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Department of Advanced Education and Skills
College of the North Atlantic

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Honourable Ross Wiseman, MHA

Public Accounts Committee

Chair: Jim Bennett, MHA

Vice-Chair: David Brazil, MHA

Members:

Sandy Collins, MHA
Eli Cross, MHA
Eddie Joyce, MHA
Christopher Mitchelmore, MHA
Kevin Parsons, MHA

Also present:

Calvin Peach, MHA

Clerk of the Committee: Elizabeth Murphy

Appearing:

College of the North Atlantic:

Ann Marie Vaughan, President
John Hutchings, Vice-President, Finance and Administration
Annette Morey, Manager of Internal Audit
Mary Tait, Executive Director of Human Resources

Office of the Auditor General:

Terry Paddon, Auditor General
Sandra Russell, Deputy Auditor General
Scott Walters, Audit Manager (Acting)

The Committee met at 9:00 a.m. in the House of Assembly Chamber.

CHAIR (Bennett): Good morning, everybody.

This is a meeting – I am not sure what we have called these yet; we have called them hearings, meetings – of the Public Accounts Committee of the Province of Newfoundland and Labrador. This matter is dealing with the Department of Advanced Education and Skills in the College of the North Atlantic.

My name is Jim Bennett, and I am the Chair. I am going to ask each individual if they would identify themselves. This hearing is being recorded and there will be a transcript provided. So it is important for everybody, whenever they speak – the members all know this because we appear regularly, but it is important to identify yourself when you answer a question. We will have people introduce themselves, then we swear witnesses, and then we will proceed from there.

Mr. Brazil.

MR. BRAZIL: David Brazil, Vice-Chair.

I want to note, too, if you could note the little light in front of you. When you identify who you are, wait for the light to come on and then identify who you are, for the recording process.

MR. K. PARSONS: Kevin Parsons, District of Cape St. Francis.

MR. MITCHELMORE: Christopher Mitchelmore, District of The Straits – White Bay North.

MR. JOYCE: Eddie Joyce, Bay of Islands.

MR. PEACH: Calvin Peach, Bellevue district.

MR. CROSS: Eli Cross, Bonavista North.

MR. PADDON: Terry Paddon, Auditor General for Newfoundland and Labrador.

MR. WALTERS: Scott Walters, from the Office of the Auditor General.

MS RUSSELL: Sandra Russell, Deputy Auditor General.

MR. HUTCHINGS: John Hutchings, Vice-President, Finance, College of the North Atlantic.

MS VAUGHAN: Ann Marie Vaughan, President, College of the North Atlantic.

MS TAIT: Mary Tait, Executive Director of Human Resources, College of the North Atlantic.

MS MOREY: Annette Morey, Manager of Internal Audit, College of the North Atlantic.

MS MURPHY: Elizabeth Murphy, Clerk of the Committee.

CHAIR: Our witnesses are sworn or affirmed as they choose, and Ms Murphy administers the oath or affirmation.

Swearing of Witnesses

Mr. Walters
Mr. Hutchings
Ms Vaughan
Ms Tait
Ms Morey

CHAIR: In case witnesses are wondering, witnesses who were not sworn were sworn previously and it is a continual process of the Public Accounts Committee.

The proceeding goes with question and answer. We use ten-minute intervals and we alternate between whether it would be a government member or an Opposition member. We typically take a break about an hour-and-a-half in, usually after all members have had an opportunity to ask questions. Sometimes we go to the Auditor General for clarification.

We like to provide an opportunity for anybody who is appearing, before we start any Q and A,

to make a statement if they want to make a statement or an explanation. Sometimes it provides an overall framework. It certainly is not necessary, but sometimes it helps with context for anybody who either may be watching or sometimes it answers questions before they are asked in some sort of an opening statement or explanation. Generally, I go to the Auditor General or staff to see if they would like to say anything or have any observations.

MR. PADDON: Thank you, Mr. Chair.

Terry Paddon, Auditor General. I will just make a couple of brief comments, not to take up too much of the Committee's time. Again, I just suggest providing a little bit of context around the report with the College of the North Atlantic.

The objective of our review was to determine whether compensation and recruitment practices were in accordance with government and College policies and procedures, and a little bit of context around that. The College employs about 2,000 full and part-time employees, I guess, between the Province and their campus in Qatar.

The scope of our audit, we covered the fiscal years March 31, 2011 and March 31, 2012. We reviewed a sample of recruitment files, twenty-three of those, eight of which were considered special hires by the College. We reviewed a sample of sixty-five personnel files. We reviewed classifications for nine positions and relocation expenses for six employees. We reviewed samples of employee leave records and overtime forms as well, as part of our review.

I guess in terms of findings – not to get into detail because everybody has read the details of the report, but our findings were centered around a number of areas. First, around recruitment, we found issues in terms of job analysis, classification of positions, qualifications that were required for positions and issues around screening and those sorts of things.

In terms of personnel files, we found issues around signing of contracts by employees, conflict of interest forms not on file, those types

of things. In terms of leave and overtime, there were issues around leave balances carried forward incorrectly, overdrawn leave, annual leave and sick leave, those sort of things. Similarly, on the overtime, there was probably, fair to say, issues around documentation, information in the files. We found instances where overtime was overdrawn. People had taken leave when they had not worked the overtime.

Generally, those were the types of things we found in our audit and that are contained in our report. I guess, sort of in summary, kind of issues around documentation. Some procedural issues that we found led to some of the issues around leave balances, overdrawn, and those sorts of things.

I will leave it at that.

CHAIR: Ms Vaughan, did you want to make a statement or have any discussion or introduction?

MS VAUGHAN: Yes, please, Mr. Bennett.

I want to thank you for the invitation to the Public Accounts Committee. We are very welcome to review the findings of the Auditor General and we really welcome the participation of the Auditor General in College of the North Atlantic – in the review of our operations.

We are very committed to accountability and transparency, and I hope over the next number of hours you will come to understand that we have done a considerable amount of work on the findings since the Auditor General's report. We are also thinking forward on how we can do preventative actions so this does not occur again.

With me today – because the AG report was primarily focused on Human Resource practices – is Mr. John Hutchings, who is our Vice-President of Finance and Administration. John has been with the College for some years and also with the school boards in the Province, and certainly has a good command of the financial and administrative dealings of the College.

Ms Mary Tait, who is our Executive Director of Human Resources, has newly come into this position. We have had a change in leadership in Human Resources. She previously worked as the manager of budgets within the College of the North Atlantic.

Ms Annette Morey is our Manager of Internal Audits. Annette has really done a considerable amount of work of ensuring that we have responded to the issues that have been identified. Internal audit, which has been with the college for six or seven years now, maybe longer?

MS MOREY: (Inaudible).

MS VAUGHAN: Sorry. Yes, but the reporting relationship presence?

MS MOREY: (Inaudible).

MS VAUGHAN: The Internal Audit Division, being part of the President's Office, has really proven to have some considerable benefits to the organization, both on how it reports to the Board of Governors at the College but also how it works at the President's Office, has taken on a number of issues in a preventative way for us to understand what is happening in our operation.

Challenges in Human Resources are something that I am quite personally concerned about. Our HR practices should be objective and they should be accountable. Good leadership in Human Resources is critical to the organization and function of the College.

What I hope you will see is that, while we have done some work now, it is a work in progress for us. We have a way forward on how we want to be able to have a more accountable and transparent organization and to be able to find internal audit challenges in our processes before a review takes place externally to the College. In the immediate term, we have been working with the Public Service Commission on a number of these items, but we have also started work towards a Quality Management System for the College of the North Atlantic to be registered to an ISO certified framework. This is similar to the Marine Institute, and Distance Education

Learning and Teaching Support at Memorial University. Such a movement will really put an awful lot of effort on our records management and documentation, which was certainly a highlight of the Auditor General and this report.

My deep commitment as the President is not only to address these issues, but to ensure that our human resource practices – and, in fact, all our administrative practices at the College of the North Atlantic – are accountable, transparent and consistent, regardless of where they take place throughout the Province.

We look forward to your questions today. I need to advise you that for most of us it is our first time before Public Accounts, so we may take a couple of minutes to be able to answer your questions. We have gone through every item to give you an update as to where we are, and various people will answer the question depending upon the area that you are asking your question on.

Thank you and we look forward to your questions this morning.

CHAIR: Before we start with Mr. Joyce; Ms Morey, how do you spell your last name?

MS MOREY: Morey.

CHAIR: Thank you.

Mr. Joyce, would you like to begin, unless anybody has any questions?

Mr. Joyce.

MR. JOYCE: Thank you very much, and I thank everybody for attending.

Some of the questions I am going to ask are some of the things I hear out around Corner Brook and Stephenville about some of this recruitment. On many occasions you hear out in Corner Brook and Stephenville: Oh, so-and-so got the job because they knew somebody. This finding here comes to – I am not saying it is true, but you can see where a lot of people out our way used to always say at the College of the

North Atlantic the recruitment process is who you knows.

I am going to ask this question, I know the answer already. Was there ever any influence in hiring people? Because obviously there are people here, according to the Auditor General, who were hired that were not the best qualified, or there are other times they can go – was there ever any influence in hiring people? Because we hear that all the time out around Corner Brook and Stephenville, a lot of times it is who you know at the College of the North Atlantic.

MS VAUGHAN: Mr. Joyce, I am going to pass the details of that response to Ms Tait and Mr. Hutchings, but I do want to say upfront that I believe this was the most troublesome finding in the report for me, as President. We would hope that that is not the case in terms of our hiring.

Both Ms Tait and Mr. Hutchings will talk to you about the steps that we have taken since the report. I think the best we can do is to ensure that our processes are so solid that we can refute those rumours or suggestions about the College and ensure that we are a very transparent and open organization. We have done very specific steps, and I am going to leave that to Ms Tait and Mr. Hutchings, then I can jump in as well.

MR. JOYCE: Yes, but before the steps – and I am glad the steps are taking place – was there any influence in hiring, because obviously – I know people who applied for positions and other things, but the Auditor General's report now, you can see that people were hired not through the proper process. Was there ever any influence put on people to be hired in the College of the North Atlantic before this report?

MS VAUGHAN: Well, Mr. Joyce, I have been with the College two years now. It has never been suggested to me that there has ever been any influence in hiring. Clearly, when people find evidence, as the Auditor General did, we are quite concerned, but certainly there was never any suggestion to me; although I am very concerned about the community conversation, as you are obviously hearing. We need to ensure

that our practices are so solid that that conversation does not happen.

I can tell you I do not know of incidences of where pressure took place to influence the hiring. However, the Auditor General found some things that we are quite concerned about, and we have put steps in place. I think the most we can do here, the things that we have to do, is to ensure to the community that our processes do not allow that to happen.

One of the examples that Ms Tait and Mr. Hutchings will give you is that all our administrative hirings are led out of St. John's. Our administrative hirings are for headquarters in Stephenville. We try to ensure that our recruiters to the competition are not from the community for which they are hiring, and they are the selection board chairs. So, by trying to do things like that, at least the perception of community influence is mitigated.

MR. JOYCE: Who was doing the hiring – maybe you will get a chance to answer – prior to when you got the new steps in?

MS TAIT: Previously, all of our recruiters were located at various points across the Province, and there was no particular determination of who would do what competition. It would depend on volume. It would depend on the workloads of the individuals. We did not really have a system that said you are the person who will only do the administrative hiring's. It really was spread across a number of the recruiters.

Now we have a different system in place for that. As Ann Marie has pointed out, our administrative recruitments are done out of the St. John's office, and the recruitments for various schools are done by specific recruiters. So there is not just one recruiter that recruits only for Corner Brook, or only for Bay St. George campus; it really is spread across and divided up that way.

MR. JOYCE: On the record – I know what the answer is going to be also. Is that from your experience there was never any influence on hiring out in the Stephenville, Corner Brook

way. Because there are rumours, I am sure John heard it, that there are people – it is all according to who you know, because the best qualified was not hired in several of the job competitions. Obviously, the Auditor General’s report shows some of this.

Are you aware of any time that the best person was not qualified for other reasons than the actual position that they applied for?

MS TAIT: I personally do not know of a situation like that.

MR. JOYCE: Okay, perfect.

On page 32 of the Auditor General’s report, Positions not classified, “7 of the 23 recruitment files reviewed required classifications to be approved by the Classification and Compensation Division of the Human Resource Secretariat. Qatar positions are not required to be classified and instructor positions are classified by the faculty collective agreement. Our review identified that 3 of the 7 positions were not classified”. Has that been taken care of?

MS TAIT: In each of the three instances identified in the Auditor General’s report, there is work going on, on all three of them.

For the Administrator of Applied Research, I think is one of them, that is not normally a position that we would have in our College structure. It is one that is in place because of a particular project we have with NSERC, and that position we are looking at other models across Canada to put a model together or to put a job description together for classification. So we are working on that one.

In the other instances, there were job descriptions in place for campus administrators. In the past they were called Associate District Administrators, and in the past those positions sometimes were shared with, for example, the Chair of Industrial Trades. Today, the workloads of those people have been divided up and they are two different positions. We are currently working with our academic team to

determine and define specifically those two positions, and we will have those classified as well.

MR. JOYCE: Okay.

I will go to page 34 of the Auditor General’s report. These are some of things that we hear, and I am not saying it is factual or not.

“For 1 competition, 3 candidates were screened out but appeared to meet the qualifications in the job advertisement and had more experience than the individual hired. The reason given on the screening worksheet was the applicants lacked the required experience, however, no explanation was provided on file to support the reasons given. For example, one applicant had 6 years of similar experience with a Government agency and 7 years of similar experience in the private sector, a second applicant had 15 years of similar experience with Government, and a third applicant had 11 years of similar experience with Government...”.

How can this happen? This goes along with the notion out around our way that, okay, no matter what you have, if you do not know the right person you do not get in. This is a prime example of how people get screened out who are well-qualified for the position – and I do not know who got this particular position – but people are screened out, they do not even get a chance to get an interview in the process.

MR. HUTCHINGS: Mr. Joyce, this is the most troublesome, I think, finding that we received from the Auditor General in this review of the files, because this is the entire integrity of our College and the system, would be how we attract and how we screen our competitions. I think it is the one that, as we go through, we will see that we have done the most work on.

When there is no explanation in the file and written down, whether it is legitimate or not, we have no way to know after the fact, so we can only speculate on whether there was favouritism or not favouritism. It is not an easy one to deal with, however, it is one that we will find we have spent the most time addressing in here, in

terms of ensuring the proper paperwork is done, people are screened properly, their qualifications are matched to the job, and later on as each audit is done internally and externally, that we can say for sure we followed the right processes.

MS VAUGHAN: If I could just elaborate. We have done training with all our staff. The Public Service Commission is working with all our recruiters. In fact, they are meeting one on one with each one of our recruiters to give them feedback in terms of the hiring process.

We have put a lot of training and oversight into this with our recruiters to ensure they understand their role as selection board chair, and to have a lot of guidance from the Public Service Commission, as well as feedback, as to how we engage in this part of our process, which as Mr. Hutchings has said. For me as well, as President, the other items we will discuss are process issues that we certainly have to address and have addressed. This one is very troublesome for us, and it is one that we have taken numerous steps to correct.

MR. JOYCE: Did anybody take the time to go back and ask the person who did this, why it was done?

MS MOREY: In some of the instances, the HR department has gone through a restructuring as well. So a lot of the former managers who were responsible for some of these competitions are no longer with the organization. The ability to go back and question why –

MR. JOYCE: Is there an ability to go back and see who actually signed this here? I just want to read into the record – and I hear this, by the way. I am not saying it has not changed, and God bless you if you get it changed, but over in Corner Brook and Stephenville you hear it all the time. I want to read this for the record, and the same position we were just talking about.

“This screening process resulted in only 2 applicants being interviewed for the position. One of the applicants interviewed had 21 years experience at a Government agency, however, the applicant was not scored in the assessment matrix. The document noted the applicant was

not ranked but no explanation was provided to support why the applicant was not scored. The hired candidate was a current employee of the College with 5 years experience.”

People who had more experience never got an interview. Someone who had twenty-one years experience got written off the list and someone in the system with less experience just took it and moved on up. Can you see why there is so much scepticism?

There has to be someone in the College – and I do not mean to harp on this kind of thing. There has to be someone there to say: Well, here is who did this. There has to be someone. You cannot just say: Oh well, everybody has moved on now. There has to be someone who did it. There has to be someone who actually signed off on it and there has to be someone to say, here is the reason why. There has to be something on file for that. There just has to be.

MS VAUGHAN: Mr. Joyce, those individuals no longer work with the College of the North Atlantic. So the recruiter involved in some of these hires no longer is with the College.

MR. JOYCE: The recruiter, but was there a supervisor who approved it? I am sure a recruiter just makes the recommendations to somebody. Some manager had to approve this.

MS VAUGHAN: One of our challenges is that we have done a restructuring, so most of the managers are no longer with the organization. The recruiter here is no longer with the organization, and the Executive Director of Human Resources is no longer with the organization.

MR. JOYCE: Is the person who signed this off, the manager, not with the College of the North Atlantic now? There has to be someone who approved this.

MS VAUGHAN: Yes.

MS TAIT: I cannot answer that question. What I would like to do is go back and have a look at that file, look at the signatures on it, and then I

can answer you honestly. I would think they are not, but specifically, we will look at that particular competition.

MR. JOYCE: Can you get back to –

MS VAUGHAN: Absolutely.

MS TAIT: Yes.

MR. JOYCE: Okay.

CHAIR: Let's move on to Mr. Brazil. You notice I went a little longer than ten minutes because we were involved in a particular subject. Rather than cut it up and go back and forth, back and forth, have a disjointed transcript, it is better for any particular member to finish an area and then move on to the next area.

Mr. Brazil, please.

MR. BRAZIL: Thank you, Mr. Chair.

Welcome, Ms Vaughan and the delegation from the College of the North Atlantic.

Unlike my Committee colleague, I do not worry about hearsay, and in this case I do not even worry too much about what has previously gone on. We are at this point because the Auditor General has identified a concern.

MR. JOYCE: Mr. Brazil, I do not appreciate your comments of hearsay because it is backed up by the Auditor General in this position particularly. Please do not say it is hearsay because it is backed up by the Auditor General's report and we are going to get information on this. So this is not hearsay.

CHAIR: We do not observe strict rules of evidence. Hearsay is a legal term which means it is not the actual witness who is saying it who saw it. We do not object to hearsay evidence one way or the other. We are trying to look for a more complete file. It is not cross examination. Hearsay is no problem. It means someone heard someone else say. If it looks like it is not very reliable then the panel probably would not pay

much attention to it, but if it looks like it is reliable but not supported then we may need to go back. As Ms Tait said, she would like to go back and check the file and see exactly what the details are. So, I do not see any sort of an issue there.

Mr. Brazil, we will extend your time to make sure you do not lose it.

MR. BRAZIL: Yes, it is his words, not mine.

Outside of that, I want to look at the fact of, on a go-forward basis, because we have already identified there were some concerns from the Auditor General's point of view. Legitimately, the questions that were put forward and sent to Ms Vaughan to be answered by the Committee that were drafted are very relevant to the concerns the Auditor had. I am pleased after reviewing these that you have identified a number of, if not all, the concerns that were identified and the practices that you would put in place.

What I would like to know, and I think would clarify for everybody, take me through the new process, not the old process. We cannot change the old process. We can implement something that addresses the transparency, the accountability, and the consistency. That is the important issues I would want identified so that when we do a review in two years from the Auditor General's point of view, that everything has been covered off and we do not run into these situations.

Take me from a recruitment process now, being advertising, identifying there is a position, to screening the applications and that, to the interviewing process of scoring, to offering the contracts and the classification. Can somebody take me through that so I am more familiar of where we are, with what you have outlined in the new process, please?

