

Grant Processes and Outcomes

Chapter 4

Volume I: Performance Audit
Independent Assurance Report

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Department of Tourism, Heritage and Culture

GRANT PROCESSES AND OUTCOMES



GRANT PROCESSES AND OUTCOMES

Chapter 4 Highlights

Public communication of key grant details lacking	Inconsistent evaluation process	Limited monitoring on achievement of objectives
Insufficient processes to ensure responsible investment		

OVERALL CONCLUSION:

Our audit work concluded that the Department of Tourism, Heritage and Culture does not have sufficient processes in place to ensure responsible investment and achievement of outcomes. Overall findings pertaining to grant programs are as follows:







- Public details were difficult to find and when available were not always complete
- Consistent, formalized evaluation processes were lacking
- Grant programs lacked performance measurement mechanisms including established baselines and targets

Results at a Glance

GRANT PROCESSES AND OUTCOMES

Insufficient processes to ensure responsible investment

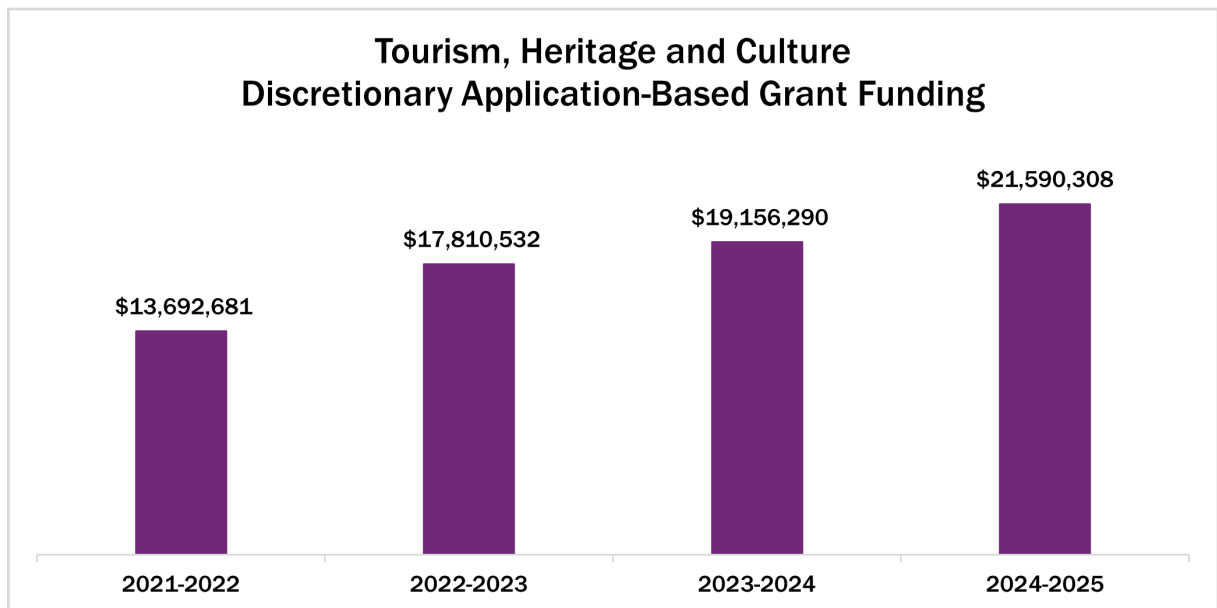


FINDINGS	
	Grant programs not clearly communicated
	53% of grant awards examined did not have a signed agreement
	37% of programs did not have defined evaluation criteria
	Grant recipient was paid \$2.2 million above advertised funding limit
	27% of final reports did not have sufficient details to demonstrate that grant outcomes were met
	Grant programs lacked established baselines and targets

About the Audit

INTRODUCTION TO THE AUDIT

- 4.1** The Department of Tourism, Heritage and Culture (the Department) is responsible for fostering economic growth, pride of place, and promoting New Brunswick. To achieve its objectives, the Department issues grants to both non-profit and for-profit entities through its various programs.
- 4.2** Between fiscal years ended 2022 - 2025, the total amount of application-based, discretionary grant funding awarded to recipients increased by 58%, reaching over \$21 million, as shown below:



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

- 4.3** In 2024-2025, non-profit organizations received 70% of the Department's application-based, discretionary grant funding while for-profit companies received the remainder.
- 4.4** Government Administration Manual Policy AD-6607 – *Grant Funding to Non-profit Organizations* (the Grant Policy) came into effect on July 1, 2023.
- 4.5** The Grant Policy's objective is to establish clear and consistent expectations for departmental reporting on the impacts and outcomes associated with grants in order to demonstrate effective and responsible investment of public funding in this sector.
- 4.6** Since a similar policy was not available for grant programs related to for-profit entities in the Administration Manual, we evaluated grants paid to for-profit entities against the same requirements as we considered them relevant to both.

