

Chapter 3

Follow-up on Recommendations from Prior Years' Performance Audit Chapters

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Follow-up on Recommendations from Prior Years' Performance Audit Chapters

Background

3.1 This follow-up chapter promotes accountability by giving the Legislative Assembly, and the general public, information about how responsive government has been to our performance audit (Value for Money) recommendations. We think it is important that both MLAs and taxpayers be provided with sufficient information to assess the progress government is making in implementing these recommendations.

3.2 Note that recommendations made to departments, commissions and Crown agencies pursuant to our financial audit work are followed up annually as part of our financial audit process, and are not discussed in this chapter. For a complete list of performance audit reports over the last ten years, please see Appendix A.

This year we followed up on 2012, 2013 and 2014 chapters along with selected others

3.3 We continue to have a strategic goal that departments, commissions and agencies accept and implement all our performance audit recommendations. Consequently, in this chapter we report on the updates as provided to us by departments, commissions and Crown agencies for performance audit recommendations made in our 2012, 2013, and 2014 Reports. Even though we do not have the resources to review the accuracy of all responses annually, we reviewed the responses related to our 2012 recommendations for accuracy, and gathered and summarized the information submitted by departments, commissions and agencies for 2013 and 2014. We also reviewed the status of recommendations included in two of our 2011 chapters, and provide an update on our 2015 chapter *Financial Assistance to Atcon Holdings Inc. and Industry*.

Summary

63% of our 2012 to 2014 recommendations have been implemented

None of our three recommendations re Medicare Payments to Doctors (2012) have been implemented, although there has been progress

Five of six recommendations re EHealth (2012) have been implemented

Seven of 12 recommendations re Solid Waste Commissions (2012) have been implemented

3.4 Our overall results show departments, commissions and agencies report they had implemented about 63% (58 of 92) of our performance audit recommendations from the 2012, 2013 and 2014 Reports of the Auditor General.

3.5 The percentage of performance audit recommendations implemented from 2012 was 61%. It appears, based on self-reporting by the Departments responsible for responding to recommendations in our 2013 and 2014 reports, four-year percentages may ultimately be at a comparable level for 2013 and 2014.

3.6 In our 2016 follow up review of our 2012 audit of Medicare Payments to Doctors in the Department of Health, we found that none of our three recommendations have been fully implemented, as discussed later in this chapter. However, we note the Department has made some progress in implementing our recommendations and has taken a number of positive actions in that regard. We continue to be very concerned that some Medicare payments related to injured workers are not being recovered by the Department due to the time-consuming manual process the Department uses to identify those amounts. We therefore strongly encourage the Department to continue to pursue this matter with WorkSafeNB, and if a solution cannot be agreed upon, to take other appropriate steps.

3.7 In our 2016 follow up review of our 2012 audit of EHealth Procurement and Conflict of Interest, we were pleased to note that the Department of Health had implemented all five of our recommendations directed to them. The Office of the Chief Information (OCIO) was still in the process of implementing our sixth and last recommendation to develop and monitor compliance with a government-wide policy relating to the procurement, contracting and management of IT consultants. We encourage OCIO to continue their efforts to implement this recommendation.

3.8 In our 2016 follow up review of our 2012 work on Solid Waste Commissions at the Department of Environment and Local Government, we are able to report that only seven of our twelve recommendations have been implemented, and one additional recommendation is no longer applicable. There are still five outstanding recommendations intended

to improve processes relating to Extended Producer Responsibility programs, private construction and debris dumpsites, diversion of solid waste away from public landfills, public education, and disclosure of accountability information on solid waste commission websites. We strongly encourage the Department to implement these recommendations in the near future.

Seven of ten recommendations re Capital Maintenance of Highways (2012) have been implemented

3.9 In our 2016 follow up review of our 2012 work on Capital Maintenance of Highways at the Department of Transportation and Infrastructure, we are pleased to report that seven of our ten recommendations have been fully implemented. In particular we noted the Department has enhanced the information captured in the Department's Asset Management System and its use of that data in decision-making. Recommendations remaining as non-implemented address decisions relating to road surfaces used, total lifecycle costs of potential road projects, and public reporting of road condition. Based upon our review the Department is making progress in implementing these three recommendations as well.

ONB has reported that 15 of 19 recommendations re Financial Assistance to Atcon Holdings Inc. and Industry (2015) have been implemented

3.10 We note both Opportunities New Brunswick and the Executive Council Office report they have acted quickly to respond to our recommendations contained in the 2015 audit of Financial Assistance to Atcon Holdings Inc. and Industry. In their 2016 updates, they indicated they had implemented 15 of our 19 recommendations, although we have not verified that assertion. We will follow up again in 2017 to ensure progress is being made.

Two important recommendations re Constituency Office Costs for MLAs and Executive Council (2011) have not been implemented

3.11 In our 2016 follow up review of our 2011 work on Constituency Office Costs for Members of the Legislative Assembly and Executive Council, we are disappointed to report there has been no change in the status of the two important recommendations remaining to be implemented since last year. We had expected at least one of the recommendations to be implemented within the past year. Implementation of these recommendations is critical in ensuring that Members of the Legislative Assembly can be held accountable for their constituency office costs. We continue to encourage the Legislative Assembly and Executive Council Office to work together in implementing these two recommendations as soon as possible.

One recommendation still outstanding re CMHC Social Housing (2011)

3.12 In our 2016 follow up review of our 2011 work on the CMHC Social Housing Agreement at the Department of Social Development, we note there is still one outstanding recommendation to be implemented. We recommended that the Department develop a comprehensive long-term plan to ensure the Province can continue to provide and maintain needed social housing. The Department noted that it plans to develop a long-term strategy as part of its work plan for the current year, pursuant to new funding announced by the federal government.

Scope and Objectives

3.13 Our practice is to track the status of our performance audit recommendations for four years after they first appear in the Report of the Auditor General, starting in the second year after the original Report. In other words, in this 2016 Report, we are tracking progress on performance audit recommendations from 2012, 2013 and 2014. Our objective is to determine the degree of progress departments, commissions and agencies have made in implementing our recommendations. We have assessed their progress as fully implemented, not implemented, disagreed with, or no longer applicable.

3.14 To prepare this chapter, we request written updates on progress from the respective departments, commissions and Crown agencies. They are asked to provide their assessment of the status of each performance audit recommendation. In addition, departments, commissions and agencies add any explanatory comments they believe necessary to explain the rationale for their assessment.

3.15 We received all updates requested.

2012 chapters we followed up on in 2016

3.16 In the past year we followed up on all performance audit recommendations made in our 2012 Report. Areas covered included:

- Medicare – Payments to Doctors;
- EHealth – Procurement and Conflict of Interest;
- Solid Waste Commissions; and
- Capital Maintenance of Highways.

Other chapters we followed up on in 2016

3.17 We also did review-level follow up work on:

- Financial Assistance to Atcon Holdings Inc. and Industry (2015 Report chapter)
- Constituency office Costs for MLAs and Executive Council (2011 Report chapter); and
- CMHC Social Housing Agreement (2011 Report chapter).

Detailed Findings

3.18 This section provides details on how well departments, commissions and Crown agencies have done in implementing performance audit recommendations we made in the years 2012, 2013 and 2014.

3.19 Exhibit 3.1 presents the status of recommendations by department, commission and agency. This information allows users to quickly assess which departments, commissions and agencies have done a good job in implementing our recommendations, and which have not. Exhibit 3.2 provides additional details on the implementation of recommendations by departments, commissions and agencies.

Exhibit 3.1 – Status of Implementation of Recommendations

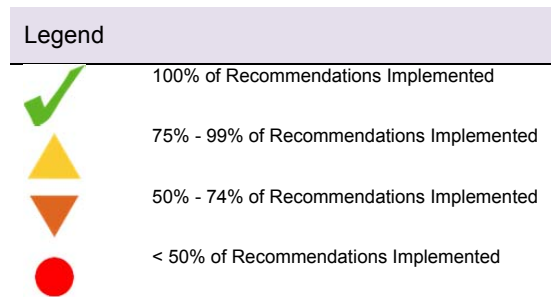


Exhibit 3.1 – Status of Implementation of Recommendations (continued)

| | Report Release Date & Project Name | Year of AG Report | | |
|--|---|-------------------|------|------|
| | | 2016 | 2015 | 2014 |
| Departments | | | | |
| Environment and Local Government | (2012) - Solid Waste Commission | ▼ | ✓ | ▲ |
| Government Services | (2013) - Procurement of Goods and Services – Phase I | ▲ | ▼ | |
| Health | (2012) - EHealth – Procurement and Conflict of Interest | ▲ | ▲ | ▲ |
| | (2012) - Medicare – Payments to Doctors | ● | ● | ● |
| Service New Brunswick | (2014) - Data Centre Power Interruption | ● | | |
| Social Development | (2013) - Foster Homes | ▲ | ✓ | |
| Transportation and Infrastructure | (2013) - Provincial Bridges | ▼ | ▼ | |
| | (2012) - Long Term Infrastructure Sustainability Plan | ● | ● | ● |
| | (2012) - Capital Maintenance of Highways | ▼ | ▲ | ▼ |
| Various Departments | (2013) - Collection of Accounts Receivable | ● | ● | |

Exhibit 3.1 – Status of Implementation of Recommendations (continued)

| | | Year of AG Report | | |
|------------------------------------|--|-------------------|------|------|
| | | 2016 | 2015 | 2014 |
| Report Release Date & Project Name | | | | |
| Crown Corporation | | | | |
| NB Power | (2013) - Point Lepreau Generating Station Refurbishment – Phase I | ✓ | ● | |
| | (2014) – Point Lepreau Generation Station Refurbishment – Phase II | ✓ | | |

Exhibit 3.2 - Status of Performance Audit Recommendations as Reported by Departments, Commissions or Agencies

| Department / Commission/ Agency | Subject | Year | Performance Audit Recommendations | | | | | % Implemented |
|-----------------------------------|---|------|-----------------------------------|-------------|------------------------|-----------|---|---------------|
| | | | Total | Implemented | Agreed/Not Implemented | Disagreed | No longer applicable / Not determinable | |
| Environment and Local Government | Solid Waste Commissions | 2012 | 13 | 7 | 5 | 0 | 1 | 58 |
| Government Services | Procurement of Goods and Services – Phase I | 2013 | 9 | 7 | 2 | 0 | 0 | 78 |
| Health | EHealth – Procurement and Conflict of Interest | 2012 | 6 | 5 | 1 | 0 | 0 | 83 |
| | Medicare – Payments to Doctors | 2012 | 3 | 0 | 3 | 0 | 0 | 0 |
| NB Power | Point Lepreau Generating Station Refurbishment – Phase I | 2013 | 1 | 1 | 0 | 0 | 0 | 100 |
| | Point Lepreau Generating Station Refurbishment – Phase II | 2014 | 10 | 10 | 0 | 0 | 0 | 100 |
| Service New Brunswick | Data Centre Power Interruption | 2014 | 7 | 2 | 5 | 0 | 0 | 29 |
| Social Development | Foster Homes | 2013 | 11 | 9 | 2 | 0 | 0 | 82 |
| Transportation and Infrastructure | Provincial Bridges | 2013 | 13 | 7 | 6 | 0 | 0 | 54 |
| | Long Term Infrastructure Sustainability Plan | 2013 | 1 | 0 | 1 | 0 | 0 | 0 |
| | Capital Maintenance of Highways | 2012 | 10 | 7 | 3 | 0 | 0 | 70 |
| Various Departments | Collection of Accounts Receivable | 2013 | 9 | 3 | 6 | 0 | 0 | 33 |
| Totals | | | 93 | 58 | 34 | 0 | 1 | 63 |

*100% implemented rate excludes those recommendations that are no longer applicable.

12 recommendations from 2012 have not yet been implemented

3.20 Exhibit 3.3 shows the results summarized by year. Departments, commissions and agencies reported to us that they had implemented 39 of 61 (64%) of our performance audit recommendations from the 2013 and 2014 Reports of the Auditor General. For 2012, based upon department, commission and agency reporting, and our own review of their assessments, we have concluded that 19 of 31 (61%) of our recommendations have been implemented. Of the remaining 12 recommendations, all 12 have been agreed with but not yet implemented. There is also one recommendation that was no longer applicable by the time of our 2016 follow up. Consistent with our established process, this is the last year that our 2012 performance audit recommendations are typically subject to our formal follow up process. We find it very unfortunate that recommendations from four years ago are still not implemented.

Exhibit 3.3 - Summary Status of Recommendations by Year as Reported by Departments, Commissions or Agencies

| Year | Recommendations | | | | | % Implemented * |
|-------|-----------------|-------------|------------------------|---|-----------|-----------------|
| | Total | Implemented | Agreed/Not Implemented | No longer applicable / Not determinable | Disagreed | |
| 2014 | 17 | 12 | 5 | 0 | 0 | 71 |
| 2013 | 44 | 27 | 17 | 0 | 0 | 61 |
| 2012 | 32 | 19 | 12 | 1 | 0 | 61* |
| Total | 93 | 58 | 34 | 1 | 0 | 63* |

* calculation excludes recommendation no longer applicable

Comments on recommendations from 2012 and certain other projects

3.21 Our 2012 performance audit recommendations have reached the end of the four year follow-up cycle. Projects included in the 2012 Report included:

- Medicare – Payments to Doctors;
- EHealth – Procurement and Conflict of Interest;
- Solid Waste Commissions; and
- Capital Maintenance of Highways.

3.22 We also did follow up work on:

- Financial Assistance to Atcon Holdings Inc. and Industry (2015 Report chapter)
- Constituency office Costs for MLAs and Executive Council (2011 Report chapter); and
- CMHC Social Housing Agreement (2011 Report chapter).

3.23 In the section that follows we provide additional commentary on these seven projects.

**Note to Public
Accounts and
Crown
Corporations
Committees**

3.24 We encourage Members of the Legislative Assembly to look at the performance audit recommendations documented in this report which the government has not implemented. Upcoming meetings of the Public Accounts Committee and the Crown Corporations Committee provide an opportunity for Members to pursue the status of these recommendations with the involved departments, commissions and Crown agencies.

