



2015 Report of the Auditor General of New Brunswick – Volume II

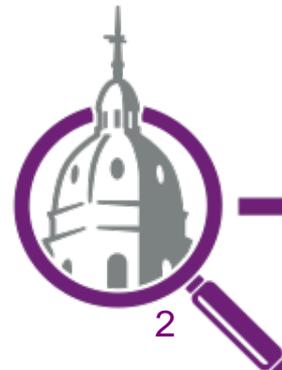
AUDITOR GENERAL
OF NEW BRUNSWICK



VÉRIFICATEUR GÉNÉRAL
DU NOUVEAU-BRUNSWICK

Presentation Agenda

- Report Release Timelines– staggered in 2015
- Our 2015 Volume II Report contains:
 - Chapter 1 – Introductory Comments by the Auditor General
 - Chapter 2 - Infection Prevention and Control in Hospitals
 - Chapter 3 - Silviculture
 - Chapter 4 - Private Wood Supply





Infection Prevention and Control in Hospitals

Volume II Chapter 2

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Why did we do this audit?

Healthcare-associated infections

- “*One out of every 10 patients admitted to hospital will get one*”
- “*about 12,000 deaths in Canada /year*”

New Brunswick - 2013/2014 fiscal year

- 228 cases of *Clostridium difficile* infection
- 3 cases of methicillin-resistant *Staphylococcus aureus* (MRSA) bacteremia



Why did we do this audit? *(continued)*

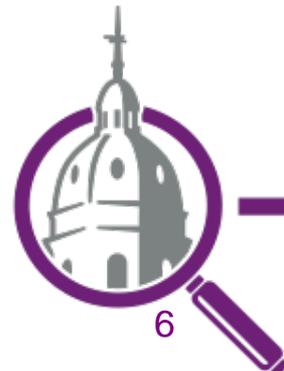
Financial impact

- *“Healthcare-associated infections have a significant impact on health care spending”*
- *“Outbreaks result in significant cost to the organization”*
- *“Infection prevention and control programs... have been shown to be both clinically effective and cost-effective, providing important cost savings ...”*



Work Performed by AGNB

- Included the Department of Health and both the Regional Health Authorities (RHAs)
- Visited 8 hospitals
- Determine if the Department of Health and RHAs have an infection prevention and control program



Routine Practices to be used with ALL patients



Positive Findings

- ✓ Responsibilities are clear
- ✓ Performance monitoring and reporting
- ✓ There are infection prevention and control programs in hospitals

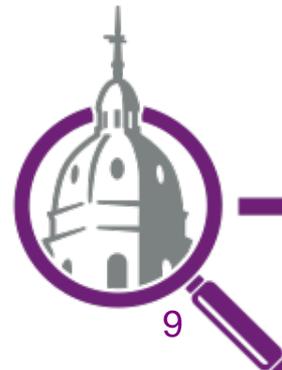
Program in place with resources:

- Educational poster on proper hand washing
- Hand hygiene sink
- Yellow sharps disposal receptacle



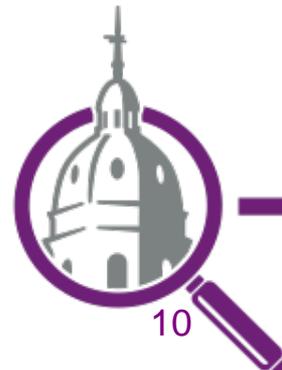
Other Findings

- × Observed deficiencies during our hospital visits
- × Monitoring needs improvement
- × Inconsistencies within and between programs



2.9 - Deficiencies Identified during Our Visits to Hospitals

× <i>Hand hygiene – non compliance with policy</i>	× <i>Inadequate separation of clean and dirty items</i>
× <i>Biomedical waste – improperly stored</i>	× <i>permanent placement of patients in beds in the corridor</i>
× <i>Overcrowded hemodialysis & oncology treatment areas</i>	× <i>shared equipment: inadequate cleaning, labelling and storage</i>
× <i>Isolation inadequacies</i>	× <i>construction areas not properly sealed-off from patient areas</i>
× <i>Linen management deficiencies</i>	× <i>Disinfectant wipes – containers left open</i>



Deficiencies with Hand hygiene

- × Healthcare workers wearing rings and bracelets
- × Areas where hand hygiene gel is absent or lacking
- × Nurses wearing gloves in the hallway after leaving patient's room
- × Employee delivering food in hemodialysis unit without performing hand hygiene

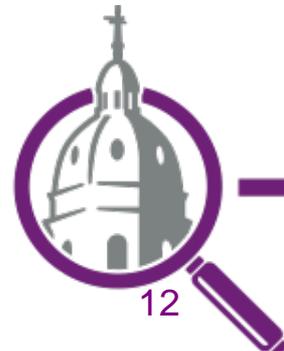


Deficiencies with hand hygiene

× Hand hygiene not done when required by policy – **Horizon:**



Horizon Health Network Performance Indicators Fact Sheet

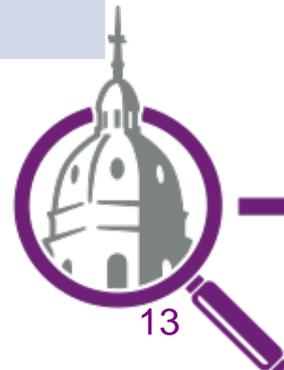


Deficiencies with hand hygiene

× Hand hygiene not done when required by policy – **Vitalité**:

	April 2013 – March 2014			
Zone	1B Beauséjour (Moncton)	4 Nord-Ouest (Edmundston)	5 Restigouche (Campbellton)	6 Acadie- Bathurst
Compliance rate	57%	42%	36%	59%
Number of observations	269	1,535	330	1,016

Unaudited information provided by the Vitalité Health Network



Deficiency - Biomedical waste improperly stored

× Biomedical waste left unattended in public corridor



× Cytotoxic waste kept in patient treatment area next to dedicated hand-washing sink and coffee cups

Deficiencies with Linen

- × Linen delivery and storage
- × Limited washing or replacing of the cloth cart covers

Clean linen cart
with a dirty cover



Deficiencies with Linen

- × Some linen delivery trucks were not properly cleaned.



Wooden sides in linen delivery truck do not allow for effective cleaning

Dirt on rolling door



Deficiencies with Linen

× A clean linen room with poor location



Clean operating room linen stored in poor location

Maintenance employees must walk through the clean linen room daily to access their storage area

Deficiency - Inadequate separation of clean and dirty

× Equipment and testing supplies



Monitoring for compliance with routine practices needs improvement

- × No policies and procedures for auditing
- × Hand hygiene auditing needs improvement
- × Certain routine practices are not monitored



Other Findings

- × There are **inconsistencies** within and between the RHAs' infection prevention and control programs.
- × In comparison to other provinces, there is **limited provincial guidance** by the Department regarding infection prevention and control.



2.12 Inconsistencies between Horizon and Vitalité's programs

- **policies and procedures**
- **refresher training** for healthcare workers
- **hand hygiene**
- **signage & supplies at public entrances**
- **housekeeping services**
- **MRSA screening & monitoring**
- **committees**
- **performance indicators**



Inconsistencies within programs

- × Many policies and procedures are different in each zone
- × ICPs' education, knowledge of standards
- × Frequency of the ICPs' presence in the nursing units
- × Program support: administrative & infectious disease specialist



Inconsistencies within programs *(continued)*

× Inconsistencies with **isolation gowns** may result in the spread of infections.



Inconsistencies within programs *(continued)*



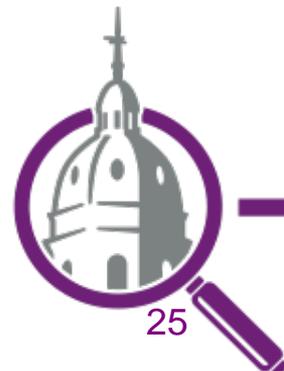
Grey bin labelled
"Clean Isolation
Gowns"



Same bin containing
garbage

AGNB Recommendations

- We made recommendations to improve infection prevention and control programs and practices to better protect people from hospital-acquired infection.
- The Department, Horizon & Vitalité were cooperative throughout our audit and responded favourably & proactively to our recommendations.





Department of Natural Resources

Silviculture

Volume II Chapter 3

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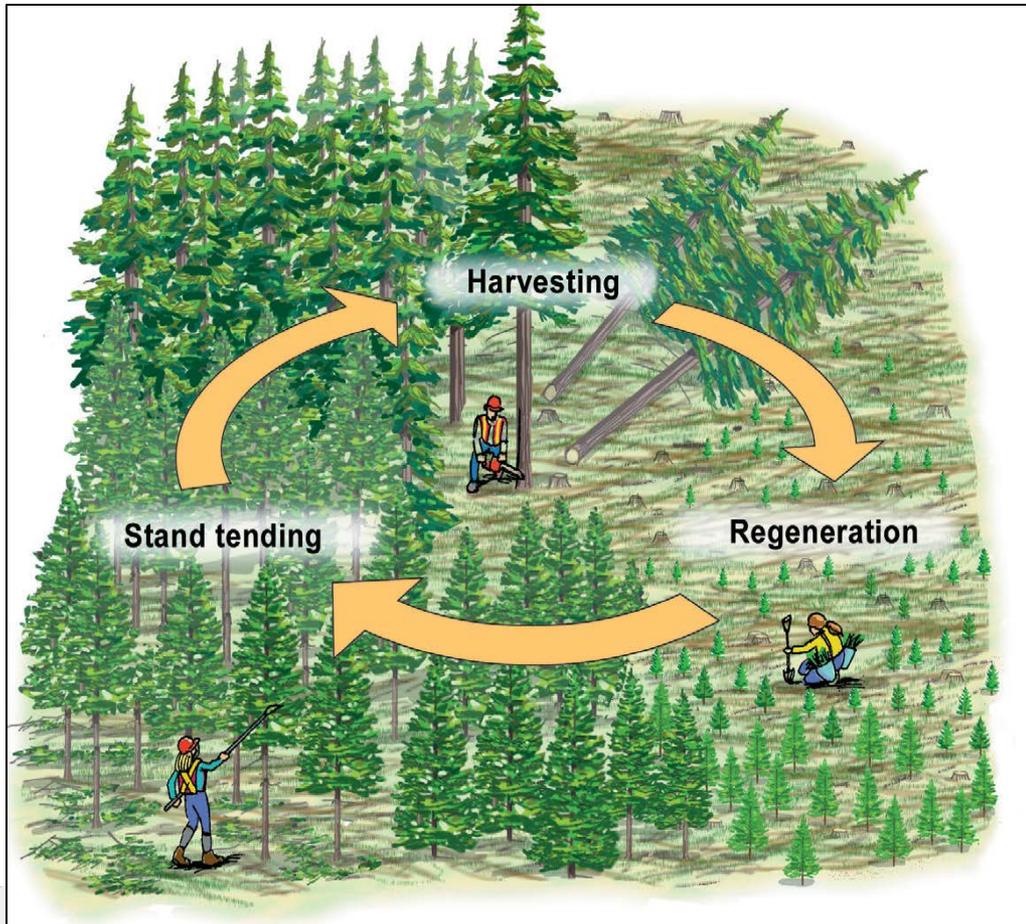
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Why did we do this audit?