MS VAUGHAN: Mr. Brazil, we cannot only do that, we have done a sample test of our own records prior to coming in here today. We have actually done a sample test of records to make

sure that processes we have put in place are being followed.

I will ask Mary and Annette to comment, but they will comment both on the process and also comment on our own internal review of those processes now six months after the report.

MS TAIT: First, let me speak a little bit about the process and how things have changed. One of the very important pieces that has been placed in the College is we have hired a Director of Talent Acquisition who oversees all of the recruitment. All the recruiters report through to that position. That individual is wholly responsible to make sure that the policies and procedures as outlined are carried out. So that is number one, which was different than we had previously.

Number two; there have been a number of training sessions and regular on-going meetings with recruiters to deal with issues that come up, to ensure that we have consistency across the Province in our application. The process of hiring has not changed in terms of the Public Service Commission process. We are committed to that. That has always been the case. Now what we are doing is emphasizing, making sure we have the process nailed down, everybody is clear. If there is any question it always comes back to our director and then to me, and I believe that has worked very well.

As Ann Marie has pointed out, we have just before this session today, in the last couple of days we went back and looked at the number of competitions that have been in place since April 1. We have seventy-nine files. Out of that, we took a random sample of eleven. In every one of those everything is in place the way that it should be, and we very comfortable that our process is working.

MR. BRAZIL: What timeframe are we talking since you have implanted, since February or March on, or are we talking March 31 on?

MS TAIT: Since February, I can speak about that piece. In February we had a fairly stringent – and I was not in this role at that time, but in

February there was a learning session, training session put on with all of the recruiters, and all of these things that were identified in the Auditor General's report were laid out at that time. The competitions we looked at are the ones we have done since April 1, because the Auditor General's report covers everything up to the end of March of 2012.

MR. BRAZIL: Okay, perfect.

Just take me through the process where you would start, so I am comfortable that everything flows. I am familiar with the Public Service Commission's process, being a former civil servant, but just so that I know everything flows and if there are any inconsistencies, than I may have a query about that.

MS TAIT: I will do the best that I can and then I will ask my colleague, John, to jump in if I miss something along the way. Basically, we identify a need for an individual in the organization, whether it is a temporary appointment, somebody we want to bring in on project, or it is a permanent appointment. If it is a permanent appointment, normally we would have job descriptions developed for that. Ads would be developed in line with the job description.

The manager who is requesting that position be filled would be part of the selection board that works with the recruiter, who is the Public Service Commission Certified Chair, and oftentimes there might be a technical advisor with that group. Normally, it is two to three people who would be part of that process.

We would advertise, normally internally if it happens to be a position that needs to go internally, and most of them do. We would advertise internally for a period of time, probably a week or more, and then applicants would be screened, interviews would be set up, and on the basis of those interviews then the recruiter would guide that process. The matrix would be done; the file would be properly documented with everything that should go in there, confidentiality statements and all these different things.

Once that process is complete and the interviews have happened, we would select, if we have three recommendable and qualified candidates in the file, we would put forward three names to the Executive Director's position to approve hiring of the top recommended candidate; or, if we are dealing with bargaining unit employees and there is another layer that has to be considered in there, there would be a secondary evaluation about whether it would be the top candidate.

Does that answer your question?

MR. BRAZIL: Yes. One of the noted issues here, which may be coming back from my public service background, it was not a big issue, internally for checking references. If it is an internal position somebody –

MS TAIT: Oh, I am sorry. Yes, I should have –

MR. BRAZIL: Yes, somebody is in there that the Auditor General had noted you only checked one in a lot of cases internally. I do not see it as a big issue if it is somebody working within the confines of the organization, who you are aware of their background, but have you changed that to follow up reference check?

MS TAIT: We do want at least two references completed on every candidate. On the rare occasion it will happen that we will only be able to do one because it could be a long-term employee with the College whose supervisor is part of the competition process, who is part of the selection board. So it might be difficult to find a second person to do a reference check, but, yes, we are committed to that. We have steps in place to make sure that the references are included on the file. The Selection Board Report refers to those references that they have been done, and so on.

MR. BRAZIL: Okay, perfect.

Mr. Chair, I am good with that. I may come back after some discussions from my colleagues here but right now I am confident the information I have here gives me a good idea as

to where this organization is going in addressing the concerns of the Auditor General.

Thank you.

CHAIR: Mr. Mitchelmore.

MR. MITCHELMORE: Thank you, Mr. Chair.

I would like to know, there was some talk of HR being restructured, this restructuring that had taken place, was it before, after, or during the Auditor General's investigation?

MS VAUGHAN: Before and during; this was a structure that was in place before I arrived and it was being carried out during the review of the Auditor General.

MR. MITCHELMORE: Okay.

What restructuring had actually taken place prior to the Auditor General's investigation?

MS VAUGHAN: It was an organizational design. The design model was done to make the shift to a new model. That was being progressively put through during my last couple of years with the College.

MR. MITCHELMORE: Can the Committee have a copy of this organizational design that was put forward?

MS VAUGHAN: Sure. It was a report that was done by (inaudible). The design work was done by an external firm. We can certainly get a copy of that report for you.

MR. MITCHELMORE: That would be great.

In your response to Mr. Bennett's questions as Chair of the Public Accounts, a letter that you had written on June 28, response number three references the Executive Director of Human Resources held a teleconference on February 6, 2013. I would like to question as to who was present on this teleconference of February 6, 2013.

MS MOREY: Based on the notations I have, it says it was held with the group, and normally that would be the talent acquisition team. So there would be about six individuals, plus the Director of Talent Acquisition and the Executive Director of HR.

MR. MITCHELMORE: The Executive Director of HR would be the most senior person present?

MS MOREY: That person would be the most senior, yes.

MR. MITCHELMORE: Is it possible to get a list of who was actually on this talent acquisition team?

MS MOREY: Yes.

MR. MITCHELMORE: Given the seriousness of all the problems that were uncovered in the Auditor General's report, is there a transcript from this meeting that can be provided to the Committee?

MS MOREY: I would have to check, I do not know for sure.

MS VAUGHAN: We would have to check and see if there were minutes from the meeting, but we would not normally have transcripts for meetings that we would have.

MR. MITCHELMORE: Right. Would there be minutes or notes that would have been provided? Given the seriousness of it, would you, as the President and CEO of the College of the North Atlantic, receive some form of summary or update from the Executive Director of HR that this meeting had taken place and to provide you with the changes that were actually happening in this file?

MS VAUGHAN: What I can tell you, Mr. Mitchelmore, is as soon as I receive the report – even before we responded to the draft results I had a meeting with the Executive Director of Human Resources, instructed him to deal with the matters. I have checked in regularly to see what the status of the work would be, and most

of those reports would have been verbal reports to me during the time. I viewed my role as oversight but also to ensure the work was happening.

We met in preparation for this, but we have also met infrequently over the last number of months to make sure the work was happening. It was a priority out of my office. It was a priority and a direction from me to the head of Human Resources to deal with this matter.

It was identified that training was the first place to go, as well as begin to look at documentation and where errors or items that were missing in documentation, how we could do corrective action around that. It was a combination of both process design, looking to see that our processes were valid and carried out, and also training for all of our staff to make sure our selection board chairs, in particular, and recruiters are abiding within the rules and guidelines of the Public Service Commission.

MR. MITCHELMORE: Your response includes that primarily the meetings or the information that transpired was done in a verbal manner. To me, that lacks accountability and a paper trail on a very important and serious matter.

Are there actual documents that would have transpired from the February 6 meeting where there would have been a report or information via e-mail or notes submitted to you, as the President, that the Committee could have access to?

MS VAUGHAN: We can look for the reports that were coming from the meeting, if there were any. I can tell you, Mr. Mitchelmore, my focus has been on ensuring that the results are carried out. This has been top of mind for me in all the meetings that I have had within the leadership team. It is ensuring things that are done, such as audits preparing for this meeting, that we are not just saying we are doing the processes, but eleven files have been verified to be carrying out the process.

So it is not just a combination of verbal between myself and Human Resources, I want to see the evidence, as the head of the organization, that the processes are actually carried out. For me, that has to go beyond the meetings. It is the responses we have given to you, plus the follow up audits we have done, that provide me with the evidence that the actual changes and process are working.

MR. MITCHELMORE: How many meetings have you had with the Minister of Advanced Education and Skills on this particular matter and the findings of the Auditor General's report?

MS VAUGHAN: I would have to go through my records on that. I can tell you the department will be coming in to review our files themselves to ensure that we are following this practice. We have set the processes in place. We have done our own internal audit.

The Department of Advanced Education and Skills intends to come in to ensure that we are following these processes well. We have also discussed it with our Board of Governors. There has been considerable conversation at the leadership level in the College to ensure we are addressing the items that were addressed by the Auditor General.

MR. MITCHELMORE: What directives were given to you by the Minister of Advanced Education and Skills to ensure that these matters are taken care of?

MS VAUGHAN: We have a letter that came directly to us from the Department of Advanced Education and Skills outlining how they were going to measure the accountability of the College to ensure that the changes were made in the processes. We can provide you with a copy of that letter.

MR. MITCHELMORE: That would be great.

Are there additional costs that have been associated or resources provided to the College in particular to deal with this audit, given the financial position of the College in the financial statements that were provided in the report,

which highlights significant liabilities in the operating budgets of the College of the North Atlantic? What are the costs associated with dealing with this matter?

MR. HUTCHINGS: This would fall into the realm of normal operation at the College, in terms of managing our Human Resources department and reviewing policies and procedures.

I will take this opportunity, I think, to jump in and talk about some of the processes and documentation you were asking for earlier. We have revised our procedures and they are written down. They have been circulated. Those procedures will include direction on how to follow the competition and check off lists for files. So there is a checklist that says I have completed the screening matrix and so on. So each of the files now has a checklist to ensure it is in place.

So there is new documentation, and we have also created what are called process maps, which will guide people through the processes and ensure that along the way they follow the steps such as develop the list of questions and develop the list of answers. As we go through the report, we see many places where documentation is missing. That is written down and documented, and those things are on file. We use that documentation to measure how well the recruiters have done and the competition team has done on each file.

So when you ask about documentation, yes, the kickoff meeting February 14 was the meeting that started this documentation process and we have created a tremendous number of documents since then. That is one of the accountability measures that have been put in place.

MR. MITCHELMORE: On page 51 –

CHAIR: Mr. Mitchelmore, before you go on to page 51, we should move on to Mr. Parsons. Before we do that, you asked for, I think, two things and I am unclear as to what it was. You asked for two paper-trail related documents?

MR. MITCHELMORE: Yes, I asked for a transcript, notes, or minutes from the meeting that transpired on February 6 between the Executive Director of Human Resources and the Talent Acquisition team, and also documentation that would have occurred between the president during that time, written documentation surrounding that matter, whether it is a report presented through the executive director or HR on that particular matter. I believe the president had also agreed to provide the letter that the Minister of Advanced Education and Skills had outlined, the directives to fix things that the Auditor General had outlined.

CHAIR: Okay.

Is that correct?

MS VAUGHAN: Yes, and I have been itemizing your requests.

MR. MITCHELMORE: Thank you.

CHAIR: Okay, thank you very much.

Mr. Parsons.

MR. K. PARSONS: Thank you very much.

Good morning, everybody. It is nice to see you all here.

I have to say that this is probably my fourth year, I think, on Public Accounts and a number of meetings we have had. I have to commend the College, because I think of all the responses I have seen lately, for someone being really proactive on what the Auditor General has reported, you guys have done a fantastic job with your responses and stuff like that.

I just want to go through a few things with you guys this morning. I know how difficult it is in Newfoundland in particular, the changing times. I went to the College of the North Atlantic and did an electronics degree in the 1970s, so things, I would imagine, have changed a lot since then.

Just to go back, perhaps you can explain to us – I mean, there are a lot of changes that have happened at the College in the last number of years, and how difficult it must be when you have employees there at the College who have been there for a long period of time and all of a sudden the courses, or whatever they offer, are not what the demand is out in the general public.

It must be difficult for you guys in recruiting and trying to – I know the guys who taught me over there were excellent, and it is a job sometimes. I know Mr. Joyce talked to you about people with experience and the person who really got the job was a current employee. I know there must be some loyalty from the College to your employees right now. To see the changes that have been made and the demands that are out there today, can you just talk a little bit about what you are doing over there in terms of changes to what is required in the workforce today? It must be difficult.

I know different courses over there with – I am not sure what is not available any more but when I went there, there was a lot of sheet metal courses, a lot of autobody courses and stuff like that, so it must be kind of difficult to keep employees who are there for a number of years. What do you do with your current employees?

MS TAIT: There are number of things that happen. Obviously, one of the things we would hope to be able to do is where we have needs for training in areas that can use the skills of some of the faculty that might be displaced, then that is a real opportunity for us. If we can make that happen, we do. Not only do we want to make it happen as a College, but under the collective agreement for faculty that is an absolute. We have to do that.

We have a couple of different challenges right now. Number one is the number of faculty, yes, that we have had to see go out of the organization because the programs are no longer there, but we also have had the opportunity to bring a number of them back on a temporary capacity for things that we are able to do that respond to the demands of the labour market today.

We have a big added challenge in trying to recruit faculty with the skill set we need today, and the trades' environment is probably our biggest challenge right now. The trades and the medical sciences environment, those two are big challenges for us. So, we have a lot of challenges trying to recruit faculty.

MR. K. PARSONS: Are there a lot of challenges also in getting people – I know that I had a constituent of mine who was concerned about a heavy equipment operator and there was a real difficulty, apparently, in getting someone to teach the course.

I guess in the trades today where the money is out there in the Long Harbours and the Bull Arms of the world, how difficult it must be to get qualified people in for the trades to teach a course. Is that a huge issue?

MS TAIT: That is.

MS VAUGHAN: It is a very difficult issue for us in terms of the public salaries that we can provide versus, in many times, what people can command in the marketplace, privately. It becomes challenging as well based on location. Some of our locations are away from the more industrialized projects that are happening right now, so that becomes a challenge for us as well.

We are doing some really interesting and, I believe, cost-effective ways so that we can bring programs into communities. We are using new technologies. We are using one campus to teach a program at another, as opposed to having to mount all the costs associated with the delivery at the other campus. One example of that is in Stephenville Crossing and the offer of heavy duty equipment training to Labrador West, we did that through video conferencing, SMART Boards. We also worked with the industry in the area to be able to do the hands-on training that was required.

We are doing a lot more new ways of delivery that are responsive to the students and the local student market in the area, as well as the industrial needs in that area, and at the same time being cost effective. The piece of work

that we did is out to win an international award. So, that is great for us, and all the students who participated were successful in the apprenticeship exam.

It is not just the new ways of delivery; it is also how we measure that to ensure that our students are successful and it is a more cost-effective way for us to bring in skilled programs into a region and train people within that region so they can take up employment opportunities within that region. We are trying as much to take advantage of the seventeen campuses and to be able to allow for that expertise to be passed from one campus to another.

MR. K. PARSONS: Okay.

There must be a lot of difficulty also – I have a few young constituents of mine who are in different blocks in electrical and different things like this, and they find it very difficult to get in. They worked all summer and no matter if it was in Fort McMurray or it could be in Long Harbour or some place like that, coming back to get a block that is offered in September and then they realize that they are not in until January's block. So they are left a period of time that – are there any steps to be made, especially in the trades areas where there is such a high demand, especially when we look at electricians and stuff like that, out in these areas to advance any of these blocks so we can offer different programs or more programs?

MS VAUGHAN: I can tell you the work we have made on the direct entry in terms of the initial entry. We have taken all our wait-lists at the College of the North Atlantic and made it a provincial wait-list. We have called students, they may have applied to one campus – we will make them aware of vacancy or openings at other campuses so they do not have to wait that long for a program. Many of our students would apply to a campus, not to the College itself. We are doing a lot of work to move all that to provincial based, and we have seen some significant results from that.

The other matter you were talking about was apprenticeship based, which is – and I will let

John and Mary comment on that and how those apprenticeship programs are mounted.

MR. BRAZIL: Okay.

MR. HUTCHINGS: What we have done is increased the number of blocks available on the entry level and the apprenticeship level. Again, a couple of challenges are finding people to teach these blocks because our wages are not competitive with Alberta. People can work in Alberta for six months and make quite a significant amount more money than they can in the Province. Our biggest challenge is finding the people to teach them, and also the space. The demand seems to be all in one area, mostly on the Avalon. Space is a limitation and budget is a limitation. So we have maximized our programs.

I think in Seal Cove we put in four sections of electrical extra. We are increasing the sections to match the demand; however, it seems to be an almost unlimited demand. Electrical is a great example. Our wait-list has varied between 400 and 700 people. We have had – how many blocks? I am going to ask the question to our colleagues. How many blocks have we added in electrical?

MS TAIT: We have added four in the Seal Cove area. I believe we have added in St. Anthony, that is a – I am not 100 per cent sure of all of them, but we really have increased the offerings right across.

MS VAUGHAN: We can certainly get you that data. We are running it this week.

MR. K. PARSONS: I understand the challenges you guys have there with – like I said, since I went to College there are a lot of changes and demand for a skilled employee, especially in the trades.

Getting back to the Auditor General's report, I have a quick question there on letters of conduct. I volunteered at the YMCA, and any place that you volunteer, it is almost a given that in any organization you would have to have a letter of conduct. How did this happen that there were so

many cases that the letter of conduct was not required?

MS TAIT: At this point, I cannot tell you exactly the timing of when we instituted the letter of conduct but there are different levels of requirement. In some instances we absolutely need the letter of conduct because of the type of profession or training that the individuals are going in. In those cases we have contracted with a firm to actually do that for us, to make sure that does happen.

In the other instances, colleagues have been with us a long time and it might just be – part of it is just getting files updated and making sure that those things are on file.

MR. K. PARSONS: Okay.

Mr. Chair.

CHAIR: Mr. Joyce.

MR. JOYCE: Thank you.

I am just going to ask some general questions. On top of page 33 of the Auditor General's report, about two positions being classified in 1998, the Campus Administrator and Dean. Has that been taken care of, or was there a submission for reclassification put in to government for those two positions?

MS TAIT: These are the two that we talked about earlier. These were previously the Associate District Administrator and the Chair of Trades. Today, those are two different individual positions. Earlier on they formed part of one.

We are working now with the academic group, and work is underway, to define what the specific job description should be for a Campus Administrator and then a specific job description for the Dean of Industrial Trades. So, yes, the answer is we are working on that and hoping to get it off for classification in the near future.

MR. JOYCE: Then the next one, Minimum qualifications, it says here that the Bachelor

degrees or Masters, “College officials indicated that permission was obtained from the respective profession’s accrediting organization to change the minimum qualifications due to the hard-to-fill nature of the position, however, documentation of the approval was not provided.”

Do you have that documentation now where permission was granted?

MS TAIT: We had another look at that situation. What really needs to happen is the dean of the respective area needs to give their approval, and that does happen. It happens through, not some formal document but rather an e-mail coming back and forth, or minutes from a meeting where it was approved.

I would defer to Annette Morey, because she was doing some work on that looking at the documentation. Annette, do you have anything to –

MS MOREY: No, other than there were examples of documentation where there was communication going back and forth between the Selection Board chair or the recruiter and the particular dean in that area where they were talking about the skill sets and whether or not they were acceptable.

MR. JOYCE: I will just ask the Auditor General: For approval for that, should you have to go back to the department? You are saying in your report here, documentation for approval was not given from the accredited organizations. Should that be done internally or should you go to the board?

MR. PADDON: All we can go by is the information that was provided or the suggestion that it required – our understanding from employees at the College was that they required the approval of the organization or the governing body of the group you are recruiting for. If that was different, then that would be different information now, but at that point in time it was our understanding that they required the approval of the governing body.

MR. JOYCE: Okay.

