

REPORT OF THE

# Auditor General of New Brunswick

Volume II  
Performance Audit

2018

AUDITOR GENERAL  
OF NEW BRUNSWICK



VÉRIFICATEUR GÉNÉRAL  
DU NOUVEAU-BRUNSWICK



Speaker of the Legislative Assembly  
Province of New Brunswick

Sir

As required under Sections 12(1) and 15(1) of the *Auditor General Act* I am submitting Volume II of my 2018 Report to the Legislative Assembly.

Respectfully submitted,

A handwritten signature in black ink that reads "Kim MacPherson". The signature is written in a cursive, flowing style.

Kim MacPherson, FCPA, CA, ICD.D  
Auditor General

Fredericton, N. B.  
January 2019

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# Chapter 1

## Introductory Comments by the Auditor General

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# Introductory Comments by the Auditor General

## Introduction

**1.1** My Office’s mission, as included in our 2014 to 2020 strategic plan is:

*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.*

**1.2** In this volume of our 2018 Report, we include three performance audit chapters:

- Improving Student Performance: A New Brunswick Challenge;
- WorkSafeNB Phase II - Management of Injured Workers’ Claims; and
- Follow-up on Recommendations from Prior Years Performance Audit Chapters.

## Improving Student Performance: A New Brunswick Challenge

**1.3** Chapter 2 of this volume presents our findings and observations on improving student performance. We found student results on provincial assessments remained consistently below targets for many years. We also found successive governments have changed education priorities too frequently, creating instability and shifting educators’ focus away from teaching children.

**1.4** Further, the Department of Education and Early Childhood Development is not holding districts and schools accountable for student performance as stipulated in the *Education Act*.

**1.5** Education is a priority for New Brunswickers. Student performance goals have been in place, in successive provincial education plans, since 2002 -2003. However, the goals set 15 years ago are still unmet. We focused our audit on the management of student performance in reading, math and science as these subjects are tested at the provincial, national and international levels.

***New Brunswick has a unique structure for delivering education services***

**1.6** New Brunswick, being the only bi-lingual province in the country, has a unique structure for delivering education services. This is accomplished through two parallel but separate systems represented by the Anglophone and Francophone sectors within the Department of Education and Early Childhood Development. This unique structure is based on the principle of linguistic duality. At the federal level, Section 23 of the *Canadian Charter of Rights and Freedom* safeguards minority language educational rights.<sup>1</sup>

***Our two parallel education systems should share best practices and lessons learned***

**1.7** The two systems have an opportunity to collaborate and share successes and lessons learned. However, at present, this opportunity is not being fully utilized because there are no specific forums or tools to facilitate collaboration and sharing between the two sectors.

**1.8** The Department should facilitate more sharing between the two sectors. This will allow them to build on the strengths of each other, to enhance the educational outcomes for all children in the province.

***Political interference is destabilizing the education system***

**1.9** Political interference in the education system is creating instability and disrupting the educational process. Successive governments have made major changes to education priorities in the last 15 years, often hastily implemented to fulfil election promises. In my view, this is hurting our education system and jeopardizing outcomes for our children.

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<sup>1</sup> *Mahe v. Alberta*, [1990] 1 S.C.R. 342

- 1.10** Education strategies must be based on expert research, in-depth needs assessment and best practices that worked in other jurisdictions, nationally or internationally. Once in place, strategies need be allowed to mature while being monitored and adjusted to achieve the desired outcomes.
- Rushed changes to French Immersion add to the complexity of operations in the Anglophone sector**
- 1.11** In 2016, approximately 40% of Anglophone students were in French immersion. This is a significant program that adds to the complexity of operations in the Anglophone sector. Because of the rushed implementation of the new entry point in 2017, school districts could not recruit enough qualified teachers to meet the implementation timeframe. As a result, teachers not meeting the language proficiency were hired. Also, significant resources were directed to implement this change, and this impacted student performance across the sector.
- The Province's socio-economic challenges affect student performance**
- 1.12** Poverty, adult illiteracy and other socioeconomic issues exist in our Province and have a negative impact on student performance. For example, educators indicated they often need to deal with students who arrive at school late, hungry and without proper clothing. Teachers often have to deal with these basic needs before they can focus on teaching.
- Involve community based organizations and other departments in addressing challenges**
- 1.13** Socioeconomic challenges cannot be addressed by teachers alone. Wider collaboration is required between relevant government departments, community based organizations, districts and schools to address basic needs of students and ensure teachers' efforts are devoted to student learning.
- WorkSafeNB Phase II – Management of Injured Workers' Claims**
- 1.14** Chapter 3 contains the findings of our second report on WorkSafeNB, covering the management of injured workers' claims. Our first report focused on governance was included in volume 1 of the Auditor General's report, released in June 2018.

**1.15** We found WorkSafeNB has a reasonable claims management framework that is consistent with industry best practice. However, we identified numerous process deficiencies that hinder WorkSafeNB's ability to actively manage cases to achieve timely return to work.

**1.16** Claims cost is the main driver of employer assessment rates. Claims costs have increased by more than \$300 million between 2013 and 2017. We believe an effective and efficient claims management framework is necessary to balance the needs of the injured workers and employers with the long term sustainability of the workers compensation system in New Brunswick.

*WorkSafeNB needs to shift its focus to helping workers return to work*

**1.17** When workers achieve early and safe return to suitable employment, everyone wins:

- Injured workers will maintain their confidence and sense of value while minimizing loss of earnings;
- Employers will minimize loss of productivity and avoid costly replacement of skilled employees;
- WorkSafeNB will achieve shorter claim durations and cost savings, thereby contributing to the long term sustainability of the compensation system.

**1.18** Currently, WorkSafeNB's culture, processes and systems are all geared towards compensation and benefits administration. Significant change in processes, organization and system is required for WorkSafeNB to shift its focus to early and safe return to work.

*Comprehensive plan required to update WorkSafeNB systems and processes*

**1.19** I encourage WorkSafeNB to adopt a comprehensive plan to implement our recommendations. If properly carried out, such a plan would help WorkSafeNB to re-focus its processes, systems and organizational culture around the concept of return to work.

***Workers  
Compensation Appeal  
Tribunal (WCAT) has  
a broader jurisdiction  
than Canadian  
counterparts***

**1.20** Decisions made by WCAT forced WorkSafeNB to change many of its policies resulting in significant financial implications and diminished case managers' confidence in their decision-making abilities. Most appeals tribunals in other Canadian jurisdictions do not have the authority to change workers' compensation policies.

**1.21** This very same concern has been raised by the ministerial task force in its report released in July 2018. Appropriate legislative changes are required for New Brunswick's WCAT to be comparable to its Canadian counterparts in terms of mandate and powers. A new Act which includes legislative amendments to address recommendations in the task force report has been proclaimed on December 12, 2018. The amendments related to WCAT are meant to restrict its ability to override existing WorkSafeNB policies.

***Follow-up on  
Recommendations  
from Prior Years***

**1.22** Chapter 4 presents our follow-up on recommendations from prior year performance audit chapters, including:

- Constituency Office Costs for Members of the Legislative Assembly and Executive Council;
- Long Term Infrastructure Sustainability Plan;
- Point LePreau Generating Station Refurbishment - Phase II;
- Data Centre Power Interruption; and
- Financial Assistance to Atcon Holdings Inc. and Industry.

***Unacceptable lack of  
transparency and  
accountability in  
constituency office  
costs***

**1.23** I am disappointed to report that two key recommendations from my 2011 report on constituency office costs have still not been implemented. We recommended changes so that all constituency office costs would be tracked and publicly reported to ensure transparency and consistency of practice for MLAs and Ministers.

**1.24** Seven years later and despite repeated follow-ups with Executive Council Office and the Legislative Assembly, nothing has changed. It cannot be determined if the

publicly reported figures for constituency office costs are accurate. The portion Ministers are charging to their departments is not known. This makes it impossible to detect violations to constituency office spending limits. In my view, it's inappropriate for any constituency office costs to be charged to Department expenses. In my opinion, such disregard for transparency and accountability by elected officials is unacceptable.

***Elected officials are expected to set a good example of transparency and accountability***

**1.25** I believe the Members of the Legislative Assembly and elected officials must set an example for all of government when it comes to accountability and transparency. Full public disclosure of all monies paid to MLAs and ministers should be a minimum requirement to demonstrate such transparency and accountability.

***New Brunswick is falling behind its Atlantic peers in tracking and public reporting of constituency office expenses***

**1.26** Other provinces such as Nova Scotia and Newfoundland and Labrador have significantly enhanced the integrity and transparency of constituency office costs. Following audits and investigations by their Auditors General, both provinces have strengthened their legislations, policies, rules and guidelines governing the administration and public reporting of MLA expenses. I am deeply concerned that New Brunswick is falling behind its Atlantic peers in holding MLA's and ministers accountable for their constituency office costs and in disclosing all such expenses to the public.

***ONB still not reporting actual performance against its job creation targets***

**1.27** As of the date of our follow-up ONB is still not publicly reporting in its annual report on whether its job creation targets associated with financial assistance to industry, are being met. Although ONB has started to report actual jobs created, this is not an indicator of performance unless they can be compared to a pre-determined target. ONB, as the lead economic development agency in New Brunswick, needs to publish this information to demonstrate accountability for its performance.

***We remain unsatisfied with the implementation rate of our recommendations***

**1.28** Overall, audited entities implemented 71% of recommendations from our 2014 performance audit reports. Although this is an improvement compared to the 43% implementation rate of our 2013 recommendation, it remains significantly below our target of 100%.

**1.29** Implementation of our recommendations by departments, commissions and agencies is a key measure of performance audit impact. I encourage members of the Public Accounts Committee and the Crown Corporations Committee to discuss and question the status of unimplemented performance audit recommendations with the involved departments, commissions and Crown agencies.

**Acknowledgements**

**1.30** Staff in my Office worked very hard in carrying out the work reported upon in this volume of our Report. The individual chapters of this report are a reflection of their level of commitment, professionalism and diligence. I would like to express my appreciation to each for their contribution and continuing dedication to fulfilling the mandate of the Auditor General of New Brunswick.



Kim MacPherson, FCPA, CA, ICD.D  
Auditor General

# Chapter 2

## Department of Education and Early Childhood Development

### Improving Student Performance: A New Brunswick Challenge

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# Department of Education and Early Childhood Development

## Improving Student Performance: A New Brunswick Challenge

### Summary

#### *Significance of education*

**2.1** *“Education is vital to the progress of both individuals and [the Province] as a whole. It lays the foundation for success at work and throughout life and benefits the economy, society, and individual quality of life. Numerous studies indicate that well-educated citizens are better able to meet the demands of a modern economy, and are more likely to become productive, healthy, and participating members of society.”*<sup>1</sup> In 2017-2018, the cost of operating the school districts in the Province was over \$1 billion. Public school education accounts for over 15% of total government expenditures in New Brunswick.

#### *Structure for delivering education*

**2.2** New Brunswick is Canada’s only officially bilingual province. Its education system *“offers students the opportunity to learn in English and French through two parallel, but separate education systems.”*<sup>2</sup> New Brunswick’s public education system has three levels of administration:

- the Department of Education and Early Childhood

<sup>1</sup> Report of the Auditor General of Canada to the Government of the Northwest Territories, May 2010

<sup>2</sup> Department of Education and Early Childhood Development Annual Report 2015-2016

Development (**Appendix I** shows an organizational chart of positions and sections involved with education within the Department);

- 7 school districts (4 Anglophone; 3 Francophone); and
- approximately 300 schools.

### *Why we chose this topic*

**2.3** Education is a priority for New Brunswickers. Student performance goals have been in place, in successive provincial education plans, since 2002-2003. However, the goals set 15 years ago are still not met.

**2.4** We focused our audit on the management of student performance in reading, math and science, which is measured through provincial assessments. We consider these subjects to be the core of education because they are tested at the provincial, national and international levels.

### **Audit Objective**

**2.5** Our objective for this audit was to determine if the Department of Education and Early Childhood Development:

- sets goals for student performance in reading, mathematics and science;
- monitors student performance;
- acts to improve student performance; and
- publicly reports on student performance compared to goals.

### **Conclusions**

**2.6** We concluded the following:

- In spite of the Department of Education and Early Childhood Development's efforts to plan, monitor and improve student performance, provincial assessment results for reading, math and science remain consistently below targets. The management cycle to improve student performance is not operating as intended.
- The Department sets targets for student performance in reading, math and science and monitors performance. However, the Department, school districts and schools are not complying with the *Education Act* in carrying out all their responsibilities.
- The Department does not hold school districts accountable for student performance as stipulated in the *Education Act*.

- Frequent changes in education strategy create instability and shift focus away from educating students.
- The Department publicly reports on student performance compared to goals. However, plans to improve performance are not provided to the public.
- Overall, multiple complex factors affect student performance.

**2.7** We identified deficiencies at each stage of the management cycle to improve student performance, and we made recommendations for improvement.

## Results in Brief

**2.8** Results in brief are presented in **Exhibit 2.1**.

### *Key used in this chapter*

**2.9** The following key is used to classify our findings:

- ✓ represents a positive observation;
- ✗ represents an area needing improvement; and
- represents other observations.

## Key findings

**2.10** In this chapter our key findings are reported in sections. Each key finding is supported with detailed findings and observations. Our findings and observations are listed in **Exhibit 2.2**. Additional detail is provided in appendices.

## Recommendations

**2.11** Our recommendations to the Department of Education and Early Childhood Development along with the Department's responses to each recommendation are presented in **Exhibit 2.3**. Our recommendations are addressed to the Department because the Minister is ultimately responsible for the *Education Act*. However, many recommendations involve collaborating with other parties.

**2.12** We believe, by implementing these recommendations, the Department will make improvements in:

- the stability of the education system by minimizing disruptions;
- identifying and addressing the root causes of inadequate student performance in reading, math and science; and
- accountability and transparency in managing student performance in accordance with the *Education Act*.

## Exhibit 2.1 – Results in Brief

# Improving Student Performance: A New Brunswick Challenge

## Why Is This Important?

- 98,000 students depend on the New Brunswick education system to prepare them for their future.
- Every year, over \$1 billion is spent on public school education and represents over 15% of government expenses in New Brunswick. The cost per student has increased by 25% in the last ten years.
- Student performance on provincial assessments has never met targets in the last 15 years.

## What We Found

### Overall Conclusions

- Frequent changes to the education system disrupt its stability and take focus away from educating students.
- The management cycle to improve student performance is not operating as intended.
- The Department sets targets, monitors and publicly reports on student performance, but does not hold school districts accountable.
- Overall, multiple complex factors affect student performance. More collaboration is needed between sectors, other departments and community-based organizations.
- Most New Brunswick students meet expectations on national tests and perform comparatively high on international tests.

#### Education system lacks stability

- Frequent changes cause disruption in education and take focus away from educating students, for example:
  - 3 major changes to French immersion program in 10 years
  - 5 different provincial education plans in 15 years

#### Accountability process required by *Education Act* not followed

- Department does not hold school districts accountable
- Instances of incomplete or missing school district education plans
- School district performance reports not always done
- The lack of teacher performance reviews can go undetected for 20 years

#### Rushed changes without considering implications

- Governments have introduced priorities without providing necessary supports, for example:

##### French immersion program:

- Only one year to implement the 2017 change in entry point
- Teacher demand exceeded labour market and resulted in hiring teachers lacking required language skills

#### Complex realities impact student performance

- Families experiencing difficult socioeconomic situations can lead to students with unaddressed basic needs
- Teachers are forced to focus on basic needs before teaching students
- Cases of chronic student absenteeism exist
- Some student behaviours exceed the professional training of a teacher

## Exhibit 2.2 - Key Findings with Detailed Findings and Observations

<b>2.2 Key Findings with Detailed Findings and Observations</b>	
<b>Paragraph #</b>	<b>Overall findings:</b>
2.27	✓ Planning, monitoring and reporting are done regularly by the Department.
2.28	✓ <i>The Department has a 10-year education plan for each sector with annual implementation plans</i>
2.29	✓ <i>The Department monitors student performance in several ways</i>
2.30	✓ <i>The Department publicly reports on student performance in several ways</i>
2.31	✓ <i>Reports on provincial assessment results are easy to understand</i>
2.32	✗ <i>Plans to improve are not provided to the public</i>
2.33	✗ <i>The results of provincial assessments are difficult to find on the Department's website</i>
2.37	✗ Student performance on provincial assessments in reading, math and science is significantly below targets.
2.38	✗ <i>Targets in reading, math and science have never been met in 15 years</i>
2.45	• <i>We were challenged to determine what is being done to address unmet targets</i>
<b>Several reasons why targets are not met:</b>	
2.48	✗ New Brunswick's education system suffers from a lack of stability.
2.49	✗ <i>Frequent changes disrupt the education system</i>
2.51	✗ <i>There have been 5 different provincial education plans in 15 years</i>
2.53	• <i>The French immersion program adds to the complexity of operations in the Anglophone sector</i>
2.54	✗ <i>French immersion changes create instability in the Anglophone sector</i>
2.55	✗ <i>Rushed implementation of the 2017 change to the French immersion entry point disrupted operations in Anglophone sector</i>
2.60	✗ The school districts reported challenges to meeting the targets.
2.61	✗ <i>New Brunswick's socioeconomic situation has unaddressed needs</i>
2.62	✗ <i>Our inclusive education system has unaddressed needs</i>
2.65	✗ <i>The Department does not monitor student absences</i>
2.67	✗ The planning, monitoring and reporting cycle to improve student performance is not operating as intended.
2.69	✗ <i>Not all schools prepare a school improvement plan as required by the Education Act</i>
2.72	✗ <i>Most schools do not have a school performance report as required by the Act</i>
2.73	✗ <i>School districts do not plan, monitor and report as required by the Act</i>
2.74	✗ <i>The Minister does not hold the school districts accountable as required by the Act</i>
2.76	• <i>Interviewees reported the Act may be outdated</i>
2.77	✗ <i>DECs' performance is not evaluated</i>

Exhibit 2.2 - Key Findings with Detailed Findings and Observations (continued)

<b>2.2</b>		<b>Key Findings with Detailed Findings and Observations (continued)</b>
<b>Paragraph #</b>		<b><i>Several reasons why targets are not met (continued):</i></b>
2.83	✘	School districts do not make sure all teachers have regular performance reviews.
2.84	✘	<i>The School districts do not monitor to ensure all teachers have regular performance reviews</i>
2.85	✘	<i>The lack of teacher performance reviews can go undetected by school districts for 20 years</i>
2.86	✘	<i>Only 65% of teachers in the Anglophone sector reported receiving helpful feedback</i>
2.88	✘	Constantly changing provincial student assessment programs impair usefulness of results.
2.89	✘	<i>The provincial assessment programs lack stability</i>
		<b><i>Other key findings:</i></b>
2.92	✓	Most New Brunswick students meet expectations on national tests and rank comparatively high on international tests.
2.95	✓	<i>Most New Brunswick students met the expected performance level on the 2016 pan-Canadian reading test</i>
2.96	✘	<i>New Brunswick's mean score in reading was one of the lowest in the country on the 2016 pan-Canadian reading test</i>
2.98	✓	<i>Internationally, New Brunswick students rank comparatively high</i>
2.101	✘	<i>The Department does not publicly report student performance results on national and international tests</i>
2.103	✓	The 2016-2026 education plans set objectives and measurable targets.
2.104	✓	<i>Stakeholders were consulted when preparing the plans</i>
2.105	✓	<i>The education plans have objectives with performance indicators and targets</i>
2.109	✓	<i>90% of students passing provincial grade 2 reading assessments by 2025-2026 is a reasonable target</i>
2.110	✓	<i>Education professionals believe targets are reasonable</i>
2.111	•	<i>Plans provided autonomy to school districts</i>
2.112	✘	<i>More collaboration is needed between the two sectors</i>

## Exhibit 2.2 - Key Findings with Detailed Findings and Observations (continued)

<b>2.2</b>		<b>Key Findings with Detailed Findings and Observations (continued)</b>
<b>Paragraph #</b>	<b>Other key findings (continued):</b>	
2.114	•	Observations on the French immersion program - Anglophone sector
2.116	•	<i>Several key issues emerged in a 2008 program review, including high dropout rates and low language proficiency success</i>
2.117	•	<i>Only 10% of students who enrolled in the early French immersion program in 2005 achieved the Department's language proficiency goal</i>
2.118	•	<i>75% of students dropped out of early French immersion</i>
2.120	•	<i>Students in French immersion programs outperform students in the English program in reading, science and math</i>
2.121	•	<i>There are consistent significant gaps between English and French immersion students' performance in reading at grade 9</i>
2.122	•	<i>There are significantly more students with personalized learning plans in the English program than in French immersion</i>
2.123	•	<i>Observation: Combined classes (which are more challenging for teachers) are more common in the Anglophone sector.</i>
2.124	•	<i>There were nine times more combined classes in the Anglophone sector in the 2017-2018 school year than in the Francophone sector</i>
2.124	•	<i>Within the Anglophone sector, there are four times more combined classes in the English program than in French immersion</i>

Exhibit 2.3 - Summary of Recommendations

Recommendation	Department's response		Target date for implementation
	ANGLOPHONE SECTOR	FRANCOPHONE SECTOR	
<b>Stabilize the education system</b>			
<b>We recommend the Department of Education and Early Childhood Development:</b>			
<b>2.58 maintain the current 10-year provincial education plans until they expire in 2026, to allow the education system to stabilize and allow for evaluation of progress. Any adjustments to the plans should be collaborative.</b>	<i>For both linguistic sectors, the 10-Year Education Plans were developed after an extensive engagement process with school districts and various stakeholders. The Department intends to maintain these education plans expiring in 2026, which serve as a roadmap for the annual implementation plans that are generated thereafter in a spirit of collaboration with school districts and stakeholders.</i>		<i>Ongoing</i>
<b>2.59 prior to implementing major changes that impact student performance, including changes to the French immersion program, prepare a detailed implementation plan with:</b> <ul style="list-style-type: none"> <li>• a realistic time schedule;</li> <li>• consideration of all supports that need to be in place for the change to be successful, such as human resources, curricula, teacher training, tools and methodologies;</li> <li>• adequate funding; and</li> <li>• a comprehensive risk assessment of the change's impact on operations and other ongoing initiatives at department, school district and school levels as well as risk mitigation strategies.</li> </ul>	<i>The Department, in both linguistic sectors, always makes every effort to approach the implementation of changes impacting the education system with due diligence and consideration for the required supports enabling smooth transitions and ensuring successful implementation.</i>  <i>Although EECD undertakes change initiatives that are to be performed within the mandate, timeframe and budget given by Government, the Department agrees that it is crucial to ensure the conditions for success are in place before rolling out a new project or initiative.</i>		<i>Ongoing/Ad hoc</i>

Exhibit 2.3 - Summary of Recommendations (continued)

Recommendation	Department's response		Target date for implementation
	ANGLOPHONE SECTOR	FRANCOPHONE SECTOR	
<b>2.91 stabilize the provincial assessment programs to allow for trend analysis of student performance results for decision making.</b>	<p><i>The Anglophone sector is currently working on improving its assessment program, and reviewing new assessments that were developed between 2013-2017.</i></p> <p><i>The Grade 2 standardized reading assessment will be replaced with a more authentic assessment methodology. This update was requested by the Provincial Curriculum and Evaluation Advisory Committee, and is required due to the introduction of Grade 1 French immersion. These improvements will allow for trend analysis for the coming years.</i></p>	<p><i>In the Francophone sector, a new provincial assessment program has been proposed to better meet the needs of the school environment. This update was done following a consultation process with the Department's partners (districts, teachers, parents, youth, etc.) further to the launch the 10-year education plan.</i></p> <p><i>This new program is in its second year of implementation and will remain stable for the coming years, allowing for trend analysis of student progress, and providing teachers with relevant information to improve their teaching interventions.</i></p>	<i>Ongoing</i>

Exhibit 2.3 - Summary of Recommendations (continued)

Recommendation	Department's response		Target date for implementation
	ANGLOPHONE SECTOR	FRANCOPHONE SECTOR	
<b>Hold the school districts accountable</b>			
<b>We recommend the Department of Education and Early Childhood Development:</b>			
<p><b>2.47 in collaboration with the school districts, analyze results of provincial assessments to identify root causes of poor performance and take corrective action to improve student performance in reading, math and science.</b></p>	<p><i>For both sectors, at the provincial or district level, identifying meaningful root causes to explain student progress risks oversimplification that is not conducive to proper corrective action. However, at the classroom and school level, student achievement is the responsibility of each teacher and principal, and is framed within the context of more detailed knowledge of students needs and circumstances.</i></p> <p><i>As such, the role of the Department and the school districts is to provide educators with appropriate tools, data and supports to identify and analyze learning challenges and adapt teaching methodologies. The Department is fully committed to continue providing that expertise, in collaboration with the school districts.</i></p> <p><i>Furthermore, the Department has, over the past few years, adopted a Formal Management System (FMS), which is one of the conditions for success of the 10-Year Education plan. FMS is a proven, structured approach that enables organizations to lead the desired change, prioritize efforts, monitor results and sustain improvements over time.</i></p> <p><i>FMS is being deployed across the education system to enable system leaders and staff to execute the 10-year plan, drive improvement and achieve results, and to position New Brunswick as a world-class leader in early learning and education. Implementation of the Formal Management system requires a culture shift to enable shared leadership, collective capacity, collaboration and accountability at all levels of the organization.</i></p>		<p>Ongoing</p>
	<p><i>In addition, the Anglophone sector is working with district Data and Accountability Supervisors to determine a process to better analyse and use available data using the Education Plan Measures and other appropriate information as determined.</i></p>	<p><i>In addition, in the Francophone sector, each school establishes a school profile using provincial evaluation results and other available data. This profile informs the initiatives included in the school improvement plan, showing trends and areas requiring more focus and support.</i></p>	

