

NEW BRUNSWICK HOUSING
CORPORATION

2025

Maintenance of Public Housing Units

Chapter 2

Volume I: Performance Audit
Independent Assurance Report



Table of Contents

Chapter 2 Highlights	3
About the Audit	5
Background	8
Vacancy KPI Not Met	9
No Monitoring of Inspection Completion	10
Inspections Not Completed as Required by Policy	11
Inconsistent Staffing of Inspectors	15
No Standardized Inspection Form	17
Work Orders Not Addressed in Timely Manner	18
Regular Maintenance Budget Not Based on Need	24
M&I Projects Not Prioritized	25
Budget Not Available to Spending Approvers	25
Appendix I: Recommendations and Responses	27
Appendix II: Audit Objective and Criteria	31
Appendix III: Independent Assurance Report	32

New Brunswick Housing Corporation

MAINTENANCE OF PUBLIC HOUSING UNITS



Chapter 2 Highlights

Inspections not
completed as required

Repair and maintenance
work not timely

Budget not available to
spending approvers

OVERALL CONCLUSION:



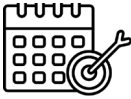


Our audit work concluded that the New Brunswick Housing Corporation does not have adequate systems and practices in place to ensure properties are well-maintained, safe and habitable for tenants on a timely basis.

Results at a Glance

MAINTENANCE OF PUBLIC HOUSING UNITS

Practices do not support effective oversight of public housing maintenance

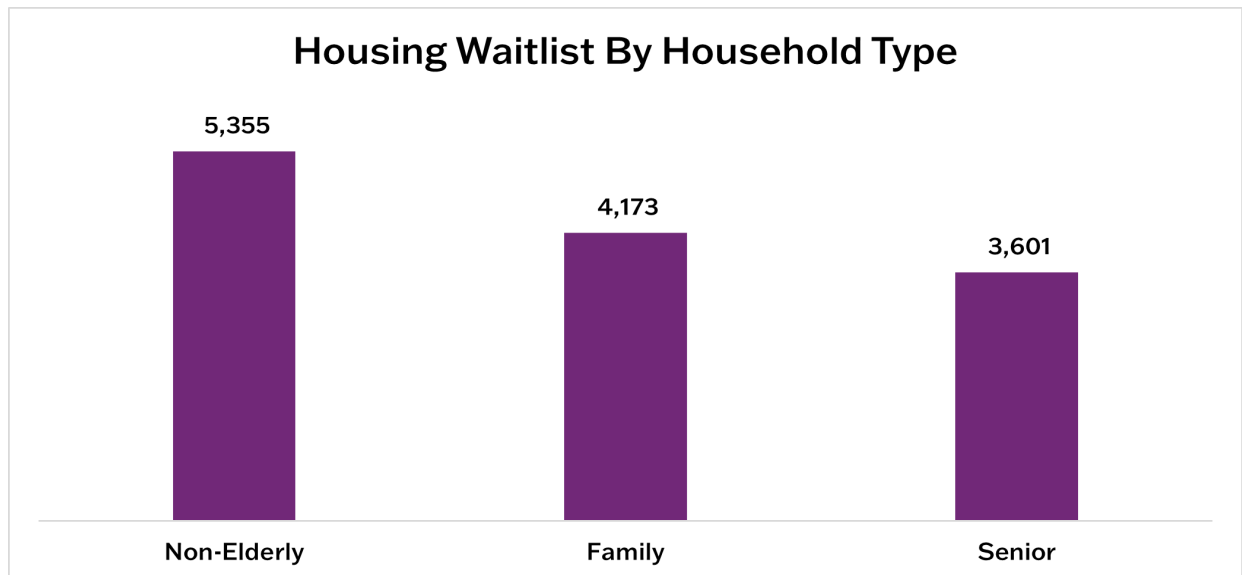


FINDINGS	
	85% of units did not meet annual interior inspection requirements
	71% of repairs requiring completion within 24 hours were not completed on time
	36% of all repair work did not achieve the target time for completion
	Budget was not available to spending approvers
	Operational budget not based on needs

About the Audit

INTRODUCTION TO THE AUDIT

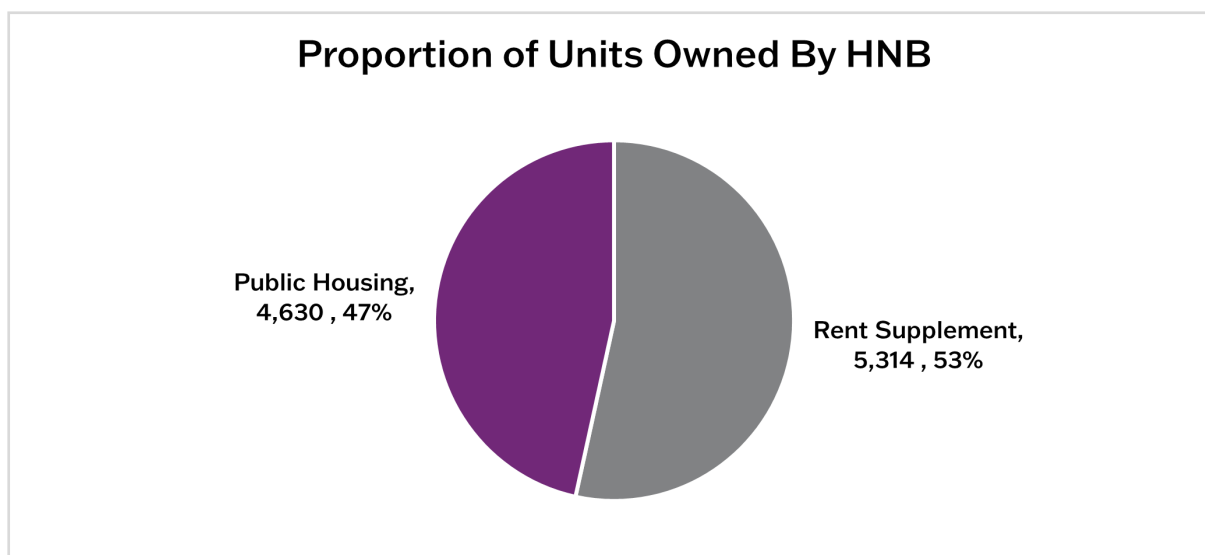
- 2.1** The Public Housing Program aims to provide safe and affordable housing to New Brunswickers. This is one of several programs overseen by the New Brunswick Housing Corporation (HNB) that is designed to provide affordable housing to low income households.
- 2.2** Households or individuals can identify their need and be placed on a waiting list. As of December 31, 2024, the waitlist for placement in subsidized housing had 13,129 households (21,712 individuals) as follows:



Source: Prepared by AGNB based on data from HNB (unaudited)

- 2.3** 6,775 households have been on the waitlist for two years or longer.
- 2.4** The New Brunswick Housing Corporation was formed in 1968. The organization currently manages 47 percent of all affordable housing units. Those under the rent supplement program are operated by private landlords. Rent paid by the tenants under either program is capped at 30 percent of their household income.

2.5 The provincial inventory of housing units is outlined as follows:



Source: Prepared by AGNB based on data from HNB (unaudited)

WHY WE CHOSE THIS TOPIC

- 2.6** The demand for affordable, safe housing is increasing in New Brunswick. It is crucial for the well-being of residents that public housing units offered meet appropriate safety requirements and are made available to those in need on a timely basis.
- 2.7** The New Brunswick Housing Corporation remains the single largest supplier of subsidized housing in New Brunswick.
- 2.8** The program is targeted at low-income individuals, many of whom would be considered vulnerable New Brunswickers.

AUDITEE

- 2.9** Our auditee was the New Brunswick Housing Corporation.

AUDIT SCOPE

- 2.10** We examined the maintenance programs and mechanisms that were in place to ensure safe public housing is provided on a timely basis.
- 2.11** The audit covered the period from April 1, 2023 – December 31, 2024. Information outside of this period was also collected and examined as deemed necessary. As part of our work, we interviewed HNB staff, reviewed documentation and visited several of the regions.
- 2.12** More details on the audit objectives, criteria, scope, and approach we used in completing our audit can be found in Appendix II and Appendix III.

AUDIT OBJECTIVE

- 2.13** Our audit objective was to determine whether the New Brunswick Housing Corporation has an adequate maintenance program and mechanisms for public housing units, to ensure properties are well-maintained, safe, and habitable for tenants.

