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**Official Report  
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(Hansard)**

**Wednesday 27 February 2013**

**Journal  
des débats  
(Hansard)**

**Mercredi 27 février 2013**

**Standing Committee on  
Public Accounts**

Organization

**Comité permanent des  
comptes publics**

Organisation

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Wednesday 27 February 2013

Mercredi 27 février 2013

*The committee met at 0904 in committee room 1.*

## ELECTION OF CHAIR

**The Clerk of the Committee (Mr. William Short):** Good morning, honourable members. My name is William Short. I'm the Clerk of the Standing Committee on Public Accounts. Some of you recognize me from last session; others probably don't.

It's my duty to call upon you this morning to elect a Chair. Are there any nominations?

**M<sup>me</sup> France Gélinas:** I would like to nominate the very capable Norm Miller as Chair of public accounts.

**The Clerk of the Committee (Mr. William Short):** Thank you. Mr. Miller, do you accept the nomination?

**Mr. Norm Miller:** I do. Thanks.

**The Clerk of the Committee (Mr. William Short):** Any further nominations?

There being no further nominations, I declare nominations closed and Mr. Miller Chair of the Standing Committee on Public Accounts. Come on up.

*Applause.*

**The Chair (Mr. Norm Miller):** Thank you, and thank you, France, for saying nice things about me.

## ELECTION OF VICE-CHAIR

**The Chair (Mr. Norm Miller):** The next order of business is the election of a Vice-Chair. Ms. Jaczek?

**Ms. Helena Jaczek:** Yes, thank you. I'd like to nominate Toby Barrett as Vice-Chair.

**The Chair (Mr. Norm Miller):** Are there any other nominations—

**Mr. Toby Barrett:** I would accept.

**Mr. Gilles Bisson:** Hang on, hang on. We're thinking of nominating somebody else—Vic Fedeli.

**Mr. Victor Fedeli:** I'm just subbing in.

**Mr. Toby Barrett:** Go ahead, but I would like to accept that nomination.

**The Chair (Mr. Norm Miller):** Okay, you accept the nomination. Any other nominations?

Okay, Mr. Barrett is Vice-Chair of the Standing Committee on Public Accounts.

## APPOINTMENT OF SUBCOMMITTEE

**The Chair (Mr. Norm Miller):** Ms. Damerla?

**Ms. Dipika Damerla:** I move that a subcommittee on committee business be appointed to meet from time to

time, at the call of the Chair or at the request of any member thereof, to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting;

That the subcommittee be composed of the following members: the Chair as Chair, Ms. Jaczek, Mr. Barrett, Ms. Gélinas; and

That substitution be permitted on the subcommittee.

**The Chair (Mr. Norm Miller):** All in favour?  
Carried.

## COMMITTEE BUSINESS

**The Chair (Mr. Norm Miller):** I'd like to begin by welcoming the new members to the public accounts committee. We'd had a fair shift in membership, particularly on the government side, so welcome, new members. Certainly, there will be lots to get up to speed on, as we spent a good part of last year dealing with the Auditor General's special report on Ornge air ambulance.

Perhaps at this point I could get those of us up here to introduce themselves.

**Mr. Jim McCarter:** I'm Jim McCarter, the Auditor General.

**The Clerk of the Committee (Mr. William Short):** William Short, Clerk of the committee.

**Mr. Ray McLellan:** Ray McLellan, legislative research.

**The Chair (Mr. Norm Miller):** Today, I'll just summarize what we're hoping to accomplish in this organization meeting.

First of all, there's going to be an update on the status reports from the 2010 and 2011 auditor's reports; then we're going to have an update on the 2012 auditor's report; then Ray McLellan will do an update on research documents regarding Ornge; then we will have an update on outstanding motions from PAC regarding Ornge. We will, after that, have an update on the gas power plant reports from the auditor and, finally, we will have an in-camera discussion regarding Ornge documents of a sensitive nature that contain private information.

We shall start, then, with the update on the status reports from the 2010 and 2011 auditor's reports. Will would like to give a little bit of an update. There will be a lot of information you are going to receive today, which will be handed out as the meeting progresses.

Go ahead, Will.

**The Clerk of the Committee (Mr. William Short):**

Good morning, everybody. Basically, with the Standing Committee on Public Accounts, every auditor's report stands permanently referred to the committee. Throughout the course of the committee meeting, we will get updates from past sections that were reviewed by the committee, which is the case once committee membership dissolves. We did receive a bunch of status updates from not only the 2011 report, which the committee actually hasn't looked at yet, but one section from the 2010 report as well.

As we go along, if there are any questions about what I'm handing out, feel free to ask, but I don't want to bombard you with all the paper right at the beginning, so as we get down the list I'll just keep handing out stuff as we go.

The first item was the Ministry of the Environment's response to their section 3.09, non-hazardous waste disposal and diversion, from the 2010 report, which a couple of you were a part of. I'll hand that out, and it's just for your knowledge. We're not actually going to get back into it right now; it's just paper that was received, that I have to distribute to the committee.

0910

**M<sup>me</sup> France G elinas:** Refresh my memory. So we get this update from work that we've done in the past. Of course, I haven't read it; I've just been given it. Does that mean at the next meeting, if I have questions of the auditor or for the committee, we can bring it back? I forget what the procedure is.

**The Chair (Mr. Norm Miller):** That's correct. Auditor, do you want to make any comment to do with this?

**Mr. Jim McCarter:** Generally, in the past—these come in and it's not usual for them to be discussed at the committee, but they help us the next time we do an audit or, if we're considering something like going back to non-hazardous waste, if it looks to us like they haven't been doing very much, we more likely would move it up to do it quicker rather than slower. So we take it into consideration or when we go back in to do the audit the next time we would certainly follow up on the committee's recommendations.

