initially set up to do federal-provincial funding. That's why it was established as a separate entity. But really, it's really housed within the division

in the Department of Family and Human Services. It's really a division.

Ms. Casey: Okay.

The other thing that's really frustrating is the no long-term planning for housing, the waitlists and subjectivity of them. So somebody can sit down with a pen and pencil and interview Peter and Chris and Darlene and say: You're not eligible, you're eligible, and you're not eligible. I don't know how we get around the subjectivity of the list and of the questionnaire, and that puzzles me, and the accessibility is probably one of the number one things that I deal with with regards to housing.

I don't know if when we make a recommendation at the end of this that if there's any new units built that there has to be a provision for a percentage of the building to be house-accessible units, and following up with Darlene's comments about the private sector – we all know doing things sometimes very slow in government, but I have experience with the one that was built in Charlottetown-Lewis Point, Charlottetown Court, done with a partnership with the private sector. It went up. It's operating. It is one of those that are under one of the long-term leases, but people saw housing within a reasonable period of time, and maybe that's the way that we have to go in the province because we need timely access to accessible, affordable housing.

I'm only speaking for the Charlottetown area, but I know you're all from around the Island so I just think that this needs to be dealt with every year. I know it was – I'm aware because I haven't seen it any other year so I appreciate the work being done. I'll continue to push on the government on housing as everybody around the table does. Everybody deserves adequate, affordable housing and I'm looking forward to the national housing strategy the federal government announced that they say is coming, but I keep looking for that so that our province can work in getting housing for seniors.

But, thank you for your work on this. Waitlists are always puzzling to me and it's very frustrating, so thank you.

Chair: Thank you, Kathleen.

Next I had Bush on my list.

Mr. Dumville: Thank you, Chair.

Just to touch on what Darlene and Jordan have said, and Kathleen here has talked about how quick the housing went up with the private sector.

My understanding of this 10-year agreement was that the federal government, whether it was CMHC or something, there's a program where a large portion of the capital costs were put up by government to encourage this quick – to build these facilities, and that basically they are buying the rents down so seniors could afford them for the 10-year period, and then after the 10-year period the landlord can do what they wish with these facilities. In other words, the rents can go up after the 10-year period.

This exacerbates the whole situation here in regards to these could be, theoretically, coming offline as moderate rentals and go to what the market will bear. So whether there's another program starts up where a portion of the capital costs going in puts up some new units and we get another agreement, but I think that's something that should be looked at as this is a ticking time bomb that takes certain units off the market. So I agree with what Kathleen has said here, that we've got to look after our seniors and it's a serious situation that all of these – (Indistinct) perfect storm is approaching.

Thank you, Chair.

Chair: Thank you, Bush.

Next, Darlene.

Ms. Compton: Thank you, Chair.

I just wanted to echo and respond on Kathleen's comments about – you know, she's saying she lives in a fairly stable part of Charlottetown –

Ms. Casey: (Indistinct)

Ms. Compton: – and still has that as a number one concern –

Ms. Casey: My number one issue.

Ms. Compton: – so as an MLA in a rural community, it's magnified 100 times because people are so worried about having that stable environment and the turmoil it creates for them to have to leave their home and move to the city, and if they can stay in their community it keeps them out of the long-term care facilities so we're saving the province money in the long run because their health does stabilize if they know that they've got a good place to live.

So again, I want to thank you for your work on reviewing the Seniors Housing Program and just also on the waitlists, and I know it's in 4.44 – we're not quite there yet – but, there are 13 separate waitlists and one in Charlottetown, two in Summerside and 10 in Montague-Souris.

Chair: (Indistinct)

Ms. Compton: It's just hard to believe that – can you elaborate on why there would be 10 in the Montague-Souris area, which would also be the area that would represent my district as far as housing (Indistinct)

Jane MacAdam: No. It's just that's what we found when we did the work.

Ms. Compton: So you're not sure what those waitlists are – why there are 10 different ones?

Jane MacAdam: (Indistinct)

Chair: (Indistinct)

Jane MacAdam: Some of them were related to different buildings, but there could have been duplicate applicants on – you know, the same applicant could have been on numerous lists, so –

Ms. Compton: So there's not a master list? There's some for each building?

Jane MacAdam: I don't know if there's always some for each building, but in total there were ten. I'm not sure how many buildings there are in Montague/Souris.

Unidentified Voice: (Indistinct)

Jane MacAdam: There are 18 buildings in Souris and 19 in Montague, so obviously there's not one for each building, but it

didn't really – I'm not really sure why there were 10 lists.

Chair: Darlene.