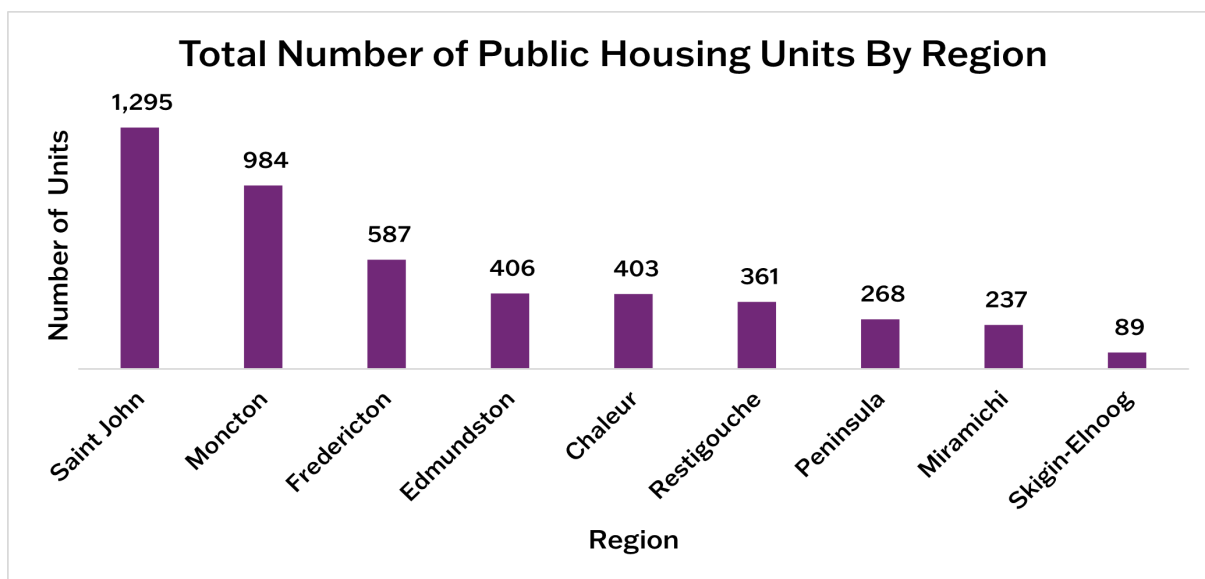
CONCLUSION

- 2.14** Our audit work concluded that the New Brunswick Housing Corporation does not have adequate systems and practices in place to ensure safe housing accommodations are provided on a timely basis. Overall findings are as follows:

- inspections are not completed for all units as required by policy
- work orders are not completed on a timely basis
- budget not available to spending approvers

Background

- 2.15** The New Brunswick Housing Corporation (HNB) is responsible for creating the conditions for safe, affordable and accessible housing for all New Brunswickers.
- 2.16** HNB owns a variety of rental units across the province and charges rent based on 30% of household income.
- 2.17** As of December 31, 2024, HNB was responsible for 4,630 public housing units distributed across the province's eight geographic regions. Although tracked separately, Skigin-Elnoog units are located throughout the province. Skigin-Elnoog units provide off-reserve Aboriginal people with housing at affordable costs. A breakdown of units by region is shown below:



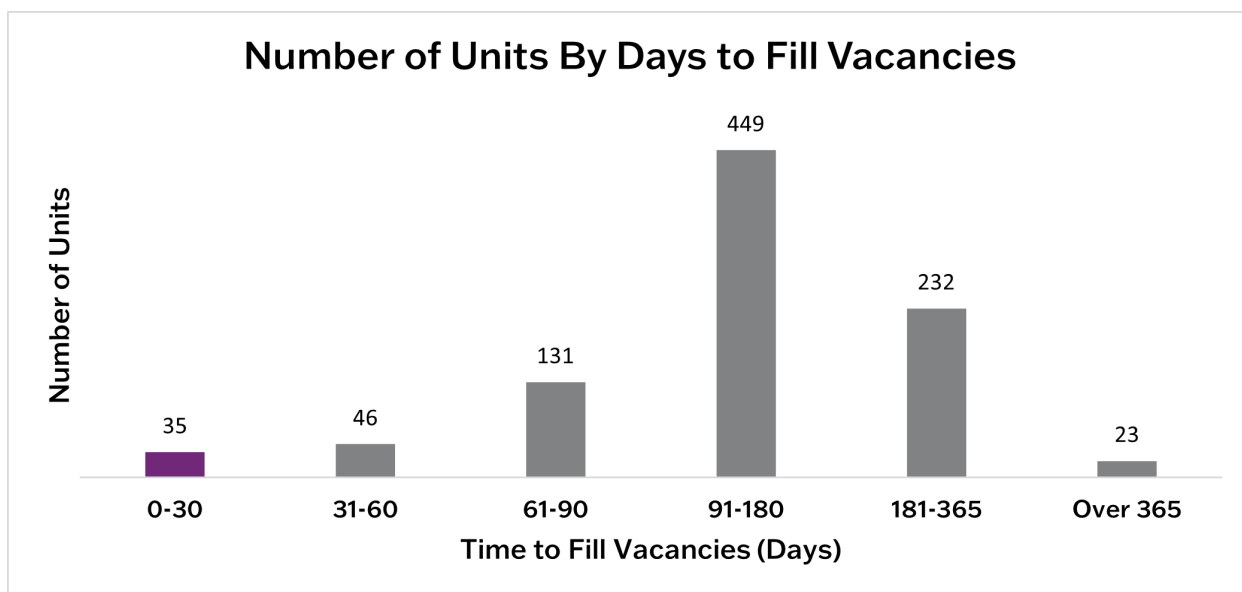
Source: Prepared by AGNB based on data from HNB (unaudited)

- 2.18** HNB is responsible for the maintenance and repair of these units to ensure conditions are suitable for habitation.
- 2.19** The Housing Facilities Division is responsible for oversight of public housing maintenance. Within this division, eight Technical Service Managers are assigned to oversee the eight geographic regions outlined above. Units for Skigin-Elnoog are located throughout the other eight geographic regions and are managed through collaboration between HNB and Skigin-Elnoog Housing Corporation.

Vacancy KPI Not Met

2.20 A key performance indicator (KPI) established in the *Public Housing – Policies and Procedures Manual* states that, “All vacant units should be made available for occupancy as quickly as possible, or at most within 30 days from the date the unit is vacated.”

2.21 We reviewed work order data from the HNB system during our audit period and noted it took on average 140 days to fill vacant units compared to the 30-day KPI. The graph below details that only 35 (4%) of vacant units were ready for occupancy within 30 days with 23 (3%) taking in excess of one year.



Source: Prepared by AGNB based on data from HNB (unaudited)

2.22 HNB prepares detailed vacancy reports that are reviewed by management. However, we were unable to determine whether this information was used to address deficiencies and noted concerns.

Recommendation

2.23 We recommend that the New Brunswick Housing Corporation investigate deficiencies in achievement of the established vacancy KPI and take remedial action.

No Monitoring of Inspection Completion

2.24 Section 403-2 of the *Public Housing – Policies and Procedures Manual* states that Technical Service Managers, are responsible for:

- inspecting and reporting on the interior maintenance of each unit annually
- developing a regular maintenance schedule
- inspecting the exterior maintenance of each project quarterly
- checking the tenant’s general compliance with conditions of the lease

2.25 Furthermore, the manual states that, “it is The Housing Department’s responsibility to maintain all projects in a manner which is in keeping with provincial and municipal bylaws and regulations.”