- Crown forest is our legacy to future generations (over 3 million hectares)
- Sustainability depends on its successful regeneration
- Silviculture Program cost ~ \$29 million per year (Crown and Private)
- Department of Natural Resources (DNR) is the steward of this public resource



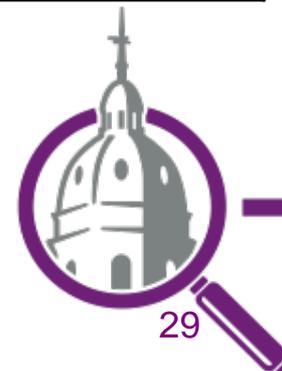
What is Silviculture?



It is the purposeful regeneration of the forest to meet specific timber and non-timber objectives.

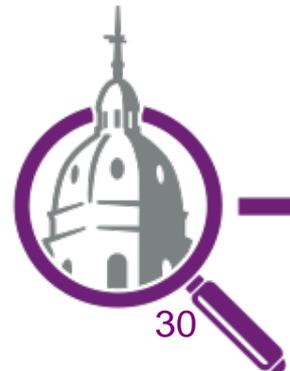
**Statement of Forest Management Operations (in millions)
(unaudited)**

	2013	2012	2011
Royalty Revenue	\$64.8	\$63.8	\$67.2
Less: License Management Fees	(26.5)	(27.7)	(30.7)
Net Royalty Revenue	38.3	36.1	36.5
Less: Planning, Inventory and Administration	(8.7)	(9.2)	(9.1)
Crown Silviculture	(24.6)	(23.4)	(25.9)
Operating Earnings	5.0	3.5	1.5
Less: Other Provincial Forestry Related Expenditures	(12.6)	(12.9)	(12.2)
Forest Management (Deficit)	(\$7.6)	(\$9.4)	(\$10.7)



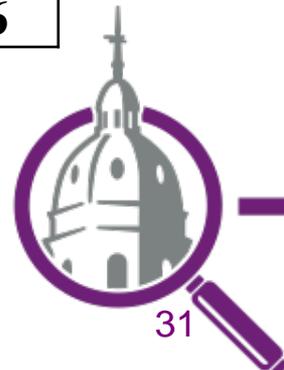
DNR Crown Silviculture Program Expenditures

(millions)	<i>2013</i>	<i>2012</i>	<i>2011</i>
Payment to Licenses	\$17.7	\$16.2	\$19.3
Seedling Nursery	3.9	4.0	3.9
Herbicide	2.1	2.2	1.9
DNR Planning and Monitoring	0.9	1.0	0.8
Crown Silviculture	\$24.6	\$23.4	\$25.9



Who are the Licensees?

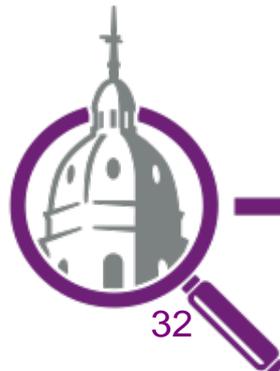
Licence	Licensee	Parent Co. / Head Office	Land Area (ha)	% of total
Fundy	Irving Pulp & Paper, Limited	JDI, N.B.	1,046,967	32%
Lower Miramichi	Fornebu Lumber Company Inc.	Umoe Group, Norway	944,320	29%
Carleton	Licence holder -Twin Rivers Paper Company / License manager Acadian Timber	ME / BC	530,659	16%
Upsalquitch	AV Cell Inc.	Burla Group, India	418,850	13%
York	A.V. Nackawic Inc.	Burla Group, India	257,668	8%
Kent	Kent License Management Team	N/A	71,942	2%
Total			3,270,406	



AGNB Audit Objectives

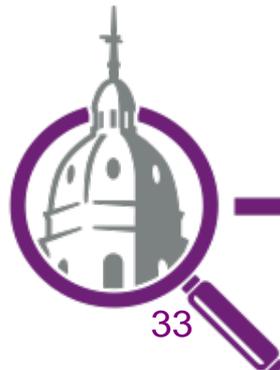
To determine if DNR:

- is meeting its responsibilities to enhance the quality and quantity of future timber supply through silviculture; and
- acquires silviculture services with due regard for economy and efficiency.



