Financial Audit Volume

Report of the Auditor General – Volume III 2020

What We Found

2020 Surplus

- 2020 annual surplus was $49 million, the third consecutive annual surplus

- Revenues increased by $195 million mostly because of increased transfers from the Federal government

- Expenses increased by $219 million, mostly due to increases in Labour and Employment and other government departments.

Net Debt Reduction

- Net Debt decreased by $37 million to $13.9 billion, first time it decreased since 2007

- Net Debt-to-GDP ratio decreased 1.2% to 36.6%, but is still one of the highest among comparable Provinces

- Net Debt per capita decreased $200 to $17,900

- Government set multi-year Net Debt and Net Debt-to-GDP reduction targets

Contaminated Public Housing Units

- At least 1/3 public housing units tested contain radon gas exceeding guideline levels for radon gas

- 3,645 of 4,516 units have not been tested for radon

- SD's testing plan is too slow, and it is not notifying impacted tenants of contaminated units in a timely manner.

Financial Impacts of Covid-19 Global Pandemic

- As of September 30, 2020 New Brunswick's government has spent $163 million related to the pandemic

- Government tracking of related expenses can improve to include other financial relief programs

- We did not find evidence authority was obtained from the Legislative Assembly at the time of our work

State of the Province's Financial Condition

- Small steps of progress in short-term sustainability, one short-term trend changed from neutral to unfavourable

- Past deficits and Net Debt prevent improvements in long-term sustainability

Results of our Audit of the Province of New Brunswick and Crown Agencies

- Vestcor denied the Auditor General unrestricted access

- The *Financial Administration Act* is out of date

- Concerns about NB Power's ability to self-sustain its operations

- Many key IT systems are out of date and the Province is in process of replacing them

- The reason to incorporate New Brunswick Energy Solutions Corporation not clear