

# Chapter 4

## Follow-up Work and Financial Assistance Case Studies (Blueberries and Naval Centre)

### **Contents**

Chapter Summary.....	115
Summary.....	116
Key Findings.....	117
Detailed Findings .....	117
Financial Assistance Case Studies.....	123
Case I – Blueberries.....	124
Case II – New Brunswick Naval Centre.....	129
Appendix I – Scope and Objective of Follow-up Work .....	137
Appendix II Status of Performance Audit Recommendations as Reported by Departments, Commissions or Agencies.....	138
Appendix III - Summary of Significant Projects Conducted in Departments and Crown Agencies over the Past Ten Years.....	140
Appendix IV - Detailed Status Report of Recommendations Since 2015.....	150



# Follow-up Work and Financial Assistance Case Studies (Blueberries and Naval Centre)

Report of the Auditor General – Volume II, Chapter 4 - December 2019

## Why Is This Important?

- When recommendations are not implemented, risks remain and may worsen over time.
- This chapter is a tool for the Public Accounts Committee, the Crown Corporations Committee and the public to hold government departments and Crown agencies accountable.
- This year our office reviewed two large financial assistance files as case studies, given that the high dollar value of provincial financial assistance continues to represent significant exposure to the Province.
- Our Atcon recommendations apply to all provincial entities providing financial assistance to industry.

## Overall Conclusions

- Entities self-report they have implemented 85% of our recommendations from performance audits in 2015, 2016 and 2017.
- Regarding the financial assistance to industry case studies, we found:
  - some positive outcomes on particular financial assistance files;
  - Province continued to enter into significant financial assistance arrangements through multiple provincial entities;
  - instances where the essence of some Atcon recommendation was not implemented;
  - continued need for central delivery and monitoring of financial assistance to industry to ensure consistency of due diligence and risk management practices;
  - public remains uninformed with regard to the total amount of funds extended as financial assistance and the outcomes achieved.

## What We Found

### Financial assistance to The Acadian Wild Blueberry Company Limited

- \$69 million of approved provincial financial assistance
- Outstanding loan balance represents significant exposure
- Assets supporting personal guarantee not independently verified
- Essence of some Atcon recommendations not implemented

### Financial assistance in connection with New Brunswick Naval Centre

- Major uncertainty regarding the value to taxpayers from a \$23 million provincial investment
- Unusually structured financing where the Province bears all the risk
- No risk assessment performed
- Essence of some Atcon recommendations not implemented

### Self-reported implementation of recommendations:

- 20 entities self-reported an implementation rate of 75% - 100%
- 10 entities self-reported an implementation rate of 50% - 74%
- 2 entities self-reported an implementation rate of 0% - 49%
- It is very unfortunate that 50 recommendations from past four years are still not implemented

## Summary

*This year we followed-up on 2015, 2016 and 2017 chapters and selected others*

*Unique approach for Atcon report follow-up*

*Essence of some Atcon risk mitigation recommendations appears not implemented*

*Two financial assistance cases identified which represent significant exposure*

**4.1** This follow-up chapter promotes accountability by giving the Legislative Assembly, and the public, information about how government has acted on our performance audit recommendations. We think it is important that both MLAs and taxpayers have information to assess the progress government is making in implementing these recommendations.

**4.2** One of our strategic goals is that departments, commissions and agencies accept and implement all our performance audit recommendations. In this chapter, we report on the updates provided to us by departments, commissions and Crown agencies on the status of performance audit recommendations made in our 2015, 2016 and 2017 reports. We also included an update on recommendations made in our 2011 chapter on Constituency Office Costs for Members of the Legislative Assembly and Executive Council Office. For additional information on the scope and objective of our follow-up work, refer to Appendix I.

**4.3** At the Auditor General's discretion, there may be exceptions to our follow-up procedures. Such was the case for our special examination of Financial Assistance to Atcon Holdings Inc. and Industry released in 2015. Since our recommendations have been issued, our office has performed work every year to determine if these recommendations were implemented.

**4.4** In our 2018 follow-up report, we reported that 12 of our 19 Atcon report recommendations have been implemented. However, our audit work on the financial statements of the Province revealed instances where we believe the essence of our recommendations to manage risk has not been implemented. For example, Opportunities New Brunswick (ONB) has created policies to reflect our recommendations but, as demonstrated in this chapter, not always followed these policies or the essence of our recommendations seems to not have been implemented.

**4.5** Although we found evidence of recent progress to mitigate risk, we identified two cases where decisions made shortly after our 2015 Atcon report was released still represent significant exposure for New Brunswick taxpayers.

***Modified follow-up process for 2019***

**4.6** For these reasons, the Auditor General decided to defer in-depth follow-up work on 2015 performance audit reports and focus instead on studying two significant financial assistance cases. In addition, this report includes self-reported information by audited entities for 2015, 2016 and 2017 performance audit recommendations. We will conduct our typical follow-up work on both 2015 and 2016 reports in the upcoming year and publish the results in our 2020 report.

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

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

**Key Findings**

*Overall, entities self-reported 83% of our 2015 to 2017 recommendations have been implemented*

**4.8** Our overall results show departments, commissions and agencies have self-reported that they implemented 83% (247 of 297) of our performance audit recommendations from the 2015, 2016 and 2017 Reports of the Auditor General.

**Detailed Findings**

**4.9** Exhibit 4.1 presents the self-reported status of recommendations by department, commission and agency, by report, by year. 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. Appendix II provides additional details on the implementation of recommendations by department, commission and agency.

*Exhibit 4.1 - Self-reported Status of Implementation of Recommendations*



















<b>Legend</b>	
	100% of Recommendations Implemented
	75% - 99% of Recommendations Implemented
	50% - 74% of Recommendations Implemented
	< 50% of Recommendations Implemented

Exhibit 4.2 - Self-reported Status of Implementation of Recommendations

Department and Project Name	Report Release Date	2019 Status
		Self-Reporting from Department
<b>Social Development - Advisory Services Contract</b>	2017	
<b>Service New Brunswick - Advisory Services Contract</b>	2017	
<b>Environment and Local Government - Climate Change</b>	2017	
<b>NB Power - Climate Change</b>	2017	
<b>Service New Brunswick – Residential Property Assessment – Special Examination</b>	2017	
<b>Executive Council Office - Residential Property Assessment – Special Examination</b>	2017	
<b>Finance and Treasury Board - Residential Property Assessment – Special Examination</b>	2017	
<b>Finance and Treasury Board - School District Purchase Cards</b>	2017	
<b>Education and Early Childhood Development - School District Purchase Cards</b>	2017	
<b>District scolaire francophone Nord-Ouest - School District Purchase Cards</b>	2017	
<b>District scolaire francophone Nord-Est - School District Purchase Cards</b>	2017	
<b>District scolaire francophone Sud - School District Purchase Cards</b>	2017	
<b>Anglophone North School District - School District Purchase Cards</b>	2017	
<b>Anglophone West School District - School District Purchase Cards</b>	2017	
<b>Anglophone East School District - School District Purchase Cards</b>	2017	
<b>Anglophone South School District - School District Purchase Cards</b>	2017	
<b>Opportunities New Brunswick - Financial Assistance to Atcon: Unanswered Questions</b>	2017	
<b>Executive Council Office - Financial Assistance to Atcon: Unanswered Questions</b>	2017	

Exhibit 4.2 – Self-reported Status of Implementation of Recommendations (continued)

Department and Project Name	Report Release Date	2019 Status
		Self-Reporting from Department
<b>Agriculture, Aquaculture and Fisheries -</b> <i>Agricultural Fair Associations</i>	2016	
<b>Legal Aid Services Commission -</b> <i>Public Trustee Services</i>	2016	
<b>Health -</b> <i>Meat Safety - Food Premises Program</i>	2016	
<b>Social Development -</b> <i>Nursing Homes</i>	2016	
<b>Energy and Resource Development -</b> <i>Private Wood Supply</i>	2016	
<b>Energy and Resource Development -</b> <i>Silviculture</i>	2016	
<b>Finance and Treasury Board -</b> <i>Public Debt</i>	2015	
<b>Health -</b> <i>Infection Prevention and Control in Hospitals</i>	2015	
<b>Horizon Health Network -</b> <i>Infection Prevention and Control in Hospitals</i>	2015	
<b>Vitalité Health Network -</b> <i>Infection Prevention and Control in Hospitals</i>	2015	
<b>Opportunities NB -</b> <i>Financial Assistance to Atcon Holdings Inc. and Industry</i>	2015	
<b>Executive Council Office -</b> <i>Financial Assistance to Atcon Holdings Inc. and Industry</i>	2015	
<b>Transportation and Infrastructure -</b> <i>Centennial Building</i>	2015	
<b>Legislative Assembly and Executive Council Office -</b> <i>Constituency Office Costs for Members of the Legislative Assembly and Executive Council</i>	2011	

*We find it very unfortunate that recommendations from past four years are still not implemented*

**4.10** Exhibit 4.3 shows the results summarized by year. Departments, commissions and agencies reported to us that they had implemented 247 of 297 (83%) of our performance audit recommendations from the 2015 to 2017 Reports of the Auditor General. We find it very unfortunate that 50 recommendations from past four years are still not implemented. Appendix III provides a full listing of unimplemented performance audit recommendations as per 2019 departments' self-assessment.

*Exhibit 4.3 - Summary Self-Reported Status of Recommendations by Year*

Year	Recommendations			Percentage Implemented
	Total	Implemented	Agreed/ Not Implemented	
2017	160 <sup>1</sup>	134	26	84%
2016	44	36	8	82%
2015	93	77	16	83%
<b>Total</b>	<b>297</b>	<b>247</b>	<b>50</b>	<b>83%</b>

*We are not satisfied with the implementation rate of our recommendations*

**4.11** Exhibit 4.4 reports government's progress in implementing our performance audit recommendations since 1999. We are not satisfied with the implementation rate of our recommendations.

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<sup>1</sup> The number of recommendations for 2017 is high as a result of our audit on School District Purchase Cards. We requested an implementation update on the status of 14 recommendations from all seven school districts; this alone accounts for 98 recommendations.



Exhibit 4.4 - 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 <sup>1</sup>
2007	47	19%	N/A <sup>1</sup>	45% <sup>2</sup>
2008	48	N/A <sup>1</sup>	60% <sup>2</sup>	57% <sup>4</sup>
2009	49	73% <sup>2</sup>	73% <sup>3</sup>	74% <sup>4</sup>
2010	44	64% <sup>3</sup>	70% <sup>3</sup>	62% <sup>4</sup>
2011	24	71% <sup>3</sup>	79% <sup>3</sup>	63% <sup>4</sup>
2012	32	69% <sup>3</sup>	81% <sup>3</sup>	61% <sup>4</sup>
2013	44	65% <sup>3</sup>	61% <sup>3</sup>	43% <sup>4</sup>
2014	17	71% <sup>3</sup>	94% <sup>3</sup>	71% <sup>4</sup>
2015	93	49% <sup>3</sup>	65% <sup>3</sup>	83% <sup>3</sup>
2016	44	68% <sup>3</sup>	82% <sup>3</sup>	-
2017	160	84% <sup>3</sup>	-	-
<sup>1</sup> N/A as no follow-up performed in 2010 <sup>2</sup> As self-reported by departments, commissions and agencies with confirmation by our Office in the Department of Justice and Consumer Affairs <sup>3</sup> As self-reported by departments, commissions and agencies <sup>4</sup> As self-reported by departments, commissions and agencies and reviewed for accuracy by our Office.				

**4.12** A summary of significant projects conducted in departments and Crown agencies over the past ten years can be found in Appendix III. For a detailed status report of recommendations since 2015, please see Appendix IV.

## Financial Assistance Case Studies

### Introduction

*We examined two significant files to inform taxpayers of exposure and risks assumed by the Province*

**4.13** The Province of New Brunswick provides significant financial assistance to industry in the form of loans, loan guarantees, grants, payroll rebates, non-repayable contributions and forgivable loans. This assistance is provided with the objectives of inducing or sustaining economic growth and creating jobs for New Brunswickers, among other objectives.

**4.14** The Province provides financial assistance to industry through many departments and economic development entities. Currently, the two main agencies providing assistance to industry on behalf of the Province are:

- Opportunities New Brunswick (ONB); and
- Regional Development Corporation (RDC).

**4.15** Over the years, AGNB has audited financial assistance arrangements and provided recommendations for improvement. The most recent reports were our special examinations of Financial Assistance to Atcon Holdings Inc. and Industry, issued in 2015 and 2017.

**4.16** In this section, we provide two case studies of significant ongoing financial assistance files. This is to inform taxpayers of the exposure and risks assumed by the Province in relation to financial assistance deals. In addition, it is important to remind government of the continuous need for proper due diligence and sound risk management when making financial assistance decisions.