2.26 We noted that HNB does not monitor the completion of its inspections.

Recommendation

2.27 We recommend that the New Brunswick Housing Corporation monitor the completion of required inspections.

Inspections Not Completed as Required by Policy

ANNUAL UNIT INTERIOR INSPECTIONS

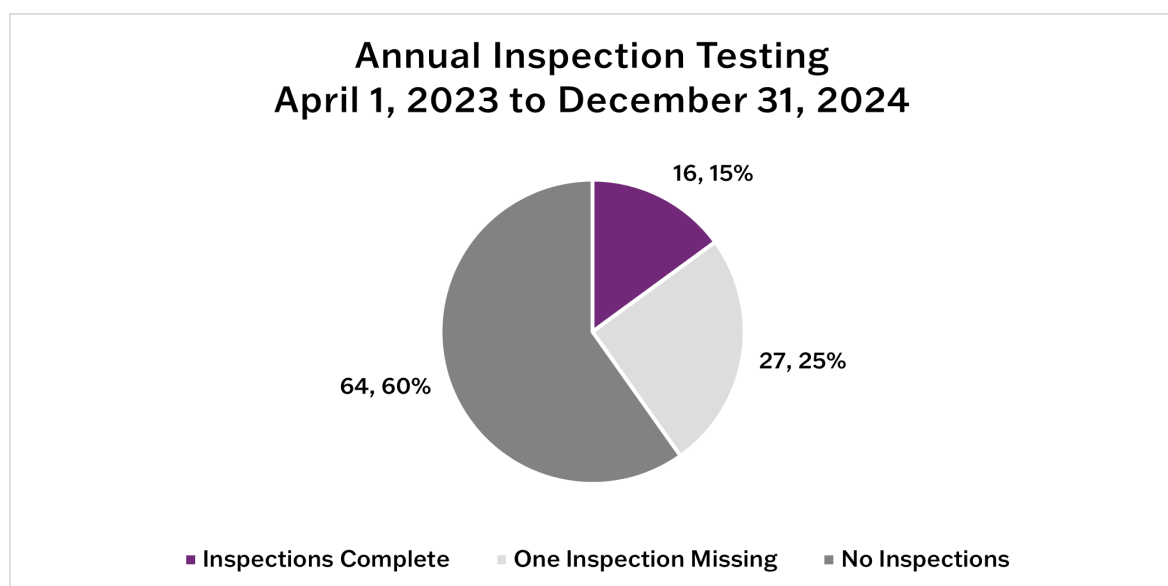
2.28 Section 403-2 of the *Public Housing – Policies and Procedures Manual* indicates “the Technical Services Manager/Designate shall inspect the interior of each unit once a year”. This inspection is intended to identify required repairs and their associated costs.

2.29 We inquired by region whether annual inspections were completed, and found:

- 4 regions do not conduct any annual inspections
- 2 regions only conduct inspections on seniors’ units
- 3 regions indicated that they complete these inspections

2.30 During the course of our work, we became aware of a fire that destroyed Villa Beauséjour, a 10-unit seniors public housing complex located in the Edmundston region. We reviewed the report from the Office of the Fire Marshall and noted that the cause of loss was undetermined. However, hypotheses considered were noted as being electrical in nature. Despite this incident, this region along with three others continues to not conduct annual inspections as required by policy.

2.31 We visited regions that indicated they complete their annual inspections and examined a sample of 107 units. The graph below notes that only 16 (15%) met the inspection requirements during our audit period (having a 2023 and 2024 inspection).



2.32 We examined 31 annual inspections in further detail and based on findings found that 24 should have had work orders entered into the HNB system. Of these:

- 10 had work orders that were correctly entered in the HNB system
- 14 had noted deficiencies that were not found in the HNB system

2.33 Some examples of issues noted during inspections that were not entered into the HNB system included problems pertaining to smoke alarms, appliances, flooring and water leaks. We were unable to find evidence that necessary repairs were completed.

2.34 The role of building inspector requires significant levels of technical expertise, allowing them to effectively identify issues. In the Moncton region the annual inspections we reviewed were completed by program officers rather than inspectors. We reviewed job descriptions for both positions and found program officers have different education and experience requirements from that of inspector as shown below.

Building Inspector	Program Officer
Two-year engineering program or one year carpentry program	Graduation from University at the bachelor level
Experience in building construction and/or building inspection	Liaising with applicants, tenants, landlords, lending institutions and solicitors
Requires an understanding of the National Building Code and how it applies to the construction industry	Assessing applicants' housing needs and directing them to community resources

Recommendations

2.35 We recommend that the New Brunswick Housing Corporation ensure annual inspections are completed on each unit as required by policy.

2.36 We recommend that the New Brunswick Housing Corporation ensure building inspections are completed by inspectors with the required education and experience.

QUARTERLY PROJECT EXTERIOR INSPECTIONS

2.37 The *Public Housing – Policies and Procedures Manual* section 403-2 states, “The Technical Service Manager or Designate should inspect the exterior maintenance of each project quarterly.”

2.38 We inquired by region and were informed that:

- 6 regions do not conduct these inspections
- 1 region does quarterly inspections except for winter months
- 2 regions indicated they do monthly inspections

Recommendation

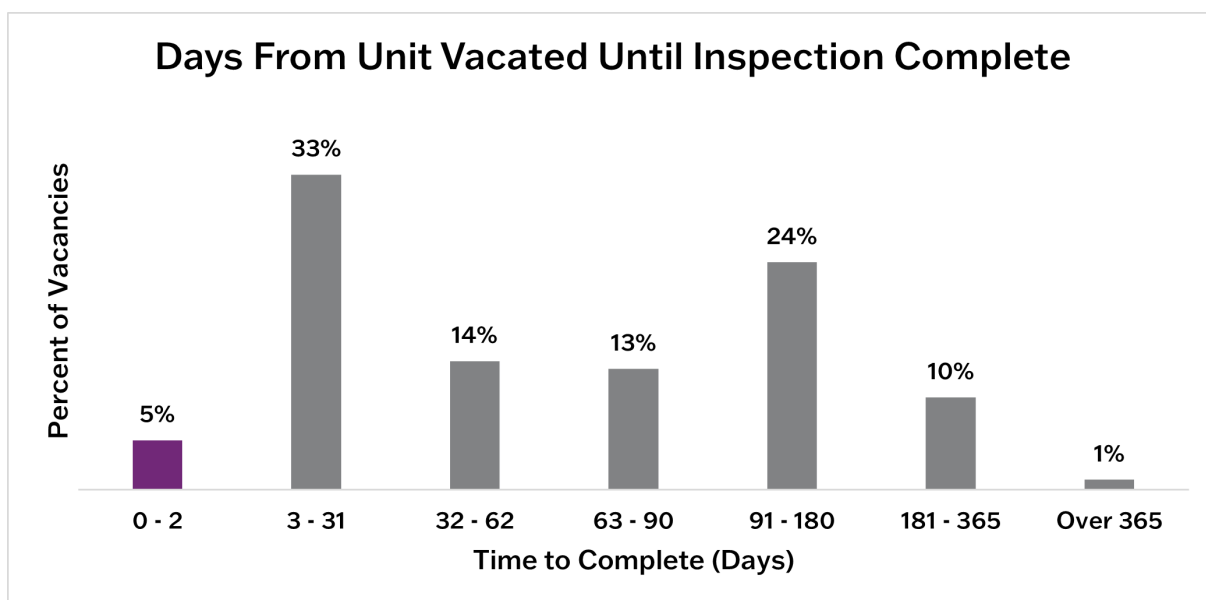
2.39 We recommend that the New Brunswick Housing Corporation ensure exterior inspections are completed, at minimum, on a quarterly basis as required by policy.

VACANCY INSPECTIONS

2.40 Vacancy inspections are to identify repairs and maintenance that may have to be completed in a unit prior to occupancy by a new tenant. Timeliness is critical to ensure units are available for those in need.

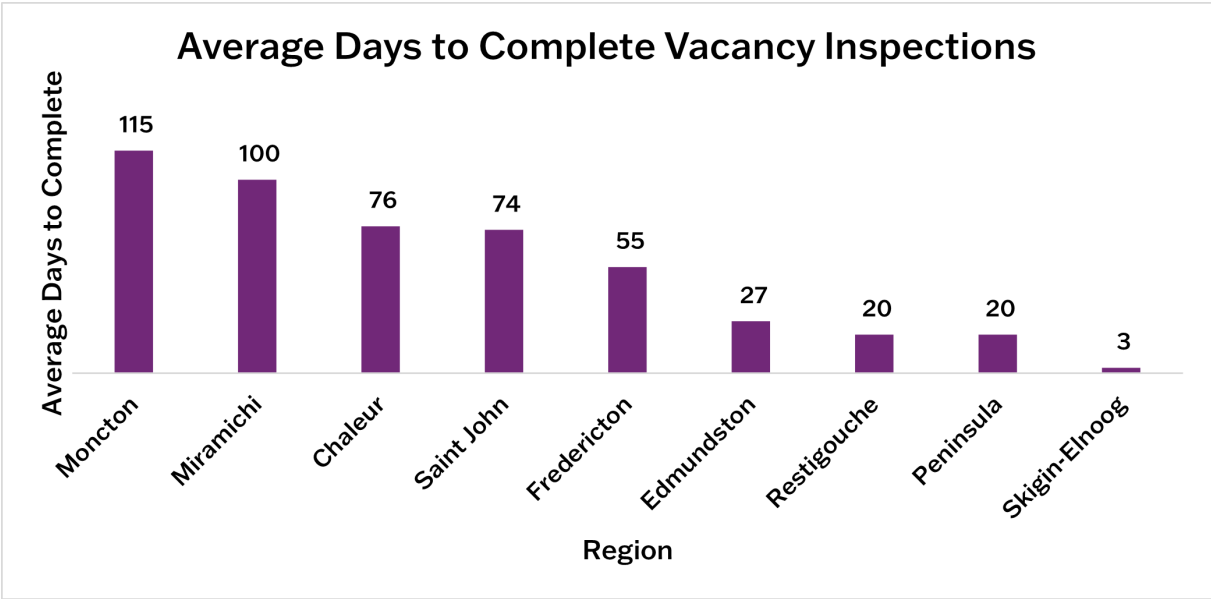
2.41 *The Public Housing – Policies and Procedures Manual* requires that vacancy inspections be completed within two days.

