

Chapter 1 - Auditor General's Comments

On September 21, 2023, the Office completed the annual audit of the Province's public accounts and issued an unqualified, or "clean" audit opinion.

We are encouraged by continued signs of fiscal progress for the Province. This year's surplus of \$1 billion was the Province's sixth consecutive surplus and net debt is at its lowest point in almost a decade. Overall, the Province's financial condition has improved since 2022.

In this report we describe issues arising from our work; the most notable being NB Power's ability to self-sustain its operations. We are concerned that NB Power will not be able to manage its debt without imposing significant rate increases, receiving funding from the Province, or reducing expenses.

The Province had almost \$3 billion in cash in its primary bank accounts at March 31, 2023 which is almost five times the balance in 2014. Given recent increases in interest rates, cost of borrowing, and inflation, documented policies are needed as soon as possible to ensure these balances are managed with a focus on balancing operational needs, maximizing interest earned on cash balances, and minimizing costs related to short-term debt.

This report also discusses the results of our audits of Crown agency financial statements. While we issued clean audit opinions in each of these audits, in almost every audit we have identified areas for improvement. This year, we completed 12 audits and issued a total of 32 recommendations.

We are grateful for the continuing cooperation we receive from government departments and Crown agencies during our financial audit work.

I want to thank my audit team for their commitment to fulfilling the mandate of the Office of the Auditor General of New Brunswick. This report reflects their dedication and professionalism.



Paul Martin, FCPA, FCA
Auditor General