WHY WE CHOSE THIS TOPIC

- 4.7 Grant spending represents a significant portion of the Department of Tourism, Heritage and Culture's spending. As of fiscal 2024-2025, application-based, discretionary grant payments totaled 26% of the Department's budget.
- 4.8 It is important that grant programs are operated in a manner that ensures responsible investment of taxpayer funds and provides measurable benefit to the province.

AUDITEE

- 4.9 Our auditee was the Department of Tourism, Heritage and Culture.

AUDIT SCOPE

- 4.10 For the purposes of our audit, we examined the 32 application-based, discretionary grant programs administered by the Department.
- 4.11 The audit covered the period from April 1, 2023, to March 31, 2025. Information outside of this period was also collected and examined as deemed necessary. As part of our work, we interviewed departmental staff and reviewed relevant policies, guidelines and data pertaining to grant spending.
- 4.12 More details on the audit objective, criteria, scope, and approach we used in completing our audit can be found in Appendix II and Appendix III.

AUDIT OBJECTIVE

- 4.13 Our audit objective was to determine if the Department of Tourism, Heritage and Culture has adequate grant processes that ensure responsible investment and achievement of outcomes.

CONCLUSION

- 4.14 Our audit work concluded that the Department of Tourism, Heritage and Culture does not have sufficient processes in place to ensure responsible investment and achievement of outcomes. Overall findings pertaining to grant programs are as follows:
- Public grant program details were difficult to find and when available were not always complete
 - Consistent, formalized evaluation processes were lacking
 - Grant programs lacked performance measurement mechanisms including established baselines and targets

Background

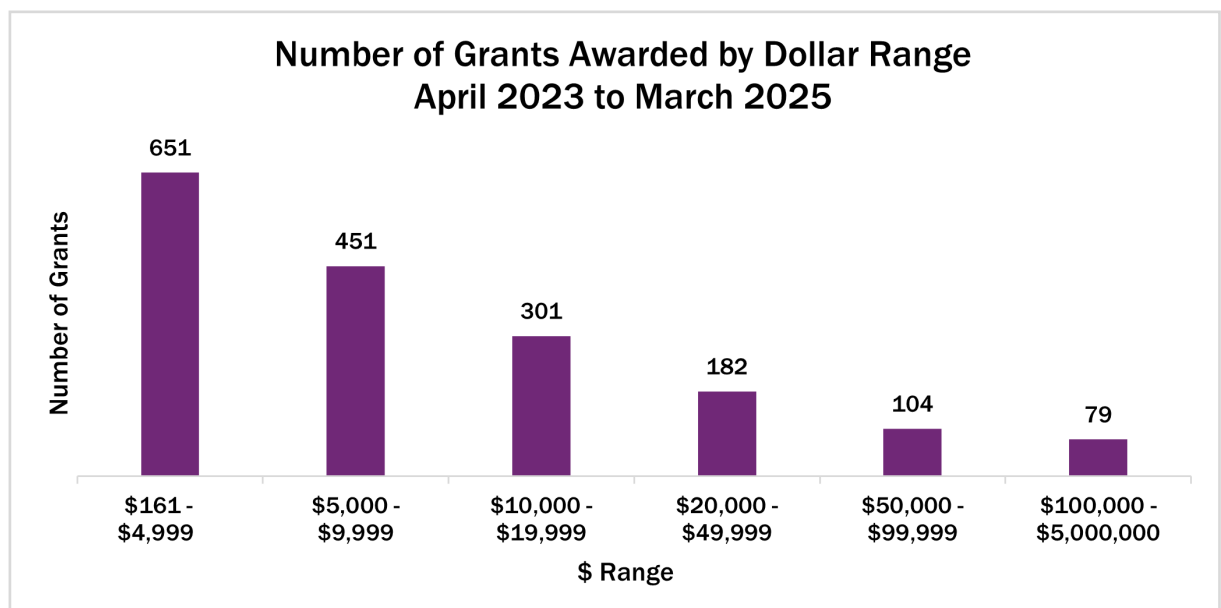
4.15 The Department is responsible for delivering arts and culture programs, conserving heritage assets, as well as administering grants and funding for museums, sport, tourism, arts, culture, and heritage.