2.42 Our analysis showed that on average vacancy inspections took 70 days to complete. During the audit period 95 percent of vacancy inspections did not meet the 2-day target. This was one of the key drivers that resulted in the 30-day KPI to fill vacancies not being met.



Source: Prepared by AGNB based on data from HNB (unaudited)

2.43 HNB records the number of days it takes to complete vacancy inspections in the HNB system and the table below shows the average days required to complete vacancy inspections by region.



Source: Prepared by AGNB based on data from HNB (unaudited)

Recommendation

2.44 We recommend that the New Brunswick Housing Corporation review the vacancy inspection process with the objective of reducing the time to complete these inspections to support achievement of the 30-day vacancy turnaround KPI.

SAFETY INSPECTIONS

2.45 In addition to inspection requirements established in policy, there are more specific requirements established for certain systems. Some examples include:

- sprinklers through the *National Building Code*
- fire alarms through the *National Fire Code of Canada*
- elevators through the *Elevators and Lifts Act*

2.46 Inspection completion and the resulting findings are stored in paper files and not available in a consolidated electronic format.

2.47 We found that all three of these types of safety inspections were contracted for centrally. The contracts outlined a list of buildings that required the specific inspections. There was not a process to ensure that all inspections had been completed and issues addressed.

2.48 For example, the fire alarm testing contract identified 94 projects, however only five projects had fire certificates available centrally for 2024. These certificates only covered the Saint John Region which accounted for 25 of 94 projects.

2.49 During our work we observed that some of these certificates were stored in paper files but there was no monitoring system to determine that the annual requirement had been met for all buildings and units.

Recommendation

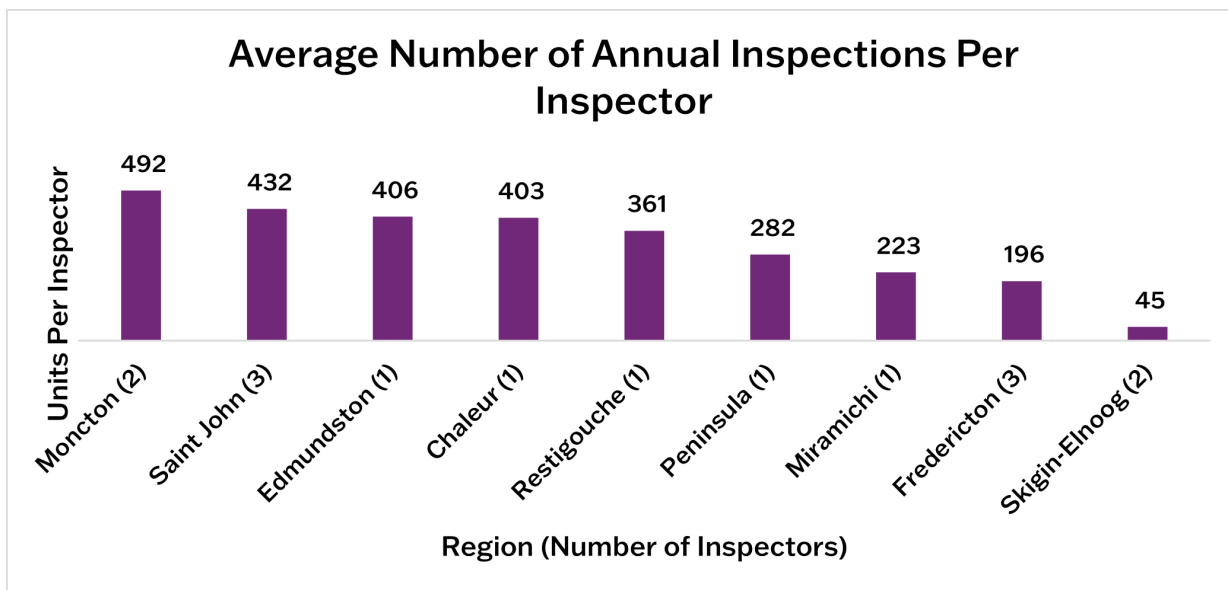
2.50 We recommend that the New Brunswick Housing Corporation monitor the completion of safety inspections.

Inconsistent Staffing of Inspectors

2.51 Inspectors within each region are tasked with completing annual unit inspections and quarterly building exterior inspections. In addition to the completion of annual and quarterly inspections, inspectors are responsible for:

- vacancy inspections
- inspections of government-owned and private residences under various housing programs
- inspecting structural elements and systems including ventilation, plumbing, heating and energy efficient components
- ensuring compliance with regulations, codes and standards
- making recommendations for necessary repair work
- writing tenders and contracts
- preparing technical reports, specifications and detailed cost analysis

2.52 The number of inspectors per unit varies by region. The chart below shows the average inspections that must be completed by each inspector on an annual basis:



Source: Prepared by AGNB based on data from HNB (unaudited)

2.53 We determined that the staffing of inspectors is based on historical practices with no review of whether this meets current needs.

Recommendation

2.54 We recommend that the New Brunswick Housing Corporation review its inspector staffing and consider adjustments to support more timely completion of inspections.

No Standardized Inspection Form

2.55 Inspection forms are used to record any findings and serve as documentation that the inspection has taken place.

2.56 We determined that there is no standardized inspection form used consistently among the regions. We compared inspection forms between five regions and noted the following differences:

- Fredericton was the only region that provided a condition rating (good, fair, replace/repair)
- only two regions included ventilation
- each region's form required varying levels of detail expectations for the inspection

2.57 We also noted that information required by the forms was often missing:

- 3/31 (10%) inspection forms we examined did not have the date of the inspection
- 7/31 (23%) inspection forms did not have the tenant's signature as required by the *Public Housing - Policies and Procedure Manual*, Section 403-3

Recommendations

2.58 We recommend that the New Brunswick Housing Corporation establish a common inspection form that captures the results of inspections and requires inspectors to confirm they have examined areas even if there were no findings.

2.59 We recommend that the New Brunswick Housing Corporation include a measurement in its annual unit interior and quarterly building exterior inspections to rate the overall condition and use this information to prioritize work and allocate resources.

2.60 We recommend that the New Brunswick Housing Corporation ensures inspection forms are completed in full.

Work Orders Not Addressed in Timely Manner

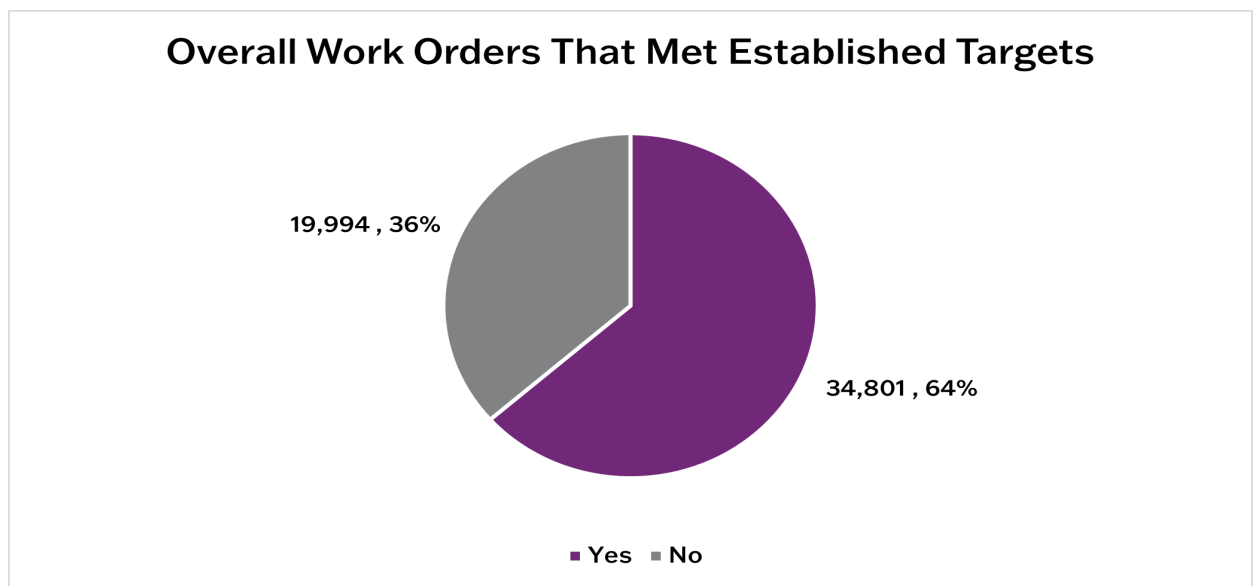
OVERALL – ALL WORK ORDERS

2.61 In the HNB system, we noted priority codes were associated with expected completion times. These 25 different priority codes provide targets ranging from immediate to one year. Some examples are as follows:

Priority Code	Target
Immediate	Immediate
Emergency	12 hours
Urgent	24 hours
Routine	3 weeks
Annual	1 year

Source: Prepared by AGNB based on data from HNB (unaudited)

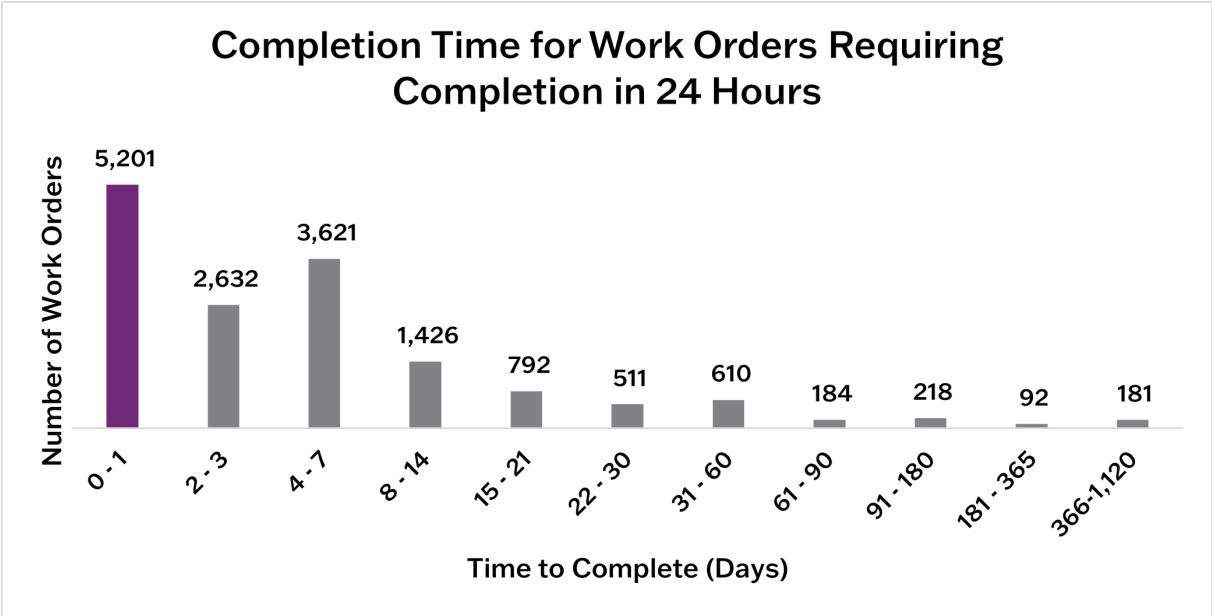
2.62 During our audit period we noted 36 percent of work orders did not meet established targets:



Source: Prepared by AGNB based on data from HNB (unaudited)

URGENT WORK ORDERS

- 2.63 There were 17,877 work orders requiring completion in 24 hours.
- 2.64 Urgent work orders (within 24 hours) were noted as taking significantly longer than the established targets. We found that only 29 percent of these met the established target. We noted 1,285 cases taking over 30 days to complete.



Source: Prepared by AGNB based on data from HNB (unaudited)

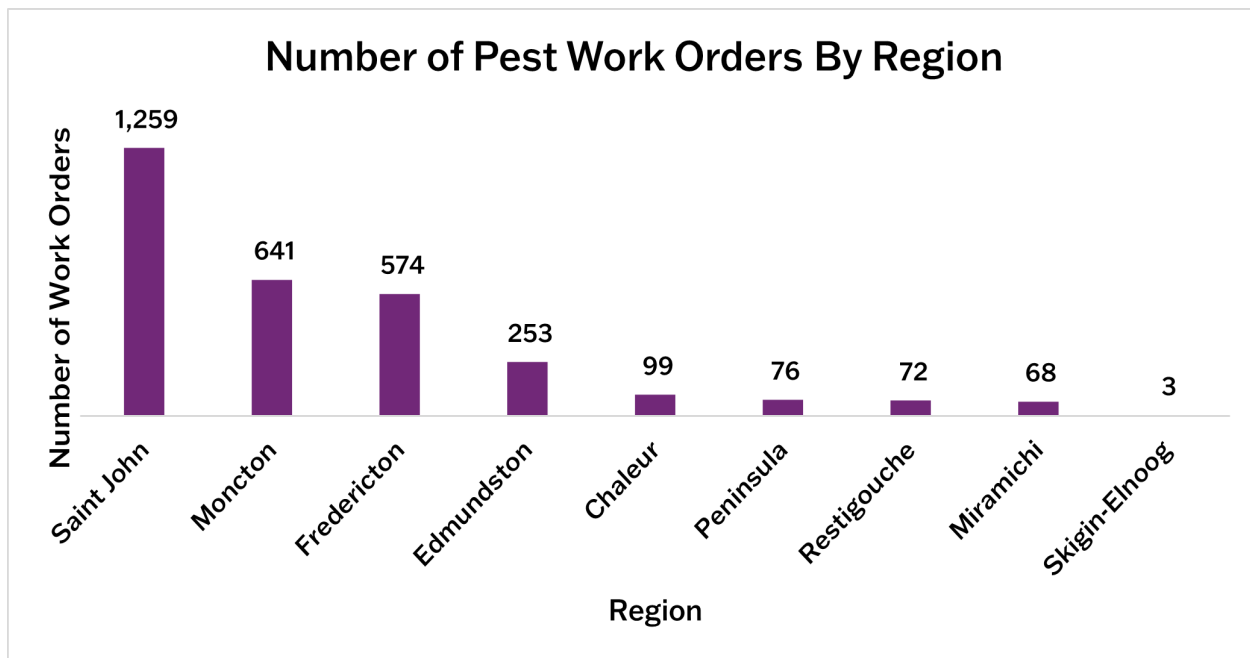
- 2.65 There were 2,409 work orders requiring completion in less than 24 hours that we were unable to determine whether the target was met due to the completion time not being recorded in the HNB system.

SPECIFIC EXAMPLES BY WORK ORDER TYPE

- 2.66 We reviewed certain work orders to determine if the documented priority code target had been met. Our findings are noted below.

Pests

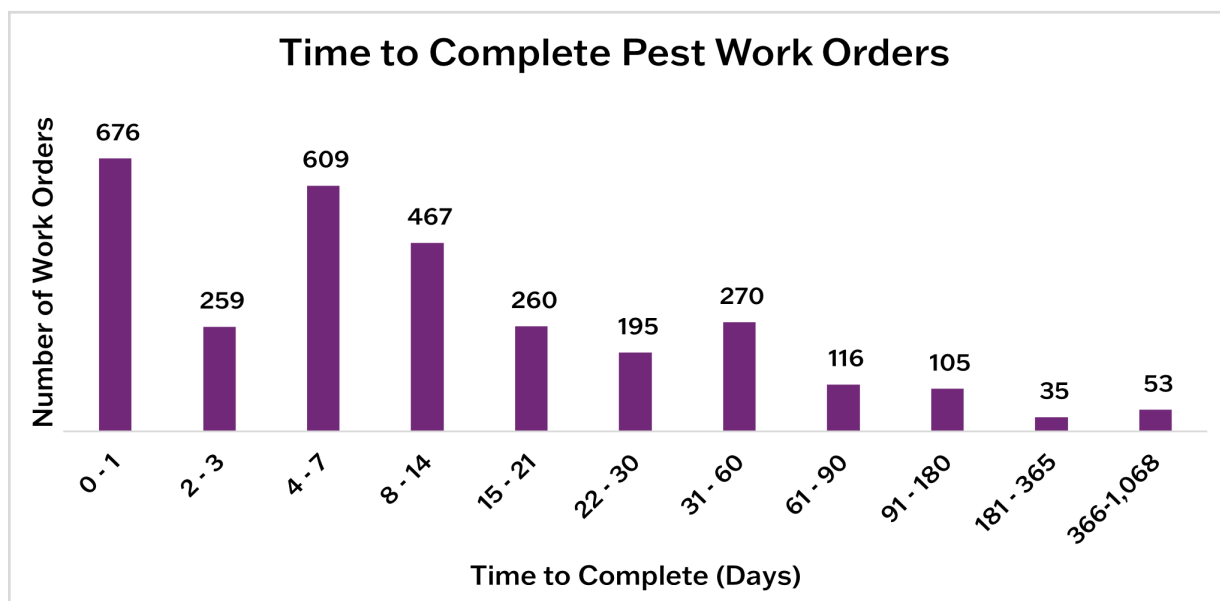
- 2.67 Work orders for pests include addressing problems related to bed bugs, mice/rats, pigeons, roaches, etc.
- 2.68 During our work we found that 41 percent of the pest issues were related to the Saint John region.