MS VAUGHAN: (Inaudible) who is responsible for the accreditation for the College. So it is true, it would be to ensure it fits the accreditation. The dean is the person on record for the College who is responsible for the accreditation of all our programs, and we are accredited by various accrediting agencies.

MR. JOYCE: When the qualifications were changed for these positions, did it go back publicly again that the qualifications have changed?

MR. HUTCHINGS: We took some time to research that particular item and it related to tradespeople. For instance, there are different ways a tradesperson can get a Red Seal. You can come through our system, be trained at the College, write your exams, and get a Red Seal. That would have been our minimum qualification. However, what we found nationally is that there are other ways to get your Red Seal. You can get it through a challenge.

When we wrote in our minimum qualifications you had to have an apprenticeship program through the College, we were excluding a significant number of instructors who had a Red Seal. So we went back and revised the qualifications and said: We do not care how you get your Red Seal, if you are certified we will hire you. That is the change in the certification we were mentioning here that you would hear.

It was reasonable for us to go with the marketplace. We polled other colleges. They were doing the same thing and it was: if you have reached the standard, we will accept that standard. We had specified the route, which was eliminating some people from applying. So we thought it was a good thing we were doing.

MR. JOYCE: When you changed the policy, like you said, did you put it back out in the public, advertised publicly saying we have changed this policy?

MR. HUTCHINGS: Yes.

MS TAIT: If I could just probably add a couple of other points to John's comments. He is right. This is exactly the type of thing that ends up happening when we look at our difficulties in trying to recruit faculty; however, in the particular case that we are talking about now, and John is referring to, we were faced with a number of candidates who did have the experience, who had the red seal, but did not have that nine-month program at the College. Then, we researched the activities, the way things are done across Canada, and we seemed to be out of sync with the rest of the jurisdiction.

In that case, what happens is that we look at the immediate need today. We convened a meeting of the academic group that makes the decisions and provides advice to us on minimum qualifications. The decision at that point was, for people who have the experience and who have the red seal, we have vacancies in the classroom right now. We took whoever was qualified that we could put into our trades programs and we were still short.

The next time that the advertisements go out to recruit trades faculty, that qualification will be clear. We will not be looking for that certificate from the College.

MR. JOYCE: Okay. Thank you.

I will just go on to page 35 and then I will just ask for clarification. The government staffing manual says that "questions should include preferred answers that support job analysis. Our review identified that 9 competition files did not include the preferred answers to the questions asked during the interview process."

Has that been taken care of now?

MS TAIT: Yes, it has.

MR. JOYCE: Perfect.

MS TAIT: All of our questions now that are developed have some suggestions of the answers we would expect. In some cases, the answers are very technical, very specific, and we look for that answer. In other cases, they are very open-

ended and we expect certain types of things to come through, but we would not be able to determine exactly what we want a person to say.

MR. JOYCE: The same thing with the next one, with the matrix system: two competitions, the matrix system was not prepared; the form was not signed. Are most of those things taken care of now?

MS TAIT: That is absolutely taken care of.

That was always considered a very important piece of the competition process. In some cases it fell by the wayside, but is very much high on our priority – we have an evaluation system now that a second evaluation system looks at the competition file just to make sure all the pieces are in place. We are very concerned to make sure that is done.

MR. JOYCE: I will just go to delays in competition, the next one there. It says, "Furthermore, changing the requirements for a position after the receipt of qualified applicants, may affect the perception of fairness and objectivity of the competition process."

Can you tell me what that position was?

MS TAIT: I am going to ask Mr. Hutchings if he would respond to that, please.

MR. HUTCHINGS: Actually, we were looking for a replacement for our Director of Finance who had indicated he would be retiring. At the same time, we were assessing the strength of the qualifications and credentials in our College to make sure that we had the proper people in the Finance Division who would be able to ensure that all of the policies and procedures would be carried out within the College and meet the requirements of the Auditor General and others.

We did change the qualifications partway through the competition and eventually cancelled the competition.

MR. JOYCE: It was not filled?

MR. HUTCHINGS: It was not filled. No, it was not.

MR. JOYCE: I think it was brought up earlier by my colleague about the conflict of interest – no, it was the form on conduct. Here on the bottom of that page, “4 of the 5 competition files that had candidates recommended, other than the top ranked candidate, did not have any reference forms or documentation...”

Is that taken care of now where reference forms will be included in the application? It is on page 36. It was just that the “candidates recommended, other than the top ranked candidate, did not have any reference forms or documentation that a reference check was made for the recommended candidates.”

MS TAIT: Yes, that process is in place.

MR. JOYCE: How long was that going without having to check people’s references?

MS TAIT: Well, it is not that people’s references were not checked. In many instances, we did not have three top recommended candidates to do reference checks on; but if there were recommended candidates in a file, the practice was to do reference checks on your two top recommended candidates.

In some cases that might not have happened, but it should have, and now it is happening.

MR. JOYCE: Okay, perfect.

CHAIR: Mr. Joyce, let’s move on to Mr. Cross.

MR. JOYCE: Sure.

MR. CROSS: Thank you, Mr. Chair.

In looking at it – and I just want to reiterate probably a couple of comments that some of my colleagues have made of the responses that your office has sent with regard to the AG’s recommendations and the thoroughness of some of it there, that it sort of makes this job a little easier, since you read through that. At the same

amount of time, you trust what you are reading, but you still want to sort of query a little bit.

When the AG makes recommendations for anything happening in your organization, it is how you respond and how you wrap yourself around that is what the true evaluation of your organization is. Eventually, the AG is going to come back and re-evaluate it. That is when the true test is going to be.

We can ask whatever questions we want today, it sort of gives us a synopsis or a picture, but I guess when that comes – so what I did is I just picked two or three examples of areas where I might have had an extra query, and I know a couple of my colleagues from both sides of the House have touched on a couple of them.

I want to go to the paper trail, really, with regard to hiring. In my past, I was part of an HR team at one of the school boards as a principal, part of a school board team for hiring. We went through a whole pile of criticisms because we did not have the actual papers in place to prove we were doing things in the hiring, when all of this is in – so currently right now, what I hear is that the interview matrix and you have created rubrics for these to follow, so in this case you have sort of tightened that up, adjusted it such that it is pretty transparent that the most deserving or most qualified person is going to inherit the job.

How are these records kept now? In a future position or if someone else comes to a team, how would they get the training or the work that you do for this? The team, the actual resource team that hires, how would you –

MS TAIT: If we hired a new recruiter, do you mean? Is that your question?

MR. CROSS: Yes. So sometimes it is okay when you are hiring instructors and whatever –

MS TAIT: Sure.

MR. CROSS: – but when you are putting the recruiters in place, what procedure do you go for these?

MS TAIT: If we were hiring a recruiter, the first thing we would have to do is make sure that they are qualified and trained under the Public Service Commission. They have to be a certified Chair in order to Chair selection committees of the College. So, that would be the first thing.

Again, we do have a Director of Talent Acquisition who has been hired in the College and is responsible for that team. That individual would make sure that this person, this new recruiter that we are hiring, is fully trained and aware and part of the group, is sitting in on meetings with the rest of the recruiters. I would suspect, although I cannot say that for sure – she is not here for me to ask today – but knowing Corinne Napier, she would be aligning that individual with the current recruiter that we have so that there is a mentor, there is somebody to talk to.

That is something that Corinne and I have talked quite a bit about in terms of how we make sure that our records are pristine from here on in. We want to make sure that every single thing that is supposed to be done is done.

MR. CROSS: Okay. Thanks.

A totally different topic, I am jumping to relocation expenses on page 42, and it is just to sort of get a sampling of all three areas. The comment was made here, in travel claims on the bottom of page 42, if you have the book, that certain things were included by a person who had made claims for relocation that were not allowed. Then in another case, on the next page, page 43, it referred to someone who had relocated and they could actually claim for family members, but they did not claim for them. In both cases, how have you tightened up this whole picture around relocation expenses?

MS TAIT: I will speak to the second one, and then I will ask John to respond to the first case.

The second one, we went back and had another look, did the audit trail again on this and looked at the invoicing, the claim from the employee, because that was very troubling to us. We

wanted to make sure we did pay the employee whatever they were entitled to do.

Having a look at it and searching down the through the records, what appears to have happened is that the invoicing was a bit unclear. The employee was not entitled to another \$711 because they did not have to pay it, and we went back and double-checked with the employee. The spouse and child both travelled for the \$711. It was not two separate amounts. That has been done. We have documentation and a response back from the employee confirming they did not put out of pocket any more than what they were reimbursed.

MR. CROSS: Okay. I guess what I wanted to hear is there is a procedure in place that checks in both directions.

MS TAIT: Oh, absolutely. Yes, we do.

MR. CROSS: Okay.

My third quick area of concern is on page 48 with the overtime. I just read through this, and I can see how it probably happened. There were two employees of the same name and one actually was benefitted in their account time off in lieu of overtime; the other person actually took it.

The first question in your mind you ask is: How would someone take something that belonged to someone else and use it? At the same point, it took twenty-one months to detect it and whatever. What is in place now that again, these internal mechanisms will not drag on for twenty-one months and not be seen? I do not really know if that is a fair question.

MS TAIT: No, it is a fair question. In that particular instance, I do not think there was any malicious intent on the employee who actually took the time. People try to manage their time but they really do lose track of it, and they just fill the form in and send it on.

On the other side, in a manual system of tracking with just the paper documents, it is easy to get behind. It is easy to not get things

straightened out as fast as we would like. We have been working on an electronic system for quite some time now, and it is the Time and Labour and Absence Management. We are very close to having Time and Labour completed, and that will really help us an awful lot in tracking time and being able to make sure that we have accurate records up to date.

MR. CROSS: Okay, thanks.

I will defer now to another member, but I reserve to come back if something tweaks me as we go along.

Thanks.

CHAIR: Mr. Mitchelmore.

MR. MITCHELMORE: Thank you.

I would like to ask about the firm that was contracted for the Code of Conduct forms. Is it possible to name the firm, and if it went through a public tendering process for the services provided?

I believe it was mentioned by Annette when Mr. Parsons had made questions that a firm had been contracted to do the Code of Conduct.

MS MOREY: Do you know the page number it is on?

WITNESS: Page 39.

MS MOREY: Page 39, because I think I have that here. Provincial Investigative Services is the name of the company. In terms of tendering, I do not know the answer to that question. I would have to find out.

MR. MITCHELMORE: Okay. Was there any type of analysis to determine that this was more effective than trying to do it internally with the resources that exist?

MS MOREY: If I understand correctly, the issue was to ensure that we received the certificates of conduct. This is the way that it

was happening, so it was no longer left to the employee.

What normally happens, if I understand the procedure right, is that once a candidate is selected that name is passed on to this Provincial Investigative Services. They contact the employee who makes payment to them. They get the certificate of conduct, and then it comes over to us. It really shortened the amount of time in terms of relation of receiving the documents and ensuring that we did get them.

MR. MITCHELMORE: Okay.

On page 42, Mr. Cross had just talked about relocation expenses. It says in the Auditor General's report there was \$137,989 for six employees. Do you have a total of the relocation expenses for the overall employees during the 2011 and 2012 fiscal year? Is that something that can be provided?

WITNESS: (Inaudible).

MR. MITCHELMORE: Right.

Also, if that is possible, I would like a report to the Committee of the relocation expenses for the current year as well, to date.

On page 51 – now I finally get the chance to get here – this is in response to reference forms not on file. The response by the College states, “When considering existing College employees who have been identified as recommended candidates for a competition it is College practice not to conduct reference checks provided the recruitment for the positions were within a reasonable period of time.”

Can you define what a reasonable period of time is, and does this comply with the legislation of the College Act or the Public Service Commission Act, which the College is supposed to be complying with?

MS TAIT: I know what the response is. I am reading the response, and again, I am new into this position.

In my view, there would be very few circumstances where we would not do another reference check, very few circumstances; but, one that might work, that might apply here, if we were advertising and recruiting for a Clerk III, for example, and we had a competition that concluded today, and then two weeks later we have the same type of position in the same department with the same skill set, then I think it would be reasonable to say if that is a candidate in there, and they are a top recommended candidate, that we would not have to do the reference check again because the time is so short. There would be very few circumstances, in my view.

MR. MITCHELMORE: Yes, I fail to see why somebody who is a Clerk III would apply for a Clerk III position in the same department at the same salary scale.

MS TAIT: Oh, they would, and here is why. Here is an example of why that would happen. We have people – again, this is because the collective agreement comes into play. We have situations where candidates apply, they do not all have the same seniority. If they are determined to be relatively equal – and that is a term that is difficult to define, but if they are determined to be relatively equal, even though the number one candidate would be the best candidate for the job, maybe it is candidate number three who has the most seniority. If they are recommendable, the most senior might be the individual who gets the job – because we do have environments like that. The next opportunity that comes up, the person with the most seniority is already in a job, is not competing, then this next individual really is able to get the next job, but they still compete.

MR. MITCHELMORE: Okay. I am not completely clear on that, but I would rather ask a different question –

MS TAIT: Sure, okay.

MR. MITCHELMORE: – to get into the crux of what I am looking for.

MS TAIT: Yes.

MR. MITCHELMORE: Further in that paragraph, “It is also College practice that at least one reference should be from the candidate’s immediate supervisor, however, as the supervisor is often the technical advisor or the departmental representative on the selection board; in those cases they cannot act as a referee. This often results in only one available reference.”

Is there a potential conflict of interest where you would have the technical adviser or the department representative that would be on the Selection Board for internal hires because you are not getting particular references?

MS TAIT: When that is the hiring manager, it is very difficult not to have them on the Selection Board, if they are the hiring manager.

MR. MITCHELMORE: I guess you had mentioned about this Talent Acquisition team; that would only be particular for new hires, correct?

MS TAIT: No, any hires, but the Talent Acquisition team are the certified Chairs by the Public Service Commission. They are the ones who Chair the competition, who make sure that everything is done in compliance with government and College policy, and they are the ones who lead the competition. In addition to that individual, the hiring manager is on the Selection Board.

MR. MITCHELMORE: In that case then, wouldn’t there be an option to look at having a different person in the hiring process due to a potential conflict of interest, of skewing a preferable candidate or somebody that they are familiar with, as Mr. Joyce had started initially with hiring who you know type thing?

MS VAUGHAN: It depends upon the skill sets required for the position and who can actually verify that the person has the skill sets. If it is someone in PeopleSoft or a particular technology that we require for a position, oftentimes it is the supervisor or the leader of that unit who can certify technically that those

people have the skill sets required for the position.

MR. MITCHELMORE: This highlights that often only one reference is available, but in some cases there were no references checked, based on the findings of the Auditor General's report. How, in this situation, can this happen, where you are not following process and procedure?

CHAIR: In response, please identify yourselves because we have had both Ms Vaughan and Ms Tait answering questions, and it may become problematic for the person who is transcribing.

Continue.

MS TAIT: First of all, let's be clear about what this means. We never hire anybody without reference checks. That does not happen, so that is the first thing.

The second thing is, when we have recommended candidates, more than one in a file, I think the issue was we do not often have the references for all of the recommended candidates. That can happen; but the person who is going to be recommended for the job, there is absolutely at least one reference check on that person.

The difficulty in getting two reference checks sometimes is because the person does not have another supervisor because they have been long-term with the College. The current supervisor is part of the Selection Board and there would be a conflict there. Rather than use the person who is on the Selection Board as their reference, we would go to another supervisor that individual had in the past.

MR. MITCHELMORE: Page 36 says, "4 of the 5 competition files that had candidates recommended, other than the top ranked candidate, did not have any reference forms or documentation that a reference check was made for the recommended candidates."

MS TAIT: Other than the top recommended candidate – other than the top. I would say that

is the finding; that is accurate. Today, that is not what we accept. The process today requires that you have reference checks on your recommended candidates.

MR. MITCHELMORE: Why would a hiring committee look particularly at a resume or whatever is submitted when you have five qualified candidates and only do a reference check on one individual?

MS TAIT: It might be in the expediency of time because if you do the reference checks on one individual and that is your top recommended candidate, that person gets the job.

MR. MITCHELMORE: Could we see this type of, I guess, poor HR practice happening again based on, oh well, it is expedient, we really need to get somebody in this position, we are not going to comply with the rules that exist and we are just going to do the one reference check on the candidate that we want?

MS TAIT: Can I tell you that everybody will do everything they are supposed to do always? I cannot confirm that. What I can tell you is that that is a must. Our process now does not leave any room for discretion. Do it. If you have recommended candidates, you are to have references on those candidates.

MR. MITCHELMORE: When you did your review, since the findings of the Auditor General's report, why were there only eleven of the seventy-nine files reviewed? Those eleven that were selected randomly, which is a small sample, had said that everything is there, but we have no idea of what could be in the other sixty-eight files.

MS TAIT: If we wanted to do a comprehensive review of all of them, we are prepared to do that, but in the interest of time and testing, normally – and I am not an auditor, but I could defer to Annette. What we did was look at a starting point, take a number, and just randomly select. Then we sent those number of competition numbers to our Director of Talent Acquisition and had her go in and review each of these files. She had no input into what files would be

assessed. We did not know which files could hold what. We just randomly selected eleven competition numbers and said: Can you look at those?

Some of them were in process, some of them were complete, but for everything, where they were at that point in time, the ones completed were all in order. The ones that were still in progress at the point they were in the competition, things were in order for them.

CHAIR: Mr. Mitchelmore, can we move on to Mr. Peach?

MR. MITCHELMORE: Yes.

MR. JOYCE: Could we have a break?

CHAIR: Yes, we can.

Mr. Peach has not asked any questions in the first session.

MR. JOYCE: Okay.

MR. PEACH: Okay, thank you very much, Mr. Chair.

It is certainly a pleasure for me to be here. It is my second time sitting on the Public Accounts Committee. I am really enjoying it and it is very interesting. It certainly is a learning process.

I certainly want to say that I read through the response you sent back to the Chair on the questions that were asked previously. I must say that you have been very thorough in your response and a lot of things have been answered for me there.

I just have a couple of general questions. Basically, on page 34 when we were talking about the person who was hired and the candidate who was a current employee of the College within five years experience, I am just wondering: Was that a new position that was there or was it a position that had already existed and had to be filled?

MS MOREY: That was an existing position.

MR. PEACH: So if that was an existing position, the other question that comes to my mind, just for clarification, is: Why was it not posted internally before it went publicly?

MR. HUTCHINGS: The Public Service Commission process is to first post jobs internally and then externally to give existing members of the Public Service the first opportunity at jobs, unless it is determined ahead of time that we are unlikely to get many candidates, and then it will be posted internally and externally simultaneously. The process is first internally and then externally, unless there is a reason to post simultaneously internally and externally. That is the practice within the public service.

MR. PEACH: Okay. Thanks.

One question I have now that we are here, with regard to the College of the North Atlantic – and I get a lot of questions from constituents with regard to apprenticeship – when an apprentice or a person is finished the course and goes out to the apprentices looking for a job, they have a lot of concerns with regard to the logbook, not being able to get their logbook until after they find work, find employment. They say that sometimes that has deterred them from getting a job. They have to go back to the College and get their logbook, after they received the job. Is that practice still there or what is the reason for that?

MS VAUGHAN: We would have to look into that, Mr. Peach. We would have to look into that in more detail to be able to give you a well-thought-out response.

MR. PEACH: Okay.

I have no further questions, Mr. Chair.

CHAIR: We can take that much anticipated break; ten minutes should work. If we take breaks too long now, we will be looking for time late in the day. There are facilities back behind the wall and also out in the hall, if anybody has any questions or want to make any phone calls. We will see you back here at 10:46 a.m.

Recess

MR. JOYCE: (Inaudible) what department would have a person with five years experience? What department was that? Was that in Stephenville or Corner Brook?

MS VAUGHAN: That was in St. John's.

