

# Chapter 1

## Financial Audit – Key Messages from the Auditor General

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# Financial Audit Volume

Report of the Auditor General – Volume III December 2019

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## What We Found

### 2019 Surplus, Net Debt, and State of the Province's Financial Condition

- 2019 surplus was \$73 million, Net Debt increased by \$33 million
- Net Debt is now \$14 billion
- **Government encouraged to set multi-year Net Debt reduction targets and/or Net Debt-to-GDP targets**

### Results of our Audit of the Province of New Brunswick

- Concerned about NB Power's ability to self-sustain its operations
- Many key IT systems are out of date and Province is in process of replacing them

### Future Financial Commitments

- \$5.5 billion in committed future spending
- The *Financial Administration Act* is out of date, long overdue for an update, and the Office of Comptroller should lead change

### Transparency of Financial Information

- Over one billion dollars in annual tax expenditures not subject to routine scrutiny by legislators
- No policy for reviewing, approving, and reporting tax expenditure programs
- Non-descriptive categories such as "other" and "general" used in the Province's consolidated financial statements

### Local Government Debt

- Local government debt now at \$950 million is also guaranteed by the Province

### Property Assessments

- Concerned about continued weaknesses
- Eight recommendations to improve processes over quality control, mass appraisals, review of assessors' work, and review of system access

### Contaminated Sites

- Outdated engineering reports used to support \$37 million of the \$44 million contaminated site liability
- Province may be required to clean up contaminates left behind by lessees if lessees do not have up-to-date insurance or financial security (collateral) in place

## Financial Audit – Key Messages from the Auditor General

### *Introduction*

**1.1** This volume of my Report deals with matters arising from financial audits of the Province of New Brunswick (the Province) and its Crown agencies for the year ended March 31, 2019.

### *Unqualified (clean) opinion issued on September 12, 2019*

**1.2** On September 12, 2019, I was pleased to issue an unqualified audit opinion on the Province’s 2019 consolidated financial statements. An unqualified opinion, also referred to as a “clean audit opinion”, indicates the Province’s consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

### *AG encourages government to set Net Debt targets*

**1.3** I am again encouraged by the signs of fiscal progress for the year ended March 31, 2019 as the Province had:

- an annual surplus of \$73 million, the second consecutive surplus; and
- an increase in Net Debt of \$33 million.

**1.4** I again encourage government to set multi-year Net Debt reduction targets and/or Net Debt-to-GDP targets, as Net Debt has reached \$14 billion in 2019.

### *Encouraging but surplus is small in comparison to revenues and expenses*

**1.5** These results are encouraging, however, a note of caution is required as the small annual surplus was largely driven by increases in tax revenue and transfers from the Federal Government. Corresponding increases in expenses during the year prevented the Province from recording a larger annual surplus.

**1.6** In my view, for the Province to significantly improve its fiscal situation, it will need to find a way to restrain spending, consider revenue increases or a combination of both in the future.

***\$18 billion in Funded Debt outstanding***

**1.7** I am also still concerned with the amount of Funded Debt outstanding, which reached a record high of \$18 billion in 2019. This is the long-term debt the Province is legally bound to pay in the future. The annual cost of servicing this debt, mostly consisting of interest costs, was \$648 million.

***Local governments have large amount of debt***

**1.8** An increasing debt burden is not only a problem for the provincial government, but also a challenge for local governments, whose debts are guaranteed by the Province.

**1.9** Of New Brunswick's cities, I note the City of Saint John has the highest level of debt at \$230 million, while Edmundston has the highest Debt per Capita at \$4,066 per person. I provide information on the amount of debt outstanding for local governments, and the Province's related obligations in Chapter 9.

***Province is committed to \$5.5 billion in future spending***

**1.10** The Province has committed \$5.5 billion of future spending through existing agreements or contracts. Users of the consolidated financial statements often overlook the impact of this information when assessing the Province's financial condition. I discuss information relating to the Province's future commitments in Chapter 12.

***Transparency needed for financial information***

**1.11** This year I reported on issues relating to transparency of financial information, including:

- Chapter 6 – Tax Expenditures; and
- Chapter 13 – Opportunities to Improve Transparency.

In my view, transparency of financial information is necessary for accurate decision making and for holding the government to account on its past performance. The Province should make every effort to provide transparent information to New Brunswickers.