4.16 The responsibility for the administration of grants is assigned to the following branches of the Department with spending by branch shown below:

	2021-2022	2022-2023	2023-2024	2024-2025
Arts & Culture	\$5,647,903	\$8,788,387	\$9,076,730	\$10,835,950
Sports & Recreation	\$5,729,907	\$5,797,582	\$6,090,021	\$7,005,163
Heritage & Museums	\$1,768,271	\$1,708,455	\$1,732,963	\$1,820,542
Tourism Development	\$546,600	\$812,937	\$1,272,576	\$1,165,206
Festivals & Events	\$0	\$703,171	\$984,000	\$763,447
Total	\$13,692,681	\$17,810,532	\$19,156,290	\$21,590,308

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

4.17 The amount of funding awarded per grant varies from \$161 to \$5,000,000. A breakdown of funding awards by dollar range is shown below:



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

Eligibility Conditions Established and Aligned With Funding Objectives

- 4.18** Clearly defined eligibility criteria that are aligned with the funding objectives help ensure selected recipients meet the minimum requirements to accomplish the intended outcomes.
- 4.19** We examined all 32 grant programs and found that 100% had established eligibility criteria that aligned with the grant objectives.

Grant Programs Not Clearly Communicated

PUBLIC GRANT PROGRAM DETAILS DIFFICULT TO FIND

- 4.20 The Grant Policy requires that departments ensure the establishment of a list of application-based grants that is publicly available.
- 4.21 We examined the Department’s main webpage, as noted below, and found that it does not have information or links that would direct a potential applicant to information on available grants.

Department of Tourism, Heritage and Culture

Looking for the previous page for this organization? Visit [Tourism, Heritage and Culture](#)

What we do

The Department of Tourism, Heritage and Culture is responsible for fostering economic growth, pride of place, and promotion of our province. We are also responsible for providing art and culture programs, heritage conservation, grants and funding for museums, sport, arts, culture and heritage and overseeing provincial parks. We work with departments and municipalities to encourage the conservation of our cultural and heritage resources and to develop and grow our tourism products in the province.

[Learn more about us](#)

Hon. Isabelle Thériault
Minister of Tourism, Heritage and Culture

[Biography](#) →
[Mandate letter](#) →

Corporate information

News →	Acts and regulations →	Expenses →
Media requests →	Publications and reports →	Contact us →

Projects and initiatives

- 2029 Canada Summer Games**
The 2029 Canada Summer Games will be hosted in New Brunswick
- ExploreNB**
Events, festivals, provincial attractions, scenic drives, heritage sites and more.
- Learn about New Brunswick**
New Brunswick is the largest of Canada's three Maritime provinces.

4.22 The Department does not publicize a comprehensive list of all available grants. Potential applicants would have to know the name of the grant they are looking for to find relevant information and then use a search engine to find the webpage. As part of our audit, we spent a significant amount of time conducting research using various search engines and found grant information for application-based programs across three different locations:

- GNB webpage:
 - o Tourism, Recreation and Outdoors – 7 programs
 - o Culture and Heritage – 19 programs
- Tourism Industry Information and Support website – 2 programs
- We were unable to locate webpages for four grant programs

4.23 A lack of readily accessible information on what grants are available to various organizations has the potential to limit the breadth of applicants, as well as to increase efforts required on both the applicant and departmental staff to respond to inquiries.

INCOMPLETE PUBLISHED INFORMATION

4.24 Where grant information was available, we confirmed that the following details were provided:

- application instructions
- program description
- program objectives
- eligibility criteria

4.25 There is additional information required by the Grant Policy, including:

- budget for the overall grant program
- amount of funding available per applicant
- anticipated outcomes for each grant
- review criteria (per Grant Policy guidelines)

4.26 Of the 28 programs that had webpages, we were able to locate the information required per policy for the following percentage of programs:

Budget (Grant Program)	Available Funding per Applicant	Anticipated Outcomes	Review Criteria
39%	82%	75%	32%

4.27 Review criteria are particularly important as they are the specific factors reviewers use to evaluate and score grant applications. They show applicants what matters most in the selection process, such as project impact, feasibility, budget, organizational capacity, and alignment with the program’s goals.