MR. JOYCE: Was it St. John's?

MS VAUGHAN: (Inaudible).

MR. JOYCE: In the what?

MS VAUGHAN: In advancement.

MR. JOYCE: Is that person still in that position?

MS VAUGHAN: Yes, they are still in that position.

MR. JOYCE: Page 37, "In our sample of 23 competitions, 5 competitions did not require a Selection Board Report..." and you can read it. "Our review of the 18 files that required a Selection Board Report identified that 10 reports were not adequate as follows: 2 files did not have a Selection Board Report; 1 file for 5 positions did have a Selection Board Report, however, it did not include the names of 2 of the successful candidates; 7 files did not have a signature for the approval of the recommendations of the Selection Board."

Can I ask what positions they were? Were they all throughout the Province or one area?

MS VAUGHAN: We will have to get the specifics. Could you -?

MR. JOYCE: Page 37.

MS VAUGHAN: Right.

MS TAIT: I do not know the answer to that. What we can do is go back and look at the files specifically to see which they are. We really do not know that answer right off the top.

MR. JOYCE: I do not mean to be - but if you do not know the answers, is it corrected? That is the bigger thing.

MS TAIT: Absolutely, yes. This is about a process. The Selection Board Reports now are part of the process that defines what must be included in the Selection Board Report. Certainly, all the things that are referenced in here are now included in all competitions. Your question about: Where are these competitions, where did they take place? I do not know that without going back and seeing whether I can extract that from the report.

MR. JOYCE: Part of the report, "...signature for the approval of the recommendations of the Selection Board." Can you tell us who was on the Selection Board? If there are people selecting seven positions across the Province and never signed off on these selections, how can anybody who even applied for the positions be assured it was done in a fair and proper manner?

MS TAIT: The Selection Board Report is one piece of documentation. A signature not on it would not necessarily mean the rest of the protocol after that did not happen properly.

MR. JOYCE: It does not mean it was, though, either.

MS TAIT: No, but I would have to go look at these particular competition files to answer your question because I do not know who would not have signed, who the Selection Board Chair was. It may be somebody who is not even with us today.

MR. JOYCE: Okay.

MS TAIT: So if you want that information, we will go back and extract it from these files.

CHAIR: Mr. Joyce, Mr. Paddon indicates he might be of some assistance there.

MR. PADDON: The only point I would make is that when we select files for review we would do them on a random basis, so they are not

concentrated in any one area. They would likely be throughout the Province and they would not be concentrated in a particular discipline. They would likely be concentrated throughout the various disciplines that the College would have.

MR. JOYCE: It shows a bigger problem if it is all throughout the whole system throughout the Province. It shows a bigger non-compliance of some of the issues that people were discussing in the College of the North Atlantic if it is all throughout the Province, not just one particular area or one particular discipline.

I will just go to the –

CHAIR: Mr. Joyce, Ms Tait says she could supply that background and get that background –

MR. JOYCE: Yes.

CHAIR: – because it seems like you would want to have a look at the documentation or whatever it was.

MR. JOYCE: Yes.

CHAIR: Is that where we agreed to – so this is not one person not approving whatever, this is a systemic thing. I am saying it seems it is corrected, but Mr. Joyce is looking for the backup on that.

MS TAIT: Yes. My understanding, Mr. Joyce, is you are asking for specifically what are the parameters around these eighteen files.

MR. JOYCE: Yes.

MS TAIT: If that is what you are asking, assuming that I can get the competition numbers, we can go back and look at them and identify X person was hired, even though the Selection Board Report was not signed, that sort of thing. We can look at the eighteen files and address the findings found here.

MR. JOYCE: Two of the files never even had a Selection Board Report. If you do not have a Selection Board Report, how do you know the

best qualified candidate was accepted or interviewed?

MS TAIT: Again, I will answer –

MR. JOYCE: I know I am putting you on the spot; that is fine.

MS TAIT: I do not feel on the spot.

MR. JOYCE: Okay.

MS TAIT: We will look at it and we will answer your question.

MR. JOYCE: Okay, thank you.

We will go to Hiring and Personnel Documentation, and you can go through a list of concerns here. Are most of those concerns taken care of now? Someone mentioned certificate of conduct, conflict of interest forms.

There is one here, “50 employees did not have a conflict of interest form in their personnel file.” Then it went through, “26 employees were working at Qatar of which six were in executive...” Is all that taken care of now with the conflict of interest forms?

MS TAIT: All new employees that are hired sign and complete a conflict of interest form.

MR. JOYCE: How about the ones in this report who never signed? Did they go back and ask them to sign it?

MS TAIT: Can I defer to Annette? Do we know that these particular ones were asked?

MS MOREY: I guess to add, the ones who are related to Qatar are covered by a clause in their contract in terms of conflict of interest. I think that was mentioned in the report.

The others, we went back and talked about the conflict of interest forms and I talked to the staff regarding what process they follow now in terms of obtaining that information. Obtaining a conflict of interest form is part of an orientation checklist. So, as a new employee comes on

board, they are obtaining that information and there is a secondary sign-off on that orientation checklist to make sure that all the documentation –

MR. JOYCE: The ones who never signed it prior, that is identified in this report, has the College of the North Atlantic went back – here, for example, there are nine people in executive or senior management. Did the College go back, after this was identified, and ask those people to sign the form who never did it or it is not in their file?

MS MOREY: I do not know that they have gone back and asked. We did select some and there were conflict of interest forms on file based on some – I did not check all of them; I checked a few.

MR. JOYCE: Okay.

So when someone tweets saying that we have the problems at the College of the North Atlantic taken care of, we are not sure if all of these conflict of interest forms – I just ask the Auditor General: Would it be proper protocol to go back, if people in senior management do not have it signed or it is not in their file? Now that it is identified, would it be proper procedure to go back and say okay, it is not on file, let's get it on file for those individuals?

MR. PADDON: I guess it would be our expectation that if there was a lapse in procedure and there was a question of documentation, there should be a process put in place to ensure that the documentation is adequate. Yes, I would expect that you would go back and ensure that all the documentation that is required would be in place.

I just make a comment on the conflict of interest forms for Qatar employees. I guess the witnesses have indicated, and we had indicated in our report, that Qatar employees do have a clause in their contract that talks about conflict of interest; but the point we were making is that the College's conflict of interest guidelines contain broader concepts than just the ones that are in the contract. So, we thought it would be

useful for the Qatar employees to also have separate conflict of interest documentation.

MR. JOYCE: Okay.

I do not know if you want to take it as just a question: Should you go back to those employees to ensure that is done?

WITNESS: (Inaudible).

MR. JOYCE: Okay. Thank you.

MS VAUGHAN: Mr. Joyce, we absolutely will go back and verify that has taken place.

Ms Morey has identified that she did some review in preparation for this session. Some were assigned and some were not. We will certainly go back to make sure that has been taken care of and we will report back to you that it has.

MR. JOYCE: Thank you.

I will go on to page 41 now. This is not in the Auditor General's report: page 41, about compensation.

CHAIR: Mr. Joyce, before we go into another subject, I think we should go to the next member because it is running about eleven minutes.

MR. JOYCE: Sure.

CHAIR: Mr. Brazil.

MR. BRAZIL: I just have one quick question for clarification. On the PeopleSoft model process that you are hoping to put in place, are we on schedule for that to happen in November? Are there any unforeseen issues that you ran into why it could not be implemented for the whole of the College system?

MR. HUTCHINGS: Anybody who has been involved in implementation of systems knows that schedules are sometimes off. The module is actually two modules. One is called Time and Labour and the second is called Absence Management. The Time and Labour module is

nearly complete. I think September 23 is scheduled for testing of that module. The Absence Management module now is scheduled to be complete January 29. I had an update yesterday.

Right now, the information is kept in PeopleSoft, but it is entered manually. So, we do have a system. The reports we talked about earlier, there is a time lag between when it gets entered and when it shows up in the system. The new system will be on time, so information will be entered daily. The time lags we talked about will be gone. That is one of the things we are doing right now for PeopleSoft.

MR. BRAZIL: We can say, with a fair bit of certainly, that by the next fiscal things will be up and running and tested and the glitches worked through it.

MR. HUTCHINGS: Absolutely.

MR. BRAZIL: Okay, fair enough.

My last little comment is – I know the Public Service Commission is doing an audit. Is there any update? Do they do periodic updates or do they wait until they do the complete audit to come back to you guys?

MS MOREY: Based on my discussions with the Director of Talent Acquisition, she has had some preliminary discussions with the Public Service Commission auditor and they have been talking to each of the individual Selection Board Chairs, our recruiters, but the official report is not due to be released until sometime in November, from the understanding.

MR. BRAZIL: Fair enough. Okay, I look forward to having a look at that at that point also.

Right now, I am comfortable with the answers that have been given. I do not foresee having any other questions. I want to thank everybody for their openness and their professionalism, and we look forward to some of the information that has been requested.

Thank you.

CHAIR: Mr. Mitchelmore.

MR. MITCHELMORE: Thank you, Mr. Chair.

In earlier discussion, I believe it was Mr. Parsons who had asked about wait-lists and Mr. Hutchings had made a comment about 400 to 700 on the wait-list. In particular, is that for the overall College of the North Atlantic, or is that particularly for the electrical program?

MR. HUTCHINGS: That would have been for the electrical program only. It is a very high demand program and we have more than doubled our capacity; however, keeping up the demand is most difficult.

MR. MITCHELMORE: Is it possible that the College of the North Atlantic could provide us with a list of programs that would have a wait-list of more than ten students?

MS VAUGHAN: We absolutely could do that, Mr. Mitchelmore.

MR. MITCHELMORE: Great.

When it comes to the conflict of interest forms, it was noted that the College is now going to go back and review these that are outstanding. My concern is this is a very small sample and we have no idea of how many other of the potentially 2,000 employees do not have conflict of interest or particular forms and documents signed. Is there going to be a broader review or an audit of current employees to deal with that and make sure that it does comply with the legislation?

MS TAIT: Again, the process in place now requires that for the employee file to be properly documented it must include the signed documents that are required, such as the conflict of interest document, along with their confidentiality, along with all code of conduct, and all the other things that need to be put in place.

MR. MITCHELMORE: My particular question deals with the past, and it asks about employees who are currently working or have been working with the College of the North Atlantic, who have either been dismissed or whatnot, who do not have conflict of interest or do not have confidentiality forms signed, these types of things, and it could be detrimental to the organization and the reputation of the College of the North Atlantic should the forms and documents, contracts, those types of things, not actually have particular signatures.

Is there a more comprehensive review going to be taken to deal with those particular matters to ensure that the College is in compliance with the particular legislation?

MS VAUGHAN: Mr. Mitchelmore, at the start of my opening remarks I talked about us moving to a Quality Management System. We are moving that way with the College of the North Atlantic, and Human Resource and payroll functions is one of the first functions we are doing. One of the big assets of a Quality Management System is documentation and audits that take place on a very regular basis of records that are held by the organization.

In moving with an ISO certification, it will also be audited by outside agencies and, of course, maintaining that standard will be extremely important for the College because it will be part of our reputation that we want to have through our whole organization. We will be moving with that process, and as we do audits, and people are trained to do audits, those audits will ensure that all those documentations that are required will exist.

The Quality Management System will have our process, our procedures, and write down the checklists, and we will do our own audits as well as external audits to ensure that we are meeting what we say we need to do and that everybody is working within the parameters and requirements of any process that we have within the College.

I cannot speak to the past, although you have made an excellent point that we need to go back and review this. I can say for the future that

Human Resource and payroll is our first function we are doing. We are also looking at elements of our advancement function. We will be moving all of those towards an ISO certified and recognized system.

MR. MITCHELMORE: The Auditor General just made reference to what I believe is a recommendation for CAN-Qatar to have a separate form signed rather than just the brief clause in the document. Is this a practice that will be implemented for new hires, that they would be also signing a separate form when it comes to the confidentiality agreement?

MS VAUGHAN: Mr. Mitchelmore, we can certainly go and look at that recommendation from the Auditor General. We would have to make sure that whatever we put in it does not contradict the comprehensive agreement. The process that we have currently here in this Province may not be easily transferable, but we would have to go and look to see what we would need in excess to ensure that not only is it within the parameters of what were abided by but ensure that it meets the requirements and what is required of us of the state in our duty in the state of Qatar.

MR. MITCHELMORE: Page 27, a list that the enrolment was 24,720 attending the seventeen campuses: Can you give me the particular enrolment as it is today?

MS VAUGHAN: For each campus?

MR. MITCHELMORE: Overall.

MS VAUGHAN: I can only give you the enrolments that we have seen in the first seven days of the start of the academic year, and I believe that number is 5,689. Is that right?

WITNESS: That sounds right (inaudible).

MS VAUGHAN: I will have to check for you. As you know, Mr. Mitchelmore, given the time of the year that you are asking this, this number changes every day. It goes up and down. Perhaps, if you want to ask that question in a

couple of weeks' time, we will have a better sense of what the stability factor looks like there.

MR. MITCHELMORE: Okay.

MS VAUGHAN: Just to give a further point of the request for conflict of interest forms for Qatar, we also have new employment contracts. At the time that this was audited, we had an old employment contract; we have new employment contracts for every single employee who is in Qatar. We will go back and review that, check the validity of the conflict of interest, check it against the comprehensive agreement and confer to see if we need something further.

MR. MITCHELMORE: I appreciate that response, Ms Vaughan.

In the report it highlights that during this year, when the Auditor General did this review, there were 2,000 full-time and part-time employees. Can you give us what the status is right now of the staff by classification in terms of management, union, non-union, full-time, part-time, casual, and contractual at the College of the North Atlantic?

MS VAUGHAN: Again, Mr. Mitchelmore, we would have to go look at that. If you could give us a date that you want that – that is changing; I mean, we are in the start of the academic semester. We are hiring and we are responding to where extra students are coming, so it is a very fluid number in the last couple of weeks.

If you want to give us a date that you would want that number of, we can certainly give that to you; but in asking for registration numbers and employee numbers, we would have to be clear to you that that – and even in wait-list numbers – will be current of the date that you make the request.

MR. MITCHELMORE: Of course it will fluctuate.

MS VAUGHAN: Sometimes we get questions if the next number does not match. It is because we can only look at our files versus that day. If

you want to give us a date, we can absolutely give you that information and check.

MR. MITCHELMORE: Great.

CHAIR: Did you want to ask for today's date?

MR. MITCHELMORE: I guess the best possible – is there a recommendation by the College as to when it would be more stable in terms of enrolment? Would it be best to look at maybe mid-September?

MS VAUGHAN: Yes, we have some reports on full-time programs that we will have this week. The apprenticeship numbers, however, are not as easy to get for you in this week period. We have some information on our full-time programs that I should know by tomorrow. The question would be the other movements, and John is indicating September 30 for all other programs. Right now we are heavily tracking our full-time enrolment in our twelve-week and beyond programs.

CHAIR: Ms Vaughan, is there a report you have internally generated that we could use so you do not have to do extra work for something? You may have something that you have today or you said September 15, or whatever, that you could simply supply that, whatever it is? We do not want you to have lots of extra work for something, one day or the other.

MS VAUGHAN: Oh, but it is extra work regardless to be able to answer this, Mr. Bennett, however –

CHAIR: Is there something that you generate for internal purposes so that you know and that would actually may be an even better document for us because it is a source document or it is a document like a usual, regular business record, that is not created for the Committee, something that if you pump out whatever it happens to be, put it all together with whatever is the least amount of inconvenience and that would be probably a high level of accuracy as well?

Mr. Paddon, do you have a thought on that? So, do you have weeklies that you do? I would

understand with your wait-list or your enrolments, and it is September, so we understand that.

MS VAUGHAN: Right. So what we would have is a report. Because of the changes in the College, we have been really monitoring what has been going on with the longer-term programs. I have been told yesterday would have given us a better stable number for our full-time programs. September 30 is the normal date we would use as a measurement; however, this year, we are doing far more monitoring of enrolment. As of yesterday, we would have the numbers for full-time programs.

We could give you the average of apprenticeships that would happen normally, but whatever date we give you – because there is continuous learning happening all the time. Some of our programs are open access, so the number is continuously changing. We will give you what we have because we are going to be reporting on that next week, as of yesterday's date, and we will also give you on September 30 what we see those numbers to be. That is the normal point we would look at, but this year we are actually looking earlier to ensure the conversion rate – for the students we know are coming, we are actually getting the conversion of those students from application to attendance.

CHAIR: Mr. Mitchelmore, does that satisfy your request if she were to do that?

MR. MITCHELMORE: As long as the numbers are cumulative, which would include for the fiscal year, showing the number of people who not only just enrolled in September. I would like to see a more comprehensive review of the students that are enrolled throughout the year, just like how it is reported that during this time of 2011 there were 24,000 students attending College of the North Atlantic. In 2013, how many students have basically enrolled?

MS VAUGHAN: Mr. Mitchelmore, our annual report to the House of Assembly does a good breakdown of how many students are at the College of the North Atlantic. We do that by

academic year, as you can imagine. If we had to shift that to fiscal year, that is not normally how one would report student data, but we do have an annual report that will be tabled on September 30, I believe. That is the due date for all our reports. That will give you last year's number.

MR. MITCHELMORE: Yes. I would like to have an update, I guess, from last year's number, as to what is being tracked now, because –

MS VAUGHAN: Right.

MR. MITCHELMORE: – that will provide last year and not this year, and I would –

MS VAUGHAN: All I could say to you, Mr. Mitchelmore, is that would only be that point of time. Apprenticeships happen on a very regular basis; blocks happen on a very regular basis. So to look at a particular point in time may not match that point of time –

MR. MITCHELMORE: Right, of course.

MS VAUGHAN: – from the previous year, right?

MR. MITCHELMORE: Yes, of course.

MS VAUGHAN: So it will not match the annual report because it is only going to give you the snapshot of that date. So the annual report you will get, and we can give you as of September 30 where we are, but that would be my only caution to you, that there is an awful lot of movement as we get late into the fall and then to the winter for apprenticeship numbers that would shift the number overall.

MR. MITCHELMORE: Absolutely.

On page 38 there lists and it talks quite a bit about upscale hires. There were a number of employees, one of which had received over \$15,000 beyond the collective agreement, and there are other examples there as well. I would just like to know as to what type of supervision would permit, without getting documents properly signed or approved by the Treasury

Board in some situations, or the President in particular, how this can go forward. It lacks any type of accountability when it comes to doing hires, overpayments, and things like that. That is very systemic as to how it has been portrayed in the Auditor General's Report, and I find it very disturbing.

MS VAUGHAN: So, Mr. Mitchelmore, we actually have a letter from the minister that allows us an ability to be able to sign upscale hires. I will let Mr. Hutchings elaborate what is in that letter, but we have a very formal process to be able to provide that. As you can imagine, in some of the skill sets we are trying to hire for we just cannot get someone to teach a program without paying a certain wage to do that. It is within a very prescribed format and it is from a letter we have from the minister, which according to our act allows us to have a different process.

MR. HUTCHINGS: I would like to speak a little bit about the upscale hire, and in particular how it has been portrayed in the report, because I do not think it tells the entire story, which I guess is the reason we are here today. The report talks about the limits within the collective agreement. It is very specific. It says we can only go to a certain step on an upscale. However, we do have another process, which mirrors the Treasury Board policy, but we have an exception to the policy under 15(1) (h) of the act that allows the President to hire people up to the top of the scale. Here we say we can only go to step 4 or step 7; however, the President has authority to go to the top of the scale.

Also, the collective agreement contemplates that. The collective agreement has a contractual section in it which allows us to contract people over and above the salary, so that is written right in the collective agreement.

This is not a case of anybody was overpaid. There is no case. Each time the contract was negotiated, people were paid exactly what they were intended. There is no case of where people were paid more than was intended, and there are either signed contracts or appointment letters that match the amounts that are in the report.