***\$1 billion in tax expenditures not subject to routine scrutiny***

**1.12** Tax expenditures (tax relief programs) cost close to \$1 billion annually. These programs are not subject to routine scrutiny through the annual budget process or by legislators. I find this very concerning and made two recommendations for the Department of Finance and Treasury Board to improve its processes.

***Lack of transparency in the Province's consolidated financial statements***

**1.13** Another area where the Province has not been transparent is in its use of non-descriptive categories such as “Other” and “General” in its consolidated financial statements. These non-descriptive categories obscure the nature of transactions making financial information less useful and reduce accountability. I provide examples from the Province’s 2019 consolidated financial statements in Chapter 13.

***No fraud or inappropriate expenses in audit of MLA expenses***

**1.14** I am pleased to report, I found no evidence of fraud or inappropriate expenses in my sample of Member of the Legislative Assembly (MLA) expenses. My staff examined 53 expenses during the 2019 fiscal year relating to both incoming and outgoing MLAs. This work is presented in Chapter 5.

***Concerns over NB Power's ability to self-sustain its operations remain***

**1.15** I remain concerned the New Brunswick Power Corporation (NB Power) may not be able to self-sustain its operations in the long term. NB Power’s net income continues to remain at a break-even level (\$20 million in 2019) and it continues to carry a large debt load (\$4.6 billion). My 2019 update is included in Chapter 5. I will continue to monitor this situation in the future.

***Aging IT systems still exist***

**1.16** For the past seven years, I have reported on the Province’s outdated IT systems and the risks associated with operating this old technology. The Province is still in the process of obtaining a new system to replace the outdated ones. I discuss IT risks and provide an update on the progress of the new system in Chapter 5.

***Eight recommendations made to improve property assessment controls***

**1.17** I was surprised by the number of weaknesses still existing in property assessment processes since my 2017 special investigation. In Chapter 11, as part of my 2019 audit of the Province, I made eight recommendations to Service New Brunswick to improve processes over quality control, mass appraisal, review of assessors’ work and review of system access.

***Some recommendations have already been addressed***

**1.18** Since issuing my recommendations, I was informed Service New Brunswick has implemented some of them. I am pleased with this progress, but I am still concerned with weaknesses in property assessment processes. I will follow up on these observations and recommendations in my 2020 audit of the Province’s consolidated financial statements.

***Concerned with observations noted relating to contaminated sites***

**1.19** I am also concerned with my observations relating to contaminated sites which I have noted as part of the regular financial statement audit of the Province. This is an area in which I hope to focus resources in 2020. I discuss observations and recommendations on contaminated sites in chapter 7.

***Financial Administration Act is out of date and does not align with current accounting standards or government best practices***

**1.20** As I have noted in two past reports, I am concerned with the Province's outdated *Financial Administration Act*. In my view, the Act is out of date and does not align with current accounting standards or government best practices, such as the Legislature approving an appropriation before the related spending happens. I have recommended the Office of the Comptroller take the lead in bringing forward/promoting this long overdue change. Further discussion can be found in Chapter 12.

**1.21** A listing of findings, observations, and recommendations as presented in this financial audit volume is presented in Exhibits 1.1 and 1.2.

**1.22** Detailed financial data for key aspects of the Province's financial reporting can be found in the appendices to this report.

***Acknowledgements***

**1.23** My Office is grateful for the continuing cooperation we receive from government departments and agencies during our financial audit work.

**1.24** I want to thank all staff from my Office for their hard work and dedication. It is a small group of professionals committed to fulfilling the mandate of the Office and producing a quality report to the Legislative Assembly. The reports I am presenting today reflects a team effort where each member of the staff has contributed greatly.