Recommendation

4.28 We recommend that the Department of Tourism, Heritage and Culture provide a publicized comprehensive grant list that is easily accessible to potential applicants. Published information should include all requirements noted in the Grant Policy and accompanying guidelines.

Selection and Awarding Processes Require Improvement

LACK OF CONSISTENT FORMALIZED EVALUATION PROCESSES

4.29 Most grant processes at the Department follow the process as outlined below:



4.30 To support fairness, transparency, and consistent decision-making, the Department should have a clear process for reviewing applications and awarding grants, including:

- evaluation criteria
- defined mechanism for ranking applicants

4.31 Our audit found that:

- 20/32 (62.5%) grant programs had evaluation criteria
- 12/32 (37.5%) had clearly defined mechanisms for ranking applicants
 - o For example, the Community Museum Assistance Program has a clearly defined description assigned to each point value and applies weighting within its evaluation document. The following example shows the scoring guidance for having sufficient strategic planning:

Criteria: Strategic Planning Weight Factor: 1			
Score: /3			
3	2	1	0
The organization has completed or reviewed a long-term strategic plan this year. The board and staff show a commitment to achieving the goals outlined in the strategic plan and make updates when necessary.	The organization's long-term strategic plan is current, but has not been reviewed or updated within the last year to check that they are on track to meet their goals and objectives.	The organization's long-term strategic plan is out of date or is not developed enough to provide clear goals and outcomes.	Not provided or N/A

Source: Prepared by AGNB based on information from the Department

- o However, the Arts and Culture Strategic Initiative Fund evaluation document did not have guidance on how to apply the score. The following example shows scoring guidance for the organization and initiative criteria:

Criteria	Max points
Organization & Initiative	10

Source: Prepared by AGNB based on information from the Department

4.32 We reviewed a sample of 86 grant applications, both approved and rejected, and found:

- 20 applications (23%) did not have evidence of a formal evaluation
 - o Of these, 18 projects were approved for funding totaling \$4,177,907

4.33 Most of the funding paid without an evaluation related to the Film & TV Production Incentive program, which awarded \$3,275,649 in 2024-2025 for eight grants that supported the production of films in New Brunswick. There was no documented evaluation to show how the applications were assessed.

4.34 Even when grants had evaluations it was not always clear how these supported decisions. In one example, a grant of \$1,091,583 was awarded in June 2023, the evaluation form had criteria listed as “project description”, “general remarks” and “budget”. It was not clear how the Department could use these categories to assess applications consistently.

Recommendation

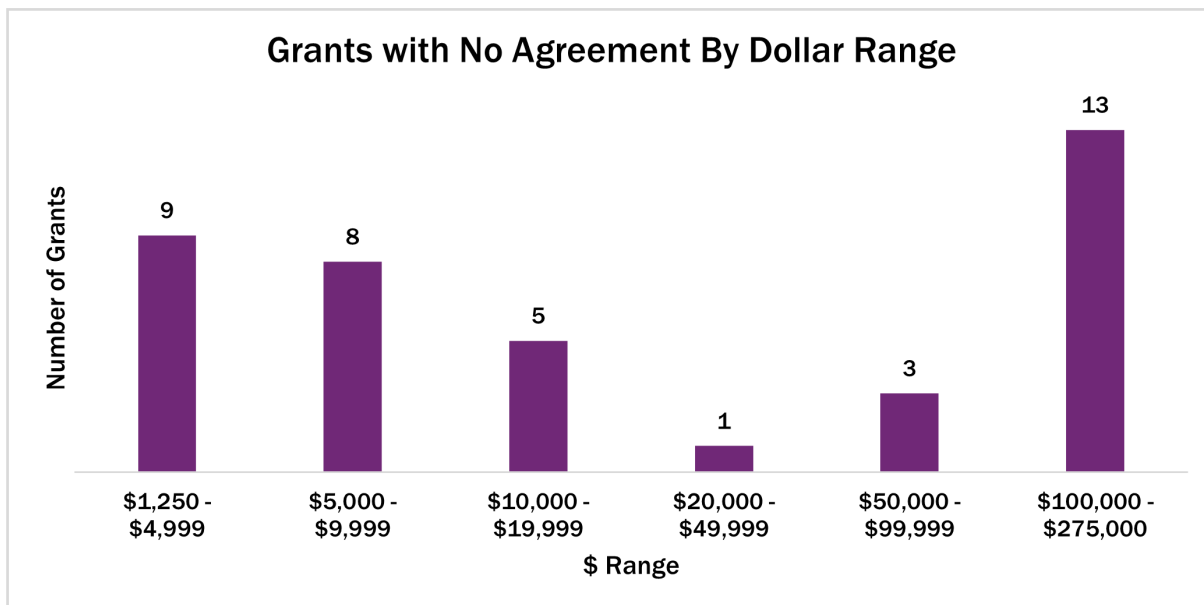
4.35 We recommend that the Department of Tourism, Heritage and Culture use consistent evaluations with clearly defined evaluation criteria and scoring rubrics to assess applicants.