A good example is the collective agreement may only allow us to go to \$55,000 for a trades' instructor, and they come to us and want \$100,000. We say we cannot give you \$100,000, but the top of the scale is \$65,000, and the President has the authority to hire at \$65,000. That has been delegated by the minister to the President.

If there were any areas where we have deviated from the letter is that it also requires us to report to the Public Service Secretariat that we have upscale people, and we have not always reported, however the documentation is in place. It is not a characterisation of people being overpaid by any stretch. People are contracted for these amounts and within the parameters of the correspondence from the minister.

MS VAUGHAN: Mr. Mitchelmore, we also have a very defined process. Before it comes into me, it must be signed off by the Director of Talent Acquisition as well as the Executive Director of Human Resources that they are making this recommendation and the rationale is clearly provided in that form. It is a very deliberate and consistently followed process in terms of what I am looking for before I sign off on that. So I am conscious of the fact that authority has been given to me as the President, and that I am ensuring the due diligence is done. In particular, in the last year we have done a lot of work to make sure that there is proper documentation that comes in that backs up any recommendation to do an upscale hire.

CHAIR: Mr. Mitchelmore, if you want to come back to that subject you can, but we should go on to Mr. Parsons.

MR. MITCHELMORE: Okay.

MR. K. PARSONS: Thank you, Mr. Chair.

I just have a couple comments I want to make here. In the Auditor General's report, there was a lot on employees' leave and overtime. One of the recommendations was what you guys are going to do to monitor and record employee leave and overtime. I would like you to explain to us what we are going to do in both cases.

MS VAUGHAN: We actually have done that, Mr. Parsons. I will leave it to Ms Tait who can report on the actions that we have taken on each one of these cases.

MS TAIT: In all of those cases we have gone back and done a comprehensive review of every single file that has been noted in the Auditor General's report. We have either recaptured the amounts owing when people have been overextended or we have set up receivables from them; or in some cases we have recovered it through the accrual for the current year for that individual, which will be reduced by the amount of the overage. So in every case it has been addressed and recovered.

MR. BRAZIL: What steps are you taking so this does not reoccur?

MS TAIT: Again, as part of our due process, there is a process in place that there is paperwork with every single individual who has overtime accruing. It has to be signed off by the appropriate parties, filed in the individual's file, and updated in the PeopleSoft system manually, as John has referred to earlier. As time goes on and we have a full online system for doing that, this will make the task a lot easier. Right now it is very manual.

MR. BRAZIL: Okay.

So all the overdrawn leave, for example, has been fixed?

MS TAIT: It is all being rectified in some manner, either through a receivable being set up, the employee is aware they owe us money, or if there has been an error in the file, that has been corrected. Every file has been addressed.

MR. BRAZIL: The same as with all the overtime?

MS TAIT: Yes.

MR. BRAZIL: The procedures that are in place now to make sure that this does not happen in the future are all in place right now?

MS TAIT: Yes.

MR. BRAZIL: Is that under the new system that John talked earlier about?

MS TAIT: Yes, it will be part of.

MR. BRAZIL: Okay.

I have no further question.

Thank you.

CHAIR: Mr. Joyce.

MR. JOYCE: Thank you.

I noticed they had compensation – and this is part of it, but what I understand is you do not have the information or it is not even included. “Compensation is governed by the collective agreement for unionized employees...”, and then it goes on about were employed by the Qatar Campus.

I understand there was just an end-of-service compensation paid out to employees from Qatar. Was that paid in accordance with the regulations of the collective agreement for unionized NAPE and CUPE employees or government personnel employees?

MS VAUGHAN: Well, Mr. Hutchings can elaborate because he knows this file quite well, but we do not have a collective agreement that governs employees in Qatar. There is not a union –

MR. JOYCE: I know. That is why I was asking. Is it covered under this? From my understanding, there was just an end-of-service agreement paid out to some employees.

MS VAUGHAN: Right. So there was a policy in place previously, and in order to really explain this well we would have to go into a lot of detail around the end-of-service compensation issue. There were payments that were given to employees as the mitigation of what we thought was the potential risk to the organization. We had commitments made to employees and we

have fulfilled all of those commitments at this point. The end-of-service compensation issue or end-of-service gratuity matter has been resolved.

MR. JOYCE: Am I allowed to ask how much was paid out?

MS VAUGHAN: Would you like to answer that question?

MR. HUTCHINGS: The amount paid out actually can be found in our audited financial statements. There was a liability of \$1.54 million and we paid out just under that amount to employees. It was accumulated in our accounts over a period of years. It was booked as a liability and it came from the funds in Qatar, not from funds in Newfoundland. So this is part of the contractual arrangements we had with employees in Qatar. We discharged the amounts in the contract plus the amount over and above the contract as per policy.

MR. JOYCE: So how much was paid out?

MR. HUTCHINGS: Pardon me?

MR. JOYCE: How much was paid out?

MR. HUTCHINGS: About \$1.5 million – and this was Qatar money, not Newfoundland money. We have to make that distinction because the money paid to Qatar employees comes from Qatar.

CHAIR: Mr. Joyce, I am unclear as to who is paying that.

MR. JOYCE: Pardon me?

CHAIR: I am unclear as to who is paying that. Does that mean the Government of Qatar is paying it or –

MR. HUTCHINGS: The Government of Qatar pays. We are simply the paymaster for them.

CHAIR: Okay.

Does that flow through or something?

MR. HUTCHINGS: Yes. I can elaborate, if you like. Money is transferred quarterly to Newfoundland, we pay the employees in Qatar, and the quarterly amount is reconciled with our payroll each payday. It is really their money paid to our employees.

CHAIR: Did that result in any difficulties for the College in your relationship with Qatar?

MR. HUTCHINGS: No, basically we are a payroll service. We operate their college.

CHAIR: Okay. Thank you.

Continue, Mr. Joyce.

MR. JOYCE: I will just go back to the overtime. You mentioned that there is going to be a system put in place for overtime. When will that system be up and running, or is it up and running now? We hear today the systems are going to be up and running. Can you give us some idea when there will be this much overtime and for the recruitment?

MR. HUTCHINGS: The basic system is in place. The front-end of the system is manual. For an example if I put in a leave slip today or an overtime slip today, the clerk may enter it today, next week, or so on and we can have lag times. The new system will be an immediate system whereas the time is put in immediately so there will not be any lag time.

Many of our issues have been improper data input, lag time in inputting information, and lag time in reconciling. We have the capability now but the manual process is where it breaks down, so we are looking at automating that manual process.

In the interim, what we have to do is monitor the manual system a bit better so people are getting their things entered on time and they are doing the work they should do manually. It is the transition from manual to automated.

MR. JOYCE: What type of overtime would come up with \$2.7 million? What would be

needed for the overtime for \$2.7 million at the College of the North Atlantic?

MR. HUTCHINGS: As you can appreciate, our budget in the Province is around \$150 million and overtime can be for many reasons. For instance, people working in contract training can be working overtime and we are compensated by outside agencies for that; our internal staff can be working overtime to cover for people off. We may not cover a clerk who is off but if there is an instructor in the classroom who is off, we have to put another instructor in the classroom.

There is systemic overtime that occurs and there is overtime when we have a lot of vacancies. Right now we have a lot of vacancies at the College and other people are filling in and doing the work, so that creates overtime. There are many reasons for it, and \$2.7 million, which sounds like a lot of money by itself, is not a large percentage of our overall budget because we are a very large operation.

MR. JOYCE: Okay.

Just another question on the ABE program that was cancelled, I know some of the schools are looking for the marks of the ABE students, when the College of the North Atlantic dropped it, and the marks are with the College of the North Atlantic now. Are people working overtime to try to get the marks out to the students, like what level they finished or what grade they finished, because a lot of them who approached me cannot get the marks?

MR. HUTCHINGS: I am certainly not the expert in ABE or the academic side; however, that issue was discussed earlier in the summer. There were a very small number of students whose marks were not transferred. That was taken care of very quickly; it was just a matter of updating a few files. To us, that was a very small number, maybe fifteen or twenty students out of 800.

MS VAUGHAN: Just one campus (inaudible).

MR. HUTCHINGS: Yes, one campus, I think it was.

MS VAUGHAN: It was one campus, Mr. Joyce, where someone was on leave at the time that it was asked. So, there was data missing for twenty students or less, and we fixed that right away.

MR. JOYCE: Can I just make a recommendation that you go back and check to see if all the students and institutions have the upgrades, because I can assure you as of yesterday they do not. I do not know what the lag is. Because when those people were laid off, there was no one there to supply the upgrade of where the people are – their status. That is just something you can check into. There is no need to get back to the Committee, but you could just look into it.

MS VAUGHAN: If you could be specific about a campus that would make it easier.

MR. JOYCE: Yes – and individuals.

MS VAUGHAN: You can imagine that is a huge file for us to look at. So, if you can be specific about a campus if you do not want to get specific about the individual –

MR. JOYCE: Yes.

MS VAUGHAN: – we can certainly look into that, but to try to do that across all students would take us a lot of time and we would not be able to address the –

MR. JOYCE: I will ask the students if I can get permission for you to contact them.

MS VAUGHAN: Absolutely. We would need the individual and we can absolutely look at those.

MR. JOYCE: Okay. Thank you.

The other thing on the overtime is most of the overtime – I am not saying there is anything happening, because it is such a big system sometimes you are going to have a few things that fall and go astray. When do you expect to have the electronic system up and running?

MR. HUTCHINGS: I guess I will give the same response I gave earlier. Our full system, signed off, is scheduled for the twenty-ninth of January. It is two modules: Time Labour and Absence Management. Time Labour looks like mid to late September for finalization; Absence Management, a few months later in the end of January. However, that is the automated system. Our manual processes still are being monitored as we go, because we cannot wait and let things fall behind. So we are monitoring the manual system as well as we go.

MR. JOYCE: I just to through the College response on page 49 and give an opportunity to give us an update since the Auditor General's report. The first one, Recruitment, "The College acknowledges there were weaknesses in some of its recruitment activities and documentation procedures.... Since that time considerable effort has been made..." So we know that is not fiction and that is not hearsay. It is recognitions by the College.

What has been done to improve that?

MS VAUGHAN: Could I ask you to repeat the question, Mr. Joyce? I was trying to find the –

MR. JOYCE: It is on page 49, just Recruitment. There were weaknesses in some of the recruitment activities and documentation. I just give a chance for the College on record to explain what has been put in place to ensure that has been taken care of, the recruitment process.

MS VAUGHAN: I will ask Ms Tait to comment on the processes. What I can tell you, Mr. Joyce, is that we did speculate, or I did as President speculate or determine that there was one area that was more challenging than the others, and then that recruiter was no longer employed with the College. So I can tell you on that one.

I will ask Ms Tait to comment on the process itself.

MS TAIT: I was just looking for the section in the report you are referring to because I thought I had talked about that.

MR. JOYCE: You did, yes, but I just give you a chance to put it on the record.

MS TAIT: Oh, okay. Sorry, I thought it was something else you were looking for that we had not addressed.

Well, the recruitment process has been taken from top to bottom. Our Talent Acquisition director is involved on a daily basis, very committed to making sure the process is clean and impartial. We follow all the rules of the Public Service Commission and that is ongoing now.

MR. JOYCE: Okay.

The same thing here with Job Competitions, "The College acknowledges inconsistencies with up-to-date job analysis and worksheets and agrees such documents are necessary for effective recruitment."

Can you just explain that this is being –?

MS TAIT: Again, absolutely, the job analysis is very important. It has to match what, first of all, the job description defines and the job description is our guide for the job ad that goes out. One thing links to the other and the job analysis identifies how we look at the individual candidates and how they match up against that analysis.

MR. JOYCE: Even the next one, Positions Not Classified, "The College acknowledges the positions in question have not been submitted to the Classification and Compensation Division of the Human Resource Secretariat for classification."

Is there a system put in place now to ensure that –?

MS TAIT: Yes, there is. We have one HR specialist. The sole responsibility of that individual is to manage the classifications of employees and review and submit job descriptions for classification.

MR. JOYCE: Okay.

I can go through each one, but obviously there is no need. So can we, as a Public Accounts Committee reviewing the Auditor General's report, feel very confident that everything is being looked at to ensure that the procedures are followed, the top candidates are being picked, and the things that were happening in the past are done to everybody's best ability? We are all human, there are always things going to slip through, and that is fine, but everything is done and the systems are going to be put in place to ensure that the public is confident that the College of the North Atlantic in its recruitment and all the other compensation is being followed?

MS TAIT: Absolutely. That is top of mind for me and for our executive and Anne Marie. That is just what we need. That is emphasized every time that I sit down with a group. If there are any issues, questions, or concerns we move back to that very focus that has to be transparent, equitable, and in-line with policies and procedures defined. Yes, the answer to your question is yes.

MR. JOYCE: Okay.

CHAIR: If we could move on to Mr. Cross.

MR. CROSS: Some of what Mr. Joyce was just talking about is parallel to a couple of comments that I might have had to conclude on a question.

Right now the assurance is there, or seems to be there, that things are all in place to make this transparent, accountable, and whatever. Are there still exceptions that somebody might say this job was not advertised?

For example, just to give you an example to lead in, in my former life I was a teacher. In the last thirty days, if someone retired before a new school year started, then that position did not have to be advertised because it could be actually filled from applicants who were previously on file, but could only be hired for the following school year. Then the permanent applications would come later.

Are there certain exceptions where still there may be a case where someone could get hired without actually having a job application or interview?

MS TAIT: Of course, there are all sorts of different ways that people are entitled or compete for jobs. In the situation that we have right now, if we have a faculty member who retires tomorrow, depending on their discipline and their area of instruction, it is very likely that we will be required to call back someone who has been on layoff and there is no competition at all.

MR. CROSS: How long would that continue for?

MS TAIT: Until we have everybody taken care of who is outside the organization on recall and who have the skill sets to do the jobs.

MR. CROSS: Okay, I am good.

Thanks.

CHAIR: Mr. Mitchelmore.

MR. MITCHELMORE: The last time I was speaking, I was asking about the upscale hiring and it was noted that the minister had provided a letter allowing approval that was not previously on file.

Could I have a date of when the minister provided such approval to allow the President to have that exception to hire?

MS VAUGHAN: Annette will be able to respond to you with the exact date.

MR. MITCHELMORE: Okay.

How frequent are upscale hires? Is it a small percentage of the overall hiring of staff?

MS VAUGHAN: They are a small percentage, but they are frequent, acknowledging the fact that I have had two years with the organization. They tend to be, Mr. Mitchelmore, more in the trades. It is difficult to hire based on the current

salary. A lot of people will come to us, and in order to get them for the credibility of our program and to continue in the accreditation of the program, we will have to engage in an upscale hire.

MR. MITCHELMORE: Is this something that is being reported to government, to the minister, to maybe look at while collective bargaining is happening, that there may need to be some sort of change when you are looking at the collective bargaining agreement? If you are always hiring outside of the scale for a particular trade, is there something being done to maybe address or mitigate so that your time is not consumed having to approve in these situations? I am just wondering if those types of dialogues or discussion – that may be something to consider. You certainly do not have to answer that particular question.

I wanted to go in and ask about, in particular, I guess, the termination benefits of the one employee who retired who had asked to have their benefits paid out over two years to lessen that employee's taxes payable. That seems like a policy that should not be considered by the College of the North Atlantic and it is not within the policy guidelines. I am wondering how this approval could happen and if it was done by senior management, if the approval was given to make that call.

MS VAUGHAN: Mr. Mitchelmore, it absolutely should never have happened. I will have Mr. Hutchings comment on the particular issue at hand, but it absolutely, in our mind, should never have happened.

MR. HUTCHINGS: Thankfully, as far as we know, it is a one-off. It is not something that we would do or do in the future. It was done in error by a senior manager who has, I guess, been directed and understands very clearly what is to happen in the future. It is just unacceptable, and we acknowledge that.

As far as I know, it has not happened before and will not happen again.

MR. MITCHELMORE: In particular, this employee had close to 270 unused annual leave

days. Is this an acceptable practice to allow such extreme accumulation of leave? Does the collective agreement or does the College policy allow for the accumulation of annual leave to go into such high numbers?

MR. HUTCHINGS: Yes, it was a management employee and management employees do not accumulate annual leave in the same way collective bargaining staff do. They are on the paid leave plan and the paid leave also serves as their sick leave, so employees usually accumulate as much time as they can. In case they get a sickness, they have a bank. It is quite useable and it is the policy of government. Many of our senior managers have a large annual leave bank.

MR. MITCHELMORE: Okay. Thank you for that clarification; that certainly helps.

In that and the College doing its budgeting, because I want to ask some questions about the financial statements, knowing that there is a lot of deferred payouts based on people making accumulations, is this accounted for appropriately or is there an unfunded amount when you are doing your financial statements? This is all reconciled, I guess.

MR. HUTCHINGS: Yes, actually the accruals and accrued leave is booked every year. We accrue the sick leave, we accrue annual leave, and severance pay is accrued. As per the financial rules I guess or the public accounting standards, our statements are all audited and approved.

MR. MITCHELMORE: On page 28, Table 1, the financial assets of the College of the North Atlantic shows that cash is depleting from almost \$42 million to \$23 million in 2011 to \$11 million in 2012. Can you explain why cash is basically being depleted at the College of the North Atlantic?

MR. HUTCHINGS: There are a couple of reasons. I do not have the statements in front of me, but I can give you a general answer. We have two types of cash. We have Newfoundland cash, but we also have Qatar cash as well.

Depending on the time of year, we can have significant advances of cash in our bank account that belongs to Qatar and not only is it noted on the asset side, it is noted on the liability side as well.

The other thing is that the College can have cash surpluses at year-end. Our fiscal year and our academic year does not match, so we often have to have cash carried over at the end of the fiscal year to cover academic programs. Our students continue on April, May, and June in their programs and we need funding to carry over from year to year. Unlike government agencies, we do have the ability to carry surpluses and, hopefully, not deficits forward. Those surpluses and deficits would result in our cash position.

MR. MITCHELMORE: Okay.

Could you explain then some of these liabilities, such as what would be due to Qatar campus? This would be payroll?

MR. HUTCHINGS: Yes, that would be our payroll cash advances. The comprehensive agreement says we must have it. They are supposed to advance three months at a time. At any time we could have three months payroll in their bank account and depending on if it comes early or late, the cash can vary quite significantly.

MR. MITCHELMORE: Are employees being reduced then at the Qatar campus based on the fact that any type of financial asset is certainly being depleted? At the time of the report there were close to 500 employees, which is about 25 per cent of all College of the North Atlantic employees based on this report. What would be the standings, I guess, at the Qatar campus? How many employees are there now?

MS VAUGHAN: We now have contracts for 597 Canadian hires. In fact, the number is going up, not down. This would be the highest number of contracts that we have had.

MR. MITCHELMORE: Oh, that is great.

In terms of the non-financial assets there, it shows that the College in 2012 had a deficit, basically. It is the first time in a few years, based on this. Is this deficit some of the direct result that led to maybe some of the budgetary cuts at the College of the North Atlantic?

MR. HUTCHINGS: No, actually the deficits are intentional. If we have an accumulated surplus the only way to draw it down is to have a deficit in the following year, so it is an accounting deficit. If we have extra cash in the bank and to run programs, we must run the deficit to draw it down or else the cash will be (inaudible) forever. It is an ebb and flow of our cash position.

MR. MITCHELMORE: Okay.

In terms of the Table 3, I would just like an explanation as to what happened in 2010 with the Qatar project that there is no listing for salaries and benefits in 2010, but it exists in 2011 and 2012. Is this the gratuity or the end-of-service agreement type thing that was not paid out in 2010 but was followed up? Can I just get some explanation as to why there is no dollar value associated with 2010?

