



2023 Report of the Auditor General of New Brunswick

Volume II Performance Audit

AUDITOR GENERAL
OF NEW BRUNSWICK



VÉRIFICATEUR GÉNÉRAL
DU NOUVEAU-BRUNSWICK

Chapters in Volume II 2023

- Workers' Compensation Payment Mechanisms in the Public Sector
- Pandemic Preparedness/Response:
 - Education and Early Childhood Development
 - Health
 - Justice and Public Safety
- Out-of-Province and International Travel in Select School Districts
- Follow-Up on Prior Years' Recommendations



Workers' Compensation Payment Mechanisms in the Public Sector

Finance and Treasury Board

Volume II Chapter 2

AUDITOR GENERAL
OF NEW BRUNSWICK



VÉRIFICATEUR GÉNÉRAL
DU NOUVEAU-BRUNSWICK

Details of the Audit

Objective:

- To determine if compensation payment mechanisms for injured workers are consistent or have justifiable variations among employment groups that demonstrate value for money

Auditee:

- Finance and Treasury Board

Background

- Workers' compensation ensures employees injured at work recover a portion of lost wages
- The *Workers' Compensation Act* establishes a payment methodology
- GNB is self-insured and bears the full cost of wage loss benefits

Inconsistent Compensation Methodologies

- The *Workers' Compensation Act*:
 - Part 3 employees 85% net loss of earnings
- The Workers' Compensation Policy (AD-3109) & applicable collective agreements:
 - Part 1 and 2 employees 100% salary continuance

Lack of Business Case for Salary Continuance

- The Department was unable to provide a business case to support different payment mechanisms between Parts 1 and 2 compared to Part 3
- No evidence of financial or qualitative analysis of payment mechanisms

Costs to Government

2022 compensation costs:

Part of Government	Compensation Cost	Number of Employees Receiving Benefits
Parts 1 and 2	\$5.7 Million	676
Part 3	\$11.6 Million	1,131

Average Annual Additional Benefit Per Employee on Salary Continuance vs. 85% of Net Earnings



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

Additional Employer Cost to Additional Employee Benefit Comparison (Parts 1 and 2)



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

We Recommend:

The Department of Finance and Treasury Board develop a business case for the use of alternative payment methodologies outside the *Workers' Compensation Act*. Such documentation should include an analysis of the benefits provided, costs to government, employee equity and program outcomes

Department's Response to AGNB Recommendation

While the Department agreed to complete an analysis of the different payment methodologies, they informed us they do not intend to change the current compensation structure



Pandemic Preparedness and Response

Education and Early Childhood Development

Volume II Chapter 3

AUDITOR GENERAL
OF NEW BRUNSWICK



VÉRIFICATEUR GÉNÉRAL
DU NOUVEAU-BRUNSWICK

Details of the Audit

Objective:

- To determine if the Department responded effectively to the COVID-19 pandemic by:
 - continuing to provide public education (grade K-12)
 - protecting the health and safety of students throughout the pandemic

Auditee:

- Department of Education and Early Childhood Development

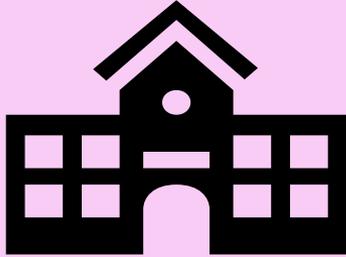
Background

- As of October 1, 2022, over 102,000 children were enrolled in K-12 school system
- Students lost approximately 17 weeks of learning due to COVID-19
- Under the *Emergency Measures Act*, the Department is responsible for creating policies, plans and guidelines to protect students in emergencies

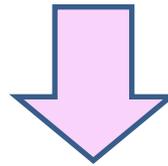
Summary of Findings

- Department responded effectively to COVID-19 pandemic
- Improvement opportunities in planning, training and communication
- School operational plans consistent and kept up-to-date
- Issues with collective agreements addressed
- Air quality concerns were known, and plans developed to address issues
- Return to school plan consistent with directives

