



Auditor General Concerns: New Brunswick's Fiscal Decline Continues

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Main Concerns:

- continuing provincial deficits and increasing Net Debt;
- releasing the Province's audited financial statements before next election;
- delayed financial reporting of economic development agencies;
- governments spending before obtaining legislative approval; and
- government is not effectively managing all its long-term P3 contracts.

What We Found

Province to Have 11th Consecutive Deficit

- Net Debt has increased \$7 billion in last 10 years.
- Bond rating agencies give negative outlook
- New Brunswick has highest Net Debt among comparable provinces.
- New Brunswick ability to address fiscal decline is more limited than other provinces.
- No immediate plan to address fiscal decline, nor Net Debt reduction target.

Release the Province's Audited Financial Statements Before Next Election

- This will allow New Brunswickers to judge how the government has managed public money and resources.
- These were released in advance of the last two elections.

Governments Spending Before Obtaining Legislative Approval

- In five of last ten years, governments overspent budgets before obtaining legislative approval.
- Approval is obtained sometimes over a year later.
- Amendments to the *Financial Administration Act* are needed.
- Made recommendations to Treasury Board.

Management of Long-term P3 Contracts

- \$17 million saved by obtaining lower interest rates on three existing P3 contracts.
- Cabinet allowed a significant school buy-out option to expire.
- Government is not effectively managing all its long-term P3 contracts.