Department of Economic Development

Financial Assistance to Atcon Holdings Inc. and Industry – 2015

Audit objectives

3.25 Our objectives for this work were:

1. *to determine whether the government exercised due diligence in granting financial assistance to the Atcon group of companies;*
2. *to identify all provincial government organizations that provide financial assistance to industry and determine whether they coordinate their assistance to limit the exposure of the Province;*
3. *to determine whether the Department has implemented recommendations made in previous performance audits of financial assistance to industry performed by our Office; and*
4. *to determine whether the Department publicly reports on the performance of the financial assistance it provides.*

Audit conclusion

3.26 Our 2015 report concluded due diligence was exercised by the Department, although some areas required improvement. However, we noted Cabinet disregarded advice resulting from the due diligence and noted two critical events that displayed a very troubling disregard for taxpayers' money. In particular:

1. Approval for funding was granted despite significant risks of loss and numerous objections from senior officials. Although difficult to confirm, it appeared the objective was to maintain jobs; and
2. A number of terms and conditions, intended to mitigate the Province's risk were put in place, only to be later removed by Cabinet. Amendments to the security agreements on the \$50 million guarantee were approved that negatively affected the Province's security position on the Atcon guarantee. Once again, the amendments were approved by Cabinet despite objections from senior officials. From our examination, it was known the impact would weaken the Province's security position by millions of dollars. The rationale for this decision is questionable given the outcome transferred the impact of the pending loss from the bank to the taxpayer.

3.27 We also concluded:

- The Province did not monitor total financial assistance provided to individual companies, and that there were at least six departments/agencies providing various forms of financial assistance;
- The Department had implemented only 29% of recommendations from our 2010 performance audit and 69% from our 1998 audit; and
- The Department did not report internally or publicly in its annual report, on the actual performance of its financial assistance to industry programs, even though our report showed that \$952.8 million in financial assistance had been approved over a ten year period.

Importance of continued monitoring of recommendations by AGNB

3.28 Even though our original report was only recently publicly released (i.e. in March 2015), we believe it is important for us to continue to monitor the degree to which Opportunities New Brunswick (ONB) has implemented our recommendations. This is primarily due to the magnitude of unrecovered provincial funds (close to \$70 million) relating to Atcon, and the continued high level of

public interest in this matter.

Opportunities New Brunswick (ONB) is now responsible

3.29 Responsibility for financial assistance to industry now rests with the recently-created ONB. In a September 2015 meeting with ONB, they stated they had engaged a private sector consultant to assess proposed responses to the Auditor General's recommendations.

ONB reported that 15 of 19 recommendations implemented

3.30 In an October 2015 press release, ONB further indicated that it expected *"to have all recommendations directly affecting credit-granting procedures to be implemented by the end of its first fiscal year, March 31, 2016."* In their April 2016 update, ONB reported that 15 recommendations have been implemented while four are in progress.

3.31 Our follow-up procedure involves reviewing the assertions made by our auditees for accuracy by examining new or improved initiatives implemented by ONB, and checking for supporting evidence to verify that implementation has, in fact, occurred. In this case, ONB indicated, *"we have only just started to introduce the measures this fiscal year. ... The plan was after this year to have [a consultant] test implementation for efficacy. ... it will be difficult for you to test implementation based on only 3 months."*

3.32 On November 9, 2016, after completion of our follow up work ONB informed us, *"Over the past 12 months, ONB has engaged an external consultant to review and provide an opinion on the progress associated with the implementation of the 19 recommendations. As of November 1st, 2016, ONB has indicated they have addressed all 19 audit recommendations, where possible, with only one recommended defined as 'Agree, Not Implemented'."* We have not validated information contained in the November 9, 2016 update.

We reviewed status of just two recommendations

3.33 Despite ONB's concerns, we were able to review the implementation of two recommendations, one of which has been implemented, and one of which was still in progress. The implemented recommendation was that ONB propose an update to the *Economic Development Act* and Regulation to clarify the authority to amend security, which has been done. We will complete a much more thorough follow up process in 2017 and hope to confirm significant progress with regards to ONB's implementation

of these important recommendations.

Department of Health
Medicare – Payments to Doctors - 2012

3.34 Medicare has a huge impact on the lives of all New Brunswickers. During the 2010-2011 fiscal year, roughly 1,873 doctors were paid under this program. Medicare expenditures were slightly more than half of a billion dollars (\$553.3 million) and represent one of government's highest cost programs.

Audit objective

3.35 Our objective for this work was:

To determine if the Department of Health is maximizing its recovery of incorrect Medicare payments to doctors, through the practitioner audit function.

Audit conclusion

3.36 We concluded the Department of Health was not maximizing its recovery of incorrect Medicare payments to doctors through the practitioner audit function. Only some types of payments to doctors were audited and the audit function had several weaknesses.

None of our three recommendations re Medicare Payments to Doctors have been implemented, although there has been progress

3.37 Our work resulted in three recommendations to the Department of Health. As of the Department's 2016 update, none of the recommendations has been fully implemented. However, we are pleased to report, the Department has made significant progress in implementing portions of our recommendations. Actions taken include:

- expanding the audit unit to 6 from 3 staff members and increasing the breadth of audit functions;
- implementing a risk based audit process;
- establishing an Audit Advisory Committee to provide oversight;
- automating billings from radiologists; and
- proposing changes to legislation (i.e. *the Medical Services Payment Act*) to allow publishing of physician earnings.

First non-implemented recommendation

3.38 Our first recommendation was that the Department “develop an action plan, with specific steps and timelines, to address the deficiencies identified by our work. The action plan was to include, but not be limited to, the following:

- Improving the monitoring of doctor remuneration, including all methods of remuneration (Fee-For-Service, salary, sessional), total payments, and the cap and the “on-call group account” for salaried doctors;
- Improving the audit function by: expanding the audit coverage to include all Medicare payments; using a risk-based audit approach; ensuring the audit unit has the skill set and information needed; documenting procedures for authorizing, processing, recording and reviewing the reversal/repayment of recoveries; publicly reporting the actual performance of its audit function in comparison with targeted recoveries and providing a rationale for any variances; expanding the use of the Professional Review Committee, etc;
- Improving the Department’s enforcement of doctor compliance with legislation and departmental policies by establishing an enforcement policy and implementing ramifications for doctors who do not comply, such as those who over-charge, double bill for services relating to workplace injuries and those who do not shadow-bill;
- Ensuring claims submitted for radiology services comply with legislation and payments for those services are subject to the same payment controls, monitoring and auditing as other Fee-For-Service payments; and
- Improving and automating the process of recovering Medicare payments relating to WorkSafeNB [WSNB] claims.”

Department’s 2016 update

3.39 In its 2016 update, the Department stated:

The Medicare Eligibility and Claims branch has implemented a Risk Based Audit process and has established an Audit Advisory Committee to provide oversight. This committee meets every six weeks and will review annual audit plans, provide issue resolution and guidance to the Monitoring and Compliance team.

- a. *The Medicare Services and Physician Remuneration branch hired a staff member in the spring of 2012 to more effectively monitor the cap and on-call group accounts for salaried doctors.*
- b. *The Medicare Services branch has revised the monitoring process for the on-call group account for*

- salaried physicians.*
- c. As a result of the new FFS contract, on-call stipends for salaried physicians will be billed electronically which will facilitate the monitoring process of fee for service claims for salaried physician.*
 - d. A reporting mechanism to monitor total payments to doctors on a quarterly basis has been implemented.*
 - e. The Monitoring and Compliance unit is incorporating the monitoring of all methods of remuneration as part of their annual planning process.*

In addition to the Risk Based audit process, the unit establishes and manages an audit plan on an annual basis, which includes projects across the various remuneration types providing there is information available to conduct the audit. The unit is now comprised of 6 skilled and trained auditors, who provide quarterly progress reports to the Director of the branch and to the Audit Advisory Committee. The Professional Review Committee (PRC) was advised on changes to their role and have agreed to take a more active role by reviewing billing reports for anomalies. Reporting of audit performance is being done at the advisory committee level and will be done annually at the PRC meetings.

A more active audit process, which was implemented along with the Audit Advisory Committee, is expected to address the issue. No further update available at this time.

- a. All Zones are now submitting Radiologists' claims electronically. The billing rules are currently being established for radiology codes; Monitoring and Compliance will start auditing once the rules are adopted.*
- b. Medicare Insured Services and Physician Remuneration Branch and the Radiologists last met on February 10th, 2016 regarding the billing rules. During the next fiscal period, we anticipate completing this exercise.*

Further discussions with WSNB and a recent proposal to integrate the reconciliation process within the Medicare system has resulted in WSNB's decision to not move forward with this at this time due to the cost

of the IT solution. The current process will remain for now, but further discussions are pending with WSNB in the fall ... to look at other options. There has not been any renewed interest from WSNB on this item.

Some progress made in implementing this recommendation

3.40 Based upon our review, we have concluded that the first two bullet points in our recommendation have been implemented, the third and fourth bullet points have been partially implemented, and the final bullet point has not been implemented.

Recovery of WSNB costs paid by Medicare still a problem

3.41 WSNB is responsible for paying the medical costs of injured workers and recovering them through employer contributions. We continue to be very concerned that some Medicare payments related to injured workers are not being recovered by the Department due to the time-consuming manual process the Department uses to identify those amounts. We therefore strongly encourage the Department to continue to pursue this matter with WSNB, and if a solution cannot be agreed upon, to take other appropriate steps.

Second non-implemented recommendation

3.42 We also recommended the Department publicly report total remuneration for each doctor, regardless of whether the doctor is paid via Fee-For-Service, salary, sessional or alternative payment arrangements. This would be similar to other government reporting of employee compensation and vendor payments, and would provide better accountability.

Physician's earnings not yet being published

3.43 The Department's 2016 update states:

The required approval and changes to legislation (Medical Services Payment Act) have been completed to allow DH [Department of Health] to publish physician earnings.

However, physician earnings are not yet being published.

Third non-implemented recommendation

3.44 We further recommended, to improve accountability, the Department publicly report summary-level information annually on doctor remuneration, such as: total payments for each remuneration method (Fee-For-Service, salary, sessional, other), doctor remuneration by dollar range, doctor remuneration by specialty, etc.

Summary level information on doctor remuneration only published for 2011-12

3.45 While we reported in 2013 that this recommendation was fully implemented, the public reporting of summary-level information on doctor remuneration was done for one year only. Therefore we have evaluated it as "not

implemented” as of 2016. The Department informed us, “This was included in the Department of Health’s 2011-12 Annual Report, however, due to an oversight it has not been published since. The Department will be publishing this information for 2015-16 and retroactively for the other years not published.”

Department of Health

EHealth – Procurement and Conflict of Interest - 2012

Audit objectives

3.46 Our objectives for this work were:

1. *To determine if the Department of Health complied with the Government procurement policy for purchases of services related to the E-Health initiative; and*
2. *To determine if conflict of interest exists in the use of consultants/contractors.*

Audit conclusions

3.47 We concluded:

1. In 57 instances among the 289 contracts we examined, the Department of Health did not comply with the Government procurement policy for purchases of services related to the EHealth initiative, although compliance improved over the period from 2005 to 2011; and
2. There were many cases of conflict of interest in the use of consultants for the period 2005 to 2011 in the Department.

Five of six recommendation re EHealth have been implemented

3.48 Our work resulted in six recommendations to the Department of Health and the Office of the Chief Information Officer (OCIO). We are pleased to note that five of the six recommendations have now been implemented. The status of the remaining outstanding recommendation is discussed in the paragraphs that follow.

Non-implemented recommendation

3.49 We recommended the Office of the Chief Information Officer develop and monitor compliance with a government-wide policy relating to the procurement, contracting and management of IT consultants. That policy should address and mitigate risks regarding procurement and conflict of interest of consultants, and clearly state when the use of internal IT resources is more appropriate. The recommendation went on to provide a list of minimum list of requirements to be included in the policy.

No government-wide policy developed relating to procurement, contracting and management of IT consultants, although some progress has been made

3.50 Some progress in implementing this recommendation appears to have been made. The 2016 update from the Office of the Chief Information Officer (OCIO) included the following comments:

“..., the OCIO has been working with SNB (Strategic Procurement) to improve the risk mitigation associated with IT consultants. ... in 2015 SNB’s Strategic Procurement team implemented a new procurement process and system to acquire IT contingent labour (consultants). This system and associated processes require approvals at several stages, and from multiple stakeholders, before contracts are awarded. In addition, SNB are working with departments to develop a multi-year IT insourcing plan where there is a viable business case....”

3.51 We believe implementation of our recommendation would mitigate the risk of many of the procurement and conflict of interest issues observed in connection with the EHealth initiative from occurring elsewhere in government, and encourage the OCIO to continue in its efforts to do so.

**Department of Environment and Local Government
Solid Waste Commissions - 2012**

Audit objective

3.52 Our objective for this work was:

To assess the adequacy of the governance and oversight structures and processes for New Brunswick solid waste commissions.

Audit conclusion

3.53 We concluded that, in general, governance and oversight structures and processes for New Brunswick solid waste commissions were adequate, and functioning as documented in provincial legislation.

Seven of 12 recommendations re Solid Waste Commission have been implemented

3.54 However, our work resulted in 13 recommendations being provided to the Department of Environment and Local Government. Seven of these recommendations have been implemented, and one is no longer applicable to current solid waste operations in the Province. Five recommendations have yet to be implemented. The status of those recommendations is discussed below.

First non-implemented recommendation

3.55 We recommended all commissions provide up-to-date accountability information on their websites including, as a

minimum, audited financial statements, annual reports, current commission tipping fees, and the names of board members indicating which local government they represent. The Internet now serves as a primary source of information for many New Brunswick residents, and therefore it is important that all commissions provide complete and up-to-date accountability information on their websites.

Some Regional Service Commission web sites still don't provide financial statements, annual reports and tipping fees

3.56 Based upon the Department's response, and results of our 2016 testing, implementation of this recommendation is still in progress. The Department stated:

This is required as per the General Regulation under the Regional Service Delivery Act.

3.57 However, our testing showed that several Regional Service Commissions still did not provide financial statements, annual reports, and/or tipping fees on their websites as of 2016.

Second non-implemented recommendation

3.58 We also recommended the Department design and implement additional extended producer responsibility programs to further reduce the volume of solid waste going to New Brunswick landfills.

No new extended producer responsibility programs since our 2012 report

3.59 The Department's 2016 update stated:

Departmental efforts are ongoing with regards to exploring and implementing extended producer responsibility programs which would reduce waste. Examples produces include packaging and printed material, and tires.

3.60 Our review indicated there have been no new Extended Producer Responsibility programs introduced since our report date, although the Department has been pursuing additional programs.

Third non-implemented recommendation

3.61 We further recommended the Department ensure challenging diversion goals are set for regional commissions. The Department should also monitor commission performance and ensure the degree of success by individual commissions in achieving their diversion goals is publicly reported. One option may be for commissions to report their diversion performance on their websites. Diversion means diverting some solid waste to recycling or other programs rather than dumping it in

public landfill sites.