The other thing that we're doing in our follow-up section, in chapter 4: The odd time, sometimes, the government side will pick the follow-up sections to have a hearing on, and this year, for the first time, where the public accounts actually had a hearing and made recommendations, we're actually including that in the work we do on our follow-up. So not only do we follow up on our recommendations, and often the committee's recommendations are similar, but if they're different, we try to take that into consideration when we go back into the ministry two years later and say, "What actions have you taken?" So we're trying to put some verbiage in that chapter 4 follow-up to give the committee members an indication of what action the ministry has taken on your recommendations.

**M<sup>me</sup> France G elinas:** As a follow-up question, Mr. Chair, without putting you on the spot, Mr. Auditor, is it

reasonable to think that when you receive this and it is circulated to us, if there are some serious red flags—well, I'm asking you. I haven't read it, but I take it you have.

**Mr. Jim McCarter:** Yes.

**M<sup>me</sup> France G elinas:** Is there something that you would like to draw our attention to, or is it that it will work its way through the process you've just described?

**Mr. Jim McCarter:** If it was something where we had the impression they were just doing nothing or doing nothing on our recommendations, it might be the sort of thing I might bring back, and I might mention to the Chair that we might want to bring them back in to hold their feet to the fire. I think it's only happened once or twice in the nine or 10 years that I've been the auditor where we have brought a ministry back just because we felt they weren't taking action. Usually when you read this, they say they are taking action and progress is taking a bit of time. But if there was something where they were clearly going—the best way I can put it is that if you kind of get the feeling they're going like this, then I would talk to the Chair and say, "Maybe we need to bring them back in," and then the Chair would put it before the committee. There was one on health where I think we did bring them back in.

**M<sup>me</sup> France G elinas:** Yes, I remember. Thank you.

**The Chair (Mr. Norm Miller):** Very well. We have the 2011 status report.

**The Clerk of the Committee (Mr. William Short):**

For the new members of the committee, with the 2011 report, the committee actually did do selections from the section 3 and section 4 value-for-money audits that the auditor presented in his 2011 report. Because the Ornge report got tabled shortly after in the House, the committee then went right into Ornge hearings and we actually never had any hearings on the 2011 report. However, what we do is that at the end of the year sort of we send out a list of all of the recommendations from the auditor's report to each of the ministries in the report asking for a status update regardless. So the next package: 10 of the 12 ministries got back to us. Now that I have a committee and a Chair, I can actually write to the other two ministries saying, "We didn't hear back from you. Please send us the status update as soon as possible." So this next package actually has 10 of the 12 in it, and that would be for you guys to take a look at as well.

**The Chair (Mr. Norm Miller):** Auditor, did you want to make any comments about the 2011 status report?

**Mr. Jim McCarter:** The only thing I could say is, this is the ones that—we normally would go back in 2013, which is this year, to do the 2011, so we haven't gone back in to do our follow-up on this one. But this is where the committee is basically saying to the ministry, "Rather than wait two years for the auditor to go in, can you give us an update a year after the auditor has made your recommendations?" So the ministry has come back saying, "Well, okay, a year has passed." We've sent the letters out about—actually, it would have been this month, to the ministry on these particular audits, saying, "You've

had almost two years. Respond back formally to us on what action you've taken." That will form the basis for the work that we do in writing up formally in chapter 4 what actions they have taken on our 2011 recommendations, and that would be reported in the annual report we table this December.

**The Chair (Mr. Norm Miller):** Will is just handing around, for the new members, the actual paper copy of the 2012 annual report, and I believe he has the 2011 annual report, which he's going to hand around to you as well so that you can familiarize yourself with it.

**M<sup>me</sup> France Gélinas:** So all of those we had asked for a follow-up within one year?

**Mr. Jim McCarter:** Probably you should direct that towards the—

**M<sup>me</sup> France Gélinas:** Mr. Chair? Or anybody?

**The Clerk of the Committee (Mr. William Short):** Regularly, what happens is six of your selections will come before the committee, you'll do a report or maybe not do a report, and then, in the report, it will have the committee's recommendations, and they'll update you right at the beginning of the hearings with a status report. Because we didn't have the hearings, they never updated the committee with the status report. So the letter that we sent out said, "Even though we didn't look at your ministry, can you please still send us your updated status report just for the benefit of the committee members to see what you've done so far" with the auditor's recommendation from the section in the report that they showed up in.

What usually will happen is then the five or six sections that weren't selected will still get that letter at the end of our hearings, when we start to realize there's not going to be a chance for them to come before the committee because we're running out of time or whatever the case may be. We still do that follow-up letter with them as well, saying, "Okay, you weren't selected, but the committee still wants to see your updated status chart with respect to the recommendations from the auditor's report." That's all that that is right there.

**M<sup>me</sup> France Gélinas:** Okay.

**Ms. Helena Jaczek:** Mr. Chair?

**The Chair (Mr. Norm Miller):** Yes, Helena.

**Ms. Helena Jaczek:** Again, we're just trying to absorb a lot of information. I guess I would ask the question: You now, Mr. Auditor General, have received these responses. Sort of to follow up on what France was saying, was there anything within these responses that you would recommend to us that did not satisfy you or that requires further action?

**Mr. Jim McCarter:** I'd have to say, these are coming fairly quickly after our recommendations, and because we know that we're actually formally going in in the spring of this year to formally follow up—I can't say there's anything in here that was earthshattering enough, but, to be honest, even if there was, knowing that we're going back in in the spring of this year to do a formal follow-up and report formally in this year's annual report, we would probably take the venue of saying—

let's say that we felt they weren't making progress. Perhaps rather than bring it to the committee, because we're going in anyway, we'd actually go in and find out, are they really making progress?