Ms. Compton: So yeah, and that is a concern for me. I'm not sure if you have a senior who's on a list that there is something that becomes available on another list. I've been through this with the doctor wait list. Dr. Hambly's wait list was kept in Montague, but all of the clients should have also been on the provincial list and they weren't, and they were told not to be. When there are multiple lists for any government department it does concern me.

If we can get any more information on that, that would be great. I don't know whether it's something we as Public Accounts have to ask, seniors housing, or through the family and human services department. If that's the case, I would request that we do that and I can do it at the end.

Chair: Okay, thank you.

Anything else, Darlene?

Ms. Compton: No, that's good.

Chair: Okay. Jordan?

Mr. J. Brown: Thank you, Chair.

One issue that I've experienced a fair bit in my short tenure as an MLA is kind of the opposite problem of what we're talking about here, which is that folks get in typically and it's probably more related to subsidized housing, not seniors' subsidized housing, but the issue does carry over into both, is that they get in there and then their income goes up or you realize that there is (Indistinct) somewhere in here that somebody wasn't fully informing the authority as to their income when they made the application, and later when they find out it's higher that kind of would have impacted their score back low.

I guess what I'm kind of curious as to is that we see some people that go in there, they either have a change in circumstances or they become employed and that might not always be permanent but it works out fairly well in a lot of cases and they're still in a unit that even if they are paying the max rent

it's still a lot better than what they would pay somewhere else out in the community.

I'm wondering if that came across your radar during this audit, or kind of the discussions surrounding it. In other words, you're in there, you probably don't need to be in there, but it's a great gig and we might as well stick with it and there doesn't seem to be that many questions asked to put people out or the ability to put people out that have gotten in there already.

Jane MacAdam: We didn't really look at that. We were more looking at the applications for people to go in. We didn't really consider the ones that were already there and whether or not they still should be there. Do you know what I mean?

Mr. J. Brown: Yeah.

Jane MacAdam: It is – housing officers are responsible to reassess applicants on an annual basis.

Mr. J. Brown: But do they –

Jane MacAdam: But that's, again, the applicants, not –

Mr. J. Brown: Yeah.

Jane MacAdam: – the people that are in the unit.

Mr. J. Brown: Do we know if they do – I do know that they keep, so, you know, 25% of your income is devoted to your rent and the max is \$800, do we know when they kind of go beyond that or hit the 800 or they're regularly employed or whatever, is there somebody looking and trying to say: Look, you can probably be somewhere else because somebody needs this place. Or is that once they're in you're in kind of thing?

Jane MacAdam: We didn't really look at that.

Unidentified Voice: (Indistinct)

Jane MacAdam: It may be more common with family housing as well. I don't know, but –

Mr. J. Brown: I'm sure it is, probably; but yeah. I mean there are all kinds of things

that go together with it, too. There's people with undeclared income and undeclared assets and a lot of it's, I'm sure, hard to track, but (Indistinct)

Jane MacAdam: We only really focused on applicants and as I said, the placement decisions.

Chair: I think you've heard from some of the same people I may have heard from, but (Indistinct) –

Jane MacAdam: Okay, so –

Mr. J. Brown: (Indistinct)

Chair: I just want to – I should have done this at the first of the meeting, but I was going to call the questions to an end around quarter to. I know the Auditor General and your staff; you'd love to get this –

Mr. J. Brown: Done.

Chair: – report completed, but we do have, I believe, our government members have a caucus meeting at 12 noon. I've got another commitment shortly after 12, and then we've got a lot of asks that we need to confirm and go through and then several motions, so we have to be wrapped up a little bit before 12.

Do we want to start that process now? I think probably because we're running a couple of minutes (Indistinct) quarter to. Jane, we do love spending time with you. As much as I know that you've got a lot of work in your office to get done, but we are going to have to schedule another meeting, obviously, to complete this report and get through this section and the various other components of your report.

Just before you do leave, I don't know how much Ryan has captured with regards to the asks. We'll get into the motions afterwards, but is there any particular asks from committee members around the table requesting information from the Auditor General?

Darlene.

Ms. Compton: I would like the lists of – the wait lists, why there are 13 and why there are 10 in the Montague-Souris area. That's

one thing for sure, and any details on why there are those lists.

Clerk Assistant (R. Reddin): There were a few in the meeting. I'm not sure I got them all, and they go back to the previous chapter, too. There was, I believe, Peter Bevan-Baker requested information along the lines of comparison of the 2006 audit. Perhaps you can give more details on that?

Dr. Bevan-Baker: Yeah. Do I speak now, Chair?

Chair: Sure. That's good, Peter.