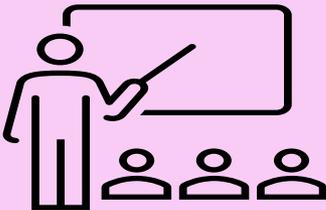
Capital Infrastructure- Air Quality



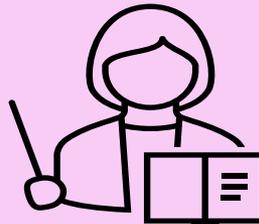
2020-2021:
**60/294 schools without
mechanical ventilation**



**Installed 2 air filtration
units per classroom**



**Ventilation systems
installed in 9 schools**



**2022-2023 multi-year
budget: upgrades by 2026**



Lack of Updated Plans and Training

- Business continuity plans developed for H1N1 in 2009, but were not updated or tested
- Plans were established for bomb threats and vandalism, but not for pandemics
- Emergency training was not provided prior to or during the pandemic and had not been completed as of July 2023

We Recommend:

The Department of Education and Early Childhood Development ensure that:

- a business continuity plan is kept up to date, reflects the specific educational needs for potential long-term emergencies (including pandemics) and is periodically tested according to a predefined schedule
- adequate training is provided to staff identified with key roles and responsibilities in business continuity plans according to a predefined schedule

No Central Coordination or Oversight of Virtual Learning Training

- By October 2020 some teachers could not get signed into Microsoft Teams (used as online learning platform)
- Training was ad hoc and provided at the district level
- Teachers expressed concerns that training was limited to using the tool itself as opposed to how to assist students with effective remote learning

We Recommend:

The Department of Education and Early Childhood Development ensure consistent, appropriate virtual learning training is provided to district staff

No Initial Communication Plan

- Department did not have a communications plan pre-pandemic, but reacted quickly to develop communication strategies
- Communications initially directed to schools, but volumes became unmanageable and were moved to district level
- Communications from Public Health were complex, last minute and not always translated

We Recommend:

The Department of Education and Early Childhood Development ensure that a communications plan is in place for similar future emergencies, and it should incorporate lessons learned

No Plans for Department to Perform After-Action Review

- Department has publicly reported on various aspects of the pandemic response
- However, the Department has no plans to perform an after-action review

We Recommend:

The Department of Education and Early Childhood Development ensure a comprehensive after-action review is completed to identify areas for improvement

Department's Responses to AGNB Recommendations

- Total of 5 recommendations to the Department of Education and Early Childhood Development
- The Department agreed with our recommendations



COVID-19 Pandemic Response

Health

Volume II Chapter 4

AUDITOR GENERAL
OF NEW BRUNSWICK



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Details of the Audit

Objective:

- To determine if the Department of Health had systems and procedures in place to effectively reduce the spread of COVID-19

Auditee:

- Department of Health

Background

- The Provincial Contingency Plan for Health-Related Communicable Diseases was updated in March 2020
- A Pandemic Task Force (PTF) was established in April 2020
 - vested with operational decision making and clinical direction for pandemic response for all aspects of the health care system

Summary of Findings

- Numerous staff consistently stepped up in the navigation of these unprecedented times
- Department of Health and Regional Health Authorities went above and beyond to support New Brunswickers during the pandemic
- Areas for improvement were identified to assist in planning for future pandemics
- Performance targets were established, however, outcomes were not consistently monitored, tracked or used for decision-making

Pandemic Task Force Established

- Task force established April 2020
- Reported directly to the Clerk of Executive Council through the Deputy Minister of Health
- Composed of:
 - Infectious disease specialist
 - RHA Chief of Staff
 - Chief Medical Officer of Health

Key Performance Indicators Established But Not Monitored or Reported

- Indicators were:
 - number of tests conducted per day
 - testing positivity rate
 - wait time from test referral to receiving results
 - availability of test supplies
- Targets established pertaining to testing were:
 - 24 hours from assessment to specimen collection
 - 24 hours from specimen collection to result

Targets not Adjusted as Situation Evolved

- Except for vaccination rates, targets established in early 2020 were not adjusted in response to changing conditions
- Target of zero COVID spread remained despite being unrealistic during the Omicron wave

We Recommend:

The Department of Health develop, monitor and report on established key performance indicators. Targets should be regularly reviewed for ongoing relevancy, and revised accordingly

