

Date : 7/31/2014 8:13:37 AM  
From : "Terry Paddon"  
To : "Mullaley, Julia"  
Subject : Re: Report of Oversight Committee

Sorry for delay. Lost sight if it.

First is ok. If someone asks me I can elaborate.

In terms of second point, you could lead in by saying "subject to the provisions of the Energy Corp Act ..." Or words to that effect.

Terry

Sent from my iPad

On Jul 30, 2014, at 7:29 PM, "Mullaley, Julia" <[JMullaley@gov.nl.ca](mailto:JMullaley@gov.nl.ca)> wrote:

Terry, meant to call several times today as I never heard back from you. We are set to release report in am so are printing later tonight. Are you ok with my proposed revisions?

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**From:** Mullaley, Julia  
**Sent:** Monday, July 28, 2014 12:54 PM  
**To:** 'Terry Paddon'  
**Subject:** RE: Report of Oversight Committee

Thanks for the quick response Terry. I have redrafted as follows:

Office of the Auditor General: The Auditor General audits the financial statements and accounts of the Province on an annual basis. As part of that audit, the Auditor General reviews the work of Nalcor's external auditor to [ensure the Province's investment in Nalcor is properly accounted for with appropriate disclosure](#). Furthermore, the Auditor General Act provides the authority for the Auditor General to conduct audits of financial statements and other accountability documents, evaluate management practices, and determine compliance with legislative and other authorities for all government departments and entities, including Nalcor.

I acknowledge the restrictions around commercially sensitive information in any ultimate report but in the context drafted, the focus is on the ABILITY/AUTHORITY of the AG to conduct reviews as not sure how clearly understood by the public (vs calls to Govt that have to direct the AG to do a review). I tried to integrate some language re the exceptions re commercially sensitive data on any actual report but would then have to outline nuances around reporting to LG, etc in these cases and overall I felt it ended up convoluting or missing the intent of the language re another oversight mechanism being that the AG has this authority and Govt does not interfere with this authority. Open to redraft solution though.

Thanks.

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**From:** Terry Paddon [<mailto:terrypaddon@oag.nl.ca>]  
**Sent:** Monday, July 28, 2014 10:39 AM  
**To:** Mullaley, Julia  
**Subject:** RE: Report of Oversight Committee

Julia

A couple of observations.

I believe the comment concerning auditing the Province's investment in Nalcor through our audit of the PAs, may give the impression of overstating the role of the AG in this process. As you are aware, we rely on Nalcor's external auditors and review their working papers. In the end our only objective is to ensure the investment is properly accounted for with appropriate disclosure. Your wording may give the impression that we actually audit Nalcor on an annual basis.

Secondly, while the AG Act does provide us with access to Nalcor, Sections 5.4 (5), (6) and (7) or the Energy Corporation Act does contain a restriction around the release of information. I believe that is also relevant.

Regards

Terry

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**From:** Mullaley, Julia [<mailto:JMullaley@gov.nl.ca>]  
**Sent:** July-27-14 8:48 AM  
**To:** Terry Paddon  
**Subject:** Report of Oversight Committee

Hi Terry, as you are aware, in March Government announced the establishment of an Oversight Committee (of which the

Clerk is Chair) to strengthen existing oversight on the Muskrat Falls project. The committee's first report will be made public later this week. Included in the report is a section re existing oversight mechanisms/processes, one of which is the role of the AG.

The wording in the e-mail below is the proposed wording re the AG. I would greatly appreciate it if you could review the wording and amend as you feel necessary. Many thanks.

Julia

Sent from my BlackBerry 10 smartphone on the Bell network.

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**From:** Power, Jacqueline  
**Sent:** Saturday, July 26, 2014 4:27 PM  
**To:** Mullaley, Julia  
**Subject:** As discussed

Office of the Auditor General: The Auditor General audits the financial statements and accounts of the Province on an annual basis, including the Province's investment in Nalcor. Furthermore, the Auditor General Act provides the authority for the Auditor General to conduct audits of financial statements and other accountability documents, evaluate management practices, and determine compliance with legislative and other authorities for all government departments and entities, including Nalcor.

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