Dr. Bevan-Baker: Yes, I had asked for those recommendations made in the 2006 AG report on the same department that were being repeated this time.

Chair: And that was based on the public trustee section.

Dr. Bevan-Baker: Thank you.

Chair: Brad Trivers may have had something, too, that he was hoping that a committee member – so if you could just refresh our memory and then we'll have a committee member put that request forward.

Mr. Trivers: It was along the lines of what MLA Casey was talking about. Many of the low income and subsidized seniors units are not accessible, and I wanted to find out at this current time how many do allow access through wheelchairs and walkers.

Ms. Casey: (Indistinct)

Chair: Okay, so that will be requested on your behalf through (Indistinct) –

Mr. Dumville: (Indistinct) to the department or is it going through the Auditor General?

Chair: Well, if the Auditor General has that information in her file from doing the audit, she can provide it back to us. If not, she'll respond saying that –

Jane MacAdam: If I don't have it, I can request it from the department or the committee can themselves, whichever you prefer.

Chair: Yeah. Okay, well, we'll do that.

Jane MacAdam: Okay.

Chair: I just freed up some time for you.

Mr. J. Brown: Can I just ask (Indistinct)

Chair: Jordan.

Mr. J. Brown: (Indistinct) curious, and I know I've run into this a few different times with constituents or whatever. There can be a very big difference between people's definitions of accessibility. I'm not sure whether we should kind of clarify that to a point of (Indistinct) – I know Brad had said wheelchairs and walkers. Maybe that's – and even in terms of being wheelchair accessible, I've been in units with constituents that are wheelchair accessible but they're not actually accessible or –

Chair: (Indistinct) doors.

Mr. J. Brown: – they're maybe not barrier free or there's all kinds of –

Chair: (Indistinct)

Some Hon. Members: (Indistinct)

Ms. Compton: Yeah, that's definitely the case with the one (Indistinct) –

Some Hon. Members: (Indistinct)

Chair: It is an issue, but I think we (Indistinct) –

Mr. J. Brown: Anyway, it's a huge issue in terms of –

Chair: – (Indistinct) –

Mr. J. Brown: – accessibility.

Chair: Okay.

Kathleen, did you have another ask?

Ms. Casey: No, just following. I agree with what Jordan was saying.

The newest building built in the province is in my district, and I went to great pains to make sure that there were accessible units there. To my dismay, when the building

opened, sure they're barrier free. You can get in, there's an elevator and you can get in and there's – but if I was rolling my wheelchair to my sink, I was mortified when – and the cupboards are all – you would never be able to reach – they're not totally barrier free so I thought I had a handle on it right through the construction but when they opened, I was dismayed.

That's something we need to ensure, that if we're building units that they are indeed 100% barrier free.

Chair: That they meet exact code.

Ms. Casey: Same code, yeah.

Chair: Okay.

Any additional asks? Going once, going twice. Gone.

Thank you very much. Enjoy your sprint to your vehicle or to your office.

Some Hon. Members: (Indistinct)

Ms. Casey: Do you need an umbrella?

Jane MacAdam: No, we're (Indistinct). We're close.

Mr. Dumville: I think the Legislature should have (Indistinct)

Chair: Yeah, exactly.

Exactly, okay, so ladies and gentlemen next we're going to just move down the agenda. There was agenda item number four: Correspondence from legal counsel for Consumer, Corporate and Financial Services Division. A letter had gone out requesting information with regards to involvement around –

Clerk Assistant: (Indistinct)

Chair: Pardon me?

Clerk Assistant: Go back to the previous (Indistinct)

Chair: Oh, okay.

Right, yeah. So all documents including emails in relation to Garth Jenkins in

relation to the e-gaming file, and the correspondence that came back from – is this it here? (Indistinct) No, that's Michelle Dorsey's – thank you. Save me from having to go through.

So the information that we received back essentially saying that it's not available because it is under civil litigation right now and potentially before the courts at some point in time.

But I, I guess, would like to bring up the fact from the knowledge that I have about this issue is that Garth Jenkins is not actually named in the lawsuit so I'm not sure why we couldn't receive information with regards to correspondence around our original request. I wanted to put that out there.

Mr. J. Brown: Chair, I probably should recuse myself before relations to Mr. Jenkins. I am not sure what the status of any of that is but if we're going to have a motion or a discussion on that then perhaps I'll recuse myself.

Chair: Okay. Let's just get through some of these other things and then we'll come back to that.

Number five was an update on the 2017-2018 Canadian Council of Public Accounts Committees and the Canadian Council of the Legislative Auditors Joint Conference, and I'll go to our Clerk, Ryan, to give us an update on those.