Kim MacPherson, FCPA, CA, ICD.D  
Auditor General

## Exhibit 1.1 - Key Findings and Observations Table

<b>Paragraph</b>	<b>Key Findings and Observations by Chapter</b>
<b>Chapter 2</b>	<b>Annual Surplus</b>
2.1	<i>The Province recorded an annual surplus of \$73 million. This is the Province's second consecutive annual surplus.</i>
Exhibit 2.3	<i>Revenues increased since the prior period due to increases in provincial revenue and transfers from the Federal government. Expenses increased in larger departments, offset by reductions in others.</i>
<b>Chapter 3</b>	<b>Debt</b>
3.3, 3.4	<i>Net Debt increased \$33 million and is now \$14 billion. It has increased \$5.5 billion over the past 10 years.</i>
3.8, 3.11	<i>New Brunswick has the highest Net Debt per capita and Net Debt as a percentage of GDP among comparable provinces.</i>
3.16	<i>We encourage government to set multi-year Net Debt reduction targets and/or Net Debt-to-GDP targets.</i>
3.17	<i>Funded Debt reached a historic high of \$18 billion.</i>
3.20	<i>Debt servicing costs were \$648 million during the year.</i>
3.22	<i>One of the Province's three bond rating agencies improved its outlook on the Province's rating.</i>
<b>Chapter 4</b>	<b>State of the Province's Financial Condition</b>
4.1, 4.3	<i>Our assessment of two short-term and one-long term indicator trends changed since our last report. We concluded the financial condition of the Province improved slightly as a result of the small surplus realized by the Province in 2019.</i>
<b>Chapter 5</b>	<b>Results of our Audit of the Province of New Brunswick's Financial Statements</b>
5.1	<i>An unqualified (clean) audit opinion was issued by the Auditor General on September 12, 2019.</i>
5.8	<i>The Province does not have a formal policy to prevent fraud.</i>
5.14	<i>We found no evidence of fraud or inappropriate expenses in our sample of 53 MLA expenses.</i>
5.24	<i>We found variances between school bank accounts and accounting records which could not be supported.</i>
5.32	<i>We remain concerned on NB Power's ability to self-sustain its operations in the future.</i>
5.35, 5.36	<i>We found combined NB Liquor and Cannabis NB financial statements are not needed.</i>

5.41	<i>The Province has many outdated IT systems which process the majority of the Province's employee payroll and its payments to suppliers, nursing homes, municipalities, etc. Replacing these systems should be a key priority and the Province should proceed as quickly as possible to implement a new system.</i>
5.43, 5.47	<i>The Province plans to replace outdated IT systems. A timeline for implementing a new system has not been finalized.</i>
5.55	<i>We found IT system weaknesses in 6 of our 7 system audits. We are concerned with the nature, number and severity of the weaknesses.</i>
<b>Chapter 6</b>	<b>Tax Expenditures</b>
6.2	<i>The Province forgoes over \$1 billion dollars in tax revenue each year because of tax expenditures.</i>
6.14	<i>Tax expenditures are not subject to any form of routine scrutiny through the annual budget process or by legislators.</i>
6.16	<i>The Province does not have a tax expenditure policy for reviewing and approving tax expenditure programs.</i>
6.18	<i>We found no formal review and approval process exists for the annual review of tax expenditures.</i>
<b>Chapter 7</b>	<b>Contaminated Sites</b>
7.16, 7.17	<i>Outdated engineering reports are used to support \$37 million of the \$44 million liability recorded for contaminated sites.</i>
7.27	<i>Departments of Natural Resources and Energy Development and Agriculture, Aquaculture and Fisheries do not regularly monitor leased sites to confirm if insurance coverage is appropriate.</i>
7.28	<i>Province could be responsible to pay for any clean up of contaminates left behind by lessees.</i>
Exhibit 7.2 and 7.3	<i>The Province has 182 contaminated sites (excluding air borne contaminates) held within six departments and one Crown agency.</i>
<b>Chapter 8</b>	<b>Accounts Receivable</b>
8.1, 8.6	<i>The Province is owed \$2.8 billion in gross accounts receivable of which \$2.2 billion is deemed collectible.</i>
8.14	<i>Service New Brunswick needs to improve its processes for collecting overdue real property tax receivables.</i>
8.26	<i>Not all departments prepare a formal aging of their accounts receivable.</i>
8.49	<i>Treasury Board needs to improve its process for accounts receivable write-offs.</i>
<b>Chapter 9</b>	<b>Local Government Debt</b>
9.1	<i>Debt owing by New Brunswick local governments reached a historic high of \$950 million at December 31, 2018.</i>
9.9	<i>Despite debt increasing over the last 10 years, this has not translated into increased borrowing costs.</i>