**Positive outcomes noted** 4.17 It is important to note that we are aware of instances of financial assistance where ultimately there have been positive outcomes, such as:

- We were informed that ONB has been moving away from using forgivable loans as a form of assistance, except in certain circumstances. It is focusing more on payroll rebates instead. Payroll rebates involve less risk as the objective of the funding is met before funds are disbursed.
- A \$39 million loan receivable converted to an investment in 2014, whose collection previously appeared doubtful, is now generating income. As of March 2019, the Province received investment income of approximately \$5 million.
- An entity with a \$11.5 million loan outstanding had an allowance for loss provision of 30% of the balance, however, the loan was eventually paid back in full by 2017.
- Overall ONB has many loans in its portfolio where repayments are taking place. ONB received approximately \$23 million on average annually in repayments since 2016, its first year of operation.

4.18 It is encouraging to see areas of success within the financial assistance to industry program and we hope this continues in future.

4.19 In the remainder of this section, we discuss two financial assistance cases we believe still represent significant exposure to the Province. They are:

- Assistance to Acadian Wild Blueberry Company Limited; and
- Assistance in connection with the New Brunswick Naval Centre in Bas-Caraquet.

**Case I – Blueberries**  
**Case background**

4.20 The first case involves a series of loans and grants provided to The Acadian Wild Blueberry Company Limited., a subsidiary of Oxford Frozen Foods Ltd. Since 2013, the Province approved a total of \$69 million of financial assistance to this company. The Federal government contributed another \$4 million.

**4.21** In 2013, the Province announced “*Oxford Frozen Foods Ltd. is investing \$184 million to construct a new processing facility, develop wild blueberry fields and create up to 300 jobs on the Acadian Peninsula...over a 10-year period*”<sup>2</sup>.

The Province also exchanged over 6,000 hectares of Crown land in 2013 for an equal number of hectares with Acadian Farms Development Partnership, another Oxford subsidiary. Exhibit 4.6 shows the details of Provincial financial assistance approved and paid to the Acadian Wild Blueberry Company from 2013 to 2019.

**4.22** As of March 2019, Opportunities NB (ONB) informed us the Acadian Wild Blueberry Company and other Oxford subsidiaries operating in the area had over 180 employees (full-time, part-time and seasonal). The first phase of the processing facility was completed in 2016. According to ONB, at the time of our work, the construction work at the facility was progressing as planned, and Acadian was current on its payments per the loan agreements.

*Exhibit 4.5 - The Acadian Wild Blueberry Company Processing Plant.*



Source: <https://www.cbc.ca/news/canada/new-brunswick/blueberry-processing-plant-opens-acadian-oxford-1.3685837>

<sup>2</sup> Government of New Brunswick News Release: Oxford frozen Food Ltd. Investing in New Brunswick: [https://www2.gnb.ca/content/gnb/en/news/news\\_release.2013.10.1099.html](https://www2.gnb.ca/content/gnb/en/news/news_release.2013.10.1099.html)

Exhibit 4.6 - Provincial assistance to The Acadian Wild Blueberry Company 2013-2019 (\$ Thousands)

Department/ Agency	Year Approved	Type of Assistance	Purpose of Assistance	Approved funding	Amount paid as at March 31, 2019	Paid after March 31, 2019 (unaudited)	Total paid*
<b>Provincial Loans:</b>							
INB	2013	Loan	Construction of processing facility	37,500	47,979	-	47,979
ONB	2016	Loan	Expansion of processing facility	12,000			
ONB	2018	Loan	Construction of vegetable processing facility	13,000	6,384	5,274	11,658
ONB	2019	Loan	Additional costs related to vegetable facility	2,000	-	-	-
<b>Total loans</b>				<b>\$64,500</b>	<b>\$54,363</b>	<b>\$5,274</b>	<b>\$59,637</b>
<b>Provincial Grants:</b>							
RDC	2016	Grant	To cover the construction costs of building an electrical substation	758	758	-	758
RDC	2017	Grant		264	264	-	264
ONB/RDC	2018	Grant	Construction of vegetable processing facility (capital expenditures)	3,250	1,879	1,141	3,020
ONB	2018	Grant	Construction of vegetable processing facility	500	297	180	477
<b>Total grants</b>				<b>\$4,772</b>	<b>\$3,198</b>	<b>\$1,321</b>	<b>\$4,519</b>
<b>Total provincial assistance</b>				<b>\$69,272</b>	<b>\$57,561</b>	<b>\$6,595</b>	<b>\$64,156</b>

\*includes unaudited amounts paid after March 31, 2019

Source: Prepared by AGNB

***Timeline of major milestones***

**4.23** Below are significant milestones relating to our first case study:

- September 2013: Province approves exchange of over 6,000 hectares of Crown land with Acadian Farms Development Partnership for freehold land.
- October 2013: Agreement for \$37.5 million loan to company to construct a blueberry processing facility.
- March 2015: Atcon report and recommendations published.
- November 2016: Agreement to increase initial loan by \$12 million.
- August 2018: Agreement for \$13 million loan to construct a vegetable processing facility.
- December 2018: Agreement for additional \$2 million loan related to the vegetable processing facility.

***2015 Atcon recommendation – limit exposure by limiting assistance***

**4.24** In 2015, we recommended the Department of Economic Development (now ONB) establish a limit on the amount of assistance/level of exposure that can be granted to a single company or group of related companies.

***Outstanding loan balance represents significant exposure***

**4.25** As at 31 March 2019, the total loan balance was \$54 million representing 19% of ONB's active loan portfolio. Although this percentage falls within ONB's policy for company and industry exposure limits, we believe the dollar value of the outstanding loan still represents significant exposure for the Province.<sup>3</sup>

***2015 Atcon recommendation - audited financial statements***

**4.26** In 2015, we recommended the Department include a complete version of the most recent audited financial statements with Memorandums to Executive Council requesting financial assistance.

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<sup>3</sup> According to ONB's *Policy 08 – Portfolio Exposure Limits*, the organization's exposure to a company or group of related companies should not normally exceed 30% of the active portfolio, while exposure to an industry should not normally exceed 50% of the active portfolio.

***Assistance provided through a shell company***

**4.27** In this case, the recipient of financial assistance, Acadian Wild Blueberry Company, was a shell company whose ability to meet financial obligations is entirely dependent on the financial position of its parent (Oxford Frozen Foods Limited).

***No audited financial statements of parent entity on file***

**4.28** Although the recipient company is only a cost centre to its parent company, the agreement with ONB does not require the parent company to submit audited financial statements. The recipient (shell) company's audited financial statements are on file, however ONB is only allowed to view the parent company's financial statements in person and take notes.

***Essence of recommendation not implemented***

**4.29** In theory, it appears that our recommendation has been implemented by ONB. However, the inclusion of audited financial statements of a shell company that is dependent of its parent company is not enough to evaluate all risks relating to the company's ability to meet its repayment obligations under the loan agreements. This is an example where the essence of our recommendation seems to not have been implemented.

***2015 Atcon recommendation – evidence to support value of personal guarantees***

**4.30** In 2015, we recommended that when personal guarantees are provided, 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.

***Assets supporting personal guarantee not independently verified***

**4.31** The company's owner provided a personal guarantee as a security for the loan. ONB's *Policy 06E – Repayable Loans*, requires an annual independent third-party certification of the pledged assets under the personal guarantee. The company's auditors provided a written confirmation of the owner's personal net worth in October 2016, with no details of assets and their valuation. In March 2019, the company's treasurer, who is not independent of the company, provided a confirmation of the net worth, again with no asset details. Neither confirmation was a "detailed statement of net worth" or other acceptable documentation as required by the policy.

***Recommendation  
implemented only in  
appearance***

**4.32** Also, the amount of the guarantee, originally stated as \$20 million, increased by \$5 million, while the approved loans increased from \$37.5 million in 2013 to \$64.5 million as at March 31, 2019. This increases the risk ONB may not be able to recoup funds should the company not be able to pay back the loan.

**4.33** Assurance from an informed and reliable source to confirm the owner's net worth is considered a good practice. However, this does not apply if the assurance is from non-independent sources and lacks details of individual assets owned. This is another example where the essence of our recommendation was not followed.

**4.34** Given the Province's recent difficulties in collecting on the personal guarantee in the Atcon case, stronger measures should be applied to all personal guarantees to avoid similar scenarios in the future. Such measures should include ensuring personal guarantees adequately complement other forms of security and stricter adherence to related ONB policies.

***Recommendations were  
better reflected in 2018  
funding***

**4.35** On a more positive note, we found the decision to provide further assistance in 2018 was supported by additional information, such as consideration of past financial assistance provided to the company and whether there were defaults on past repayment if applicable. This is consistent with one of our 2015 Atcon recommendations.

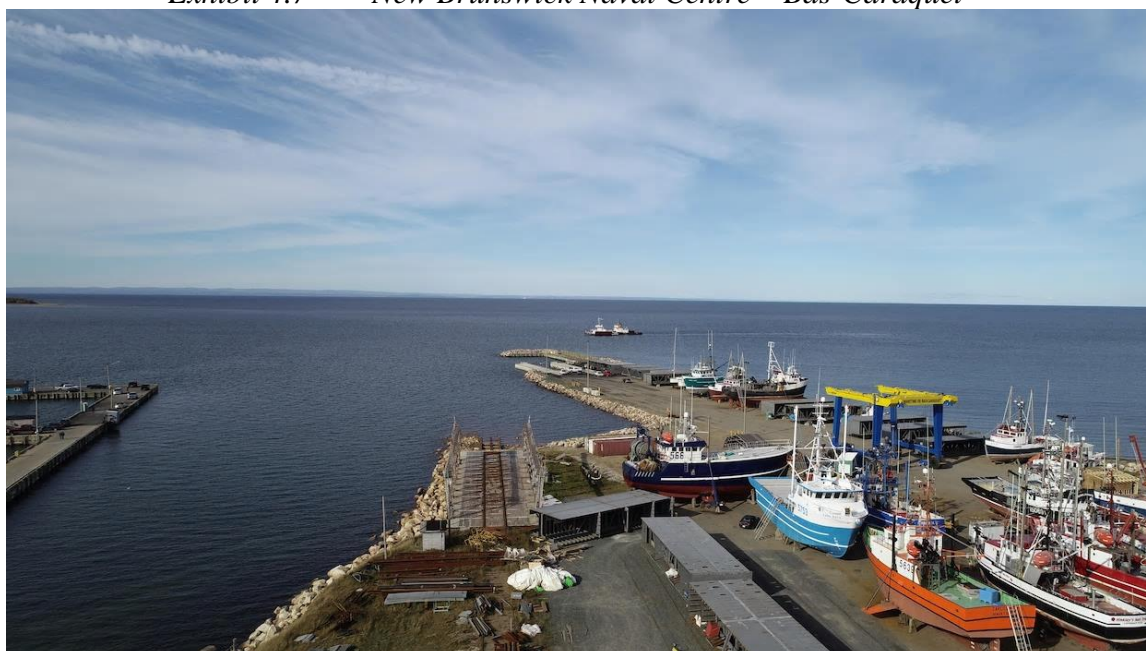
***Case II – New  
Brunswick Naval  
Centre***

***Case background***

**4.36** The second case study examines financial assistance extended to various parties in connection with the development and operation of the New Brunswick Naval Centre in Bas-Caraquet.



Exhibit 4.7 - New Brunswick Naval Centre – Bas-Caraquet



Source : <https://ici.radio-canada.ca/nouvelle/1189955/centre-chantier-naval-politique-provinciale-groupe-ocean>

**4.37** In 2009-2010, the municipalities of Caraquet and Bas-Caraquet created the Centre Naval du Nouveau-Brunswick Inc. (CNNB) as a not-for-profit company. This company then purchased the Bas-Caraquet shipyard with provincial and Federal assistance. In the following years, further government assistance was provided for improvements in the shipyard's infrastructure and operation. According to a government news release in May 2015, the provincial investment was "*helping to create more than 75 jobs and positioning the industry for future growth*"<sup>4</sup>. RDC reported there were approximately 106 employees working on-site on March 18, 2019.

**4.38** In 2014, the site infrastructure was assessed as inadequate to meet the needs of potential clients and an agreement was reached with governments for the construction and refurbishment of the site. In August 2015,

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<sup>4</sup> Government of New Brunswick News Release: Strategic Investment in the shipbuilding industry on the Acadian Peninsula: [https://www2.gnb.ca/content/gnb/en/news/news\\_release.2015.05.0391.html](https://www2.gnb.ca/content/gnb/en/news/news_release.2015.05.0391.html)

it became apparent CNNB could not raise its portion of financing to complete the project.

**4.39** In April 2016, in view of the potential loss of the shipyard infrastructure, including job losses and unpaid suppliers possibly going out of business, Provincial Holdings Limited (PHL), a government corporation, officially proposed to purchase the shipyard assets and assume its operations. The municipalities of Caraquet and Bas-Caraquet accepted the proposal, which required each municipality to provide \$80,000 in funding every year for 10 years. In June 2016, the Province's Jobs Board and Treasury Board approved the purchase of the Naval Centre.