The bigger risk is not so much that they say, "We're doing nothing"; the bigger risk is that they imply that they're doing something when they're not. That typically is the bigger risk. They like to paint as rosy a picture as they can when they come back. We actually send our staff into the field. If they say they've done something, we request documentation, and that forms the basis of the follow-up section that we'll be reporting on in December.

In the follow-up section we basically say they've made minimal progress or they've made substantial progress, or we actually paint it out. At that point, the committee generally looks at those follow-up sections, and on occasion they'll pick one or two of those follow-up sections to bring the ministry back in for a formal hearing on, to find out, "What are you doing?"

**Ms. Helena Jaczek:** Thank you. I understand.

**The Chair (Mr. Norm Miller):** And last year was an unusual year in that all the committee did was make selections, and then it was seized, basically from February until Labour Day, with Ornge hearings. So we didn't actually hold any hearings into the selections that were made, but letters were written requesting updates.

**M<sup>me</sup> France Gélinas:** And I wanted to check: I take it that the information that you're circulating is public information.

**The Clerk of the Committee (Mr. William Short):** Now it will be.

**M<sup>me</sup> France Gélinas:** Now that I have it, I can use it publicly?

0920

**The Chair (Mr. Norm Miller):** Yes.

Yes, Jagmeet?

**Mr. Jagmeet Singh:** Hi there. You indicated that 10 out of the 12 ministries had responded. What are the two that didn't?

**The Clerk of the Committee (Mr. William Short):** I have a chart somewhere. I'll get back to you. My office has the chart. I have the chart here somewhere, but I have a lot of paper.

**The Chair (Mr. Norm Miller):** He's buried in paper.

**The Clerk of the Committee (Mr. William Short):** I'll get back to you before the meeting is over to let you know which the two were.

**Mr. Jagmeet Singh:** Sure.

**The Chair (Mr. Norm Miller):** Now we have Ray McLellan's LRS research documents. There are two documents. After the documents are handed out, Ray will speak to them.

**Mr. Ray McLellan:** Thank you, Mr. Chair. On the topic of the Ornge Air Ambulance and Related Services, as the Chair just mentioned, we spent quite a bit of time last year—I guess we went from March through until September—on hearings. We had 17 days of hearings from March 28 to September 5.

I would just preface my comments by saying that those hearings, and I guess the product, at the end of the day, was quite unlike anything else that public accounts has looked at for quite a few years. It certainly didn't follow the regular format of our selection of nine audits and holding hearings and going through those one by one and reporting back in individual reports.

When we got to September, the committee had to make a decision as to where it would go and how it would handle the information that it had to date, assuming that there may be additional work to be done, so that was left open. The decision at that time was to ask legislative research, me specifically, to go through those 17 days of hearings, mindful of the auditor's recommendations, and to try to categorize the information into logical blocks; in other words, when you're dealing with financial and operational versus management versus business model versus corporate culture, to try to disentangle that information into a logical package.

I had suggested that one option would be to comb through those 750 pages of Hansard and to identify what I felt were relevant sections dealing specifically—for example, a good example would be when the minister was in and the deputy minister, and they were talking about corrective measures that had been taken with respect to the auditor's recommendations. The deputy did do that, basically went through the recommendation and then said, "We're doing A, B and C." That's an understandable parcel of what I was attempting to do.

The other part of the gathering of information from Hansard was to move it into those sections, and then the committee had agreed that the most useful way to do that would be to have the speakers identified, the member as well as the witness, with the Hansard page reference so that you could comb through, for example, what transpired on the allocation of funds for the MBA program at Ornge, see who said what and go back to Hansard and retrace it. To me, this is probably a helpful way for the committee to get to the point of talking about recommendations or talking about where they want to go on certain issues. When you look at this document—I call it document B; it's the long document, I think it's about 350 pages long, and it's entitled Hansard Highlights Paper (Committee Hearings), dated February 15. As I say, the critical part of using this document is to really look at the detailed table of contents on page 2. You can see that we run from the introduction to general background on the Ontario air ambulance service—very, very short, a couple of pages; how we got to where we are over the last decade; the Auditor General's findings, taken from his report. Then we get into a discussion, and I can briefly touch on these, of about four or five major sections.

I think the value in this document is that you can go down and, for example, identify flags under the performance agreement and accountability issues. I know that some members had said, "Make sure that when you go through, you identify areas where there are red flags"—in other words, where the ministry or Ornge should have said, "Well, just hold on. Things may be off track here."

So I kept that in mind as I was going through them. Using this detailed table of contents, you will be able to do that.

As I say, at the end of the day, you may go through these 100-odd references here and say, "Really, the relevant ones are here, A, B and C, and thank you very much for doing the rest of it, but as the hearings work out, those are not terribly relevant to where we're going as a committee."

Anyway, I think this is more of a reference document, and it's a matter for members to really comb through it and pick what they want and discard what they don't want. But I think it gathers up where we were as of last September. As I say, perhaps the best thing to do is to leave it to members to look at what they want to look at.

I'll just go over the second document, which is entitled Overview Paper. That's a thumbnail sketch of 30 pages or so. What it does, I feel, is it enables you to cross-reference. In other words, this very long document of 350 pages you're able to cross-reference with this shorter document, which looks like this, and it's entitled Overview Paper. But what it will allow you to do, as I say, is cross-reference. So if you're interested specifically in the business model and you're interested in the corporate culture, you can use the exact same numbers of 3.2 or 3.5, go to the long volume and read the Hansard there. I think that was the intent.