Exhibit 2.3 - Summary of Recommendations (continued)

Recommendation	Department's response		Target date for implementation	
	ANGLOPHONE SECTOR	FRANCOPHONE SECTOR		
<p><b>2.66 work with school districts, other departments and community-based organizations where applicable to:</b></p> <ul style="list-style-type: none"> <li>• <b>identify and address the challenges to achieving the provincial targets for reading, math and science;</b></li> <li>• <b>present to government options to address the challenges;</b></li> <li>• <b>develop standards for student absence tracking and measurement to better monitor student attendance; and</b></li> <li>• <b>take corrective action to improve student attendance.</b></li> </ul>	<p><i>The Department, school districts and schools focus on sustained growth and improvement more than on aspirational targets.</i></p> <p><i>The Department is working with school districts and reporting on a quarterly basis to government about measures related to student achievement, particularly for Kindergarten-Grade 2 literacy. This occurs through government-wide units established to ensure accountability.</i></p>	<p><i>The Department's Anglophone sector does not track student absenteeism; however, work is underway with Data and Accountability Supervisors since 2017 to establish technical standards for attendance tracking, including PowerSchool Standards. This is already implemented, and data will be available by January 1, 2019. Corrective action will be undertaken by school districts where warranted.</i></p>	<p><i>The Francophone sector does not track student absenteeism. Corrective actions are undertaken by school districts where warranted.</i></p>	Ongoing

Exhibit 2.3 - Summary of Recommendations (continued)

Recommendation	Department's response		Target date for implementation
	ANGLOPHONE SECTOR	FRANCOPHONE SECTOR	
<b>2.113 facilitate the sharing of successes and best practices between the Anglophone and Francophone sectors.</b>	<i>The Department's approach to performance improvement facilitates more collaboration between both linguistic sectors and sharing of success. The Department is committed to further leverage the sharing of best practices between sectors. Currently, staff from the two sectors at the Department work closely together on areas of shared interest such as integrated service delivery, assessment and evaluation, autism training and interventions, and policy development. The Department will work with school districts to facilitate opportunities for further sharing of best practices at the school and district levels.</i>		Ongoing
<b>2.81 in collaboration with the school districts:</b> <ul style="list-style-type: none"> <li>• <b>ensure school improvement plans are prepared and reviewed annually as required by the Education Act,</b></li> <li>• <b>demonstrate school improvement plans align with the provincial education plan, and</b></li> <li>• <b>monitor the extent to which school improvement goals are being met.</b></li> </ul>	<i>Since the new 10-Year Education Plans have been in place, supported by the deployment of the Formal Management System, there is better alignment between the Department, school district and schools as the focus on a few objectives is well defined and communicated. They also include common performance indicators and measures.</i>	<i>In the Francophone sector, it is current practice to ensure school improvement plans are prepared, aligned and monitored at every level.</i>	September 2020
	<i>Also, in the Anglophone sector, work is underway to create a provincial improvement framework, which includes processes for monitoring improvement plans at every level.</i>		

Exhibit 2.3 - Summary of Recommendations (continued)

Recommendation	Department's response		Target date for implementation
	ANGLOPHONE SECTOR	FRANCOPHONE SECTOR	
<b>2.82 in collaboration with the District Education Councils, ensure District Education Councils self-evaluate their performance annually.</b>	<i>District Education Councils (DECs) are elected officials for a 4 year mandate through the DEC elections held at the same time as the municipal elections. In both sectors, DECs use policy governance to manage schools in their district, with the day-to-day operations delegated to the district superintendent. DECs already perform debriefing and self-evaluation through their governance policies to ensure continued improvement. This exercise is typically done on a semi-annual or annual basis.</i>		Ongoing
<b>Comply with the <i>Education Act</i></b>			
<b>We recommend the Department of Education and Early Childhood Development:</b>			
<b>2.79 in consultation with school districts, review the <i>Education Act</i> in light of the current operating environment to ensure expectations are clear, relevant and realistic.</b>	<i>The Department is committed to ensuring its legislation always remains modern, relevant and responsive to the needs of an education system in constant evolution.</i>		Ongoing
<b>2.80 track, receive, review and take action on school district plans and reports, and hold all parties accountable as required by the <i>Education Act</i>.</b>	<i>In the Anglophone sector, the Department is working in collaboration with District Education Councils and superintendents to create a provincial improvement framework, which includes processes for monitoring improvement plans at every level.</i>	<i>The Francophone sector, particularly since the launch of the 10-year plan, ensures their school district plans are prepared, reviewed, shared with partners and made public.</i>	Ongoing

Exhibit 2.3 - Summary of Recommendations (continued)

Recommendation	Department's response		Target date for implementation
	ANGLOPHONE SECTOR	FRANCOPHONE SECTOR	
<p><b>2.87 develop standards for teacher performance and provide tools to support the school districts in:</b></p> <ul style="list-style-type: none"> <li>• evaluating staff performance regularly as required by the <i>Education Act</i>; and</li> <li>• taking action to improve staff performance where needed.</li> </ul>	<p><i>Under the Education Act, it is the responsibility of the district superintendent to select, appoint and direct, and suspend, dismiss or otherwise discipline, school personnel. It is also their responsibility to ensure that the performance of school personnel is evaluated. The Department is committed to collaborating with school districts and developing common evaluation tools for teachers. This would be developed in consultation with relevant stakeholders.</i></p>		September 2021
<b>Improve public reporting</b>			
<b>We recommend the Department of Education and Early Childhood Development:</b>			
<p><b>2.35 publicly provide plans to improve when assessment results show targets for reading, math and science were not met.</b></p>	<p><i>EECD's annual action plans are made public on the Department's Website, as are the districts performance reports as part of their annual report on their respective Websites.</i></p>		Ongoing
<p><b>2.36 make it easy to find the results of provincial assessments by displaying them prominently on its website.</b></p>	<p><i>EECD already presents the provincial assessment results publicly on its Website; however, the Department is committed to ensuring the next results are linked directly on the front page in the future.</i></p>		September 2019
<p><b>2.102 publicly report New Brunswick students' performance on national and international tests on its website and inform the public when these results are available.</b></p>	<p><i>The national and international test results are public and available on the Council of Ministers of Education, Canada (CMEC) Website. However, EECD will provide a link to these results on the Department's Website.</i></p>		January 2019

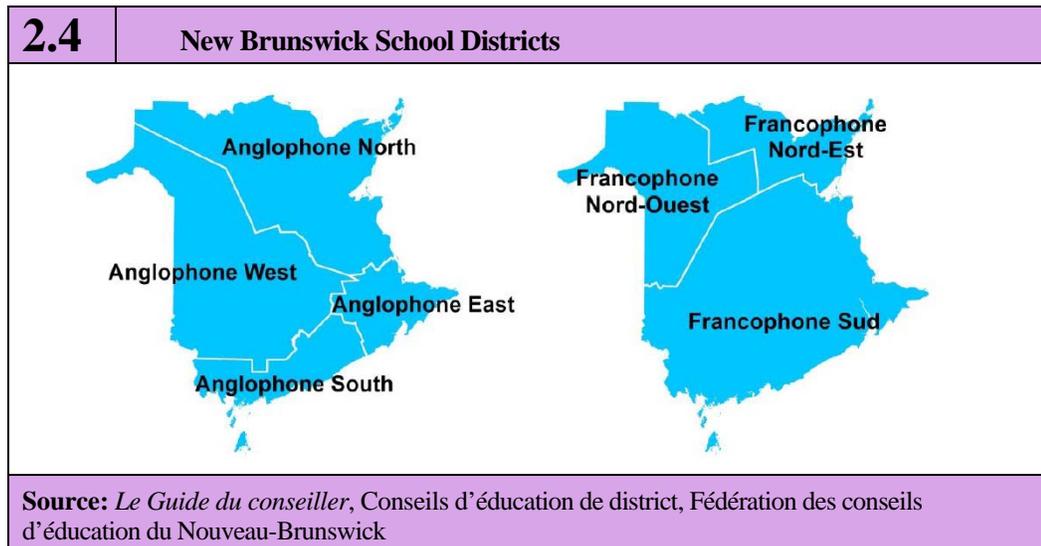
## Background

### *New Brunswick's education system*

**2.13** New Brunswick is Canada's only officially bilingual province. To strengthen the capacity of each linguistic community and safeguard its heritage, the Province has distinct institutions where cultural, educational and social activities take place. Schools are an example. At the Federal level, Section 23 of the *Canadian Charter of Rights and Freedom* safeguards minority language educational rights.<sup>3</sup> New Brunswick's education system is based on the principle of linguistic duality. Since the 1970's, the provincial education system has been comprised of the Anglophone and Francophone sectors.

**2.14** In 2016-2017, the education system served nearly 98,000 students, 70% in the Anglophone sector and 30% in the Francophone sector. **Exhibit 2.4** shows the school districts for each sector. There are four Anglophone school districts and three Francophone school districts which provide educational services to the entire province.

Exhibit 2.4 – New Brunswick School Districts



**2.15** The two sectors have the same structure but work independently. They each have a 10-year (2016-2026) education plan, with different objectives, targets, and priorities reflecting their individual challenges. **Exhibit**

<sup>3</sup> *Mahe v. Alberta*, [1990] 1 S.C.R. 342

**2.5** shows the targets for provincial assessment results in reading, math and science for both sectors. Results on provincial assessments are the indicators used to measure progress on the Department’s objectives to improve students’ skills in reading, math and science. **Appendix II** provides general information on provincial assessments.

*Exhibit 2.5 – Targets for Student Performance on Provincial Assessments in Reading, Math and Science*

<b>2.5 Targets for Student Performance on Provincial Assessments in Reading, Math and Science</b>				
<b>Subject</b>	<b>Anglophone Sector’s Target for % of Students Passing (Note 2)</b>		<b>Francophone Sector’s Target for % of Students Passing (Note 3)</b>	
<b>Reading</b>	Grade 2	90%	Grade 2 & 3	90%
	Grade 4 & 6	90%	Grade 4 & 7	85%
	Grade 9	90% (first attempt)	Grade 11	80%
<b>Math</b>	Grade 4, 6 & 10	90%	Grade 3, 6 & 8	85%
			Grade 10	80%
<b>Science</b>	Grade 4, 6 & 10	90%	Grade 8	85%

**Notes:**

1. Targets are for 2025-2026.
2. Passing the assessment for the Anglophone assessment program is considered achieving appropriate achievement (appropriate level for grade 2 reading, and 64% for all other assessments).
3. Passing the assessment for the Francophone assessment program is considered achieving the expected level (level 3) for elementary level reading, and achieving the acceptable level (55%) for all other assessments.

**Source:** Table created by AGNB from information provided in the Department’s 2016-2026

**French immersion**

**2.16** The French immersion program adds to the complexity of operations in the Anglophone sector. In September 2016, 20% of the Province’s students were in French immersion. This is equivalent to nearly 30% of students in the Anglophone sector.

**Statistics**

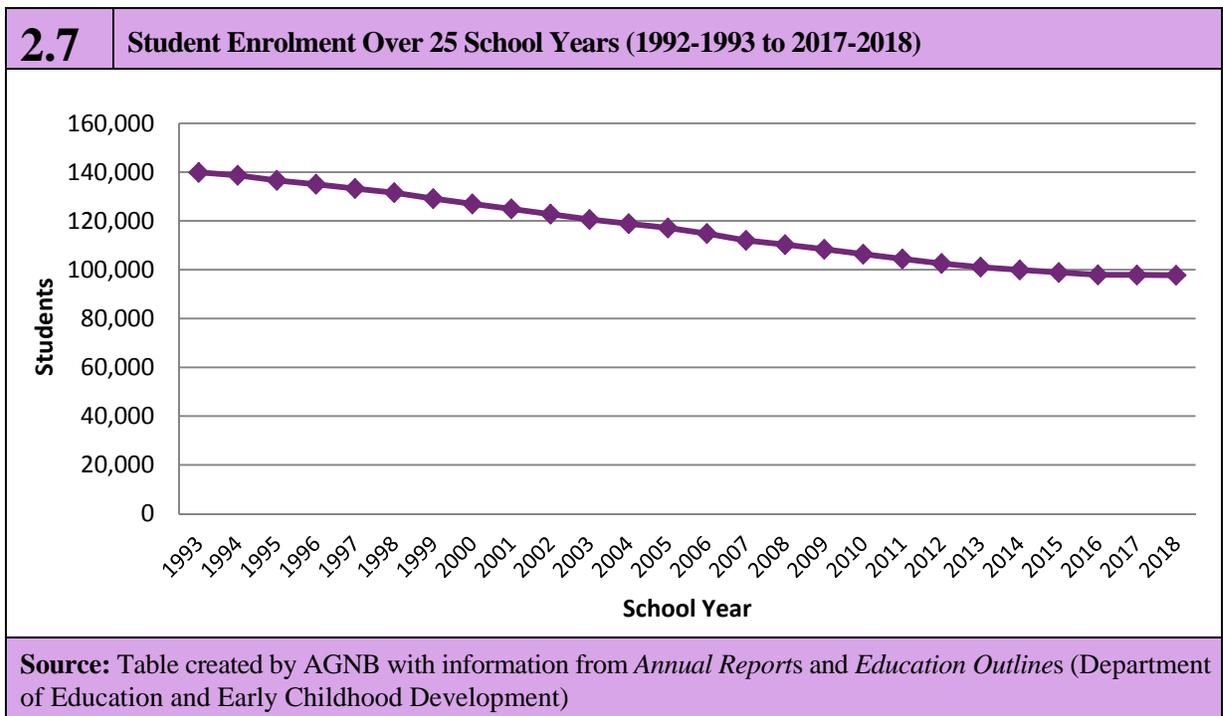
**2.17** In the 2016-2017 school year, there were approximately 98,000 students and 7,400 teachers in 302 schools. The breakdown by sector, along with other general statistics for New Brunswick’s public school education, is shown in **Exhibit 2.6**.

Exhibit 2.6 – Statistics for New Brunswick Education 2016-2017

<b>2.6 Statistics for New Brunswick Education 2016-2017</b>			
	<b>Anglophone</b>	<b>Francophone</b>	<b>Total</b>
<b>Students</b>	68,922	28,920	97,842
<b>Educators*</b> (77% female; 23% male)	5,143	2,240	7,383
<b>Schools</b>	210	92	302
<b>School districts</b>	4	3	7
<b>Student enrolment by grade</b>	Range from 7,069 (kindergarten) to 8,467 (grade 12)		
<b>Number of classes by grade</b>	Range from 361 (grade 8) to 486 (grade 1)		
<b>Average class size</b>	Kindergarten: 17.3 Grades 1 to 8: 17.8 to 22.9		
<b>Pupil: Educator* ratio</b>	13.3:1		
<b>Graduates in 2016</b>	7,268 (87%)		
<b>Dropouts in 2016</b> (grades 7-12)	569 (1.2%)		
<b>Source:</b> Excerpts from <i>Education Outline 2017</i> (Department of Education and Early Childhood Development)			
*Most recent data for educators available is for 2015-2016			

**2.18** The student population has decreased by over 30% since 1992-1993, when there were almost 140,000 students as shown in **Exhibit 2.7**.

Exhibit 2.7 – Student Enrolment Over 25 School Years (1992-1993 to 2017-2018)



**Partners in education and learning**

**2.19** Education is complex and involves many partners, including students, parents, teachers, school districts, District Education Councils, communities and government. **Appendix III** shows the key partners in education with their responsibilities.

**Three levels of administration**

**2.20** The administration of New Brunswick’s education system takes place at three levels:

- the Department of Education and Early Childhood Development (Department);
- school districts and District Education Councils; and
- schools and Parent School Support Committees.

The key roles and responsibilities of entities involved at each level are shown in **Exhibit 2.8**.

*Exhibit 2.8 – Key Roles and Responsibilities in New Brunswick’s Education System*

<b>2.8</b>	<b>Key Roles and Responsibilities in New Brunswick’s Education System</b>
<pre> graph TD     Minister[Minister] -.-&gt; DEC[District Education Council (DEC)]     Minister -.-&gt; Dept[Department of Education and Early Childhood Development]     Dept -.-&gt; Francophone[Francophone Sector]     Dept -.-&gt; Anglophone[Anglophone Sector]     DEC -.-&gt; Superintendent[Superintendent]     Superintendent -.-&gt; Principal[School Principal]     PSSC[Parent School Support Committee] -.-&gt; DEC     PSSC -.-&gt; Principal             </pre>	
<ul style="list-style-type: none"> <li>• <i>The Department of Education and Early Childhood Development sets the provincial standards and expectations for achievement.</i></li> <li>• <i>The School District is run by the Superintendent. The Superintendent assumes responsibility for all of the [District’s] employees and is the operational leader of the District.</i></li> <li>• <i>District Education Councils [DECs] ensure that the District operates effectively and efficiently and reflects community desires and needs.</i></li> <li>• <i>The School is run by the Principal who is the educational leader and administrator responsible for the school, teachers and school employees. The Principal is accountable to the Superintendent and must oversee the educational progress of students in the school.</i></li> <li>• <i>The Parent School Support Committee is involved in the improvement of [the] school. The PSSC has an important position working with both the DEC and the school to provide guidance in setting education goals and the learning environment of students.</i></li> </ul>	
<p><b>Source:</b> Chart created by AGNB with information from the Department and excerpts from <i>Parent School Support Committee Handbook</i>, September 2013 (District Education Councils)</p>	

***Cost of public school education***

**2.21** The cost of New Brunswick’s public school education is shown in **Appendix IV**. It shows that education accounts for over 15% of total government expenditures. In 2017-2018, the cost of operating the school districts was over \$1 billion.

***The cost per student has increased by 25% in the last 10 years***

**2.22** Both the cost of school district operations and the cost per student have increased significantly over the last 10 years. **Exhibit 2.9** shows the following:

- The cost of school district operations has increased by 13% during the past 10 years. However, the student population has decreased consistently over the same time period, dropping by 10%.
- The cost per student has increased significantly over the last 10 years. Since 2009, the cost per student rose from \$8,681 to \$10,837, an increase of 25%.

Exhibit 2.9 – School District Cost of Operations per Student over 10 Years

<b>2.9 School District Cost of Operations per Student over 10 Years</b>			
<b>Year</b>	<b>School District Cost of Operations (\$ million)</b>	<b>Student Enrolment</b>	<b>Cost per Student (\$)</b>
2018	\$1,059	97,755	\$10,837
2017	1,040	97,842	10,625
2016	1,017	97,912	10,384
2015	1,040	98,906	10,519
2014	1,009	99,921	10,099
2013	990	101,079	9,801
2012	984	102,579	9,602
2011	974	104,421	9,328
2010	952	106,394	8,955
2009	941	108,407	8,681

### Cost Per Student over 10 Years

Year	Cost per Student (\$)
2009	8,681
2010	8,955
2011	9,328
2012	9,602
2013	9,801
2014	10,099
2015	10,519
2016	10,384
2017	10,625
2018	10,837

### Student Enrolment over 10 Years

Year	Students
2009	108,407
2010	106,394
2011	104,421
2012	102,579
2013	101,079
2014	99,921
2015	98,906
2016	97,912
2017	97,842
2018	97,755

**Source:** Tables created by AGNB with information from *Education Outlines*, Department of Education and Early Childhood Development  
**Note:** Numbers have not been adjusted for inflation.

## Audit Scope and Approach

*Our audit included both the Anglophone and Francophone sectors*

**2.23** Our audit covered both the Anglophone and Francophone education sectors within the Department of Education and Early Childhood Development, and included all seven school districts. We visited three school districts (Anglophone South, Anglophone West and Francophone Sud), which together represent over 60% of all students. Our audit focused on the 2015-2016 and 2016-2017 school years.

**2.24** Our audit approach involved interviews, documentation review and analysis. Our audit procedures included:

- interviews with selected staff from the Department and the school districts (superintendents, principals, chairpersons of District Education Councils, etc.);
- review of documentation provided by the Department and districts; and
- analysis and corroboration of observations and findings.

Further details of our audit work are shown in **Appendix V**.

**2.25** Our audit was performed in accordance with Canadian Standard for Assurance Engagements CSAE 3001 established by the Chartered Professional Accountants of Canada. Accordingly, we carried out such tests and other procedures as we considered necessary in the circumstances. Other information about the audit can be found in **Appendix VI**.

**2.26** We developed criteria to use as the basis for our audit, which are shown in **Appendix VII**. The criteria were reviewed and agreed upon by the Department.

## **Key Finding: ✓ Planning, monitoring and reporting are done regularly by the Department.**

- Why this is important*
- 2.27** Planning contributes to efficiently using resources to meet objectives and targets. Monitoring ensures services are delivered consistently and conform to laws, quality standards, policies and procedures. Reporting contributes to accountability by holding someone responsible for the use of resources and the success of a program or service.
- ✓ The Department has a 10-year education plan for each sector with annual implementation plans*
- 2.28** The Department has a 2016-2026 education plan for each sector and prepares annual implementation plans supporting the 10-year education plans. Various school district and Department staff meet regularly regarding implementing the provincial plans and ongoing initiatives and operations.
- ✓ The Department monitors student performance in several ways*
- 2.29** The Department's priorities, for the first two years of the current 10-year provincial education plans, were reading and math improvement in kindergarten to grade 2 for the Anglophone sector, and literacy and career and life readiness for the Francophone sector. Regular monitoring of student performance by the Department includes the following:
- The school districts submit quarterly performance reports on implementation initiatives, including those relating to student performance. The reports are reviewed by Department staff and discussed with the districts.
  - Provincial assessments are administered yearly in reading, math and science at set grades according to an annual schedule. More information on provincial assessments is in **Appendix II**.
  - New Brunswick students participate in both national and international testing. The Department coordinates this testing and reviews the results. More information on these tests is in **Appendices VIII and IX**.
  - Both sectors conduct student and teacher surveys to collect information on various performance indicators such as career readiness and teaching practices.
- ✓ The Department publicly reports on student performance in several ways*
- 2.30** Reports relating to student performance available on the Department's website include:
- ✓ Student performance on provincial assessments;
  - ✓ The Department's annual report (which has a section on



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**Key Finding: ✘ Student performance on provincial assessments in reading, math and science is significantly below targets.****Why this is important**

**2.37** “School success has a significant impact on quality of life and economic well-being.”<sup>4</sup> Provincial assessments provide data to inform policy and programming. The assessments allow the Department to report on how well students have achieved provincial standards at given points in their schooling, and assist schools, districts, and the Province in monitoring student learning. Assessment information helps in making decisions for improving student performance. More information on provincial assessments is in **Appendix II**.

**✘ Targets in reading, math and science have never been met in 15 years**

**2.38** There have been targets for provincial assessment results in reading, math and science for 15 years. None of the targets have been met.

**2.39** The new provincial education plans were implemented in the 2016-2017 school year. The plans have provincial assessment targets for 2025-2026.

**2.40** Exhibits 2.10 and 2.11 show actual results compared to targets for provincial assessments for the school year 2016-2017 for the Anglophone and Francophone sectors respectively. The exhibits show student performance was below targets.

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<sup>4</sup> Provincial Education Plan 2013-2016, Department of Education and Early Childhood Development

Exhibit 2.10 – Student Performance on 2016-2017 Provincial Assessments – Anglophone Sector

<b>2.10 Student Performance on 2016-2017 Provincial Assessments – Anglophone Sector</b>			
<b>Assessment</b>	<b>% of Students Who Passed Assessment*</b>		<b>Performance Gap</b>
	<b>Department's Target</b>	<b>Actual Results</b>	
Grade 2 Reading	90%	76%	14%
Grade 6 Reading	90%	62%	28%
Grade 9 English Language Proficiency	90%	81%	9%
Grade 6 Math	90%	38%	52%
Grade 6 Science	90%	32%	58%
* Passing rate is considered appropriate achievement (appropriate level for grade 2 reading, and a mark of 64% for all other assessments).			
<b>Source:</b> Table created by AGNB from information provided by the Department			

**2.41** Exhibit 2.10 shows mixed results for Anglophone students on 2016-2017 reading assessments. Only 62% of grade 6 students achieved the appropriate level or higher, while 81% of grade 9 students achieved the appropriate level or higher. Anglophone students performed poorly in math and science assessments at grade 6. Only 32% of students achieved the appropriate level or higher in science, 58 percentage points below the target of 90%. In math, student performance was 52 percentage points short of the target.

Exhibit 2.11 – Student Performance on 2016-2017 Provincial Assessments – Francophone Sector

<b>2.11 Student Performance on 2016-2017 Provincial Assessments – Francophone Sector</b>			
Assessment	% of Students Who Passed Assessment*		Performance Gap
	Department's Target	Actual Results	
Grade 2 Reading	90%	77%	13%
Grade 4 Reading	90%	63%	27%
Grade 8 Reading & Writing	85%	71%	14%
Grade 11 Reading & Writing	80%	57%	23%
Grade 3 Math	85%	82%	3%
Grade 6 Math	85%	63%	22%
Grade 8 Math	85%	75%	10%
Grade 10 Math	80%	55% (stream A**)	25%
		71% (stream BC**)	9%
Grade 8 Science	85%	77%	8%

\* Passing rate is considered achieving the expected level (level 3) for elementary level reading, and the acceptable level (a mark of 55%) for all other assessments.