MR. HUTCHINGS: Actually, it was the change in our reporting. In 2010 we reported the proceeds net, so we only showed the net proceeds. In 2011 to 2012 we showed the gross proceeds, so we showed the revenue and expense. Before, we only showed the difference between the two. It is a change in accounting presentation. It is more transparent now how much money is going through the project.

MR. MITCHELMORE: In 2010, it shows that there were basically no salaries or benefits associated with the Qatar project.

MR. HUTCHINGS: It showed net. All we showed was profit. We did not show the expenses, nor the revenue associated.

MR. MITCHELMORE: So it basically did not make any money or did not lose any money in 2012 is what you are saying –

MR. HUTCHINGS: No, it made money. It is just the way that we present the information. For instance, there are two ways. I can tell you how much money I made and how much money I spent and reveal those two numbers, or I simply tell you the difference between the two. In 2010, we simply reported the difference between the two; and in 2011 and 2012, we report the two gross numbers. It is just a presentation in the financial statement.

MR. MITCHELMORE: Why did the financial accounting practices change?

MR. HUTCHINGS: It was more of a transparency. It was revealed in the past in the notes to the financial statements and now it is put more in the forward portion of the statement. It is in a different place in the statements. The Auditor General's staff put this graph together, so I am now stepping outside the graph a little bit because we did not produce it. Perhaps the Auditor General's staff might be able to confirm or refute what I said about their – it is actually their tables, not ours.

MR. MITCHELMORE: Are there further program cuts planned or campus closures –

CHAIR: Mr. Mitchelmore, before you go into another area, we should go on to Mr. Peach and come back.

MR. MITCHELMORE: Sure.

MR. PEACH: Thank you, Mr. Chair.

I want to go back to the internal hiring and just ask the question with regard to the internal – if there was a position that came open tomorrow, is there a process that you follow to determine if it is going to be internal or if it goes public; or is that already negotiated in a contract?

MS TAIT: If a position becomes available tomorrow, we ask a lot of questions around that position first. What type of position is it? Is it a temporary refill of a permanent position? Is it a temporary position for the current year? Is it a position that is contractual, that is based on a particular project or contract that we have?

Some of those types of positions will fit inside collective agreements and others will not.

For the most part, we have to advertise every position internally before we go external, and particularly with our bargaining unit positions. So if it is support staff or faculty and there is a competition, it is advertised internally.

There are some situations where we will have a short-term need, for example less than thirteen weeks. We do not have to compete or advertise those types of positions if we have that kind of a short-term nature. So it very much depends on what type of position we are talking about.

MR. PEACH: Okay.

MS TAIT: Is that what you are asking?

MR. PEACH: Yes, I was trying to determine how you would arrive at making a decision that this would be an internal position. Earlier when I spoke about why the job was not posted internally, I think Mr. Hutchings said that they analyzed it and felt that it should go publicly. I do not know how you analyze it, if you could clarify that for me. I am not sure if that was the word you said, but it was similar.

MR. HUTCHINGS: I can clarify. The general rule of the Public Service Commission and the collective agreement is that positions are advertised internally first, and then we would have to look for an exception not to advertise them internally first. Certainly for bargaining unit positions, and then it would only go external.

The decision comes on if we have a management position. In management positions there is more discretion. We would advertise them internally if, in our opinion and the Public Service Commission's opinion, there were quite a number of people internally who might apply. On the other hand, if we have experience that there are management positions that there were very few applications on in the past, we would advertise those internally and externally simultaneously to try to attract a larger applicant

pool in management and get the best managers we can. So that would be the general rule.

MR. PEACH: Okay, thank you.

Mr. Chair, I have no further questions. I want to thank the panel and thank the group from the College of the North Atlantic for the answers that have really been informative. Thanks very much.

CHAIR: I should go to Mr. Joyce. However, before we do that, is it the preference of the Committee that we should break for lunch and resume at 1:30 o'clock, or should we go forward in hopes we might finish before lunch? I think Mr. Joyce and Mr. Mitchelmore may have a significant amount of questioning to go yet. My thoughts are we should resume at 1:30 o'clock. I do not want to cut anybody short and I will have some questions. We could stop now and come back in an hour and a half at 1:30 o'clock. An hour and a half seems a bit long, but by the time you get out of here, get something eat, get back, and make your phone calls, it goes pretty quickly.

What is the preference of the Committee?

MR. JOYCE: I will be good with another five minutes, for me. I do not know how long Chris has.

CHAIR: Mr. Mitchelmore?

MR. MITCHELMORE: I have a number of other questions.

CHAIR: So should we take a brief recess, continue, and finish in the first half of the day, or should we stop for lunch and come back at 1:30 o'clock?

MR. MITCHELMORE: It does not matter to me. I do not see the need of really taking an hour and a half for lunch, but if that is the feeling of the members here in the room, we can certainly do it.

CHAIR: I am thinking also of the witnesses because they may not be familiar with the

building, they may want to leave the site and get parking, or whatever, but everybody's time –

MR. BRAZIL: Can I suggest we go to 12:30 p.m. and then gauge where we are, if that works for you?

CHAIR: We can do that.

Mr. Paddon, do you have any preferences?

MR. PADDON: No preference here. We are that the disposal of the Committee.

CHAIR: Okay. Ms Vaughan, you and your witnesses, do you have a preference? We are booked for the whole day.

MS VAUGHAN: Right. We are fine to go until 12:30 p.m., as you suggest, or we can do whatever is required.

CHAIR: Okay, then let us press on until 12:30 p.m.

Mr. Joyce.

MR. JOYCE: Okay.

I will just ask a general question. When you took over as the President of the College of the North Atlantic and you look at some of these, for a number of times we have been asking questions about the College of the North Atlantic, and we have always been told the recruitment has been done followed by procedure. Everything is all up to standard.

How did you feel when you realized that this here was not being followed and the procedures were not being followed, as we in the Legislature have been told on numerous occasions about this?

MS VAUGHAN: Mr. Joyce, the only thing I can say to that is that the AG report is what led me to some confirmations that had happened. So clearly you hear that in the community, but you want to know that in documentation that it actually has or has not occurred.

That element of the AG report was the most troublesome to me. Even the media interviews I did, initially when the report was released, that I want to ensure as President of the College of the North Atlantic that we have the best candidate in every position, regardless of where they are, and that people feel they can compete for a job in an open and transparent manner. That is extremely important to me. I know that I have to go back and look at the matter of conflict of interest statements. I have missed that personally.

I have really been focused on the recruitment efforts of the College because of all of the items that were identified that was something that has to go beyond process in order to ensure, without a reasonable doubt, that I can say to you and members of the House that we are an open and transparent organization. So I take that recommendation or that finding the most serious.

On the matter of process, I firmly believe that a quality management system, having both worked at the Marine Institute and in Distance Education, Learning and Teaching Support at Memorial, having worked in both of those environments, I really believe our documentation will improve incredibly by the creation of that system.

The perception of bias is not something that we can manage through a quality management system. We can audit it and ensure that all the documentation is clear, but we have to as an organization be quite clear that someone does not believe that someone has the job before the job gets advertised. That is critical to me as a leader and it is where I have placed most of my emphasis in the last six to eight months, in ensuring that the matters that were addressed by the Auditor General are corrected.

MR. JOYCE: I have just a few more small things, Mr. Chair. Of course, you just mentioned you heard on the street also some of the perceptions, which obviously were proved reality.

The reason I ask this is because we have had several times people in front of the Public

Accounts and they disagreed with the Auditor General. Do you agree with most of the things that were found in the Auditor General's report, because we did have occasions where people disagreed very hard with the Auditor General that these things were not happening?

MS VAUGHAN: Mr. Joyce, I think we have gone back. On the matter of those that we have investigated further, there were some cases that we believe were not necessarily correctly identified because of further information that we have gotten. On the balance of what was provided, I would say to you that we have accepted 80 per cent to 90 per cent of the findings of the Auditor General in this report as evidenced by the process work we have done and the training work we have done. Because, as we mentioned, we are putting in a time and labour management system, training has to be a big component of that so that everybody is using the system in the same way and everybody understands that has to be maintained in a timely manner.

I would suggest to you that we have accepted 90 per cent of what is in this report and we have worked very hard on it. There are a couple of cases which we went back and did further review. For example, the relocation for the employee with \$711; we have gone and also confirmed with the employee that they had no money owing to them from us. They were individual incidents. Overall we have accepted 80 per cent to 90 per cent of this report, we are working very heavily on it, and we welcome this opportunity to come in and talk about the work that we have done, but also the work that we have left to do.

MR. JOYCE: Mr. Chair, I am going to ask another question, but before I go into that I am just going to – because we have been asking questions and, of course, we know and we hear a lot of things about the College of the North Atlantic over the years, but it is reassuring that these things are being looked at just to provide the confidence back to the College of the North Atlantic.

I can assure you, up to a year-and-a-half or two years ago the total confidence in the College of the North Atlantic was not there; but if all the procedures are put in place and determination to ensure that we have the best qualified people and it is being run efficiently, I think it is good for the general public. I acknowledge that and say thanks. There for a while it was not there and you could see, gradually creeping back, the confidence of people in the Province in the College of the North Atlantic.

MS VAUGHAN: Thank you very much, Mr. Joyce.

MR. JOYCE: On page 30, the Salaries and Benefits for their contract, was it \$3.9 million in contract? Can I ask what that is for? Usually when we see a contract, it is services that you –

MR. HUTCHINGS: That is contract training. We do corporate training and individual training, so that is the salaries for those individuals. We would hire people to deliver firearm safety training or any type of training that is out there. That would be the salaries for those people.

MR. JOYCE: Okay.

I am assuming those contracts were all put out on tender.

MR. HUTCHINGS: No, that is individual personnel. That is the staff people, so you could be teaching flower arranging or you may be teaching safety courses or whatever. Programs we do outside our normal programs, they would be contracts. It could be oil and gas training, any range of training.

MR. JOYCE: Okay.

Even the training itself, is that put out on tender for people, or job competitions where anybody can apply?

MS TAIT: It very much depends again on the length of time and whether we have somebody in the system, because it works the same way. If we have a short-term contract, which we recently did, we have eight- and twelve-week

type of work with sector skills, that required that we look at all of our faculty and recall those who were qualified to do it. If they were not, we could go to competition if there was nobody around; but if we had others who were in the system who could do that job, we were able to put them in there for that length of time.

MR. JOYCE: Why would it go under contract and not under the normal wages?

MS TAIT: Because the nature of the work itself is the contract; it is not part of our regular core ongoing programming.

MR. JOYCE: So some other organization would hire the College of the North Atlantic? I am missing –

MS TAIT: That is possible, but we have a whole level of activity that goes on that is not funded through grant and aid, that is not part of our ongoing core programming, our full-time programming, and it is very much driven by community or private sector demand.

You are right, it could be a client who comes to us and says: Will you train ten people in this discipline for us? It could be that we normally put off things, like firearms safety or different things that are not part of the core ongoing program. People pay full cost recovery on that and that is the type of activity that we are referencing here.

MR. JOYCE: Okay.

In Salaries and Benefits, the College of the North Atlantic does not have any legal staff on the payroll, do they, for legal fees?

MS VAUGHAN: We have one general counsel for the College of the North Atlantic. So we do have one employee that is our general counsel.

MR. JOYCE: Okay; and it is here in the Salaries and Benefits?

MS VAUGHAN: Yes, that would be incurred, Mr. Joyce, in the administration cost to the College.

MR. JOYCE: So I just ask, and I know I am maybe out of bounds asking, but like, say, the legal fees in the service contract conversation, was that done in-house or was that done outside?

MS VAUGHAN: Mr. Joyce, we have one person engaged in general counsel, but we will on occasion seek outside support for areas that we need specific support in. In the case of Qatar, for example, we do have a firm that assists us in Qatar. Arguments have to be based in Arabic under Qatar law, so that would not be an expertise that we would have resident within the College of the North Atlantic. We would have to seek out those services and particular expertise.

MR. JOYCE: Can we get how much it cost for legal services, say, for Peter McBreairty, for example? Is that done in-house or outside? For example, the end-of-service compensation you have a legal, yet this is over and above the normal stuff for College of the North Atlantic.

MS VAUGHAN: I will let Mr. Hutchings answer that.

MR. HUTCHINGS: Depending on the case, we may have external counsel or use our internal counsel. The individual you referred to is being dealt with by external counsel and I believe is an ongoing case. I am not sure how appropriate it is to discuss ongoing legal cases anywhere.

MR. JOYCE: No, I am not worried about the case; I am worried about the legal fees. Is the money included in the College of the North Atlantic?

MR. HUTCHINGS: Yes, but it would be on the previous page, on page 29. The page you are referring to is salaries only, but it would be on page 29 on the expenses, down below, under Administration. It would be buried in that \$16 million number.

MR. JOYCE: So we cannot get a breakdown of that, can we?

MR. HUTCHINGS: You mean a breakdown of that number?

MR. JOYCE: The administration for the legal fees.

MR. HUTCHINGS: Our financial statements publish our professional fees, which include legal fees, so we would have to go down and drill down through. Professional fees are a combination of our accounting fees and our legal fees.

MR. JOYCE: Okay, can I get a copy of your legal fees for the College of the North Atlantic, say, for the last three years?

CHAIR: I think that it might be appropriate for you to refer that to your general counsel. You are being asked something which is maybe fact and law combined, and it may also engage the Office of the Privacy Commissioner.

We would like the answer if it is appropriate to provide it for sure, but I do not think that I would want you to commit to do something that you might not be able to do legally, or you do have general counsel – for sure, I am not dissatisfied with the questions. It is just that I think this may be one where you are not advised by legal counsel here today and you are certainly entitled to it and if you were with legal counsel today, you probably would be conferring outside to decide how you should answer that question.

MR. JOYCE: If it is within the realm, can you check with your legal counsel – if it is possible, can we get a breakdown of legal fees that were paid under the Administration which was in the Auditor General's report?

CHAIR: I think that would be suitable because you are going to do it under the advice of your general counsel, and we will either get the answer or whatever the answer is. It is a reasonable enough question; I just think that you need to confer with your general counsel before you commit to provide the answer.

MR. HUTCHINGS: We may have to provide gross numbers and not details because of ongoing cases, and that is the advice we are talking about.

CHAIR: I think that is reasonable.

MR. JOYCE: Okay, that is fine for me, Mr. Chair, for now. Thank you.

Thank you again, because here today, for me, where the College of the North Atlantic is in Corner Brook on the West Coast, you have restored some confidence for me and people around that a lot of the issues are being looked at and being addressed. So, I just wanted to acknowledge that and thank you for that.

CHAIR: A government member?

Mr. Brazil.

MR. BRAZIL: No, I am good.

CHAIR: Does any other government member have questions?

Mr. Mitchelmore.

MR. MITCHELMORE: I left off talking about the financial statements and the financial position there of the College and my question was based on the significant amount of cuts that had happened to the College of the North Atlantic, if there are further program cuts or campus closures being considered by the executive level of the College of the North Atlantic?

MS VAUGHAN: Mr. Mitchelmore, I can speak –

MR. BRAZIL: Mr. Chair, is that relevant to the Auditor General's report –

CHAIR: I am sorry?

MR. BRAZIL: (Inaudible) strategy versus what the Public Accounts responsibility is for?

CHAIR: I was making notes as to the last information. Mr. Mitchelmore, could you ask the question again, please?

MR. MITCHELMORE: The question is, based on the financial position of the College with

depleting cash resources and where the instructional and salaries are and based on current cuts, are there planned future program cuts or campus closures being considered by the College of the North Atlantic?

CHAIR: I do not think it is a policy issue. I think it is an operational issue, and I think it is a reasonable question. I do not know if the answer is available or not but –

MS VAUGHAN: Mr. Mitchelmore, all I can speak is within the boundaries of our current budget, so I cannot speak for future budgets. I can assure you that there have been no efforts to close any campus of the College of the North Atlantic. Program reductions will always happen in an organization that has to be flexible to labour market needs. Will we incur what we have been through in the past, I cannot answer that. That is determined outside of my boundary of being able to influence.

What I can tell you, though, is that we did encounter programs that really had limited student enrolment that one would argue has really fulfilled its labour market requirement. We have to be a flexible organization to be able to move from one program to another. That is the nature of what a college should be about.

I can only speak within the confines of the budget as I know it. Because we do not allocate the budget to ourselves, I cannot speak with what is in subsequent years; but we are absolutely, in the work that we are doing, committed to the seventeen campuses of the College. I would never want to leave you with the impression that we would not necessarily close another program. Those reasons may be other than budgetary. It may be that we have completely filled the labour market need in that area.

MR. MITCHELMORE: Right.

You had mentioned the success of distance learning and highlighted the heavy equipment with Stephenville and Lab West, in particular. A number of the colleges have the particular

technologies to potentially be offering some of the programming that has been cut.

Is there any type of consideration to look at maybe using the distance technology to offer courses on a more geographical basis so that it is more affordable to the students so they are not necessarily having to travel upwards of 500 or 1,000 kilometres to get to a College of the North Atlantic and that it would create more opportunities to more local people?

MS VAUGHAN: Mr. Mitchelmore, you are asking a question that is near and dear to me from my previous experience. The numbers that I have seen, just looking at our last ten days of enrolment, our distance enrolments are up 27 per cent over last year.

In terms of some of the programs that we have eliminated because the student demand was down and the cost to operate were high, we are forming a relationship with the Centre for Distance Learning and Innovation as to how we can learn from the practices they use and be able to provide some extra programming into areas of the Province.

In the area of St. Anthony, we have offered heavy equipment operator back and forth from St. Anthony to Stephenville Crossing. You may know that we dropped the machinist program. We have reinstated the machinist program and we are offering it in conjunction between Prince Phillip Drive and Placentia. We are going to try that model. We are going to bus the students back and forth from the two sites so we can maintain the employment relationship and the infrastructure in Placentia, but we can draw on the larger population market of the Northeast Avalon.

The concern for us in the machinist program, as we know, is that there is an extreme high demand in the labour market for those graduates. So, we are mounting new ways of moving students where they need to be. In some of our smaller campuses we know one of the challenges is available housing, so we are looking at new options that we can deliver and offer more programs.

We are putting in a new increase to our bandwidth and video-conferencing system within the College. That will allow us to do more team teaching back and forth, from campus to campus. The real asset of the College is where we are located and we are doing the best to our advantage to be able to take care of that and use that as a leveraging point for the College, to be able to provide programs into areas that we would not have been able to do in the past.

I hope that answers your question.

MR. MITCHELMORE: It does.

So you see the location of the headquarters being a strategic advance as well in that situation?

MS VAUGHAN: Absolutely. Mr. Mitchelmore, I grew up in St. John's. I moved my family to Stephenville. We absolutely love the area, but one of the things that is mindful for me is the location of it ensures that we are focused in on all the campuses no matter of location.

Given the growth that has happened in the Northeast Avalon, we could easily be focused in on the Northeast Avalon; but that location of the campus, what that means to that community is critical, but also it really give us, I would argue, perhaps more of a provincial focus than we would be if we were located elsewhere.

MR. MITCHELMORE: Okay.

There was an issue with the lab program in Grand Falls-Windsor where second-year students were basically relocated and went to St. John's, basically. What actually happened to the other students who would have been in those seats...?

CHAIR: Mr. Mitchelmore, I am not sure that goes to the Auditor General's report. That would seem to be more policy – what happened to them or whatever. Maybe you could rephrase it and get a question that is not as policy-driven, maybe more the financial aspect or why or how.

MR. MITCHELMORE: Right.

Well, my concern is that in the hiring practice, obviously there were the trained staff who were available, but the resources attached to the Grand Falls-Windsor campus did not meet the needs when the senior management had made the decision. So, on some levels when you look at recruitment of individuals, it is concerning to match up and make sure that you have the resources available.

