



Business Plan 2017-2018

AUDITOR GENERAL
OF NEW BRUNSWICK



VÉRIFICATEUR GÉNÉRAL
DU NOUVEAU-BRUNSWICK

Introduction

The Auditor General of New Brunswick (AGNB) is an independent office that serves the New Brunswick Legislative Assembly.

The Auditor General assists the Legislative Assembly in holding the government accountable by reporting on its performance and stewardship of public funds and resources. This is accomplished by providing opinions on financial statements and reporting on performance audits. The findings of our Office are issued in the Auditor General's annual report to the Legislative Assembly and through appearances before the Standing Committees on Public Accounts and Crown Corporations.

The *Auditor General Act* requires the Office to submit annually to the Clerk of the Legislative Assembly a business plan and a performance report for the Office.

This document presents the Office's 2017-2018 business plan. The Office's performance report is also available on our website www.agnb-vgnb.ca

What we do

Our Office generally performs two kinds of audits: financial and performance (value for money) audits.

- Our financial audit work includes auditing the Province of New Brunswick's financial statements, the financial statements of various Crown agencies and federal cost shared claims.
- Our performance (value for money) audit work targets government programs, services, processes or functions and may cover items such as: governance, economy, efficiency, effectiveness, performance reporting, internal controls, compliance, and management of public funds and resources.

Also, under the *Auditor General Act* Section 12(1), on request of the Legislative Assembly or certain others, we may audit and report on any matter related to the financial affairs of the Province.

A recent example of this type of request is our 2015 Report Volume I regarding Financial Assistance to Atcon Holdings Inc. and Industry.

Guiding principles

In performing our work, we are guided by our vision, our mission and our values.

Our Vision

An independent audit office serving New Brunswick by promoting accountable and sustainable government.

Our Mission

To provide objective, reliable, and timely information to the Legislative Assembly on government's performance in its delivery of programs and services to the people of New Brunswick.

Our Values

Our values guide us in achieving our mission and vision. They guide our day-to-day actions and serve as constant reminders of our commitments. They are statements of the high standards we hold in conducting our work and guiding our behavior, and of the results we strive to achieve.

- **Team**

We believe our strength comes from the knowledge, experience, and professionalism of our team.

- **Impact**

We select our audits for their relevance, significance, and risk with the goal of making a positive difference for the Province of New Brunswick.

- **Integrity**

We work together and with others in an open, honest, and trustworthy manner while respecting the confidentiality of the information we obtain. We strive to meet the highest standards of professional and ethical conduct.

Guiding principles – continued

Strategic Plan

Our Office has a seven year strategic plan finalized in December 2014 with the following strategic objectives:

1. select a mix of performance and financial audits that deliver greatest value to our stakeholders;
2. provide a rewarding work environment for our team;
3. enhance our support to the Public Accounts and Crown Corporation Committees;
4. increase public awareness of AGNB's role and reports;
5. pilot AGNB independent expert advisory committee; and
6. implement the amended *Auditor General Act* 2014.

As well, the performance audit team will begin work on new performance audits including the following topics:

- Correctional Services;
- Student Success; and
- Two other audits to be determined.

These items will be scoped during 2017-2018 to begin performance audit work in the near future.

Financial audit

The audit of the Province of New Brunswick's financial statements is the largest and most significant financial audit completed by our Office. Its completion is dependent on many factors, some of which are outside of our control. Past years have seen fall completion dates for this work given significant accounting and audit issues encountered. This year we have targeted August 2017 for completion.

In connection with the financial statement audit of the Province, several provincial information systems are examined and tested. A rotation schedule assists in determining which information systems are examined. Some information systems are examined every year due to their significance. This year we are examining nine information systems to perform transaction testing or other procedures and plan to have this work substantially completed prior to signing the Province's financial statement audit opinion.

This year the Office will be undertaking the first full year financial audit of the amalgamated Service New Brunswick (formerly operations of the previous Service New Brunswick, New Brunswick Internal Services Agency, Facilicorp and certain operations of the Department of Government Services). As well, the financial audit team will audit 13 other Crown agency financial statements and one cost shared claim.

The financial audit team is also responsible for preparing recommendations to the entities it audits when significant deficiencies are observed. The key findings and themes from our financial audit recommendations will be included in the financial audit volume of our Report expected to be published in December 2017.

2017-2018 Priorities

Our Office's 2017-2018 priorities reflect our vision, mission and values as well as our strategic objectives. Our 2017-2018 priorities are:

Overall

AGNB's overall priority is to issue at least two volumes of our 2017 Report by the legislated deadline of December 31, 2017 covering both financial and performance audits.