Waste diversion goals still to be set for provincial waste management system

3.62 The Department stated, in its 2016 update:

A provincial waste strategy committee has been formed as a result of the establishment of the new regional service commissions. The Committee's goal is to review the solid waste management system in the province of New Brunswick while considering enhanced waste diversion and recycling in a cost effective approach. The committee is currently in the process of exploring waste diversion goals and formulas both provincially and regionally.

3.63 We encourage the Department to continue with their efforts to implement our recommendation.

Fourth non-implemented recommendation

3.64 We also recommended the Department ensure all construction and demolition debris disposal sites in the Province are physically inspected periodically to ensure they are accepting only materials specified in their Departmental certificate of approval to operate and identify and address other environmental concerns. Frequency of inspections of individual sites should be based upon a Departmental evaluation of the risk of non-compliance at individual disposal sites. There were 10 such sites around the Province at the time of our original report, and we identified a risk that unapproved materials could be dumped at those sites as they are not attended or inspected by Commission staff.

No evidence of changes in inspection of construction and demolition debris disposal sites since our 2012 report

3.65 In 2016, the Department responded:

The Department agrees. The Department has an established compliance inspection audit policy that identifies a percentage of approvals/operations that are physically visited and inspected on an annual basis. Additionally, any sites that are identified as an immediate potential concern are inspected following the Department's Compliance and Enforcement Policy.

3.66 However, from our review this policy has existed since 2006 and a departmental representative informed us it needs to be updated. We found no evidence of any changes in procedures and practices since our original report.

Fifth non-implemented recommendation

3.67 Finally, we recommended the Department develop and implement a plan, in agreement with individual commissions, covering ongoing government involvement

in educating the public about solid waste matters. That involvement should focus on areas of province-wide concern.

No budget set aside for public education re solid waste matters

3.68 The Department response for 2016 stated:

The Department agrees and will continue to support the Regional Service Commissions and other stakeholders to educate the public with regards to solid waste matters.

3.69 However, in our review work, the Department was unable to establish the existence of a budget within the Department for public education, and it has no ability to direct the Regional Service Commissions to provide such public education programs without funding them. Therefore, this recommendation has yet to be implemented.

Department of Transportation and Infrastructure

Capital Maintenance of Highways - 2012

Audit objective

3.70 Our objective for this work was:

To determine whether capital road repairs, identified as necessary by the Department of Transportation and Infrastructure, are made on a timely basis.

Audit Conclusion

3.71 We concluded that although the Department had appropriate tools in place to identify and prioritize required capital highway maintenance projects, current funding levels did not allow the completion of optimal maintenance treatments on a timely basis.

Seven of ten recommendations re Capital Maintenance of Highways have been implemented

3.72 We provided ten recommendations to the Department of Transportation and Infrastructure pursuant to our work. We were pleased to observe that, as of 2016, seven of these recommendations have been implemented. In particular the Department has enhanced the information captured in the Department's Asset Management System, and its use of that data in decision-making. The status of the three outstanding recommendations is discussed below.

First non-implemented recommendation

3.73 We recommended the Department complete the Road Surface policy (a policy that will guide decisions regarding the most appropriate and economical road surface given particular circumstances (i.e. chip seal versus asphalt)). Once complete, we recommended the Department incorporate the road surface selection process into the

Asset Management System optimization model.

Road surface policy only being used selectively

3.74 The Department stated, in its 2016 update:

A road surface policy was developed. It is being used on a selective basis, but more public outreach and education will be undertaken before fully implemented.

Second non-implemented recommendation

3.75 We also recommended in order to ensure sustainability of the Province's highway network at the most economical cost, the Department should include total lifecycle costs in all new road construction decisions, and that it obtain statutory funding when the decision is made to add new roads (similar to Public Private Partnership highway projects).

Models for dedicated funding for new road maintenance are still being evaluated

3.76 In its 2016 update, the Department said:

The Department used a Multi-Criteria Analysis tool that takes into account the impact of on-going maintenance for new assets. Asset Management is also used to consider ongoing lifecycle liabilities and to propose appropriate rehabilitation schedules. DTI is evaluating models and best practices for dedicated funding.

Third non-implemented recommendation

3.77 We further recommended the Department's annual report clearly state the overall highway network condition by kilometer in each condition category the Department used, (currently very good, good, fair, and poor), with the intent of highlighting the short, medium, and long term impacts of not following Asset Management System projected funding recommendations. We also recommended the Department report the level of infrastructure debt caused by deferred capital maintenance in order to present a complete picture of the highway network status and the risk to safety and sustainability.

Information on bridge and road infrastructure debt still not reported publicly

3.78 In 2016, the Department stated:

DTI revised its annual report format for 2012-2013 and going forward will report on indicators identified on its Balanced Scorecard which includes compliance to asset management, percentage of poor roads, and percentage of bridges in poor condition. Further information such as the road and bridge infrastructure debt will be added.

3.79 We encourage the Department to continue to enhance its annual reporting to include all the components included in our recommendation.

Constituency Office Costs for Members of the Legislative Assembly and Executive Council

Office of the Clerk of the Legislative Assembly

Executive Council Office - 2011

- Why follow up 5 years after 2011 report?** **3.80** This work was completed in 2011, and would normally not be followed up on again in 2016. However, due to the importance of the outstanding recommendations in ensuring the accountability of Members of the Legislative Assembly (MLAs) to taxpayers, we have again followed up on this report.
- Audit objective** **3.81** Our objective for this work was:
To determine whether payments to Members of Executive Council and/or Members of the Legislative Assembly including allowances, reimbursements and related expenses are adequately supported and in accordance with Acts, Regulations, policies and other guidelines.
- Audit conclusion** **3.82** We concluded that while there was adequate authority for constituency office expenses, policy and guidelines for consistently approving, recording and reporting constituency office expenses needed improvement. In particular, we had concerns about management practices and operating procedures in place for Ministers' constituency office expenses paid by their departments.
- Two important recommendations from 2011 have still not been implemented** **3.83** We made five recommendations to the Legislative Assembly and/or Executive Council Office. Only three of those recommendations have been implemented to date. The two outstanding recommendations are discussed below.
- First non-implemented recommendation** **3.84** In our original 2011 report chapter, we recommended all constituency office costs be authorized, paid, recorded, monitored and reported through the Office of the Clerk of the Legislative Assembly.
- All Constituency office costs for Ministers are still not being authorized, paid, recorded, monitored and reported through the Office of the Clerk** **3.85** The following updates were received in 2016 from the Legislative Assembly and the Executive Council Office respectively.
The Legislative Assembly will continue to work with the Executive Council Office in an effort to consider and address any practical complexities which may require attention in order to facilitate and move forward with the

implementation of this recommendation.

Revisions to policies and guidelines will be delayed until such time as budgetary issues associated with the constituency expenses can also be addressed.

Second non-implemented recommendation

Total constituency costs claimed by each MLA, including Ministers, are still not publicly reported

3.86 We remain concerned that a full five years after this important recommendation was made by our Office, it has not been implemented. Implementation of this recommendation would help ensure constituency office cost guidelines are respected by all MLAs, including Ministers.

3.87 We also recommended the Legislative Assembly publicly report total constituency office costs claimed by each MLA, whether paid by the Clerk or a department.

3.88 In its 2016 update, the Legislative Assembly stated, *As previously noted, the full public reporting of Members' constituency office costs would be achieved once the full constituency office costs of all Members, including Members of the Executive Council, are authorized, paid and recorded through the Office of the Clerk of the Legislative Assembly. In the interim, the Legislative Assembly will consider the feasibility of reporting on total constituency office costs claimed by each Member, whether those costs are paid through the Office of the Clerk or through a department, and the requirements that may be necessary in consultation with the Executive Branch to achieve this reporting.*

3.89 We understand the Legislative Assembly has been waiting for the implementation of the previous recommendation to facilitate its implementation of this recommendation, and that the Office of the Clerk of the Legislative Assembly has no legal authority to require departments to provide information relating to expenses incurred by Ministers. However, we continue to believe that full public reporting of MLAs' constituency office costs would provide improved accountability. Consequently, we encourage the Legislative Assembly to implement this recommendation in cooperation with the Executive Council Office as soon as possible.

Department of Social Development

CMHC Social Housing Agreement - 2011

Why follow up 5 years after 2011 report?

3.90 This work was completed in 2011, and would normally not be followed up on again in 2016. However, due to the importance of the outstanding recommendation in ensuring the Province can continue to provide appropriate housing to New Brunswick residents in need, we have again followed up on our 2011 recommendations.

Objectives

3.91 Our objectives for this work were:

- 1. To prepare for the Legislative Assembly an analysis of the financial impact to the Province due to the decline of funding under the CMHC Social Housing Agreement; and*
- 2. To assess whether the Department manages and administers the program in accordance with four key requirements (in clause 6(b)) of the agreement related to managing and administering the portfolio. Those requirements included:*

- Maintain and enforce the principles and the key elements for each program in the portfolio;*
- Ensure that only targeted households are eligible to receive the benefit of CMHC funding;*
- Set standards of housing affordability, suitability and adequacy; and*
- Comply with all reporting requirements in this Agreement.*

Conclusions

3.92 We concluded there is a need for long term planning with policies and strategies to ensure the Province can provide and maintain social housing needs in New Brunswick once the Social Housing Agreement expires in 2034. Based on our analysis, the impact of the declining funding will be more and more evident in coming years, making it vital for the Department and the province to find solutions now to address impending challenges.

3.93 We further concluded the Department has met three of the four key requirements we examined with regards to managing and administering the program. The requirement to do a program evaluation every five years was not being met.

One recommendation still outstanding

3.94 We made two recommendations in our 2011 chapter, only one of which has been implemented.

Non-implemented recommendation

3.95 Our non-implemented recommendation was that the Department develop a comprehensive long-term plan to ensure the Province can continue to provide and maintain social housing. The plan should include an effective funding and financing strategy to address the declining condition of the housing stock.

3.96 Establishment of a long-term plan is an important step in ensuring the Department can continue to provide for provincial social housing needs in the future.

No comprehensive long-term plan for social housing has been developed, but it is on the Department's 2016-2017 work plan

3.97 The Department's 2016 update stated:

A key piece to developing a comprehensive long-term plan for social housing is the involvement of the federal government. The federal government recently announced a new social infrastructure fund to improve the quality and supply of affordable housing. It is anticipated the provinces will be key stakeholders consulted in the process of developing a Federal Housing Strategy. ... The development of a long-term strategy is part of the Department's work plan for the current year.

3.98 We are encouraged by the Department's update, and plan to check on the status of this recommendation again in 2017.

3.99 Exhibit 3.4 provides a full listing of our 2012 performance audit recommendations that have still not been implemented.

Exhibit 3.4 - Summary Status of 2012 Performance Audit Recommendations Not Implemented

| Department/ Commissions / Agency | Chapter Name | Year | Volume | Chapter | Paragraph | Recommendation | Status |
|--|-------------------------------|------|--------|---------|-----------|---|-----------------|
| Department of Health | Medicare- Payments to Doctors | 2012 | 2 | 2 | 42 | <p>We recommend the Department develop an action plan, with specific steps and timelines, to address the deficiencies identified by our work. The action plan is to include, but not be limited to, the following:</p> <ul style="list-style-type: none"> Improving the monitoring of doctor remuneration, including all methods of remuneration (Fee-For-Service, salary, sessional), total payments, and the cap and the “on-call group account” for salaried doctors. Improving the audit function by: expanding the audit coverage to include all Medicare payments; using a risk-based audit approach; ensuring the audit unit has the skill set and information needed; documenting procedures for authorizing, processing, recording and reviewing the reversal / repayment of recoveries; publicly reporting the actual performance of its audit function in comparison with targeted recoveries and providing a rationale for any variances; expanding the use of the Professional Review Committee, etc. Improving the Department’s enforcement of doctor compliance with legislation and departmental policies by establishing an enforcement policy and implementing ramifications for doctors who do not comply, such as those who over-charge, double bill for services relating to workplace injuries and those who do not shadow-bill. Ensuring claims submitted for radiology services comply with legislation and payments for those services are subject to the same payment controls, monitoring and auditing as other Fee-For-Service payments. Improving and automating the process of recovering Medicare payments relating to WorkSafeNB claims. | Not Implemented |
| | | 2012 | 2 | 2 | 43 | <p>Similar to other government reporting of employee compensation and vendor payments, and to provide better accountability, we recommend the Department publicly report total remuneration for each doctor, regardless of whether the doctor is paid via Fee-For-Service, salary, sessional or alternative payment arrangements.</p> | Not Implemented |
| | | 2012 | 2 | 2 | 44 | <p>To provide better accountability, we recommend the Department publicly report annually summary-level information on doctor remuneration, such as: total payments for each remuneration method (Fee-For-Service, salary, sessional, other), doctor remuneration by dollar range, doctor remuneration by specialty, etc.</p> | Not Implemented |

Exhibit 3.4 - Summary Status of 2012 Performance Audit Recommendations Not Implemented
(continued)

| Department/ Commissions / Agency | Chapter Name | Year | Volume | Chapter | Paragraph | Recommendation | Status |
|--|--|------|--------|---------|-----------|---|-----------------|
| Office of the Chief of Information Officer | EHealth – Procurement and Conflict of Interest | 2012 | 2 | 3 | 85 | <p>We recommend the Office of the Chief Information Officer develop and monitor compliance with a government-wide policy relating to the procurement, contracting and management of IT consultants. That policy should address and mitigate risks regarding procurement and conflict of interest of consultants, and clearly state when the use of internal IT resources is more appropriate. As a minimum, the policy should require that:</p> <ul style="list-style-type: none"> • the primary role of IT consultants be to provide specialized expertise to government, typically for development initiatives; • IT operations and maintenance work be in-sourced, with allowances made for knowledge transfer from private sector experts in the shorter term; • a competitive bidding process, in compliance with all pertinent government legislation, be followed for the selection of consultants; • any exemption from the competitive bidding process be properly authorized and made for sound business reasons defensible to the public; • there is sufficient in house government expertise to effectively oversee and manage the work of consultants before a project is started; • the opportunity for real or perceived conflict of interest on the part of contracted consultants is mitigated, in part by requiring that project managers, and members of key project committees be staffed exclusively with in-house resources; and • provincial remuneration levels for IT staff not act as a barrier to the ability of government to hire and retain needed internal IT resources on a permanent basis. | Not Implemented |