I am citing an example where the resources were not necessarily available at the Grand Falls-Windsor campus in terms of the instruction and the ability to deliver that second-year program. I would just like to know why in that whole process was that such a failure.

CHAIR: Again, I do not think it is an appropriate question for this hearing, given what we do with dealing with the Auditor General's report. This is less financial and more policy and more political. It may be beyond the scope of these witnesses and when they prepare to come to respond to with one set of facts. Unless you can reference it somewhere in the Auditor General's report, I do not think it is fair to the witness to ask that type of a question that they may not be prepared for.

MR. MITCHELMORE: Okay, that is fine with me on that, then.

Back to the Auditor General's report, I wanted to ask a particular question. In the responses from the College to the letter that Mr. Bennett had written, the College stated that it will work with various groups and it will make a concerted effort and will foster communication with various entities. In my view, that is pretty vague and intangible for the seriousness of all the concerns that have been put forward.

I want to know, beyond the firm that was hired for the code of conducts, if there was any effort to engage an independent third-party to verify and look at these past breaches in policy and other problems that were found by the Auditor General.

MS VAUGHAN: Mr. Mitchelmore, not at this time; however, we have engaged the services for a quality management system. Clearly, we will be sharing the results of this AG report with the firm that is working through us on the processes and policies that we need to develop towards the standard of an ISO certified process.

Seeing that John probably has further – actually, he made a note of the Public Service Commission. We did engage them. They do audits, as you know, and as Ms Tait referenced, we are not only working with them directly but they are working with individual recruiters. There is an external involvement of that, although I consider them internal but external to the College.

In the development of a quality management service, we have a system. We are engaging the assistance of a third party to help us through that process, looking at the Auditor General report, plus all the other processes. This exercise we are about to undertake is going to look at every human resource practice of the College and map that to a quality management system.

MR. MITCHELMORE: Okay.

MS VAUGHAN: It will go beyond the findings of this report, but obviously these are areas we know we will want to see improved. We have put a lot of processes in place. My job now is to ensure we audit that and ensure if you ask me these questions a year from now, that I can give you the same confidence I have now that we are following the processes we have put in place.

CHAIR: Can we move back to a government member if there is one? Mr. Joyce, do you have a question?

Mr. Mitchelmore, please continue.

MR. MITCHELMORE: In the restructuring of the HR department, were there additional staff hired in this particular department to deal with the additional work and the findings of this report?

MS TAIT: To answer whether there were additional staff hired would be, I would say, no. The staff we have and the organization that is in place for the HR department, along with our internal audit department, has worked on this, along with many others of us. So, no, there was not additional staff hired just to take care of this report.

MR. MITCHELMORE: Okay.

Mr. Hutchings had noted there were a number of vacancies in the College of the North Atlantic. Can you highlight the vacancies, and are there active job competitions external, internal job competitions? Can we have a breakdown of this?

MS TAIT: I do not have that information right now. We could provide it. It is not something that I have available with me today.

MR. MITCHELMORE: Okay.

The College also noted in the Auditor General's report, in its response when it comes to employees relating to the College of the North Atlantic, Qatar, that it was a separate entity and it should be perceived that way. CNA was basically contracted as an administrator on behalf of the State of Qatar, but not governed by their human resource policies of the Government of Newfoundland and Labrador or the Public Service Commission Act in terms of the response.

Can you explain how the issues that were raised in the Auditor General's report, when it comes to the Qatar campus, are going to be addressed? Because most people, I think, feel that the Qatar campus is a reflection of the College of the North Atlantic in Newfoundland and Labrador, and its employees and policies should either reflect that or there needs to be further clarity made. I would like to get the view point – further explanation from the College in its response.

MS VAUGHAN: Mr. Mitchelmore, I can speak in general terms, and then I will ask Mr. Hutchings to talk about it in more specific terms.

When I started in this position, there was an expectation that the policies were just followed of the College. They do not work in every case. We are operating in a Middle Eastern country and some of our practices and policies just do not fit. The employment contract is different.

As I mentioned about ISO, we are doing a separate ISO process around all our policies and processes in Qatar. We will be putting in an ISO registered system with our Qatar project office. That means we will have clear policies and objectives. We will have to review them to see if they are relevant, but we need to understand there are differences simply because of the location and the laws of the country.

There are also requirements as a contractor, that the acceptance of people we want hired, the ultimate authority on that is the State itself. So we will put our own practices in place, but we have to meet the requirements that the State has set for us as well.

MR. MITCHELMORE: Is there a timeline to look at reviewing this to ensuring things are brought in line to ensure that it matches with our legislation, if it fits with legislation, or if it is out of the purview because of the Qatari law? I think there needs to be some clarification on, is it a College of the North Atlantic entity, and to outline that to the public. Could the College further explain what it is going to do, and the timelines to deal with these issues?

MR. HUTCHINGS: I think I might be sitting and looking at this from a different framework because we think it is very clear what the entity is in Qatar and the perceptions have been formed outside the College. It is very clearly a contracted service. The Qataris have purchased the right to use our programming. We are the administrator of their campus. We own no assets in Qatar. We have no standing in Qatar, no legal standing. We are not incorporated. We operate there, their entity.

I believe the reason we state we are exempt from the Public Service Commission and the public policies in this operation is that our College has a collective agreement and other policies that are

part of a larger framework. All employees in Qatar are contractual. Many of the items that are covered in collective agreements in Newfoundland do not apply in Qatar, and they are actually in the employment contract.

They are living in a foreign country. We provide them benefits that we do not provide to people in Newfoundland simply because of where they are. They are in the Middle East, and the contractor provides benefits for them. Imposing our policies would be in conflict with the benefits they are provided for under the contract. So it would be restricting to them and us. For instance, there is no provision in Newfoundland for us to pay for anybody to get free housing. It does not fit; however, that is part of the process. You really cannot go to Qatar without a place to live.

Our policies really cannot match perfectly. The comprehensive agreement that we have with the State of Qatar reflects that. It says we shall follow the policies of Newfoundland; however, they are to be adapted to the local environment and local conditions. Without the exemption, that would not be possible. We would be breaching the law all the time simply to honour the contract and to have our employees in Qatar. So it is not about the College not wanting to follow the law. It does not fit with the contractual arrangement we have.

I think the perception is that it is a campus like St. Anthony, Port aux Basques, or Corner Brook. It is not. That perception persists. Explaining it to the public is most difficult. When we have difficulties with employees, we apply our lens in Newfoundland but the lens is not the right lens to apply. It is very difficult to articulate it and communicate that to the general public because it perceives it as another campus the same way Ridge Road or Prince Philip Drive is, and it is not.

MR. MITCHELMORE: I thank you, Mr. Hutchings, for your answer because it certainly clarifies and brings to light a number of things when it comes to the Qatar campus, so I appreciate your response.

One concern that I have where it is a contracted service and it –

CHAIR: Mr. Mitchelmore, I am going to ask you not to pursue more questions involving the College of the North Atlantic in Qatar because the doctrine states supremacy and we have no jurisdiction in Qatar. We have none whatsoever, it is another country, any more than the Qataris would have any jurisdiction to come here and impose Qatari law, shariah law, or whatever they would wish. It might be interesting to have an idea from a purely hypothetical point of view what happens there, but that is not really what we do.

The College of the North Atlantic is an institution which is governed under a sub-national government, which is the Province of Newfoundland and Labrador, and we are dealing with a national government, which is based on state supremacy. Even Canada would have no jurisdiction in Qatar, so certainly we would have no jurisdiction in Qatar. So only in whether we have profits or losses coming out of there, the Auditor General may or may not have identified it. I do not think we really have any recourse or any reason to pursue questions regarding that. It gets us nowhere.

MR. MITCHELMORE: Mr. Chair, my question that was going to be formulated was pertaining to compliance, I guess, with hiring practices, if there was a difference in the stringent regulations that the Qatari law or that Qatar campus would have versus the Newfoundland and Labrador College of the North Atlantic, that clear distinction that has been made; and if we see that the HR staff apply stricter regulations to hires for contracts at the Qatar campus or Newfoundland and Labrador. That is particularly where I wanted to go because of the outstanding HR practices that are listed here. I wanted to know, for clarification, if the Auditor General's report had taken a sampling, and which he had taken a sampling of Qatar employees as well, if there was a greater variance on some levels because of the stringent regulations. That is where I wanted to go with that. I think it is a valid line of questioning.

CHAIR: As it would pertain to hiring somebody in this Province based on College of the North Atlantic as referenced in the Auditor General's report, whether there would be preferences in hiring of locally, and whether it is advertised or not advertised, I would have no difficulty with that. The questions earlier in the day were based on who you know and so on, that may have some application here, but other than that outside of our jurisdiction it really would not have any.

If you have specific questions related to who got hired to do work over there, did they follow whatever, and were there guidelines, I think that would be fine. Other than that, past our shores we do not really have any application. If you have a question related to who may have gotten hired for there from here, then please ask it. Otherwise we should move on in the process.

MR. MITCHELMORE: Okay.

Well, I think my particular question would be surrounding the Auditor General's report where it states that there were situations where there are certain minimum requirements such as a master's degree, a bachelor's degree, or a certain level of education. That is pretty clear. That may be in particular with the Qatar College of the North Atlantic or in particular with the Newfoundland and Labrador College of the North Atlantic.

It is listed in some cases where minimum qualifications were not met. Just on page 33 it talked about "...3 job postings for 5 instructional positions did not require the minimum established qualifications. Specifically, the job postings required Bachelor degrees or Masters degrees with lesser qualifications considered instead of the required Masters degrees". Further to that, there was no documentation of approval; it was not provided.

Can you explain why the hiring of a candidate that does not meet the requirements, how that is an acceptable practice or what situation we could get in where we are hiring candidates who do not meet minimum qualifications, and the reflection that has on the College's image?

MS VAUGHAN: That is different than the Qatar question, Mr. Mitchelmore.

MR. MITCHELMORE: It is.

I have been told by the Chair, basically, to –

CHAIR: It is a fair question.

MR. HUTCHINGS: However, I would like to add that although we have an exception to the public service practices, we do follow the same recruitment, interview, and reference process for the Qatar employees as we do for Newfoundland, so that is one standard we do apply. The Auditor General does review our files because we have the personnel files for the Qatar staff in Newfoundland, so we use the same rigor. What it allows us to do is make exceptions for something to match Qatar, but Newfoundland recruitment process is the same. The same recruiters move back and forth between the two entities, so we do follow those practices voluntarily.

MR. MITCHELMORE: Okay.

In situations like this, what type of protocol would you have in place where – does this impact the quality of education because you are hiring someone who does not meet your minimum requirements? Obviously there are minimum requirements for a reason. Why would a management or hiring committee go outside that realm and hire someone who may not be qualified to do the work and to teach our students?

MS TAIT: I will try to answer that in some way, but I am not really sure I can do a perfect job with this because minimum qualifications, they are set for various reasons. Sometimes the minimum qualification is because it is required because of the kind of discipline you are in. In other cases, minimum qualifications are put in place to have screening criteria to make sure we have the best candidate we can get for a job. It does not mean that is the only type of qualification you need to do the job.

For example, we might say you cannot work as a Clerk IV unless you have at least a minimum of a two-year diploma; however, a combination might dictate differently. You might not have the diploma, but you might have a one-year certificate and ten year's experience in the field. So, technically, by the job ad they do not meet the minimum qualifications, but there are other combinations that we need to consider when we are trying to fill vacancies in the organization.

MR. MITCHELMORE: Right and I can completely understand that situation, but when it comes to when somebody is not meeting minimum requirements and the hiring committee or the person responsible is not signing off or getting the appropriate documentation approved, it shows the person who is doing the hire is not really being accountable for that decision making. Because it may be a very legitimate hire, where someone in a situation that you described has a combination of experience and education that would fit and be a good fit with the organization.

My biggest problem is with the processes that the College of the North Atlantic has when it comes to lack of documentation, lack of signatures, and lack of people to be held accountable for decision making should something go wrong.

MS TAIT: Yes, and I think our President has already said we acknowledge that 80 per cent to 90 per cent of the report is absolutely dead-on. We know those things have happened. We have worked very hard to change that. The processes we have in place now should make sure that those types of things do not happen. Our emphasis is on getting all the right things done, getting all the right approvals if we have to move outside of what is appearing to be the minimum requirements and so on. Where there is an approval required, the steps are in place to make sure that happens.

MR. MITCHELMORE: When it comes to the selection board, the department representative, is that person appointed?

MS TAIT: Selected, probably. I do not know if appointed is the right word, but here is the process. If we have a situation where a technical advisor is needed on the committee because of a speciality, like PeopleSoft or like some other discipline, then we would select somebody from within the organization who is an appropriate individual to have in that selection board.

MR. MITCHELMORE: Okay.

That person actually could be a different person than the department representative? It could be different?

MS TAIT: Oh yes, absolutely.

MR. MITCHELMORE: As well as the technical representative would, depending –

MS TAIT: Yes. Normally it is the Chair of the Public Service Commission who would be our HR specialist, our recruiter, the hiring manager, and if a technical advisor is required that would be somebody in addition to those two.

MR. MITCHELMORE: Okay.

I want to get a bit more clarity on the –

MR. JOYCE: I am sorry; are we breaking for lunch?

CHAIR: Well, we had that discussion earlier. We can break for lunch and come back. Maybe Mr. Mitchelmore might go for five minutes when we come back from lunch, or maybe he might go for an hour or two. When he concludes, I am going to have a few questions, so I am content if we could break for lunch and come back at 2:00 o'clock.

MR. JOYCE: Sure.

CHAIR: That is an hour and eighteen minutes or so. Does that work for everybody? Yes.

We will see you at 2:00 o'clock.

Recess

CHAIR: We are ready to resume now.

I have been advised by several people that they really need to conclude by 3:00 o'clock, including the witnesses, but I think that should be possible, on account of flight arrangements. I have assured them they did not need to change their flight arrangements. Two Committee members also have commitments that require them to be done 3:00 o'clock or 3:30 o'clock.

So I am going to go back to Mr. Mitchelmore to resume questioning.

MR. MITCHELMORE: Thank you, Mr. Bennett.

I do not see my questioning going that long. I do have a few more questions for the College administrators there. In particular, I wanted further clarification on the actual classification when it came to the response and the mechanisms that are set in place. Rather than read out the paragraph that was put forward in Mr. Bennett's letter, it talked about that you are going to re-profile some positions with the HR division and one manager is now responsible for all classification actions.

So I guess my question is: Are there still positions that are not reclassified, how many are outstanding, and what is the process going forward?

MS TAIT: There would be positions that are not classified at the moment, some of the more recent ones that we are just in the process of doing. That is the normal business process. The other piece of work we have going on at the same time is a review of the entire inventory of staff complement positions in the College matched against the job descriptions that do exist. Some of them are dated and really should be looked at again, not that they are not still valid, but we want to confirm that they are. So both those pieces of work are going on simultaneously.

MR. MITCHELMORE: With respect to the leave procedure not being documented, you noted in your response that you will be presently

developing your own policy and procedure consistent with government policy to address the issues that were raised in the Auditor General's report. It seemed like there was some discussion around using PeopleSoft or some form of technology.

My question is: You are going to develop your own new policy, but why not just adopt the policy that government has?

MS TAIT: I am not sure that it is policy that we are developing as much as it is procedure to comply with policy. The leave provisions are strictly laid out in both collective agreements as it relates to faculty and support staff; and for the management group, non-union, non-management, we would be using the policy of government.

MR. MITCHELMORE: Okay.

Would that follow a similar procedure as line departments in government as well?

MS TAIT: Oh, yes.

MR. MITCHELMORE: Okay, great.

Is there a timeline for the completion and implementation of this leave procedure?

MS TAIT: Two things: well, the procedure is existing now; getting it automated is all part of the continuation of our time and labour management software that currently is underway.

MR. MITCHELMORE: Okay.

I wanted to go in and ask about that. What is the cost of this actual software, both in the licensing and the actual training of the staff? I have seen data bases and software implemented; there certainly can be a lot of support needed as well when it comes to working out some of the bugs, the actual training, and everything. This seems to be a new thing. It does not seem like it was planned for, so I would like to know what the overall cost is attached to that.

MS VAUGHAN: I think that John could talk about it in specifics, but PeopleSoft is the information management system that we have purchased for the College and we have been using in both finance and student information. This is another module of the PeopleSoft system. The costing I will leave to John to talk about in particular.

MR. HUTCHINGS: The actual modules themselves are part of the suite we purchased some years ago. So as we go through, we implement different modules. I would have to go back and pull out the particular costs associated with these modules as well as the implementation. It is the rollout over a period of time. For instance, we have just finished online registration for students. We are finishing this, and then we are going to move into a budget module. It is a process over time, so we will have to go back and pull that particular cost out.

The other thing we mentioned earlier about the reprofiling of staff, as part of the reprofiling in the department will be to change people's job descriptions from doing it manually to using the system. That is also part of the departmental transition, I guess we will call it.

MR. MITCHELMORE: Okay, but this whole process sounds like it will create a lot more efficiencies and should be a very positive thing for the College. I would just like to know the attached cost overall. Maybe that can be provided to the Committee at a later time when that is available. It does sound like it is a very positive thing to be moving towards, going from a manual type of system to direct.

When it comes to the excess annual leave that was carried forward, the College replied in its response that it will work to eliminate any leave in excess of normal entitlement. You explained that it is a bit different for management, that they can carry forward their leave, their sick days, and things like that, but not necessarily for all employees.

What is being done to correct this? Have there been letters gone out to advise people to take

time off? Is there a time frame to get everybody into that certain standard?

MS VAUGHAN: Mr. Mitchelmore, Ms Tait can speak more specifically, but I believe we have addressed every single one of the issues that were noted. So we have gone to every one of those files, we followed up with the employees, and either they have paid back or there is a system worked out where they are paying back any amount that is due. We have addressed every single one of the issues that we can address that were highlighted by the Auditor General.

MR. MITCHELMORE: I am very pleased to hear that. It is good to know those particular files that the Auditor General flagged. I would like to know on the broader scale, though, is there a review being done of other employees or all the employees at the College of the North Atlantic who may have outstanding leave and who not necessarily should be accumulating higher amounts of leave; because that can have operational implications, too, the budget and through decision making moving forward, maybe not on a grand scale but it can have some implications. I am wondering: is the College doing anything proactive in doing a review of all of its employees?

MS VAUGHAN: Mr. Mitchelmore - and John can talk specifically - yes, we are. In fact, in Qatar we have just done a full review of annual leave and reset everyone. Some people were overextended, and we have reset the clock for them as they start a new contract. We did a thorough review of the 500 at the time, now 600 employees that we had in Qatar. We have mitigated all of that in respect to their leave.

MR. MITCHELMORE: Okay. Was there a payout then for outstanding leave during -

MS VAUGHAN: In fact, it was not a payout. In many cases they had overextended their leave. So they owed time back or money back.

As you can imagine, it gets a bit more complicated in Qatar because it is not - we have the Muslim holidays, as well as their own

holidays, and some people were not necessarily as prudent about managing their time as we would like to be, and we have to be able to do audits of those. I believe we have addressed all of those annual leave discrepancies we had. We are now beginning to look at other matters of leave balances.

MR. MITCHELMORE: Yes.

MR. HUTCHINGS: I can probably give you a more technical response. Once time labour absence management comes in we will be able to run what is called an exception report. That exception report will list all employees who have more than a certain amount of leave on hand. We will then review each file to say, why do you have an extra amount of leave on hand? For instance, there are valid reasons.

If I am off on a year's sick leave and I accumulate another year's leave, I will be over. That has to happen. If there are any other reasons then we will go through the exception report and deal with them at the time. That exception reporting process will eliminate the built up of leave we had over a period of time. That is the benefit of a new system. It will also – for instance, for people who are close to their sick leave balance, it will also show up in the exception report. The reporting structure itself will help us in managing the leave.