***Timeline of major milestones***

**4.40** Below are significant milestones relating to our second case study:

- 2010: Municipalities of Caraquet and Bas-Caraquet purchased the Bas-Caraquet shipyard with federal assistance and a \$300,000 loan guarantee from RDC.
- March 2015: Atcon report and recommendations published.
- August 2016: Province, through Provincial Holdings Limited (PHL), purchases the assets of CNNB and Services Maritimes de Bas-Caraquet Ltée for \$1.
- October 1, 2016: Loan agreement between RDC and PHL for up to \$12.6 million for the construction of a floating dry-dock.
- October 24, 2016: Agreement with Ocean Group, a private company, for the construction of the dry-dock, and lease agreement between Ocean Group and PHL for the use of the dry-dock (20 years upon completion of the dry-dock).
- July 10, 2017: Agreement between RDC and Atlantic Canada Opportunities Agency (ACOA), a federal agency, for up to \$10 million funding for the refurbishment of a slipway and u-wharf, the purchase of a travelling boat lift, and site work and upgrades to the fire protection system.

**4.41** Exhibit 4.8 below shows the details of provincial financial assistance approved and paid in connection with the New Brunswick Naval Centre from 2009 to 2019.

*Exhibit 4.8 - Provincial assistance in connection with the New Brunswick Naval Centre 2009-2019 (\$ Thousands)*

Department/ Agency	Funding Recipient	Year Approved	Type of Assistance	Purpose of Assistance	Funding Committed	Paid up to March 31, 2019
RDC	CNNB	2009-2012	Various	Infrastructure and operational improvements	2,889	2,632
RDC	CNNB	2014	Grant	Construction and refurbishment of CNNB site	4,000	1,529
RDC	PHL	2016	Various	To purchase shipyard site, settle debts with unpaid suppliers and invest in infrastructure	8,970	8,970
RDC	PHL	2016	Loan	Construction of a dry-dock	12,615	9,142
ONB	Ocean Group	2016-2019	Payroll rebates	Payroll rebates	655	655
<b>Total provincial assistance</b>					<b>\$29,129</b>	<b>\$22,928</b>

*Source: Prepared by AGNB*

**4.42** Exhibit 4.8 shows the province, since 2009, has approved a total of \$29 million of funding in connection with the Naval Centre. This is in addition to \$14 million of approved Federal funding through ACOA.

***More than \$24 million invested by Federal and provincial governments since August 2016***

**4.43** From the Province's purchase of the shipyard in August 2016 to March 31, 2019, RDC reported \$18.5 million was invested in the shipyard by PHL and RDC. Of this amount, \$10.3 million was paid to Ocean Group. ACOA contributed a further \$6 million to RDC for the project in 2017-2018 and 2018-2019.

***Provincial bailout of the centre resulted in \$3.8 million loss on acquisition***

**4.44** In August 2016, PHL purchased the assets of CNNB and Services Maritimes (land, buildings, equipment, etc.) for \$1. The agreement required PHL to settle debts with unpaid suppliers and invest in the infrastructure. The effective purchase consideration, including settlements with suppliers and the bank, as well as other fees, totalled \$8.8 million. When comparing to the value of assets received, PHL recorded a \$3.8 million net loss on acquisition in its 2017-2018 financial statements.

***No risk assessment to support the bailout decision***

**4.45** We found the information provided to decision makers did not include a risk assessment or any mention of PHL's asset management capabilities in the shipbuilding industry.

**4.46** The purchase agreement required PHL to enter into a number of agreements with Ocean Group to:

- lease assets at the shipyard (building, equipment);
- construct a floating dry-dock;
- lease the dry-dock.

*Exhibit 4.9 - Construction of the dry-dock*



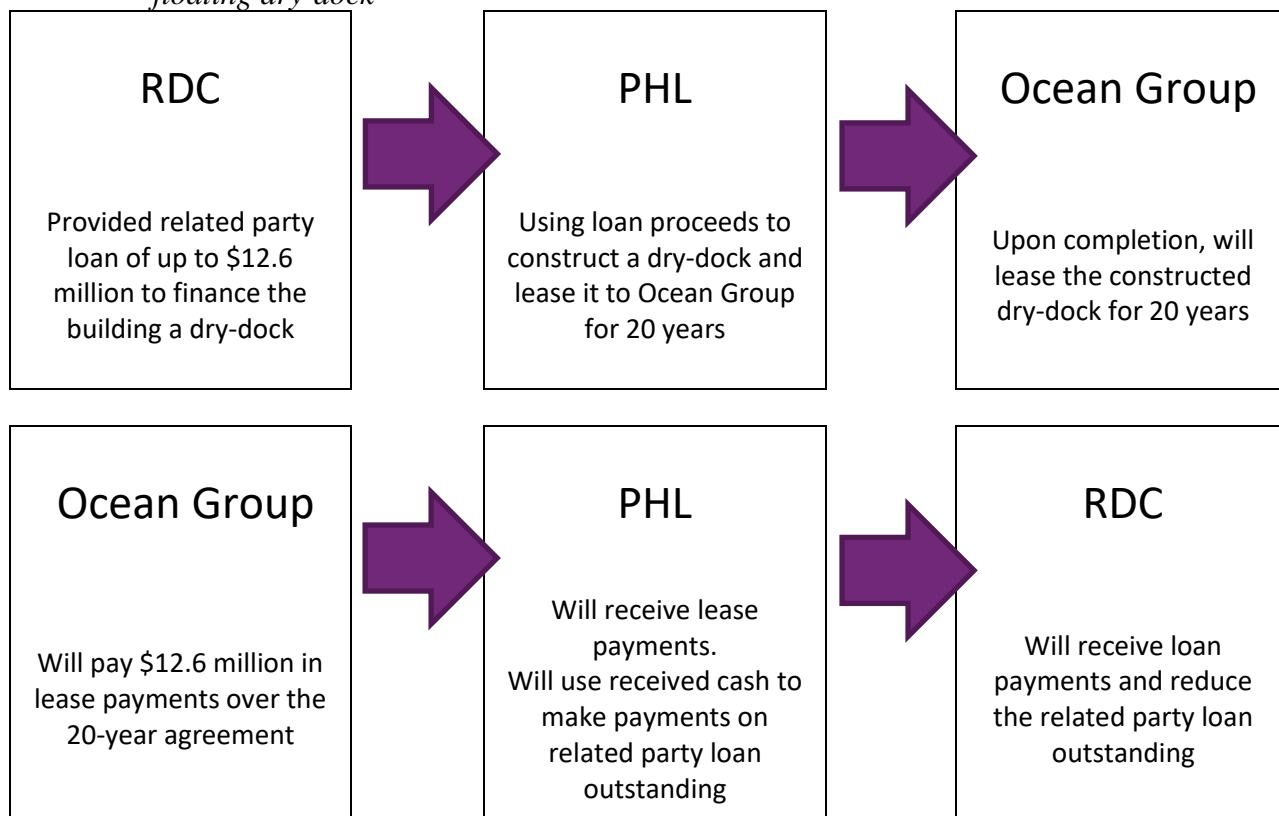
Source: <https://ici.radio-canada.ca/nouvelle/1287943/groupe-ocean-cale-seche-bas-caraquet>

***Unusually structured financing where the Province bears all the risk***

**4.47** In October 2016, a loan agreement between RDC and PHL, two related provincial corporations, was signed for up to \$12.6 million to finance the construction of the dry-dock. A lease agreement was then signed between Ocean Group and PHL to use the dry-dock for 20 years once completed. The lease payments total \$12.6 million. Re-payments are to be made by PHL to RDC consistent with lease payments. This is an unusually structured loan between two related provincial entities as the Province still bears all the risk. Ocean Group was awarded the contract to build the dry-dock and then lease it for 20 years, while the Province provided all the financing.

**4.48** Exhibit 4.10 illustrates the financial arrangements between the parties involved in the construction and leasing of the floating dry-dock.

*Exhibit 4.10 - Financial arrangements for the construction and leasing of the floating dry-dock*



*Source: Prepared by AGNB from information provided by RDC*

***Dry-dock construction behind schedule***

**4.49** PHL contracted the same company to whom it was leasing the yet-to-be completed dry-dock, Ocean Group, to also construct said dry-dock, which was scheduled to be completed in April 2019. There have been several delays to the project and as of August 2019, the dry-dock was still not complete.

***Dry-dock construction to be completed in Quebec***

**4.50** At the end of August 2019, there was a dispute between the Province and Ocean Group. The province obtained a warrant to prevent Ocean from moving the dry-dock from New Brunswick to Quebec before its construction was complete. A Federal Court judge ruled that Ocean could move the dry-dock under certain conditions, therefore its construction will be completed in Quebec.

***Current shipyard operations***

**4.51** PHL officials informed us Ocean Group has begun making lease payments, and that other companies continue to lease buildings and equipment at the shipyard for the construction and repair of boats.



***Relevant Atcon  
Recommendations***

***2015 Atcon  
recommendations -  
streamline  
administration &  
coordination from ECO***

***2015 Atcon  
recommendation -  
quantify the risks and  
rewards***

***Essence of  
recommendations not  
implemented***

**Conclusions**

**4.52** In 2015 we recommended the following:

- We recommend, as an efficiency measure and to streamline administration, the Department of Economic Development (now ONB) make recommendations to Cabinet to rationalize the number of provincial entities that provide financial assistance to industry; and
- We recommend the Executive Council Office (ECO) take responsibility for coordinating the implementation by all departments/agencies providing financial assistance to industry of recommendations of this report.
- To improve future economic development decision making, we recommended 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.

**4.53** Our 2015 Atcon recommendations were intended to apply to all provincial entities providing financial assistance to industry. Without a streamlined approach to financial assistance and the implementation of our recommendations by all entities, there continues to be a lack of provincial perspective on financial assistance. In addition, not providing risk assessments to decision makers and structuring deals that leave the Province to assume all the risks demonstrates the safeguards recommended in our Atcon 2015 report were not followed in the Bas-Caraquet shipyard file. As a result, there is major uncertainty with regards to the value New Brunswick taxpayers received from a \$23 million investment in the shipyard.

**4.54** It is clear the Province has continued to enter into significant financial assistance arrangements through multiple provincial entities. Due diligence, risk management and monitoring practices employed by these entities vary in depth and rigor.

**4.55** We are concerned to see the essence of some of our Atcon recommendations not being implemented when new financial assistance decisions were made. In our view:

- Assistance should not be extended to a shell company unless it is secured against the parent company's assets. In such cases, it is not enough to only obtain and review the financial statements of the recipient

company. Although this may appear to meet the policy requirements, it will not provide a true assessment of the recipient's financial position.

- It is not acceptable to only obtain a certification of total net worth supporting a personal guarantee. Instead, an independently certified detailed statement of personal net worth should be obtained and regularly updated to stand up in court should the Province be unable to recover funds from the funding recipient;
- Limits on assistance to a single company, set as a percentage of active portfolio, should limit the level of exposure to the Province. Although the \$54 million outstanding loan balance of the Acadian Wild Blueberry Company falls within ONB's new policy limit, it still represents a significant level of exposure for the Province.

***It is unacceptable taxpayers remain uninformed with regard to the total amount of funds extended as financial assistance and the outcomes achieved***

**4.56** We continue to believe central delivery and monitoring of financial assistance would ensure consistency in assessing and controlling risks to the taxpayer and the Province overall. Further, it is unacceptable taxpayers remain uninformed with regard to the total amount of funds extended as financial assistance and the outcomes achieved.

**4.57** While we encourage and support the positive outcomes attained by ONB, we believe implementing the essence of our 2015 Atcon recommendations would help the Province improve risk management, sustain and build on successes achieved thus far.

## **Appendix I - Scope and Objective of Follow-up Work**

### Scope and objective

The office's practice, after a performance audit report is published, is to request from the audited Department, commission or agency an annual status update on the implementation of our recommendations, starting in the second year after the date of the original Report. We usually verify recommendation implementation four years after the report was released. In other words, in this 2019 Report, we are tracking progress on performance audit recommendations from 2015, 2016 and 2017. We may also choose to track the status of some recommendations for a period extending beyond four years.

Our objective is to determine the degree of progress departments, commissions and Crown agencies have made in implementing our recommendations. We assess their progress as either implemented, not implemented, disagreed with, or no longer applicable.

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

This year we modified our follow-up process to examine two financial assistance files which represent significant exposure for the Province. As a result, we did not verify implementation status submitted by departments, commissions and agencies. We gathered and summarized the information submitted for 2015, 2016 and 2017 and certain recommendations made in 2011 concerning constituency office expenses.

Recommendations made to departments, commissions and Crown agencies as a result of our financial audit work are followed-up annually as part of our financial audit process, and are not discussed in this chapter.