<b>Chapter 10</b>	<b>Results of Crown Agency Financial Statement Audits</b>
10.1	<i>For all but one of the Crown agencies we audit, we issued unqualified (“clean”) audit opinions.</i>
10.2	<i>We made recommendations to 7 of 9 Crown agency audits we performed.</i>
<b>Chapter 11</b>	<b>Property Assessments</b>
11.5	<i>We were surprised by the number of weaknesses we are still observing in the property assessment processes at SNB.</i>
11.11	<i>We found weaknesses in the quality control processes SNB uses to verify the accuracy of property assessment values.</i>
11.16, 11.19	<i>We found weaknesses in the mass appraisal processes which are used by SNB each year to estimate a significant number of property assessment values.</i>
11.23	<i>We found much of the work property assessors perform is not reviewed.</i>
11.30	<i>We found weaknesses in the process to review system access for the property assessment system.</i>
<b>Chapter 12</b>	<b>The Province’s Future Financial Commitments</b>
12.1	<i>The Province has committed \$5.5 billion in future spending.</i>
12.12, 12.15	<i>The Financial Administration Act is out of date and, we recommended the Office of the Comptroller take the lead in promoting change.</i>
<b>Chapter 13</b>	<b>Opportunities to Improve Transparency</b>
13.1	<i>“Other and “General” lines in the Province’s consolidated financial statements are not transparent.</i>
13.10	<i>We recommend the Office of the Comptroller improve transparency within the Province’s consolidated financial statements.</i>

## Exhibit 1.2 - Recommendations and Responses

Recommendation	Department's response	Target date for implementation
<p><b>5.12 We recommend the Office of the Comptroller (Internal Audit) develop a formal fraud policy, to include in the Province's Administration Manual.</b></p>	<p><i>The Office of the Comptroller (Internal Audit) will develop a formal fraud policy for inclusion in the Province's Administration Manual.</i></p>	<p><i>March 31, 2021</i></p>
<p><b>5.27 We recommend the Department of Education and Early Childhood Development review and improve the process for reconciling school cash amounts at year-end prior to the next reporting period. School cash reconciliations should be retained for audit purposes.</b></p>	<p><i>Under the Education Act, districts must follow EECD policies. Under the governance structure, the District Superintendent report to the DEC. Policy 101 states that the superintendent has the overall responsibility for ensuring minimum controls as provided in Appendix A are followed for school raised funds. Appendix A states that each bank account must be reconciled monthly. We will advise the districts in question of your observation and remind them of their responsibility. As well, this issue was discussed with the Director of Internal Audit at EECD and will be discussed at the December 2019 Audit Committee meeting. The Committee, which includes district staff, will determine whether or not further action is required.</i></p>	<p><i>December 2019</i></p>

*Recommendations and Responses (Continued)*

Recommendation	Department's response	Target date for implementation
<p><b>5.39 We recommend the Department of Finance and Treasury Board:</b></p> <ul style="list-style-type: none"> <li>• evaluate the purpose and benefit of combining the financial statements of NB Liquor and Cannabis NB; and</li> <li>• amend the <i>New Brunswick Liquor Corporation Act</i> to remove the need for combining the financial statements if they have no purpose and benefit.</li> </ul>	<p><i>The Office of the Comptroller agrees that only the individual audited financial statements for NB Liquor and for Cannabis NB are required for preparation of the Province's annual consolidated financial statements. The Department of Finance and Treasury Board will review the Act and bring forward recommendations regarding the current requirement to produce a combined statement.</i></p>	<p><i>Q4 fiscal 2019-2020</i></p>
<p><b>6.11 We recommend the Department of Finance and Treasury Board publicly report each year the nature and amount of tax expenditures so that the Province is in line with most other Canadian provinces.</b></p>	<p><i>The Department will be releasing publicly its first annual Summary of New Brunswick Tax Expenditures in November 2019.</i></p>	<p><i>November 2019</i></p>
<p><b>6.19 We recommend the Department of Finance and Treasury Board develop a policy for reviewing tax expenditure programs. This policy will help to formalize the process for reviewing, approving and reporting tax expenditure programs for the Province.</b></p>	<p><i>The Department will develop a formal policy for tax expenditures including the review, approval and reporting processes for future releases of the Department's annual Summary of New Brunswick Tax Expenditures.</i></p>	<p><i>Fall 2020</i></p>

Recommendations and Responses (Continued)