Testing Kit Inventory not Formally Monitored

- The Department did not adequately track the demand for test kits and available inventory levels
- Poor data systems still did not allow for adequate monitoring of inventory levels and distribution could not be matched with demand
- The Department indicated test availability could have been improved in rural areas

Approximate Volumes of Tests Used

For the month of:

- December 2022 – 600,000
- January 2023 – 370,000

We Recommend:

The Department of Health increase data systems capacity to adequately monitor test inventory during a pandemic to ensure supply meets demand

Staffing Crisis Plan Lacked Clarity

- A lack of clear targets for moving from one phase of the Hospital Staffing Crisis Management Plan to another contributed to confusion and differing interpretations amongst regions
- Status reports were incomplete and did not demonstrate monitoring of parameters based on risk levels

We Recommend:

The Department of Health provide clear targets to support the decision-making process when moving between various phases of a staffing crisis action plan. This should form part of an up-to-date pandemic plan

Critical Care Nursing Initiative Established to Support Capacity

- Critical Care Nursing Deployment Initiative established in January 2022 and ran until March 1, 2022, including \$1,000 weekly sign-on bonuses
- Program highlights included:
 - 136 applications submitted
 - 27 applications accepted and nurses deployed accordingly
- The Department did not formally review the efficacy of the program

We Recommend:

The Department of Health review the efficacy of the critical care nursing initiative to determine if it accomplished its intended objectives and note any future improvements should the need arise again

Over-Dependence on Key Personnel

- Public Health guidance would pivot quickly
- A great deal of work was done under the “One Team One GNB” approach, however, there were key roles within the Department that were unable to be backfilled due to a lack of cross-trained staff

We Recommend:

The Department of Health develop a contingency plan, as part of its business continuity planning, that outlines back-up procedures for key personnel, both at the Department and regional levels

Compassionate Travel Exemption Process Lacked Decision Criteria

- 314 applications were referred to the OCMOH
- There were no established decision-making criteria that would support decisions and ensure consistent application
 - In our sample of 25 cases, we determined that documentation pertaining to the rationale behind the decision was available for only 16 applications (64%)

We Recommend:

The Department of Health ensure:

- Decision-making criteria are established and consistently applied for any process which may result in exceptions for adherence to mandatory orders
- rationale used for decision-making for exemptions is well-documented

Lack of Documented Evidence to Substantiate Public Health Recommendations

- Department unable to provide documentation to substantiate the decisions
 - DH *“did not create a compendium or a repository of all of the scientific articles, papers, publications and analyses it consulted during the pandemic and therefore we cannot provide a fulsome and detailed list of all of the evidence consulted and used when recommendations were being formulated”*

We Recommend:

The Department of Health ensure the development and retention of adequate documentation to substantiate public health measures

Department's Response to AGNB Recommendations

- Total of 7 recommendations to the Department of Health
- The Department agreed with our recommendations



Pandemic Preparedness and Response

Justice and Public Safety

Volume II Chapter 5

AUDITOR GENERAL
OF NEW BRUNSWICK



VÉRIFICATEUR GÉNÉRAL
DU NOUVEAU-BRUNSWICK

Details of the Audit

Objective:

- To determine if:
 - the Department of Justice and Public Safety enforced border restrictions during the COVID-19 pandemic emergency
 - the New Brunswick Emergency Measures Organization fulfilled its mandate related to the COVID-19 pandemic emergency

Auditee:

- Department of Justice and Public Safety

Background

- The Department is responsible to:
 - operationalize state of emergency and mandatory orders
 - provide leadership in community safety
 - provide inspection and enforcement procedures
- Between March 2020 and July 2021, approximately 3.1 million vehicles passed through border control points

Summary of Findings

- The Department had adequate procedures in place to enforce border restrictions related to COVID-19
- The New Brunswick Emergency Measures Organization (NBEMO) for the most part, fulfilled its mandate
- There were noted areas for process improvements

Privacy Impact Assessments Conducted

- New Brunswick Travel Registration (NBTR) system underwent two privacy impact assessments due to the private information collected by the system
- Department acted on 11 of 13 assessments' recommendations
- Two unimplemented recommendations related to:
 - formalizing an official departmental privacy policy
 - implementing a privacy complaint management process