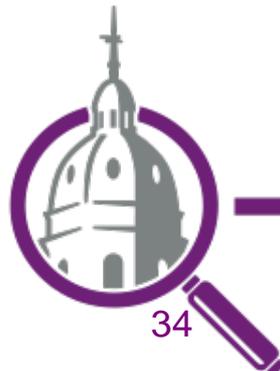
AGNB Conclusions

- Past silviculture work will contribute to improvements in the future wood supply
- DNR fell short in program management and oversight
- DNR has not acquired silviculture services with due regard for economy and efficiency



Positive Findings

- ✓ Sophisticated information systems and wealth of forest inventory data
- ✓ Good compliance monitoring and purchasing controls
- ✓ Department initiated rate review for silviculture work



Deficiencies - Oversight & Management

Delay in updating strategic direction and forestry objectives:

- × Three forest management strategies in five years
- × Not compliant with *Crown Lands and Forests Act*
- × Interim and outdated standards

Standards favour softwood regeneration



Harvest Treatments Over Time

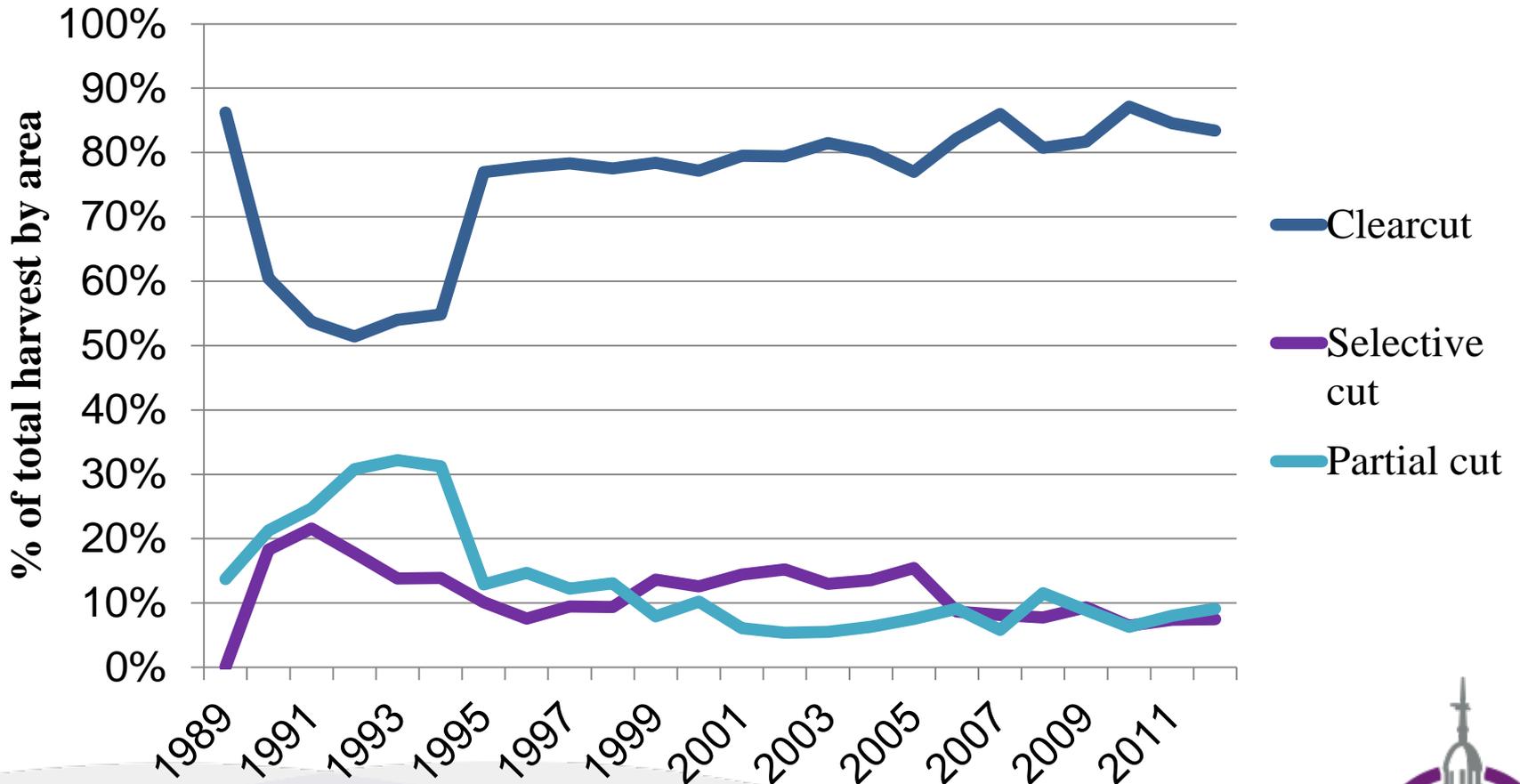
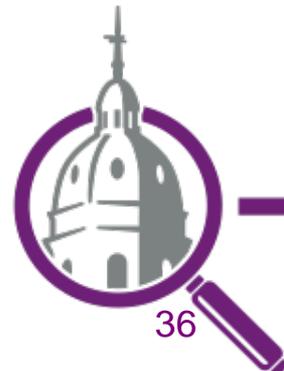


Exhibit 3.9, 3.100



Deficiencies - Financial Accountability

DNR did not measure the economic payback to the Province from silviculture

- × No expectation of direct financial return on investment
- × Silviculture services not acquired in competitive and transparent manner
- × Funding allocation not based on value for money



