

Chapter 1

Introductory Comments by the Auditor General

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Introductory Comments by the Auditor General

Introduction

1.1 My Office’s mission, as included in our 2014 to 2020 strategic plan is:

To provide objective, reliable, and timely information to the Legislative Assembly on Government’s performance in its delivery of programs and services to the people of New Brunswick.

1.2 In this volume of our 2018 Report, we include three performance audit chapters:

- Improving Student Performance: A New Brunswick Challenge;
- WorkSafeNB Phase II - Management of Injured Workers’ Claims; and
- Follow-up on Recommendations from Prior Years Performance Audit Chapters.

Improving Student Performance: A New Brunswick Challenge

1.3 Chapter 2 of this volume presents our findings and observations on improving student performance. We found student results on provincial assessments remained consistently below targets for many years. We also found successive governments have changed education priorities too frequently, creating instability and shifting educators’ focus away from teaching children.

1.4 Further, the Department of Education and Early Childhood Development is not holding districts and schools accountable for student performance as stipulated in the *Education Act*.

1.5 Education is a priority for New Brunswickers. Student performance goals have been in place, in successive provincial education plans, since 2002 -2003. However, the goals set 15 years ago are still unmet. We focused our audit on the management of student performance in reading, math and science as these subjects are tested at the provincial, national and international levels.

New Brunswick has a unique structure for delivering education services

1.6 New Brunswick, being the only bi-lingual province in the country, has a unique structure for delivering education services. This is accomplished through two parallel but separate systems represented by the Anglophone and Francophone sectors within the Department of Education and Early Childhood Development. This unique structure is based on the principle of linguistic duality. At the federal level, Section 23 of the *Canadian Charter of Rights and Freedom* safeguards minority language educational rights.¹

Our two parallel education systems should share best practices and lessons learned

1.7 The two systems have an opportunity to collaborate and share successes and lessons learned. However, at present, this opportunity is not being fully utilized because there are no specific forums or tools to facilitate collaboration and sharing between the two sectors.

1.8 The Department should facilitate more sharing between the two sectors. This will allow them to build on the strengths of each other, to enhance the educational outcomes for all children in the province.

Political interference is destabilizing the education system

1.9 Political interference in the education system is creating instability and disrupting the educational process. Successive governments have made major changes to education priorities in the last 15 years, often hastily implemented to fulfil election promises. In my view, this is hurting our education system and jeopardizing outcomes for our children.

¹ *Mahe v. Alberta*, [1990] 1 S.C.R. 342

- 1.10** Education strategies must be based on expert research, in-depth needs assessment and best practices that worked in other jurisdictions, nationally or internationally. Once in place, strategies need be allowed to mature while being monitored and adjusted to achieve the desired outcomes.
- Rushed changes to French Immersion add to the complexity of operations in the Anglophone sector**
- 1.11** In 2016, approximately 40% of Anglophone students were in French immersion. This is a significant program that adds to the complexity of operations in the Anglophone sector. Because of the rushed implementation of the new entry point in 2017, school districts could not recruit enough qualified teachers to meet the implementation timeframe. As a result, teachers not meeting the language proficiency were hired. Also, significant resources were directed to implement this change, and this impacted student performance across the sector.
- The Province's socio-economic challenges affect student performance**
- 1.12** Poverty, adult illiteracy and other socioeconomic issues exist in our Province and have a negative impact on student performance. For example, educators indicated they often need to deal with students who arrive at school late, hungry and without proper clothing. Teachers often have to deal with these basic needs before they can focus on teaching.
- Involve community based organizations and other departments in addressing challenges**
- 1.13** Socioeconomic challenges cannot be addressed by teachers alone. Wider collaboration is required between relevant government departments, community based organizations, districts and schools to address basic needs of students and ensure teachers' efforts are devoted to student learning.
- WorkSafeNB Phase II – Management of Injured Workers' Claims**
- 1.14** Chapter 3 contains the findings of our second report on WorkSafeNB, covering the management of injured workers' claims. Our first report focused on governance was included in volume 1 of the Auditor General's report, released in June 2018.

1.15 We found WorkSafeNB has a reasonable claims management framework that is consistent with industry best practice. However, we identified numerous process deficiencies that hinder WorkSafeNB's ability to actively manage cases to achieve timely return to work.

1.16 Claims cost is the main driver of employer assessment rates. Claims costs have increased by more than \$300 million between 2013 and 2017. We believe an effective and efficient claims management framework is necessary to balance the needs of the injured workers and employers with the long term sustainability of the workers compensation system in New Brunswick.