## Appendix II - 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	
Agriculture, Aquaculture and Fisheries	Agricultural Fair Association	2016	8	7	1	0	0	88%
SNB	Advisory Services Contract	2017	3	2	1	0	0	67%
Social Development			13	13	0	0	0	100%
ASD-W	School District Purchase Cards	2017	14	12	2	0	0	86%
ASD-N			14	14	0	0	0	100%
ASD-E			14	14	0	0	0	100%
ASD-S			14	14	0	0	0	100%
DSF-S			14	13	1	0	0	93%
DSF-NE			14	8	6	0	0	57%
DSF-NO			14	14	0	0	0	100%
EECD			2	2	0	0	0	100%
Finance and Treasury Board			2	0	2	0	0	0%
Environment & Local Government			Climate Change	2017	5	2	3	0
NB Power	3	2			1	0	0	67%
Opportunities NB	Financial Assistance to Atcon: Unanswered Questions	2017	8	8	0	0	0	100%
Executive Council Office			1	1	0	0	0	100%
Service New Brunswick	Residential Property Assessment – Special Examination	2017	22	13	9	0	0	59%
Executive Council Office			1	1	0	0	0	100%
Finance and Treasury Board			2	1	1	0	0	50%
Energy and Resource Development	Private Wood Supply	2015	19	14	5	0	0	74%
Energy and Resource Development	Silviculture	2015	21	15	6	0	0	71%
Finance and Treasury Board	Public Debt	2015	8	4	4	0	0	50%
Legal Aid Services Commission	Public Trustee Services	2016	10	6	4	0	0	60%
Health	Meat Safety - Food Premises Program	2016	23	20	3	0	0	87%

## Appendix II - Status of Performance Audit Recommendations as Reported by Departments, Commissions or Agencies (Continued)

Health	Infection Prevention and Control in Hospital	2015	2	2	0	0	0	100%
Horizon Health Network			9	9	0	0	0	100%
Vitalité Health Network			10	10	0	0	0	100%
Opportunities NB	Financial Assistance to Atcon Holdings Inc. and Industry	2015	17	17	0	0	0	100%
Executive Council Office			2	1	1	0	0	50%
Social Development	Nursing Homes	2016	3	3	0	0	0	100%
Transportation and Infrastructure	Centennial Building	2015	5	5	0	0	0	100%
Executive Council Office /Legislative Assembly	Constituency Office Expenses	2011	5	5	0	0	0	100%
<b>Total</b>			<b>302</b>	<b>252</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>83%</b>

\* All values are self-reported results

# Appendix III

## 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**

#### **Student Performance: A New Brunswick Challenge (2018)**

This chapter reports observations, findings and recommendations regarding the Department's management of student performance in reading, math and science, which is measured through provincial assessments. It examines whether the Department sets goals for student performance, monitors, improves and publicly reports on student performance. It covers both the Anglophone and Francophone education sectors and includes all seven school districts.

#### **School District Purchase Cards (2017)**

This chapter examines the use of purchase cards by school districts after we identified risks associated with the use of purchase cards through our financial audit work, which highlighted numerous control weaknesses in the purchase card procedures.

#### **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**

### **Climate Change (2017)**

In April 2016 all Auditors General across Canada agreed to undertake work on their provinces' and territories' climate change initiatives. This work will then be summarized in a report to the Parliament in early 2018. The overall objective of this initiative was to work together to determine the extent to which federal, provincial and territorial governments in Canada are meeting commitments to reduce greenhouse gas (GHG) emissions and to adapt to climate change.

### **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.

## **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**

### **Overdue Property Tax: Collections and Forgiveness (2019)**

This chapter examines the Department of Finance's activity in meeting its responsibilities and utilizing its authority granted under the Real Property Tax Act and Financial Administration Act in collecting overdue property tax and in forgiving property tax debt.

### **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.

### **Public Debt (2015)**

This chapter describes the public debt situation in New Brunswick in comparison with other Canadian provinces. It determines if the Department of Finance follows a prudent debt management practice to mitigate risks associated with public debt.

### **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**

### **Medicare Cards (2019)**

This chapter determines if the Department of Health has process and controls to ensure only eligible residents are issued a Medicare card, and whether the security and privacy of cardholder's information is protected.

### **Addiction and Mental Health Services in Provincial Adult Correctional Institutions (2018)**

This chapter examines whether the Department of Health and the Department of Justice and Public Safety deliver addiction and mental health services to provincial correctional institution inmates to improve health outcomes and contribute to safer communities.

### **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.

## **Department of Justice and Public Safety**

### **Addiction and Mental Health Services in Provincial Adult Correctional Institutions (2018)**

This chapter examines whether the Department of Health and the Department of Justice and Public Safety deliver addiction and mental health services to provincial correctional institution inmates to improve health outcomes and contribute to safer communities.

### **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.

## **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 Energy and Resource Development**

### **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.

## **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.

## **Department of Social Development**

### **Advisory Services Contract (2017)**

This chapter evaluated the effectiveness of specific Department of Social Development contract management practices in procuring, administering, and measuring results of a significant consulting contract for advisory services.

### **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**

### **Outsourcing of Highway Maintenance and Construction Work (2019)**

This chapter examined the decision-making process followed by the Department of Transportation and Infrastructure to outsource highway maintenance, construction and procurement of related equipment to determine if it was evidence based.

### **Centennial Building (2015)**

This chapter reports on government infrastructure planning for the Centennial Building in Fredericton, associated financial impact on provincial taxpayers, and the current status of the facility.

### **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 June 9, 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.

### **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.

### **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.

## **Crown Agency and Crown Corporation Projects**

### **New Brunswick Lotteries and Gaming Corporation**

#### **Atlantic Lottery Corporation – Joint Follow-up of the 2016 Recommendations to the Atlantic Lottery Corporation (2019)**

This was a joint follow-up report by the Auditors General of New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island on the implementation status of the 25 recommendations made in their 2016 audit of the Atlantic Lottery Corporation (ALC). There were separate recommendations directed to the four shareholder governments, the board and management.

#### **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
- services are procured in an efficient and economical manner.

### **NB Power**

#### **Climate Change (2017)**

In April 2016 all Auditors General across Canada agreed to undertake work on their provinces' and territories' climate change initiatives. This work will then be summarized in a report to the Parliament in early 2018. The overall objective of this initiative was to work together to determine the extent to which federal, provincial and territorial governments in Canada are meeting commitments to reduce greenhouse gas (GHG) emissions and to adapt to climate change.

#### **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: Unanswered Questions (2017)**

This chapter examines questions on the use of the funds received by Atcon and whether anyone benefited inappropriately from this money during the short timeframe between granting the company financial assistance and the placement of Atcon into receivership.

### **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.

## **Service New Brunswick**

### **Residential Property Assessment – Special Examination (2017)**

This chapter examines the circumstances related to inaccuracies and errors in Service New Brunswick's (SNB) calculation of real property assessment values for the taxation years 2011 through 2017.

### **Agricultural Fair Associations (2016)**

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

### **Data Centre Power Interruption (2014)**

This chapter examines the events and circumstances surrounding the data centre outage of June 9, 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.

## **WorksafeNB**

### **Phase I – Governance (2018)**

This chapter determines if WorksafeNB's framework is structured to enable the organization to meet its mandate, goals and objectives.

### **Phase II – Management of Injured Workers' Claims (2018)**

This chapter presents findings and recommendations regarding WorkSafeNB's management of injured workers' claims. It examines whether WorkSafeNB has an effective claims management framework.

**Appendix IV**  
**Detailed Status Report of**  
**Recommendations**  
**Since 2015**

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
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

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
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.	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

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
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.	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	Executive Council Office	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	Executive Council Office	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



Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
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.	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 Health Network and Vitalité Network	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"> <li>• hand hygiene not done when required by policy, healthcare workers wearing rings and bracelets, areas with inadequate signage and gel;</li> <li>• biomedical waste improperly stored;</li> <li>• overcrowding in hemodialysis and oncology areas whose patients have an increased risk of acquiring an infectious disease;</li> <li>• no cleaning between patients treated in the same chemotherapy chair;</li> <li>• isolation inadequacies (signage, carts supplies, use of personal protective equipment, etc.);</li> <li>• linen deficiencies (clean laundry arriving at hospitals without being properly covered, linen delivery trucks not properly cleaned,</li> </ul>	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Infection Prevention and Control in Hospitals	Horizon Health Network and Vitalité Network	2015	2	2	112 cont	<ul style="list-style-type: none"> <li>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.);</li> <li>containers of disinfectant wipes left open;</li> <li>inadequate separation of clean and 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.);</li> <li>doors missing or being left open;</li> <li>permanent placement of patients in beds in the corridor;</li> <li>inadequate cleaning, labelling and storage of shared equipment;</li> <li>insufficient signage (public entrances) and labelling ("clean" and "soiled" items, storage areas, etc.); and</li> <li>construction areas not properly sealed-off from patient areas (with proper ventilation and signs restricting access).</li> </ul>	Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network	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.	Implemented
	Vitalité Health Network						Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Infection Prevention and Control in Hospitals	Horizon Health Network	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.	Implemented
	Vitalité Health Network						Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network	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.	Implemented
	Vitalité Health Network						Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network	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"> <li>documented provincial infection prevention and control policies, standards and practices;</li> <li>a strategy for monitoring compliance with infection control standards; and</li> <li>a comprehensive hand hygiene strategy.</li> </ul>	Implemented
	Vitalité Health Network						Implemented
	Department of Health						Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network	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.	Implemented
	Vitalité Health Network						Implemented
Infection Prevention and Control in Hospitals	Vitalité Health Network	2015	2	2	148	We recommend the Vitalité Health Network require their ICPs obtain specialized training in infection prevention and control.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Infection Prevention and Control in Hospitals	Horizon Health Network	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"> <li>inconsistencies in ICPs' knowledge of appropriate practices and standards;</li> <li>variations in the ICPs' work in different zones; and</li> <li>inconsistencies with isolation gowns.</li> </ul>	Implemented
	Vitalité Health Network						Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network	2015	2	2	180	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: <ul style="list-style-type: none"> <li>consistent unbiased hand hygiene auditing of appropriate quantity and including coverage of all areas in the hospitals;</li> <li>auditing jewelry and nails of healthcare workers to ensure compliance with the hand hygiene policy;</li> <li>auditing of linen management, including delivery trucks;</li> <li>auditing of waste management, including all types of waste; and</li> <li>auditing of shared equipment (proper cleaning, storage, etc.).</li> </ul>	Implemented
	Vitalité Health Network						Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network	2015	2	2	202	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.	Implemented
	Vitalité Health Network						Implemented
	Department of Health						Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	76	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.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	83	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.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	104	We recommend the Department complete and finalize a silviculture manual with performance standards based on best practices.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	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.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	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".	Not Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	118	We recommend the Department continue with the silviculture annual monitoring program and apply consistent controls on silviculture services acquired.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	122	We recommend the Department complete licensee performance evaluations every five years per the <i>Crown Lands and Forests Act</i> .	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	123	We recommend evaluation data be verified by the Department for completeness and accuracy.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	131	We recommend the Department monitor the results of silviculture treatments over time and hold licensees accountable through performance based measures.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	132	We recommend information self-reported by licensees be verified for completeness and accuracy.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	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.	Not Implemented
Silviculture	Natural Resources (Energy and Resource Development)	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.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	158	We recommend the Department include the use of an economic payback model when analyzing resource allocations for silviculture program activities.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	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.	Not Implemented
Silviculture	Natural Resources (Energy and Resource Development)	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.	Not Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Silviculture	Natural Resources (Energy and Resource Development)	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.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	181	We recommend the Department regularly benchmark silviculture rates from other jurisdictions in addition to using the costing model.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	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.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	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.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	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> .	Not Implemented
Silviculture	Natural Resources (Energy and Resource Development)	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.	Not Implemented



Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Not Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Not Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Not Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Not Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	149	We recommend the Commission establish member position profiles and criteria against which potential appointees can be evaluated.	Implemented



Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	154	We recommend the Commission make appointment requests in a manner that effectively staggers member appointments to promote continuity.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	169	We recommend the Commission complete its strategic plan to reflect its mandate under legislation and articulate its strategic priorities.	Not Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	237	We recommend the Department and the Commission jointly reviews the Commission's mandate and structure and make the changes required to ensure the Commission can effectively perform its legislated mandate.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	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.	Implemented
Public Debt	Finance and Treasury Board	2015	4	2	80	We recommend the Department develop a comprehensive debt management strategy and have it approved by Cabinet.	Not Implemented
Public Debt	Finance and Treasury Board	2015	4	2	94	We recommend the Department establish the Province's risk tolerance in terms of an acceptable dollar variation from the budget of servicing public debt due to financial markets movement.	Not Implemented
Public Debt	Finance and Treasury Board	2015	4	2	95	We recommend the Department form a risk committee independent of the Treasury Division to review and approve all risk management related policies.	Implemented
Public Debt	Finance and Treasury Board	2015	4	2	109	We recommend the Department regularly conduct a full stress test of its debt portfolio on the basis of the economic and financial shocks to which the Province is potentially exposed.	Implemented
Public Debt	Finance and Treasury Board	2015	4	2	123	We recommend the Department clearly state in its borrowing policies which debt products may be issued by the Province and which may not.	Implemented
Public Debt	Finance and Treasury Board	2015	4	2	129	We recommend the Department document in its policy the limits and authorities for all levels of staff who can undertake borrowing and investing related transactions.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Public Debt	Finance and Treasury Board	2015	4	2	139	We recommend the Department publicly report the government's debt management objectives, guidelines, and strategies, as well as medium-term financing needs and targets, in terms of debt composition, average maturity, and other indicators.	Not Implemented
Public Debt	Finance and Treasury Board	2015	4	2	145	We recommend the Department provide the public with information on the projected future performance of the Province's debt portfolio, including its cost of debt.	Not Implemented
Centennial Building	Transportation and Infrastructure	2015	4	3	57	To facilitate a government decision on the future of the Centennial Building, we recommend the Department present government with an updated cost analysis of potential options for the facility, including the "do nothing" option.	Implemented
Centennial Building	Transportation and Infrastructure	2015	4	3	58	We also recommend the Department implement a moratorium on new modifications, fit-ups and new occupants in the Centennial Building until a decision on its future has been made.	Implemented
Centennial Building	Transportation and Infrastructure	2015	4	3	59	We further recommend the Department proceed immediately to implement government's chosen option for the facility.	Implemented
Centennial Building	Transportation and Infrastructure	2015	4	3	60	We recommend one central authority within government be assigned control over the provision and management of all government office space, with the mandate and authority to fully enforce office space allocation and acquisition policies.	Implemented
Centennial Building	Transportation and Infrastructure	2015	4	3	61	We recommend, for future infrastructure projects, the Department request comprehensive approval from government, including any removal from service, disposal and or demolition of surplus infrastructure rather than having a piecemeal approval process not supported by the original business case.	Implemented