Silviculture Payments to Largest Three Licensees

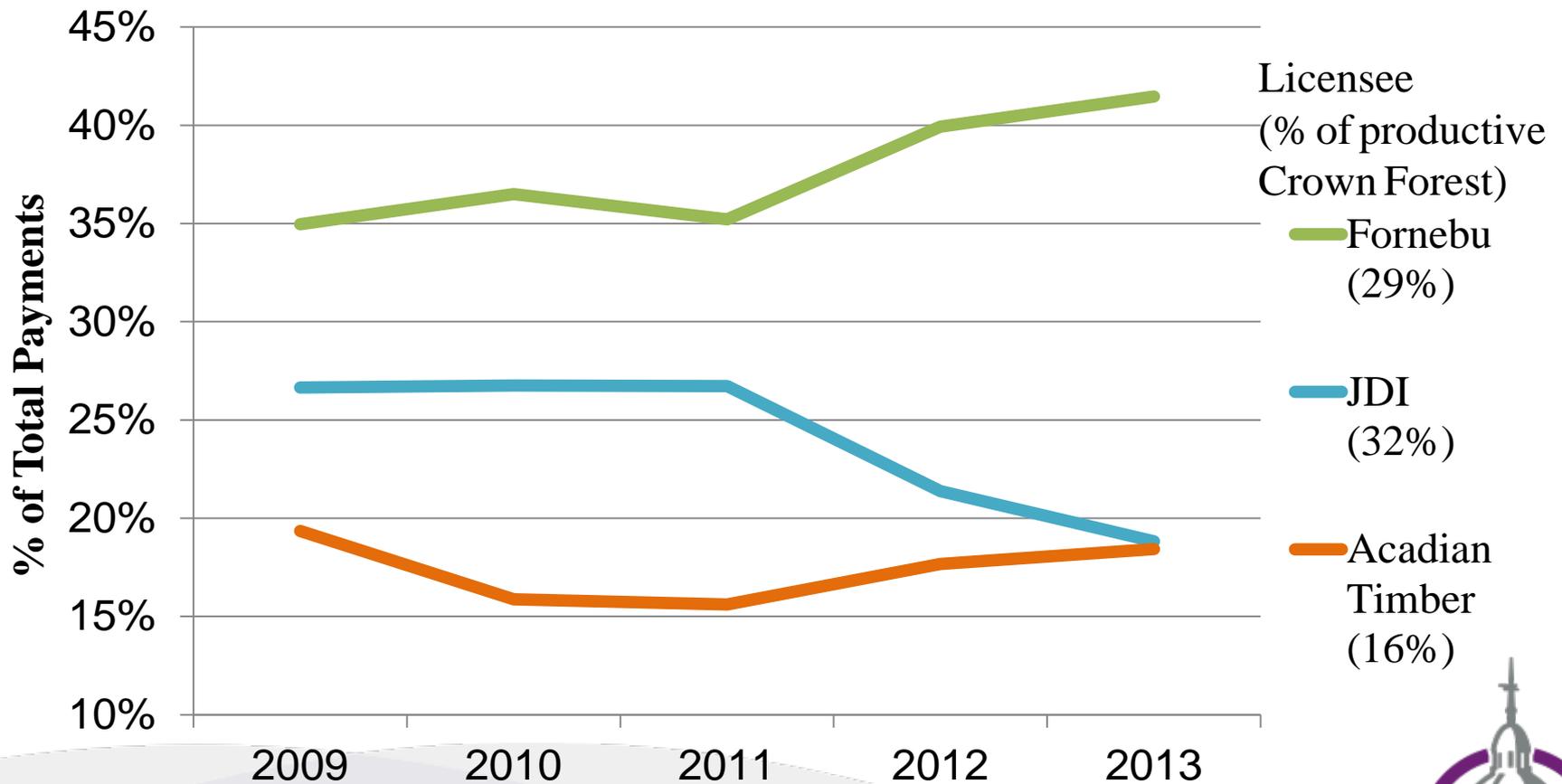


Exhibit 3.11, 3.164

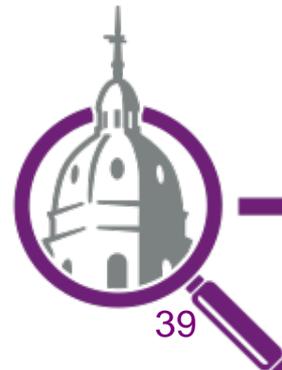
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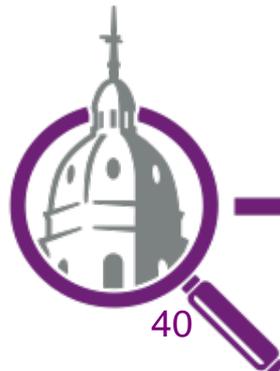
Deficiencies - Monitoring & Reporting

- × DNR did not monitor and report on the effectiveness of the silviculture program
- × DNR granted close to \$1 million in exceptions for deficiencies to one licensee



Other Findings

- Apparent bias to support industry and economic development for both the Crown and private silviculture programs
- Many recommendations from recent reports and studies not addressed by Department