Very quickly, looking at the short document: As I just mentioned a few minutes ago, we have the background, which is the history of air ambulance, in a page or two, so it's concise. Secondly, we have the Auditor General's findings, taken from Mr. McCarter's report, on page 3, and that's just reproduced from his report. Then essentially after that, it seemed to me that the discussion and dialogue, the narrative over those 17 days, really focused on the business model and why Ornge's business model evolved as it did—a discussion of the complexity and the evolution, a discussion of the letter of January 11, when the structure was presented to government. Then it works through to the point of the new board and what they see as a logical new structure. That's the business model and why it evolved as it did.

The second part is really performance agreements 1 and 2, and it looked at the oversight model with respect to the Ambulance Act, the performance agreement and the transfer payment directive. It really set the ground as to what should have happened in terms of accountability through the performance agreement. That evolved into discussions, for example, in committee that, to quote one of the witnesses, it really got to the point where we had a floating accountability; in other words, it wasn't really grounded. That discussion in chapter 4 on performance agreements works through to the Meyers Norris Penny audit that we're familiar with, and their critique and concerns. Then it finishes off with the new performance agreement, the new reporting format, the monitoring, the ministry oversight and the possibility for the ministry to intervene as required. That's number 4, from business model to performance agreement.

To management and operations, chapter 5: That was really a catch-all for a number of things. I think I had mentioned the corporate culture and what it was like to work at Ornge, based on witnesses' accounts and Dr. Mazza's account; to a discussion of compensation, what people earned, and the basis for it; the staffing challenges; the lack of paramedics on board, the concerns of paramedics, the concerns of pilots, the whole issue of cabin design. We spent a lot of time talking about how the cabins were designed, where the faults were, why the model didn't work in terms of sending people into the field and coming back and the whole issue about accountability; and of course, out of that, the ongoing coroner's report that I've checked on recently. As of yesterday, they haven't reported back to us. I can update you at some point on those miscellaneous items.

**0930**

Carrying on in this, section 5, management and operations: the bases, the decision to consolidate bases and the impact of consolidation, the discussion about a base in southern Ontario, in Hamilton, Toronto, Peterborough and Oshawa, and that whole discussion as to why it was Oshawa over Peterborough and the decision to defer a final decision on that; the MNP, Meyers Norris Penny, audit and the impact of that in terms of operation and relations between the ministry and Ornge; and finally, a discussion about quality management and the need for quality management in making decisions based on what hard facts were gathered through management operations. That's the management and operations component.

Section 6 deals with provincial funding and corporate finance and management. That talks about the annual transfer, the impact of consolidation, the bond and the whole discussion about provincial liability with Mr. Sinclair and the deputy ministers for finance and health, the marketing services agreement and the impact that that had on operations. That's chapter 6, provincial and corporate finance management.

Section 7 is corrective measures that I had talked about as an example starting off. I spent a bit of time on pages 29 through 32 in the shorter report basically highlighting the minister's response to Mr. McCarter's recommendation, as well as discussion of corrective measures taken in other areas of the organization.

I would say, just in finishing off, that's what the committee was looking for as of September. Hopefully, this covers off a number of topics. They don't necessarily all hang together, but for the sake of organization, I've blocked those into accountability issues, management operations, finance issues and corrective measures. That wraps up what we were hoping to achieve, and from here we can—I don't think there's anything else I really have to add on that.

One thing I would say is that since the end of the hearings on September 5, 2012, there have been a number of changes at Ornge, obviously, over this last five or six months. I've gone through to look at their material on-site with respect to whistleblowing and the new

accountability structure and that. That would be information that would be new to the committee, and if you require that at some point, as I say, I have assembled that and I can distribute that. I think that that's where we were left in September, and from there the committee can decide how it wants to use these or whether or not they want something else done to supplement what's here.

**The Chair (Mr. Norm Miller):** Thank you, Ray, for taking on this job. I know it was a big job trying to organize all the information we had from our many hearings, so thank you for that.

France?

**M<sup>me</sup> France Gélinas:** I will start by echoing your words, Mr. Chair. Thank you very much to Ray and to Susan for all of the hard work that you have put in on this. I think the way you ended up planning it is pretty good. It is in chunks that make sense, for lack of a better way to describe it.

You did say that you followed up with the coroner to see if his review was going to be completed soon. Do you know when the coroner's review is going to be done?

**Mr. Ray McLellan:** No, I didn't speak with them. A colleague spoke with them, and they didn't give a firm date. I know that was one of the outstanding issues that particularly Mr. Klees was concerned about. There isn't a date, but I'm following that kind of day-to-day, weekly, to make sure that as soon as something happens, I'll get that information. Anything else, as I say, that you require with respect to this topic as well, we can do.

**M<sup>me</sup> France Gélinas:** Thanks again for all your work.

**The Chair (Mr. Norm Miller):** Helena?

**Ms. Helena Jaczek:** Just again to understand what the request was of the coroner: Was it sort of a summary of previous incidents, or was it a specific incident? I'm just not clear what was requested.

**Mr. Ray McLellan:** I'll have to speak with the coroner's office. I don't know whether or not Mr. McCarter can comment on it, but it was a matter that came up during the hearings, and we knew that the coroner was looking into incidents. I just flagged it as something to follow up on. With respect to exactly what would be reported back on, I don't know that.

**Ms. Helena Jaczek:** But was it incidents that had occurred prior to 2011 or subsequent to the new management?

**Mr. Ray McLellan:** I think it was broader than that. I think it included 2012 and before that. But as I say, I'll look into it and get the exact terms of what they're going to be reporting on. I don't know that now.

**Ms. Helena Jaczek:** Okay.

**The Chair (Mr. Norm Miller):** Very well. Toby?

**Mr. Toby Barrett:** Thank you, Chair. Thank you for this work.

As far as unfinished business, we know there's an OPP investigation. Does this committee have any progress report or indication what they're looking at? Is it tax evasion or kickbacks? Has anything been released to the public from the OPP?

**Mr. Ray McLellan:** I could comment on it quickly, and maybe the Clerk can, but my understanding was that it is completely separate and distinct from what's transpiring here.