Source: Prepared by AGNB based on data from HNB (unaudited)

2.69 There were 3,045 work orders pertaining to pest issues during our audit period and we found that 53 percent of the issues were not resolved within the targeted time frames.

2.70 The time to address these issues ranged from less than a day to 1,068 days.



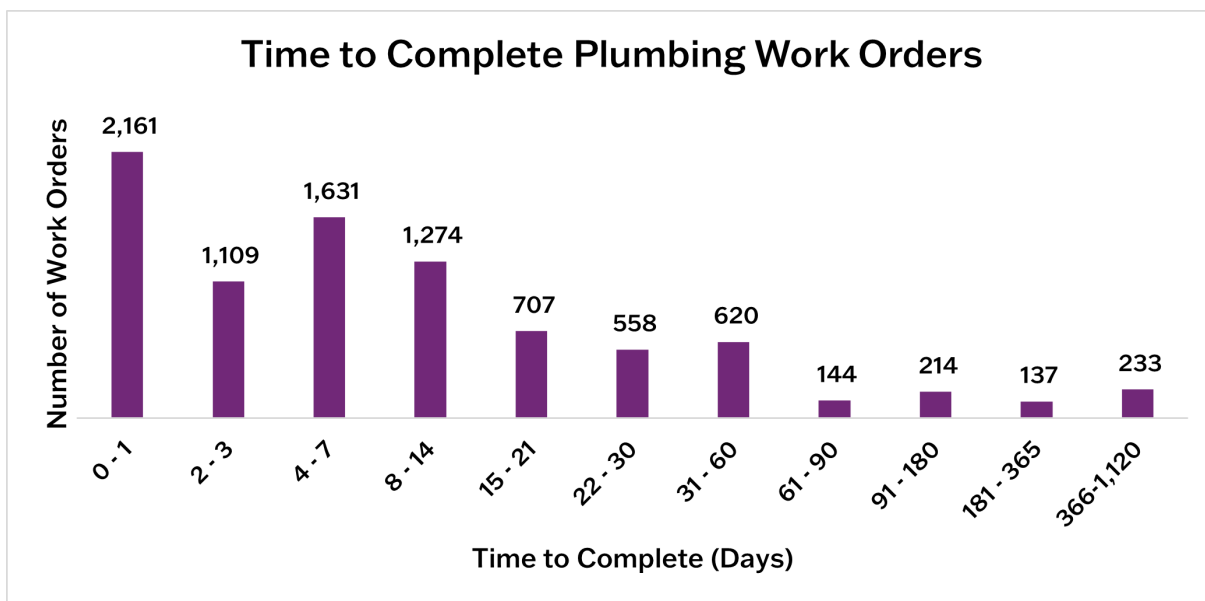
Source: Prepared by AGNB based on data from HNB (unaudited)

Plumbing

2.71 Work orders for plumbing include issues with water supply, boilers, bathrooms, hot water tanks, water pumps, water treatment and wells.

2.72 There were 8,788 work orders pertaining to plumbing issues during our audit period and we found that 39 percent of the issues were not resolved within the targeted time frames.

2.73 The time it took to address these issues ranged from less than a day to 1,120 days.



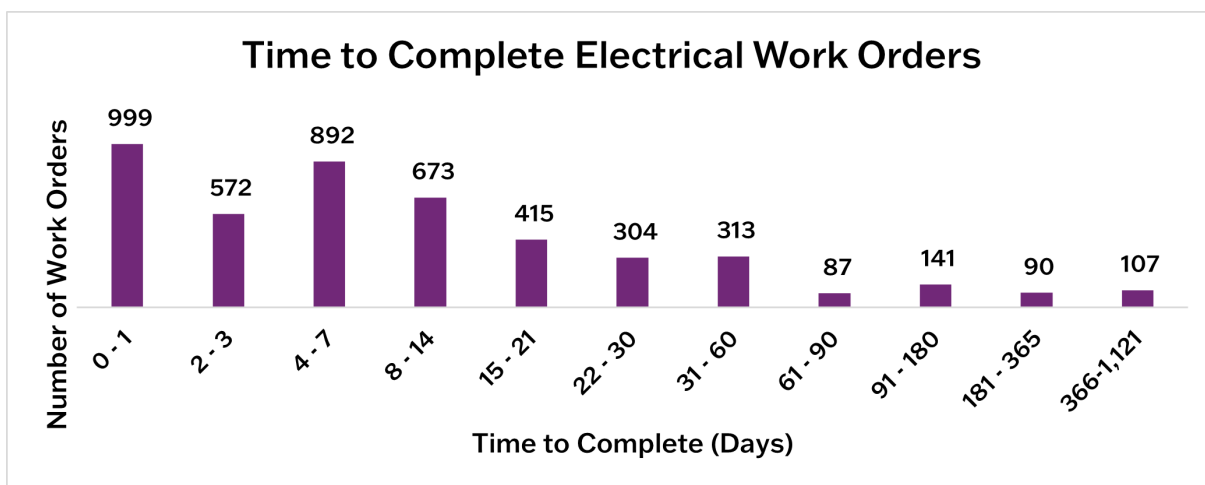
Source: Prepared by AGNB based on data from HNB (unaudited)

Electrical

2.74 Work orders for electrical include issues with baseboard heaters, carbon monoxide and smoke detectors electrical work, dehumidifiers, electrical panels, plugs and outlets, emergency lighting, exhaust fans, lighting, thermostats and wiring.

2.75 There were 4,593 work orders pertaining to electrical issues during our audit period and we found that 35 percent of the issues were not resolved within the targeted time frames.

2.76 The time it took to address these issues ranged from less than a day to 1,121 days.



Source: Prepared by AGNB based on data from HNB (unaudited)

Fire Safety

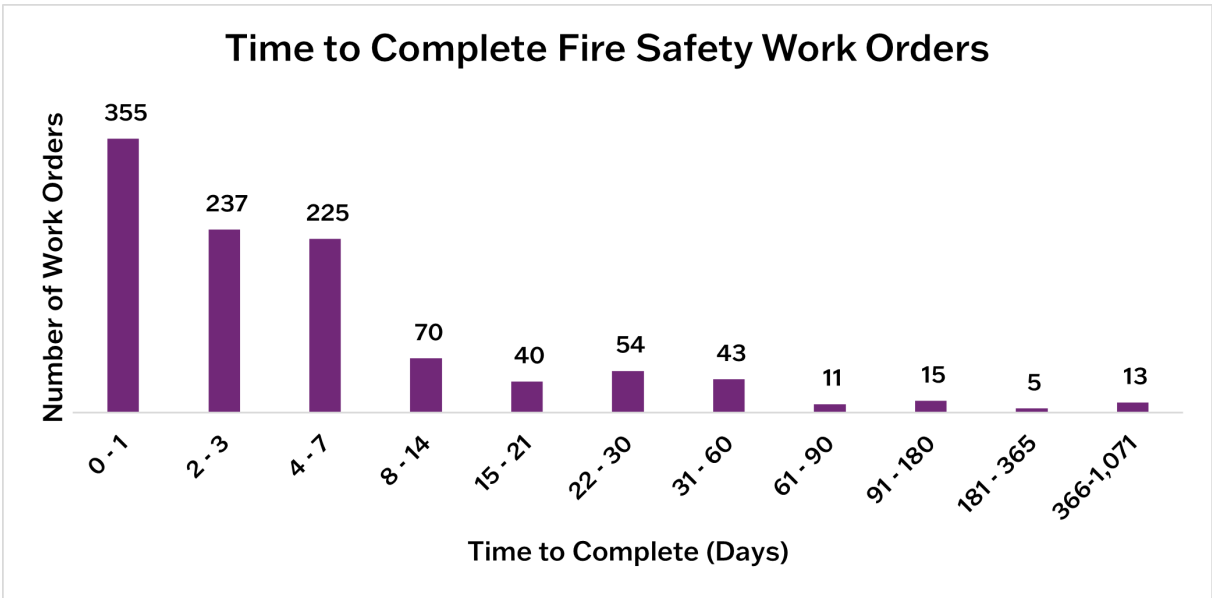
2.77 Work orders for fire safety include issues with fire safety systems, alarms, extinguishers, sprinklers, heat detectors and strobe lighting.