AGNB Recommendations

- Comply with *Crown Lands and Forest Act* and adhere to predictable planning cycle
- Hold licensees accountable for performance
- Regularly report performance to the Legislative Assembly
- Measure and report on the value of the Crown timber asset





Department of Natural Resources Private Wood Supply Volume II Chapter 4

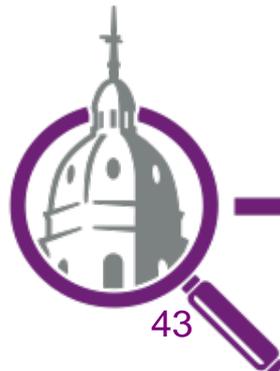
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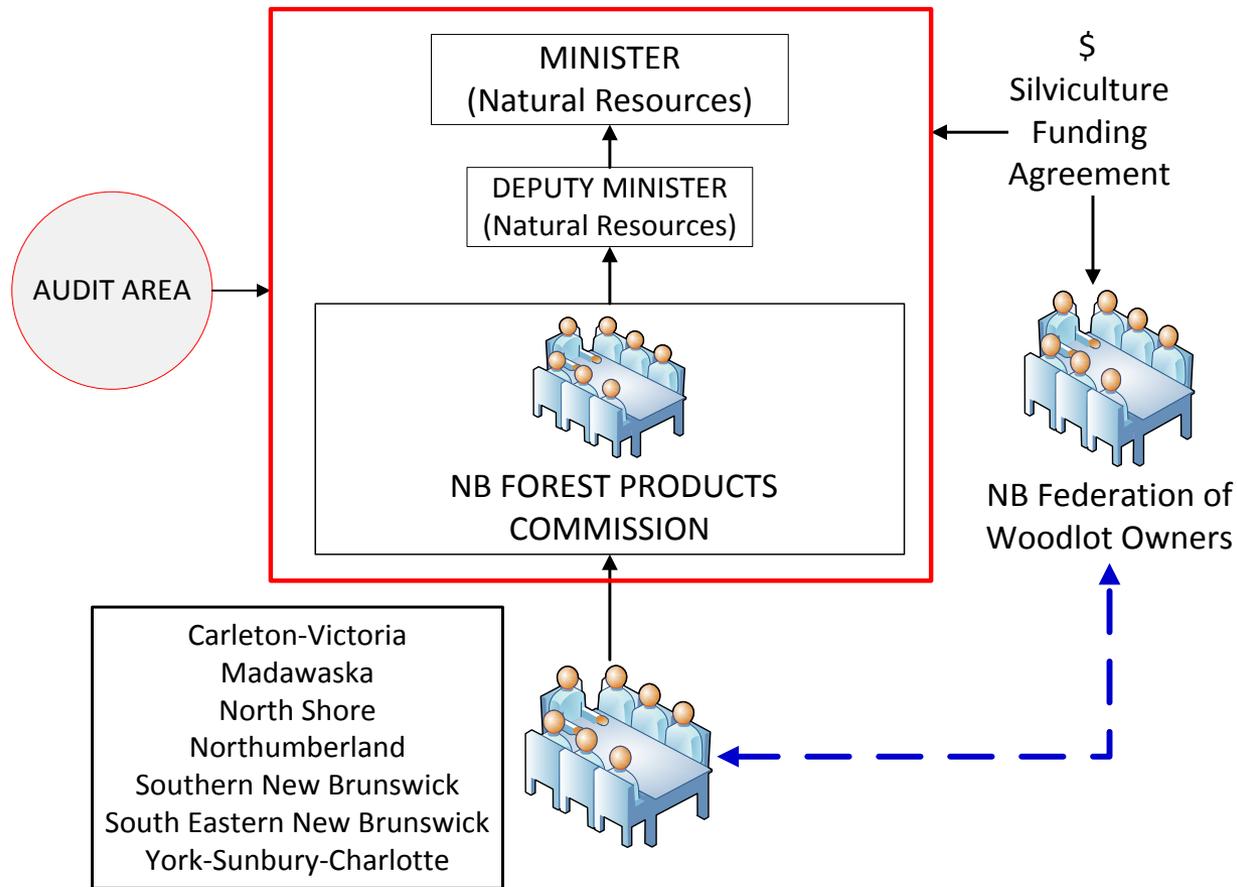
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Why did we do this audit?

- Nearly 42,000 private woodlot owners
- Comprises 30% of the forested area in the Province (1.8 million hectare)
- Significant source of wood to forestry industry (exceeded 1 million cubic metres in 2013)
- Private wood sales exceeded \$50 million in 2013



Oversight of Marketing Boards



New Brunswick Forest Products Marketing Boards



AGNB Audit Objectives

To determine if the:

- Department of Natural Resources (DNR) is meeting its responsibilities respecting timber supply from private woodlots; and,
- N.B. Forest Products Commission (FPC) provides adequate oversight of Forest Products Marketing Boards.



AGNB Conclusions

- DNR does not fulfill its legislated responsibility regarding private wood supply and does not report on the effectiveness of its work in this area.
- FPC fails to adequately assess performance and address weaknesses in Forest Products Marketing Boards.