Recommendation	Department’s response	Target date for implementation
<p><b>7.22 We recommend the Department of Natural Resources and Energy Development obtain up-to-date engineering reports in advance of the next provincial audit to support contaminated site liabilities. We recommend the reports subsequently be obtained at least every five years or earlier, if conditions indicate an updated report is needed.</b></p>	<p><i>The Department has engaged consultants to do assessment work for the Nigadoo mine tailings storage facility (TSF) which will lead up to a pre-feasibility engineering report for TSF closure with updated costs expected in 2022. For Caribou mine, a consultant working for the mine owner is currently reviewing the site closure plan and an update is expected in 2020. DNRED will endeavor to get an initial assessment of liability for each of these two sites in advance of the next provincial audit.</i></p> <p><i>The Department will consider the recommendation around the timelines of updated engineering reports and determine an appropriate schedule. Important factors in our determination will include the cost-benefit of obtaining this information, as well as the complexity and amount of time involved in undertaking the external assessments for accurate reports to be produced. DNRED agrees that updated reports are necessary if conditions change that would have a material impact on the liability.</i></p>	<p>2020-21</p>
<p><b>7.30 We recommend the Department of Natural Resources and Energy Development obtain and maintain up-to-date proof of insurance or financial security as collateral for all property it leases to third parties.</b></p>	<p><i>The Department of Natural Resources and Energy Development will annually obtain and maintain up-to-date proof of insurance as collateral for all property it leases to third parties, where appropriate.</i></p>	<p>2020-21</p>

*Recommendations and Responses (Continued)*

Recommendation	Department's response	Target date for implementation
<p><b>7.31 We recommend the Department of Agriculture, Aquaculture and Fisheries obtain and maintain proof of insurance or financial security as collateral for all property it leases to third parties.</b></p>	<p><i>The Department of Agriculture, Aquaculture and Fisheries will implement a process to obtain and maintain proof of the general liability insurance requirements in our leases.</i></p>	<p>2020-21</p>
<p><b>8.15 We recommend SNB develop a strategy to collect overdue real property tax accounts with specified targets. This strategy should:</b></p> <ul style="list-style-type: none"> <li>• <b>provide measurable key performance indicators (such as the timeliness and quantity of property tax accounts returned to the Department of Finance and Treasury Board for tax sale purposes),</b></li> <li>• <b>analyze the feasibility of registering overdue property tax accounts with the Canada Revenue Agency Refund Set-off Program, and</b></li> <li>• <b>be agreed upon by both parties.</b></li> </ul>	<p><i>Both the Department of Finance and Treasury Board and SNB have agreed on performance measures including a scheduled reporting timeline.</i></p> <p><i>The feasibility of using CRA set off for property tax continues to be evaluated by the Department. SNB will continue to work collaboratively with the department.</i></p>	<p>Complete</p> <p>Timeline to be determined if deemed feasible</p>
<p><b>8.44 We again recommend the Department of Finance and Treasury Board and NBLGC resolve recovery of the unauthorized overpayments that were made to First Nations prior to January 1, 2016 as a result of an error in the calculation of gaming revenue.</b></p>	<p><i>NBLGC will again seek direction from government on this issue.</i></p>	<p>Q2 2019-20</p>

*Recommendations and Responses (Continued)*

Recommendation	Department’s response	Target date for implementation
<p><b>8.50 We recommend Treasury Board review requests from Departments, and write-off accounts receivable, in accordance with policy AD-6307 – Deletion of Debts. At a minimum, accounts receivable and loans receivable balances beyond the limitations specified in the <i>Limitations of Actions Act</i> should be written off.</b></p>	<p><i>The Office of the Comptroller will review guidance currently provided to departments to ensure that it is in accordance with policy AD-6307.</i></p>	<p><i>March 31, 2020</i></p>
<p><b>11.14 We recommend SNB improve the quality control processes used to verify the accuracy of property assessment values before next year’s billing cycle.</b></p>	<p><i>SNB has implemented several quality control initiatives over the past few years to ensure accuracy in our property assessments.</i></p> <p><i>Our current antiquated Computer Assisted Mass Appraisal system does not provide the functionality to perform an automated quality control process. As a result, SNB is required to perform its' QC manually (using spreadsheets) until such time that new technology can be introduced.</i></p> <p><i>SNB will take these recommendations under advisement in future QC initiatives while leveraging a risk-based approach.</i></p>	<p><i>Ongoing</i></p>