Exhibit 3.4 - Summary Status of 2012 Performance Audit Recommendations Not Implemented
(continued)

| Department/ Commissions / Agency | Chapter Name | Year | Volume | Chapter | Paragraph | Recommendation | Status |
|--|-------------------------|------|--------|---------|-----------|--|-----------------|
| Department of Environment and Local Government | Solid Waste Commissions | 2012 | 2 | 4 | 65 | We recommend all commissions provide up-to-date accountability information on their websites including, as a minimum, the following: <ul style="list-style-type: none"> • audited financial statements; • annual reports; • current commission tipping fees; and • the names of board members indicating which local government they represent. | Not Implemented |
| | | 2012 | 2 | 4 | 100 | We also recommend the Department design and implement additional extended producer responsibility programs to further reduce the volume of solid waste going to New Brunswick landfills. | Not Implemented |
| | | 2012 | 2 | 4 | 122 | We recommend the Department ensure challenging diversion goals are set for regional commissions. The Department should also monitor commission performance and ensure the degree of success by individual commissions in achieving their diversion goals is publicly reported. One option may be for commissions to report their diversion performance on their websites. | Not Implemented |
| | | 2012 | 2 | 4 | 139 | We recommend the Department ensure all construction and demolition debris disposal sites in the Province are physically inspected periodically to ensure they are accepting only materials specified in their Departmental certificate of approval to operate and identify and address other environmental concerns. Frequency of inspections of individual sites should be based upon a Departmental evaluation of the risk of non-compliance at individual disposal sites. | Not Implemented |
| | | 2012 | 2 | 4 | 145 | We recommend the Department develop and implement a plan, in agreement with individual commissions, covering ongoing government involvement in educating the public about solid waste matters. That involvement should focus on areas of province-wide concern. | Not Implemented |

Exhibit 3.4 - Summary Status of 2012 Performance Audit Recommendations Not Implemented
(continued)

| Department/ Commissions / Agency | Chapter Name | Year | Volume | Chapter | Paragraph | Recommendation | Status |
|---|---------------------------------|------|--------|---------|-----------|---|-----------------|
| Department of Transportation and Infrastructure | Capital Maintenance of Highways | 2012 | 2 | 5 | 126 | We recommend the Department complete the Road Surface policy (a policy that will guide decisions regarding the most appropriate and economical road surface given particular circumstances (i.e. chip seal versus asphalt)). Once complete, we recommend the Department incorporate the road surface selection process into the Asset Management System optimization model. | Not Implemented |
| | | 2012 | 2 | 5 | 130 | In order to ensure sustainability of the Province's highway network at the most economical cost, we recommend the Department include total lifecycle costs in all new road construction decisions. We also recommend the Department obtain statutory funding when the decision is made to add new roads (similar to Public-Private Partnership highway projects). | Not Implemented |
| | | 2012 | 2 | 5 | 180 | We recommend the Department's annual report clearly state the overall highway network condition by kilometer in each condition category the Department uses, (currently very good, good, fair, and poor), with the intent of highlighting the short, medium, and long term impacts of not following Asset Management System projected funding recommendations. We further recommend the Department report the level of infrastructure debt caused by deferred capital maintenance in order to present a complete picture of the highway network status and the risk to safety and sustainability. | Not Implemented |

**General
Comments on the
Implementation
of our
Recommendations**

3.100 As noted earlier, we encourage the Public Accounts and Crown Corporations Committees to use this chapter to hold government departments and Crown agencies accountable for implementing our performance audit recommendations. Exhibit 3.5 reports government's progress, in implementing our performance audit recommendations since 1999.

Exhibit 3.5 - Implementation of Performance Audit Recommendations

| Year | Number of Recommendations | Recommendations Implemented Within | | |
|------|---------------------------|------------------------------------|-------------|------------|
| | | Two years | Three years | Four years |
| 1999 | 99 | 35% | 42% | 42% |
| 2000 | 90 | 26% | 41% | 49% |
| 2001 | 187 | 53% | 64% | 72% |
| 2002 | 147 | 39% | 58% | 63% |
| 2003 | 124 | 31% | 36% | 42% |
| 2004 | 110 | 31% | 38% | 49% |
| 2005 | 89 | 27% | 38% | 49% |
| 2006 | 65 | 22% | 38% | N/A* |
| 2007 | 47 | 19% | N/A* | 45%** |
| 2008 | 48 | N/A* | 60%** | 57%**** |
| 2009 | 49 | 73%** | 73%*** | 74%**** |
| 2010 | 44 | 64%*** | 70%*** | 62%**** |
| 2011 | 24 | 71%*** | 79%*** | 63%**** |
| 2012 | 32 | 69%*** | 81%*** | 61%**** |
| 2013 | 44 | 65%*** | 61%*** | - |
| 2014 | 17 | 71%*** | - | - |

* N/A as no follow-up performed in 2010
** As self-reported by departments, commissions and agencies with confirmation by our Office in the Department of Justice and Consumer Affairs.
*** As self-reported by departments, commissions and agencies.
**** As self-reported by departments, commissions and agencies and reviewed for accuracy by our Office.

We are not satisfied with the implementation rate for our recommendations

3.101 Over 60% of performance audit recommendations have been implemented for each of the past few years, which is an improvement over historical implementation percentages. However, we are not satisfied with this implementation rate.

3.102 We are committed to continuing to work with departments, commissions and Crown agencies to develop sound, practical recommendations in all our performance audit reports. Also, we will continue to use our follow-up process as a means of providing encouragement and support for departments, commissions and Crown agencies to fully implement, on a timely basis, as many of our performance audit recommendations as possible.

Appendix A

Summary of Significant Projects Conducted in Departments and Crown Agencies over the Past Ten Years

The following is a list of value-for-money projects reported in a separate chapter of our annual Reports over the last ten years, organized by department and agency. The year of reporting is in brackets following the subject of the projects. The list is organized using the current name of the department or agency, even though in some cases the project was conducted prior to government reorganization.

Department of Agriculture, Aquaculture and Fisheries

Agricultural Fair Associations (2016)

This chapter examines whether there is adequate government oversight of New Brunswick Agricultural Associations.

Department of Education and Early Childhood Development

Provincial Testing of Students – Anglophone Sector (2009)

This chapter assesses the Department's strategic direction for its provincial testing of students in the Anglophone sector. It also assesses the Department's process of administering its provincial testing of students in the Anglophone sector.

Department of Environment and Local Government

Solid Waste Commissions (2012)

This chapter examines the governance, accountability and financial management of the twelve provincial solid waste commissions. It also addresses the Province's involvement in reducing the impacts of solid waste on the environment.

Wastewater Commissions (2011)

This chapter examines the governance, accountability and financial practices of the three largest wastewater commissions: the Greater Moncton Sewerage Commission, the Greater Shediac Sewerage Commission and the Fredericton Area Pollution Control Commission. The report

addresses concerns with respect to board governance, accountability and questionable financial practices of the Greater Moncton Sewerage Commission.

Environmental Trust Fund (2009)

This chapter examines whether the purpose of the Environmental Trust Fund is clearly established, and whether the Fund is measuring and reporting the achievement of its goals and objectives. It also examines whether the Fund is operating as intended with respect to grants.

Environmental Impact Assessment (2008)

This chapter examines whether the Department is carrying out its key roles and responsibilities under the NB Environmental Impact Assessment (EIA) Regulation and related Departmental guidelines with due regard for economy, efficiency and effectiveness. It also identifies key risks associated with the provincial EIA process and determines the extent to which those risks are being managed.

Executive Council Office

Constituency Office Costs for Members of the Legislative Assembly and Executive Council (2011)

This chapter reports observations, findings and recommendations regarding Members' constituency office costs with respect to the authority and management by both the Office of the Clerk of the Legislative Assembly and departments. It identifies positive features, as well as issues that need improvement to ensure proper stewardship and accountability.

Department of Finance

Agricultural Fair Associations (2016)

This chapter examines whether there is adequate government oversight of New Brunswick Agricultural Associations.

Atlantic Lottery Corporation (2016)

This volume examines whether Atlantic Lottery Corporation('s):

- governance structures and processes create a framework for effective governance and are working well;
- executive and employee compensation and benefits are appropriately managed;
- travel, hospitality, and board expenses are managed in a transparent manner that promotes the appropriate use of shareholder money;
- significant contracts are monitored to ensure services are received, and payments made, in accordance with contract terms;
- significant contracts are effective in meeting its objectives and achieving enterprise value; and
- procures required services in an efficient and economical manner.

Collection of Accounts Receivable (2013)

This chapter provides information on provincial policies and initiatives currently underway to improve the collection of accounts receivable, and our comments relating to those policies and initiatives.

Department of Government Services

Procurement of Goods and Services – Phase 1 (2013)

This chapter examines whether public purchasing practices used by the Department comply with key components of the regulatory framework and best practices, and if it publicly reports on the effectiveness of the procurement function.

Department of Health

Meat Safety – Food Premises Program (2016)

This chapter determines if the Department of Health monitors and enforces compliance with the legislation, regulations and policies in place to ensure the safety of meat for public consumption.

Nursing Homes (2016)

This chapter provides information on the current status of nursing homes. It looks at the current situation in the province concerning nursing homes and the capacity within the system to meet the growing demand for services.

Infection Prevention and Control in Hospitals (2015)

This chapter determines if the Department of Health and the Regional Health Authorities have an infection prevention and control program to protect people from hospital-acquired infections.

Medicare - Payments to Doctors (2012)

This chapter examines whether the Department of Health is maximizing its recovery of incorrect Medicare payments to doctors, through the practitioner audit function. It also highlights unusual items that warrant further investigation by the Department.

EHealth – Procurement and Conflict of Interest (2012)

This chapter examines the government procurement policy for purchases of services related to the E-Health initiative. It also examines whether a conflict of interest exists in the use of consultants.

Program Evaluation (2007)

This chapter examines whether adequate systems and practices have been established to regularly evaluate programs funded by the Department of Health.

Department of Justice and Public Safety

Public Trustee Services (2016)

This chapter examines whether the Public Trustee properly safeguards and administers client assets held in trust, whether the Public Trustee's processes for making care decisions on behalf of its clients are in accordance with legislation and policies, and whether the Public Trustee publicly reports on the performance of its services.

Agricultural Fair Associations (2016)

This chapter examines whether there is adequate government oversight of New Brunswick Agricultural Associations.

Superintendent of Credit Unions (2008)

This chapter examines whether the Superintendent of Credit Unions is fulfilling his duties and responsibilities to oversee the financial stability and solvency of credit unions and caisses populaires for the protection of New Brunswick depositors.

New Brunswick Credit Union Deposit Insurance Corporation (2007)

This chapter examines whether the New Brunswick Credit Union Deposit Insurance Corporation has adequate structures, processes and procedures in place to fulfill its obligation to protect the deposits of members of credit unions and caisses populaires in New Brunswick.

Legislative Assembly

Constituency Office Costs for Members of the Legislative Assembly and Executive Council (2011)

This chapter reports observations, findings and recommendations regarding Members' constituency office costs with respect to the authority and management by both the Office of the Clerk of the Legislative Assembly and departments. It identifies positive features, as well as issues that need improvement to ensure proper stewardship and accountability.

Department of Natural Resources

Silviculture (2015)

This chapter determines whether the Department is meeting its responsibilities to enhance the quality and quantity of future timber supply through silviculture and acquires silviculture services with due regard for economy and efficiency.

Private Wood Supply (2015)

This chapter determines whether the Department is meeting its responsibilities respecting timber supply from private woodlots and if the New Brunswick Forest Products Commission provides adequate oversight of Forest Products Marketing Boards.

Timber Royalties (2008)

This chapter describes timber royalties and the processes and requirements surrounding them. It also examines whether the Department is complying with its legislated requirements.

Wildlife Trust Fund (2007)

This chapter reports the results of an audit of a sample of grants issued by the fund and our testing of the conservation revenue fee.

Department of Post-Secondary Education, Training and Labour

Immigration with the Provincial Nominee Program (2010)

This chapter examines whether the Population Growth Secretariat has identified and documented significant planning measures for New Brunswick's Provincial Nominee Program. It also examines whether the Secretariat has adequate processes and controls for delivering the Provincial Nominee Program in New Brunswick, and if it supports the program in achieving its objective "to increase the economic benefits of immigration to New Brunswick." Finally, it examines whether the Secretariat measures performance for the Provincial Nominee Program and if it publicly reports the program's performance.

Adult Literacy Services (2008)

This chapter examines the Department's strategic direction, control procedures, and performance measurement and reporting for its adult literacy support.

Private Occupational Training Act (2007)

This chapter examines whether the Department, and the New Brunswick Private Occupational Training Corporation, are fulfilling their mandate to provide effective consumer protection to students of private occupational training organizations in New Brunswick.

Department of Social Development

Nursing Homes (2016)

This chapter provides information on the current status of nursing homes. It looks at the current situation in the province concerning nursing homes and the capacity within the system to meet the growing demand for services.

Foster Homes (2013)

This chapter examines whether the Department complies with its documented foster home standards, and if it publicly reports on the effectiveness of its Children's Residential Services program.

CMHC Social Housing Agreement (2011)

This chapter examines the future of the financial impact to the Province due to the decline of funding under the CMHC Social Housing Agreement; and assesses whether the Department managed and administered the programs in accordance with four key agreement requirements.

Review of Nursing Home Contract with Shannex Inc. (2009)

This chapter examines various questions surrounding the contract with Shannex Inc. to supply nursing home beds.

Department of Tourism, Heritage and Culture

New Brunswick Art Bank (2010)

Our objective for this project was to ensure that all art works acquired for the provincial Art Bank can be accounted for and are being adequately protected, maintained and conserved.

Department of Transportation and Infrastructure

Provincial Bridges (2013)

This chapter examines whether the Department performs bridge inspections in accordance with accepted professional standards and used the inspection results to identify and prioritize necessary capital maintenance and other remedial measures. The chapter also examines whether the Department maintains the service level of its bridge inventory based on a long term least life cycle cost approach, and whether it publicly reports on the condition of designated Provincial bridges and the effectiveness of its bridge inspection activities.

Premixed Asphalt Procurement (2013)

This chapter discusses our planned project to determine if the Department's exempt purchases of pre-mixed asphalt are being made with due regard of economy and transparency, and the reasons why we chose to temporarily defer this project.

Capital Maintenance of Highways (2012)

This chapter examines whether capital road repairs, identified as necessary by the Department, are made on a timely basis.