MR. MITCHELMORE: That sounds really good.

I guess my other concern is: Will this new software, this module, prevent people from taking time in advance? Because that had happened before it was actually earned. Will there be a red flag come up and say: no, you cannot take the time because you do not have it available, you are already at your limit? Is that something that will happen, or will that practice continue at the College of the North Atlantic to allow people to have a benefit that they have not earned yet?

MR. HUTCHINGS: The system is designed to not grant you leave in the system unless you have a leave credit available. It would take a

manual override for that to happen, and that is possible as well. It is possible to advance people leave.

If we have a particular time when people can take leave and there is no other time during the year, we may advance them and recover the leave over the next number of months; however, we try to ensure that leave never exceeds the amount of severance pay they would have. If something happened and we had to recover it, we have the means to recover. So there are times when we will advance leave and it is for legitimate business reasons.

MR. MITCHELMORE: Yes, I think this Committee and this discussion has been a very big learning experience about the complexities of the College of the North Atlantic. How the operations can be very different given the Newfoundland context and the Qatar context and trying to manage a significant amount of employees who would be under different legislation as well. It is quite something to manage because a number of those employees would be employees at the Newfoundland College of the North Atlantic who go to Qatar. There is a lot of movement to and from, and I guess that also complicates matters.

I wanted to ask, just in response to Mr. Bennett's letter as the Chair, to question two. The President writes in response: The Department of Advanced Education and Skills have advised that they will be reviewing the actions taken in September, 2013.

I would just like an elaboration as to what the department has told you that they are going to be doing during that time period of this month.

MS VAUGHAN: Mr. Mitchelmore, we referenced earlier this morning we had a letter from the department. Just so you are aware, that is the letter I was referring to. If that is what you have asked for us to provide, we will provide it.

MR. MITCHELMORE: Okay.

MS VAUGHAN: We have done our own work and, of course, we have been doing status

reports. We have done our own internal audit and we assume they will come in and review, as we have done, the files that they can and have a very detailed conversation with us about what processes we have put in place and how we have mitigated any of the issues resulting in the Auditor General's report.

We did not know we were going to be appearing before Public Accounts. We have been working towards that date, since the date the AG report was released. I think we feel confident – in fact, this is good for us to know what further steps we have to take before we report back to the department for which we are assigned.

MR. MITCHELMORE: Right. No, I think the timeline works well. It certainly gives you time to implement additional measures that have not been. I think there has been good answers given and willingness to make sure that things are being addressed.

There are significant concerns when you see things like the hiring and compensation, and these very broad systemic problems happening in an organization, or whether it be a line department of government because you certainly would not like to see these things happening. Actions need to be taken to mitigate that.

I just have a couple of other questions around – and some of it I have briefly touched on. Are there going to be issues with the reclassifications to existing employees? Will it have any type of implication in the current system? I will just put that out there, in terms of benefits, in terms of pay, in terms of duties and that type of thing as to what the reclassification process means.

MS TAIT: Depending on what reclassifications you are referring to. There are a number of different circumstances under which people become reclassified. If jobs change marginally and there is a slight reclassification, then that individual could be moved up on the scale or they could be moved to another scale. That is a possibility with classification positions.

In other instances, the classifications are confirmed at what they already were. Albeit the

job description might be different, it does not warrant any difference in classification. Any time you go get a reclassification, some of those minor things could happen.

The other type of thing that can happen in the organization, if we have a complete change in an individual's role, the position itself changes and we send it in for reclassification. That could result in higher or lower, depending on how the position has changed. Is that what you were looking for?

MR. MITCHELMORE: Yes, that is a fair answer. I think that is what I was looking for.

MS TAIT: Okay.

MR. MITCHELMORE: In question four in the response letter, there was an asked for. To date, have there been any instances in the first quarter of 2013, a failure to have confidentiality statements signed as required, and if so, why?

I am not really sure if the question was thoroughly answered with a reply saying there has or there has not been. Maybe it is not something people are aware, that every file, that these have been actually signed. I would like to know if that is the case up to date. If there was an audit or a review, that if we pulled any of the files, new hirers or whatnot, there would be a confidentiality statement.

MS TAIT: Certainly all of the provisions that have been put in place would be to dictate that happens, every time a confidentiality statement is signed. With the internal audit that we did, we found that all files were in compliance. If we went back and looked at every single one, we would expect to see that it is done because there is a secondary look at the file once the competition is underway to make sure all the documentation is in there. Another HR recruiter does cross-reference and have a look at that.

So between emphasis on the procedure, the audits we have completed, and the secondary review by your peer, those things should ensure that all confidentiality statements are signed.

MR. MITCHELMORE: Well, it certainly seems like you have changed your process up quite a bit when it comes to the additional training, looking at this checklist, and some additional orientation. Have you done anything further to make forms or documents more readily available, just to ensure that this checklist – is that reviewed by a direct supervisor? Is there an extra level of accountability put into play here that would give the Committee that much more satisfaction that steps are being taken and these additional measures are put into place?

MS TAIT: Well, with all of the stringent process that is in place, in addition to that the Director of Talent Acquisition, on her various trips across the Province and visiting other offices where recruitment is going on, part of what she does is randomly select files and have a look at those. So that is another measure. I also do have that piece of activity in my work list to do as well, as I visit various offices. That is over and above the stringent look this given on a competition-by-competition basis.

MR. MITCHELMORE: Okay.

Is that a new procedure as such, or something that may have always been an option, but it is certainly something that has been tightened up or encouraged to do more often now as a part of compliance?

MS TAIT: That would be correct, yes.

MR. MITCHELMORE: Okay, excellent to hear that.

This section here on page 45, I just want to go back and ask this question around the doctor's notes. If there is an explanation for the employee who took forty-two days from October 2010 to December 2010, and sixteen days without supplying documentation. Was that retrieved after or is there some form of explanation as to why it would go that long? Normally it is three days, I believe, right?

MS TAIT: Annette, do you have a report on that?

MS MOREY: No.

MR. MITCHELMORE: There are other instances, but that one stands out as a big one.

MS TAIT: I do not know which exact circumstances these are talking about. We would have to know which one and have a look. There are circumstances from time to time where employees are off on extended sick leave, they bring in doctor's notes up to a point they are still sick, and they do know that they have to produce them. They may not produce them that week, it may be the next time that they go visit the doctor that they are able to get them into us, but we do have some circumstances like that with chronic long-term illness.

MR. MITCHELMORE: Yes.

MS TAIT: Generally, no, that is not the case. Generally, if they do not bring in the doctor's note to deal with the time, then they are docked pay, because they cannot be off on sick leave without a doctor's note after six days in the aggregate.

MR. MITCHELMORE: Yes, this seems like more of an exceptional circumstance rather than the norms.

MS TAIT: I think it would definitely be an exception, and I will need to look at the exact employee we are dealing with here. I just do not know that right off the top.

MR. MITCHELMORE: Right.

Well, certainly, I have seen lots of concerns brought forward through the Auditor General's report of the College of the North Atlantic. In their response there has certainly been some measures taken to address and fix some of these things, as well as quite a bit, it seems, of financial resources adding these modules and going with the technology. Moving forward, it sounds like there is quite a commitment from the College of the North Atlantic to further comply and there is going to be oversight that may not have been there from the Department of

Advanced Education and Skills in light of these things.

So, moving forward, it seems very positive from the leadership, Ms Vaughan, and senior staff, that there is going to be work done to move forward. I appreciate the responses that you have given. Some of the questions have been very tough and very straightforward, others. I appreciate the time that you have given me, and I have certainly felt like I have learned a lot about the College of the North Atlantic in this particular session. I am sure if I have further questions, I could write the College and certainly get some feedback. I appreciate that. Thank you.

I do not have any further questions, Mr. Chair.

CHAIR: I have a few questions. This goes back to questions Mr. Parsons was asking early this morning about the redundancy of programs. I understand that because of the nature of the service being delivered, being skills, this changes from time to time; it would be the natural evolution.

How do you deal with instructors whose programs have become redundant or you do not need as many instructors? Are they retrained, or are they severed or reassigned? What is your typical practice?

MS TAIT: There are a number of different things that happen when programs are no longer offered at the College. The faculty that are in those programs, if they are permanent faculty, there is an opportunity under the collective agreement to provide for retraining, if they apply and they meet the criteria outlined.

Other than that if positions are made redundant, which a number of them have been because of the reductions, then the employees are provided with pay in lieu of notice to the extent that the redundancy policy will provide that. If they have met the threshold for severance, they are also paid severance. They also retain their right to recall to the College for a period of twenty-five months, and we work very hard to make sure that our recall list is kept updated and we

apply the provisions equally and fairly across the Province.

Basically that is what happens with the employees who are in those jobs. Sometimes we will have the benefit of employees being skilled in more than one area of instruction. In those cases, it is great; if there is an opportunity, we can reassign them in their area of instruction.

CHAIR: If somebody is recalled and you paid severance, how do you deal with that?

MS TAIT: We apply the policy as it provides. If people come back to work, then they have to repay their severance that might have been paid out to them, to the extent that they are back to work.

CHAIR: There is some observation that there was payment of severance over more than one year for tax purposes. In some jurisdictions people associated with governments have a program in place where they are permitted to forward average severance. It is completely legitimate and it helps with them tax planning and financial planning. Is that sort of a process available here? Has it been considered?

MS TAIT: We have not done that and, to my knowledge, that is not a process here.

CHAIR: With respect to letters of conduct, if somebody comes, they are hired, they have a letter of conduct, do you ever ask for a new letter of conduct? Is it ever revisited?

MS TAIT: Yes, it is.

CHAIR: What is the frequency?

MS TAIT: I will not be able to deal with every situation, but I will tell you this, that in certain instances it is required by the discipline that they are in that they must have it updated regularly. Certainly if an employee leaves our employ and comes back, even if it is five months later, we will get a new letter of conduct.

CHAIR: If somebody has been in a position, say, for ten years, would you get an updated

letter of conduct at any point in that person's career?

MS TAIT: Not if they are continuous employees as a matter of course, but if the job they have with us requires that they do have an updated letter of conduct periodically, we will make sure that is done, yes.

CHAIR: How do you deal with employees who get into difficulty, whether it be illegal difficulties, substance, or any issues like that? Do you work with them? Are there programs? Are they let go? What happens? You have a couple of thousand people and they are all people of – maybe more than a couple of thousand people.

MS TAIT: It depends on the set of circumstances and what kind of difficulty they are actually in.

John, would you like to add to that?

MR. HUTCHINGS: There is no general rule. It is very individualized. There are Employee Assistance Programs through government.

What we would do is liaise with the Public Service Secretariat and see if they had a similar situation, and between us and the Public Service Secretariat we would put in place a plan that could do anything. It could be help for that individual; in the worst case, termination. There are different levels. There is no real, true hymn book on this. It is an individual situation.

CHAIR: If a person even – not maybe because of their employment, maybe because in spite of their employment, say they develop alcoholism. It might not have been apparent at a younger age. Now they have an impaired driving charge or something of this nature, but is otherwise a perfectly good employee. Do you have programs? Do you send them somewhere? Do they have leave? What happens?

MR. HUTCHINGS: Again, the Employee Assistance Program would take over. Then there would be a plan between them and the Employee Assistance co-ordinator that they see.

That would be individualized, and we may or may not be part of that. They may be away from the organization being treated. Part of their treatment may be with the organization. It is very specific to the individual and the situation.

If I am teaching truck driving and get picked up for impaired driving, that is one thing. If I am a clerk in an office and I get picked up for impaired driving, that is something different. So, it is situation.

CHAIR: With respect to conflict of interest that is referenced on page 39, how many cases of an identified conflict of interest did you have, if any, in the period of time of the audit? I think the audit just covers two or three years. It covers a two-year period.

MS TAIT: I am not sure I would be able to guess at that. If there are audited files and they tell us that it is not there, that is one thing, but to be able to answer your question we would have to do a complete review of every file.

Generally, and as part of the hiring process, employees do have to complete the conflict of interest document and sign it. That is part of the employment process. If it is missing in a number of files and it has been identified, we would say that is not okay. That is not something we want to happen. It should be completed.

CHAIR: I am not referring to the form. I am referring to policing a conflict of interest.

MS TAIT: Okay.

CHAIR: Let's say, for example, somebody has a family member with a business and they consistently buy from them; an actual conflict of interest.

MS TAIT: We do not have very many situations of conflict. As a matter of fact, I –

MS MOREY: I will give you one example of something I have dealt with. If someone brings something forward to me that they believe is a conflict, I immediately talk to our general

counsel and they go and review the conflict of interest form on file, as to whether or not a conflict existed or not. That is where we leave it.

CHAIR: Are there penalties for conflict of interest?

MS MOREY: It could be termination, depending on –

CHAIR: It is nice to have a conflict of interest letter and a guideline, but are there actual penalties? Could someone get fired for it or have to reimburse the College for financial opportunities lost or taken?

MR. HUTCHINGS: Again, it is situational. If it is a collective agreement issue, it may be grievable. It may have to go through an arbitration process before we can have any sanction. Like any discipline, depending on the nature of it, it could be progressive discipline up to and including termination. Could a person be terminated? Absolutely! Will they automatically be terminated? It is a case-by-case basis and how serious it seems to be.

People do declare conflicts and we do monitor them. People do from time to time come in and report, whether they have a business and they have interests in a business or divested themselves of interests in the business. It is a constant process; however, if you ask us: Do we know who is in a conflict in our operation? If it is reported we know; if it is not reported we do not know.

CHAIR: I would like to go to the Revenues and Expenses statements found on page 29. It is called Table 2. In the three fiscal periods 2010, 2011 and 2012, the Auditor General, in a note at the bottom, stated, “The College has operated with a deficit in each of the last 3 years, totalling approximately \$21 million.”

Can you tell me how the deficit arose? Was it revenues did not materialize or expenses were higher than anticipated, or something extraordinary came up?

MR. HUTCHINGS: I can answer that. Actually, the deficits were lower than we projected. They were planned deficits to draw down on accumulated surpluses from prior years.

There were cases where the College was given extra grant in aid in some years to ramp up programs. The programs were not ramped up in the years that we received the money so we had to hold the money and pay for those programs in subsequent years. It is an accounting deficit rather than a systemic deficit.

The College is operating in a surplus or break even position; however, accounting wise we may have to draw down funds from prior years which has to create a deficit, or we cannot draw down our surpluses from prior years.

CHAIR: Okay. It was actually a planned deficit to use up prior surpluses otherwise it would always sit there?

MR. HUTCHINGS: Yes, specific use funding as well.

CHAIR: I am sorry?

MR. HUTCHINGS: Specific use funding, we must use the funds for certain things. We must hold them and use them for those things and draw them down.

CHAIR: Okay. Were these program deficits that will continue on and might cause a future deficit, or were they one-shot deals each year?

MR. HUTCHINGS: In those years they were one-shot deals.

CHAIR: Okay.

In 2011, on the last line under expenses, Qatar projects, \$2,703,000. It looks like that line may not have been there the year before. If this is a separate – I will call it a side contract for want of a better word, because it is a contract pertaining to some other area. What made up that expense? Was that an actual loss, or how could that be?

MR. HUTCHINGS: No, that is actually the cost of operations. In order to put it in perspective, if you look up earlier on the page in the revenue side, look at 2011. It says \$10 million is the revenue; down below, \$2.7 million is the expenditure. The difference between the two would be the profit that the College would make, which in this case will be \$7.5 million.

CHAIR: Okay.

MR. HUTCHINGS: The \$2.7 million would be the cost of operating the contract in the Province, which would be our recruitment staff, it would be travel to Qatar, and it would be operation of our offices. In other words, we have a Qatar project office. Our project expenses are \$2.7 million, our revenue is \$10 million. So we would make about \$7 million. I think we made about \$8.3 million last year and we will make at least that this year. The difference between the two is our profit.

CHAIR: So that is the net profit of the Qatar operation of that contract?

MR. HUTCHINGS: In Newfoundland.

CHAIR: You did not have the contract the year before, because it is zeros?

MR. HUTCHINGS: No, we had a contract right back to 2003, but it was reported differently. The Auditor General's staff put this together, so they would have to explain why 2010 is not reported in the same way.

CHAIR: Okay.

MR. HUTCHINGS: We did not put this together.

CHAIR: So, does that mean now that it is consistently reported this way on your financial statements?

MR. HUTCHINGS: Yes, it is.

CHAIR: These revenues and expenses now have been broken out and identified so you can see exactly where they come from?

MR. HUTCHINGS: Yes, and that is published publicly in our annual report, and available to anybody who wants a copy. Our statements are public documents.

CHAIR: Thank you. I have no more questions, but other members may have some questions.

Mr. Paddon, do you or your staff have any questions or observations?

MR. PADDON: I do not have a question. I will make an observation, and I will answer a question that normally I get from members of the Committee that I did not get today, which was generally what my view was in terms of what I have heard as to how I would perceive the process or the progress being made by the College.

My standard answer is I cannot give any assurance at this point in time because we do have a process that within the two-year period we will go back, follow-up on our recommendations, and see how in fact the college is doing. I can make a comment based on observation, my listening to the responses, and a brief discussion with the witnesses outside the Chamber.

I would say that I certainly have a positive sense that the issues around documentation processes that we did identify in our report have or are being certainly adequately dealt with. Certainly the impression I get, and I would expect that once we go back in a couple of years, I would fully expect that we would see some very positive results in terms of our follow-up. So, it is just an observation.

CHAIR: Ms Vaughan, thank you for coming. Did you or your staff want to say anything, without being asked a question? That is the question, I suppose; do you want to say anything?

MS VAUGHAN: Okay. Just to say thank you very much. I understand the dynamic can be very pointed at times, but it is extremely good for us to be able to respond, it is good for us to be held to be accountable for our decisions, and

it is actually quite good for us to show how much work that has taken place in a short period of time.

Just so you know where we go from here, we do have a pending review by Advanced Education and Skills, but this report is also given to the Finance and Audit Committee of our Board of Governors. Our Internal Audit Division, which is led by Ms Morey, does internal audits regularly, but one of the things they will be reporting on to our Finance and Audit Committee is on each one of these recommendations and how they move forward. So this will be regular reporting to that committee of the board and we are accountable to the board. The Internal Audit Division will continue to work on these, as well as other things.

Internal Audit has provided a tremendous advantage to the College of preventative work. They develop a work schedule every year, which again is approved by our Finance and Audit Committee of the board, of the reviews they are going to do on an annual basis.

Finally, I think the ISO or quality management system that we are about to embark on is going to have fundamental results for the College of the North Atlantic. When you think of the fact that we are located in seventeen regions, one of the advantages of a quality management system is that we will have consistency in our processes. We will be reviewing them ourselves. Our own staff will be developing the procedures to how they do it, in compliance with what legislation tells us to do.

I really believe that two things happen: real ownership takes place and consistency in practice takes place. That is what I hope; when someone comes to look at the College in the next number of years, that is what you will start to see with the College of the North Atlantic.

I really need to recognize my staff who are here with me today and the others who have worked on this. They have put an awful lot of hours in, in what has been a challenging year for us, and I

think they have achieved some remarkable results.

I just want to thank you for the opportunity today. It has been very good for us and I really appreciate the questions you have asked us over the course of the last number of hours.

CHAIR: Thank you very much.

Our hearing is concluded.

I have one item of business for the Committee, and that is minutes of the hearing we had on Thursday, July 18, 2013, with section 3.7, the Centre for Health Information from the Report of the Auditor General 2012. The minutes have been circulated by Ms Murphy, and we need a motion to adopt the minutes.

Seconder?

Moved by Mr. Parsons, seconded by Mr. Brazil and Mr. Peach.

On motion, minutes adopted as circulated.

CHAIR: So we are adjourned.

On motion, the Committee adjourned.