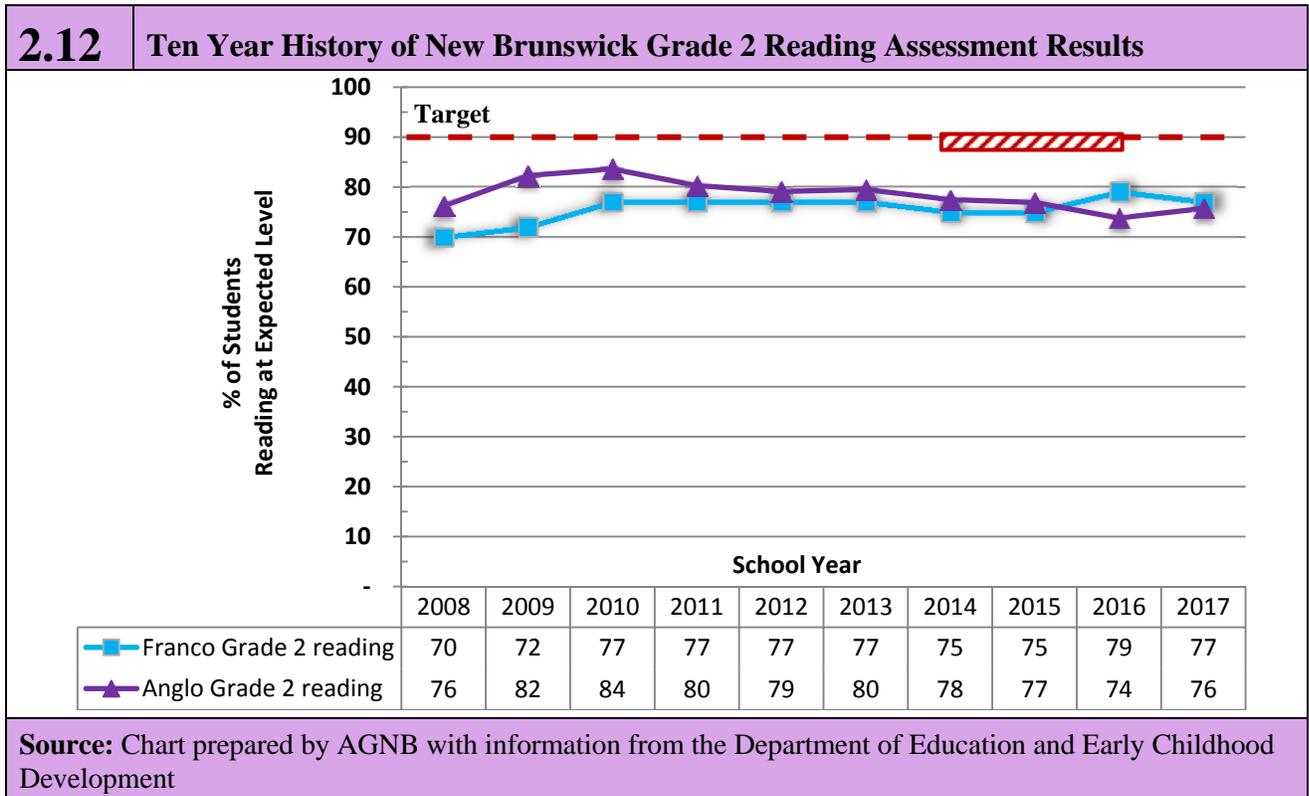
\*\*Stream A is designed for students who wish to pursue post-secondary education where practical math is necessary (example: arts, carpentry) or who will enter the workforce directly; stream BC is designed for students who wish to pursue post-secondary education where theoretical or applied math is necessary.

**Source:** Table created by AGNB from information provided by the Department.

**2.42** Exhibit 2.11 shows on reading and writing assessments, only 57% of grade 11 students achieved the acceptable level or higher, while 71% of grade 8 students achieved the acceptable level or higher. Students performed relatively well on the grade 3 math assessment, with 82% reaching the acceptable level. However, poor performance in the Francophone sector is observed in math assessments at grade 6 and 10. At grade 6, 63% of students achieved the acceptable level or higher, 22 percentage points below the target of 85%. At grade 10, only 55% of students in stream A achieved the acceptable level or above, compared to a target of 80%.

**2.43** Exhibit 2.12 shows the grade 2 reading assessment results over ten years in the Anglophone and Francophone sectors. The target of 90% of students reading at the expected level or above was set 15 years ago, in 2002-2003 with a slight change in the francophone sector for three years. It has never been met.

Exhibit 2.12 – Ten Year History of New Brunswick Grade 2 Reading Assessment Results



**2.44** While the two sectors have consistently assessed reading at grade 2, a key assessment point, they have assessed math and science at different grade levels over the years. **Appendices XI and XII** show results for elementary level provincial assessments over the last ten years for the Anglophone and Francophone sectors respectively. Student performance on provincial assessments in reading, math and science has not met targets.

*• We were challenged to determine what is being done to address unmet targets*

**2.45** We expected the Department and school districts would have a process to identify and address the root causes of poor student performance in reading, math and science. While we noted the Francophone sector provides more detailed assessment results that can be analyzed at the classroom level, in some cases we were challenged to determine what is being done to address unmet targets in both sectors.

**2.46** However, we recognize the education system is complex and overwhelmed with many challenges. Many are noted in this report. A concerted effort by multiple departments and stakeholders will be needed to address these challenges.

***Recommendation***

**2.47** We recommend the Department of Education and Early Childhood Development, in collaboration with the school districts, analyze results of provincial assessments to identify root causes of poor performance and take corrective action to improve student performance in reading, math and science.

## **Key Finding: ✕ New Brunswick's education system suffers from a lack of stability.**

### ***Why this is important***

**2.48** It is difficult for schools and school districts to operate effectively in a constantly changing environment. Many interviewees (both in the Department and the school districts) informed us the instability causes much frustration that wears on our education system. Constant change was reported to us as a significant challenge to achieving the provincial targets in reading, math and science as it takes focus away from educating students.

### ***✕ Frequent changes disrupt the education system***

**2.49** As demonstrated by the timeline in **Exhibit 2.14**, New Brunswick's education system has undergone significant changes in recent years. The events commonly reported to us for disrupting the education system were: changing provincial education plans (which changes the priorities for the districts), changes to the French immersion program in the Anglophone sector, and the amalgamation of 14 districts into seven in 2012.

**2.50** Frequent changes in priorities take focus away from educating students. Interviewees reported that successive governments have introduced different priorities such as literacy and changes to the French immersion program.

### ***✕ There have been 5 different provincial education plans in 15 years***

**2.51** The Province adopted a number of different education plans over the last 15 years. The first 10-year education plan was for 2002-2012. Since then, there have been four other provincial education plans, as shown in **Exhibit 2.14**. While the 2002-2012 education plan was intended to be in place until 2012, two other plans were developed during its time frame. Further, while the plan for 2010-2013 was not fully implemented because of a change in government in September 2010, it consumed time and resources to develop the plan and prepare for its implementation.

**2.52** Changing the provincial plan impacts education. A student starting school in September 2004 would have experienced five education strategies, each with different priorities, by the time they graduated.

### ***• The French immersion program adds to the complexity of operations in the Anglophone sector***

**2.53** The French immersion program exists only in the Anglophone sector and adds to the complexity of operations in the sector. (There is no comparable program in the Francophone sector.)

*✘ French immersion changes create instability in the Anglophone sector*

*✘ Rushed implementation of the 2017 change to the French immersion entry point disrupted operations in Anglophone sector*

**2.54** The entry point to the French immersion program has changed repeatedly. Each change to the program disrupts all levels of operation in the Anglophone sector. There have been three major changes to the program in the last 10 years. A prominent example is the change to the program's entry point announced in 2016 and implemented in 2017.

**2.55** Although the change to the entry point for the French immersion program from grade 3 to grade 1 was supported by a task force recommendation in 2012, it was announced in 2016 to fulfil a political platform promise made in the 2014 provincial elections. Its implementation in 2017 was reported as being a major challenge for the following reasons:

- There was not adequate implementation time. The change was announced in September 2016 to be operating in the following school year starting in September 2017.
- As a result, French immersion teachers who do not have the required language skill level were hired, which is non-compliant with the Department's policy.
- Although the change was not part of the new 10-year provincial education plan, it was implemented concurrently with the plan.

**2.56** This change disrupted all levels of operations in the Anglophone sector. It meant more French immersion teachers were needed. With only one year to implement, the labour market could not meet the demand. As a result, teachers who lacked the language skills required by Department policy were hired. All four superintendents in the Anglophone sector informed us their school district was not in full compliance with this policy. This may have a negative impact on the quality of the program and student performance.

**2.57** Due to recurring changes to French language programs in the Anglophone sector, there were seven cohorts in the Anglophone sector during the school year 2017-2018, as shown in **Exhibit 2.13**. (A cohort is a group of students sharing the same education path through the grade levels.) Schools and principals have to manage the administrative burden of preparing classes and hiring teachers for different groups of students that have entered the French immersion program at different points.

Exhibit 2.13 – Cohorts in the School Year 2017–2018 (Anglophone Sector)

2.13 Cohorts in the School Year 2017–2018 (Anglophone Sector)	
Cohort	Program Timeline
1 French Immersion – Grade 1 Entry (former program)	2007: Last year Grade 1 is offered; phased out in every grade thereafter June 2019: Last cohort to graduate from old program
2 French Immersion – Grade 3 Entry	2010: First year of implementation June 2028: Last cohort to graduate
3 French Immersion – Grade 6 Entry	1994: Policy 309 moves Late FI entry point to Grade 6
4 French Immersion – Grade 1 Entry (new program) (new curriculum 2017)	2017: First year of implementation June 2029: First cohort to graduate
5 Core French	2015: Last cohort to graduate from nearly all schools. Some small schools continued for one or two additional years with the program. By 2017-18 all students who had Core French should be out of the system.
6 Intensive French (IF) without Pre-Intensive French (PIF)	2008: First year of official provincial implementation of Grade 5 IF program (pilots started in 2002). Students in Grade 5 in 2008, 2009 and pilot schools prior to 2008 experienced IF without PIF June 2016: First full cohort to graduate
7 Intensive French with Pre-Intensive French	2009: First year of official provincial implementation of pre-Intensive French

**Source:** Table prepared by AGNB with information provided by the Department of Education and Early Childhood Development

**Recommendations**

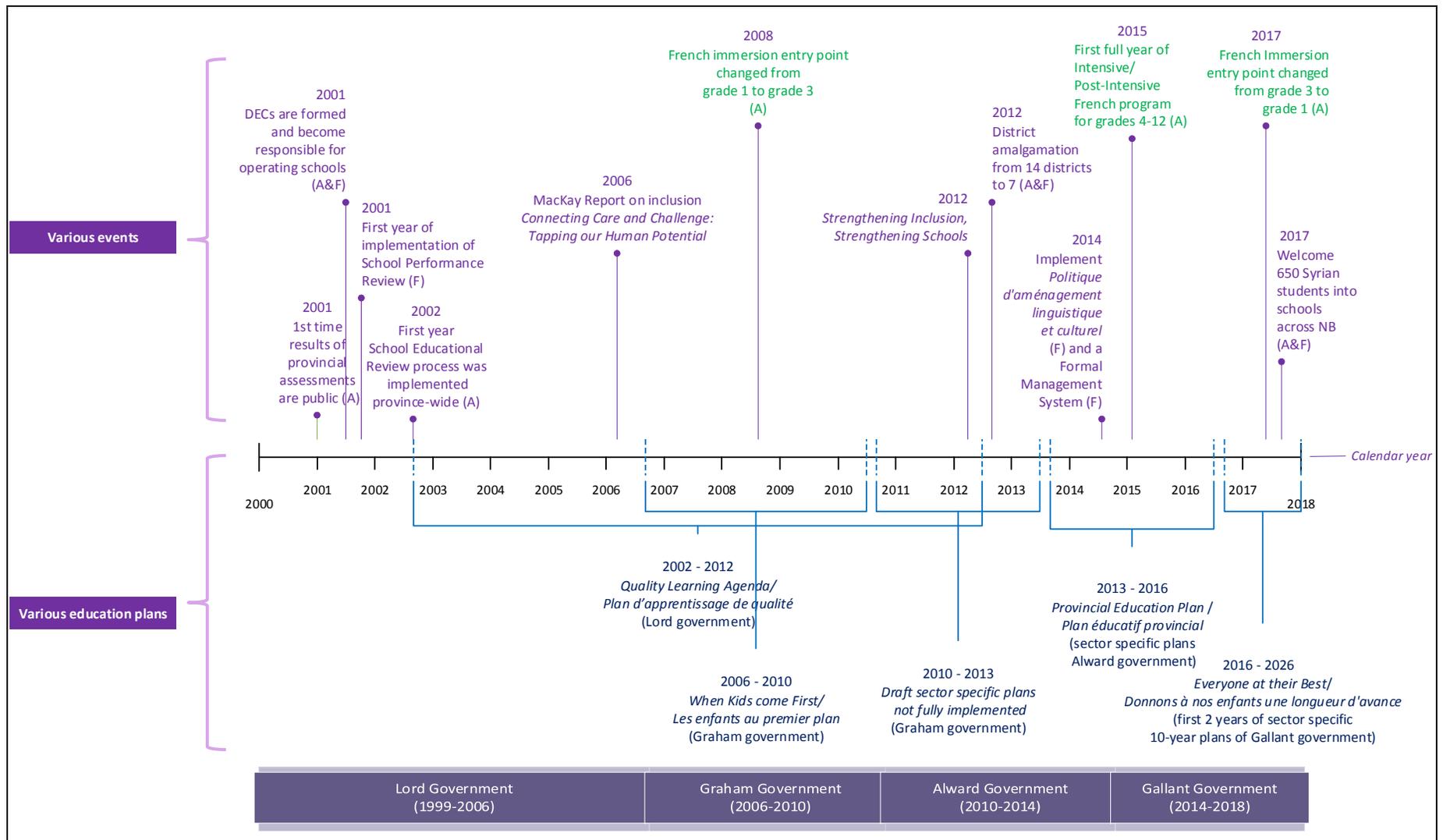
**2.58 We recommend the Department of Education and Early Childhood Development maintain the current 10-year provincial education plans until they expire in 2026, to allow the education system to stabilize and allow for evaluation of progress. Any adjustments to the plans should be collaborative.**

**2.59 We recommend the Department of Education and Early Childhood Development, prior to implementing major changes that impact student performance, including changes to the French immersion program, prepare a detailed implementation plan with:**

- a realistic time schedule;
- consideration of all supports that need to be in place for the change to be successful, such as human resources, curricula, teacher training, tools and methodologies;
- adequate funding; and
- a comprehensive risk assessment of the change's

**impact on operations and other ongoing initiatives at department, school district and school levels as well as risk mitigation strategies.**

Exhibit 2.14 – Timeline of Major Events in the New Brunswick Education System



**Source:** Timeline prepared by AGNB with information provided by the Department

**Note:** A = Anglophone sector, F = Francophone sector

## **Key Finding: ✕ The school districts reported challenges to meeting the targets.**

### ***Why this is important***

**2.60** Identifying the challenges to meeting the targets is a prerequisite to taking corrective actions to improve student performance. While interviewees agreed the provincial targets for reading, math and science were reasonable; they provided many challenges to achieving them, including cyberbullying, substance abuse, mental health issues, and other issues detailed below.

### ***✕ New Brunswick's socioeconomic situation has unaddressed needs***

**2.61** Poverty, adult illiteracy and other socioeconomic issues exist in our Province. Such challenges add to the complexity of the education process and ultimately affect student performance. For example, educators indicated they often need to deal with students who arrive at school hungry, without proper clothing, and late. Interviewees revealed often teachers must focus on these basic needs before they can focus on teaching. Teachers need help. More collaboration with other departments and local communities is required to address basic needs to ensure teachers' efforts are devoted to student learning.

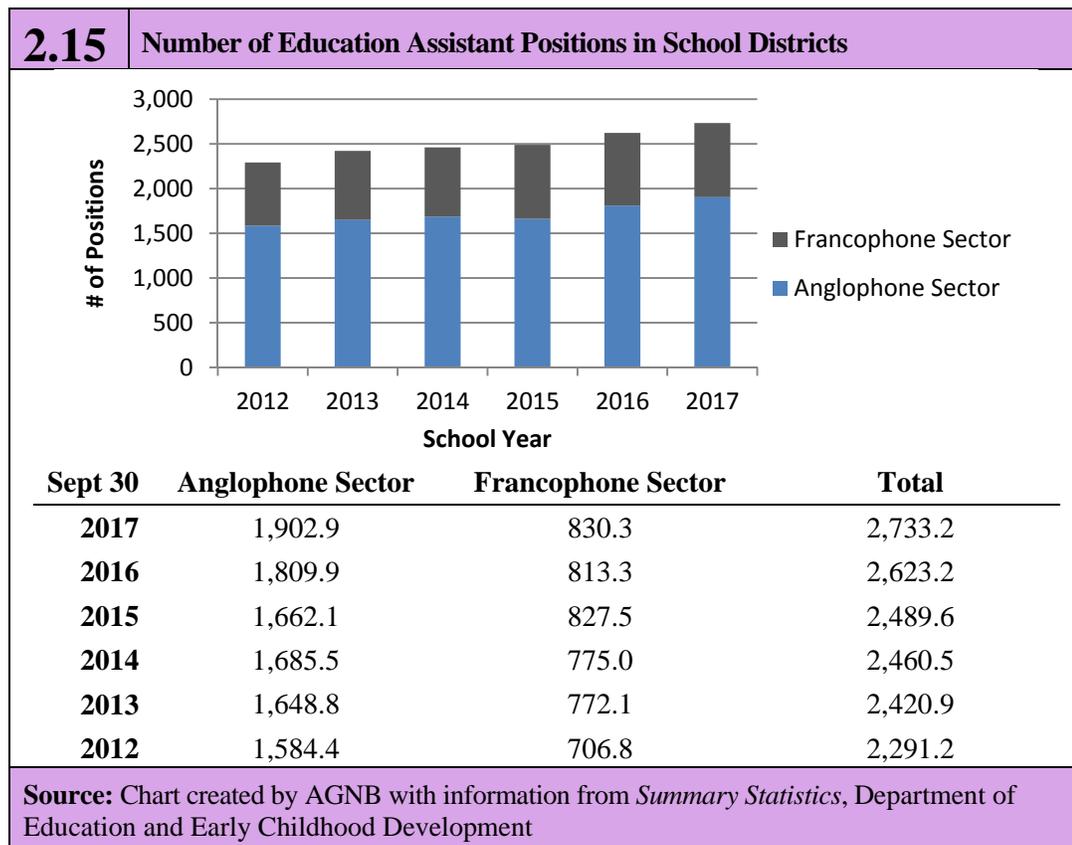
### ***✕ Our inclusive education system has unaddressed needs***

**2.62** School districts reported challenges associated with the Province's inclusive education system. We were informed during our interviews that the complexity and diversity of student needs and behaviours exceed teachers' professional training. This puts strain on teachers' time and abilities, which impacts the performance of all learners.

**2.63** The Department provides a global budget to each school district, calculated using a funding model. Educational assistant positions are one of the cost drivers in the model. Four school district superintendents informed us there was a gap between the number of educational assistants allocated in the Department's funding model and the actual number present in the school district. (Educational assistants have a vital role in helping students learn in an inclusive, safe and supportive environment.) One district informed us that 86 of their 717 (12%) educational assistants in the 2017-2018 school year were over the number allocated by the Department. Another district informed us that 41 of their 272 (15%) educational assistants were over their allocation. The school districts had to fund these positions from unspent areas of their budgets, such as special projects, transportation and minor repairs.

**2.64** The Department informed us it is aware of the funding gap and provided several explanations. For example, the funding calculation for educational assistants is based on historical information. While additional funding has been provided, the growing need, caused in part by earlier identification of students’ needs, has outpaced the budget allocated to school districts. As shown in **Exhibit 2.15**, the total number of education assistant positions has increased by 19% in the last five years.

Exhibit 2.15 – Number of Education Assistant Positions in School Districts



*✗ The Department does not monitor student absences*

**2.65** When students miss school, they miss the learning opportunity. “Chronic student absenteeism” is defined as “missing 10% or more of the available school days”.<sup>5</sup> Research indicates it is the point where missing school will affect a child academically. We found chronic student absenteeism is present in at least one district, as shown in

<sup>5</sup> ASD-S Report Card for 2016-2017, Anglophone South School District

**Exhibit 2.16.** We were informed the Department does not monitor student absences. This is because schools measure and enter absence data in the system inconsistently. The data is not comparable therefore not usable for overall monitoring.

*Exhibit 2.16 – Example of Chronic Student Absenteeism at One District*

<b>2.16</b>	<b>Example of Chronic Student Absenteeism at One District</b>										
<table border="1"> <thead> <tr> <th>School Type</th> <th>Absence Rate</th> </tr> </thead> <tbody> <tr> <td>k-2</td> <td>13%</td> </tr> <tr> <td>k-5</td> <td>13%</td> </tr> <tr> <td>6-8</td> <td>15%</td> </tr> <tr> <td>9-12</td> <td>27%</td> </tr> </tbody> </table>		School Type	Absence Rate	k-2	13%	k-5	13%	6-8	15%	9-12	27%
School Type	Absence Rate										
k-2	13%										
k-5	13%										
6-8	15%										
9-12	27%										
<p><b>Source:</b> Data on one school district’s student absences provided by Department of Education and Early Childhood Development</p>											

**Recommendation**

**2.66 We recommend the Department of Education and Early Childhood Development work with school districts, other departments and community-based organizations where applicable to:**

- **identify and address the challenges to achieving the provincial targets for reading, math and science;**
- **present to government options to address the challenges;**
- **develop standards for student absence tracking and measurement to better monitor student attendance; and**
- **take corrective action to improve student attendance.**

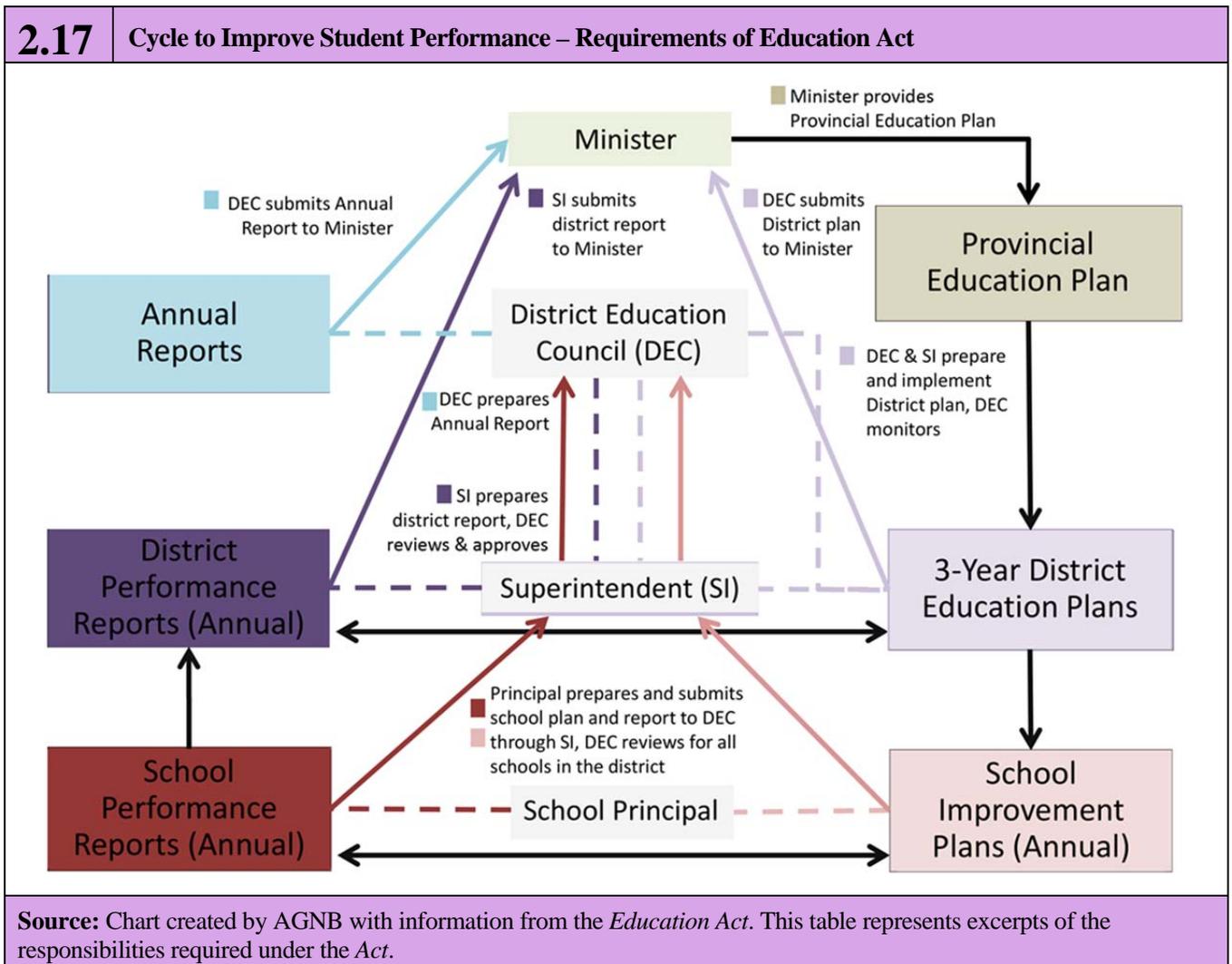
**Key Finding: × The planning, monitoring and reporting cycle to improve student performance is not operating as intended.**

**Why this is important**

**2.67** The *Education Act* states planning, monitoring and reporting requirements for principals, superintendents, District Education Councils (DECs) and the Minister. Planning contributes to efficiently using the Department’s resources to meet education objectives and targets; the Act requires a plan at each of the three levels: a provincial education plan, district education plans and school improvement plans. Monitoring ensures education services are delivered according to set laws, policies and plans. Reporting contributes to accountability by holding someone responsible for meeting performance targets.