Performance audit

Performance audit priorities relate to work required to complete and report on performance audits by our legislated deadline of December 31, 2017. Audits that we anticipate publishing in 2017 include:

- Climate Change (joint audit with other Auditors General in Canada);
- Contract for Advisory Services – Department of Social Development;
- Atcon – New work to respond to remaining unresolved questions; and
- Government Purchase Cards

Follow up work on prior year AGNB report recommendations will be also performed in accordance with our follow up cycle and is targeted for reporting in December 2017.

Below is a list of our planned Crown agency financial statement audits for 2017-2018:

- Centre communautaire Saint-Anne
- Collège communautaire du Nouveau-Brunswick
- Kings Landing Corporation
- New Brunswick Agricultural Insurance Commission
- New Brunswick Community College
- New Brunswick Legal Aid Services Commission
- New Brunswick Lotteries and Gaming Corporation
- New Brunswick Municipal Finance Corporation
- New Brunswick Highway Corporation
- Opportunities New Brunswick
- Premier's Council on the Status of the Disabled Persons
- Public Trustee – Trusts administered
- Regional Development Corporation
- Service New Brunswick

Quality assurance

Quality is essential to the work of our Office. We believe the public, the government and our stakeholders demand the highest quality in our work. In response, we have processes in place to assess and monitor our quality assurance practices. For 2017-2018 our key priorities in this area include: maintaining, monitoring and reporting on our Office quality control systems, as well as participating in peer professional reviews and implementing any related recommendations.

Human resources and administration

Our human resources and administration practices support the vision, mission and strategic objectives for the Office. Human resource and administration priorities for 2017-18 include:

- provide all staff with adequate professional development opportunities to support and complement their work assignments and meet professional development requirements;
- continue to support our CPA students in their training and CPA education program as they gain professional experience in our Office;

- continue our AGNB rebranding work;
- table our performance report and business plan as separate documents not included in our annual report as required under our new Act;
- continue to work with the Clerk of the Legislative Assembly and other legislative officers regarding any proposed changes to operations relevant to AGNB;
- respond the 2016 employee perception survey;
- implement new performance audit standards (CSAE 3001);
- implement a new financial audit methodology;
- receive an unqualified audit opinion on our Office's financial statement audit and publish the audited financial statements in our performance report; and
- continue to implement our seven year strategic plan.

Performance measures

The Office has used performance measures for many years to assess its performance. We have assessed our Office performance in our 2015-2016 performance report which is available on our [website](#). The performance report also includes our March 31, 2016 financial statements, for which we received an unqualified audit opinion dated June 17, 2016.

Our current performance measures and related targets are listed below:

Performance measure*	Link to Strategic Objective (SO)/ Mission	Office target 2017-2018
1. MLA perception, as determined by survey	Mission SO #1 SO #3	80% or higher
2. Auditee perception, as determined by survey	SO #3	80% or higher
3. Percentage of recommendations implemented	Mission	Overall 100% of our recommendations implemented for our follow up period
4. Employee perception, as determined by survey	SO #2	80% or higher
5. Completion of audits on time	Mission SO #3	All target dates met
6. Use of our time, focusing on the percentage of time spent on audit work	SO #1 SO #6	Allocation of working hours as follows: <ul style="list-style-type: none"> • Financial and performance audits - 65% • Professional development and training - 5% • Audit office admin & support activities - 30%
7. Staff cost of our audits	SO #1 SO #6	\$1,380,000 represents the approximate annual staff cost of significant audit projects split as follows: <ul style="list-style-type: none"> • 35% Performance audit • 25% Province of New Brunswick audit • 25% Crown agencies audit • 5% Cost shared claims audit • 10% Annual report preparation
8. Number of public reports	SO #3 SO #4	4 Volumes of the 2017 Auditor General Report published on 3 separate dates
9. Number of independent expert advisory committee meetings	SO #5	2

Budget 2017-2018

The Office's approved budget for 2017-2018 is \$2,129,000 which has been allocated as follows:

Personnel services	\$ 2,068,800
Other services	238,500
Materials and supplies	8,200
Property and equipment	13,500
Less: recoveries	(200,000)
Total budget 2017-2018	\$ 2,129,000

The majority of the Office's funding is through an annual appropriation of the Legislative Assembly. Of this amount, most all of the Office's budget represents salaries and benefits. All but three staff members are involved in providing audit services.

The Office has cost recoveries in relation to certain financial audits. This represents approximately 10% of the Office overall budget. The recoveries amount has grown as more audits have been added to the Office's work without additional budget funds being provided.

Additional information

Additional information about AGNB is available on our website at www.agnb-vgnb.ca or by contacting us at:

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