Public-Private Partnership: Eleanor W. Graham Middle School and Moncton North School (2011)

This chapter examines the process for identifying the two school project as potential P3 agreements and evaluates the value for money assessment on which the Department's decision to recommend the P3 approach for the two school project was based.

Review of Nursing Home Contract with Shannex Inc. (2009)

This chapter examines various questions surrounding the contract with Shannex Inc. to supply nursing home beds.

Government-wide projects

Office of the Chief Information Officer Data Centre Power Interruption (2014)

This chapter examines the events and circumstances surrounding the data centre outage of 9 June 2014. It reports findings on the impact to government operations and the level of emergency preparedness of IT operations. It provides recommendations on improvements to business continuity and disaster recovery planning as well as defining roles and responsibilities of those involved in providing IT services.

Review of Departmental Annual Reports (2008)

Our primary objective for this project was to determine the degree to which departmental annual reports and our government's reporting on performance could be improved by applying state-of-the-art principles. Our secondary objective was to determine what enhancements might be recommended for the Province's annual report policy.

Crown Agency and Crown Corporation Projects

Atlantic Lottery Corporation (2016) New Brunswick Lotteries and Gaming Corporation

This volume examines whether Atlantic Lottery Corporation's:

- governance structures and processes create a framework for effective governance and are working well;
- executive and employee compensation and benefits are appropriately managed,
- travel, hospitality, and board expenses are managed in a transparent manner that promotes the appropriate use of shareholder money;
- significant contracts are monitored to ensure services are received, and payments made, in accordance with contract terms;
- significant contracts are effective in meeting its objectives and achieving enterprise value; and
- services are procured in an efficient and economical manner.

Legal Aid Services Commission Public Trustee Services (2016)

This chapter examines whether the Public Trustee properly safeguards and administers client assets held in trust, whether the Public Trustee's processes for making care decisions on behalf of its clients are in accordance with legislation and policies, and whether the Public Trustee publicly reports on the performance of its services.

Service New Brunswick Agricultural Fair Associations (2016)

This chapter examines whether there is adequate government oversight of New Brunswick Agricultural Associations.

Service New Brunswick (formerly New Brunswick Internal Services Agency) Data Centre Power Interruption (2014)

This chapter examines the events and circumstances surrounding the data centre outage of 9 June 2014. It reports findings on the impact to government operations and the level of emergency preparedness of IT operations. It provides recommendations on improvements to business continuity and disaster recovery planning as well as defining roles and responsibilities of those involved in providing IT services.

New Brunswick Investment Management Corporation Investment Performance and Cost Analysis (2008)

This chapter looks at some indicators of the New Brunswick Investment Management Corporation's investment performance, and provides an analysis of the costs of the organization.

New Brunswick Liquor Corporation **Agency stores (2010)**

This chapter examines whether the New Brunswick Liquor Corporation has appropriate control procedures for its agency store program.

NB Power

Point Lepreau Generating Station Refurbishment – Phase II (2014)

This chapter assesses the reasonableness of key project costs of the Point Lepreau Generating Station Refurbishment Project.

Point Lepreau Generating Station Refurbishment – Phase I (2013)

This chapter describes key aspects of NB Power's planning and execution of the Point Lepreau refurbishment, and presents summaries of amounts making up the \$1.4 billion asset account and the \$1.0 billion deferral account related to the refurbishment.

Opportunities NB

Financial Assistance to Atcon Holdings Inc. and Industry (2015)

This chapter assesses whether the government exercised due diligence in granting financial assistance to the Atcon group of companies and determines if provincial government organizations coordinate the provision of assistance to industry to limit provincial exposure. It also determines whether the Department has implemented recommendations made in previous performance audits of assistance it provides to industry as well as the effectiveness of the Department's public reporting of the financial assistance it provides.

Financial Assistance to Industry (2010)

This chapter assesses whether the Department has adequate procedures in place to measure and report on the effectiveness of the financial assistance it provides to industry.

New Brunswick Innovation Foundation (2009)

This chapter examines whether governance structures and practices established by the Department in connection with the delivery of innovation funding through the New Brunswick Innovation Foundation ensure accountability and protection of the public interest.

Regional Health Authorities – Horizon and Vitalité Health Networks

Infection Prevention and Control in Hospitals (2015)

This chapter determines if the Department of Health and the Regional Health Authorities have an infection prevention and control program to protect people from hospital-acquired infections.

Appendix B
Detailed Status Report of
Recommendations
Since 2012

| Chapter Name | Department/ Agency | Year | Volume | Chapter | Par. | Recommendation | Self Reported Status |
|------------------------------|--------------------|------|--------|---------|------|---|----------------------|
| Medicare Payments to Doctors | Health | 2012 | 2 | 2 | 42 | <p>We recommend the Department develop an action plan, with specific steps and timelines, to address the deficiencies identified by our work. The action plan is to include, but not be limited to, the following:</p> <ul style="list-style-type: none"> Improving the monitoring of doctor remuneration, including all methods of remuneration (Fee-For-Service, salary, sessional), total payments, and the cap and the “on-call group account” for salaried doctors. Improving the audit function by: expanding the audit coverage to include all Medicare payments; using a risk-based audit approach; ensuring the audit unit has the skill set and information needed; documenting procedures for authorizing, processing, recording and reviewing the reversal / repayment of recoveries; publicly reporting the actual performance of its audit function in comparison with targeted recoveries and providing a rationale for any variances; expanding the use of the Professional Review Committee, etc. Improving the Department’s enforcement of doctor compliance with legislation and departmental policies by establishing an enforcement policy and implementing ramifications for doctors who do not comply, such as those who over-charge, double bill for services relating to workplace injuries and those who do not shadow-bill. Ensuring claims submitted for radiology services comply with legislation and payments for those services are subject to the same payment controls, monitoring and auditing as other Fee-For-Service payments | Not Implemented |

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| Medicare Payments to Doctors | Health | 2012 | 2 | 2 | 42 | <ul style="list-style-type: none"> Improving and automating the process of recovering Medicare payments relating to WorkSafeNB claims. | Not Implemented |
| Medicare Payments to Doctors | Health | 2012 | 2 | 2 | 43 | Similar to other government reporting of employee compensation and vendor payments, and to provide better accountability, we recommend the Department publicly report total remuneration for each doctor, regardless of whether the doctor is paid via Fee-For-Service, salary, sessional or alternative payment arrangements. | Not Implemented |
| Medicare Payments to Doctors | Health | 2012 | 2 | 2 | 44 | To provide better accountability, we recommend the Department publicly report annually summary-level information on doctor remuneration, such as: total payments for each remuneration method (Fee-For-Service, salary, sessional, other), doctor remuneration by dollar range, doctor remuneration by specialty, etc. | Not Implemented |

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| EHealth – Procurement and Conflict of Interest | Health | 2012 | 2 | 3 | 50 | <p>The findings in the OoC’s report are consistent with ours. Recommendations regarding the procurement process from the OoC’s report are applicable to our findings as well. The OoC’s recommendations included:</p> <ul style="list-style-type: none"> • Contract managers should ensure that the requirements of the <i>Public Purchasing Act</i> are followed. Documentation should be maintained supporting Minister’s exemptions particularly when the exemption for Specific Skills or Sole Source of supply is used. • A purchase order should be obtained prior to the payment of any amounts and the value of the purchase order should not be exceeded. • A signed statement of work should always be obtained prior to the commencement of the project. • When contracts are negotiated and signed with vendors, only contracts drafted by PNB should be utilized. Vendor contracts should not be used. | Implemented |

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| EHealth – Procurement and Conflict of Interest | Health | 2012 | 2 | 3 | 51 | <p>In addition to the recommendations made by the OoC, we recommend:</p> <ul style="list-style-type: none"> To avoid frequent contract amendments, the Department of Health adequately plan and define the scope, deliverables, timelines and costs for each IT contract and complete all required documentation before signing contracts or allowing work to commence; and In the event contract amendments are required, the Department of Health properly prepare and approve change requests and amendments to original contract agreements. | Implemented |
| EHealth – Procurement and Conflict of Interest | Health | 2012 | 2 | 3 | 69 | <p>In general, the findings in the OoC's report were consistent with ours. The OoC's recommendations related to conflict of interest are applicable to our findings in this area as well. The OoC's recommendations included:</p> <ul style="list-style-type: none"> Employees and contractors should sign off as having read and understood AD-2915 (Conflict of Interest) on an annual basis. For employees, this could be incorporated as part of their annual performance review. As stated in AD-2915 employees must advise the Senior Executive Officer of any conflict of interest situation in which they find themselves. Documentation should be maintained. Managers and directors should familiarize themselves with the meaning and definition of an "apparent conflict of interest". A suggested reading could be the document on this topic published by the Treasury Board of Canada Secretariat. | Implemented |

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| EHealth – Procurement and Conflict of Interest | Health | 2012 | 2 | 3 | 69 | <ul style="list-style-type: none"> Contractors should not occupy management positions within the department. Where the situation is unavoidable, the contractor should be strictly limited to the financial information which they can access particularly with respect to competitor’s information. Where contractors are members of project steering committees, they should not take part in any discussions surrounding the contracting/outsourcing of any work for the project. Contractors should be required to disclose business relationships with other contractors working in the department when a partnership or joint venture type relationship exists. If a Project Manager or member of a Steering Committee is a contractor and also a partner or principal of a consulting firm, the department should refrain from hiring other contractors from the same company on the project. | Implemented |
| EHealth – Procurement and Conflict of Interest | Health | 2012 | 2 | 3 | 70 | We recommend the Department of Health develop and implement a plan to eliminate reliance on consultants serving as project managers and prohibit consultants from serving as members of RFP evaluation committees or project steering committees. | Implemented |
| EHealth – Procurement and Conflict of Interest | Health | 2012 | 2 | 3 | 81 | We recommend the Department of Health develop and implement a plan to in-source all IT operation and maintenance functions over the next two years. | Implemented |

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| EHealth – Procurement and Conflict of Interest | Office of the Chief Information Officer | 2012 | 2 | 3 | 85 | <p>We recommend the Office of the Chief Information Officer develop and monitor compliance with a government-wide policy relating to the procurement, contracting and management of IT consultants. That policy should address and mitigate risks regarding procurement and conflict of interest of consultants, and clearly state when the use of internal IT resources is more appropriate. As a minimum, the policy should require that:</p> <ul style="list-style-type: none"> • the primary role of IT consultants be to provide specialized expertise to government, typically for development initiatives; • IT operations and maintenance work be in-sourced, with allowances made for knowledge transfer from private sector experts in the shorter term; • a competitive bidding process, in compliance with all pertinent government legislation, be followed for the selection of consultants; • any exemption from the competitive bidding process be properly authorized and made for sound business reasons defensible to the public; • there is sufficient in house government expertise to effectively oversee and manage the work of consultants before a project is started; • the opportunity for real or perceived conflict of interest on the part of contracted consultants is mitigated, in part by requiring that project managers, and members of key project committees be staffed exclusively with in-house resources; and • provincial remuneration levels for IT staff not act as a barrier to the ability of government to hire and retain needed internal IT resources on a permanent basis. | Not Implemented |

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| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 49 | We recommend the Department of Environment and Local Government include a dispute resolution mechanism in the planned Solid Waste Commissions Regulation under the <i>Regional Service Delivery Act</i> to address situations where a commission board has been unable to obtain the two-thirds majority needed to approve an annual budget, commission borrowing, or the election of board officers. | Implemented |
| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 51 | We recommend the Province, through the Minister of Environment and Local Government, ensure future appointments of local service district representatives to the new Regional Delivery Commission boards are made within three months of a vacancy occurring. | Implemented |
| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 58 | We recommend each new Regional Delivery Commission adopt the following good governance practices: <ul style="list-style-type: none"> • document the roles and responsibilities of their board, individual board members, and board executive members; • document and approve terms of reference for each of their board committees; • provide all new board members with orientation sessions; • document a code of conduct for board, management and staff; and • create a governance committee of the board to oversee the development and implementation of good governance practices. | Implemented |

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| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 65 | <p>We recommend all commissions provide up-to-date accountability information on their websites including, as a minimum, the following:</p> <ul style="list-style-type: none"> • audited financial statements; • annual reports; • current commission tipping fees; and • the names of board members indicating which local government they represent. | Not Implemented |
| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 79 | <p>We recommend commissions negotiating solid waste transfer agreements in future consider:</p> <ul style="list-style-type: none"> • what direct and administrative costs are being incurred by landfill commissions in providing service to transfer station commissions; and • how these costs may be most fairly allocated in establishing landfill tipping fees under the agreement. | N/A |
| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 80 | <p>We recommend Transfer Station Commissions investigate the potential for cost savings by shipping their solid waste to alternative provincial landfills, prior to renewing their existing transfer agreements.</p> | Implemented |
| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 99 | <p>We recommend the Department finalize and request government approval for additions to the Designated Materials Regulation covering used oil, glycol, and e-waste.</p> | Implemented |
| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 100 | <p>We also recommend the Department design and implement additional extended producer responsibility programs to further reduce the volume of solid waste going to New Brunswick landfills.</p> | Not Implemented |

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| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 122 | We recommend the Department ensure challenging diversion goals are set for regional commissions. The Department should also monitor commission performance and ensure the degree of success by individual commissions in achieving their diversion goals is publicly reported. One option may be for commissions to report their diversion performance on their websites. | Not Implemented |
| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 123 | We also recommend the Department support the delivery of enhanced diversion programs by regional solid waste commissions to help them meet their diversion goals. | Implemented |
| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 135 | Given the environmental risks and financial costs associated with illegal dumping, we recommend the Department develop a standardized compliance and enforcement approach to better manage illegal dumping in the Province. | Implemented |
| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 139 | We recommend the Department ensure all construction and demolition debris disposal sites in the Province are physically inspected periodically to ensure they are accepting only materials specified in their Departmental certificate of approval to operate and identify and address other environmental concerns. Frequency of inspections of individual sites should be based upon a Departmental evaluation of the risk of non-compliance at individual disposal sites. | Not Implemented |
| Solid Waste Commissions | Environment and Local Government | 2012 | 2 | 4 | 145 | We recommend the Department develop and implement a plan, in agreement with individual commissions, covering ongoing government involvement in educating the public about solid waste matters. That involvement should focus on areas of province-wide concern. | Not Implemented |