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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.	Implemented
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.	Implemented
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.	Implemented
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.	Implemented
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.	Implemented
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.	Not Implemented
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.	Implemented
Public Trustee Services	Legal Aid Services Commission	2016	1	3	43	We recommend the Public Trustee implement regular supervisory review of client files.	Implemented
Public Trustee Services	Legal Aid Services Commission	2016	1	3	44	We recommend the Public Trustee implement an internal audit function.	Not Implemented
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.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
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.	Not Implemented
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.	Implemented
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"> <li>• lack of timeliness in obtaining authority to act as Public Trustee for a client;</li> <li>• loss of authority upon death of a client;</li> <li>• limitations in fees that can be charged to clients; and</li> <li>• administration of unclaimed property.</li> </ul>	Not Implemented
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.	Implemented
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.	Implemented

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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> .	Implemented
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.	Implemented
Agricultural Fair Associations	Service New Brunswick	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.	Implemented
Agricultural Fair Associations	Service New Brunswick	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.	Not Implemented
Agricultural Fair Associations	Public Safety (Justice and Public Safety)	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.	Implemented



Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Agricultural Fair Associations	Finance	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.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	54	We recommend the Department of Health ensure applicants for food premises licences submit all required documentation and comply with the food premises standards prior to issuing a licence.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	65	We recommend the Department of Health implement procedures to identify illegal operators of food premises and then proceed to either license the operator or take enforcement actions to cease their operations. The procedures should be done on a regular basis and the results documented.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	66	We recommend the Department of Health review all food premises licences to ensure the class is correct and the proper annual fee is being collected.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	69	We recommend the Department of Health fully implement its risk-based inspection strategy by ensuring staff follow the documented <i>Standard Operational Procedures</i> and properly complete a risk assessment, and update it annually, to determine the proper inspection frequency for food premises.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	75	We recommend the Department of Health follow the documented Standard Operational Procedures (SOPs) and properly conduct inspections to monitor operators' compliance with the food premises standards.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	76	We recommend the Department of Health properly document all inspections by accurately and neatly completing the <i>Food Premises Inspection Form</i> .	Implemented



Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Meat Safety – Food Premises Program	Health	2016	3	2	77	We recommend the Department of Health perform the required number of routine inspections each year (which is determined by assessing the risk of the food premises).	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	78	We recommend the Department of Health perform reinspections on a timely basis to ensure violations of the food premises standards have been corrected.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	85	As part of recommendation 2.75, we recommend the Department of Health ensure all inspectors wash their hands before beginning their inspection and record all violations on the inspection report.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	86	We recommend the Department of Health enhance inspections by checking temperatures, sanitizing solution concentration, food safety training records, etc. and thoroughly reviewing operators' records required by the food premises standards.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	87	We recommend the Department of Health encourage consistency between inspectors through such means as: <ul style="list-style-type: none"> <li>• providing refresher training on the SOPs;</li> <li>• monitoring compliance with the SOPs; and</li> <li>• having regular meetings to discuss violations and food premises standards using professional judgment.</li> </ul>	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	92	We recommend the Department of Health explore the benefits of tracking and monitoring violations of the food premises standards to identify trends and target systematic corrective efforts. (For example, one region could pilot a project where violations are recorded on a spreadsheet and then analyzed to identify trends. If the exercise proves to be beneficial, a provincial system could be implemented.)	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Meat Safety – Food Premises Program	Health	2016	3	2	95	We recommend the Department of Health ensure proper procedures are consistently followed and documented when revoking a food premises licence.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	102	There should be serious ramifications for food premise operators who repeatedly have their licence revoked. We recommend the Department of Health eliminate noncompliance by operators by implementing stronger enforcement actions, such as posting compliance status in premises' window clearly visible to the public, ticketing with fines, graduated licensing fees, etc.	Not Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	110	We recommend the Department of Health enhance its public reporting of compliance with the food premises standards by: <ul style="list-style-type: none"> <li>• posting inspection reports for all food premises, and</li> <li>• posting results of all inspections for the past two years.</li> </ul>	Not Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	114	We recommend the Department of Health establish a standard method (to be used by all regional offices) for maintaining consistent, reliable and useful information for the food premises program including the following: <ul style="list-style-type: none"> <li>• directories of licensed food premises including their class, annual fee, assigned inspector, risk category, etc.; and</li> <li>• information required by the Standard Operational Procedures, such as specific information on food premises relating to their risk assessment, “major” and “critical” violations, “management and employee food safety knowledge”.</li> </ul>	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	115	The current manual inspection system does not provide information needed by the Department. We recommend the Department of Health explore what other provinces are doing in this regard and automate the inspection system.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Meat Safety – Food Premises Program	Health	2016	3	2	125	We recommend the Department of Health implement quality assurance practices to ensure all risk areas covered by the <i>Food Premises Regulation</i> are subject to quality assurance monitoring.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	126	We recommend the Department of Health rotate food premises assigned to inspectors at least every four years as required by the <i>Standard Operational Procedures (SOPs)</i> .	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	127	We recommend the Department of Health calibrate equipment regularly as required by the SOPs.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	128	We recommend the Department of Health thoroughly review all of the SOPs to determine if they are practical. Attention should be given to identify SOPs that are not being followed. (In particular, the number of inspection files per inspector to be reviewed by the Regional Director may be excessive.) We further recommend the SOPs be revised as needed.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	154	We recommend the Department of Health assess the public health risks related to: <ul style="list-style-type: none"> <li>• uninspected meat;</li> <li>• class 5 operators not having food safety training;</li> <li>• licensing and inspecting abattoirs that are also involved with processing meat (such as making sausage, head cheese, jerky and other smoked products); and</li> <li>• community suppers, and we recommend the Department consider updating its regulations based on their findings.</li> </ul>	Not Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	155	We recommend the Department of Health fully implement the current <i>Food Premises Regulation</i> or amend it to reflect the Department’s present public health policy intentions.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Advisory Services Contract	Service New Brunswick	2017	1	2	50	We recommend Service New Brunswick: <ul style="list-style-type: none"> <li>ensure emergency and urgent exemptions are not used inappropriately by departments to bypass the competitive tendering process;</li> <li>require that departments provide sufficient rationale and documentation to support requested exemptions; and</li> <li>maintain a record of why the decision to approve the emergency and urgent exemption was made.</li> </ul>	Implemented
Advisory Services Contract	Social Development	2017	1	2	58	We recommend the Department of Social Development apply a cool down period between the end of existing contracts with potential future proponents to avoid undue influence and conflict of interest.	Implemented
Advisory Services Contract	Social Development	2017	1	2	59	We recommend the Department of Social Development communicate to Service New Brunswick rationale for not following Service New Brunswick procurement procedures and advice.	Implemented
Advisory Services Contract	Social Development	2017	1	2	89	We recommend the Department of Social Development structure contracts containing performance compensation only on actual, measurable results.	Implemented
Advisory Services Contract	Social Development	2017	1	2	94	We recommend the Department of Social Development develop a framework to govern significant aspects of contract management such as procurement, administration, evaluation and reporting.	Implemented
Advisory Services Contract	Social Development	2017	1	2	103	We recommend the Department of Social Development design and develop agreements that provide for performance measurement by including objectives and clear, well defined deliverables.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Advisory Services Contract	Social Development	2017	1	2	117	We recommend the Department of Social Development: <ul style="list-style-type: none"> <li>independently evaluate the performance of contractors against well-defined contract goals, objectives and deliverables; and</li> <li>submit written feedback to Service New Brunswick on the contractor's performance for significant contracts.</li> </ul>	Implemented
Advisory Services Contract	Service New Brunswick	2017	1	2	118	We recommend Service New Brunswick require contractor performance reports be submitted by procuring entities for all significant agreements.	Not Implemented
Advisory Services Contract	Social Development	2017	1	2	129	We recommend the Department of Social Development track actual savings as they accumulate over time supported by relevant data.	Implemented
Advisory Services Contract	Social Development	2017	1	2	132	We recommend the Department of Social Development measure and report the impact to quality of client service delivery resulting from implemented performance improvement initiatives.	Implemented
Advisory Services Contract	Service New Brunswick	2017	1	2	146	We recommend Service New Brunswick ensure that service contracts include a 'not to exceed' clause in the amount matching the purchase order value.	Implemented
Advisory Services Contract	Social Development	2017	1	2	169	We recommend the Department of Social Development develop a monitoring strategy for implementation targets, milestones, deliverables, and service quality for significant Departmental initiatives.	Implemented
Advisory Services Contract	Social Development	2017	1	2	180	We recommend the Department of Social Development not include clauses in contracts for consulting services that allow out of scope work to be undertaken.	Implemented
Advisory Services Contract	Social Development	2017	1	2	199	We recommend the Department of Social Development include clear contract terms stipulating billing requirements such as a maximum timeframe for submission of invoices.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Advisory Services Contract	Social Development	2017	1	2	228	We recommend the Department of Social Development design and implement controls to ensure: <ul style="list-style-type: none"> <li>• compliance with government policies governing travel expenses (AD-2801) and approval of payments (AD-6402); and</li> <li>• significant contract terms such as billing discounts and caps are adhered to.</li> </ul>	Implemented
Advisory Services Contract	Social Development	2017	1	2	259	We recommend the Department of Social Development not include consultants on procurement evaluation committees if compensation to the consultant is impacted by the procurement award.	Implemented
Climate Change	Environment & Local Government	2017	1	3	41	We recommend the Department propose to Cabinet that Greenhouse Gas emission targets, as specified in its Climate Change Action Plan be legislated, similar to other Canadian provinces.	Implemented
Climate Change	Environment & Local Government	2017	1	3	48	We recommend the Department set specific GHG emission reduction targets for NB Power to ensure the provincial targets set in the Climate Change Action Plan are achievable.	Not Implemented
Climate Change	NB Power	2017	1	3	55	We recommend NB Power: <ul style="list-style-type: none"> <li>• perform a comprehensive analysis on the potential impact of phase-out of Belledune Generating Station;</li> <li>• consult with the Department of Environment and Local Government on a proposed solution regarding the Belledune Generating Station; and</li> <li>• integrate the Belledune Generating Station phase-out analysis in its Integrated Resource Plan process to ensure it has the capacity to meet New Brunswick's future electricity requirements, while respecting energy efficiency and demand reduction programs.</li> </ul>	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Climate Change	Environment & Local Government	2017	1	3	63	We recommend the Department finalize an implementation plan that describes: <ul style="list-style-type: none"> <li>• how and when the actions identified in the Climate Change Action Plan will be implemented; and</li> <li>• how the Department intends to monitor and report on the progress.</li> </ul>	Not Implemented
Climate Change	Environment & Local Government	2017	1	3	108	We recommend the Department develop a provincial climate change risk assessment. The assessment should include: <ul style="list-style-type: none"> <li>• Risk identification;</li> <li>• Risk analysis;</li> <li>• Risk evaluation;</li> <li>• Risk treatment and adaptation measures; and</li> <li>• Implementation plan and monitoring.</li> </ul>	Not Implemented
Climate Change	NB Power	2017	1	3	120	We recommend NB Power conduct a corporate level climate change vulnerability assessment.	Implemented
Climate Change	NB Power	2017	1	3	121	We recommend NB Power develop an implementation plan for adapting to climate change after the completion of its vulnerability assessment.	Not Implemented
Climate Change	Environment & Local Government	2017	1	3	134	We recommend the Department update the CCAP Progress Tracking System to reflect the changes in the most current Climate Change Action Plan.	Implemented
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	80	We recommend, for performance bonds or funds placed in trust, Opportunities NB structure the release of such funds such that sufficient supporting documentation is obtained and reviewed for authenticity and legitimacy prior to authorizing the disbursement of funds.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	150	Where the financial assistance requested is significant and is considered high risk, we recommend a clear determination be made and presented to Cabinet as to whether the financial assistance requested is sufficient for the purpose intended.	Implemented
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	152	Where the financial assistance requested is significant and is considered high risk, we recommend information presented to Cabinet for decisions on financial assistance should include comparisons to industry standards to assess the health of the company requesting financial assistance.	Implemented
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	154	Where the financial assistance requested is significant and is considered high risk, we recommend no financial assistance be granted to a company when significant amounts are outstanding from the shareholders of the company or from affiliated companies. Any exceptions should be rare and well justified.	Implemented
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	156	Where the financial assistance requested is significant and is considered high risk, we recommend management and shareholders be required to make a declaration pertaining to dividends, salaries, bonuses (or other) as needed, as part of the application process, such as: <ul style="list-style-type: none"> <li>• Salaries to key executives for the past three to five years;</li> <li>• Salaries, dividends and bonuses to shareholders and family members for the past three to five years;</li> <li>• Transfers to related/associated/affiliated companies in the past three to five years;</li> <li>• Details of shareholder account activity during the past three to five years; and</li> <li>• Details of dividends, share redemptions and changes in share capital in the past three to five years.</li> </ul>	Implemented



Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	158	Where the financial assistance requested is significant and is considered high risk, we recommend that agreements contain a restriction to require the approval of ONB prior to a dividend or bonus payment.	Implemented
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	160	Where the financial assistance requested is significant and is considered high risk, we recommend that statutory declarations made as a condition of financial assistance be verified.	Implemented
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	162	Where the Province has personal guarantees as security on financial assistance, we recommend ONB put in place a process whereby, in the event of default by the recipient, personal guarantees are promptly pursued.	Implemented
Financial Assistance to Atcon: Unanswered Questions	Executive Council Office	2017	2	2	164	We recommend the Executive Council Office take responsibility for coordinating the implementation of recommendations in this report by all departments/agencies providing financial assistance to industry.	Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	42	We recommend Service New Brunswick (Property Assessment Services) follow standard Project Management processes to initiate, plan, execute, control and oversee the work of project teams to achieve specific goals and meet specific success criteria.	Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	43	We recommend Service New Brunswick (Property Assessment Services) require proponents of projects to develop a detailed business case for each project in order to demonstrate its expected value.	Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	44	We recommend Service New Brunswick (Property Assessment Services) consult with the Project Management Branch in managing major projects.	Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	45	We recommend Service New Brunswick (Property Assessment Services) conduct lessons-learned analysis subsequent to implementing new technology and incorporate lessons learned.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Residential Property Assessment – Special Examination	Service New Brunswick Executive Management	2017	3	2	72	We recommend Service New Brunswick executive management ensure key risks associated with project proposals are clearly highlighted within the information presented to the Board for approval.	Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Board of Directors	2017	3	2	73	We recommend the Service New Brunswick Board of Directors apply an appropriate level of scrutiny to highrisk project proposals as identified in the corporate risk register.	Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	79	We recommend Service New Brunswick (Property Assessment Services) prioritize its efforts to validate Gross Living Area data on the more complicated types of building.	Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	82	We recommend Service New Brunswick (Property Assessment Services) utilize aerial photography as a tool to improve, augment or verify data, not as the authoritative record.	Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	86	We recommend Service New Brunswick (Property Assessment Services) adequately resource future mass appraisal model development and implementation.	Not Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	88	We recommend Service New Brunswick (Property Assessment Services) require peer review for quality assurance when developing new mass appraisal models.	Not Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	91	We recommend Service New Brunswick (Property Assessment Services) regularly review the extent to which each property data element has an impact on property value and the benefit of collecting, maintaining and using such data in all future mass appraisal model development.	Not Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	92	We recommend Service New Brunswick (Property Assessment Services) capture the quality and condition of properties and properly analyze their impact on property value.	Not Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	95	We recommend Service New Brunswick (Property Assessment Services) develop and document a formal definition of an error in property assessment.	Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	109	We recommend Service New Brunswick (Property Assessment Services) identify, correct, track, and publicly report on errors.	Not Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	110	We recommend Service New Brunswick (Property Assessment Services): <ul style="list-style-type: none"> <li>conduct exploratory analysis on existing property data elements to determine completeness, accuracy and consistency; and</li> <li>formalize and implement a process to monitor the integrity of data.</li> </ul>	Not Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	120	We recommend Service New Brunswick (Property Assessment Services) establish a Quality Assurance functional unit. The unit should: <ul style="list-style-type: none"> <li>report to the Executive Director to maintain independence, avoid any potential conflict of interest, and ensure key information is provided;</li> <li>monitor and report on the quality of project management; and</li> <li>undertake a province-wide program to improve property data quality, with consistent training, tools, and standards in all regions.</li> </ul>	Not Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	132	We recommend Service New Brunswick (Property Assessment Services) enhance quality assurance by: <ul style="list-style-type: none"> <li>developing parameters, policies and procedures for exception reports; and</li> <li>ensuring exception reports are properly followed up.</li> </ul>	Not Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	133	We recommend Service New Brunswick (Property Assessment Services) discontinue the practice of relying on property owner Requests for Review as a means of quality assurance.	Implemented
Residential Property Assessment – Special Examination	Department of Finance	2017	3	2	139	We recommend the Department of Finance propose to Cabinet that Finance assume responsibility for the administration of all: <ul style="list-style-type: none"> <li>• property tax policy changes; and</li> <li>• property tax benefit and relief programs.</li> </ul>	Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	145	We recommend Service New Brunswick (Property Assessment Services) issue annual property assessment notices separate from property tax bills that lists the real and true value of the property and explains clearly why the assessed value has changed from one year to the next.	Implemented
Residential Property Assessment – Special Examination	Finance and Treasury Board	2017	3	2	146	We recommend the Department of Finance issue property tax bills separate from the assessment notice and clearly demonstrate how property taxes are calculated, including all the applicable credits, deductions, and exemptions.	Not Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	150	We recommend Service New Brunswick (Property Assessment Services) appropriately engage staff throughout the organization in the development and implementation of major high risk change initiatives.	Implemented
Residential Property Assessment – Special Examination	Service New Brunswick Executive Director	2017	3	2	155	We recommend Service New Brunswick ensure the Executive Director of Assessment: <ul style="list-style-type: none"> <li>• has adequate time to fulfill his or her statutory obligation; and</li> <li>• encourages group cohesion between the units within Property Assessment Services.</li> </ul>	Not Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Residential Property Assessment – Special Examination	Service New Brunswick Board of Directors	2017	3	2	156	To ensure the necessary independence to fulfill the Executive Director’s statutory obligations, we recommend: <ul style="list-style-type: none"> <li>• Service New Brunswick Board of Directors require the Executive Director of Property Assessment Services report directly and independently to the Board;</li> <li>• Service New Brunswick Board of Directors have authority for hiring and termination of Executive Director upon recommendation from the CEO; and</li> <li>• Performance appraisal and other administrative matters rest with SNB senior management as determined by the CEO.</li> </ul>	Implemented
Residential Property Assessment – Special Examination	Executive Council Office	2017	3	2	157	We recommend Executive Council Office provide Service New Brunswick’s Executive Director of Property Assessment Services full discretion to communicate independently as needed with the public.	Implemented
School District Purchase Cards	ASD-West	2017	5	2	36	We recommend school districts use the cardholder agreement in government policy AD-6405 Purchase Card and have cardholders sign the agreement before obtaining their purchase card and annually as required by the new policy.	Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Implemented
	DSF-Nord Ouest						Implemented
School District Purchase Cards	Finance and Treasury Board	2017	5	2	39	We recommend Treasury Board issue guidance for the application of government policy AD-2801 Travel Policy in regards to business meeting expenses.	Not Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
School District Purchase Cards	ASD-West	2017	5	2	43	We recommend school districts use purchase cards only for purchases that are authorized under government policies.	Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Implemented
	DSF-Nord Ouest						Implemented
School District Purchase Cards	Finance and Treasury Board	2017	5	2	47	We recommend the Office of the Comptroller issue guidance for making online purchases, including the risks associated with online shopping and security precautions that should be taken.	Not Implemented
School District Purchase Cards	ASD-West	2017	5	2	49	We recommend school districts monitor and enforce adherence to guidelines in the cardholder agreement and policy AD-6405 Purchase Card.	Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Implemented
	DSF-Nord Ouest						Implemented
School District Purchase Cards	ASD-West	2017	5	2	53	We recommend school districts provide education to cardholders on their responsibilities, the appropriate use of purchase cards, consequences for misuse, as well as transaction reconciliation procedures, before new cardholders begin to use their card and regularly for all cardholders.	Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Not Implemented
	DSF-Nord Ouest						Implemented
School District Purchase Cards	ASD-West	2017	5	2	54	We recommend school districts provide training to purchase card administrators and transaction approvers on the appropriate use of purchase cards and enforcement procedures.	Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Not Implemented
	DSF-Nord Ouest						Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
School District Purchase Cards	ASD-West	2017	5	2	60	We recommend school districts segregate incompatible user responsibilities and system accesses as required by government policies AD-6402 Approval of Payments and AD-6405 Purchase Card.	Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Implemented
	DSF-Nord Ouest						Implemented
School District Purchase Cards	ASD-West	2017	5	2	65	We recommend school districts ensure sufficient documentation in support of purchase card transactions be provided by the cardholder, reviewed against applicable policies and guidelines and filed for future reference.	Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Implemented
	DSF-Nord Ouest						Implemented
School District Purchase Cards	ASD-West	2017	5	2	69	We recommend school districts monitor and enforce compliance with the provisions of the cardholder agreement in relation to timely submission of supporting documentation.	Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Not Implemented
	DSF-Nord Ouest						Implemented
School District Purchase Cards	ASD-West	2017	5	2	72	We recommend school districts review account coding and the amount of sales tax for each transaction entered into the financial system in order to provide accurate financial information.	Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Implemented
	DSF-Nord Ouest						Implemented
School District Purchase Cards	ASD-West	2017	5	2	85	We recommend school districts review cardholder listings regularly to ensure only active employees who purchase for the school districts have the appropriate type of purchase card with transaction and monthly limits that meet their purchasing needs.	Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Implemented
	DSF-Nord Ouest						Implemented



Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
School District Purchase Cards	ASD-West	2017	5	2	86	We recommend school districts add a formal step in the termination process in order to ensure departing employees' cards are cancelled before their employment with the district ends.	Not Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Not Implemented
	DSF-Nord Est						Not Implemented
	DSF-Nord Ouest						Implemented
School District Purchase Cards	ASD-West	2017	5	2	87	We recommend school districts develop, document and implement procedures for the issuance and cancellation of purchase cards in consultation with the other school districts, with guidance from the Office of the Comptroller as needed, to ensure consistency and efficiency.	Not Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Not Implemented
	DSF-Nord Ouest						Implemented
School District Purchase Cards	ASD-West	2017	5	2	95	We recommend school districts document their regular monitoring of purchase card transactions to identify violations.	Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Implemented
	DSF-Nord Ouest						Implemented
School District Purchase Cards	ASD-West	2017	5	2	96	We recommend school districts develop, document and implement consistent enforcement procedures for non-compliant cardholders to enforce guidelines in consultation with the other school districts, with guidance from the Office of the Comptroller as needed, to ensure consistency and efficiency.	Implemented
	ASD-North						Implemented
	ASD-East						Implemented
	ASD-South						Implemented
	DSF-Sud						Implemented
	DSF-Nord Est						Not Implemented
	DSF-Nord Ouest						Implemented



Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
School District Purchase Cards	Education and Early Childhood Development	2017	5	2	97	We recommend the Department of Education and Early Childhood Development coordinate work on the implementation of our recommendations by all school districts.	Implemented
School District Purchase Cards	Education and Early Childhood Development	2017	5	2	98	We recommend the Department of Education and Early Childhood Development's internal audit function audit and report on school district purchase cards on a regular basis.	Implemented
WorkSafeNB Phase I – Governance	Post-Secondary Education, Training and Labour	2018	1	2	61	We recommend the Department of Post-Secondary Education, Training and Labour: <ul style="list-style-type: none"> <li>• initiate a process to ensure appointments are completed in a timely manner;</li> <li>• comply with provincial legislation and government policy when recommending the appointment of board members under the Act; and</li> <li>• clearly document the appointment process and provide clear rationale for appointment recommendations made to government.</li> </ul>	*

*\*Our practice is to track the status of our performance audit 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 2020 work plan.*

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
WorkSafeNB Phase I – Governance	Post- Secondary Education, Training and Labour	2018	1	2	66	We recommend the Department of Post-Secondary Education, Training and Labour ensure future recommendations to government for WorkSafeNB appointments do not create a conflict of interest or result in reduced independence of the corporation.	*
WorkSafeNB Phase I – Governance	Executive Council Office and the	2018	1	2	83	We recommend the Executive Council Office and the Department of Post-Secondary Education, Training and Labour co-ordinate their efforts to provide timely decisions for future WorkSafeNB appointments.	*
	Post- Secondary Education, Training and Labour						*
WorkSafeNB Phase I – Governance	Post- Secondary Education, Training and Labour	2018	1	2	90	We recommend the Department of Post-Secondary Education, Training and Labour clearly state its requirements and expectations in the mandate letter.	*
WorkSafeNB Phase I – Governance	Post- Secondary Education, Training and Labour	2018	1	2	98	We recommend the Department of Post-Secondary Education, Training and Labour comply with the requirements of the <i>Accountability and Continuous Improvement Act</i> by: <ul style="list-style-type: none"> <li>• issuing mandate letters annually; and</li> <li>• enforcing WorkSafeNB submission of annual plan per requirements of the Act.</li> </ul>	*
WorkSafeNB Phase I – Governance	Post- Secondary Education, Training and Labour	2018	1	2	103	We recommend the Department of Post-Secondary Education, Training and Labour monitor and publicly report on the progress of WorkSafeNB in meeting the requirements and expectations provided in Department mandate letters.	*