WorkSafeNB needs to shift its focus to helping workers return to work

1.17 When workers achieve early and safe return to suitable employment, everyone wins:

- Injured workers will maintain their confidence and sense of value while minimizing loss of earnings;
- Employers will minimize loss of productivity and avoid costly replacement of skilled employees;
- WorkSafeNB will achieve shorter claim durations and cost savings, thereby contributing to the long term sustainability of the compensation system.

1.18 Currently, WorkSafeNB's culture, processes and systems are all geared towards compensation and benefits administration. Significant change in processes, organization and system is required for WorkSafeNB to shift its focus to early and safe return to work.

Comprehensive plan required to update WorkSafeNB systems and processes

1.19 I encourage WorkSafeNB to adopt a comprehensive plan to implement our recommendations. If properly carried out, such a plan would help WorkSafeNB to re-focus its processes, systems and organizational culture around the concept of return to work.

***Workers
Compensation Appeal
Tribunal (WCAT) has
a broader jurisdiction
than Canadian
counterparts***

1.20 Decisions made by WCAT forced WorkSafeNB to change many of its policies resulting in significant financial implications and diminished case managers' confidence in their decision-making abilities. Most appeals tribunals in other Canadian jurisdictions do not have the authority to change workers' compensation policies.

1.21 This very same concern has been raised by the ministerial task force in its report released in July 2018. Appropriate legislative changes are required for New Brunswick's WCAT to be comparable to its Canadian counterparts in terms of mandate and powers. A new Act which includes legislative amendments to address recommendations in the task force report has been proclaimed on December 12, 2018. The amendments related to WCAT are meant to restrict its ability to override existing WorkSafeNB policies.

***Follow-up on
Recommendations
from Prior Years***

1.22 Chapter 4 presents our follow-up on recommendations from prior year performance audit chapters, including:

- Constituency Office Costs for Members of the Legislative Assembly and Executive Council;
- Long Term Infrastructure Sustainability Plan;
- Point LePreau Generating Station Refurbishment - Phase II;
- Data Centre Power Interruption; and
- Financial Assistance to Atcon Holdings Inc. and Industry.

***Unacceptable lack of
transparency and
accountability in
constituency office
costs***

1.23 I am disappointed to report that two key recommendations from my 2011 report on constituency office costs have still not been implemented. We recommended changes so that all constituency office costs would be tracked and publicly reported to ensure transparency and consistency of practice for MLAs and Ministers.

1.24 Seven years later and despite repeated follow-ups with Executive Council Office and the Legislative Assembly, nothing has changed. It cannot be determined if the

publicly reported figures for constituency office costs are accurate. The portion Ministers are charging to their departments is not known. This makes it impossible to detect violations to constituency office spending limits. In my view, it's inappropriate for any constituency office costs to be charged to Department expenses. In my opinion, such disregard for transparency and accountability by elected officials is unacceptable.

Elected officials are expected to set a good example of transparency and accountability

1.25 I believe the Members of the Legislative Assembly and elected officials must set an example for all of government when it comes to accountability and transparency. Full public disclosure of all monies paid to MLAs and ministers should be a minimum requirement to demonstrate such transparency and accountability.

New Brunswick is falling behind its Atlantic peers in tracking and public reporting of constituency office expenses

1.26 Other provinces such as Nova Scotia and Newfoundland and Labrador have significantly enhanced the integrity and transparency of constituency office costs. Following audits and investigations by their Auditors General, both provinces have strengthened their legislations, policies, rules and guidelines governing the administration and public reporting of MLA expenses. I am deeply concerned that New Brunswick is falling behind its Atlantic peers in holding MLA's and ministers accountable for their constituency office costs and in disclosing all such expenses to the public.

ONB still not reporting actual performance against its job creation targets

1.27 As of the date of our follow-up ONB is still not publicly reporting in its annual report on whether its job creation targets associated with financial assistance to industry, are being met. Although ONB has started to report actual jobs created, this is not an indicator of performance unless they can be compared to a pre-determined target. ONB, as the lead economic development agency in New Brunswick, needs to publish this information to demonstrate accountability for its performance.

We remain unsatisfied with the implementation rate of our recommendations

1.28 Overall, audited entities implemented 71% of recommendations from our 2014 performance audit reports. Although this is an improvement compared to the 43% implementation rate of our 2013 recommendation, it remains significantly below our target of 100%.

1.29 Implementation of our recommendations by departments, commissions and agencies is a key measure of performance audit impact. I encourage members of the Public Accounts Committee and the Crown Corporations Committee to discuss and question the status of unimplemented performance audit recommendations with the involved departments, commissions and Crown agencies.

Acknowledgements

1.30 Staff in my Office worked very hard in carrying out the work reported upon in this volume of our Report. The individual chapters of this report are a reflection of their level of commitment, professionalism and diligence. I would like to express my appreciation to each for their contribution and continuing dedication to fulfilling the mandate of the Auditor General of New Brunswick.



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