Clerk Assistant: Sure. Thanks, Mr. Chair.

Just a brief update to mention that the upcoming Public Accounts and legislative auditors conferences is, as you know, in Fredericton on September 10th to the 12th. The committee will be represented by deputy chair Jordan Brown. I believe you may be able to attend for a day if you're – if you can get over.

Chair: If – yeah. I'm hoping to get over for part of the conference, but that's still up in the air.

Clerk Assistant: I will be there as well as staff for the committee, and the Auditor General's office will have representation too, and then next year we are the host of this conference and I have been working

with the Auditor General's office to identify dates and location and so the dates we've got is September 23rd to 25th 2018 and we'll be hosting it at the Rodd Charlottetown. I hope you can all attend.

That's it.

Chair: All right. Thank you, Ryan.

Okay, so number six is the consideration of motions. I had mentioned that I would like to request, but I being Chair cannot put a motion forward, but I thought it would be advantageous to this committee to have the public trustee to actually come in so that we could ask some of the questions. Okay?

Mr. J. Brown: Just as a question before we do that, should we get the – whatever we were calling that letter – I'd like to see that –

Chair: The management letter?

Mr. J. Brown: – (Indistinct) before we –

Chair: Yeah.

Mr. J. Brown: – have the public trustee in.

Chair: Yeah, definitely; and as a follow-up to that, as well, the request for those management letters and action plans went out in July for both of the departments we've discussed today, and to date we haven't received either one of them, so I'd like your approval that we send a reminder that we are waiting for those.

Mr. Palmer: Yeah, let's do that.

Chair: Okay; and then as a follow-up to that, Darlene, if you want to put your motion forward then.

Ms. Compton: That we request that the public trustee come before committee to answer questions that came up today and maybe give us an overview on how the department works and what the responsibilities are for each of the staff members.

Chair: Yep, and challenges, etc.

Ms. Compton: Yeah.

Chair: Okay, thank you.

Any other – okay, any discussion on the motion?

Mr. Dumville: All good.

Chair: Okay.

Mr. Dumville: Carried.

Chair: Decision unanimous?

Mr. J. Brown: We're asking that they get that response though before they come in or are we –

Chair: Yes.

Some Hon. Members: (Indistinct)

Chair: Okay, so all those in favour of the motion signify by raising your hand.

Okay, thank you. It's unanimous.

Any other motions that committee members would like to bring forward?

No further motions? Any new business?

Okay. I'd like to call for an adjournment.

Mr. Dumville: So moved.

Chair: Okay. Thank you, Bush.

Dr. Bevan-Baker: Are we going back to the Garth Jenkins?

Chair: Oh, sorry, yes. My apologies.

Dr. Bevan-Baker: (Indistinct)

Chair: We'll just give Jordan a moment to vacate.

Mr. J. Brown: Get my running shoes on.

Chair: Thanks, Peter.

Dr. Bevan-Baker: (Indistinct)

Some Hon. Members: (Indistinct)

Chair: Okay, yeah, so we had requested any correspondence with regards to Garth Jenkins' involvement in and around the e-gaming initiative. As I said, we received correspondence back from Jessie Frost-

Wicks, department solicitor for Justice and Public Safety, saying that:

As you may be aware, civil litigation has commenced on the e-gaming initiative. As a result, the division's regulatory investigation relating to the e-gaming initiative including all records pertaining to the investigation are under judicial consideration. In view of the legal proceeding commenced, the division is unable to address the standing committee's request at this time.

To which I had then brought forward the fact that Mr. Jenkins is not named in this lawsuit, so I'm not sure why we wouldn't be able to receive the requested information. Thoughts on that, committee members?

Peter.

Dr. Bevan-Baker: I suppose it's possible – and I have no idea, Chair, and perhaps that is a letter that needs –

An Hon. Member: Yeah.

Dr. Bevan-Baker: – to be sent out – it could be that some of these emails would implicate other people who are involved in the civil lawsuit and that's why there's a reluctance to do it, but I'm certain we should find that out.

Chair: Okay. All right, so the committee is fine with sending another letter asking for clarification?

Mr. Dumville: And putting your viewpoint –

Chair: Yes.

Mr. Dumville: – that you suggested in it?

Chair: Yeah.

Some Hon. Members: Sure.

Chair: Okay. So, adjournment?

Mr. Dumville: Again?

Chair: Yes.

Mr. Dumville: Me again?

Chair: Make it official.

Mr. Dumville: (Indistinct)

Chair: Bush, thank you very much.

Adjourned.

The Committee adjourned