We Recommend:

The Department of Justice and Public Safety implement the outstanding recommendations from the privacy impact assessments related to formalizing a departmental privacy policy and complaint management process

Hotel Isolation Program Not Evaluated

- Between May and June 2021, the hotel isolation program was implemented to reduce non-essential travel and was facilitated by the Canadian Red Cross
- \$5.4 million paid to Canadian Red Cross with 1,468 travellers accommodated
- The Department:
 - did not establish goals or outcomes for the program
 - was unable to assess whether the program decreased travel or mitigated COVID-19 risks

We Recommend:

The Department of Justice and Public Safety evaluate the efficacy of the hotel isolation program to determine if it contributed to a reduction in the non-essential travel or spread of COVID-19. Lessons learned should be considered in future emergency planning and preparedness

Deficiencies Identified in Business Continuity Planning for Government

- Business continuity planning involves developing strategies to mitigate risks of carrying out critical operations
- As of March 2020, only 38% of provincial government departments and agencies had business continuity plans registered with New Brunswick Emergency Measures Organization
- A comprehensive planning program took place in 2023 and all departments updated their plans

We Recommend:

The New Brunswick Emergency Measures Organization, in conjunction with provincial departments, ensure departments and agencies have up-to-date business continuity plans at all times

Government Departments Lacking Emergency Plans

- Emergency planning involves planning for the reactive approach to address threats or emergencies
- All but one municipality had emergency plans registered with the Emergency Measures Organization
- Only 54% of government departments/agencies had emergency plans registered with the Emergency Measures Organization

We Recommend:

The New Brunswick Emergency Measures Organization, in conjunction with provincial departments, ensure departments and agencies have up-to-date emergency plans at all times

Public Reporting of Emergency Planning Could be Improved

- New Brunswick Emergency Measures Organization's website does not provide up-to-date information on emergency planning status
- There is no public disclosure of GNB department compliance with business continuity planning

We Recommend:

The Department of Justice and Public Safety publicly report on the outcomes of its responsibilities pertaining to:

- emergency planning for municipalities
- emergency and business continuity planning for departments and agencies

New Brunswick Emergency Measures Plan Not Updated Prior to Pandemic

- NB All-Hazards Plan has not been updated since June 2017
- In March 2020 the Provincial Pandemic Coordination Plan was released
- Key responsibilities under both plans were carried out
- Lessons learned are being incorporated into an expanded pandemic section of the new All Hazards Plan

We Recommend:

The New Brunswick Emergency Measures Organization ensure the New Brunswick Emergency Measures Plan is up-to-date at all times

Department's Response to AGNB Recommendations

- 6 recommendations to the Department of Justice and Public Safety
- The Department agreed with our recommendations



Out-of-Province & International Travel

School Districts: ASD-N, ASD-W, DSF-S

Volume II Chapter 6

AUDITOR GENERAL
OF NEW BRUNSWICK



VÉRIFICATEUR GÉNÉRAL
DU NOUVEAU-BRUNSWICK

Details of the Audit

Objective:

- To determine if out-of-province and international travel by select school districts is undertaken to achieve a demonstrated benefit to the Province of New Brunswick