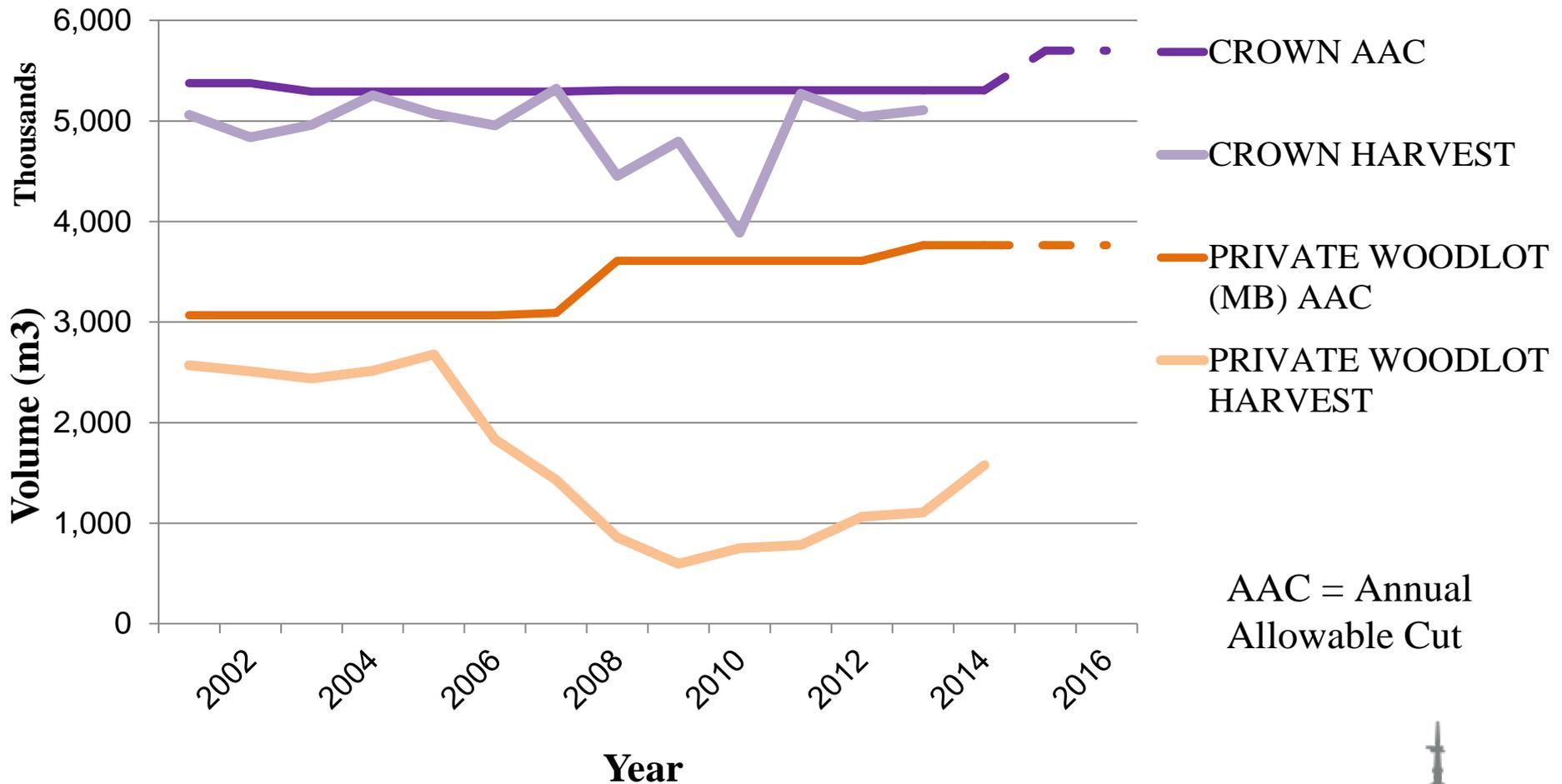


Deficiencies - DNR

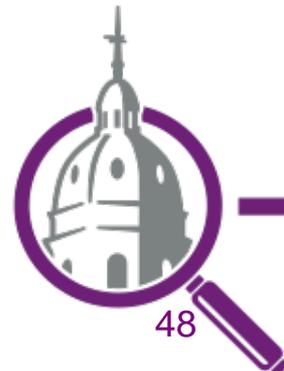
- × No clear strategy for private wood supply
- × No defined performance objectives for the private land silviculture program
- × Non-compliant with *Crown Lands and Forests Act* (CLFA)



Harvest Volume

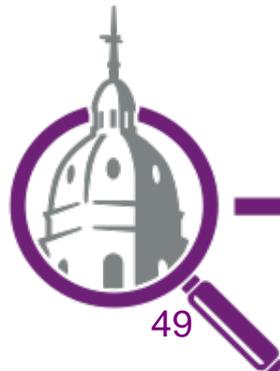


AAC = Annual Allowable Cut



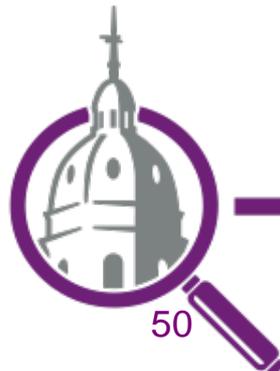
Positive Findings

- ✓ Private land silviculture work is actively monitored and measured by the Department
- ✓ Commission member appointment terms are generally respected