2.78 We examined 1,068 work orders that related to fire safety:

- for work orders with a target time of one day or less related to fire safety, the average time to complete these was 19 days
- on average it took 115 days to replace smoke detectors compared to the target of 17 days

2.79 We found that 28 percent of issues related to fire safety were not resolved within the targeted time frames.

2.80 The time it took to address these issues ranged from less than a day to 1,071 days.



Source: Prepared by AGNB based on data from HNB (unaudited)

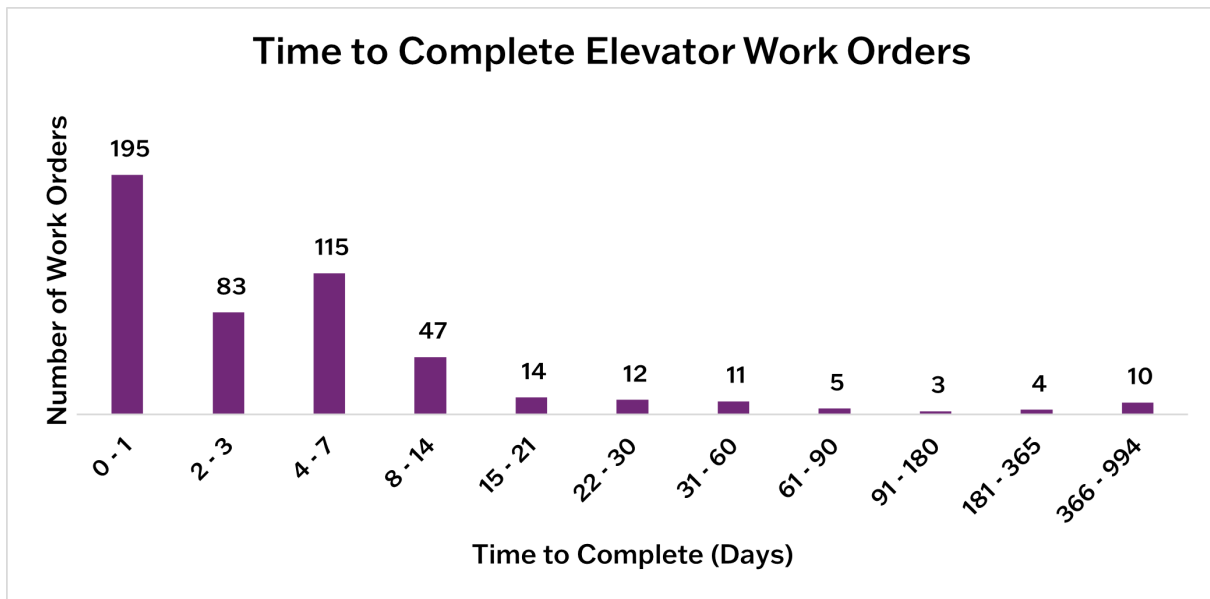
Elevators

2.81 We examined 499 work orders that related to elevators:

- for work orders with a target time of one day or less related to elevators, the average time to complete these was 37 days

2.82 We found that 28 percent of issues related to elevators were not resolved within the targeted time frames.

2.83 The time it took to address these issues ranged from less than a day to 994 days.

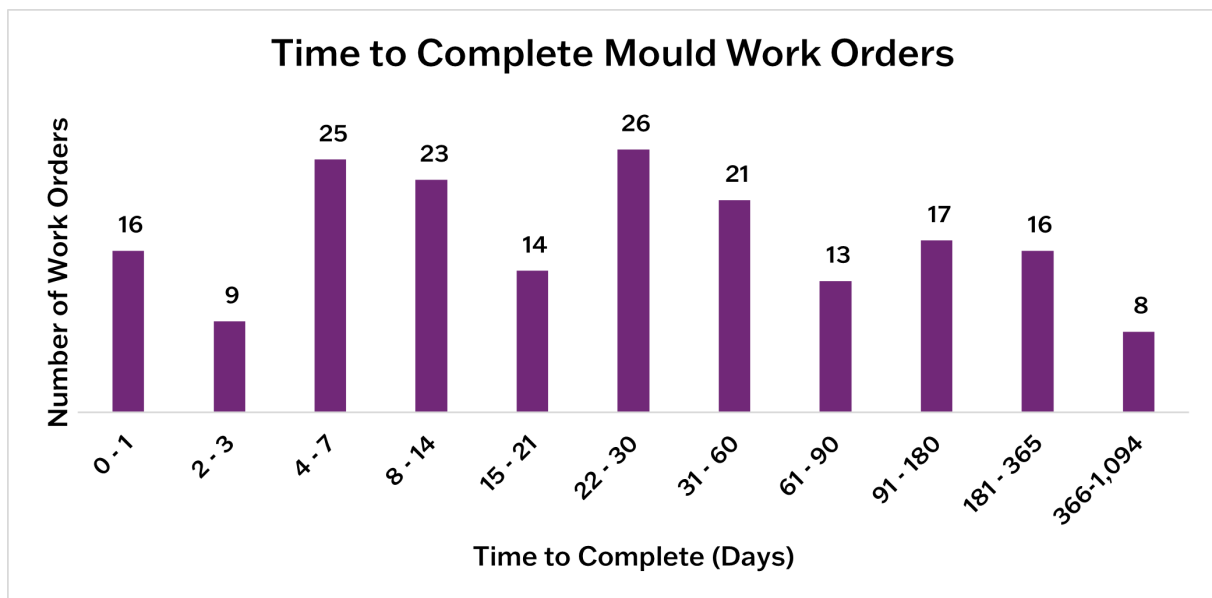


Source: Prepared by AGNB based on data from HNB (unaudited)

Mould

2.84 There were 188 work orders pertaining to mould issues during our audit period and we found that 57 percent of these issues were not resolved within the targeted timeframes.

2.85 The time it took to address these issues ranged from less than a day to 1,094 days.



Source: Prepared by AGNB based on data from HNB (unaudited)

Recommendation

2.86 We recommend that the New Brunswick Housing Corporation ensure maintenance work is completed in accordance with established targets.

Regular Maintenance Budget Not Based on Need

2.87 For budget and financial purposes, maintenance is coded to one of three categories:

- modernization and improvement (M&I)
- emergency repair
- regular maintenance

2.88 The regular maintenance budget is used to fund repairs and maintenance that are minor in nature.

2.89 We requested support for how regular maintenance budget amounts were determined. We were informed that these amounts were carried forward from prior years and it was not clear how the amounts were established.

2.90 M&I was the only category where an annual needs assessment took place.

Recommendation

2.91 We recommend that the New Brunswick Housing Corporation review its regular maintenance budget allocation process and conduct needs assessments annually to support allotment.

M&I Projects Not Prioritized

2.92 The M&I budget is used for significant non-emergency projects that will enhance the building. Examples of M&I projects are as follows:

- upgrades to heating system
- major roof repairs and replacements
- plumbing upgrades

2.93 On an annual basis, HNB management obtain submissions from regional staff for required capital repairs. These submissions are reviewed and approved by the Director of Technical Services and Building Management and the Director of Construction & Modernization.

2.94 Although decisions are based on identified needs, there is no mechanism to score or prioritize the decisions that are made.

2.95 The approved projects for M&I in the 2024-25 fiscal year totaled \$9.3 million.

Recommendation

2.96 We recommend that the New Brunswick Housing Corporation implement a scoring mechanism to rank which capital projects are addressed first.

Budget Not Available to Spending Approvers

2.97 We found that HNB did not establish a budget allocation for 2024-25. A financial plan was not established, assessed or monitored against by program and/or region in 2024-25, resulting lack of ability to have oversight on budget to actual results.

2.98 Only four high-level budget items were uploaded to their financial system in December 2024. These items were as follows:

Program	Amount per Main Estimates
Corporate and other services	\$3,765,000
Housing program delivery	\$130,461,000
Housing facilities	\$59,356,000
Tenant and landlord relations office	\$2,759,000
Total	\$196,341,000

Source: Prepared by AGNB based on 2024-2025 Main Estimates (unaudited)

2.99 We would have expected a detailed budget to have been assigned regionally based on HNB's determined priorities. This would allow funds to be allocated to regions that required the most significant number of repairs.