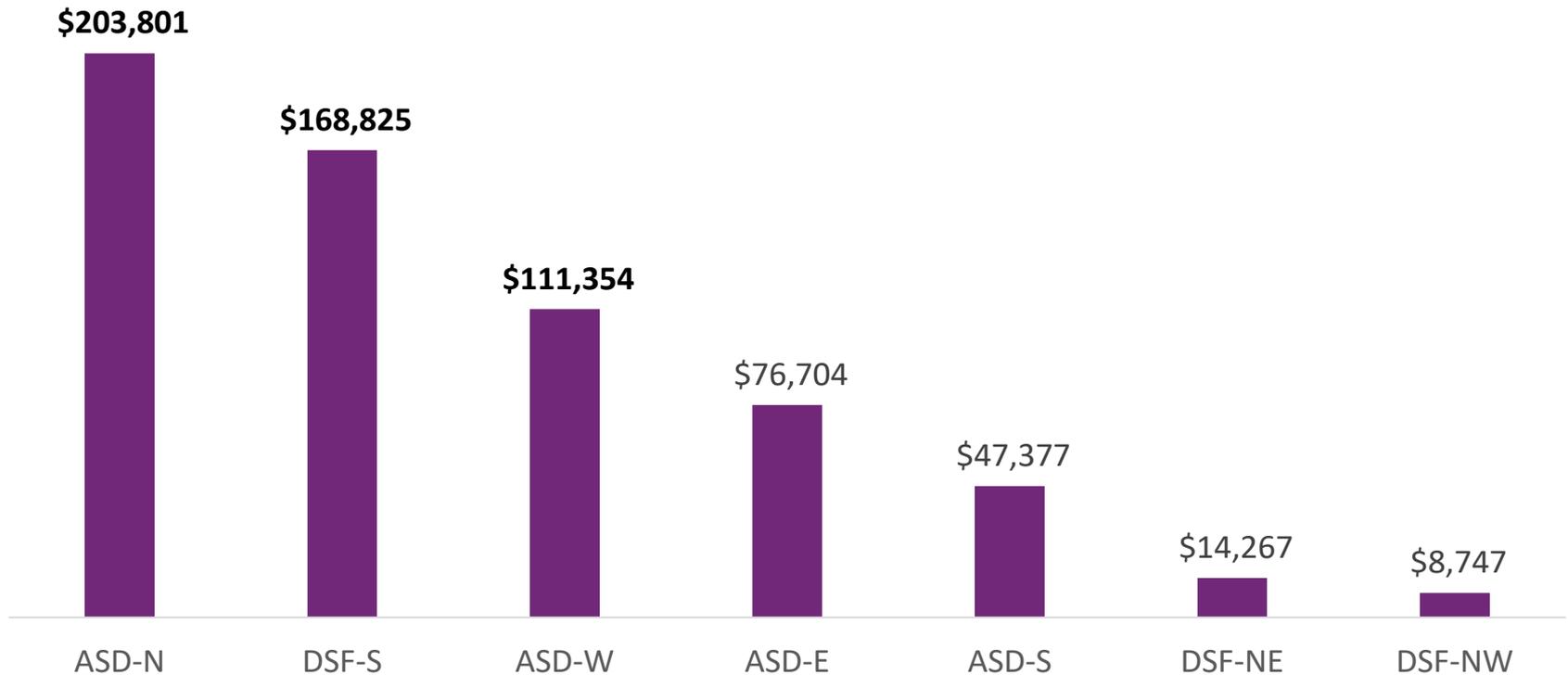
Auditees:

- Anglophone West School District (ASD-W)
- Anglophone North School District (ASD-N)
- Francophone sud school district (DSF-S)

Background

- School districts must follow policy AD-2801 on travel expenses
- Total travel expenses recorded for all districts were:
 - \$5.28 million for April 1, 2022 – March 31, 2023
 - \$2.80 million for April 1, 2023 – September 30, 2023
- Each school district receives annual funding for “other” operating expenses, including travel

Total Out-of-Province Travel (Including International) 2022-23



Source: Created by AGNB (unaudited)

Summary of Findings

- Districts were aware of Policy AD-2801
- Inconsistent documentation pertaining to:
 - approval for travel
 - estimated costs
 - anticipated and actual benefits of travel
- No documented evidence of consideration of:
 - virtual attendance
 - availability of budget

Trips Sampled for Detailed Audit Work

Countries	Number of Employees	Total Cost to the Province
USA (5 trips)	30*	\$ 126,082
Australia	17	\$ 86,410
United Arab Emirates	3	\$ 23,469
Finland	3	\$ 16,875
France	2	\$ 5,772

** Trip was also attended by an external consultant, whose costs were covered by the district*

Source: Created by AGNB with information from the school districts (unaudited)

Authorization to Travel Not Consistently Documented

- The travel policy includes a mandatory form for travel out of the Maritimes which notes:
 - destination
 - purpose of trip
 - estimated costs
- Approval is required by the Director (where applicable) and Superintendent