SEVERAL GRANTS NOT SUPPORTED BY SIGNED CONTRACTS OR AGREEMENTS

4.36 Formal agreements between the grantor and recipient are important as they document the funding amount, timelines, reporting requirements, expected outcomes, and other key terms necessary to support the proper administration and accountability of grant funding.

4.37 A funding letter, signed by the Minister, simply communicates the award and requirements to the grant recipient, while an agreement requires signatures from both parties. The Department has not established criteria pertaining to when to use a funding letter or agreement.

4.38 We reviewed 73 approved grant projects, valued at a total of \$17.1 million, and found that 39 (53%) had no agreement. These ranged in value from \$1,250 to \$275,000 per grant as follows:



Source: Prepared by AGNB based on data from the Department

4.39 An additional project had an agreement but it was not signed by the recipient and was valued at \$160,000.

Recommendation

4.40 We recommend that the Department of Tourism, Heritage and Culture ensure grant recipients formally agree to the terms and expectations associated with grant funding.

RECIPIENTS PAID MORE THAN ALLOWED UNDER ESTABLISHED FUNDING FORMULA

4.41 The Film & TV Production Incentive program has a goal to “support the maintenance and creation of jobs, the attraction of external investment, the contribution to the GDP and tax revenue”.

4.42 To achieve this goal, the program offers grant amounts up to 30% of costs that were incurred in New Brunswick (NB spend) or up to 40% of salaries paid to New Brunswick residents.

4.43 One grant recipient:

- was approved for a grant up to \$5,000,000 based on projected NB spend
- reported NB spend of \$9,334,651
- was eligible for a grant of \$2,800,395 (based on reported NB spend)
- was approved by the Department initially for *\$3,604,422
- was paid \$5,000,000 by the Department

* documentation approving funding for \$3,604,422 was noted as “due to shortages of qualified or experienced labor in NB.”

4.44 We also identified five additional instances of grant overpayments, totaling \$407,552.

Recommendation

4.45 We recommend that the Department of Tourism, Heritage and Culture ensure grant payments align with established and advertised funding limits.

Lack of Monitoring

NO DOCUMENTED REQUIREMENTS FOR MONITORING COMPLIANCE

4.46 As part of the funding requirements, upon completion of the project funded by the grant, recipients must provide a final report on outcomes and expenditures. The Department provides grant recipients with guidance and/or templates outlining the required content of the final report. This report is the primary mechanism in the Department to understand the use of grant funding, achievement of grant objectives and compliance with grant requirements.

4.47 The Department informed us that their practice involves program officers reviewing final reports to:

- verify that approved activities were complete
- confirm that expenditures were eligible

4.48 However, there are no documented requirements for monitoring and there are no formal guidelines describing how program officers are expected to carry out these activities. While the Department informed us they review final reports, of the 73 files we examined, 58 (79%) contained no evidence of a program officer reviewing the final reports.

Recommendation

4.49 We recommend that the Department of Tourism, Heritage and Culture establish formal guidelines for program officers outlining monitoring requirements and activities.

SOME COMPLETED PROJECTS MISSING FINAL REPORTS

4.50 The Department informed us that the submission of final reports that are due is required before the applicant can be awarded future grants. However, we tested a sample of 73 grants and found:

- 11/73 (15%) grants did not have a documented final report. Despite this, in four instances the organizations were given subsequent funding. This totaled \$4,491,341 among the organizations.
- 17/62 (27%) final reports did not have sufficient details to demonstrate that grant outcomes were met. Despite this, in seven instances the organizations were given subsequent funding. This totaled \$4,230,044.

4.51 The Department's programs have three different forms of payment structure:

- 25 programs pay the grant upfront
- 3 are paid with a holdback feature
- 4 are paid by reimbursement

4.52 The payment structure is set on a program basis and there are no criteria that trigger the holdback or reimbursement requirement.

