



Residential Property Assessment - Special Examination

Report of the Auditor General – November 2017

Volume III

What AGNB Found

Conclusions

- Service New Brunswick Property Assessment Services' (PAS) Modernization strategy and overall vision was well intended, long overdue and the new technologies were in line with accepted industry practice
- Corporate governance and leadership failed to acknowledge the high risk nature of “fast tracking” key components of the Modernization Program
- “Fast Track” failed because of moving too quickly, poor communication, inadequate tools and lack of collaboration
- PAS’ failure to adequately validate the data captured through aerial photography was the primary root cause of the technical issues experienced for the 2017 tax year
- The lack of clear separation between the assessment function and tax policy jeopardizes the integrity of New Brunswick’s residential property assessment system
- Creating another independent agency is not necessary to resolve property assessment issues AGNB identified

Governance

- Insufficient information was presented to the SNB Board to make informed decisions
- The Board did not appear to thoroughly challenge the Property Assessment branch’s “Fast Track” proposal
- Distracted and overwhelmed senior management resulted in a lack of leadership
- PAS Executive Director’s statutory obligation to ensure accurate property assessments was not acknowledged nor respected
- Modernization unit operated with little buy-in from the other PAS directors and regional staff

Methodology

- AGNB was unable to conclude the use of aerial photography improved the quality of property assessment data
- SNB placed an over-reliance on aerial photography as the sole method of capturing data
- PAS’ appraisal models were incapable of predicting accurate and consistent values for the entire population of properties
- “Fast Track” appraisal models did not fall within the bounds of accepted practice

Fast Track

- Exchanges between the Premier’s Chief of Staff and SNB’s former CEO led to “Fast Track”
- Misleading communication within SNB created the perception the Premier requested “Fast Track”
- SNB’s former CEO and Board of Directors decided to proceed with “Fast Track” based on poor information
- PAS did not perform a thorough risk assessment and proposed “Fast Track” while IT solution still in design phase

Project Management and Quality Assurance (QA)

- Standard project management processes were not followed
- Standard IT development processes were not followed
- During “Fast Track”, QA practices were largely abandoned
- Poor exception reporting process
- Causes of data errors from 2011 through 2017 not tracked to improve accuracy
- “Requests for Review” from property owners inappropriately relied on as a component of QA