**Mr. Toby Barrett:** Yes.

**Mr. Ray McLellan:** And in terms of any dialogue or communication, there was absolutely none. I'd go back to the Chair on that.

**The Chair (Mr. Norm Miller):** That is correct.

**Mr. Toby Barrett:** So I guess we would determine some of that information from other channels? I mean, we see a bit in the media about it, but—

**Mr. Ray McLellan:** That's really what I'm limited to as well. I wouldn't have any—

**Mr. Toby Barrett:** We have no idea when they might be concluding or making an arrest or—

**The Chair (Mr. Norm Miller):** No.

**Mr. Toby Barrett:** They would access these documents, I'm sure; they're public documents. I guess we can only speculate.

**The Chair (Mr. Norm Miller):** We have no contact with the police.

Any other questions for Ray? Obviously, you just got the report, so maybe in another week, you'll have time to look through it and you'll have thoughts about whether you like the way it has been organized, and if there's anything missing or any suggestions for him after you've had a chance to look at it. Okay.

So we're up to the update on outstanding motions from the committee regarding Ornge.

**The Clerk of the Committee (Mr. William Short):** I have another update for everybody on that.

Over the course of the approximately four and a half months that we did hearings, there were obviously documents requested by all parties. What we created is an updated document request chart that we were providing to the committee members as the hearings went along. As documents came in, we then distributed them and added them to the chart.

What some of you may or may not have noticed is that on the motion in the House that was carried on February 20, regarding the appointment of subcommittees, on that same motion there was also a list of motions, some of which were specifically moved in PAC, that had to be complied with within the first seven sessional days of this session, which, after today, would be March 19.

So as of March 19, the list of outstanding motions that showed up on that motion in the House has to be complied with and sent to my office, of which two are the very large ones where—we had a subcommittee meeting to revise two of the very large motions, because two of the ministries came back to us saying that the original search had come up with, I think in one case, something near a million documents, and in another case well over 50,000 documents. Those two ministries then got the revised dates from the subcommittee that the subcommittee agreed on, and now, by March 19, those have to be complied with, as per the order of the House.

As well, since the committee dissolved on September 9, Ornge has tabled a very large amount of documents with our office, which we need to go through at some point today as well, many of which they're stating are of a personal and confidential nature.

So what I'll do is hand out the updated document request chart for everyone to take a look at. If people want copies of the motion that was tabled in the House, I can run off copies of that as well, so that you can actually see the list of motions that refer specifically to PAC. I'll hand these out, and then, if you have any questions, I can take your questions.

**0940**

**The Chair (Mr. Norm Miller):** Okay, we'll just give him a chance to hand those out.

The question, asked by Jagmeet, to do with which ministries have not provided updates in 2011: It was the Attorney General's office and finance that had not provided updates.

Vic, you had a question?

**Mr. Victor Fedeli:** Thank you very much, Chair. Thank you for this, William.

When we receive or when we are looking at the documents from the ministry—either the million or the 50,000 or the documents from Ornge—is there an opportunity to receive those in either a searchable PDF or OCR form as opposed to a printed form?

**The Clerk of the Committee (Mr. William Short):** The agreement that the committee had last session, actually, was that when it was a large number of records that we were receiving, we only did one copy per caucus. That was the first agreement we had. The other agreement was that they actually—I don't know how many we're going to get, now that the motion has been revised, and the point of the subcommittee meeting to come up with new dates was to actually limit the amount of records the ministry was going to be searching so that they didn't have such a broad scope.

Two of the motions were fairly broad in scope, so the subcommittee met and unanimously agreed on new dates to modify those two motions. The hope was that it would go back to the ministry and would help them with their search in terms of being able to get exactly what it was that the committee wanted, hopefully in a smaller amount of records. I haven't spoken to the ministry since, because we haven't had a committee to direct me with what to do. But the last update that the two ministries got was the amended dates from the subcommittee. Now, obviously, I assume they would have seen that their motions showed up on the order from the House to be complied with within the first seven sessional days of the session.

**Mr. Victor Fedeli:** So that deals, if I may, Chair, with the scope, and you're dealing with perhaps limiting the size. That's fine. But my concern is more with the style or format of document, that it not simply be printed pages but either optical character recognition software, that we can have a searchable PDF file. I don't know the format of this particular committee, but that is something I'm

recommending. I don't know how it moves from this point, but certainly even if it is half of that 50,000 documents, to be able to have an electronic format—not just a scanned format but a searchable format—is, I would suggest, more than necessary.

**The Clerk of the Committee (Mr. William Short):** Right.

**The Chair (Mr. Norm Miller):** Any other comments on that point?

**The Clerk of the Committee (Mr. William Short):** Just to give a quick answer on that, once we do receive the documents from whomever we receive them, either the ministry or Ornge, we can then have a subcommittee meeting or a full committee meeting to discuss how you want to go about dealing with whatever it is that we get.

**Mr. Victor Fedeli:** But—

**The Clerk of the Committee (Mr. William Short):** Because—sorry—the motion has actually already gone out to the ministry as is, they would probably be providing just the paper copy, I would imagine, because there were no other directives in the actual motion the committee already passed. They would just be complying with the dates and the original request. Anything going forward now would be sort of an amendment to that from the committee. If it was the committee's pleasure to do that, then you'd have to go back to them. But what we're getting right now is from the original request with the amended dates. Whatever we do get, we can then have another subcommittee or full committee meeting to decide how you want to move forward.

**Mr. Victor Fedeli:** So, Chair, rather than going back and amending that, because I can appreciate the issues there, perhaps the committee or the subcommittee can then talk about how it provides those supplied documents to the members. Perhaps that is the stage where technology can take over and the committee members be provided a searchable PDF format. Thank you, Chair.