Authorization to Travel Not Consistently Documented

District	Location	Appropriate Approvals	Estimated Cost
ASD-W	California	✓	✓
	Maryland	✓	✓
	Nevada	✓	✓
ASD-N	Australia	X	X
	Tennessee	Partial	Partial
	Finland	X	✓
DSF-S	Dubai	✓	X
	France	X	X
	California	✓	X

We Recommend:

The Anglophone North School District (ASD-N) and Francophone sud school district (DSF-S) ensure adequate documentation pertaining to approval to travel, including estimated costs, and appropriate authorization, per policy AD-2801

Lack of Anticipated and Actual Quantifiable Benefits to Government

- The travel policy requires that anticipated and actual benefits of planned trips be documented
- Of the 9 trips we examined:
 - 2 had sufficiently documented anticipated benefits
 - none had documented actual benefits

We Recommend:

The Anglophone West School District (ASD-W), Anglophone North School District (ASD-N) and Francophone sud school district (DSF-S):

- ensure quantifiable, anticipated benefits are documented and considered as part of the approval process
- have processes in place to perform post-travel reviews to ensure anticipated benefits were achieved

No Evidence of Virtual Attendance Consideration

- Virtual conference attendance is often less costly
- We could find no documented evidence that virtual attendance alternatives were considered, where available

We Recommend:

The Anglophone West School District (ASD-W), Anglophone North School District (ASD-N) and Francophone sud school district (DSF-S) document a cost-benefit analysis of in-person versus virtual attendance for out-of-province travel. Factors such as cost and overall benefit to the Province should be considered

Lack of Process for Superintendent Travel

- We noted instances where Superintendents attended international trips where there was no documentation for:
 - approval
 - estimated costs
 - anticipated or actual benefits
- We were informed approval is often verbal from the District Education Council Chair

We Recommend:

The Anglophone West School District (ASD-W), Anglophone North School District (ASD-N), and Francophone sud school district (DSF-S) establish documented approval processes for out-of-province and international travel by Superintendents, including cost estimates and anticipated benefits. Actual benefits of travel should also be documented

Lack of Documented Budgetary Consideration

- Travel is often a discretionary expenditure given budget pressures within the school system
- We could find no documented evidence of budget consideration

We Recommend:

The Anglophone West School District (ASD-W), Anglophone North School District (ASD-N), and Francophone sud school district (DSF-S), as part of the approval process for out-of- province and international travel, document evidence of having ensured availability of travel budget dollars, including having considered overall district budget pressures

Lack of Publicly Available District Financial Information

- We attempted to find budget to actual reporting online for the 3 districts within our scope
- Financial performance is a key performance indicator of Superintendents and District Education Councils
- We could not find direct links to such information
- District staff indicated that some District Education Council minutes contain surplus/deficit information

We Recommend:

The Anglophone West School District (ASD-W), Anglophone North School District (ASD-N), and Francophone South School District (DSF-S) ensure financial performance reporting (budget-actual) is made readily available to the public

AGNB Recommendations

- 6 recommendations to the Anglophone North School District
- 5 recommendations to the Anglophone West School District
- 6 recommendations to the Francophone sud school district



Status Report on Implementation of Performance Audit Recommendations

Volume II Chapter 7

AUDITOR GENERAL
OF NEW BRUNSWICK



VÉRIFICATEUR GÉNÉRAL
DU NOUVEAU-BRUNSWICK

Background – Follow-Up Process

- We begin follow-up procedures in years 2 and 3:
 - Entities self-report implementation status of recommendations
- In year 4:
 - We conduct work to verify that recommendations were in fact implemented where this was indicated

Status of Implementation

- 2020 and 2021:
 - 105 total recommendations from 12 chapters
 - 66 implemented (63%)
- 2019:
 - 62 total recommendations from 6 chapters
 - 34 implemented (55%)

2019 Detailed Follow-Up Implementation Results

- Medicare Cards – 25%
- Outsourcing of Highway Maintenance and Construction Work – 71%
- Overdue Property Tax – 100%
- City of Saint John Funding Agreement – 83%
- Provincial Funding to Universities and MCFT – 73%
- Group Homes and Specialized Placements – 38%

Questions