**2.68** Exhibit 2.17 shows the complex cycle to improve student performance as stipulated in the *Education Act*.

Exhibit 2.17 – Cycle to Improve Student Performance – Requirements of Education Act



**✘ Not all schools prepare a school improvement plan as required by the Education Act**

**2.69** “The School Improvement Plan is a tool used by schools to ensure there is continuous, incremental improvement in the learning of all students over time.”<sup>6</sup> It indicates the school’s targeted areas for improvement, along with measures, objectives and actions. Every school is required by the *Education Act* to have a school improvement plan. The DEC is required to review the improvement plan for each of the schools in the district.

**2.70** We found not all schools prepare a school improvement plan as required. In one Anglophone district, we found five schools did not have an improvement plan in January 2018 for the 2017-2018 school year. These five schools were responsible for educating 19% of the district’s students. The district’s two largest schools still did not have a plan by April 2018, two months before the end of the school year.

**2.71** We found school improvement plans are not adequately monitored in three Anglophone school districts. These school districts could not provide documentation showing that all school improvement plans had been reviewed. Without adequate monitoring, there is no assurance all schools plan adequately to improve student performance. We found Francophone school districts had improved in this area in recent years and had implemented monitoring tools to help in tracking improvement plans.

**✘ Most schools do not have a school performance report as required by the Act**

**2.72** The *Education Act* requires each school prepare a performance report however does not specify the content of these reports. We expected the reports would indicate how the school performed in relation to the previous year’s goals in its improvement plan. We found most schools do not prepare a school performance report.

**✘ School districts do not plan, monitor and report as required by the Act**

**2.73** We found, during our audit period:

- 4 of 7 school districts’ education plans (in both sectors) did not have the required contents, for example, objectives and a work plan. Two plans did not use provincial assessment results as performance indicators.
- District Education Councils in both sectors do not review school improvement plans and school performance reports.

<sup>6</sup> District Education Councils, *Parent School Support Committee Handbook*, September 2013

Two DEC chairs informed us it was not reasonable to do so because of the size of the amalgamated school districts. (These school districts each have approximately 70 schools.) In some districts, a summary of the school reports is provided to the DEC.

- School districts in both sectors could not provide evidence they submitted education plans, performance reports and annual reports to the Minister each year.
- Most school districts did not have a performance report.

**✘ *The Minister does not hold the school districts accountable as required by the Act***

**2.74** Specific reporting requirements, to ensure accountability, are specified in the *Education Act* (see **Exhibit 2.17**). The DECs are accountable to the Minister. Each DEC must submit a district education plan and a report on student performance each year to the Minister. The Minister must meet with the DEC chairs and superintendents at least twice each year. These requirements are a means of holding the DEC accountable for student performance. We found the Department does not have processes to track, receive, review and take action in regards to district reports. The Minister does not enforce the Act by ensuring he receives the following:

- 3-year district education plan from each DEC by July 1<sup>st</sup> each year;
- District performance report prepared by each superintendent each year; and
- Annual report explaining educational performance for the previous school year from each DEC.

**2.75** Three Anglophone DECs do not have a student member. The *Education Act* states that the Minister will appoint a student living in the school district as a councilor to each DEC. While each of the three Francophone DECs has a student member, only one of the four Anglophone DECs reported having a student member. (We were informed the Francophone student federation facilitates the election of student DEC members; there is no student federation in the Anglophone sector.)

**• *Interviewees reported the Act may be outdated***

**2.76** When discussing cases where the requirements were not met, interviewees stated the Act requirements may be outdated and may not reflect current practices.

**✘ *DECs' performance is not evaluated***

**2.77** Conducting annual board evaluations and member peer assessments is a best practice of a Board of Directors. We found the DECs' performance is not evaluated. We believe each DEC's performance should be evaluated, as their role includes setting direction, developing policies and ensuring the

school district is meeting its goals, risks are being managed, and district resources are being used responsibly.

**2.78** These deficiencies increase the risk that school districts and schools will fail to implement the provincial education plans and will be unable to assess progress and take appropriate corrective actions to improve student performance.

### *Recommendations*

**2.79** We recommend the Department of Education and Early Childhood Development, in consultation with school districts, review the *Education Act* in light of the current operating environment to ensure expectations are clear, relevant and realistic.

**2.80** We recommend the Department of Education and Early Childhood Development track, receive, review and take action on school district plans and reports, and hold all parties accountable as required by the *Education Act*.

**2.81** We recommend the Department of Education and Early Childhood Development, in collaboration with the school districts:

- ensure school improvement plans are prepared and reviewed annually as required by the *Education Act*,
- demonstrate school improvement plans align with the provincial education plan, and
- monitor the extent to which school improvement goals are being met.

**2.82** We recommend the Department of Education and Early Childhood Development, in collaboration with the District Education Councils, ensure District Education Councils self-evaluate their performance annually.

## **Key Finding: ✘ School districts do not make sure all teachers have regular performance reviews.**

- Why this is important**      **2.83**      “Learners are not at their best unless educators are at their best.”<sup>7</sup> Regular staff performance reviews contribute towards professional growth and the delivery of quality services. Principals are required (by the *Education Act*) to evaluate the performance of all school personnel. The Act also requires superintendents ensure performance reviews are done.
- ✘ The school districts do not monitor to ensure all teachers have regular performance reviews**      **2.84**      While each of the school districts we visited has a policy requiring the evaluation of teachers with stated frequencies, we found school districts in both sectors do not monitor to ensure all teachers have regular performance reviews.
- ✘ The lack of teacher performance reviews can go undetected by school districts for 20 years**      **2.85**      For example, in one school district, a formal performance review is required every five years at a minimum for teachers with a permanent contract. We selected a school at random in this district for testing, and we found one teacher had not received a performance review for over twenty years. Another teacher in the school was last evaluated in 2007, over ten years ago. Three other teachers had not received a performance review in over five years.
- ✘ Only 65% of teachers in the Anglophone sector reported receiving helpful feedback**      **2.86**      The Department conducts an annual school improvement survey of teachers in the Anglophone sector. In 2016-2017:
- 65% of teachers agreed with the following statement in the survey, “*School leaders provide helpful feedback to assist me to improve my practice and to reinforce my strengths.*”
  - 16% of teachers disagreed; and
  - 19% of teachers neither agreed nor disagreed.
- The Francophone districts each conduct a separate survey of teachers with results aggregated at the district level.

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<sup>7</sup> Excerpt from *10-year education plan – Everyone at their best (Anglophone sector)*, August 2016

***Recommendation***

**2.87 We recommend the Department of Education and Early Childhood Development develop standards for teacher performance and provide tools to support the school districts in:**

- **evaluating staff performance regularly as required by the *Education Act*; and**
- **taking action to improve staff performance where needed.**

## **Key Finding: ✕ Constantly changing provincial student assessment programs impair usefulness of results.**

### ***Why this is important***

**2.88** The Department administers provincial assessments to gather the information needed to make programming and policy decisions. Over time, this information “*helps to identify trends and develop strategies for improved learning*”.<sup>8</sup>

### ***✕ The provincial assessment programs lack stability***

**2.89** While we found this was more prevalent in the Anglophone sector, we found subjects and grades of provincial assessment frequently change in both sectors. Only two Anglophone assessments (grade 2 and 9 reading) and three Francophone assessments (grade 2 reading, grade 8 math and grade 11 reading and writing) have remained stable since 2005. Changing the grade level at which a subject is assessed prevents further trend analysis, as consistent data is lost.

**2.90** As an example, while the Anglophone sector has had a target for student performance in science since 2002-2003, provincial testing in science has been sporadic:

- 2003 through 2008 – none
- 2009 & 2010 – grade 6
- 2011 through 2015 – none
- 2016 & 2017 – grade 6
- expected at grade 10 in 2018

This is also demonstrated in **Appendices XI and XII**.

### ***Recommendation***

**2.91** We recommend the Department of Education and Early Childhood Development stabilize the provincial assessment programs to allow for trend analysis of student performance results for decision making.

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<sup>8</sup> Department of Education and Early Childhood Development website, *Provincial Assessments (brochure)*

**Key Finding: ✓ Most New Brunswick students meet expectations on national tests and rank comparatively high on international tests.**

**Why this is important** **2.92** Measuring New Brunswick student performance against national and international standards provides useful insight into how well New Brunswick compares nationally and internationally and which areas require further improvement.

**2.93** “It is imperative that New Brunswick students be competitive on national and international levels in reading, mathematics and scientific literacy. These areas are recognized globally as the essential skill areas as evidenced by the Pan-Canadian Assessment Program (PCAP) and the Programme for International Student Assessment (PISA).”<sup>9</sup>



**2.94** On the Canadian level, results from the PCAP test help inform how well provincial education systems are meeting the needs of students. The nature and random sampling of the tests are not to measure individual student achievement, but provide provinces with a basis for examining their curriculum and improving their assessment tools. General information on the Pan-Canadian assessment Program (PCAP) is provided in **Appendix VIII**.

✓ **Most New Brunswick students met the expected performance level on the 2016 pan-Canadian reading test**

✗ **New Brunswick’s mean score in reading was one of the lowest in the country on the 2016 pan-Canadian reading test**

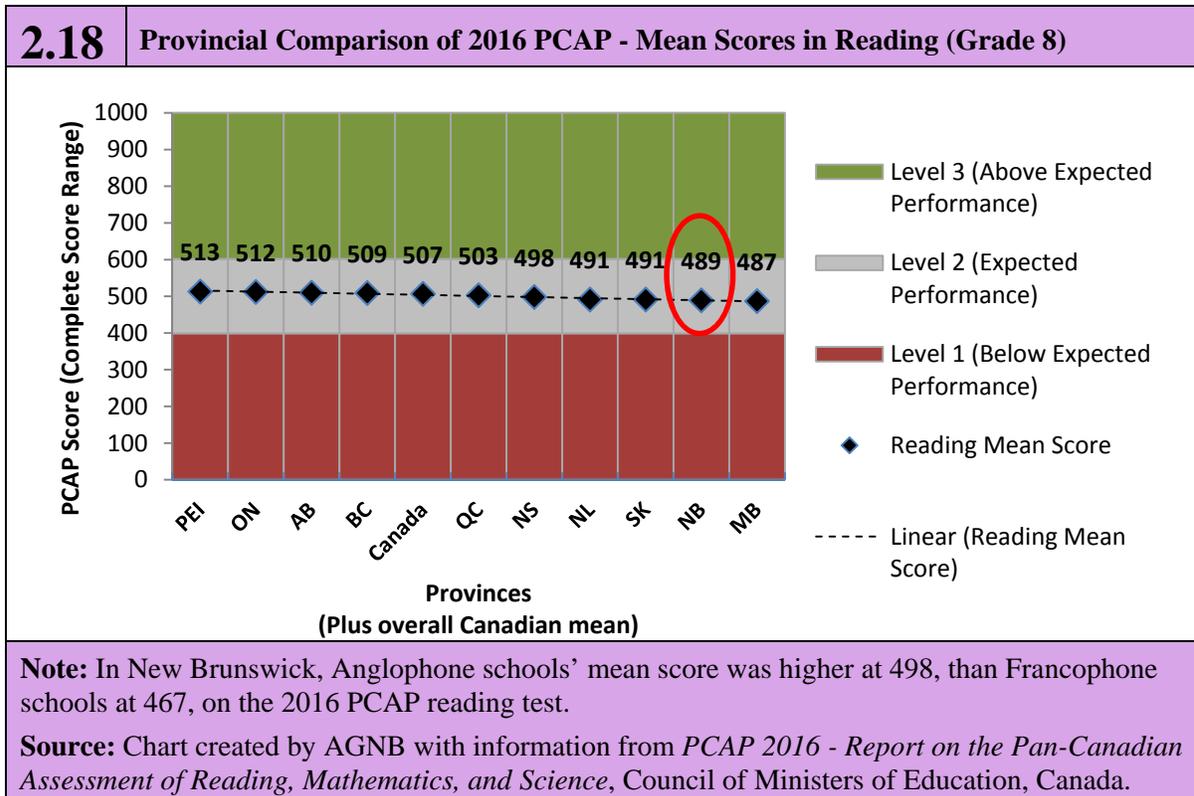
**2.95** The most recent results from PCAP are from 2016, when reading was the primary focus. Based on pan-Canadian curriculum expectations in reading, the expected level of performance or baseline level of reading proficiency for Grade 8 students is “Level 2”.<sup>10</sup>

**2.96** **Exhibit 2.18** shows the PCAP 2016 mean scores in reading for Canada and its provinces. New Brunswick’s mean score in reading was one of the lowest of the country. However, every provincial mean score, (including New Brunswick’s) was well within the expected “Level 2” performance range. The majority of New Brunswick students (82%) performed at the expected level or above (level 2 and level 3).

<sup>9</sup> Document obtained from the Department, *Realignment of the Provincial Assessment Program (Anglophone Division) Proposal and Recommendations*, April 2014

<sup>10</sup> *PCAP 2016 - Report on the Pan-Canadian Assessment of Reading, Mathematics, and Science*, Council of Ministers of Education, Canada, 2018

Exhibit 2.18 – Provincial Comparison of 2016 PCAP - Mean Scores in Reading (Grade 8)



✓ *Internationally, New Brunswick students rank comparatively high*

**2.97** The Programme for International Student Assessment (PISA) involves over 70 countries and measures students' skills in reasoning, problem solving, and communication to help prepare students for the future. General information on the 2015 PISA is provided in **Appendix IX**.

**2.98** On the international scale, Canadian students are some of the world's top performers. **Exhibit 2.19** shows 2015 PISA results by country for students aged 15. Of 72 countries, Canadian students had the second highest average in reading.

**2.99** If Canadian provinces were considered sovereign countries on the 2015 PISA, New Brunswick would rank the fifteenth highest average in the world, with British Columbia taking the top spot. Therefore, even with New Brunswick performing below some of its Canadian counterparts, the Province still had a higher average than countries such as Australia, Sweden, France, the United Kingdom and the United States.

**2.100** On the same test, Canada ranked seventh in science and tenth in math. As a sovereign country, New Brunswick would have ranked twentieth and twenty-third respectively. New Brunswick scored better than the United States, Spain and Italy in all three subjects. The Province also scored at a very

similar level as France and the United Kingdom in all three subjects.

*✘ The Department does not publicly report student performance results on national and international tests*

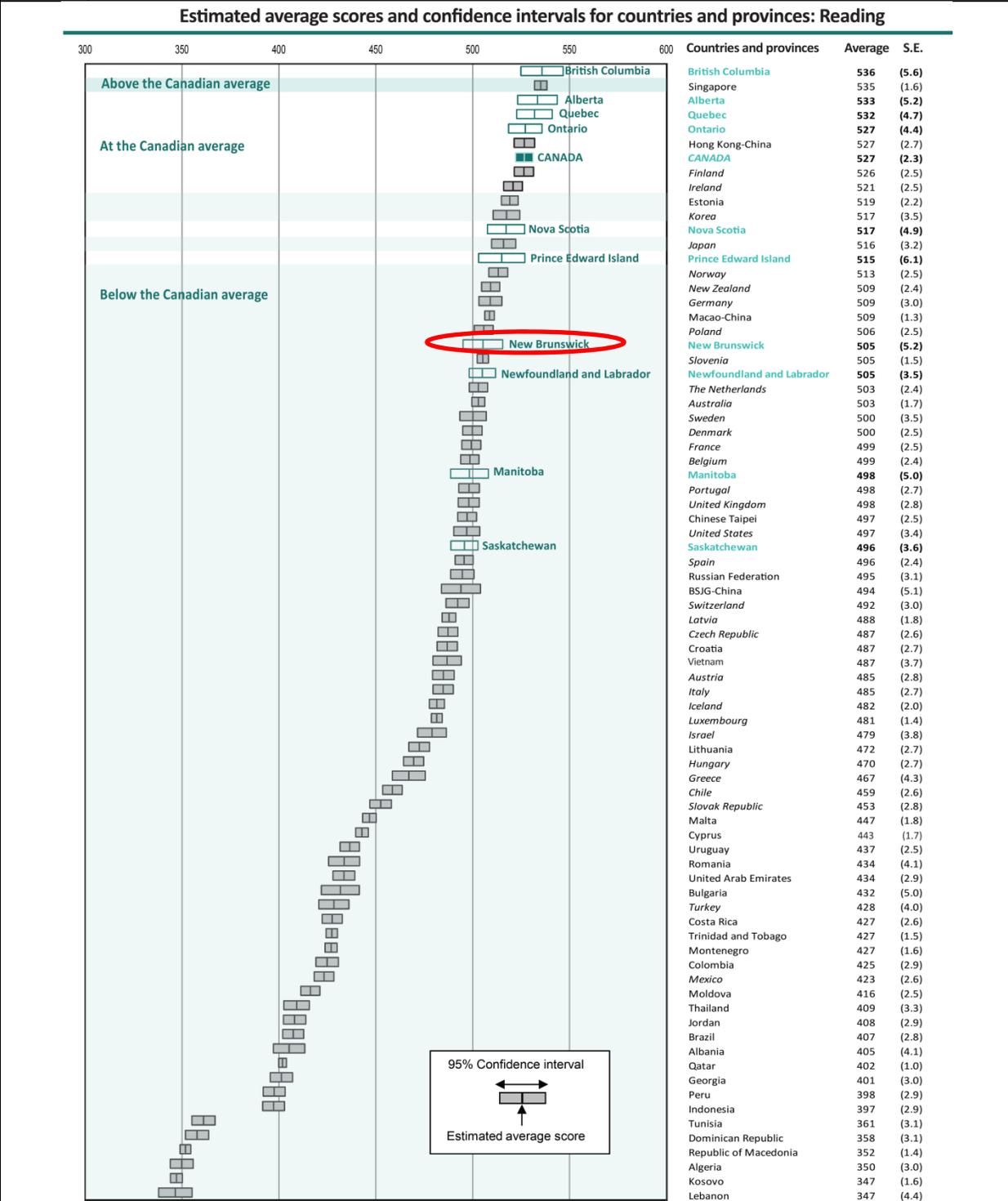
**2.101** We found the Department had not publicly reported New Brunswick student performance on national tests since the 2010 PCAP, which was publicly reported only in the Francophone sector. The Department also has not publicly reported New Brunswick student performance on international tests.

*Recommendation*

**2.102** We recommend the Department of Education and Early Childhood Development publicly report New Brunswick students' performance on national and international tests on its website and inform the public when these results are available.

Exhibit 2.19 – 2015 Programme for International Student Assessment (PISA) - Results for Canadians Aged 15 in Reading

**2.19 2015 Programme for International Student Assessment (PISA) - Results for Canadians Aged 15 in Reading**



**Source:** *Measuring up: Canadian Results of the OECD PISA Study - The Performance of Canada's Youth in Science, Reading, and Mathematics - 2015 First Results for Canadians Aged 15, 2016* (Council of Ministers of Education, Canada)

## Key Finding: ✓ The 2016-2026 education plans set objectives and measurable targets.

### *Why this is important*

**2.103** The *Education Act* requires the Minister to set educational goals and standards and provide a provincial education plan. The Act defines an education plan as, “a detailed plan establishing priorities for the improvement of pupils’ educational performance towards the achievement of prescribed learning goals for the official linguistic community”. Currently, there are two 10-year provincial education plans, one for the Anglophone sector and the other for the Francophone sector.

### ✓ *Stakeholders were consulted when preparing the plans*

**2.104** Educational priorities are stated as “key objectives” in each sector’s plan. In setting educational priorities, the Department carried out extensive consultations with educators, parents and other key stakeholders, which resulted in reports presenting recommendations, on which the objectives of each sector were based.



### ✓ *The education plans have objectives with performance indicators and targets*

**2.105** We found the 10-year education plans contain measurable performance indicators with targets for measuring progress towards meeting objectives.

**2.106** The plans include a vision, a mission, principles for learning, priorities, and conditions for success. The priorities are stated as objectives. Each objective has performance indicators with targets for 2025-2026, and key areas of focus. Both the Anglophone and Francophone sector plans have objectives that directly relate to improving student performance on provincial assessments in reading, math and science.

**2.107** Targets in the 10-year education plans were created using the SMART<sup>11</sup> framework, past targets and the “stretch” principle. Research suggests a stretch goal can change thinking and behaviours. Several targets already existed from past provincial plans. Other targets were developed by staff members, including educators and experts employed by the Department.

**2.108** Targets are ambitious given some recent assessment results, such as 38% of Anglophone grade 6 students passing the math assessment, and 57% of Francophone grade 11 students passing the reading and writing assessment in 2016-2017. However the timeframe is 2026, which gives a 10-year time period from the beginning of the education plans to make progress towards meeting the targets.

✓ *90% of students passing provincial grade 2 reading assessments by 2025-2026 is a reasonable target*

**2.109** In both sectors, the target for grade 2 reading is 90% of the students will achieve appropriate/acceptable performance (or higher). The Department told us that “appropriate” or “acceptable” performance equates to “passing”. We found a target of 90% of students passing the reading assessment is reasonable. The percentage chosen includes the expectation that some students will not be able to achieve the target, as the Province’s education system is fully inclusive. This is why none of the student performance targets are set at 100%.

✓ *Education professionals believe targets are reasonable*

**2.110** Users of the 10-year education plans include people in the school districts (the District Education Council members, the superintendents, district staff, principals and teachers) and staff members in the Department working with the school districts to implement the provincial plan. The majority of education professionals we interviewed believed the targets were reasonable.

• *Plans provided autonomy to school districts*

**2.111** It is our understanding the provincial plans were intended to provide autonomy to school districts and schools, allowing districts to determine the actions needed to achieve the provincial targets in their own area. Each district is able

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<sup>11</sup> The SMART framework refers to goals having the following characteristics: S=Strategic and Specific (goal is written simply and clearly defines what to do); M=Measurable (goal is measurable, resulting in tangible evidence the goal has been accomplished); A=Attainable (goal is achievable but should stretch lightly so as to be challenging); R=Realistic and Relevant (goal measures outcomes, not activities); T=Timebound (goal is linked to a timeframe, and results in tension between the current reality and the vision of the goal)

to set its own short-term targets.

*✘ More collaboration is needed between the two sectors*

**2.112** During our interviews, we were told the Anglophone and Francophone sectors rarely communicate with one another. We also found school districts have various initiatives to improve their operations that could be adapted and implemented by other districts. For example, the Francophone Sud school district has implemented a monitoring process to closely monitor and improve student performance indicators. It involves quarterly monitoring of student performance targets as well as monthly evaluation of performance improvement initiatives. The strategy has since been rolled out to the other Francophone districts. As another example, the Anglophone South school district has recently started verifying the quality of its data such as records of student absences so it can be better used in making decisions. Currently, there are no forums or tools to facilitate collaboration and sharing of practices and successes like these between the two sectors.

*Recommendation*

**2.113** We recommend the Department of Education and Early Childhood Development facilitate the sharing of successes and best practices between the Anglophone and Francophone sectors.

## Observations on the French immersion program - Anglophone sector

**Why this is important**     **2.114** French immersion is a significant program in New Brunswick's education. In September 2017, over 30% of students in the Anglophone sector were in French immersion. This is over 20% of the Province's students. **Exhibit 2.20** shows the number of students in the program and in both sectors.

*Exhibit 2.20 – Number of Students in French Immersion and in Both Sectors (September 2017)*

<b>2.20</b> Number of Students in French Immersion and in Both Sectors (September 2017)			
	<b>Anglophone</b>	<b>Francophone</b>	<b>Province</b>
	English 46,048	-	
	French Immersion 22,749	-	
<b>Total</b>	<b>68,797</b>	<b>28,958</b>	<b>97,755</b>
<b>Source:</b> <i>Education Outline 2017</i> , Department of Education and Early Childhood Development			

**2.115** Although the French immersion program was not the main focus of our audit, we were able to make general observations from the information we obtained during our audit of student performance. This section of the report provides basic information on the French immersion program together with our observations.

• *Several key issues emerged in a 2008 program review*

**2.116** **Exhibit 2.21** shows observations from a review of French Second Language Programs in 2008. At the time, the dropout rate of students who registered for early immersion in Grade 1 was nearly 72%, and only 16% achieved the goal of advanced or above.

Exhibit 2.21 – Several Key Issues Emerged in a Comprehensive Review of French Second Language Programs in 2008

<b>2.21</b>	<b>Several Key Issues Emerged in a Comprehensive Review of French Second Language Programs in 2008</b>
<p>“During the commissioner's review of second-language instruction, several key issues emerged:</p> <ul style="list-style-type: none"> <li>• Between 1995 and 2006 (from the start of Grade 1 to start of Grade 12), the <b>dropout rate of students who registered for early immersion in Grade 1 is nearly 72 per cent</b> (down to 414 in 2006 from 1,469 in 1995)</li> <li>• Of the 1,469 students who entered into an early immersion program in 1995, only 234 or <b>15.9 per cent achieved the Policy 309 goal</b> of advanced or above by the spring of 2007.</li> <li>• Of the 4,063 students who enrolled in the FSL core program at Grade 1 in 1995, <b>only 4.6 per cent remained in FSL in 2007 and less than 0.7 per cent attained the Policy 309 minimal goal of intermediate proficiency.</b>”</li> </ul>	
<p><b>Source:</b> Communications New Brunswick, <i>News Release: French Second Language Commission - Changes recommended to French second-language programs and services (Anglophone sector) (February 27, 2008)</i></p>	

• **Only 10% of students who enrolled in the early French immersion program in 2005 achieved the Department’s language proficiency goal**

**2.117** The Provincial French Second Language Oral Proficiency Assessment is mandatory for early French immersion grade 12 students since the 2014-2015 school year. The Department’s minimum proficiency target is advanced or better for early French immersion students by the end of Grade 12. Of the 1,624 students who entered into an early immersion program in 2005, only 10% achieved the goal of advanced or above by the end of grade 12 in 2017. Of the 408 students who remained in the program at grade 12 in 2016-2017, 40.2% achieved the goal.