**The Chair (Mr. Norm Miller):** Yes, and the Clerk is saying that we can have that discussion, so we shall have it. Any other comments on this format?

**Mr. Toby Barrett:** Just a comment.

**The Chair (Mr. Norm Miller):** Yes, Toby?

**Mr. Toby Barrett:** I'd rather be proactive on this. I'd hate to have staff put together all this work or photocopy, you know, half a million documents if they could have had an indication from this committee that electronic would be fine. I'm just thinking logistics and time and what have you. I don't know when we're having a subcommittee meeting, but can we informally—we'll have to discuss with the other two sides. I'd just hate to see someone do an awful lot of work running the photocopier for a couple of weeks if we're willing to have it in electronic format. If we could informally alert them that's what we're thinking of—we haven't amended the motion or anything; we could formally do that.

**The Chair (Mr. Norm Miller):** Yes, Will is going to look into it and get back to us later today.

**Mr. Jagmeet Singh:** Just to confirm, on behalf of the NDP as well, I think that's an excellent idea. If the labour

that goes into photocopying it is the same labour that would go into scanning it for PDF searchability, I guess for lack of a better word, and if that's going to happen, I think we should get ahead of it and do it now, as opposed to waiting for it and then—much like what Mr. Barrett said, it would be doubling the workload, perhaps. Because once it's photocopied, then you'd have to do it again to get it scannable so that it could be read.

I think we should perhaps discuss that right now and perhaps put that directive in now so that we can—whatever work has been done, that's fine, but moving forward, if there are still photocopies that are left to be done, we can at least save the time and have those done in a searchable format. Like Mr. Fedeli is saying, with that volume of documents, it would be much better for us to be able to search through it. So I think we should probably discuss that now and make a—

**The Chair (Mr. Norm Miller):** Helena?

**Ms. Helena Jaczek:** Thank you, Mr. Chair. On behalf of the government, we would have no objection. Whatever is the most useful, the fastest—I mean, we are committed to getting to the bottom of this as much as the other two parties.

**The Chair (Mr. Norm Miller):** Very good. France?

**M<sup>me</sup> France Gélinas:** Just to add, in the past, a lot of the documents that have been circulated to us were actually printed emails and printed electronic documents. I could see a huge time-saving when you don't have to print, you don't have to photocopy for all of us. Send it in an electronic format and we'll all be happier.

**Mr. Toby Barrett:** I've run out of storage space in my office; I have a pickup truck and it's—

**Mr. Victor Fedeli:** Mind you, us northerners like the use of all those trees.

**Mr. Toby Barrett:** Well, France would go along with that.

**The Chair (Mr. Norm Miller):** Okay, Will will look into that, then.

So on the outstanding motions—

**Mr. Jagmeet Singh:** My apologies for interrupting. Would it be beneficial—I'm more than happy to draft a motion basically indicating that we'd like to have the documents electronic where possible, the actual original electronic documents, and then where there are actually print-offs have them scanned instead of photocopied. If a motion would be necessary, I'm happy to do that now.

**The Chair (Mr. Norm Miller):** Will will look into it. We're going to be meeting this afternoon, so if we still need a motion, I'll let you know after at 12:30.

**Mr. Jagmeet Singh:** Sure.

**The Chair (Mr. Norm Miller):** We will now go to the auditor to have an update on the gas power plant reports.

**Mr. Jim McCarter:** Sure. I thought I'd just give you an update on the Mississauga gas plant cancellation review. As you may recall, this was a motion passed by the public accounts committee. Then I'll move on and update you on the Premier's request for us to also look at the

costs associated with the cancellation of the Oakville plant.

We have decided that we're going to be tabling these as two special reports. We're not going to hold the Mississauga plant up while we do the Oakville plant. We've wrapped up most of our fieldwork on the Mississauga plant. Our staff has actually started doing some work on the Oakville.

As far as a target reporting date, my understanding is that the House is recessed for the Easter break the first week of April. So at this point in time, assuming the translation and printing and that we have no unexpected glitches, we're hoping to table that particular report on Mississauga the second week of April when the House comes back after the April break. At the latest, we would probably be the third week of April, but that's our target timing for the tabling of that special report. We expect to table it with the Speaker in the Legislature and, as the Clerk mentioned earlier, it would be automatically permanently referred to the Standing Committee on Public Accounts at that time.

**0950**

I'm sure you're all aware that the Premier designate at that time did write to me asking us to also look into the costs associated with the cancellation of the Oakville plant. I immediately wrote back to the Premier indicating that we would undertake that work.

As far as the timing, my understanding is that the House rises for the summer recess on June 6. I'm quite confident we won't have finished it by June 6. We will certainly have finished it for the time the House comes back on September 7. So it could be tabled when the House comes back in September. However, I expect we may finish it in July or August.

Maybe I could just use this opportunity to remind the committee that about a week prior to tabling this report—my 10th annual report—I did advise the House that I would be resigning at the end of April. I think a letter did go out to everybody on that. I can take any questions on how the selection process works, where it stands right now. But it would be the decision of the incoming Auditor General, assuming that that process is completed by the summer.

The incoming Auditor General would have the option in the summer, if the report was complete, to table it with the Clerk. That would make it a public document, and it could be publicly released at that time as opposed to waiting until the House comes back in September. But that would be the decision of the next person in the chair, so to speak.

**The Chair (Mr. Norm Miller):** I would just say, Auditor, as the Chair of this committee, I'm very disappointed to hear that you're stepping down, but I certainly thank you for your 10 years of good service to the province.

Do we have any questions about the process to get a new auditor?