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Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	124	<p>We recommend the WorkSafeNB board of directors review its committee structures and practices to:</p> <ul style="list-style-type: none"> <li>• select participating board members to chair committees;</li> <li>• ensure per diem payments are made only to committee members for committee meetings;</li> <li>• ensure membership is aligned with board needs and competencies are sufficient to address committee requirements;</li> <li>• develop and implement competencies for committee membership; and</li> <li>• develop and implement a plan to evaluate committee performance on an annual basis.</li> </ul>	*
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	131	<p>We recommend the WorkSafeNB board of directors and the Department of Post-Secondary Education, Training and Labour jointly develop, document and implement a succession strategy to ensure:</p> <ul style="list-style-type: none"> <li>• timely recruitment of all board positions, including the chair and vice-chair and,</li> <li>• effective staggering of board member terms.</li> </ul>	*
	Post- Secondary Education, Training and Labour					<ul style="list-style-type: none"> <li>• timely recruitment of all board positions, including the chair and vice-chair and,</li> <li>• effective staggering of board member terms.</li> </ul>	*
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	132	<p>We recommend the WorkSafeNB board of directors develop, document and implement a succession strategy for the President and Chief Executive Officer position.</p>	*

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Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	137	We recommend the WorkSafeNB board of directors fully develop, regularly update and utilize a board competency matrix for, at a minimum: <ul style="list-style-type: none"> <li>• evaluating board member development requirements;</li> <li>• identifying development opportunities for board members; and</li> <li>• recruiting new board members to address competency and skillset needs.</li> </ul>	*
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	141	We recommend the WorkSafeNB board of directors develop performance expectations for board positions and undertake annual performance evaluations for at least the board chair.	*
WorkSafeNB Phase I – Governance	WorkSafeNB	2018	1	2	147	We recommend WorkSafeNB provide board information packages well in advance of board meetings and focus information presented to meet the board's decision-making requirements using documentation such as executive summaries.	*
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	150	We recommend the WorkSafeNB board of directors develop, document and implement an orientation program for new board members and a development plan for all board members.	*

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Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
WorkSafeNB Phase I – Governance	WorkSafeNB	2018	1	2	160	<p>We recommend WorkSafeNB, as part of its annual planning and reporting processes:</p> <ul style="list-style-type: none"> <li>• fully develop long-term strategic goals and objectives and define measurable targets for all key performance indicators;</li> <li>• include the strategic requirements of the government mandate letter as part of its strategic planning process;</li> <li>• develop an operational action plan designed to implement the long-term strategic direction of the corporation; and</li> <li>• submit an annual plan to the Department focused on goals and objectives it intends to complete over the period of the plan, as required under the <i>Accountability and Continuous Improvement Act</i>.</li> </ul>	*
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	167	<p>We recommend the WorkSafeNB board of directors:</p> <ul style="list-style-type: none"> <li>• establish a CEO performance agreement that ties CEO performance to the corporation's strategy and results; and</li> <li>• conduct an annual CEO performance evaluation against the documented expectations.</li> </ul>	*
WorkSafeNB Phase I – Governance	WorkSafeNB	2018	1	2	186	<p>We recommend WorkSafeNB:</p> <ul style="list-style-type: none"> <li>• include comparable New Brunswick public sector entities when undertaking compensation market comparisons in order to meet mandate letter requirements; and</li> <li>• maintain clearly documented rationale for decisions not in alignment with the Department's mandate letters.</li> </ul>	*

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Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	207	We recommend the WorkSafeNB board of directors ensure current travel expense policy is enforced and revise it to: <ul style="list-style-type: none"> <li>clearly define acceptable board and employee travel expense practices; and</li> <li>align with public service Part I policy where applicable to board and employee travel.</li> </ul>	*
WorkSafeNB Phase I – Governance	WorkSafeNB	2018	1	2	210	We recommend WorkSafeNB provide full public disclosure of board and executive compensation and expense information.	*
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	58	We recommend the Department of Health provide clear direction through legislation and regulation as to who is responsible for health services including addiction and mental health services in provincial correctional institutions.	*
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	67	We recommend the Department of Health, in consultation with the Department of Justice and Public Safety and other relevant parties, complete an integrated service delivery model for addictions and mental health services in New Brunswick correctional institutions. Existing agreements should be redrafted to meet the requirements of this service delivery model.	*
	Justice and Public Safety						*

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Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	72	We recommend the Department of Health and the Department of Justice and Public Safety collaborate to capture and share addiction and mental health data. This data should be used to identify addiction and mental health needs in New Brunswick correctional institutions and develop strategic service delivery plans.	*
	Justice and Public Safety						*
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Justice and Public Safety (New Brunswick Corrections)	2018	1	3	84	We recommend the Department of Justice and Public Safety (New Brunswick Corrections) in consultation with the Department of Health implement a recognized mental health screening tool in the admissions process.	*
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	90	We recommend the Department of Health, in coordination with the Department of Justice and Public Safety, provide training on mental health screening to nursing staff and admission officers.	*
	Justice and Public Safety						*

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Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	93	We recommend the Department of Health ensure nursing staff within a correctional institution receive access to, or notification of, client records in the Client Service Delivery System (CSDS). This will allow validation of treatment history and treatment options.	*
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Justice and Public Safety	2018	1	3	100	We recommend the Department of Justice and Public Safety amend its admission process to: <ul style="list-style-type: none"> <li>• eliminate duplication of effort in admissions;</li> <li>• improve the quality of inmate mental health data; and</li> <li>• incorporate best practices in mental health screening.</li> </ul>	*
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	105	We recommend the Department of Health and the Department of Justice and Public Safety ensure inmates flagged from the screening protocol be referred to a qualified mental health professional for a comprehensive mental health assessment to develop a treatment plan.	*
	Justice and Public Safety						*

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Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	117	We recommend the Department of Health and the Department of Justice and Public Safety collaborate to ensure addiction and mental health counselling and therapy treatment options are available for inmates in provincial correctional institutions.	*
	Justice and Public Safety						*
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	118	We recommend the Department of Health and the Department of Justice and Public Safety use integrated clinical teams for assisting adults in custody, similar to the approach taken in the youth facility.	*
	Justice and Public Safety						*
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	119	We recommend the Department of Health and the Department of Justice and Public Safety support community based addiction and mental health programs to treat inmates inside the correctional institution due to the logistical and security challenges of bringing inmates to community treatment centres.	*
	Justice and Public Safety						*

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Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	124	We recommend the Department of Health ensure addiction treatment services are made available to inmates in provincial correctional institutions.	*
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	130	We recommend the Department of Justice and Public Safety and the Department of Health ensure all provincial correctional institutions have continuous access to emergency mental health services.	*
	Justice and Public Safety						*
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Justice and Public Safety	2018	1	3	134	We recommend the Department of Justice and Public Safety implement a formulary for medications for use within all provincial correctional institutions. Where possible the formulary should be aligned with drug protocols in Federal penitentiaries.	*

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Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Justice and Public Safety	2018	1	3	140	We recommend the Department of Justice and Public Safety implement an individualized protocol approach for inmates with mental health issues in segregation such as is used by Correctional Service Canada. Individualized protocols should be integrated into treatment plans and reviewed by mental health professionals.	*
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	151	We recommend the Department of Health and the Department of Justice and Public Safety map out all services currently available to clients with addiction and mental health issues who are also involved in the criminal justice system. This information should then be used when developing the integrated service delivery model.	*
	Justice and Public Safety						*
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	152	We recommend the Department of Health and the Department of Justice and Public Safety develop appropriate protocols to ensure continued services for addiction and mental health clients who are placed in custody in provincial correctional institutions.	*
	Justice and Public Safety						*

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Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	58	We recommend the Department of Education and Early Childhood Development maintain the current 10-year provincial education plans until they expire in 2026, to allow the education system to stabilize and allow for evaluation of progress. Any adjustments to the plans should be collaborative.	*
Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	59	We recommend the Department of Education and Early Childhood Development prior to implementing major changes that impact student performance, including changes to the French immersion program, prepare a detailed implementation plan with: <ul style="list-style-type: none"> <li>• a realistic time schedule;</li> <li>• consideration of all supports that need to be in place for the change to be successful, such as human resources, curricula, teacher training, tools and methodologies;</li> <li>• adequate funding; and</li> <li>• a comprehensive risk assessment of the change's impact on operations and other ongoing initiatives at department, school district and school levels as well as risk mitigation strategies.</li> </ul>	*
Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	91	We recommend the Department of Education and Early Childhood Development stabilize the provincial assessment programs to allow for trend analysis of student performance results for decision making.	*

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Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	47	We recommend the Department of Education and Early Childhood Development in collaboration with the school districts, analyze results of provincial assessments to identify root causes of poor performance and take corrective action to improve student performance in reading, math and science.	*
Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	66	We recommend the Department of Education and Early Childhood Development work with school districts, other departments and community-based organizations where applicable to: <ul style="list-style-type: none"> <li>• identify and address the challenges to achieving the provincial targets for reading, math and science;</li> <li>• present to government options to address the challenges;</li> <li>• develop standards for student absence tracking and measurement to better monitor student attendance; and</li> <li>• take corrective action to improve student attendance.</li> </ul>	*
Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	113	We recommend the Department of Education and Early Childhood Development facilitate the sharing of successes and best practices between the Anglophone and Francophone sectors.	*

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Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	81	We recommend the Department of Education and Early Childhood Development in collaboration with the school districts: <ul style="list-style-type: none"> <li>• ensure school improvement plans are prepared and reviewed annually as required by the Education Act,</li> <li>• demonstrate school improvement plans align with the provincial education plan, and</li> <li>• monitor the extent to which school improvement goals are being met.</li> </ul>	*
Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	82	We recommend the Department of Education and Early Childhood Development in collaboration with the District Education Councils, ensure District Education Councils self-evaluate their performance annually.	*
Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	79	We recommend the Department of Education and Early Childhood Development in consultation with school districts, review the Education Act in light of the current operating environment to ensure expectations are clear, relevant and realistic.	*
Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	80	We recommend the Department of Education and Early Childhood Development track, receive, review and take action on school district plans and reports, and hold all parties accountable as required by the Education Act.	*

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Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	87	We recommend the Department of Education and Early Childhood Development develop standards for teacher performance and provide tools to support the school districts in: <ul style="list-style-type: none"> <li>• evaluating staff performance regularly as required by the Education Act; and</li> <li>• taking action to improve staff performance where needed.</li> </ul>	*
Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	35	We recommend the Department of Education and Early Childhood Development publicly provide plans to improve when assessment results show targets for reading, math and science were not met.	*
Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	36	We recommend the Department of Education and Early Childhood Development make it easy to find the results of provincial assessments by displaying them prominently on its website.	*
Improving Student Performance: A New Brunswick Challenge	Department of Education and Early Childhood Development	2018	2	2	102	We recommend the Department of Education and Early Childhood Development publicly report New Brunswick students' performance on national and international tests on its website and inform the public when these results are available.	*

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WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	36	We recommend WorkSafeNB automate the claims management system to allow electronic submission and processing of claims documents, to reduce work and speed up intake and adjudication processes.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	40	We recommend claims be sent directly to an adjudicator after initial intake team gathers personal information and accident details.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	41	We recommend WorkSafeNB uses separate “Report of Accident” forms for the employer and employee.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	48	We recommend WorkSafeNB focus on return to work during adjudication by: <ul style="list-style-type: none"> <li>• identifying risks to return to work;</li> <li>• prioritizing complex claims, and</li> <li>• initiating a plan to address barriers.</li> </ul>	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	49	We recommend WorkSafeNB communicate a detailed case plan with: <ul style="list-style-type: none"> <li>• return to work goals;</li> <li>• proposed treatments; and</li> <li>• forecast date for recovery.</li> </ul>	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	53	We recommend WorkSafeNB develop a treatment plan right after a claim is accepted and enable the adjudicator to communicate it to the injured workers.	*

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WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	54	We recommend WorkSafeNB use disability duration guidelines to provide a forecast of return to work and include it in the initial decision letter sent to injured workers.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	59	We recommend WorkSafeNB require case managers discuss with injured workers their abilities, functional limitations and restrictions in determining the modified return to work plan.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	60	We recommend WorkSafeNB improve the adjudication decision making process by requiring adjudicators to document in the claim management system decision rationale with the key legislation and operational policy.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	63	We recommend WorkSafeNB include a clear explanation of potential eligible benefits with the initial decision letter to injured workers.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	66	We recommend WorkSafeNB develop specific competencies for the adjudication role and require all successful applicants to meet those competencies.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	75	We recommend WorkSafeNB update its guidance to promote early referrals to the workers rehabilitation centre, to maximize return to work outcomes.	*