2.100 Communicating budget information to regional managers would allow them to compare budget to actuals and make resource allocation decisions accordingly.

2.101 Without this information, approvers do not have visibility and cannot adequately plan operations. This increases the risk of the organization being significantly over or under budget.

Recommendations

2.102 We recommend that the New Brunswick Housing Corporation establishes a detailed budget and ensures this is communicated to approvers.

2.103 We recommend that the New Brunswick Housing Corporation regularly monitors budget to actual results and uses these results in operational decisions.

Appendix I:

RECOMMENDATIONS AND RESPONSES

Par. #	Recommendation	Corporation's Response	Target Implementation Date
--------	----------------	------------------------	----------------------------

We recommend the New Brunswick Housing Corporation:

2.23	investigate deficiencies in achievement of the established vacancy KPI and take remedial action.	Agree HNB is currently undertaking a process improvement project to reduce the turn-around time for vacancy repairs. Based on this work, vacancy repair policies will be updated and reasonable KPIs will be established with improvements to meet those KPIs.	Spring 2026
2.27	monitor the completion of required inspections.	Agree While a centralized/consistent system did not exist prior to the revitalization of the corporation, regional staff do monitor inspection activity on the ground. However, this may not be captured consistently in the HNB system. HNB will set up a central monitoring system for inspections. In addition, this monitoring system will be incorporated into the internal audit plan of HNB's new Enterprise Risk and Audit team to help identify areas of improvement and deficiencies in the process.	Spring 2026
2.35	ensure annual inspections are completed on each unit as required by policy.	Agree Central monitoring system will be available to management to ensure annual inspections are being completed. Additional inspectors are being added to support completion of annual inspections according to policy.	Fall 2026
2.36	ensure building inspections are completed by inspectors with the required education and experience.	Agree Inspections must be completed by qualified personnel only. In the one region noted, this is a legacy issue due to staff shortages with high demands so program officers would assist with inspections to ensure there were eyes on units. However, this practice was stopped last year. Only inspectors are completing these inspections now and this practice will continue.	Completed

Par. #	Recommendation	Corporation's Response	Target Implementation Date
2.39	ensure exterior inspections are completed, at minimum, on a quarterly basis as required by policy.	Disagree In addition to annual inspections, best practice for external inspections is typically twice annually - pre-winter and spring with increased frequency for higher-risk properties. The policy will be reviewed for efficiency of current staffing levels and according to best practices.	Fall 2026
2.44	review the vacancy inspection process with the objective of reducing the time to complete these inspections to support achievement of the 30-day vacancy turnaround KPI.	Agree HNB is currently undertaking a process improvement project to reduce the turn-around time for vacancy, repairs, and associated inspections. The project will validate the data, establish clear KPIs, and identify actions necessary to meet these KPIs.	Spring 2026
2.50	monitor the completion of safety inspections.	Agree Where inspections are being prioritized and completed regionally, issues raised in the audit report speak more to data integrity than the situation on the ground. A central monitoring system will be available to management to ensure all required inspections are being completed. HNB will review policy to streamline number of inspections required.	Fall 2026
2.54	review its inspector staffing and consider adjustments to support more timely completion of inspections.	Agree Additional inspectors are being added to support more timely completion of inspections and further review will also be completed to establish needs for future budget requests. It is important to also note that inspectors are also necessary for the delivery of affordable housing programs and are also leveraged for community disaster events so this must be factored into inspector staffing plans.	Fall 2026
2.58	establish a common inspection form that captures the results of inspections and requires inspectors to confirm they have examined areas even if there were no findings.	Agree This is a legacy issue from the regionalized system prior to the revitalization of the corporation and the development of the new centralized infrastructure division. HNB will develop a common inspection form for all types of inspections as part of standardizing processes.	Fall 2026

Par. #	Recommendation	Corporation's Response	Target Implementation Date
2.59	include a measurement in its annual unit interior and quarterly building exterior inspections to rate the overall condition and use this information to prioritize work and allocate resources.	Agree HNB will add a measurement to its standardized inspection tools to ensure up to date information is available as part of its asset management and improvement strategy. Note: exterior inspection frequency to be reviewed and updated (see item. 2.39).	Fall 2026
2.60	ensures inspection forms are completed in full.	Agree An internal audit mechanism will be set up for management to review quality and completeness of inspection forms. This is also part of HNB's plans to standardize processes and address legacy issues.	Spring 2027
2.86	ensure maintenance work is completed in accordance with established targets.	Agree Where maintenance work is being prioritized and completed regionally, issues raised in the audit report speak more to data integrity than the situation on the ground. HNB will set up a central monitoring system for maintenance work thus allowing for better oversight.	Fall 2026
2.91	review its regular maintenance budget allocation process and conduct needs assessments annually to support allotment.	Agree For 2025/26 and beyond, maintenance budget allocation will be set and needs assessments will be completed with regional delivery input. The transition of HNB from SD has uncovered the need for a new budgeting system to be established.	Spring 2026
2.96	implement a scoring mechanism to rank which capital projects are addressed first.	Agree A clear prioritization mechanism will be developed for the development and delivery of capital projects.	Spring 2026

Par. #	Recommendation	Corporation's Response	Target Implementation Date
2.102	establishes a detailed budget and ensures this is communicated to approvers.	<p>Agree</p> <p>The revitalization of HNB as a stand-alone Crown Corporation has presented many challenges to the HNB staff, some of which were outside the control of HNB. such as the set-up of HNB in the new Government accounting system. At the time of the budget load for GNB, HNB was only minimally setup in the Government accounting system which is why the budget was loaded at a high level. The capital maintenance budget was loaded into the new system, and the Modernization and Improvement budget was closely monitored. HNB actuals were still flowing through SD and continued to do so for the majority of the 2024-2025 fiscal year. Now that HNB has been set-up and our actuals are flowing through the Government accounting system, we will have a more detailed budget going forward.</p>	June 2025
2.103	regularly monitors budget to actual results and uses these results in operational decisions.	<p>Agree</p> <p>Due to the fact that HNB was not set-up to have actuals flowing through the Government accounting system until December 2024, monitoring budget to actual was challenging during fiscal 2024-2025. However, monitoring of budget to actual was done at a minimum of quarterly to comply with GNB reporting requirements but also throughout the year by compiling data from SD's books and comparing to the high-level budget that HNB loaded. In addition, there were regular meetings throughout the year among the Facilities Division (now the Infrastructure Division), Financial Services and Finance and Treasury Board to discuss budget, actuals, and variances.</p>	June 2025

Appendix II:

Audit Objective and Criteria

The objective and criteria for our audit of the New Brunswick Housing Corporation are presented below. The New Brunswick Housing Corporation and their senior management reviewed and agreed with the objective and associated criteria.

Objective	To determine whether the New Brunswick Housing Corporation has an adequate maintenance program and mechanisms for public housing units, to ensure properties are well-maintained, safe, and habitable for tenants.
Criterion 1	New Brunswick Housing Corporation has relevant key performance indicators to ensure housing unit conditions are appropriate and issues addressed on a timely basis.
Criterion 2	New Brunswick Housing Corporation monitors and ensures that units meet all mandatory safety and regulatory standards.
Criterion 3	New Brunswick Housing Corporation has a maintenance program, policy and procedures that ensure units are maintained to an appropriate standard.
Criterion 4	New Brunswick Housing Corporation should establish a budget that is aligned with achieving the goal of appropriate unit condition and timely access to vacant units.

Appendix III:

Independent Assurance Report

This independent assurance report was prepared by the Office of the Auditor General of New Brunswick (AGNB) on the New Brunswick Housing Corporation and its maintenance of public housing units. Our responsibility was to provide objective information, advice, and assurance to assist the Legislative Assembly in its scrutiny of the New Brunswick Housing Corporation with respect to the maintenance of public housing units.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001 – Direct Engagements set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook – Assurance.

AGNB applies the Canadian Standard on Quality Management 1 – Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. This standard requires our office to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we have complied with the independence and other ethical requirements of the Rules of Professional Conduct of Chartered Professional Accountants of New Brunswick and the Code of Professional Conduct of the Office of the Auditor General of New Brunswick. Both the Rules of Professional Conduct and the Code are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with our regular audit process, we obtained the following from management:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided
- confirmation that the findings in this report are factually based

PERIOD COVERED BY THE AUDIT:

The audit covered the period between April 1, 2023 to December 31, 2024. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the subject matter of the audit, we also examined certain matters outside of this period as deemed necessary.

DATE OF THE REPORT:

We obtained sufficient and appropriate audit evidence on which to base our conclusion on May 21, 2025, in Fredericton, New Brunswick.