**Mr. Jim McCarter:** I could walk you through it.

**The Chair (Mr. Norm Miller):** I think that would be good. Sure.

**Mr. Jim McCarter:** Essentially, what's happened with the last two auditors is there's been a selection committee. The selection committee has been chaired by the Speaker. I have talked to the current Speaker. The Speaker is more than willing to—he indicated he would like to chair the selection committee. The selection committee has been comprised of a member from each of the three parties, so all parties have input.

The selection committee: Generally what happens is, they put an ad in the Globe and in the major papers across Canada—it's a very open, transparent process—asking for people interested in applying for the position. The HR area in the Legislative Assembly basically handles the process. They go through the applications and there's some contact back and forth with the selection committee—I think the last time they interviewed eight individuals—and they make a recommendation to the House at that point. Then that is voted on in the Legislature as a whole.

The last time, the members from the three parties were Norm Sterling, the Chair of the public accounts committee; some of you may remember Shelley Martel, who was a long-serving member of the public accounts committee, who was the NDP member; and I think it was John Milloy, who wasn't on the committee at that time, but shortly afterward came on the public accounts committee for the Liberals and was on the committee.

My understanding is that the Speaker has recently written, or is in the process of writing—I hope I'm not telling tales out of school—to the three House leaders, asking for their approval to get the process under way. I've given a fair bit of material to Nancy Marling of the assembly in HR with respect to the position description—all the information that they need to go ahead. My understanding is that the Legislative Assembly admin people are ready to get going on it as soon as the three House leaders kind of give them the okay to get going on it. Then each of the parties, assuming it's the same process as last time, will have to select a representative for the committee.

**The Chair (Mr. Norm Miller):** So your actual date of—

**Mr. Jim McCarter:** My last day will be Monday, April 30.

**The Chair (Mr. Norm Miller):** And if a replacement hasn't been picked at that point—

**Mr. Jim McCarter:** If a replacement hasn't been picked at that time, under the audit act, I have the Deputy Auditor General, Gary Peall—some of you have met Gary. The deputy auditor at that point would step in and fill the shoes, so to speak, of the Auditor General. So if that process is not complete by that time, the Deputy Auditor General would basically step into the role of the Auditor General until such time as an Auditor General is selected by the Legislature.

**The Chair (Mr. Norm Miller):** Okay. Any questions?

**Mr. Shafiq Qadri:** Mr. Chair, just on behalf of the government side, I think we'd also like to acknowledge

the extraordinary work of the Auditor General, who has helped not only the finances of the province of Ontario, but helped to remind the government as well as the opposition of what best practices are and what that means on the ground, so thank you.

*Applause.*

**Mr. Jim McCarter:** Thank you.

**Mr. Shafiq Qaadri:** And I'm just wondering: I hope there's no connection between the imminent retirement of His Holiness the Pope and that of the Auditor General, but in any case—

*Laughter.*

**The Chair (Mr. Norm Miller):** I don't believe there is.

**Mr. Toby Barrett:** Other than that last comment, the official opposition certainly echoes those sentiments and I'm sure the third party does as well. I know Jerry Ouellette has been a long-standing member. He has spoken very highly of you over the years.

**The Chair (Mr. Norm Miller):** Very well. And—sorry, France, yes?

**M<sup>me</sup> France Gélinas:** I would say that I'm in shock. You said that you've said this before. You said it when you tabled your report?

**Mr. Jim McCarter:** Yes. Actually, my letter to the Speaker was dated December 5, about a week before I tabled the report. My understanding was—I talked to the Clerk, because I said, "Well, you've got to let at least the members of the Standing Committee on Public Accounts know." The Clerk advised me that a copy of my resignation letter—because in the letter I also said, "I'm going on April 30, but I'm doing the five months." I basically wanted to make sure I had time to finish the Oakville power plant report. I also wanted to give ample time to basically get the selection process under way. But my understanding was, from Deb Deller, that a copy of that letter did go out within a couple of days to all MPPs—my resignation letter. Hopefully you got it.

**M<sup>me</sup> France Gélinas:** Well—

**Mr. Jim McCarter:** No? You didn't get it?

*Interjections.*

**M<sup>me</sup> France Gélinas:** Well, anyway, it was great fun working with you. You brought integrity. You made it understandable, the hard work that you do, and I very much appreciated working with you. I'm sorry you're going.

**Mr. Jim McCarter:** Maybe I can just add, too, as I said in my letter, the office and myself have been very fortunate. We've got a very supportive and a very active public accounts committee in Ontario, and I think amongst the Auditor General community it's generally felt that I'm pretty fortunate to have such an active and supportive public accounts committee. It really does help me in doing my work. It gives me a tremendous amount of clout when I go in and I'm going head-to-head with the deputy ministers knowing that I have such a supportive committee behind me, so thank you.

**The Chair (Mr. Norm Miller):** Thank you, and we are going to miss you for sure. I know I will.

I have a motion which has been given to me by Mr. Fedeli. As a practice, the committee is to give notice of a motion, so it's going to be circulated to go on the agenda for the next meeting. The Clerk will circulate it.

**Mr. Victor Fedeli:** May I speak for a moment while the Clerk is circulating it, Chair?

**The Chair (Mr. Norm Miller):** Very quickly, yes.

**Mr. Victor Fedeli:** The motion is regarding asking the Auditor General, as per section 17 of the AG Act, to investigate the government's divestment of, and the operations of, the Ontario Northland Transportation Commission, and the validity of the government's claim in its 2012 budget that the divestment will save \$265.9 million by 2014-15.

**The Chair (Mr. Norm Miller):** Very well. It will go on the agenda for the next meeting.

Do you want to comment at all?

**Mr. Jim McCarter:** No. I await the committee's vote on the motion.

**The Chair (Mr. Norm Miller):** Very well. So we're going to go in camera now to discuss some sensitive documents that contain private information on them and how to handle those, to do with Ornge air ambulance.