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WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	81	We recommend WorkSafeNB formalize the authority and role of the medical advisor and ensure both medical advisors and case managers understand their respective roles regarding medical opinions.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	82	We recommend WorkSafeNB: <ul style="list-style-type: none"> <li>• require medical advisor opinions to be formally documented and be restricted to the specifics of the medical condition; and</li> <li>• have templated, specific questions for case managers to ask medical advisors.</li> </ul>	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	84	We recommend WorkSafeNB have a plan to: <ul style="list-style-type: none"> <li>• follow up with the injured worker in relation to treatment progress;</li> <li>• closely monitor claims with modified return to work to ensure the modified work is suitable; and</li> <li>• communicate with health care providers involved in relation to worker’s progress.</li> </ul>	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	88	We recommend WorkSafeNB develop expertise for complex and sensitive conditions among case managers by allocating specific types of injuries to certain case managers and offering professional development opportunities.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	97	We recommend WorkSafeNB: <ul style="list-style-type: none"> <li>• expand the duration and level of detail in case manager training; and</li> <li>• enhance ongoing training for existing staff.</li> </ul>	*

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WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	98	We recommend WorkSafeNB monitor claims managed and provide feedback to staff on an ongoing basis to ensure adherence to policy and consistency among regions.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	101	We recommend WorkSafeNB annually review long term disability clients with a potential for return to work (for example, a change in functional abilities or a change in the labour market availability) to determine if the claim is still suitable for long term disability.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	104	We recommend WorkSafeNB propose to amend the legislation so that appeals go to the Issues Resolution Office of WorkSafeNB as a mandatory first step before an appellant can file an appeal with the Workers Compensation Appeals Tribunal.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	107	We recommend WorkSafeNB develop Key Performance Indicators which are relevant to the performance of its internal processes.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	109	We recommend WorkSafeNB define targets for its Key Performance Indicators and clearly state these on performance reports.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	111	We recommend WorkSafeNB link: <ul style="list-style-type: none"> <li>• key performance indicators to strategic goals; and</li> <li>• improvement initiatives to the Key Performance Indicators identified.</li> </ul>	*

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WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	115	We recommend WorkSafeNB reallocate administrative tasks, such as loss of earnings benefit calculations, from case managers to administrative staff.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	119	We recommend WorkSafeNB build tools into the claims management system to free up staff from routine and repetitive tasks so they can focus on progress and treatments of injuries. Such tools would include: <ul style="list-style-type: none"> <li>• enhanced data mining capabilities;</li> <li>• system reminders to update client information;</li> <li>• auto-complete forms; and</li> <li>• automated medical claims processing.</li> </ul>	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	131	When tendering the contract for medical services again in 2019, we recommend WorkSafeNB: <ul style="list-style-type: none"> <li>• ensure tender requirements are comprehensive to minimize the need for significant changes after the tender is issued; and</li> <li>• follow procurement regulations and best practices to ensure transparency, fairness, and competitiveness of the bidding process.</li> </ul>	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	133	We recommend WorkSafeNB use a shorter initial term with an option to renew, when the contract for medical services is tendered in 2019.	*

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WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	135	We recommend that WorkSafeNB include contract terms addressing intellectual property rights in future contracts for medical and rehabilitation services.	*
WorkSafeNB Phase II – Management of Injured Worker’s Claims	WorkSafeNB	2018	2	3	141	We recommend WorkSafeNB use progress reports received from physiotherapy clinics to monitor injured workers during treatment.	*
Medicare Cards	Department of Health	2019	1	2	37	We recommend Medicare develop an online application process similar to other provinces to allow individuals to apply directly to Medicare for a Medicare card.	**
Medicare Cards	Department of Health	2019	1	2	38	We recommend Medicare work with the Government of Canada to expedite the receipt of documentation required to process applications for a Medicare card for new immigrants residing in New Brunswick.	**
Medicare Cards	Department of Health	2019	1	2	45	We recommend Medicare analyze whether it would achieve a positive payback by investing additional resources in identifying individuals with a NB Medicare card who have become ineligible. If Medicare determines there are benefits to doing more in this area, it should enhance its processes for monitoring the continued eligibility of cardholders.	**

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Medicare Cards	Department of Health	2019	1	2	58	We recommend Medicare determine if the anticipated cost savings from moving to an automatic Medicare card renewal process were achieved, and whether those cost savings are sufficient to offset the additional risk associated with adopting that process.	**
Medicare Cards	Department of Health	2019	1	2	59	We further recommend if the savings achieved by the change were not sufficient to offset the additional risks it has taken on, Medicare reverse the automatic renewal process.	**
Medicare Cards	Department of Health	2019	1	2	60	Regardless of the renewal process it employs, we recommend Medicare develop procedures to verify mailing addresses before sending out renewal documents in the future.	**
Medicare Cards	Department of Health	2019	1	2	66	We recommend Medicare evaluate associated risks as well the necessity of having two private organizations contracted to produce and distribute Medicare Cards instead of one.	**
Medicare Cards	Department of Health	2019	1	2	67	We recommend Medicare obtain a CSAE 3416 report on controls annually from Medavie/CPI in connection with the card production and distribution services provided by the two third party providers.	**
Medicare Cards	Department of Health	2019	1	2	75	We recommend Medicare, as a minimum, add photo identification to NB Medicare cards to enhance card security.	**

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Medicare Cards	Department of Health	2019	1	2	76	We recommend Medicare provide information on its website as to the circumstances in which the public should report suspected cases of inappropriate use of Medicare cards, and how that reporting should be done. Fully addressing this area would likely require Medicare to develop and promote a direct tip line.	**
Medicare Cards	Department of Health	2019	1	2	77	We further recommend Medicare assign responsibility for following up on any tips received.	**
Medicare Cards	Department of Health	2019	1	2	82	We recommend that Medicare upgrade their registration system to reduce the number of manual procedures required to administer the registration process.	**
Medicare Cards	Department of Health	2019	1	2	88	We recommend Medicare negotiate a reciprocal billing arrangement with the Province of Quebec, based upon the arrangements now in place between New Brunswick and other provinces.	**
Medicare Cards	Department of Health	2019	1	2	91	We recommend Medicare's contracts with Service New Brunswick and Medavie Blue Cross be amended to include performance metrics and related reporting requirements.	**
Medicare Cards	Department of Health	2019	1	2	96	We recommend that Medicare prepare a staffing plan to help it develop the capacity to implement necessary changes to the Medicare card program while maintaining current operations at an acceptable level.	**

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Medicare Cards	Department of Health	2019	1	2	99	We recommend Medicare: <ul style="list-style-type: none"> <li>• develop key performance indicators to allow assessment of Medicare performance;</li> <li>• set performance targets and measure actual results against those targets; and</li> <li>• publicly report the results on an annual basis.</li> </ul>	**
Outsourcing of Highway Maintenance and Construction Work	Department of Transportation and Infrastructure	2019	1	3	34	We recommend the Department of Transportation and Infrastructure Develop an evidence based outsourcing policy and a decision making framework to guide which programs and activities to outsource.	**
Outsourcing of Highway Maintenance and Construction Work	Department of Transportation and Infrastructure	2019	1	3	39	We recommend the Department of Transportation and Infrastructure Assess the risk of over dependence on a single supplier when making outsourcing decisions.	**
Outsourcing of Highway Maintenance and Construction Work	Department of Transportation and Infrastructure	2019	1	3	47	We recommend the Department of Transportation and Infrastructure Record, track and regularly report on the extent and composition of outsourced maintenance and construction work.	**
Outsourcing of Highway Maintenance and Construction Work	Department of Transportation and Infrastructure	2019	1	3	55	We recommend the Department of Transportation and Infrastructure Evaluate how road work such as chipsealing is sourced and delivered in all districts following an objective and evidence-based cost benefit analysis.	**
Outsourcing of Highway Maintenance and Construction Work	Department of Transportation and Infrastructure	2019	1	3	62	We recommend the Department of Transportation and Infrastructure Include capital investment in critical equipment when planning the most cost-effective manner to deliver road repairs.	**

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Outsourcing of Highway Maintenance and Construction Work	Department of Transportation and Infrastructure	2019	1	3	68	We recommend the Department of Transportation and Infrastructure Source capital equipment through the most cost-effective means as demonstrated by a business case analysis	**
Outsourcing of Highway Maintenance and Construction Work	Department of Transportation and Infrastructure	2019	1	3	78	We recommend the Department of Transportation and Infrastructure Source bridge and culvert replacement work in an evidenced-based, cost-effective and timely manner.	**
Overdue Property Tax: Collections and Forgiveness	Department of Finance	2019	1	4	34	We recommend the Department of Finance develop a policy for its use of section 25 of the Real Property Tax Act to improve collections of overdue property tax. This section states that a person in whose name real property is assessed, who fails to pay the taxes on that real property, commits an offence punishable under part II of the Provincial Offences Procedure Act.	**
Overdue Property Tax: Collections and Forgiveness	Department of Finance	2019	1	4	35	We recommend the Department of Finance calculate and track the impact of forgiven municipal property tax on the Province's expenses.	**
Overdue Property Tax: Collections and Forgiveness	Department of Finance	2019	1	4	36	We recommend the Department of Finance: <ul style="list-style-type: none"> <li>• clarify performance expectations of Service New Brunswick in collecting overdue property tax; and</li> <li>• monitor Service New Brunswick's performance against pre-defined performance indicators and targets.</li> </ul>	**

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Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Overdue Property Tax: Collections and Forgiveness	Department of Finance	2019	1	4	51	We recommend the Department of Finance set detailed eligibility criteria for property tax forgiveness to ensure consistency of forgiveness decisions.	**
Overdue Property Tax: Collections and Forgiveness	Department of Finance	2019	1	4	52	We recommend the Department of Finance request the Office of the Comptroller internal audit group perform periodic reviews of system controls.	**
Overdue Property Tax: Collections and Forgiveness	Department of Finance	2019	1	4	53	We recommend the Department of Finance consult with Treasury Board to determine whether the 2014 directive to review the Real Property Tax Act is still appropriate.	**
City of Saint John Agreement – Special Review	Executive Council Office	2019	1	5	29	We recommend the Executive Council Office ensure funding decisions by Cabinet: <ul style="list-style-type: none"> <li>• follow due process with proper approval by all relevant parties;</li> <li>• are justified by a documented business case, detailed financial analysis and clear rationale for critical decisions; and</li> <li>• are supported by a documented legal review prior to decisions being made</li> </ul>	**
City of Saint John Agreement – Special Review	Executive Council Office	2019	1	5	33	We recommend the Executive Council Office develop a records retention policy to ensure key records are maintained in the Premier's Office throughout government transitions.	**

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Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
City of Saint John Agreement – Special Review	Executive Council Office	2019	1	5	54	<p>We recommend the Executive Council Office/Treasury Board Secretariat ensures:</p> <ul style="list-style-type: none"> <li>• funding agreements do not effectively override the spirit and intent of legislation, such as: <ul style="list-style-type: none"> <li>o subsection 100(8) of the <i>Local Governance Act</i> discouraging ongoing deficits; and</li> <li>o the need for an appropriation in advance of expending provincial funds as per the <i>Financial Administration Act</i>;</li> </ul> </li> <li>• a detailed risk analysis is completed when developing funding agreements and necessary clauses are included to address identified risks to the Province; including: <ul style="list-style-type: none"> <li>o an appropriations clause based on legal advice to ensure proper budget authority is obtained; and</li> <li>o a clause requiring financial reports follow Public Sector Accounting Standards;</li> </ul> </li> <li>• a sufficient multi-year appropriation is obtained to cover all legally committed funding over the life of the agreement.</li> </ul>	**
	Finance and Treasury Board						**
City of Saint John Agreement – Special Review	Executive Council Office	2019	1	5	64	We recommend the Executive Council Office involve all relevant provincial entities when planning, developing and reviewing future contracts and agreements for Cabinet approval.	**

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Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
City of Saint John Agreement – Special Review	Executive Council Office	2019	1	5	71	We recommend the Executive Council Office ensure agreements approved by Cabinet: <ul style="list-style-type: none"> <li>• are complete and authorized prior to making payments under the agreement;</li> <li>• contain clauses to mitigate risk and protect the taxpayer;</li> <li>• include clear, measurable deliverables;</li> <li>• include monitoring mechanisms; and</li> <li>• are monitored to ensure key deliverables, such as committee reports, are completed as required</li> </ul>	**
City of Saint John Agreement – Special Review	Finance and Treasury Board	2019	1	5	85	We recommend Treasury Board Secretariat/ provincial Comptroller review and update the Financial Administration Act to: <ul style="list-style-type: none"> <li>• modernize the Act with respect to payments, accruals and conformance with Public Sector Accounting Standards;</li> <li>• increase clarity for key financial officers processing payments throughout government to know if proper budget authority exists; and</li> <li>• provide for budget appropriations for multi-year agreements at the time in which funds are legally committed.</li> </ul>	**

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