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| Capital Maintenance of Highways | Transportation and Infrastructure | 2012 | 2 | 5 | 78 | We recommend, in order to optimize decisions and reduce long term costs from asset management, the Department prioritize the addition of all significant asset categories not currently modeled in the system with timelines for their inclusion. | Implemented |
| Capital Maintenance of Highways | Transportation and Infrastructure | 2012 | 2 | 5 | 83 | We recommend the Department report on roads that are in very poor condition and develop optimization targets specific to that category of roads within the Asset Management System. | Implemented |
| Capital Maintenance of Highways | Transportation and Infrastructure | 2012 | 2 | 5 | 89 | We recommend the Department further enhance the Asset Management System to incorporate non-road condition based factors such as traffic counts, safety indicators, and environmental concerns that significantly impact project selection. | Implemented |
| Capital Maintenance of Highways | Transportation and Infrastructure | 2012 | 2 | 5 | 114 | We recommend the Department establish guidelines to govern projects selected outside the Asset Management System and document the rationale and benefits of these projects against the Asset Management System optimization criteria. | Implemented |
| Capital Maintenance of Highways | Transportation and Infrastructure | 2012 | 2 | 5 | 115 | We recommend the Department, in its annual report, communicate the implications of selecting and completing projects that do not meet Asset Management System optimization criteria. | Implemented |
| Capital Maintenance of Highways | Transportation and Infrastructure | 2012 | 2 | 5 | 118 | We recommend the Department provide sufficient training for additional staff to be competent in utilizing the Asset Management System. Training should include, but not be limited to, knowledge of optimization process rules. | Implemented |

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| Capital Maintenance of Highways | Transportation and Infrastructure | 2012 | 2 | 5 | 126 | We recommend the Department complete the Road Surface policy (a policy that will guide decisions regarding the most appropriate and economical road surface given particular circumstances (i.e. chip seal versus asphalt)). Once complete, we recommend the Department incorporate the road surface selection process into the Asset Management System optimization model. | Not Implemented |
| Capital Maintenance of Highways | Transportation and Infrastructure | 2012 | 2 | 5 | 130 | In order to ensure sustainability of the Province's highway network at the most economical cost, we recommend the Department include total lifecycle costs in all new road construction decisions. We also recommend the Department obtain statutory funding when the decision is made to add new roads (similar to Public-Private Partnership highway projects). | Not Implemented |
| Capital Maintenance of Highways | Transportation and Infrastructure | 2012 | 2 | 5 | 179 | We recommend the Department develop effective program performance measures for its stated goals and objectives that include specific, relevant targets against which performance can be measured. | Implemented |
| Capital Maintenance of Highways | Transportation and Infrastructure | 2012 | 2 | 5 | 180 | We recommend the Department's annual report clearly state the overall highway network condition by kilometer in each condition category the Department uses, (currently very good, good, fair, and poor), with the intent of highlighting the short, medium, and long term impacts of not following Asset Management System projected funding recommendations. We further recommend the Department report the level of infrastructure debt caused by deferred capital maintenance in order to present a complete picture of the highway network status and the risk to safety and sustainability. | Not Implemented |

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| Long Term Infrastructure Sustainability Plan | Transportation and Infrastructure | 2013 | 2 | 1 | 1 | <p>We recommend the Department of Transportation and Infrastructure develop and implement a comprehensive long-term infrastructure plan that will ensure the sustainability and safety of highways, hospitals, schools, bridges, and other essential provincial infrastructure while respecting the fiscal challenges faced by the Province.</p> <p>Key elements of the plan should include:</p> <ol style="list-style-type: none"> 1. the rationalization of assets (i.e. if not considered essential, remove from service and dispose in an appropriate manner); 2. a long term approach to budgeting which includes life cycle maintenance of capital assets; 3. a protected stream of a base level of funding determined necessary to adequately maintain assets in service; 4. a 20 year planning horizon; 5. a process whereby new assets are constructed only when there is a business case to support the need. This should include redirecting savings from rationalized assets to the new asset life cycle maintenance costs; 6. apply the current DTI strategy and asset management system to all essential assets. This would result in a corporate approach which applies the least cost lifecycle prioritization to all essential assets; 7. provide annual public performance reporting, which includes the actual physical condition of our essential assets versus pre-established targets, explaining the reason for any significant variances; and 8. a process or mechanism that ensures fiscal discipline is adhered to over the long-term (such as legislative change, statutory funding, contractual arrangements). | Not implemented |
| Foster Homes | Social Development | 2013 | 2 | 2 | 57 | We recommend the Department of Social Development establish standards for contracting with foster families. | Not Implemented |

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| Foster Homes | Social Development | 2013 | 2 | 2 | 58 | We recommend the Department of Social Development amend its standards to provide comprehensive and consistent direction for approving and monitoring provisional (foster) homes. | Implemented |
| Foster Homes | Social Development | 2013 | 2 | 2 | 72 | We recommend the Department of Social Development comply with its documented foster home standards for providing a safe and secure environment for children who have to be separated from their families. | Implemented |
| Foster Homes | Social Development | 2013 | 2 | 2 | 86 | We recommend the Department of Social Development implement regular monitoring procedures for both regional and central office to ensure compliance with its standards. The procedures could include, but not necessarily be limited to, the following: <ul style="list-style-type: none"> • a periodic review of a sample of files to determine compliance with standards; and • a regular review of “expired approval dates” recorded in the electronic information system, with follow-up to ensure the foster family’s annual review is completed on time. | Implemented |
| Foster Homes | Social Development | 2013 | 2 | 2 | 107 | We recommend the Department of Social Development develop a long-term strategy to ensure sufficient appropriate foster homes are available to meet regional needs and to help meet, “The Children's Residential Services program primary goal ... to ensure consistent, high quality residential services to children who are in the temporary or permanent care of the Minister.” | Implemented |

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| Foster Homes | Social Development | 2013 | 2 | 2 | 122 | We recommend the Department of Social Development review all rates and funding relating to foster homes and propose changes to Government as appropriate to eliminate any disincentive to current or prospective foster parents. This should be completed within twelve months of the release of our report. | Implemented |
| Foster Homes | Social Development | 2013 | 2 | 2 | 123 | We recommend the Department of Social Development review rates and funding relating to foster homes on a regular and ongoing basis. | Implemented |
| Foster Homes | Social Development | 2013 | 2 | 2 | 124 | We recommend the Department of Social Development take steps to increase the awareness of costs available for reimbursement to foster families. | Not Implemented |
| Foster Homes | Social Development | 2013 | 2 | 2 | 125 | We recommend the Department of Social Development be consistent in the amounts reimbursed to foster families. | Implemented |
| Foster Homes | Social Development | 2013 | 2 | 2 | 129 | We recommend the Department of Social Development reconcile its foster family information (statistics, data, names) with each of the regions on a regular basis to ensure information used by central office for program planning is complete and accurate. | Implemented |
| Foster Homes | Social Development | 2013 | 2 | 2 | 134 | We recommend the Department of Social Development publicly report on the effectiveness of its Children's Residential Services program. Such performance information should be included in the Department's annual report and on its website. | Implemented |

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| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 46 | We recommend the Department document its bridge inspection processes in a single comprehensive manual. | Not Implemented |
| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 47 | We recommend the Department have readily accessible to all staff the most current and complete copy of any manual or other documentation referenced in the inspection process. | Implemented |
| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 62 | We recommend the Department follow the Ontario Structures Inspection Manual guidelines for reporting bridge component deterioration and record the quantitative information such as the width and extent of cracks in the inspection reports. The recording of actual quantities of the defects leads to a better estimation of rehabilitation needs. | Not Implemented |
| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 63 | We recommend the Department include suggested completion dates within the maintenance recommendations in the inspection reports. This will provide additional detailed information for use by senior department officials and members of the Legislative Assembly, inventory data analysis and performance reporting. | Implemented |
| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 69 | We recommend the Department add a severity rating component to their material rating process similar to the Ontario Structures Inspection Manual. Standardized material ratings should be used. | Not Implemented |
| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 75 | We recommend the Department standardize the use of priority codes within the inspection reporting process. | Not Implemented |

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| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 79 | <p>We recommend the Department implement and document a formal quality control and assurance procedure for inspections and reporting. In conjunction with this, the Department should formalize supervision of the inspection team by a qualified structural engineer. This could include, but not be limited to:</p> <ul style="list-style-type: none"> • documented review by a professional engineer of a random sample of completed bridge inspection reports and photo files; • direct observation; and • re-performance of field inspections. | Implemented |
| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 88 | We recommend the Department establish guidelines for bridge repair and replacement project selection and document the rationale for the projects selected. | Not Implemented |
| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 104 | We recommend the Department clearly define the least life cycle cost for a bridge and adopt this approach in prioritizing all capital bridge work, as stated in the Department's Bridges and Culverts Asset Management Plan. | Not Implemented |
| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 115 | We recommend the Department publicly report the Bridge Condition Index of all designated Provincial bridges on an annual basis. | Implemented |
| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 116 | We recommend the Department have measurable objectives relating to the condition of Provincial bridges. Such objectives might include setting a target Bridge Condition Index. | Implemented |

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| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 124 | We recommend the Department set targets for its bridge inspection program and publicly report the targets, actual results and the rationale for variances in its annual report. | Implemented |
| Provincial Bridges | Transportation and Infrastructure | 2013 | 2 | 3 | 136 | The Department should develop and implement a long term plan to address current and expected future funding shortfalls in ordinary and capital bridge maintenance. This plan should be communicated annually during the capital budget process in order to appropriately inform senior officials and Cabinet Ministers. | Implemented |
| Procurement of Goods and Services – Phase I | Government Services | 2013 | 2 | 4 | 58 | We recommend the DGS (Department of Government Services) ensure that provincial regulation, policies and practices are internally consistent, and are consistent with trade agreements signed by the Province. | Implemented |
| Procurement of Goods and Services – Phase I | Government Services | 2013 | 2 | 4 | 71 | We recommend the DGS (Department of Government Services) require the use of the NBO system by client departments or implement a mechanism to accurately capture contract of supply draw down information and changes to purchase orders. | Implemented |
| Procurement of Goods and Services – Phase I | Government Services | 2013 | 2 | 4 | 72 | We recommend the DGS (Department of Government Services) establish a plan to undertake periodic reviews of significant contracts to ensure all of the benefits such as discounted pricing of the contract are received by government entities and vendors meet their contracted obligations. | Implemented |

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| Procurement of Goods and Services – Phase I | Government Services | 2013 | 2 | 4 | 79 | We recommend the DGS (Department of Government Services) modernize and update the procurement policy and procedural framework used by government to include the establishment of a policy defining the roles and responsibilities of the entities involved in critical procurement functions, particularly between DGS as the central agency and client departments. | Implemented |
| Procurement of Goods and Services – Phase I | Government Services | 2013 | 2 | 4 | 85 | We recommend the DGS (Department of Government Services) develop an exemption approval policy that balances procurement risk and value against timeframe considerations to better meet client department and DGS approval requirements. | Implemented |
| Procurement of Goods and Services – Phase I | Government Services | 2013 | 2 | 4 | 118 | We recommend the DGS (Department of Government Services): <ul style="list-style-type: none"> design criteria effective in determining when significant procurements should fall under the <i>Public Purchasing Act</i>, adhere to the criteria, and establish procedures to ensure this decision is supported and documented; design an effective review process to ensure that no single individual can complete the evaluation of a procurement project and award a purchase order; and enforce compliant procurement practices and ensure adequate file documentation is maintained to demonstrate compliance with the Act, regulations, and policy. | Implemented |
| Procurement of Goods and Services – Phase I | Government Services | 2013 | 2 | 4 | 129 | We recommend the DGS (Department of Government Services) ensure all of the required information is included with exemption requests to provide sufficient support for their approval. | Implemented |

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| Procurement of Goods and Services – Phase I | Government Services | 2013 | 2 | 4 | 163 | <p>We recommend the DGS create best practice policies and procedural guidelines including but not limited to:</p> <ul style="list-style-type: none"> enhancing the role of the procurement specialist to include the level of involvement in critical functions such as mandatory site visits and membership on Request for Proposal (RFP) evaluation committees; improving records management practices to ensure consistency, completeness, and adequate decision support for vendor debriefing sessions, final contracts, and RFP bid evaluations to address issues such as: <ul style="list-style-type: none"> missing and incomplete evaluation documents; potential conflict of interest situations; and enhancing continuous improvement processes to improve forward planning by including practices such as soliciting vendor and client department feedback, completing procurement summaries and vendor performance reports, and undertaking periodic file reviews. | Not Implemented |
| Procurement of Goods and Services – Phase I | Government Services | 2013 | 2 | 4 | 171 | <p>We recommend the DGS publicly report on the goals, objectives, performance targets and actual results achieved by the Strategic Procurement business unit with explanations for any variances between actual results and targets.</p> | Not Implemented |
| Collection of Accounts Receivable | Finance | 2013 | 2 | 5 | 49 | <p>We recommend departments identify those accounts at risk of becoming statute-barred and implement collection procedures in order to maximize their collection prior to the expiry of the May 2016 standstill provision.</p> | Not Implemented |

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| Collection of Accounts Receivable | Finance | 2013 | 2 | 5 | 61 | We recommend departments share debtor contact information, where legislation permits (for example, the <i>Family Income Security Act</i> or <i>Right to Information and Protection of Privacy Act</i>), for the purpose of collecting accounts receivable. | Not Implemented |
| Collection of Accounts Receivable | Post-Secondary Education, Training, and Labour | 2013 | 2 | 5 | 77 | Given the recent rapid growth in the student loans Return to Government portfolio and the limited resources of the Portfolio Debt Management group, we recommend the Department of Post-Secondary Education Training and Labour continue to develop, in conjunction with the central collection unit, a collection strategy for the Return to Government portfolio including establishing collection targets and active monitoring of targets. | Not Implemented |
| Collection of Accounts Receivable | Post-Secondary Education, Training, and Labour | 2013 | 2 | 5 | 81 | We recommend the Department of Post-Secondary Education, Training and Labour register employment program overpayments with the Canada Revenue Agency Refund Set-off Program. | Not Implemented |
| Collection of Accounts Receivable | Economic Development (Opportunities NB) | 2013 | 2 | 5 | 88 | To improve the recovery of loans receivable from businesses, we recommend that independent expertise in collection of business accounts be engaged to assist either the Department of Economic Development or the central collection unit. The expert engagement should include the development of an action plan to address the historic high delinquency rate of economic development loans to businesses. | Implemented |