• **75% of students dropped out of early French immersion**

**2.118** Of the 1,624 students who entered into an early immersion program in 2005, 75% dropped out of the program by the end of grade 12.

**2.119** We were pleased to find the new 10-year education plan has performance targets for the French immersion program. The Department intends to measure indicators including the following:

- *% of Grade 12 students achieving appropriate or higher levels on the provincial French Second Language oral proficiency assessment (target of 90%); and*
- *% of students who continue to participate in FSL language programs through to Grade 12 (plan indicates baseline data and target will be established by fall 2018.)*

• *Students in French immersion programs outperform students in the English program in reading, science and math*

**2.120 Exhibit 2.22** shows provincial assessment results by program at grade 6 for the school year 2015-2016 in the Anglophone sector. It shows 71% of students in the early French immersion program met or exceeded the appropriate reading level in grade 6, compared to only 41.5% of students in the English program, a gap of 29 percentage points. **Exhibit 2.22** also shows that students in French immersion programs outperform students in the English program in all subjects.

*Exhibit 2.22 – Anglophone Students in French Immersion Programs Outperform Students in the English Program in Reading, Science and Math*

<b>2.22 Anglophone Students in French Immersion Programs Outperform Students in the English Program in Reading, Science and Math</b>			
Results by Program: % of students that met or exceeded the appropriate achievement level (2015-2016 Provincial Assessment at Grade 6)			
<b>Anglophone Program</b>	<b>Reading</b>	<b>Science</b>	<b>Math</b>
<b>Early French Immersion</b> (Grade 3 entry)	71.1%	34.9%	25.2%
<b>Late French Immersion</b> (Grade 6 entry)	63.2%	26.5%	22.5%
<b>English</b>	41.5%	20.1%	16.7%
<b>All Anglophone Programs</b>	54.1%	25.7%	20.2%
<b>Variance between Early French Immersion and English Programs</b>	29%	15%	8%
<b>Source:</b> Chart created by AGNB from information provided by the Department			

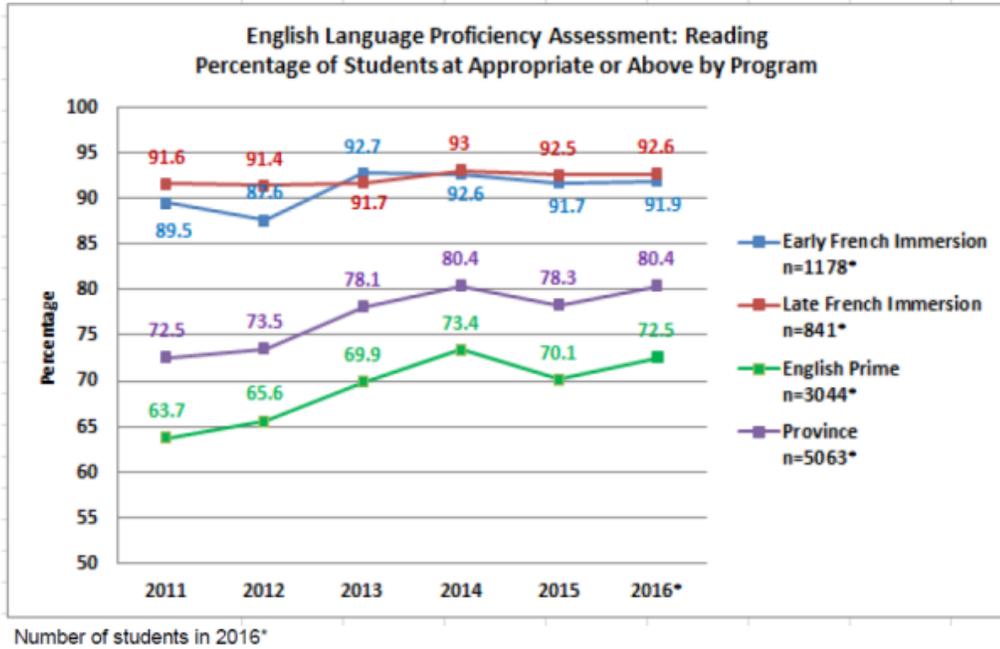
• *There are consistent significant gaps between English and French immersion students’ performance in reading at grade 9*

**2.121** French immersion students consistently outperformed English program students since 2011 on the grade 9 provincial reading assessment. The Grade 9 English Language Proficiency Assessment assesses all students in English. **Exhibit 2.23** shows provincial assessment results by program for reading at grade 9 over a 6-year period. It shows significant gaps in the programs’ performance. Consistently since 2011, significantly more students in the French immersion programs reach the appropriate level or above in grade 9 reading, compared to students in the English program. Results for 2017 were within one percentage point of the 2016 results.

Exhibit 2.23 – Significant Gaps in Anglophone Programs’ Performance in Reading at Grade 9 Since 2011

**2.23 Significant Gaps in Anglophone Programs’ Performance in Reading at Grade 9 Since 2011**

French immersion students consistently outperformed English program students since 2011.



**Note:** Province line is the result for all Anglophone students

**Source:** English Language Proficiency Assessment at Grade 9 – Assessment Results 2015-2016, Department of Education and Early Childhood Development

• *There are significantly more students with personalized learning plans in the English program than in French immersion*

**2.122** A Personalized Learning Plan (PLP) is used when a student experiences difficulties over an extended period of time and is not making progress even with the extra help from the teacher. The Department reported the number of students with PLPs is significantly lower in the French immersion program compared to the English program. In 2015-2016, 2% of students in the French immersion program had a PLP, compared to 14% of those in the English program. **Exhibit 2.24** shows the number of students with PLPs in the Anglophone sector. It shows 93% of the students with PLPs were in the English program for 2016 -2017.

Exhibit 2.24 – Number of Students with Personalized Learning Plans in the Anglophone Sector

<b>2.24 Number of Students with Personalized Learning Plans in the Anglophone Sector</b>		
<b>Students with Personalized Learning Plans (PLPs)</b>		
	<b>2015-16</b>	<b>2016-17</b>
<b>French Immersion</b>	467	559
<b>English</b>	6,985	7,045
<b>Total PLPs</b>	7,452	7,604
<b>% French Immersion</b>	6%	7%
<b>% English</b>	94%	93%

**Source:** Chart created by AGNB from information provided by the Department

**Observation: Combined classes (which are more challenging for teachers) are more common in the Anglophone sector.**

**2.123** Typically, combined classes are more challenging for teachers because they include students from more than one grade level taught in the same classroom by the same teacher. The Department told us combined classes generally exist for financial reasons because of low numbers of students. While combined classes provide opportunity for flexibility and students helping students, traditional teaching practices result in these classes being treated as two or more groups with separate curricula and projects. The Department suggested combined classes may impact student performance.

**2.124** While we did not audit combined classes or the Department's statistics, we made the following observations from our review of *Summary Statistics – School Year 2017-2018*, available on the Department's website:

**• *There were nine times more combined classes in the Anglophone sector in the 2017-2018 school year than in the Francophone sector***

**• *Within the Anglophone sector, there are four times more combined classes in the English program than in French immersion***

- There are significantly more combined classes in the Anglophone sector compared to the Francophone sector. There were 344 combined classes in the Anglophone sector and there were 37 in the Francophone sector in the 2017-2018 school year. **Exhibit 2.25** shows that while the typical ratio for the Anglophone to Francophone sector is 2:1, there were nine times as many combined classes in the Anglophone sector as the Francophone sector in the 2017-2018 school year.
- Some combined classes have three grade levels taught in the same classroom by the same teacher. **Exhibit 2.26** shows there were 18 combined classes with three grade levels in the same class in the Anglophone sector and two in the Francophone sector, in the 2017-2018 school year.
- Within the Anglophone sector, there are more combined classes in the English program than the French immersion program. There were 273 combined classes in the English program and 71 in the French immersion program in the 2017-2018 school year. (Over 30% of Anglophone students are in the French Immersion program.)

Exhibit 2.25 – Combined Classes and Other Ratios for School Year 2017-2018

<b>2.25 Combined Classes and Other Ratios for School Year 2017-2018</b>			
	<b>Anglophone</b>	<b>Francophone</b>	<b>Ratio (Anglophone:Francophone)</b>
<b>Combined Classes</b>	344	37	9:1
<b>Total Classes</b>	2,300	1,049	2:1
<b>Total Schools</b>	206	90	2:1
<b>Total Students</b>	68,797	28,958	2:1
<b>Total Teachers</b>	5,161	2,244	2:1

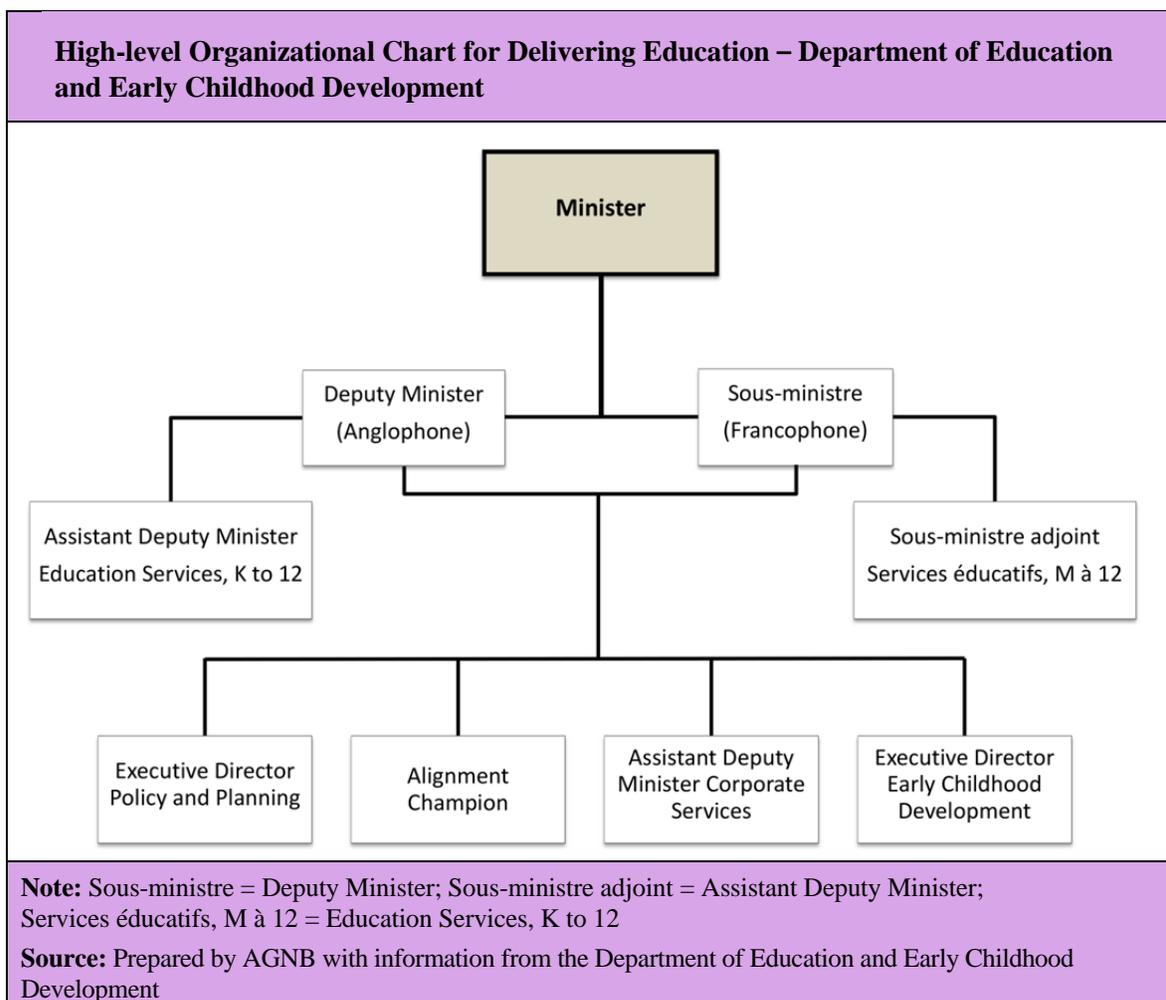
**Source:** Table created by AGNB with information from *Summary Statistics – School Year 2017-2018*, Department of Education and Early Childhood Development

Exhibit 2.26 – Number of Combined Classes with More than Two Grade Levels Combined in 2017-2018

<b>2.26 Number of Combined Classes with More than Two Grade Levels Combined in 2017-2018</b>				
<b>Number of Grade Levels Combined</b>	<b>Grade Combinations</b>	<b>Anglophone</b>	<b>Francophone</b>	<b>Total</b>
3	K-1-2	7	1	8
3	K-2-3	1	-	1
3	2-3-4	1	-	1
3	3-4-5	2	1	3
3	6-7-8	7	-	7
	<b>Total</b>	<b>18</b>	<b>2</b>	<b>20</b>

**Source:** Table created by AGNB with information from *Summary Statistics – School Year 2017-2018*, Department of Education and Early Childhood Development

## Appendix I – High-level Organizational Chart for Delivering Education – Department of Education and Early Childhood Development



## Appendix II – Provincial Assessments – General Information

### Provincial Assessments – General Information

- *The Assessment and Evaluation Branch is responsible to report large-scale assessment results to the Minister of Education. Data and information from large-scale provincial, national and international assessments are obtained for the purposes of public accountability and improving programs and services.*
- *Provincial assessments function as a reasonable and cost-effective gauge of an individual student's or school's overall achievement.*
- *The objective ... is to improve teaching and learning and to keep the public informed about the educational system's general health.*
- *Results - You can see how individual schools and districts performed on provincial assessments by referring to the reports published each year by the Department of Education and Childhood Development.*
- *Think of assessment as “measuring success.”*
- *Within the education system, “assessment” means the regular measurement of progress and the sharing of these results with students, parents, teachers, administrators and policy makers so that further progress can be achieved.*
- *The Department of Education and Early Childhood Education carries out regular provincial assessments to gather the large amount of information required to make programming and policy decisions at the provincial, district and school levels. Over time, this information helps decision makers to identify trends and develop strategies for improved learning.*
- *Why do we assess? Assessment tells us how well things are working now and helps us identify how to make things work better in the future. We rely on assessment to identify and direct our progress towards becoming the best education system in Canada.*

**Source:** Excerpts from the Department’s website – September 2017

## Appendix III – Partners in Education and Learning

### Partners in Education and Learning

#### **Learners must:**

- *pursue, with effort and enthusiasm, every opportunity to learn*
- *understand the connection between education and their own prosperity, and set high achievement goals for themselves*
- *accept increasing responsibility, as they mature, for their own learning, choices and behaviour*

#### **Parents must:**

- *ensure that the fundamental needs of their children are met so they can learn*
- *read to, talk to and teach their children from the time they are born*
- *recognize and instill in their children the value and love of learning, and have high expectations for their educational achievement, from pre-school through post-secondary education*
- *support their school's educational efforts on behalf of their children*

#### **Educators must:**

- *set high expectations for themselves, their schools and each student's achievement*
- *teach the prescribed program of studies, and identify and implement learning and evaluation strategies to help each student acquire desired learning outcomes*
- *take an active role in maintaining their professional competence*
- *maintain safe, positive and effective learning environments in which everyone is motivated to perform at their best*

#### **DECs and school districts must:**

- *provide parents and communities with a voice in education decision-making*
- *establish local policy and administrative direction, and ensure local accountability, including school improvement planning*

#### **Communities must:**

- *provide learning opportunities locally, where people can access them easily*
- *contribute time and resources to support dynamic and effective learning activities involving schools*

#### **Government must:**

- *set the highest possible educational and services standards for public education, and provide the necessary financial, organizational and policy supports for the provision of educational programs and services*
- *develop strategic partnerships to pursue common learning objectives with communities, post-secondary institutions, organizations, the private sector and other governments*
- *create a social and economic environment in which learning and education are valued and pursued*

**Source:** Excerpts from *Quality Learning Agenda*, Department of Education and Early Childhood Education, April 2003

## Appendix IV – Cost of Public School Education

<b>Cost of Public School Education (in \$ millions)</b>			
<b>Fiscal Year</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>
Anglophone School Districts (Approximate)	\$695	\$710	\$721
Francophone School Districts (Approximate)	322	330	338
School District Ordinary Cost of Operations	\$1,017	\$1,040	\$1,059
Corporate and Other Education Services*	53	56	54
Pension Plan	78	80	95
Debt Service Costs – Department’s Portion	107	105	116
Provincial Cost of Public School Education	\$1,255	\$1,281	\$1,324
Total Provincial Ordinary Expenditures	\$8,092	\$8,395	\$8,129
Expenditure on Education as % of Government	15.5%	15.2%	16.3%
*Includes Department’s management, education and support services.			
<b>Source:</b> Table created by AGNB with information provided by the Department of Education and Early Childhood Development			

## Appendix V – Work Performed by AGNB for this Audit

### Work Performed by AGNB for this Audit

Our work for this audit included the following:

- reviewing education legislation and policies;
- interviews with staff from the Department of Education and Early Childhood Development, specifically the Kindergarten to Grade 12 division in the Francophone & Anglophone sectors;
- interviews with school district office staff and reviewing relevant documents (both sectors);
- interviews with four principals and reviewing relevant documents (both sectors);
- interviews with selected staff from five school districts and four DEC chairpersons (both sectors); and
- reviewing, analyzing and corroborating information provided by the Department’s corporate office and the seven school districts composing the Francophone and Anglophone sectors.

## Appendix VI – About the Audit

### About the Audit

This independent assurance report was prepared by the Office of the Auditor General of New Brunswick on the Department of Education and Early Childhood Development's (the Department) planning, monitoring and reporting on student performance. Our responsibility was to provide objective information, advice, and assurance to assist the Legislative Assembly in its scrutiny of the government's management of resources and programs, and to conclude on whether the Department's planning, monitoring and reporting on student success complies in all significant respects with the applicable criteria.

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 Canadian Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control, including documented policies and 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; and
- confirmation that the findings in this report are factually based.

Period covered by the audit:

The audit covered the period between September 1, 2015 and June 30, 2017. 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 that preceded and followed the period of the audit.

Date of the report:

We obtained sufficient and appropriate audit evidence on which to base our conclusion on December 10, 2018 in Fredericton, New Brunswick.

## Appendix VII – Criteria Used in Our Audit

### Criteria Used in Our Audit

Criteria serve as the basis for our performance audits. They are benchmark statements we use to assess government programs. Criteria provide the framework for collecting audit evidence. Our criteria for this audit on student performance in reading, mathematics and science were:

1. The Department should set goals for student performance in reading, mathematics and science.
2. The Department should measure student performance in reading, mathematics and science against the goals to identify gaps.
3. The Department should take action through the school districts and schools to improve student performance in reading, mathematics and science.
4. The Department should publicly report on student performance in reading, mathematics and science and explain variances from goals.

**Source:** Criteria developed by AGNB using information from: New Brunswick legislation (*Education Act* & regulations), Department of Education and Early Childhood Development education plans, the Pan-Canadian Assessment Program (PCAP), the Programme for International Student Assessment (PISA), and other Offices of the Auditor General.

## Appendix VIII – Information on the 2016 Pan-Canadian Assessment Program (PCAP)

### Information on the 2016 Pan-Canadian Assessment Program (PCAP) (13-year old students)

*With the establishment of PCAP in 2003, Canada’s ministers of education set out the following goals with respect to pan-Canadian educational assessment:*

- *to inform educational policies that seek to improve approaches to learning;*
  - *to focus on reading, mathematics, and science, with the possibility of including other domains as the need arises;*
  - *to reduce the testing burden on schools through a more streamlined administrative process;*
  - *to provide useful background information through the use of complementary context questionnaires for students, teachers, and school administrators; and*
  - *to enable provinces and territories to use both national and international results to validate the results of their own assessment programs, and to improve these programs.*
- *School programs and curricula vary from province to province and from territory to territory across the country, so comparing results in these domains is a complex task. However, young Canadians in different provinces and territories learn many similar skills in reading, mathematics, and science. PCAP has been designed to determine whether students across Canada reach similar levels of performance in these core disciplines at about the same age, and to complement existing provincial/ territorial assessments with comparative Canada-wide data on the achievement levels attained by Grade 8/Secondary II students.*
  - *PCAP is designed as a system-level assessment to be used primarily by provincial ministries of education to monitor and assess their respective educational systems. PCAP data are reported by province (and, where data are available, by territory), by language of the school system, and by gender. The goal of national (and international) large-scale assessments is to provide reliable information about academic achievement and insight into the contextual factors influencing it. The data from studies such as PCAP provide policy-makers, administrators, teachers, and researchers with meaningful insights into the functioning of education systems and how they might be improved.*
  - **Participation** - *In the spring of 2016, approximately 27,000 students in Grade 8 (Secondary II in Quebec) from close to 1,500 schools across the country were tested. Reading was the major focus of the assessment. Mathematics and science were also assessed. Approximately 20,000 students responded in English and 7,000 in French.*

**Source:** *PCAP 2016 - Report on the Pan-Canadian Assessment of Reading, Mathematics, and Science, Council of Ministers of Education, Canada (CMEC)*

*PCAP 2016 - Reading, Mathematics, and Science – Highlights, Council of Ministers of Education, Canada (CMEC)*

## Appendix IX – Information on the 2015 Programme for International Student Assessment (PISA)

### Information on the 2015 Programme for International Student Assessment (PISA)

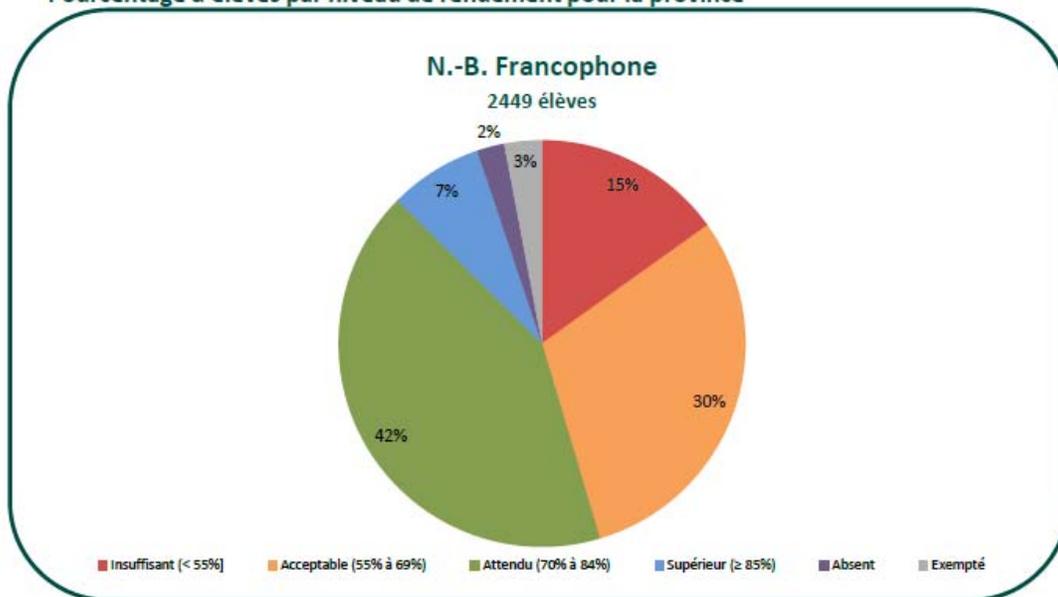
- *The Programme for International Student Assessment (PISA) measures the extent to which youth, at age 15, have acquired some of the knowledge and skills that are essential for full participation in modern societies.*
- *It reports on scientific, mathematic, and reading literacy every three years and provides a more detailed look at one of those domains in the years when it is the major focus.*
- *In 2015 the sixth cycle of PISA was completed and it focuses on scientific literacy.*
- *Seventy-two countries participated in PISA 2015, including all 35 OECD countries. Between 5,000 and 10,000 students aged 15 from at least 150 schools were typically tested in each country. In Canada, approximately 20,000 15-year-olds from about 900 schools participated across the ten provinces.*
- *The large Canadian sample was required to produce reliable estimates representative of each province and for both French- and English-language school systems in Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Alberta, and British Columbia. PISA was administered in English and in French according to the respective school system.*
- *The 2015 PISA assessment was administered in schools during regular school hours in April and May 2015.*
- *The assessment was a two-hour computer-based test. Students also completed a 35-minute student background questionnaire providing information about themselves and their home, while school principals completed a 20-minute questionnaire about their schools.*
- *PISA is a collaborative effort among member countries of the OECD. PISA is designed to provide policy oriented international indicators of the skills and knowledge of 15-year-old students and to shed light on a range of factors that contribute to successful students, schools, education systems, and learning environments. It measures skills that are generally recognized as key outcomes of the educational process. The assessment focuses on young people's ability to use their knowledge and skills to meet real-life challenges. These skills are believed to be prerequisites for efficient learning in adulthood and for full participation in society.*

**Source:** Excerpt from *Measuring up: Canadian Results of the OECD PISA Study - The Performance of Canada's Youth in Science, Reading, and Mathematics - 2015 First Results for Canadians Aged 15, 2016* (Council of Ministers of Education, Canada)

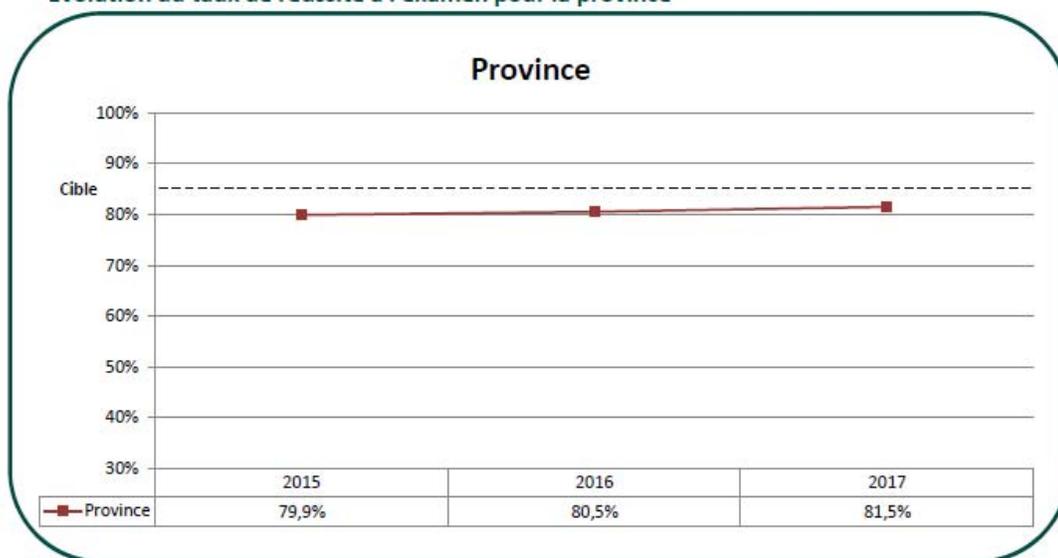
## Appendix X – Examples of Public Reports on Assessment Results

### Mathématiques 3e année

#### Pourcentage d'élèves par niveau de rendement pour la province



#### Évolution du taux de réussite à l'examen pour la province



**Source:** Excerpt from *Le bulletin provincial 2016-2017*, Department of Education and Early Childhood Development, available only in French.