4.53 Six of the 11 projects that did not have a final report were from programs where payment is upfront.

4.54 The remaining five projects had a percentage of funds held back pending receipt of the final report. Although the final reports were not received, the holdbacks were paid out totaling \$67,097 for the five projects.

Recommendation

4.55 We recommend that the Department of Tourism, Heritage and Culture establish processes and mechanisms to ensure final reports are obtained.

FUNDING PAID WITHOUT SUFFICIENT EVIDENCE TO SUPPORT CALCULATIONS

4.56 Grants awarded by the Department list conditions and requirements that must be met or that drive the amount of funding awarded, for example:

- 30% of New Brunswick spend
- 50% of eligible costs
- an amount based on the number of attendees

4.57 Only 13/32 (41%) grant programs require the submission of actual receipts or audited statements. The remaining programs accept self-reported amounts as support.

4.58 Of a sample of 13 Film & TV Production Incentive grants, five did not have clearly identified New Brunswick spend in their final report documentation but were paid funding totaling \$931,647.

Recommendation

4.59 We recommend that the Department of Tourism, Heritage and Culture ensure all information necessary to fully evaluate the results of a project in relation to the program objectives, are present in an organization's final report.

\$8.3 MILLION SPENT BASED ON SELF-REPORTED EXPENDITURES

- 4.60** All grant programs offered by the Department have expectations for what funds will be used for. Receipts or audited statements provide evidence to accurately calculate the grant funding amount as well as demonstrate that funding was used as intended.
- 4.61** We examined 73 grants and found that 47 (64%) files totaling \$8.3 million in spend was paid solely based on self-reported expenditures.
- 4.62** We inquired with the Department on whether there were standard expectations as to which grant thresholds or risk factors would require increased validation of support for payment and were informed that these were not in place.

Recommendation

- 4.63** We recommend that the Department of Tourism, Heritage and Culture ensure sufficient support is obtained and retained to support grant amounts paid.

GRANT PROGRAM AGREEMENTS LACKING RIGHT TO AUDIT

- 4.64** Only 8/32 (25%) programs include the right to audit in their agreements and these rights were only exercised once during the audit period based on a concern reported by the public.
- 4.65** Effective monitoring would include a risk-based approach that considers factors where greater attention is required such as high spend or reported anomalies.

Recommendation

- 4.66** We recommend that the Department of Tourism, Heritage and Culture include the right to audit in all agreements.

INADEQUATE MONITORING BEFORE PROJECT COMPLETION

- 4.67** The Grant Policy requires departments to “monitor funding agreements to proactively identify problems or issues and mitigate risks”.
- 4.68** An interim report is one tool the Department could use to monitor project progress. It provides an update on whether recipients are on track to meet their targets and can highlight early signs of challenges. When issues are identified, it also gives the Department an opportunity to offer guidance or support based on its experience with similar projects.
- 4.69** During the audit period we found that only 10/73 (14%) projects had evidence of interim reports between the time funding was issued until the final report was submitted.

Recommendation

4.70 We recommend that the Department of Tourism, Heritage and Culture develop a formal policy for conducting interim reviews to provide earlier insight into project progress and support timely improvements where needed.

UNRECOVERED DUPLICATE PAYMENT

4.71 During our work we discovered that one grant recipient had been paid \$30,000 twice in May 2023 for the same operating grant funding and the overpayment was not recovered by the Department.

4.72 Two ways that the Department uses to identify overpayments are:

- Corporate Services does a year-end review of payments for Public Accounts over \$25,000
- Grant recipient identifies and self-reports the overpayment

4.73 We were told both methods did identify the duplication but that continued inaction to this point has resulted in non-recovery as of February 2026. An additional \$93,500 in duplicate payments had been detected and recovered by the Department during the audit period.

Recommendation

4.74 We recommend that the Department of Tourism, Heritage and Culture develop a process to prevent duplicate payments before they are issued and ensure timely collection when duplicate payments are made.

Grant Programs Lacking Adequate Performance Reports

4.75 In fiscal 2024-2025, the Department created a grant impact report for senior management, reporting on 29/32 of its grant programs. The report contained the following information by grant program:

- grant funding distributed (\$)
- applications/projects funded (#)
- total annual budget distributed (%)
- grant funding committed (\$)
- communities supported (#)
- people engaged (#)

4.76 Also included were outcomes, measures and results by grant program. For example, the Fine Craft Program was noted as follows:

- Outcome: artists have what they need to increase their marketing capability
- Measure: number of NB artists supported by the funded organization
- Result: 7

4.77 While measures have been established such as number of attendees, dollar amounts paid to artists, number of films produced, and a percentage increase in engagement, the Department has not set baseline levels or targets to indicate what level of achievement is expected for the funding provided.