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| Collection of Accounts Receivable | Agriculture, Aquaculture and Fisheries | 2013 | 2 | 5 | 99 | We recommend a matching process be undertaken to identify provincial employees with past due accounts for veterinary services or with any other amounts in arrears. Payment arrangements should be established or payroll set-off applied. In the future, departments should collect a “unique identifier” from individuals in order to facilitate recovery (through matching) should default occur. | Not Implemented |
| Collection of Accounts Receivable | Finance | 2013 | 2 | 5 | 105 | We recommend the Department of Finance complete its work to routinely register overdue property tax receivable accounts with the Canada Revenue Agency Refund Set-off Program. | Implemented |
| Collection of Accounts Receivable | Education and Early Childhood Development | 2013 | 2 | 5 | 124 | Given the current five year Enhanced Agreements with First Nations are ending in 2013, we recommend the Aboriginal Affairs Secretariat and the Department of Education and Early Childhood Development establish payment arrangements for all arrears owing prior to the signing of new Enhanced Agreements. Reinvestment of provincial funds (under the new Agreements) should not take place until payment arrangements have been negotiated. | Implemented |
| Collection of Accounts Receivable | Finance | 2013 | 2 | 5 | 129 | We recommend the Department of Finance establish collection guidelines to ensure equitable treatment of debtors. | Not Implemented |

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| Point Lepreau Generating Station Refurbishment – Phase I | NB Power | 2013 | 2 | 6 | 29 | <p>Based upon our observations relating to the decision-making process for the Point Lepreau Generating Station refurbishment, we recommend for future major capital projects undertaken by NB Power:</p> <ul style="list-style-type: none"> the decision-making process be clearly documented, including identifying the roles and responsibilities of key players (i.e. NB Power, the Province, external contractors, regulators such as the Energy and Utilities Board, etc.) before significant amounts are expended; a planned decision-making timeline be developed and agreed upon by key players; all feasible options be identified and fully investigated as early in the process as possible; pre-decision spending be limited to that needed to adequately evaluate and mitigate risks associated with options under consideration prior to selecting a preferred option; an independent, third-party expert be contracted to guide the process of selecting the best option, identifying and developing mitigation strategies for all significant risks, identifying a preferred proponent, and ensuring that the corporation gets the best possible outcome for provincial ratepayers; and the process be transparent and the public made aware of the criteria to be used for decision making, progress towards making a decision and key reasons for the selection of a preferred alternative. | Implemented |
| Point Lepreau Generating Station Refurbishment – Phase II | NB Power | 2014 | 2 | 2 | 51 | We recommend NB Power obtain competitive bids for all significant engineering services, even if not required by legislation to do so. | Implemented |

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|---|-----------------------|------|--------|---------|------|---|----------------------------|
| Point Lepreau Generating Station Refurbishment – Phase II | NB Power | 2014 | 2 | 2 | 60 | We recommend NB Power use industry standardized formats for all external contracts. The International Federation of Consulting Engineers offers standardized contract templates which can be used as a model. | Implemented |
| Point Lepreau Generating Station Refurbishment – Phase II | NB Power | 2014 | 2 | 2 | 61 | We recommend NB Power use a consistent approach to perform post contract reviews and document any areas for improvement. | Implemented |
| Point Lepreau Generating Station Refurbishment – Phase II | NB Power | 2014 | 2 | 2 | 77 | We recommend NB Power: <ul style="list-style-type: none"> contract directly with vendors providing major components or equipment; require the contractors and subcontractors demonstrate that they have appropriate safety and risk mitigation procedures in place; include provisions in contracts which provide sufficient liability protection based on NB Power's assessment of risks; and increase oversight on the transportation of major equipment with the contractor and transportation vendor. | Implemented |
| Point Lepreau Generating Station Refurbishment – Phase II | NB Power | 2014 | 2 | 2 | 82 | We recommend for future building construction contracts NB Power perform sufficient due diligence and preparatory work prior to proceeding to the procurement process to avoid cost overruns. | Implemented |

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| Point Lepreau Generating Station Refurbishment – Phase II | NB Power | 2014 | 2 | 2 | 95 | We recommend NB Power conduct an annual review of all major ongoing time and materials contracts. This review should assess the level of success achieved by the vendor over the past year based on set criteria including results achieved and value for money. During an annual review NB Power should conduct interviews with key vendor personnel and perform internal assessments by NB Power staff responsible for interaction with that vendor. | Implemented |
| Point Lepreau Generating Station Refurbishment – Phase II | NB Power | 2014 | 2 | 2 | 96 | We recommend NB Power benchmark market rates for similar services and retain this support with procurement documentation to support the contractor choice. | Implemented |
| Point Lepreau Generating Station Refurbishment – Phase II | NB Power | 2014 | 2 | 2 | 106 | We recommend NB Power assess its project cost management methodology for large projects. Earned Value Management System, which is an industry best practice, could be used as a model. | Implemented |
| Point Lepreau Generating Station Refurbishment – Phase II | NB Power | 2014 | 2 | 2 | 121 | We recommend NB Power develop contingency plans to manage overtime during project delays, including: <ul style="list-style-type: none"> periodically reevaluating during the project to account for major changes in project timelines; sufficiently analyzing the new circumstances and revise the plan as necessary, when a major unanticipated event impacts a project; and carrying out sufficient equipment testing to address any equipment challenges resulting from extended delays. | Implemented |
| Point Lepreau Generating Station Refurbishment – Phase II | NB Power | 2014 | 2 | 2 | 136 | We recommend NB Power prepare a staffing plan for each major project and revise when it is determined that major project changes have occurred. | Implemented |

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| Data Centre Power Interruption | NB Internal Services Agency | 2014 | 2 | 3 | 71 | We recommend the NBISA identify critical infrastructure components and establish replacement plans. We also recommend the NBISA develop and implement a refresh program for such equipment. | Implemented |
| Data Centre Power Interruption | NB Internal Services Agency | 2014 | 2 | 3 | 72 | We recommend the Office of the Chief Information Officer (OCIO) define roles and responsibilities related to development of corporate IT strategic development for all departments and take recommendations to cabinet that clarify corporate IT roles and responsibilities and ensure strategic goals of the OCIO, the NBISA and the departments are aligned. | Not Implemented |
| Data Centre Power Interruption | NB Internal Services Agency | 2014 | 2 | 3 | 81 | We recommend the NBISA prepare threat risk assessments, as part of its corporate IT continuity planning, and take recommendations to cabinet to further mitigate risk of failure of IT services. | Not Implemented |
| Data Centre Power Interruption | NB Internal Services Agency | 2014 | 2 | 3 | 82 | We recommend the NBISA develop a data centre availability strategy to provide a level of service congruent with industry standards. We also recommend NBISA develop a monitoring process to ensure strategies are implemented to achieve the strategic vision. | Not Implemented |
| Data Centre Power Interruption | NB Internal Services Agency | 2014 | 2 | 3 | 92 | We recommend the OCIO, in consultation with departments, develop a government-wide IT continuity plan, which considers all aspects of government programs, services and operations. This plan should be tested annually to ensure its adequacy. | Not Implemented |
| Data Centre Power Interruption | NB Internal Services Agency | 2014 | 2 | 3 | 93 | We recommend the OCIO, as part of IT continuity planning, obtain an assessment of services from each department to identify and prioritize critical systems, which require uninterrupted IT continuity. | Implemented |

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| Data Centre Power Interruption | NB Internal Services Agency | 2014 | 2 | 3 | 94 | We recommend the NBISA, in consultation with departments, develop a disaster recovery plan, which prioritizes the restoration of government IT systems. | Not Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 38 | We recommend the Department establish clear guidelines for applications for assistance with documented analysis maintained in the client file to ensure decisions are supported. | Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 39 | We recommend the Department ensure all requests for assistance include an application properly prepared and signed as complete and accurate by the client. | Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 41 | We recommend the Department establish minimum standards and criteria, such as number of jobs to be created or maintained per dollar advanced, for use in evaluating applications for assistance. | Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 45 | We recommend the Department include a complete version of the most recent audited financial statements with Memorandums to Executive Council requesting financial assistance. | Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 57 | We recommend the financial considerations included in the Memorandum to Executive Council clearly state the financial impact on the accounts of the Province, including the need for a provision for loss. | Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 61 | To improve future economic development decision making, we recommend the Department quantify the risks and rewards to the Province in order to clearly establish and balance the value received for the output of funding and the risk assumed by the Province. | Implemented |

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| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 64 | We recommend the Department establish guidelines for verification of claims and assumptions underlying projections included in applications for financial assistance. | Not Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 65 | We recommend all claims of job creation or maintenance, in connection with the application, be made in writing, supported by documentation and signed by a company representative indicating the accuracy of the documentation and the company's commitment. | Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 72 | We recommend the Department, in collaboration with others, propose an update to the <i>Economic Development Act</i> and Regulation to clarify the authority to amend security. | Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 82 | Where it would improve the security taken by the Province on loan agreements, we recommend the Department seek an independent assessment of assets when assets are provided as security on loan or guarantee agreements, especially where the value is significant. Should further financial assistance be requested, the Department should reassess the value of these assets as this may affect the realizable value of the security. | Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 83 | When personal guarantees are provided, we recommend the Province ensure there is adequate evidence to support the value of the personal assets such that there is sufficient net worth to safeguard taxpayers' money. | Implemented |

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| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 85 | We recommend the Department clearly identify companies and individuals involved in past defaults on government financial assistance as part of the Memorandum to Executive Council (MEC). Where there is a recommendation to approve assistance to such a company or individual, the justification should be clearly stated on the MEC. | Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 95 | We recommend the Department establish a limit on the amount of assistance/level of provincial exposure that can be granted to a single company or group of related companies. | Not Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 96 | We recommend the Department implement a process whereby financial assistance to industry provided by all government departments/agencies is monitored to determine the extent of financial assistance granted by all agents in the government reporting entity. | Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 97 | We recommend, as an efficiency measure and to streamline administration, the Department of Economic Development make recommendations to Cabinet to rationalize the number of provincial entities that provide financial assistance to industry. | Not Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 98 | We recommend the Executive Council Office take responsibility for coordinating the implementation by all departments/agencies providing financial assistance to industry of recommendations of this report. | Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 113 | We recommend the Department report both expected and actual results of job creation and job maintenance in their annual report. | Implemented |

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| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 123 | We recommend the Department annually track and report the 10-year history of actual performance of assistance provided to industry, based on the 2010 analysis performed by the Office of the Comptroller. | Not Implemented |
| Financial Assistance to Atcon Holdings Inc. and Industry | Economic Development (Opportunities NB) | 2015 | 1 | 2 | 127 | We recommend the Department establish goals, objectives and measurable targets for its financial assistance to industry programs. | Implemented |
| Infection Prevention and Control in Hospitals | Horizon and Vitalité Health Networks and the Department of Health | 2015 | 2 | 2 | 112 | <p>We recommend the Horizon and Vitalité Health Networks address deficiencies in infection prevention and control practices within their respective programs, including but not limited to those reported in Exhibit 2.9 such as:</p> <ul style="list-style-type: none"> • hand hygiene not done when required by policy, healthcare workers wearing rings and bracelets, areas with inadequate signage and gel; • biomedical waste improperly stored; • overcrowding in hemodialysis and oncology areas whose patients have an increased risk of acquiring an infectious disease; • no cleaning between patients treated in the same chemotherapy chair; • isolation inadequacies (signage, carts supplies, use of personal protective equipment, etc.); • linen deficiencies (clean laundry arriving at hospitals without being properly covered, linen delivery trucks not properly cleaned, uncovered clean linen transported through the hospital, inadequate washing or replacing of the cloth cart covers protecting clean linen, excessive linen inventories, improper storage of clothing worn in the operating room, etc.); • containers of disinfectant wipes left open; • inadequate separation of clean and | |

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| | | | | | | <p>dirty items and storage space (clean linen stored in poor locations, inadequate separation within nursing units and Medical Device Reprocessing units, equipment and testing supplies stored in patient's washrooms, poor placement of soiled linen hampers, etc.);</p> <ul style="list-style-type: none"> • doors missing or being left open; • permanent placement of patients in beds in the corridor; • inadequate cleaning, labelling and storage of shared equipment; • insufficient signage (public entrances) and labelling ("clean" and "soiled" items, storage areas, etc.); and • construction areas not properly sealed-off from patient areas (with proper ventilation and signs restricting access). | * |
| Infection Prevention and Control in Hospitals | Horizon and Vitalité Health Networks and the Department of Health | 2015 | 2 | 2 | 113 | We recommend the infection prevention and control professionals and all managers do regular "walk-arounds" observing for compliance with policies and standards, reporting deficiencies to the units/departments, and ensuring corrective action is taken by those units/departments. Deficiencies should be monitored and reported to appropriate committees and/or department heads. | * |
| Infection Prevention and Control in Hospitals | Horizon and Vitalité Health Networks and the Department of Health | 2015 | 2 | 2 | 114 | In smaller hospitals without on-site managers, we recommend the infection prevention and control professional and unit/department managers perform site visits on a regular basis. These visits will provide the opportunity to better monitor the smaller facility. Also, it will provide staff members with the opportunity to ask questions and identify challenges with which they are dealing. | * |

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| Infection Prevention and Control in Hospitals | Horizon and Vitalité Health Networks and the Department of Health | 2015 | 2 | 2 | 115 | We recommend the Horizon and Vitalité Health Networks enforce compliance with infection prevention and control policies by all staff members, in all hospitals. | * |
| Infection Prevention and Control in Hospitals | Horizon and Vitalité Health Networks and the Department of Health | 2015 | 2 | 2 | 146 | We recommend the Department of Health in consultation with the Horizon and Vitalité Health Networks develop a provincial infection prevention and control program and strategy for use in all New Brunswick hospitals. This should address both routine practices and additional precautions. The provincial program should include, but not be limited to, the following: <ul style="list-style-type: none"> • documented provincial infection prevention and control policies, standards and practices; • a strategy for monitoring compliance with infection control standards; and • a comprehensive hand hygiene strategy. | * |
| Infection Prevention and Control in Hospitals | Horizon and Vitalité Health Networks and the Department of Health | 2015 | 2 | 2 | 147 | We recommend the Horizon and Vitalité Health Networks engage sufficient resources for their programs to ensure all zones have access to Infection Prevention and Control Professionals (ICPs), experts and administrative support. | * |
| Infection Prevention and Control in Hospitals | Horizon and Vitalité Health Networks and the Department of Health | 2015 | 2 | 2 | 148 | We recommend the Vitalité Health Network require their ICPs obtain specialized training in infection prevention and control. | * |
| Infection Prevention and Control in Hospitals | Horizon and Vitalité Health Networks and the Department of Health | 2015 | 2 | 2 | 149 | We recommend the Horizon and Vitalité Health Networks address the inconsistencies within their respective programs, including but not limited to: <ul style="list-style-type: none"> • inconsistencies in ICPs' knowledge of appropriate practices and standards; • variations in the ICPs' work in different zones; and • inconsistencies with isolation gowns. | * |