## Appendix X – Examples of Public Reports on Assessment Results (continued)

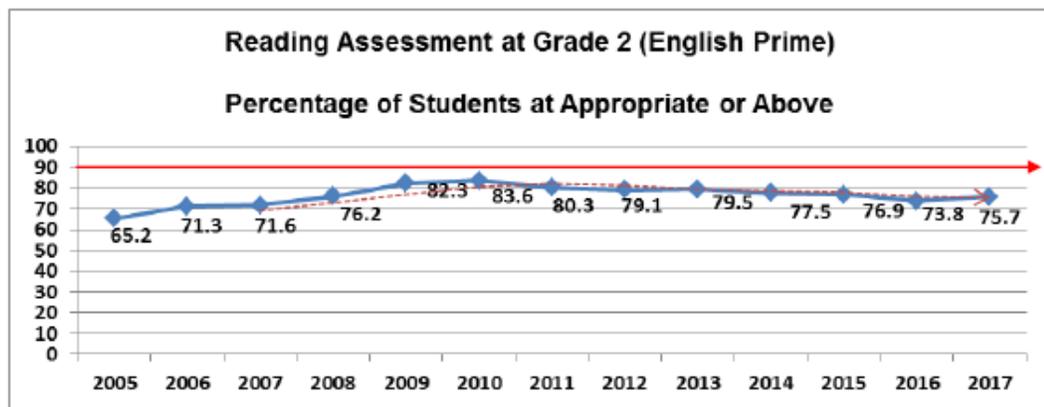
### Provincial Literacy Assessment at Grade 2 Assessment Results 2016-2017

#### Provincial Literacy Assessment at Grade 2 – English Prime

The 2017 Provincial Literacy Assessment was administered to students in the second grade near the end of the 2016-2017 school year to assess their reading proficiency. The goal of the government of New Brunswick is for 90% of students at the elementary level to achieve the expected level of literacy.

#### Provincial Literacy Assessment at Grade 2 – Reading

Of the 5027 second graders registered in the English Prime program, 75.7% met or exceeded the appropriate achievement level in reading, an increase of 1.9 percentage points. Of these students, 52.7% attained the appropriate achievement level and 23.1% attained the strong achievement level. Please note that 2.9% of students were exempt and 0.3% did not write.

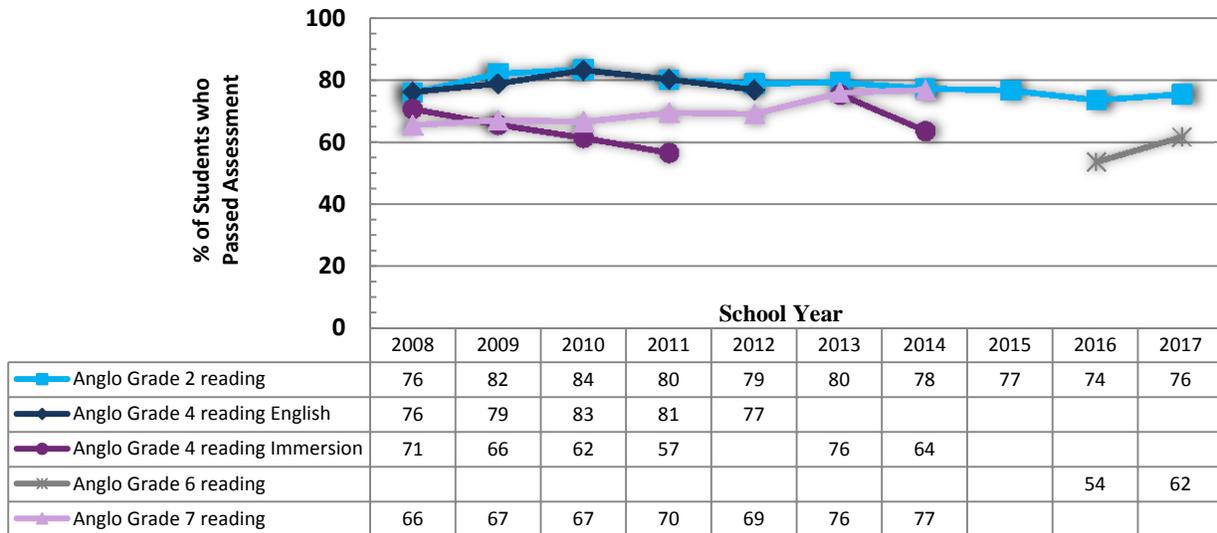


This graph shows the trend line for grade 2 reading across time. The blue line represents the yearly score and the dotted red line is the linear trend line. The trendline indicates that reading performance on the Provincial Assessment at Grade 2 is decreasing.

**Source:** Excerpt from *Provincial Literacy Assessment at Grade 2 – Assessment Results 2016-2017*, Department of Education and Early Childhood Development

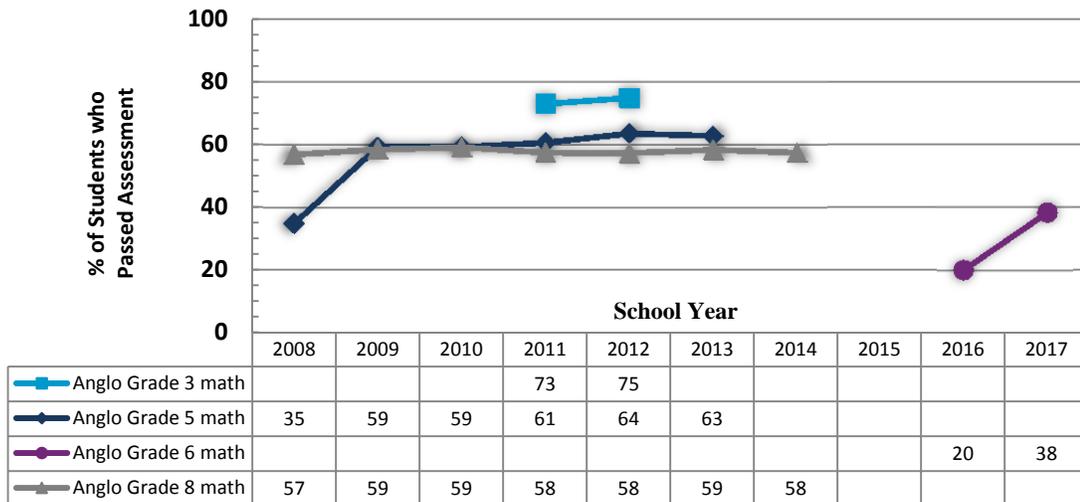
## Appendix XI – Anglophone Assessment Results over 10 Years – Grade 2 to 8

### Anglophone Results in Reading



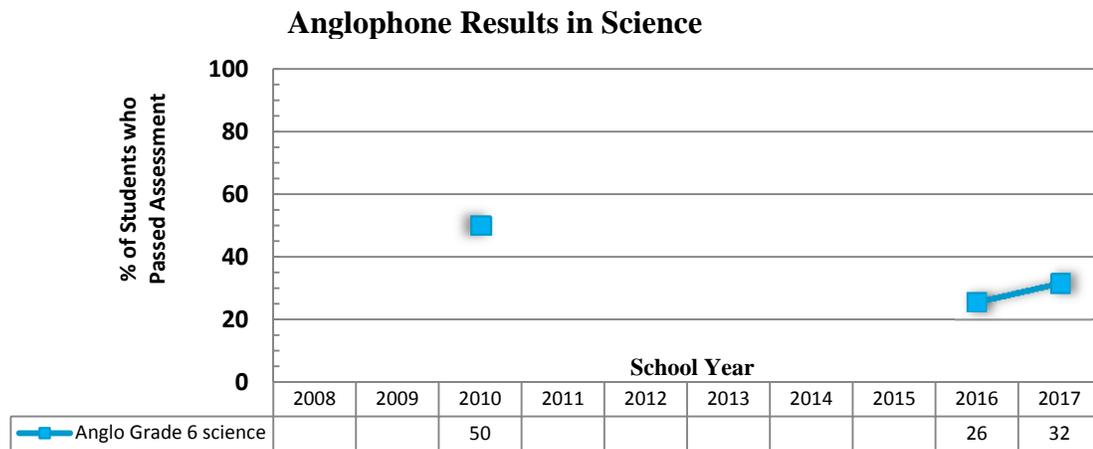
**AGNB Interpretation:** Reading has been assessed consistently at grade 2 for the last 10 years. Reading assessments at other grade levels was not as stable, with grade 4 and 7 reading assessments discontinued in 2014, and a new grade 6 assessment introduced in 2016.

### Anglophone Results in Math



**AGNB Interpretation:** Math was assessed at four grade levels over the years; however, none of the grade levels were assessed consistently in the last 10 years. Grade 3 math was assessed for only two years (2011 and 2012). Assessments at grade 5 and 8 were discontinued in 2013 and 2014 respectively. Math is now assessed at grade 6, beginning in 2016.

## Appendix XI – Anglophone Assessment Results over 10 Years – Grade 2 to 8 (continued)



**AGNB Interpretation:** Science was only assessed at grade 6 in a sporadic manner. There was a single assessment in 2010 followed by recent assessments in 2016 and 2017. Students performed poorly in both recent years. Only 32% of students performed at the appropriate level or higher in 2016-2017, well below the target of 90%.

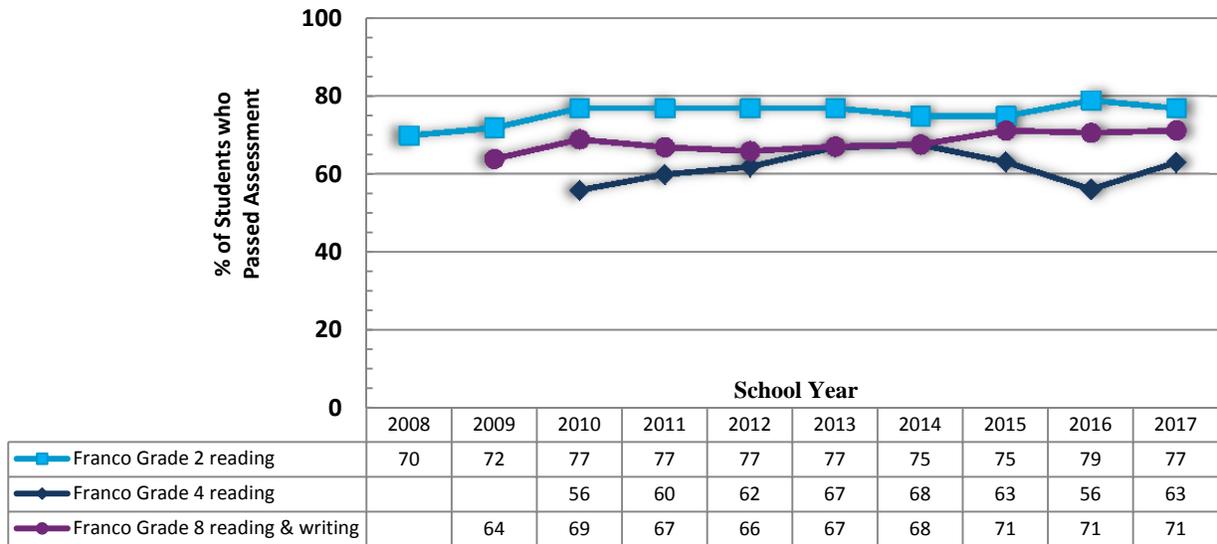
**Notes:**

1. The passing rate is considered appropriate achievement (appropriate level for grade 2 reading, and a mark of 64% for all other assessments).
2. The 2007 target that 85% of students reach or exceed appropriate achievement in grades 6-12 on provincial assessments in literacy, math and science remained consistent until the most recent 2016 education plan, which increased the target to 90% for 2025-2026. The target of 90% for grade 2 reading was set in 2002 and has remained consistent.

**Source:** Graphs created by AGNB with information provided by the Department of Education and Early Childhood Development

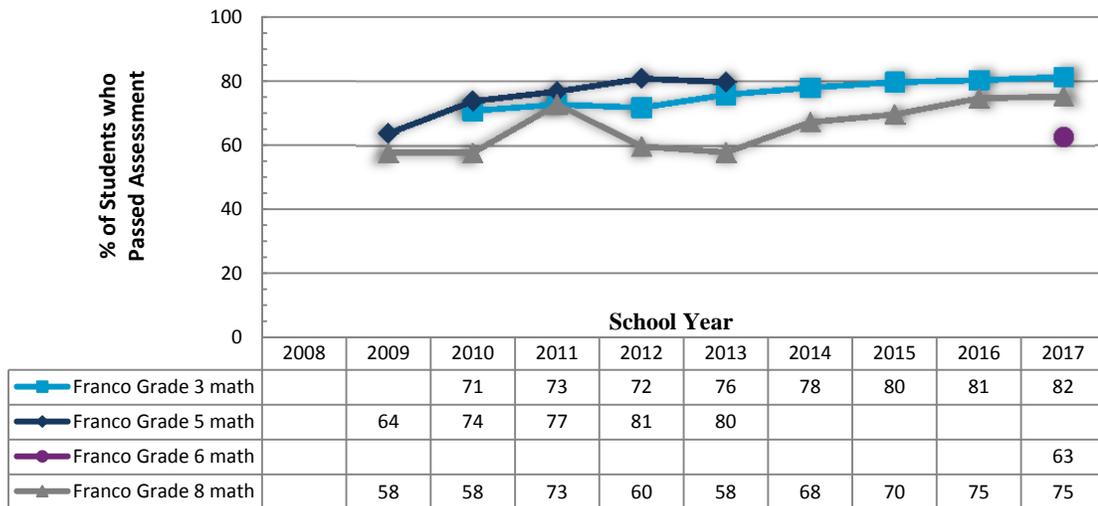
## Appendix XII – Francophone Assessment Results over 10 Years – Grade 2 to 8

### Francophone Results in Reading



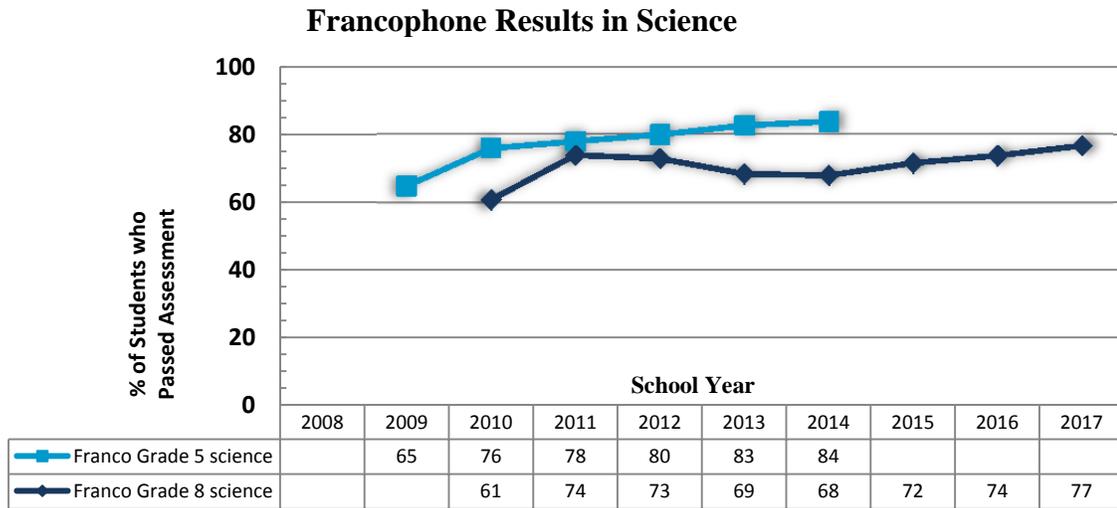
**AGNB Interpretation:** Reading has been assessed consistently at grade 2 for the last 10 years. Grade 4 and 8 assessments were introduced in 2009 and 2010 respectively. Results remained on a relatively even trend throughout the period, with generally between 60 and 79% of students achieving the acceptable level or higher on assessments, however never achieving the Department’s targets (see Note 2).

### Francophone Results in Math



**AGNB Interpretation:** Math was assessed at four grade levels in elementary school in the last 10 years. While grade 3 and 8 assessments were somewhat continuous, the grade 5 assessment was discontinued in 2013, and grade 6 was only introduced in 2017. Performance remained on a stable trend but never met the targets (see Note 2).

## Appendix XII – Francophone Assessment Results over 10 Years – Grade 2 to 8 (continued)



**AGNB Interpretation:** Science was assessed at grade 5 from 2009 to 2014, and at grade 8 starting in 2010. Student performance in both assessments showed a slight upward trend in later years, but remained below the Department’s targets (see Note 2).

**Notes:**

1. The passing rate is considered achieving the expected level (level 3) for elementary level reading, and the acceptable level (mark of 55%) for all other assessments.
2. The target for the percentage of students reaching or exceeding acceptable achievement on these evaluations has varied between 85% and 90% over the years depending on the assessment.

**Source:** Graphs created by AGNB with information provided by the Department of Education and Early Childhood Development

# Chapter 3

## WorksafeNB

### Phase II – Management of Injured Workers’ Claims

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# WorkSafeNB

## Phase II – Management of Injured Workers' Claims

### Introduction

3.1 This report represents phase II of our audit of WorkSafeNB. It presents findings from our audit of WorkSafeNB's claims management framework.

### Why we chose this topic

3.2 We chose to examine the management of injured workers' claims at WorkSafeNB for the following reasons:

- Over \$400 million in annual claims cost, representing 89% of total WorkSafeNB expenses, is driven by claims management. Claims cost is the main driver of assessment rates.
- Impact on vulnerable workers is significant – ineffective and/or inefficient claims management processes may result in less equitable solutions for injured workers.
- An effective and efficient claims management framework is necessary to balance the needs of the injured workers and employers with the long term sustainability of the workers compensation system.

### Why we are auditing WorkSafeNB

3.3 In February 2017, the Minister of Post-Secondary Education, Training and Labour (Department) requested the Auditor General of New Brunswick (AGNB) conduct a value for money audit in WorkSafeNB. This request was made under subsection 12(1) of the *Auditor General Act*. A copy of the section 12 request is included in Appendix I.

3.4 After reviewing WorkSafeNB operations and considering the concurrent work of others, including the Office of the Comptroller as well as a government

appointed Task Force, the Auditor General decided to focus the audit work in two key areas:

1. Governance of WorkSafeNB; and
2. WorkSafeNB claims management.

We previously reported the results of our governance audit in the Auditor General Report, Volume I (June 2018), Chapter 2.

## **Audit Period**

**3.5** The audit covered the period between January 1, 2015 and June 30, 2018. 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 that preceded the starting date of the audit.

## **Audit Objective**

**3.6** The objective of this audit was to determine if WorkSafeNB has an effective claims management framework.

## **Conclusion**

**3.7** We have concluded that:

- in general, the claims management framework adopted by WorkSafeNB is reasonable and many of its policies are consistent with industry best practice;
- however, numerous process deficiencies hinder WorkSafeNB’s ability to actively manage cases to achieve timely return to work.

## **Results in brief**

**3.8** Results in brief are presented in Exhibit 3.1.

## **Key findings and recommendations**

**3.9** Key findings are listed in Exhibit 3.2. A summary of our recommendations can be found in Exhibit 3.3. Our recommendations largely focus on operational processes. In our view, by implementing these recommendations, WorkSafeNB can make improvements regarding eliminating delays, promoting timely return to work, reducing claim duration, and ultimately assists in reducing claims costs and maintaining sustainability. Most importantly, these changes will mutually benefit both the injured workers as well as New Brunswick employers.

**3.10** The criteria we used in completing our audit can be found in Appendix II.

**3.11** AGNB engaged experts to assist with the review of the claims management framework. The experts also provided a jurisdictional comparison which we make reference to throughout this report. See Appendix III for the full comparison.

*Exhibit 3.1 Results in Brief*

## WorkSafeNB Phase II – Management of Injured Workers’ Claims

### Why Is This Important?

- WorkSafeNB has a direct social and financial impact on injured workers, the workforce and employers throughout New Brunswick.
- Claims costs have risen over \$300 million in five years
- An effective and efficient claims management framework is necessary to balance the needs of the injured workers and employers

## What We Found

### Overall Conclusions

- In general, the claims management framework adopted by WorkSafeNB is reasonable and many of its policies are consistent with industry best practice
- However, numerous process deficiencies hinder WorkSafeNB’s ability to actively manage cases to achieve timely return to work

#### **“Return to work” goal not embedded in WorkSafeNB processes**

- Establishing an expectation for when the injured workers would be ready to return to work is a critical part of the overall recovery process
- However, the concept of return to work was not introduced to claimants soon enough
- No formal case plan developed to facilitate return to work when a claim is accepted

#### **Ineffective claims system lacks automation**

- Software primarily functions only as a document repository and for payments
- System does not track and monitor recovery and return to work durations

#### **Time sensitive treatments can be delayed**

- Unnecessary delays found throughout the claim process
- No initial contact with injured worker to assess nature of injury and immediate steps needed
- No priority process for complex cases
- No advising of injured worker about treatment or care plans
- No tracking of medical/recovery progress of injured workers
- Referrals for specialized treatment often only used as last resort
- Case managers not specialized by types of injuries and lack training
- Case managers occupied with administrative tasks, not enough focus on injured worker
- Adjudicator staff position not competency based

## Exhibit 3.2 Key Observations and Findings

<b>Paragraph</b>	<b>Key Observations and Findings</b>
	<b>Workers Compensation Appeal Tribunal</b>
<b>3.22</b>	<i>Tribunal's authority to change operational policy happens only in New Brunswick and Quebec</i>
<b>3.24</b>	<i>Paying benefits for non-compensable injuries in New Brunswick is inconsistent with rest of Canada</i>
<b>3.25</b>	<i>Policy changes, as a result of WCAT decisions, created uncertainty with case managers and had significant financial implications</i>
	<b>Claim Intake</b>
<b>3.34</b>	<i>No initial contact with the injured worker to assess the nature of injury and what immediate steps WorkSafeNB needs to take</i>
<b>3.35</b>	<i>There is no interface to transfer the electronic form submission into the claims management system</i>
<b>3.38</b>	<i>Unnecessary delays caused by employer and worker combined form</i>
	<b>Return to Work</b>
<b>3.42</b>	<i>Establishing an expectation for when the injured workers would be ready to return to work is a critical part of the overall recovery process</i>
<b>3.44</b>	<i>WorkSafeNB is missing early opportunity to communicate return to work options to injured workers during the initial adjudication process</i>
<b>3.45</b>	<i>No case plan after a claim is accepted</i>
	<b>Initial Adjudication</b>
<b>3.50</b>	<i>Delays in referring injured workers for specialized treatment and assessment</i>
<b>3.51</b>	<i>Adjudicators do not set expected disability duration and dates for recovery</i>
<b>3.52</b>	<i>Claims not monitored in accordance with Disability Duration Guidelines</i>
<b>3.55</b>	<i>Adjudication decision making process consistent with industry and legislative best practice</i>
<b>3.56</b>	<i>Decision rationale not sufficiently communicated to case managers</i>

## Exhibit 3.2 Key Observations and Findings (continued)

<b>Paragraph</b>	<b>Key Observations and Findings</b>
<b>3.61</b>	<i>WorkSafeNB provides little explanation of benefits and entitlements to the injured worker</i>
<b>3.64</b>	<i>Staff appointments to Adjudicator position are not competency based</i>
	<b>Case Management</b>
<b>3.67</b>	<i>WorkSafeNB's injury protocol process is consistent with most Workers' Compensation Boards across Canada.</i>
<b>3.73</b>	<i>76% of injured workers treated by WRC in 2017 were able to return to work</i>
<b>3.79</b>	<i>Case managers are over relying on the opinions of the medical advisors</i>
<b>3.80</b>	<i>No guidance for medical advisors regarding what type of opinion they cannot provide</i>
<b>3.80</b>	<i>No guidance for case managers on what questions are appropriate for medical advisors</i>
<b>3.83</b>	<i>No tracking of medical progress of injured workers</i>
<b>3.86</b>	<i>WorkSafeNB case managers not specialized based on types of injuries</i>
<b>3.89</b>	<i>Regional inconsistency in benefit awards</i>
<b>3.92</b>	<i>Decentralized processing of medical claims creates inconsistency between regions</i>
<b>3.93</b>	<i>Inadequate training for case managers</i>
<b>3.94</b>	<i>No formal training for policy change</i>
<b>3.103</b>	<i>Review by Issues Resolution Office mandatory in other jurisdictions but not in New Brunswick</i>
	<b>Quality Assurance</b>
<b>3.105</b>	<i>WorkSafeNB needs to measure the extent to which it is providing support to injured workers</i>