**Mr. Toby Barrett:** Chair, am I too late to speak, before we go in camera, on another issue?

**The Chair (Mr. Norm Miller):** Go ahead.

**Mr. Toby Barrett:** I recognize that since the House has been prorogued, and there certainly is other unfinished business—for example, we issued a—at the time, we were actually, as a committee, forced into requesting and receiving the Speaker's warrant for Mr. Mazza to testify. Do we have to go through that again to have Mr. Mazza come back for further—

**The Chair (Mr. Norm Miller):** I would think if the committee decides to invite Mr. Mazza back, or other people, first of all a request would come out—and he may very well just decide to come—before it would get anywhere near the point of requiring a Speaker's warrant.

**Mr. Toby Barrett:** And certainly, we haven't talked about other witnesses coming forward—

**The Chair (Mr. Norm Miller):** We will. The subcommittee will, at its first meeting, talk about what future business the committee will do, including whether we wish to continue inviting more people to come forward to do with Ornge air ambulance.

**Mr. Toby Barrett:** Okay. Again, given we haven't met since the end of the summer—I think Mr. McGuinty, the former Premier, was requested to testify. Our health minister has testified several times. Whether we feel it's important for the health minister, who remains the new health minister, to come forward—so there is some unfinished business there as far as people who we would ask to sit at the witness table.

**The Chair (Mr. Norm Miller):** We'll have those discussions at the subcommittee, of which you are a member.

**Mr. Toby Barrett:** At subcommittee?

**The Chair (Mr. Norm Miller):** Yes.

So we're going to go into closed session now.

*The committee continued in closed session from 1002 to 1255.*

**The Chair (Mr. Norm Miller):** Okay, we're back on the record, having had a discussion about what to do with some documents the committee has received. We do have agreement of the three parties as to what to do at least for the next week, and our Clerk will explain that agreement.

**The Clerk of the Committee (Mr. William Short):** What the committee has come to an agreement on, and we'll just follow up with the committee agreeing to what I'm saying, is that of the package of information we received from Ornge related to outstanding motions that the committee had already passed, there was a package that included documents.

What the committee agreed to make public was the Dr. Mazza payments, corporate credit cards, American Express; the Dr. Mazza payments, corporate credit cards, TD Canada Trust; and the Dr. Mazza payments, corporate credit cards, Diners Club International CIBC. The other documents that were in the package will remain confidential for the committee's use only. The one other item that needs to be decided at the next meeting would be regarding the ASOR documents, which will be available in my office up until next week for members of the committee to come in and look at, to make a decision on if they're comfortable about making those public or remaining confidential.

The other item was the other Dr. Mazza payments regarding his loans and T4s. Those will be looked at in my office, and the committee will make a decision next week on how to go forward with dealing with those, on either a confidential or non-confidential matter.

**The Chair (Mr. Norm Miller):** I believe that is the agreement. France?

**M<sup>me</sup> France Gélinas:** I thought we already had an agreement that you would go through the Dr. Mazza compensation package with a view to retracting the first six digits of his social insurance number.

**The Clerk of the Committee (Mr. William Short):** Sure. Yes, that's fine. Sorry.

**The Chair (Mr. Norm Miller):** All in agreement? Agreed.

We have a motion.

**Mr. Jagmeet Singh:** I trust everyone has seen this motion.

I move that the Standing Committee on Public Accounts request that the Ministry of Health and Long-Term Care and the Ministry of Finance produce the documents referred in the order of the House dated February 20, 2013, in a searchable PDF document or in the original electronic format.

**The Chair (Mr. Norm Miller):** Any discussion? All in favour? Carried.

I believe that's it. Yes, France?

**M<sup>me</sup> France Gélinas:** Sorry. I don't want to drag this on any longer, but a new document was shared with us that showed that the chief coroner's review of Ornge cases took longer and he explained that in a news conference. Is it reasonable to ask the Clerk or the researcher to get back in touch with the chief coroner's office to see when we could expect a new deadline?

**The Chair (Mr. Norm Miller):** Yes, we will endeavour to do that.

**Mr. Ray McLellan:** I can respond in part to that.

**The Chair (Mr. Norm Miller):** Go ahead, Ray.

**Mr. Ray McLellan:** This is a memo to me this morning, February 26, at 11:41. They're saying the investigation is ongoing—they're reviewing cases, compiling information. They cannot provide a date for the final report. As you say quite correctly, that review was supposed to be finished at the end of 2012. All I can do, really, is just continue to monitor it. As I say, we were in touch today, and they're not prepared to give a date for the final report. As we go through the next little while, I'll keep in touch, and as soon as something breaks, I'll report to the committee.

**M<sup>me</sup> France Gélinas:** Thank you.

**The Chair (Mr. Norm Miller):** Very good. We're adjourned till next Wednesday at 9 a.m.

*The committee adjourned at 1300.*







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### STANDING COMMITTEE ON PUBLIC ACCOUNTS

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#### Vice-Chair / Vice-Président

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Mr. Toby Barrett (Haldimand–Norfolk PC)  
Ms. Dipika Damerla (Mississauga East–Cooksville / Mississauga-Est–Cooksville L)  
M<sup>me</sup> France Gélinas (Nickel Belt ND)  
Ms. Helena Jaczek (Oak Ridges–Markham L)  
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Mr. Shafiq Qadri (Etobicoke North / Etobicoke-Nord L)  
Mr. Jagmeet Singh (Bramalea–Gore–Malton ND)

#### Substitutions / Membres remplaçants

Mr. Victor Fedeli (Nipissing PC)  
Ms. Soo Wong (Scarborough–Agincourt L)

#### Also taking part / Autres participants et participantes

Mr. Jim McCarter, Auditor General

#### Clerk / Greffier

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