4.78 Of the 29 programs contained in the grant impact report: 11 (38%) did not report on all measures for the program, seven of which did not report on any measures.

4.79 By not reporting on all established performance measures, the Department is unable to demonstrate whether funded projects have achieved their intended outcomes or delivered value on the grant awarded.

4.80 We asked the Department whether this report had been completed for 2025-2026 and were informed that it had not.

Recommendation

4.81 We recommend that the Department of Tourism, Heritage and Culture monitor the success of grant programs against established baseline or expected levels on a periodic basis.

Appendix I:

RECOMMENDATIONS AND RESPONSES

Par. #	Recommendation	Entity's Response	Target Implementation Date
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We recommend that the Department of Tourism, Heritage and Culture:

4.28	<p>provide a publicized comprehensive grant list that is easily accessible to potential applicants. Published information should include all requirements noted in the Grant Policy and accompanying guidelines.</p>	<p>Agree</p> <p>As part of a recent web modernization project led by Web Services within ECO Corporate Communications, the grants and financial supports pages were revamped to align with web best practices and operational requirements.</p> <p>Information on all grants are available to the public through our websites or the application program, SmartSimple.</p> <p>The department will review platforms to ensure information, including appropriate contacts for additional resources, on all active programs is available through the most appropriate channels.</p> <p>The four grants without a web presence are grants that are open only to specific organizations (e.g., Snowmobile/Motoneige NB). They are not featured online at this time as applications for funding must be made by or through a designated organization. It is those organizations' responsibility to ensure grant opportunities are communicated through their membership.</p> <p>Program areas work closely with stakeholders and organizations to ensure information about grants is communicated through appropriate channels (e.g., newsletters, emails, regional service commissions or partner organizations). In addition, information is available across government platforms that align with relevant target audiences.</p>	Ongoing
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Par. #	Recommendation	Entity's Response	Target Implementation Date
4.35	use consistent evaluations with clearly defined evaluation criteria and scoring rubrics to assess applicants.	<p>Agree</p> <p>The department was previously aware of gaps in record-keeping and has proactively taken steps to address them. This includes updating processes and tools to ensure that records are stored on shared drives accessible in the event of staff turnover.</p> <p>The department was already developing more rigorous evaluation scoring materials to support training and consistency where none were previously in place. Work will continue to ensure all programs consistently apply clearly defined evaluation criteria and practices.</p>	Ongoing
4.40	ensure grant recipients formally agree to the terms and expectations associated with grant funding.	<p>Agree</p> <p>Applicants are required to formally agree to the terms and expectations associated with grant funding as part of the application process. The department will review applications to ensure this requirement is included in every program.</p> <p>Previously, applicants were required to sign grant letters and return them prior to the release of funds. Except for a small number of programs, this process resulted in an administrative burden for staff and applicants. As a result, the current process – ensuring agreement to terms and expectations during the application stage - was implemented.</p>	Complete

Par. #	Recommendation	Entity's Response	Target Implementation Date
4.45	ensure grant payments align with established and advertised funding limits.	<p>Agree</p> <p>New program guidelines and applications for the Film Production Program were already in development prior to this audit. The department is committed to ensuring grant payments align with established and advertised program funding limits.</p> <p>The Department of Tourism, Heritage and Culture is an economic driver that plays a role in supporting industries that generate employment and broader economic benefits. This means that, in limited circumstances, opportunities may arise that do not align precisely with existing program criteria but may deliver significant indirect benefits to the province.</p> <p>The department will continue to work within broader government decision-making frameworks, including established Cabinet processes, to ensure any special cases are appropriately evaluated and approved.</p>	By 2027-2028
4.49	establish formal guidelines for program officers outlining monitoring requirements and activities.	<p>Agree</p> <p>The department will ensure formal guidelines outlining final report review for program officers are in place where they do not already exist.</p> <p>The department will also explore the feasibility of a tracking system to support consistent record-keeping following the review of reports.</p>	By 2027-2028
4.55	establish processes and mechanisms to ensure final reports are obtained.	<p>Agree</p> <p>The department has processes in place to ensure no new funds are issued to applicants until all required final reports are received. For example, organizations or individuals are not eligible for additional funding opportunities until all final reports are submitted and documentation is complete.</p> <p>These processes will continue to be reviewed and enforced by program officers.</p>	Complete