Exhibit 3.2 Key Observations and Findings (continued)

<b>Paragraph</b>	<b>Key Observations and Findings</b>
<b>3.106</b>	<i>KPIs do not demonstrate how the efforts of WorkSafeNB have improved performance</i>
<b>3.110</b>	<i>Performance improvement initiatives not linked to KPIs</i>
	<b>Claims Management System</b>
<b>3.113</b>	<i>There is no convenient way to pull data for review and analysis</i>
<b>3.114</b>	<i>Administrative tasks consume much of the case managers' time</i>
<b>3.116</b>	<i>Claim management system does not support emphasis on return to work</i>
<b>3.118</b>	<i>There is no area of the system that a case manager can review as a snapshot or a synopsis of the claim</i>
	<b>Contract Monitoring</b>
<b>3.121</b>	<i>Contract management framework in progress</i>
<b>3.125</b>	<i>Tender significantly modified after issuance</i>
<b>3.128</b>	<i>Board decided not to sell facility</i>
<b>3.130</b>	<i>WorkSafeNB did not retender 10 year service contract after significant change to the original request for proposal</i>
<b>3.132</b>	<i>Contract term of 10 years much longer than other service provider contracts</i>
<b>3.134</b>	<i>Service contract did not address intellectual property rights</i>
<b>3.139</b>	<i>Progress reports received from physiotherapy clinics not used to actively monitor the progress of injured workers' recovery during treatment</i>

Exhibit 3.3 Summary of Recommendations

Recommendation	Auditee response	Target date for implementation
<p><b>3.36 We recommend WorkSafeNB automate the claims management system to allow electronic submission and processing of claims documents, to reduce work and speed up intake and adjudication processes.</b></p>	<p><i>WorkSafeNB agrees with the Auditor General’s recommendation to automate the claims management system.</i></p> <p><i>Implementing a new claims management system is part of WorkSafeNB’s three-year strategic plan.</i></p>	<p><i>Project start: 2019</i></p> <p><i>Full implementation target date: December 2021</i></p>
<p><b>3.40 We recommend claims be sent directly to an adjudicator after initial intake team gathers personal information and accident details.</b></p>	<p><i>WorkSafeNB agrees with the Auditor General’s recommendation and is implementing a process change to accelerate the adjudication process.</i></p>	<p><i>March 2019</i></p>
<p><b>3.41 We recommend WorkSafeNB uses separate “Report of Accident” forms for the employer and employee.</b></p>	<p><i>WorkSafeNB agrees with the Auditor General’s recommendation.</i></p>	<p><i>March 2019</i></p>
<p><b>3.48 We recommend WorkSafeNB focus on return to work during adjudication by:</b></p> <ul style="list-style-type: none"> <li>• <b>identifying risks to return to work;</b></li> <li>• <b>prioritizing complex claims, and</b></li> <li>• <b>initiating a plan to address barriers.</b></li> </ul>	<p><i>WorkSafeNB agrees with the Auditor General’s recommendation.</i></p>	<p><i>December 2019</i></p>

Exhibit 3.3 Summary of Recommendations (continued)

Recommendation	Auditee response	Target date for implementation
<p><b>3.49 We recommend WorkSafeNB communicate a detailed case plan with:</b></p> <ul style="list-style-type: none"> <li>• return to work goals;</li> <li>• proposed treatments; and</li> <li>• forecast date for recovery.</li> </ul>	<p><i>WorkSafeNB agrees with the Auditor General's recommendation to automate the claims management system.</i></p>	<p><i>December 2019</i></p>
<p><b>3.53 We recommend WorkSafeNB develop a treatment plan right after a claim is accepted and enable the adjudicator to communicate it to the injured workers.</b></p>	<p><i>WorkSafeNB agrees with the Auditor General's recommendation.</i></p>	<p><i>September 2019</i></p>
<p><b>3.54 We recommend WorkSafeNB use disability duration guidelines to provide a forecast of return to work and include it in the initial decision letter sent to injured workers.</b></p>	<p><i>WorkSafeNB agrees with the Auditor General's recommendation.</i></p>	<p><i>June 2019</i></p>
<p><b>3.59 We recommend WorkSafeNB require case managers discuss with injured workers their abilities, functional limitations and restrictions in determining the modified return to work plan.</b></p>	<p><i>WorkSafeNB agrees with the Auditor General's recommendation.</i></p>	<p><i>April 2019</i></p>

Exhibit 3.3 Summary of Recommendations (continued)

Recommendation	Auditee response	Target date for implementation
<b>3.60 We recommend WorkSafeNB improve the adjudication decision making process by requiring adjudicators to document in the claim management system decision rationale with the key legislation and operational policy.</b>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>June 2019</i>
<b>3.63 We recommend WorkSafeNB include a clear explanation of potential eligible benefits with the initial decision letter to injured workers.</b>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>March 2019</i>
<b>3.66 We recommend WorkSafeNB develop specific competencies for the adjudication role and require all successful applicants to meet those competencies.</b>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>  <i>The adjudication role at WorkSafeNB is covered by a collective agreement. WorkSafeNB will work with the bargaining agent to best address the recommendation to achieve the best outcome for injured workers.</i>	<i>June 2020</i>
<b>3.75 We recommend WorkSafeNB update its guidance to promote early referrals to the workers rehabilitation centre, to maximize return to work outcomes.</b>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>June 2020</i>

Exhibit 3.3 Summary of Recommendations (continued)

Recommendation	Auditee response	Target date for implementation
<b>3.81 We recommend WorkSafeNB formalize the authority and role of the medical advisor and ensure both medical advisors and case managers understand their respective roles regarding medical opinions.</b>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>March 2019</i>
<b>3.82 We recommend WorkSafeNB:</b> <ul style="list-style-type: none"> <li>• <b>require medical advisor opinions to be formally documented and be restricted to the specifics of the medical condition; and</b></li> <li>• <b>have templated, specific questions for case managers to ask medical advisors.</b></li> </ul>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>June 2019</i>

Exhibit 3.3 Summary of Recommendations (continued)

Recommendation	Auditee response	Target date for implementation
<p><b>3.84 We recommend WorkSafeNB have a plan to:</b></p> <ul style="list-style-type: none"> <li>• <b>follow up with the injured worker in relation to treatment progress;</b></li> <li>• <b>closely monitor claims with modified return to work to ensure the modified work is suitable; and</b></li> <li>• <b>communicate with health care providers involved in relation to worker’s progress.</b></li> </ul>	<p><i>WorkSafeNB agrees with the Auditor General’s recommendation. To best comply with this recommendation, the new claims management system must be implemented which is scheduled for 2021.</i></p>	<p><i>Plan Completion: December 2019</i></p> <p><i>Full implementation target date: December 2021</i></p>
<p><b>3.88 We recommend WorkSafeNB develop expertise for complex and sensitive conditions among case managers by allocating specific types of injuries to certain case managers and offering professional development opportunities.</b></p>	<p><i>WorkSafeNB agrees with the Auditor General’s recommendation.</i></p>	<p><i>June 2019</i></p>

Exhibit 3.3 Summary of Recommendations (continued)

Recommendation	Auditee response	Target date for implementation
<b>3.97 We recommend WorkSafeNB:</b> <ul style="list-style-type: none"> <li>• expand the duration and level of detail in case manager training; and</li> <li>• enhance ongoing training for existing staff.</li> </ul>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>June 2020</i>
<b>3.98 We recommend WorkSafeNB monitor claims managed and provide feedback to staff on an ongoing basis to ensure adherence to policy and consistency among regions.</b>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>April 2019</i>
<b>3.101 We recommend WorkSafeNB annually review long term disability clients with a potential for return to work (for example, a change in functional abilities or a change in the labour market availability) to determine if the claim is still suitable for long term disability.</b>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>June 2019</i>

Exhibit 3.3 Summary of Recommendations (continued)

Recommendation	Auditee response	Target date for implementation
<b>3.104 We recommend WorkSafeNB propose to amend the legislation so that appeals go to the Issues Resolution Office of WorkSafeNB as a mandatory first step before an appellant can file an appeal with the Workers Compensation Appeals Tribunal.</b>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>December 2020</i>
<b>3.107 We recommend WorkSafeNB develop Key Performance Indicators which are relevant to the performance of its internal processes.</b>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>March 2019</i>
<b>3.109 We recommend WorkSafeNB define targets for its Key Performance Indicators and clearly state these on performance reports.</b>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>March 2019</i>
<b>3.111 We recommend WorkSafeNB link:</b> <ul style="list-style-type: none"> <li>• key performance indicators to strategic goals; and</li> <li>• improvement initiatives to the Key Performance Indicators identified.</li> </ul>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>March 2019</i>

Exhibit 3.3 Summary of Recommendations (continued)

Recommendation	Auditee response	Target date for implementation
<b>3.115 We recommend WorkSafeNB reallocate administrative tasks, such as loss of earnings benefit calculations, from case managers to administrative staff.</b>	<i>WorkSafeNB agrees with the Auditor General's recommendation.</i>	<i>June 2019</i>
<b>3.119 We recommend WorkSafeNB build tools into the claims management system to free up staff from routine and repetitive tasks so they can focus on progress and treatments of injuries. Such tools would include:</b> <ul style="list-style-type: none"> <li>• enhanced data mining capabilities;</li> <li>• system reminders to update client information;</li> <li>• auto-complete forms; and</li> <li>• automated medical claims processing.</li> </ul>	<i>WorkSafeNB agrees with the Auditor General's recommendation. To best comply with this recommendation, the new claims management system must be implemented which is scheduled for 2021.</i>	<i>December 2021</i>

Exhibit 3.3 Summary of Recommendations (continued)

Recommendation	Auditee response	Target date for implementation
<p><b>3.131 When tendering the contract for medical services again in 2019, we recommend WorkSafeNB:</b></p> <ul style="list-style-type: none"> <li>• <b>ensure tender requirements are comprehensive to minimize the need for significant changes after the tender is issued; and</b></li> <li>• <b>follow procurement regulations and best practices to ensure transparency, fairness, and competitiveness of the bidding process.</b></li> </ul>	<p><i>WorkSafeNB agrees with the Auditor General’s recommendation.</i></p> <p><i>In 2019, WorkSafeNB will be issuing a comprehensive Request for Proposals (RFP) for the design of a medical and rehabilitation services model. The outcome from this initial RFP is to provide WorkSafeNB with a medical and rehabilitation services model for all claims and includes all services such as WorkSafeNB’s Rehabilitation Centre and external service providers.</i></p> <p><i>In 2020, following the establishment of the medical and rehabilitation model, a second RFP will be issued to secure one or many service providers for all or parts of the agreed to medical and rehabilitation service model. We believe it is imperative to first identify the model and then secure the providers for the model.</i></p> <p><i>We believe this approach is in the best long-term interest of our clients.</i></p> <p><i>WorkSafeNB is committed to ensuring all tender requirements are comprehensive, follow procurement best practices to ensure transparency, fairness, and competitiveness of the bidding process.</i></p>	<p><i>December 2020</i></p>

Exhibit 3.3 Summary of Recommendations (continued)

Recommendation	Auditee response	Target date for implementation
<p><b>3.133 We recommend WorkSafeNB use a shorter initial term with an option to renew, when the contract for medical services is tendered in 2019.</b></p>	<p><i>WorkSafeNB agrees with the Auditor General's recommendation to contract with service providers for shorter terms with the option to renew if the service provider has performed satisfactorily during the initial term.</i></p> <p><i>The term of the new medical contract services will follow this recommendation unless the shorter initial term would limit WorkSafeNB's ability to deliver on the preferred medical model.</i></p>	<p><i>December 2020</i></p>
<p><b>3.135 We recommend that WorkSafeNB include contract terms addressing intellectual property rights in future contracts for medical and rehabilitation services.</b></p>	<p><i>WorkSafeNB agrees with the Auditor General's recommendation.</i></p>	<p><i>December 2019</i></p>
<p><b>3.141 We recommend WorkSafeNB use progress reports received from physiotherapy clinics to monitor injured workers during treatment.</b></p>	<p><i>WorkSafeNB agrees with the Auditor General's recommendation.</i></p>	<p><i>December 2019</i></p>

## Background

### WorkSafeNB

**3.12** WorkSafeNB<sup>1</sup> is a Part IV Crown corporation included in the *Public Service Labour Relations Act*. It is responsible for administering the workers’ compensation system in New Brunswick. In 2017, over 22,000 claims were created, with an average lost time per claim of 64.7 days.

**3.13** It is also responsible for occupational health and safety programs and regulatory enforcement as required under the *Occupational Health and Safety Act*.

### Organizational Structure

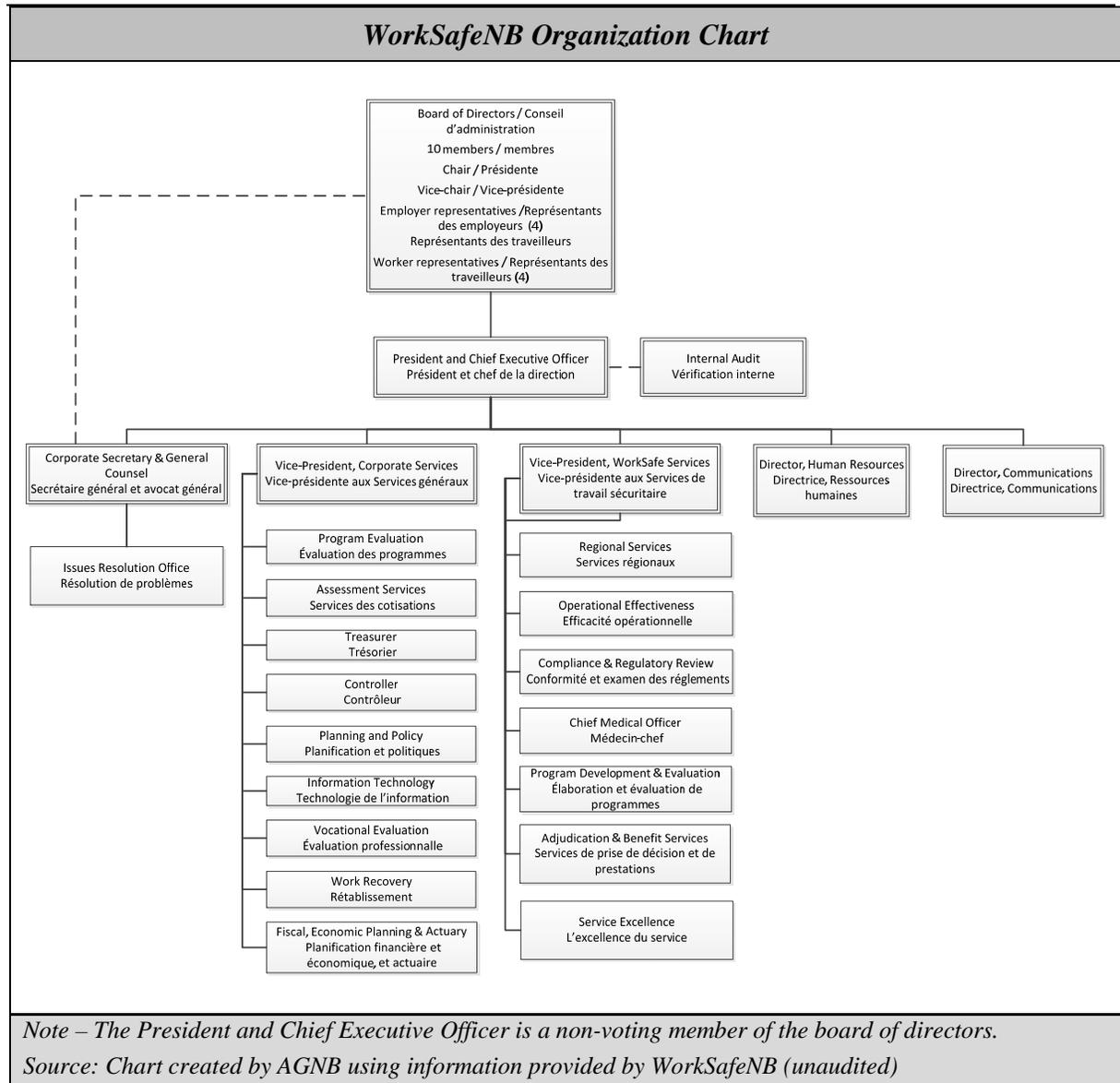
**3.14** The organization chart presented in Exhibit 3.4 provides an overview of WorkSafeNB structure. WorkSafeNB employs over 450 personnel and provides regional services from four main locations:

- Saint John
- Dieppe
- Bathurst
- Grand Falls

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<sup>1</sup> “WorkSafeNB” is a registered trademark of the Workplace Health, Safety and Compensation Commission.

Exhibit 3.4 WorkSafeNB Organization Chart as of 2017



### Claims Management Process

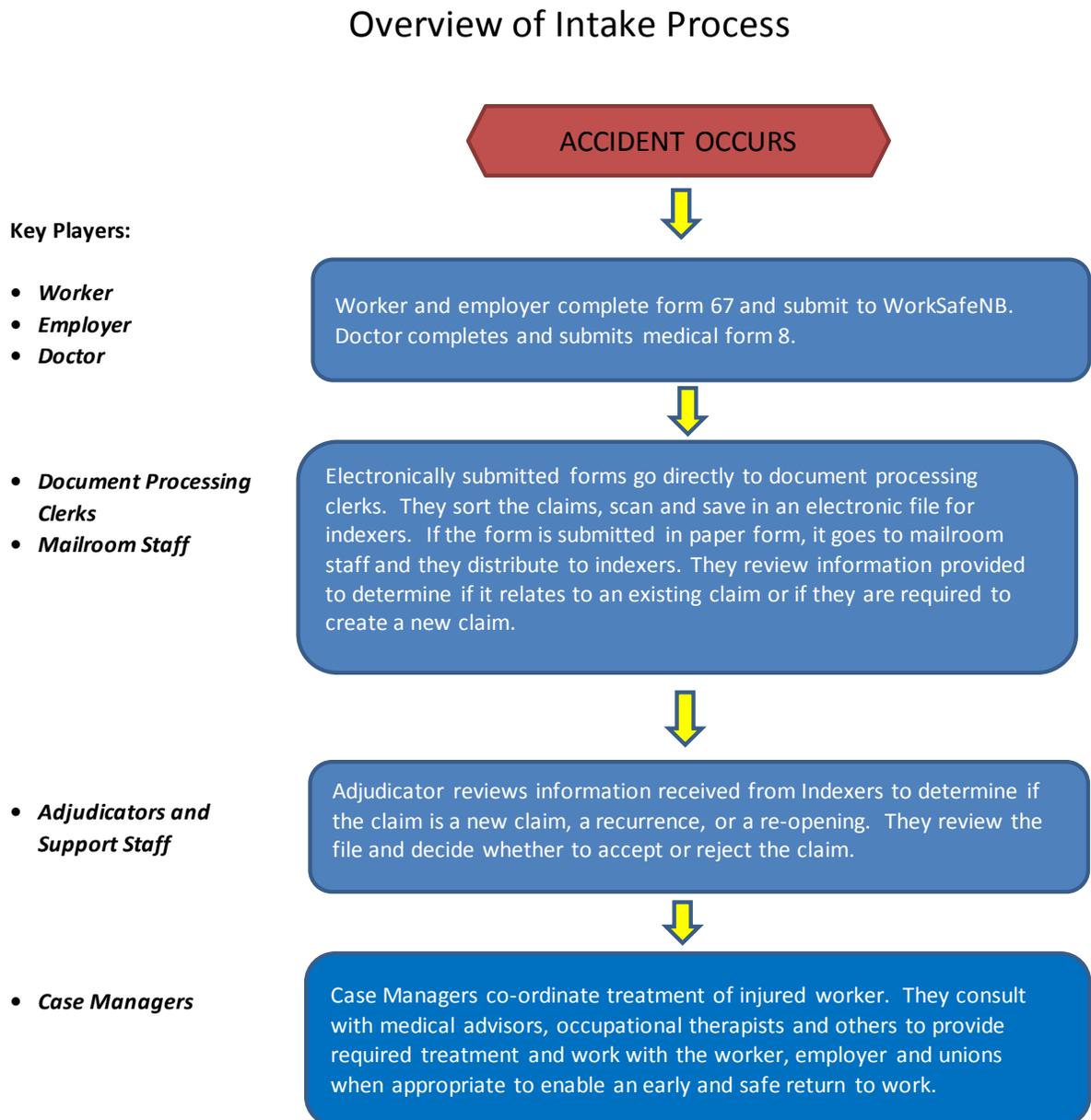
#### 3.15 Managing claims at WorkSafeNB is a complex process.

Exhibit 3.5 shows key players involved with a description of the role they play. Every claim application is evaluated through the adjudication process for eligibility and then managed through the regional offices and the Workers Rehabilitation Center with a key overall goal of return to work. Claim management process encompasses activities such as:

- claim intake – the process of receiving the claim and gathering associated documentation;
- the initial adjudication decision to accept or deny a claim;

- the case management process – which includes activities such as medical assessments, rehabilitation, surgery and potential placement on long term disability if the injured worker cannot return to work.
- appeals – injured workers unhappy with decisions made by WorkSafeNB can appeal them to the Issues Resolution Office (“IRO”) or the independent Workers’ Compensation Appeals Tribunal (“WCAT”).

Exhibit 3.5 Overview of the Claims Management Process



Source: created by AGNB based on information provided by WorkSafeNB

***Injured Workers are Key Stakeholders***

**3.16** Injured workers and their families are key stakeholders of WorkSafeNB. WorkSafeNB provides compensation in various forms to a worker and their dependents, as the case may be, when “*personal injury or death is caused to a worker by accident arising out of and in the course of his employment*”.<sup>2</sup>

**3.17** Workers injured in workplace accidents and their families are vulnerable and can suffer significant hardship if adequate compensation benefits are not provided. These benefits take many forms from income replacement to health care services and annuities.

***Claims quantity, cost and duration are key determinants in overall compensation system cost***

**3.18** Increases and decreases in the overall cost of providing compensation benefits to injured workers drives assessment rate changes. Key determinants such as the number of injured worker claims, the cost per claim, and the duration of claims will impact this rate.

**3.19** WorkSafeNB needs to have an efficiently functioning claims management framework in order to maintain a sustainable workers' compensation system. However, claim costs have been rising rapidly in recent years. This trend has contributed to the increases in rates charged to employers.

***Claims costs have always been a significant portion of all costs***

**3.20** Exhibit 3.6 shows the expense trend from 2013 through 2017. It compares the amount spent on claims to total expenses of WorkSafeNB. This comparison highlights:

- claim costs have almost tripled from 2013 to 2017; and
- claim costs are the primary cost driver in operating the workers' compensation system. Claims costs have risen from 79% of total costs in 2013 to 89% in 2017.

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<sup>2</sup> Province of New Brunswick. Workers' Compensation Act, Chapter W-13., S7(1).

