

Auditor General's Comments



Our 2026 Volume I report includes three reports:

- Renewable Integration and Grid Security Project – NB Power
- Student Achievement in Literacy – Department of Education and Early Childhood Development
- Grant Processes and Outcomes – Department of Tourism, Heritage and Culture

Renewable Integration and Grid Security Project

In July 2025, NB Power executed a 25-year tolling agreement with ProEnergy subsidiary RIGS Energy Atlantic Limited Partnership. This project has a targeted in-service date of August 1, 2028 and expected costs exceeding \$2.8 billion. We found key decisions were made before supporting analysis, governance processes, and regulatory requirements were fully addressed. This increased financial, governance, and regulatory risks for NB Power and its customers.

Student Achievement in Literacy

Across the 2022-2025 audit period, no provincial literacy assessment target was met, with achievement results falling short of targets from 7.8% to 34.4%. We found that some provincial literacy targets are not currently assessed, and that achievement gaps are not always driving timely, targeted intervention. Furthermore, not all literacy programs and student-level supports are consistently evaluated to determine their effectiveness. Recommendations have been made aimed at strengthening target-setting, monitoring, intervention, and evaluation to better support improved literacy outcomes for students across the province.

Grant Processes and Outcomes

Between fiscal years ended 2022 and 2025 the total amount of application-based, discretionary grant funding awarded by the Department of Tourism, Heritage and Culture to recipients increased by 58% to over \$21 million. We found inconsistent evaluation processes, limited public information about available grants, weak monitoring, and a lack of performance measurement, including baselines and targets. Recommendations have been made aimed at improving transparency, consistency, monitoring, and performance measurement across the Department's grant programs.

Recognition

We would like to recognize departmental staff for their assistance as we completed our work for this report. I also want to thank my audit team for their dedication and professionalism in fulfilling the mandate of the Office of the Auditor General of New Brunswick.

A handwritten signature in black ink that reads "Paul Martin". The signature is fluid and cursive, written in a professional style.

Paul Martin, FCPA, FCA
Auditor General