AGNB Recommendations to DNR

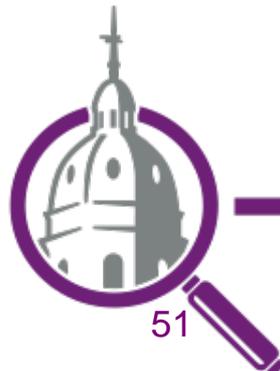
- Comply with *Crown Lands and Forests Act*
- Establish separate goals and objectives to fulfill the private wood supply mandate
- Establish goals and objectives for evaluating results of the silviculture program
- Publicly report on Departmental results



DNR Response

In general the Department:

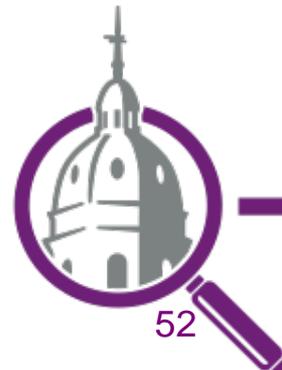
- agreed with our recommendations and identified timelines for implementation, and
- noted the complexity of the issues involved and the independence of the landowners in regard to developing sustainable yield goals



Deficiencies– Forest Products Commission (FPC)

Commission governance:

- × No board member profiles and selection criteria
- × Not staggering appointments
- × No mandate review / mandate letter
- × No code of conduct
- × No conflict of interest declarations



Deficiencies - FPC *(continued)*

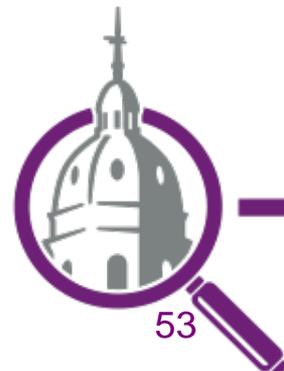
Inadequate Commission oversight of Marketing Boards:

- × No strategy
- × Limited resources
- × Ineffective reporting
- × Weak enforcement of Commission Orders

4.167, 4.178, 4.174, 4.180,
4.240, 4.233

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2012-13 Marketing Board Operating Summaries

(thousands)	Carleton- Victoria	Madawaska	North Shore	Northum- berland	SENB	SNB	YSC	Total
Wood Sales	\$7,708.3	\$ 7,365.3	\$6,209.4	\$2,341.2	\$6,195.3	\$11,643.4	\$9,080.5	\$50,543.3
Less:								
Cost of wood sales	<u>7,701.1</u>	<u>7,209.2</u>	<u>6,209.2</u>	<u>2,253.2</u>	<u>6,193.1</u>	<u>11,440.3</u>	<u>8,859.5</u>	<u>49,865.6</u>
Net proceeds from wood sales	7.1	156.1	0.2	88.1	2.1	203.1	221.0	677.7
Add: Other revenue	<u>191.3</u>	<u>0.9</u>	<u>138.2</u>	<u>550.4</u>	<u>220.2</u>	<u>1,658.8</u>	<u>1,240.5</u>	<u>4,000.4</u>
Net revenue	198.5	157.0	138.4	638.5	222.4	1,861.9	1,461.5	4,678.1
Less: Expenditures	<u>200.9</u>	<u>173.4</u>	<u>311.5</u>	<u>669.3</u>	<u>230.3</u>	<u>1,759.1</u>	<u>1,421.1</u>	<u>4,765.7</u>
Net Income (loss)	<u>\$ (2.5)</u>	<u>\$ (16.4)</u>	<u>\$ (173.1)</u>	<u>\$ (30.9)</u>	<u>\$ (7.9)</u>	<u>\$ 102.8</u>	<u>\$ 40.4</u>	<u>\$ (87.6)</u>

SENB - South Eastern NB

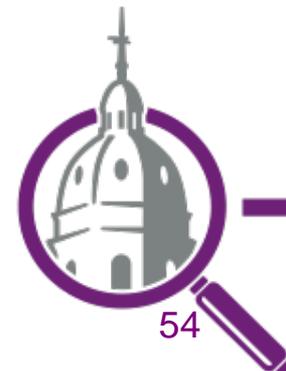
SNB - Southern NB

YSC - York-Sunbury-Charlotte

Exhibit 4.13, 4.198, 4.204,
4.229

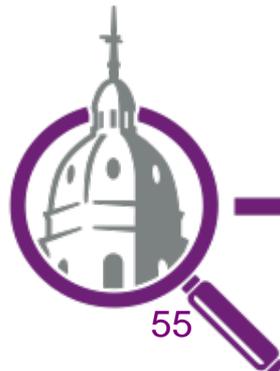
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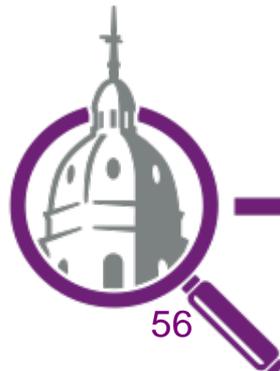
AGNB Recommendation DNR & FPC

The Department and Commission should review the Commission's mandate and structure and make necessary changes to allow the Commission to effectively fulfill all its roles.



DNR & FPC Responses

- Both responded favorably to recommendations with specified implementation timelines.
- Both have indicated they have already started to implement our recommendations.



Q&A

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