*Recommendations and Responses (Continued)*

Recommendation	Department's response	Target date for implementation
<p><b>11.15 We recommend SNB:</b></p> <ul style="list-style-type: none"> <li>• <b>include property assessment values used for billing in its quality control processes; and</b></li> <li>• <b>include the impact of items such as market adjustment factors and new construction as part of quality control processes.</b></li> </ul>	<p><i>SNB has implemented several quality control initiatives over the past few years to ensure accuracy in our property assessments.</i></p> <p><i>Our current antiquated Computer Assisted Mass Appraisal system does not provide the functionality to perform an automated quality control process. As a result, SNB is required to perform its' QC manually (using spreadsheets) until such time that new technology can be introduced.</i></p> <p><i>SNB will take these recommendations under advisement in future QC initiatives while leveraging a risk-based approach.</i></p>	Ongoing
<p><b>11.21 We recommend SNB improve the market adjustment factor processes by reviewing the accuracy of market adjustment factors uploaded to the system, as well as any subsequent changes to approved market adjustment factors.</b></p>	<p><i>SNB has already updated its' QC measures to include enhancements to the MAF processes to ensure the accuracy of MAF uploads to the system.</i></p>	Completed
<p><b>11.22 We recommend SNB document and retain evidence of all market adjustment factors reviews for audit purposes. This includes the review and approval of market adjustment factors prior to upload.</b></p>	<p><i>SNB has already updated its QC measures to include enhancements to the MAF processes to ensure the accuracy of MAF uploads to the system.</i></p>	Completed

*Recommendations and Responses (Continued)*

<b>Recommendation</b>	<b>Department's response</b>	<b>Target date for implementation</b>
<p><b>11.29 We recommend SNB strengthen its processes to verify the quality of property tax assessment values by using a risk-based approach to review the work of assessors.</b></p>	<p><i>SNB is currently in the process of finalizing the hiring of a Quality Assurance team which will consist of a Quality Assurance Manager and two (2) Quality Assurance Auditors. This will promote and provide a much needed quality assurance framework for all property assessment data within the Province.</i></p>	<p><i>Ongoing</i></p>
<p><b>11.35 We recommend SNB include the appropriateness of user roles as part of its user access reviews of the property assessment system.</b></p>	<p><i>SNB's current antiquated Computer Assisted Mass does not provide the functionality to perform an automated review of roles and system access. With competing IT priorities, it is currently not practical to invest resources into defining additional user access listings.</i></p> <p><i>SNB will explore the potential of implementing guidelines for user access requests with the potential to generate listings to be used when performing access reviews.</i></p>	<p><i>Ongoing</i></p>



*Recommendations and Responses (Continued)*

<b>Recommendation</b>	<b>Department's response</b>	<b>Target date for implementation</b>
<p><b>11.36 We recommend SNB:</b></p> <ul style="list-style-type: none"> <li>• <b>document guidelines for assigning appropriate property assessment system roles to users; and</b></li> <li>• <b>use these documented guidelines as part of regular user access reviews.</b></li> </ul>	<p><i>SNB's current antiquated Computer Assisted Mass does not provide the functionality to perform an automated review of roles and system access. With competing IT priorities, it is currently not practical to invest resources into defining additional user access listings.</i></p> <p><i>SNB will explore the potential of implementing guidelines for user access requests with the potential to generate listings to be used when performing access reviews.</i></p>	Ongoing
<p><b>11.37 We recommend SNB:</b></p> <ul style="list-style-type: none"> <li>• <b>generate user access listings directly from the property assessment system; and</b></li> <li>• <b>use these user access listings when performing regular user access reviews.</b></li> </ul>	<p><i>SNB's current antiquated Computer Assisted Mass does not provide the functionality to perform an automated review of roles and system access. With competing IT priorities, it is currently not practical to invest resources into defining additional user access listings.</i></p> <p><i>SNB will explore the potential of implementing guidelines for user access requests with the potential to generate listings to be used when performing access reviews.</i></p>	Ongoing

*Recommendations and Responses (Continued)*

<b>Recommendation</b>	<b>Department’s response</b>	<b>Target date for implementation</b>
<p><b>12.16 We recommend the OOC take the lead in promoting change to the <i>Financial Administration Act</i>. We recommend in particular the OOC focus on changes recommended in past Auditor General reports and develop a timeline for completion.</b></p>	<p><i>The Office of the Comptroller will review the FAA and identify recommendations by the end of fiscal 2019-2020.</i></p>	<p><i>March 31, 2020</i></p>
<p><b>13.11 We recommend the Office of the Comptroller break out financial statement lines reported as “General” and “Other” to provide for more transparent and useful financial information to the reader.</b></p>	<p><i>The Office of the Comptroller will review the “General” and “Other” classifications to identify any balances that may be broken out to ensure comparability to budgeting and to increase transparency.</i></p>	<p><i>March 31, 2020</i></p>