Par. #	Recommendation	Entity's Response	Target Implementation Date
4.59	ensure all information necessary to fully evaluate the results of a project in relation to the program objectives, are present in an organization's final report.	<p>Agree</p> <p>The department has been proactively making improvements to the grant process. These improvements include clearly assigning responsibility to applicants to provide all information necessary to fully evaluate project results against program objectives.</p> <p>Program officers continue to work with applicants to ensure they understand reporting requirements and are supported throughout the process. The department will continue to reinforce these requirements to support final reporting and evaluation.</p>	Ongoing
4.63	ensure sufficient support is obtained and retained to support grant amounts paid.	<p>Agree</p> <p>While the department does not apply a single standardized threshold or risk framework requiring enhanced validation of supporting documentation, program areas, on a case-by case basis, work with applicants to ensure appropriate financial documents are provided to support self-reported information.</p> <p>These documents are reviewed in accordance with program specific financial risk considerations. Branches will continue to work with program officers to ensure appropriate supporting information is obtained and retained.</p>	Ongoing
4.66	include the right to audit in all agreements.	<p>Agree</p> <p>The applications process includes a declaration ensuring applicants are aware of, and consent to, the department's right to audit. This aligns with applicants' responsibilities to submit final reports, with continued eligibility contingent on agreement to these terms and conditions.</p> <p>Where not already in place, processes will be established and enforced to ensure enhanced review of grants exceeding specified financial thresholds.</p>	By 2028-2029

Par. #	Recommendation	Entity's Response	Target Implementation Date
4.70	develop a formal policy for conducting interim reviews to provide earlier insight into project progress and support timely improvements where needed.	Agree For projects and grants exceeding defined financial thresholds or durations, the department will establish formal processes – where they do not already exist – to ensure interim reviews are conducted to monitor progress and support timely course corrections.	By 2028-2029
4.74	develop a process to prevent duplicate payments before they are issued and ensure timely collection when duplicate payments are made.	Agree The department will ensure program area staff have access to, and receive training on, reporting tools required to validate payments. Where not already in place, processes will be developed to ensure program areas regularly conduct payment validation reviews.	By 2028-2029
4.81	monitor the success of grant programs against established baseline or expected levels on a periodic basis.	Agree The department will continue to produce regular internal reports through SmartSimple to provide executives with updates on the impact of grant programs relative to their objectives and performance measures. Final quarterly reports have included relevant measures to support the establishment of baselines. Due to staffing changes, the report was unavailable for the 2025-26 fiscal year. In addition, this report was originally developed at the request of the Finance and Treasury Board, which has not requested further submissions since that time. While the department intends to continue producing internal reports, previous iterations were labour-intensive and required significant staffing resources. During this audit period, the department was already exploring more efficient methods for producing comparable performance information.	By 2027-2028

Appendix II:

Audit Objective and Criteria

The objective and criteria for our audit of the Department of Tourism, Heritage and Culture are presented below. The Department of Tourism, Heritage and Culture and its senior management reviewed and agreed with the objective and associated criteria.

Objective	To determine if the Department of Tourism, Heritage and Culture has adequate grant processes that ensure responsible investment and achievement of outcomes.
Criterion 1	The Department ensures that grant eligibility criteria and conditions are established to align with achievement of the funding objectives.
Criterion 2	The Department has grant programs that are clearly communicated to potential applicants.
Criterion 3	The Department has selection and awarding processes that ensure funding aligns with criteria and conditions, achievement of grant objectives and promote value for money.
Criterion 4	The Department has mechanisms in place to ensure grant funding is used as intended.
Criterion 5	The Department has grant program outcomes that are established, tracked and linked to departmental objectives.

Appendix III: Independent Assurance Report

This independent assurance report was prepared by the Office of the Auditor General of New Brunswick (AGNB) on the Department of Tourism, Heritage and Culture and its grant processes and outcomes. Our responsibility was to provide objective information, advice and assurance to assist the Legislative Assembly in its scrutiny of the Department of Tourism, Heritage and Culture with respect to its grant processes and outcomes.

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 March 31, 2025. 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 11, 2026, in Fredericton, New Brunswick.