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| Infection Prevention and Control in Hospitals | Horizon and Vitalité Health Networks and the Department of Health | 2015 | 2 | 2 | 180 | <p>We recommend the Horizon and Vitalité Health Networks improve monitoring for compliance with infection prevention and control standards, including the monitoring of routine practices. This should include, but not be limited to, establishing policies and procedures for:</p> <ul style="list-style-type: none"> • consistent unbiased hand hygiene auditing of appropriate quantity and including coverage of all areas in the hospitals; • auditing jewelry and nails of healthcare workers to ensure compliance with the hand hygiene policy; • auditing of linen management, including delivery trucks; • auditing of waste management, including all types of waste; and • auditing of shared equipment (proper cleaning, storage, etc.). | * |
| Infection Prevention and Control in Hospitals | Horizon and Vitalité Health Networks and the Department of Health | 2015 | 2 | 2 | 202 | <p>We recommend the Department of Health and/or the Regional Health Authorities enhance its public reporting on the effectiveness of its infection prevention and control program(s) by reporting on hand hygiene and other infection prevention and control program performance indicators.</p> | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 76 | <p>We recommend the Department adhere to a regulated and predictable forest management planning cycle and ensure compliance with the <i>Crown Lands and Forests Act</i> by obtaining revised forest management plans from each licensee every five years.</p> | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 83 | <p>We recommend the Department regularly obtain forest management plans for all industrial freehold managed by Crown licensees and compare silviculture levels between licensee freehold and Crown land.</p> | * |

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| Silviculture | Natural Resources | 2015 | 2 | 3 | 104 | We recommend the Department complete and finalize a silviculture manual with performance standards based on best practices. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 105 | We recommend the Department enforce adherence to forest management standards and make amendments and exceptions only in light of new scientific knowledge and analysis of the effect of past treatments. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 106 | We recommend the area of Crown forest, subject to clear cut harvest, be reduced in favor of non clearcut harvest treatments as per the updated forest management strategy "A Strategy for Crown Lands Forest Management Putting our Resources to Work". | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 118 | We recommend the Department continue with the silviculture annual monitoring program and apply consistent controls on silviculture services acquired. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 122 | We recommend the Department complete licensee performance evaluations every five years per the <i>Crown Lands and Forests Act</i> . | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 123 | We recommend evaluation data be verified by the Department for completeness and accuracy. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 131 | We recommend the Department monitor the results of silviculture treatments over time and hold licensees accountable through performance based measures. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 132 | We recommend information self-reported by licensees be verified for completeness and accuracy. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 142 | We recommend the Department regularly report to the Legislative Assembly and the public on the status of New Brunswick's forest and its management. | * |

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| Silviculture | Natural Resources | 2015 | 2 | 3 | 143 | We recommend pending the development and issuance of a consolidated “State of the Forest” report by the Department, the most recent forest management plans for all Crown licenses be made available to the Legislative Assembly and the public. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 158 | We recommend the Department include the use of an economic payback model when analysing resource allocations for silviculture program activities. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 159 | We recommend the Department implement a previous recommendation made by the Select Committee on Wood Supply to commit to, on a five year basis, the level of silviculture funding deemed appropriate to achieve stated timber and non-timber objectives. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 163 | We recommend the Department, in consultation with the Office of the Comptroller, calculate and record the value of the Crown timber asset in the Department’s annual report and adjust this valuation to reflect harvest, silviculture and other changes. This valuation will quantify the impact of their management decisions. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 167 | We recommend the Department include long-term regeneration needs of the Crown forest and harvest trends to support distribution of silviculture funding. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 181 | We recommend the Department regularly benchmark silviculture rates from other jurisdictions in addition to using the costing model. | * |

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| Silviculture | Natural Resources | 2015 | 2 | 3 | 182 | We recommend the Department require licensees to provide a reconciliation of actual costs incurred for silviculture services provided on Crown land against fees paid and that cost efficiencies realized be proportioned between the Crown and licensee. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 194 | We recommend the standard reporting package prepared by the Forest Products Marketing Board include reconciliation between the audited financial statements and the schedule of silviculture funding and related costs. | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 196 | We recommend the Department ensure a forest management agreement is signed by all current licensees to ensure compliance with the <i>Crown Lands and Forests Act</i> . | * |
| Silviculture | Natural Resources | 2015 | 2 | 3 | 206 | We recommend the Province adopt a more equitable cost sharing arrangement for silviculture work that recognizes the direct benefits realized by the forestry companies. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 96 | We recommend the Department comply with the <i>Crown Lands and Forests Act</i> and regulations in meeting their responsibilities related to proportional supply and sustained yield. If current principles of proportional supply and sustained yield required under the Act are no longer relevant or applicable, the Department should pursue changes to the Act and regulations in order to facilitate accomplishment of its mandate. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 105 | We recommend the Department establish a policy for sustained yield, set objectives and measurable targets, and monitor and publicly report on its performance in ensuring sustainable yield from private woodlots. | * |

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| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 113 | We recommend the Department implement a single private land silviculture agreement for all marketing boards in order to limit duplication of effort. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 124 | We recommend the Department set separate goals and objectives against which to measure its success in fulfilling its mandate regarding private woodlots. In addition, we recommend the Department establish goals and objectives for the Private Land Silviculture program to measure the benefits of the program to the Province. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 128 | We recommend the Department publicly report on the goals, objectives, performance targets and actual results of their work and programs in regards to private wood supply. This should include providing explanations for variances between planned and actual performance. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 149 | We recommend the Commission establish member position profiles and criteria against which potential appointees can be evaluated. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 154 | We recommend the Commission make appointment requests in a manner that effectively staggers member appointments to promote continuity. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 159 | We recommend the Department review the Commission's mandate and performance to ensure government objectives for the Commission's work are being achieved, and the Commission's role and responsibilities are well communicated and understood. | * |

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| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 161 | We recommend the Commission review and compare their current governance policies and procedures against the Province's Agencies, Boards, and Commissions appointment policy as well as accepted governance best practices in order to define and implement tools to enhance current Commission practices. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 169 | We recommend the Commission complete its strategic plan to reflect its mandate under legislation and articulate its strategic priorities. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 175 | We recommend the Commission review its current policies and manuals to ensure these accurately and consistently reflect necessary requirements in accordance with accepted financial reporting standards. We further recommend current copies of these documents be provided to marketing boards. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 193 | We recommend the Commission evaluate its reporting requirements from marketing boards to ensure that what is being requested provides the benefits intended. We further recommend the Commission enforce its Orders to ensure marketing board compliance with regulation. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 205 | We recommend the Department and Commission document how financial reviews of marketing boards will be undertaken, assign personnel with the appropriate background and expertise to do the analysis, and report on the results of this analysis with recommendations, if required. | * |

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| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 219 | We recommend the Commission require Marketing Boards to provide them with a signed agreement between the Marketing Board and its associated agent(s) that defines the nature of the agent relationship and the roles and responsibilities of each party as they pertain to the mandate of the Marketing Board. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 224 | We recommend the Commission undertake regular meetings with the marketing boards, individually or in a group setting as required, and attend random district meetings to identify and act on areas of concern. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 226 | We recommend the Commission document a framework, proactively identifying and addressing areas of risk in marketing board governance, to ensure that marketing boards operate as intended by legislation. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 234 | We recommend the Commission establish and document an administrative process for the use of its investigative powers and formalize a series of escalating enforcement measures/mechanisms to be used in cases of non-compliance with Orders, regulations and policy directives. | * |
| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 237 | We recommend the Department and the Commission jointly review the Commission's mandate and structure and make the changes required to ensure the Commission can effectively perform its legislated mandate. | * |

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| Private Wood Supply | Natural Resources | 2015 | 2 | 4 | 241 | We recommend the Commission establish performance targets for its own oversight work and for marketing boards against which the Commission can evaluate marketing board performance in critical areas. We further recommend the Commission report on the effectiveness of both its own work and marketing board operations against the predetermined targets. | * |
| Nursing Homes | Social Development | 2016 | 1 | 2 | 33 | We recommend the Department of Social Development evaluate whether there is an economic benefit to providing nursing home beds under the public-private model versus the traditional model. | ** |
| Nursing Homes | Social Development | 2016 | 1 | 2 | 70 | We recommend the Department of Social Development, in consultation with the Department of Health, develop a comprehensive long term plan to ensure the Province can continue to provide sustainable services to New Brunswick seniors. | ** |
| Nursing Homes | Social Development | 2016 | 1 | 2 | 71 | We also recommend the Department report publicly on the measures and outcomes of current and future initiatives as part of the comprehensive long term plan. | ** |
| Public Trustee Services | Legal Aid Services Commission | 2016 | 1 | 3 | 39 | We recommend the Public Trustee develop comprehensive policies and procedures for trust officers to assist trust officers in their work, to help in training new trust officers, and to ensure consistency of client files. | ** |
| Public Trustee Services | Legal Aid Services Commission | 2016 | 1 | 3 | 40 | We recommend the Public Trustee amend and implement the investment policy for client funds. | ** |
| Public Trustee Services | Legal Aid Services Commission | 2016 | 1 | 3 | 41 | We recommend the Public Trustee upgrade or replace its current case management information system in order to meet user needs. | ** |
| Public Trustee Services | Legal Aid Services Commission | 2016 | 1 | 3 | 42 | We recommend the Public Trustee review its insurance coverage to ensure client assets are adequately insured. | ** |

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| Public Trustee Services | Legal Aid Services Commission | 2016 | 1 | 3 | 43 | We recommend the Public Trustee implement regular supervisory review of client files. | ** |
| Public Trustee Services | Legal Aid Services Commission | 2016 | 1 | 3 | 44 | We recommend the Public Trustee implement an internal audit function. | ** |
| Public Trustee Services | Legal Aid Services Commission | 2016 | 1 | 3 | 50 | We recommend the Public Trustee ensure guardianship officers sufficiently document the rationale for all personal care and healthcare decisions in the case management system. | ** |
| Public Trustee Services | Legal Aid Services Commission | 2016 | 1 | 3 | 59 | We recommend the Public Trustee establish goals, objectives and measurable targets for its services, measure its performance against the targets and publicly report on its performance. | ** |
| Public Trustee Services | Legal Aid Services Commission | 2016 | 1 | 3 | 60 | We recommend the Public Trustee make available publicly all audited financial statements of Trusts under the Administration of the Public Trustee. | ** |
| Public Trustee Services | Legal Aid Services Commission | 2016 | 1 | 3 | 69 | We recommend the Public Trustee identify legislation changes needed to address the following, and work with the responsible department to implement them: <ul style="list-style-type: none"> • lack of timeliness in obtaining authority to act as Public Trustee for a client; • loss of authority upon death of a client; • limitations in fees that can be charged to clients; and • administration of unclaimed property. | ** |

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| Chapter Name | Department/ Agency | Year | Volume | Chapter | Par. | Recommendation | Self Reported Status |
|--------------------------------|--|------|--------|---------|------|--|----------------------------|
| Agricultural Fair Associations | Agriculture, Aquaculture and Fisheries | 2016 | 1 | 4 | 55 | We recommend the Department of Agriculture, Aquaculture and Fisheries fulfill its legislated mandate under the <i>Agricultural Associations Act</i> . We recommend DAAF develop a strategy to further define its mandate, including a clear definition of its role and responsibilities as well as goals and objectives for its work with agricultural societies and agricultural fair associations. | ** |
| Agricultural Fair Associations | Agriculture, Aquaculture and Fisheries | 2016 | 1 | 4 | 56 | We recommend, alternatively, if the Department of Agriculture, Aquaculture and Fisheries does not intend to meet its current mandate under the <i>Agricultural Associations Act</i> and regulations, it pursue legislative amendments to the <i>Agricultural Associations Act</i> and regulations. This would define and clarify its commitment to these entities. | ** |
| Agricultural Fair Associations | Agriculture, Aquaculture and Fisheries | 2016 | 1 | 4 | 72 | We recommend the Department of Agriculture Aquaculture and Fisheries define, communicate, and monitor minimum reporting requirements for all agricultural associations and societies it is required to oversee under the <i>Agricultural Associations Act</i> . | ** |
| Agricultural Fair Associations | Agriculture, Aquaculture and Fisheries | 2016 | 1 | 4 | 81 | We recommend the Department of Agriculture, Aquaculture and Fisheries distribute funding directly to agricultural fair associations without the assistance of a third-party entity. Accordingly, we recommend DAAF develop and implement a grant allocation process with applicable controls to ensure proper use of public funds. | ** |

**Our practice is to track the status of our value for money recommendations starting in the second year after the original Report is released. Follow up work on this chapter will be conducted as part of our 2018 work plan.

| Chapter Name | Department/ Agency | Year | Volume | Chapter | Par. | Recommendation | Self Reported Status |
|--------------------------------|--|------|--------|---------|------|---|----------------------------|
| Agricultural Fair Associations | Agriculture, Aquaculture and Fisheries | 2016 | 1 | 4 | 104 | We recommend, at a minimum, Service New Brunswick follow its internal standard and re-assess any agricultural fair association exceeding the 10-year assessment cycle, including Fredericton, Saint John, Miramichi and Queens County associations. We recommend SNB evaluate the eligibility of these organizations for exemption from property tax. | ** |
| Agricultural Fair Associations | Agriculture, Aquaculture and Fisheries | 2016 | 1 | 4 | 109 | We recommend Service New Brunswick develop, document, and implement a standardized process and procedures to evaluate the eligibility of requests for property tax exemptions (tax class 50) and undertake regular monitoring to ensure organizations with exemptions have sustained their eligible status. | ** |
| Agricultural Fair Associations | Agriculture, Aquaculture and Fisheries | 2016 | 1 | 4 | 143 | We recommend the Department of Public Safety develop a standardized process and implement associated procedures for evaluating initial and ongoing eligibility of agricultural fair associations for licensing under the Charitable Gaming program. | ** |
| Agricultural Fair Associations | Agriculture, Aquaculture and Fisheries | 2016 | 1 | 4 | 154 | We recommend the Department of Finance request Canada Revenue Agency undertake audits of Agricultural Fair Associations currently exempted from provincial income tax to verify the eligibility status of these organizations. | ** |

***Our practice is to track the status of our value for money recommendations starting in the second year after the original Report is released. Follow up work on this chapter will be conducted as part of our 2018 work plan.*

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