

Chapter 1

Introductory Comments by the Auditor General

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Introduction

1.1 My Office's mission, as included in our 2014 to 2020 strategic plan is:

To provide objective, reliable, and timely information to the Legislative Assembly on government's performance in its delivery of programs and services to the people of New Brunswick.

Purchase Cards (credit cards)

1.2 Chapter 2 of this Volume reports our audit of purchase cards which represent over \$30 million of annual provincial spending. There are over 3,000 purchase cards in the custody of public servants across New Brunswick.

1.3 Due to the instant purchasing capability of these credit cards by a single individual, these transactions have an increased risk for fraud and inappropriate activity (as no separate approver is required for the expense at the time the funds are paid to the vendor). Chapter 2 presents our findings and recommendations as a result of our work in this important area.

Follow up on Recommendations from Prior Years

1.4 Chapter 3 presents our Follow-up on Recommendations from Prior Years' Performance Audit Chapters including:

- Foster Homes;
- Provincial Bridges;
- Procurement of Goods and Services – Phase I;
- Point Lepreau Generating Station Refurbishment - Phase I; and
- Collection of Accounts Receivable.

It also includes results of our follow up on a recommendation made by the Auditor General in 2012 concerning the sustainability of the Province's infrastructure.

- Disappointing and concerning results on follow-up of recommendations from prior years**
- Significant missed opportunity regarding long-term infrastructure plan**
- 1.5** Further, it includes summaries of the implementation status of recommendations as self-reported by relevant departments and agencies included in our 2014 and 2015 chapters, along with:
- Appendix A, which contains a “Summary of Significant Projects Conducted in Departments and Crown Agencies over the Past Ten Years”;
 - Appendix B, a “Detailed Status Report of Recommendations Since 2013”; and
 - Glossary referencing Report sections relevant to each department or Crown agency.
- 1.6** The overall results of prior year’s performance audit recommendation implementation show departments, commissions and agencies report they had implemented about 49% (76 of 156) of performance audit recommendations from the 2013, 2014 and 2015 Reports of the Auditor General.
- 1.7** After verifying the status of the 2013 recommendations, we have concluded that only 43% have been implemented. I find it very disappointing that recommendations from four years ago are still not implemented. I am also concerned at the downward trend in the rate of government’s implementation of our recommendations (from the prior year rate of 61% for 2012 recommendations).
- 1.8** In 2012, I expressed concern with the sustainability of the Province’s infrastructure and recommended a comprehensive long-term infrastructure plan to ensure the sustainability and safety of all essential infrastructures in the Province be implemented.
- 1.9** As reported in Chapter 3, the 2017 follow-up found the recommendation had not been implemented by the Department of Transportation and Infrastructure, though improvements in public reporting on the condition of infrastructure had been made. I am very disappointed there remains no long-term approach to budgeting for all assets, and a lack of rationalization of assets, as this represents a significant missed opportunity to provide better, more cost effective infrastructure and services to New Brunswickers while balancing the need for greater fiscal discipline.

Acknowledgements **1.10** Staff in my Office worked very hard in carrying out the work reported upon in this volume of our Report. The individual chapters of this report are a reflection of their level of commitment, professionalism and diligence. I would like to express my appreciation to each for their contribution and continuing dedication to fulfilling the mandate of the Auditor General of New Brunswick.



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