Exhibit 3.6 Trend of WorkSafeNB Claims Cost to Total Costs from 2013 to 2017

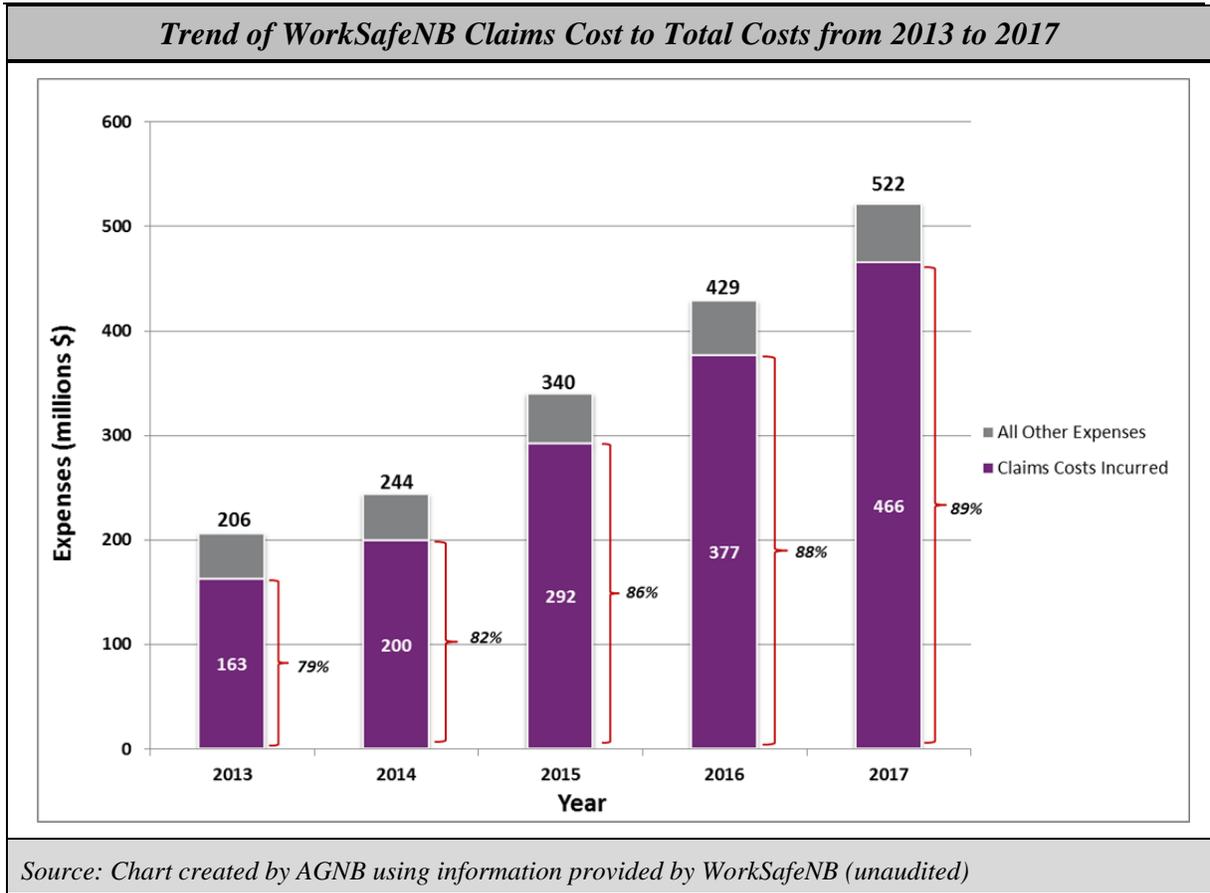
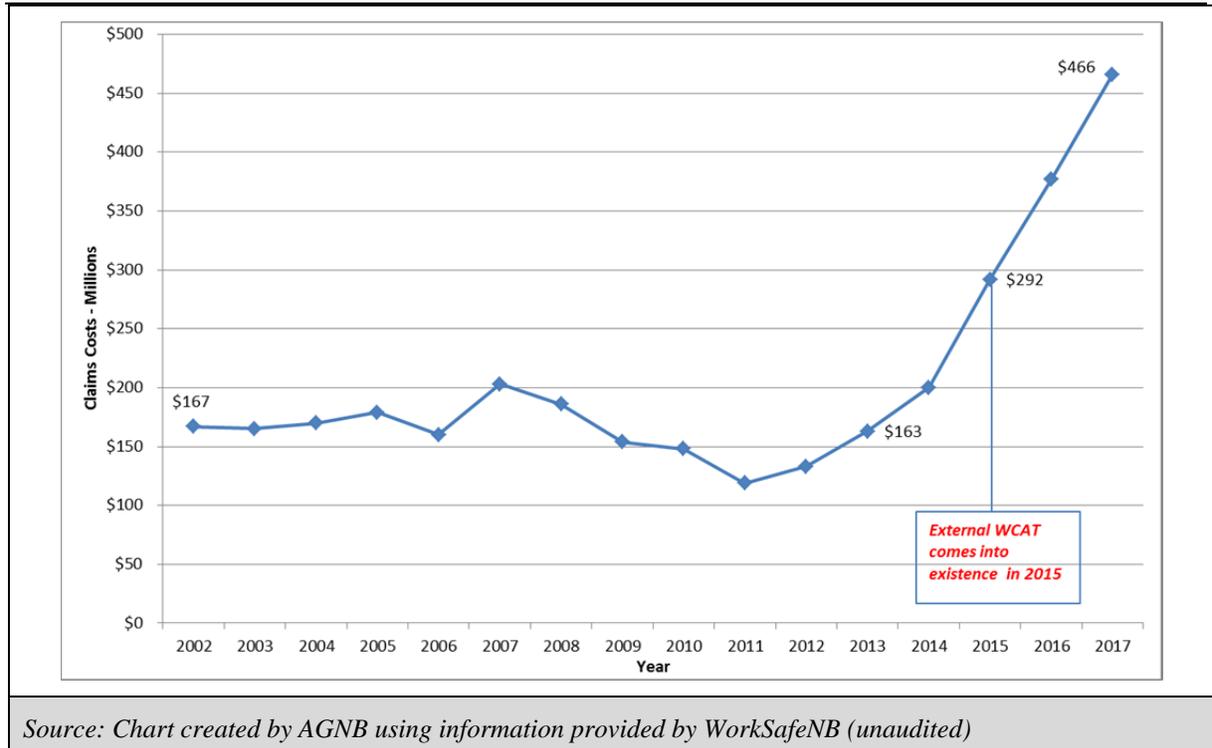


Exhibit 3.7 WorkSafeNB Injured Worker Claims Trends (\$ millions)



**3.21** Exhibit 3.7 highlights the trend toward increasing WorkSafeNB claim costs over the past 15 years. Claim costs have risen from \$163 million in 2013 to \$466 million in 2017. WorkSafeNB's costs related to claims amounted to \$466 million out of a total \$522 million in expenses, or 89%. One of the major contributing factors to this increase is the impact of Workers Compensation Appeals Tribunal (WCAT) decisions.

***Tribunal's authority to change operational policy happens only in New Brunswick and Quebec***

**3.22** Recommendations contained in a legislative review led to the establishment of the current WCAT on April 1, 2015. The authority of the new WCAT was significantly broader than that of the previous appeals tribunal. In addition, WCAT's decisions can change WorkSafeNB's operational policy. In contrast, tribunal decisions in all other provinces, except Quebec, do not change operational policy. Other provinces usually propose policy changes to consultation.

**3.23** Due to the decisions of the WCAT, WorkSafeNB changed its policies in a number of areas. For example, we found

WorkSafeNB continues to pay benefits if the worker is off for non-compensable<sup>3</sup> reasons rather than pause or hold benefits while the non-compensable injury or ailment is occurring.

***Paying benefits for non-compensable injuries in New Brunswick is inconsistent with rest of Canada***

**3.24** Prior to the WCAT decision, non-compensable injuries were not covered by WorkSafeNB. Paying benefits for non-compensable reasons:

- is inconsistent with any of the other Workers’ Compensation Boards in Canada; and
- expands the definition of “*arising out of and in the course of employment*”.
- increases cost for WorkSafeNB.

***Policy changes, as a result of WCAT decisions, created uncertainty with case managers and had significant financial implications***

**3.25** Other areas affected by the WCAT include supplement to compensation, repayments and overpayment, and care allowances. These decisions along with others made by the WCAT have had significant financial implications. WorkSafeNB estimates that a small number of these decisions have added an additional \$101.9 million liability as of 2016 to WorkSafeNB’s accident fund. Policy changes also created uncertainty with case managers. This uncertainty resulted in reluctance to make decisions or move forward with claim decisions.

**3.26** A Ministerial Task Force<sup>4</sup> was appointed by the Minister of Post-Secondary Education, Training and Labour to review New Brunswick’s workers’ compensation system. In its report published in July 2018, the Task Force discussed WCAT operations in significant detail. It concluded the broad legislative jurisdiction of WCAT is negatively affecting the sustainability and financial integrity of WorkSafeNB. The Task Force has recommended significant legislative changes to limit WCAT’s authorities to affect WorkSafeNB’s policies. More information on WCAT decisions can be found in Appendix IV.

<sup>3</sup> WorkSafeNB defines a personal non-compensable intervening condition as “a medical condition that arises after the occurrence of a workplace injury, and is not medically linked to, or caused by, the workplace accident” – WorkSafeNB Policy # 25-010 Personal Non-compensable Intervening Conditions During Rehabilitation

<sup>4</sup> Report of the Task Force on WorkSafeNB, July 2018, Post-Secondary Education, Training and Labour Government of New Brunswick  
[https://www2.gnb.ca/content/dam/gnb/Departments/eco-bce/Promo/taskforce\\_review\\_worksafenb/WorkSafeNBTaskForceReportE.pdf](https://www2.gnb.ca/content/dam/gnb/Departments/eco-bce/Promo/taskforce_review_worksafenb/WorkSafeNBTaskForceReportE.pdf)

**Previous Report on Governance**

**3.27** Our earlier report on Governance, in the Auditor General Report, Volume I (June 2018), contained more background information on WorkSafeNB's structure and operations. Readers may wish to refer to that report for additional information on these topics.

**Audit Scope**

**3.28** The scope of this chapter focuses on the claims management framework at WorkSafeNB. Our audit approach included documentation review, analysis, and interviews. Observations, findings (summarized in Exhibit 3.2) and conclusions were formed based on:

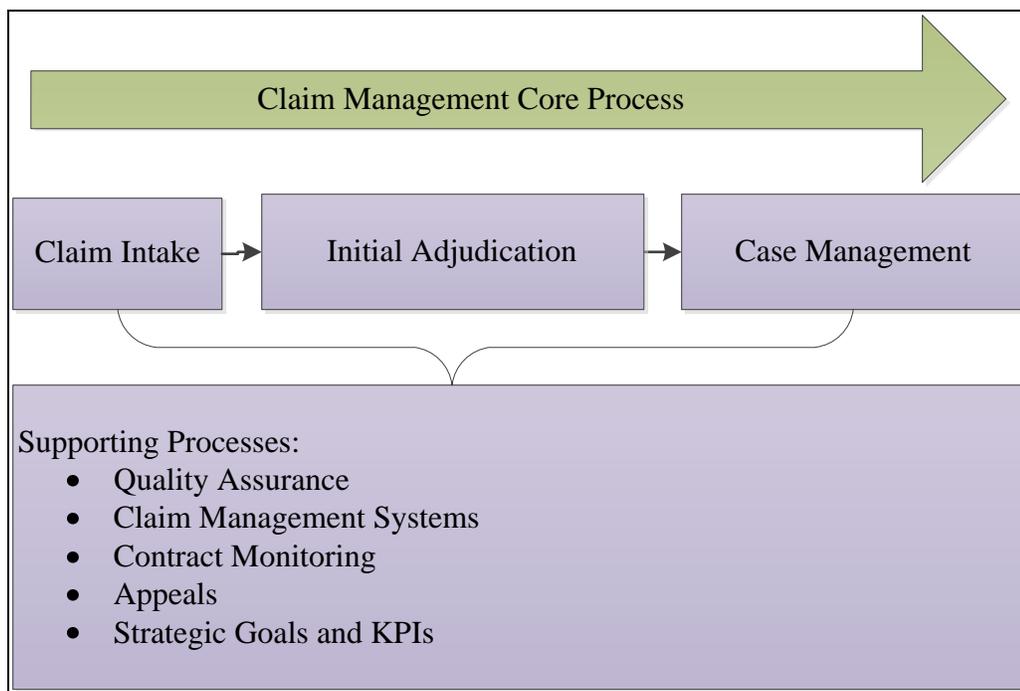
- examination of legislation, policy, reports and other documentation relevant to our work;
- interviews with current and former board members, senior executives and personnel at WorkSafeNB;
- interviews with relevant individuals and organizations external to WorkSafeNB;
- analysis and sample testing of claim files as applicable to our work; and
- findings of our expert's review of WorkSafeNB's claims management framework.

**3.29** Our audit was performed in accordance with Canadian Standard for Assurance Engagements (CSAE) 3001 established by the Chartered Professional Accountants of Canada, and accordingly, we carried out such tests and other procedures as we considered necessary in the circumstances. Other information about the audit can be found in Appendix V.

**Report Structure**

**3.30** We structured our report in the way a claim flows through WorkSafeNB. Our findings and recommendations are grouped by these major processes in the claims management cycle, as shown in Exhibit 3.8.

Exhibit 3.8 Claims management flow diagram



Source: created by AGNB based on information provided by WorkSafeNB

**3.31** We found, in general the claims management framework adopted by WorkSafeNB is reasonable and many of its policies are consistent with industry best practice. It has good policy on accident reporting and application for benefits. Adjudicators and case managers have the opportunities to consult with internal medical professionals and seek additional medical assistance when needed. Continuum of care programs are consistent with industry best practice. A decision map is included for medical management of injuries. There is a selection guide for new physiotherapy clinics and ways to monitor and evaluate performance. An Issues Resolution Office has been set up to address injured workers' concerns. However, there are many deficiencies we identified in WorkSafeNB's claims management process.

## Claim Intake

**3.32** Claim intake is the first step in the claims management process. As per WorkSafeNB's 2017 annual report, the average number of work days from the day the injury is reported to the first payment is 28 days. We found there are unnecessary delays in this process. In this step, the injured worker sends requested documents to the intake team. This team inspects documents to ensure all requirements are met before passing them to the claims processing team. For example, both the injured worker and the employer's signature must be present on application forms. No

contact is made with the injured worker by the intake team beyond a “*please submit the specific document*” letter.

**3.33** The intake team sends claim documents to the claims processing team which handles the indexing and coding of the documents for an adjudicator to review in more detail.

*No initial contact with the injured worker to assess the nature of injury and what immediate steps WorkSafeNB needs to take*

**3.34** Following this initial submission of documents, there is no initial contact with the injured worker by an adjudicator to assess the nature of injury and what immediate steps WorkSafeNB needs to take.

*There is no interface to transfer the electronic form submission into the claims management system*

**3.35** We found electronic forms are available for submission via an online portal. However, the submission process is inefficient in the following ways:

- The system allows the electronic form to be submitted while incomplete. This causes extra work for the adjudicators who have to gather the missing data in order to adjudicate the claim.
- There is no interface to transfer the electronic form submission into the claims management system. Forms are printed and subsequently scanned into the system adding more work.

*Recommendation*

**3.36** We recommend WorkSafeNB automate the claims management system to allow electronic submission and processing of claims documents, to reduce work and speed up intake and adjudication processes.

**3.37** In the current process, typically employers submit claim documents. A support clerk of WorkSafeNB reaches out to the injured worker for their signature, if it is missing from the forms. Once the signature is received, the claim is sent to an eligibility adjudicator for adjudication.

*Unnecessary delays caused by employer and worker combined form*

**3.38** The intake team raised a concern to us on the delay caused by waiting for the authorization signature on the Report of Accident or Occupational Disease (Form 67). WorkSafeNB has a combined form that needs to be completed by both the employer, and the injured worker. An eligibility adjudicator is not able to see the claims immediately unless both the employer’s and worker’s signature are present. This sometimes creates unnecessary delays.

**3.39** In most other provinces, the Employer’s and Worker’s Reports of Injury are separate documents and either one can

initiate a claim, e.g. Employer’s Report or a Worker’s Report.

### ***Recommendations***

**3.40 We recommend claims be sent immediately to an adjudicator after initial intake team gathers personal information and accident details.**

**3.41 We recommend WorkSafeNB uses separate “Report of Accident” forms for the employer and employee.**

### **Return to Work**

***Establishing an expectation for when the injured workers would be ready to return to work is a critical part of the overall recovery process***

**3.42** Early and safe return to work is a key industry best practice. Establishing an expectation for when the injured workers would be ready to return to work is a critical part of the overall recovery process. We believe worker motivation, or self-efficacy, is one of the most important aspects in prompt return to work. In order to accomplish this, workers compensation boards need to communicate the concept of return to work and a realistic plan to employers and the injured workers as early as possible. We also noticed the Task Force<sup>5</sup> is recommending WorkSafeNB adopt a proactive role in promoting return to work.

**3.43** Although return to work is one of the primary goals of WorkSafeNB as stated in its strategic plan, it is not currently embedded into the claims management process.

***WorkSafeNB is missing the early opportunity to communicate return to work options to injured workers during the initial adjudication process***

**3.44** During the initial adjudication process, WorkSafeNB gives priority to administrative tasks related to paying injured workers who are missing time from work. Not as much attention is focused on the modified return to work claims, e.g. those working with a strain or sprain. We found WorkSafeNB is missing the early opportunity to communicate return to work options to injured workers.

***No case plan after a claim is accepted***

**3.45** We also found WorkSafeNB did not create a comprehensive case plan after a claim is accepted. Such a plan would include return to work goals, proposed treatments and a forecast date for recovery. Without such a plan, it would be difficult for WorkSafeNB to promote the concept of return to work and motivate injured workers to return to work.

**3.46** We found a return to work plan was created very late into the process and only for situations where the injured worker is off work for an extended period of time. The case manager

<sup>5</sup> Report of the Task Force on WorkSafeNB, July 2018.

communicates with the occupational therapist to develop a return to work plan. The WorkSafeNB case manager then speaks with the injured worker and employer to determine available work to create a suitable return to work plan.

**3.47** Creating a return to work plan this late may not achieve desired outcomes. The injury may have worsened or the worker's confidence diminished. As a result, WorkSafeNB would have missed the best opportunity to intervene.

### ***Recommendation***

**3.48** We recommend WorkSafeNB focus on return to work during adjudication by:

- **identifying risks to return to work;**
- **prioritizing complex claims, and**
- **initiating a plan to address barriers.**

**3.49** We recommend WorkSafeNB communicate a detailed case plan with:

- **return to work goals;**
- **proposed treatments; and**
- **forecast date for recovery.**

### **Initial Adjudication**

#### ***Delays in referring injured workers for specialized treatment and assessment***

**3.50** The eligibility adjudicator determines the first level of treatment at the beginning of adjudication. The injured worker is sent for treatment in pre-approved local clinics first. However, when treatment is not progressing, there is a delay in referring the worker into a WorkSafeNB specialized "Program of Care" for further treatment and assessments.

#### ***Adjudicators do not set expected disability duration and dates for recovery***

**3.51** Disability Duration Guidelines<sup>6</sup> (DDGs) give an estimate of the approximate time required for workers to return to work after various work-related injuries and treatments. We believe forecasting the disability duration is critical for creating a return to work plan and establishing expectation for recovery. However, we found adjudicators do not:

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<sup>6</sup>Disability Duration: "refers to the interval of time from accident to when 75% of persons are able to return to pre-accident work. The disability duration of an injury is often shorter than the healing time."(Source: WorkSafeNB Disability Duration Guidelines, July 2009)

- discuss treatment plans with injured worker right from the intake of the claim;
- compare diagnoses to WorkSafeNB Disability Duration Guidelines; and
- set expected disability duration and dates for recovery.

***Claims not monitored in accordance with Disability Duration Guidelines***

**3.52** Further, we found WorkSafeNB's claims management lacks timelines associated with follow-ups and recovery monitoring. Although WorkSafeNB has access to DDGs, there are no triggers in the system to alert the adjudicator or case manager when a claim has gone past the DDGs. This means there are no triggers to monitor recovery status. Even though the DDGs are accessible, they are not mandatory.

***Recommendations***

**3.53** We recommend WorkSafeNB develop a treatment plan right after a claim is accepted and enable the adjudicator to communicate it to the injured workers.

**3.54** We recommend WorkSafeNB use disability duration guidelines to provide a forecast of return to work and include it in the initial decision letter sent to injured workers.

***Adjudication decision making process consistent with industry and legislative best practice***

**3.55** An adjudicator within WorkSafeNB's Adjudication and Benefit Services (ABS) unit receives the claim from the claims intake team and then makes the decision based on the case facts and the policies in force regarding whether to accept or reject a claim. This is a legal requirement within the *Workers' Compensation Act*, supported by operational policy and procedures. The adjudicator may consult a WorkSafeNB medical advisor for an opinion on medical compatibility. We considered this process consistent with industry and legislative best practice.

***Decision rationale not sufficiently communicated to case managers***

**3.56** The adjudication decision is communicated by phone and in the decision letter. A rationale for a claim decision is found in the decision letter. In many cases, the rationale in the decision letter is not detailed enough with the key legislation and operational policy noted for the case manager to understand the whole picture. A decision checklist may assist with the initial adjudication decision and documenting the details regarding how the decision is made. This can strengthen the flow of information between adjudicators and case managers.

**3.57** This gap in communication and documentation was a concern to case managers. They indicated to us that if there is ever a disagreement in decision making between the eligibility

adjudicator and the case manager, it would be difficult for them to follow the adjudicator's decision making process to reconsider or reverse any prior decision.

**3.58** Case managers also noted the eligibility adjudicator does not discuss an injured worker's abilities, functional limitations and restrictions because this is not currently included as a consideration for adjudication. Such considerations can affect the accuracy of modified return to work plans.

***Recommendations***

**3.59** We recommend WorkSafeNB require case managers discuss with injured workers their abilities, functional limitations and restrictions in determining the modified return to work plan.

**3.60** We recommend WorkSafeNB improve the adjudication decision making process by requiring adjudicators to document in the claim management system decision rationale with the key legislation and operational policy.

***WorkSafeNB provides little explanation of benefits and entitlements to the injured worker***

**3.61** WorkSafeNB provides little explanation of benefits and entitlements to the injured worker. There is an information kit describing all the potential benefits. It is not always included in the package sent to the injured worker and not fully explained to them. The adjudicator only verbally explains the adjudication decision and the awarded benefits to the injured workers.

**3.62** We found adjudicators and case managers are not advising injured workers about treatment or care plans. They are often not aware of the amount of treatment benefits allowed, e.g. physiotherapy. As a result, injured workers may not be able to obtain all the benefits to which they are entitled. For example, an injured worker got injured further while doing yard maintenance at home, and nearly lost the benefits as a result. Review of the file showed the worker had not been offered a care allowance, which would have allowed this individual to hire someone to do this kind of activity. WorkSafeNB attempted to cut off the employees benefits, claiming this injury was not work related. This illustrates how injured workers need to have the benefits available to them fully explained. The additional injury may have been prevented and subsequent dispute avoided, if the worker had been able to hire someone to do the task for them.

**Recommendation**

**3.63 We recommend WorkSafeNB include a clear explanation of potential eligible benefits with the initial decision letter to injured workers.**

***Staff appointments to Adjudicator position are not competency based***

**3.64** The adjudication position is covered by a collective bargaining agreement. Individuals can apply for the position internally, and may be assigned due to seniority. It appears this is often more of a deciding factor than competency, education and qualifications. WorkSafeNB has not developed competency requirements for the adjudication role.

**3.65** This also means some individuals come into the adjudication role without the requisite knowledge or experience. Inadequately qualified adjudicators may not be able to consistently make the right decisions. This could impact the recovery time of injured workers and add unnecessary costs to WorkSafeNB. It is also time-consuming for the trainers and coaches working with these individuals.

**Recommendation**

**3.66 We recommend WorkSafeNB develop specific competencies for the adjudication role and require all successful applicants to meet those competencies.**

**Case Management**

***WorkSafeNB’s injury protocol process is consistent with most Workers’ Compensation Boards across Canada***

**3.67** We found WorkSafeNB has developed treatment protocols for the most frequent types of injuries. These include, at a minimum; back injury, shoulder, and mental health Post Traumatic Stress Disorder (PTSD). These protocols include a multi-disciplinary approach to treatment, and ultimately, recovery. This injury protocol development process is consistent with most Workers’ Compensation Boards across Canada.

**3.68** WorkSafeNB has documented a flowchart, which outlines the key milestones in the continuum of care. It includes a classification of injuries as follows:

- Acute (0 to 6 weeks)
- Sub-acute (4 to 12 weeks)
- Early Chronic (12+ weeks); and
- Late Chronic

**3.69** The “Continuum of Care” concept is applied to case management. We found WorkSafeNB’s “continuum of care” was based on validated research principles that are widely accepted within the workers compensation industry.

## **Workers' Rehabilitation Centre**

**3.70** WorkSafeNB has a designated Workers' Rehabilitation Centre (WRC) that specializes in the intense treatment of occupational injuries. The centre has a wide range of programs to assist with return to work. There is a multidisciplinary approach in use with nurses, physicians, occupational therapists, physiotherapists, psychologists, social workers, and dieticians. The ultimate goal is to promote recovery and focus on return to work.

**3.71** Operational Policy provides direction and guidance for the referral to the centre. The Centre helps injured workers to restore pre-accident functional capacity or medical recovery to enable a return to safe, productive employment.

**3.72** However, this facility is often used as the last resort for injured workers. The referral decision is not currently being made and managed at the date of the onset of the claim. The injured worker has the option of exhausting community based treatment first. This means WRC often gets the worst cases after all other treatments failed. WRC may not be able to see a worker until an average of 592 days after their injury. By delaying the referral of injured workers to the centre, WorkSafeNB may miss the opportunity to facilitate workers' recovery and make positive impacts to the return to work process. Earlier referrals to WRC could reduce claim duration and improve outcomes.

***76% of injured workers treated by WRC in 2017 were ready to return to work***

**3.73** WRC is owned by WorkSafeNB. This is a rare ownership model of a workers' rehabilitation facility in Canada. The only other similar one, which is owned by worker's compensation board, is located in Alberta. In general, having many health care professionals within the WRC with a focus on rehabilitating injured workers could have a positive impact on injured workers. The centre receives approximately 900 to 1,000 cases per year. According to WorkSafeNB, 76% of injured workers treated by WRC in 2017 were ready to return to work, based on assessment after treatments. The ready to return to work rate from 2013 to 2016 was 84%, 80%, 78% and 71%, respectively. According to WorkSafeNB, the centre has supported more than 24,000 New Brunswick workers in returning to work in the last 40 years.

**3.74** While we did not perform a thorough assessment of the effectiveness of WRC's operations, our testing included files for injured workers who attended WRC. We also toured the facility at the beginning of our work.

**Recommendation**

**3.75 We recommend WorkSafeNB update its guidance to promote early referrals to the workers rehabilitation centre, to maximize return to work outcomes.**

**Use of Medical Advisors**

**3.76** Medical advisors have access to the claims management system. Case managers submit the questions and requests to medical advisors via the claims management system. This includes specific medical documentation for review. A medical advisor reviews these documents and issues an opinion to the case manager.

**3.77** The role of a medical advisor is to review medical information and provide medically relevant opinions and advice. We found, however, case managers are occasionally asking medical advisors to comment on policy related issues of entitlement for benefits.

**3.78** For example, if there is an issue of whether there is noise-induced hearing loss (NIHL) at the workplace, the case manager request should be limited to confirming if the injured worker has NIHL. At times the question is whether there was a hazardous level of noise at the workplace that caused NIHL. Such questions to medical advisors are inappropriate and overstep the authority of the medical advisor's role.

**Case managers are over relying on the opinions of the medical advisors**

**3.79** We also found during our case review a medical advisor commented whether the injured worker should be entitled to certain benefits. It is the role of the case manager to make decisions on entitlement of benefits based their interpretation of WorkSafeNB's policies and on all relevant evidence, including medical advisor's opinions and advice. We found case managers are over relying on the opinions of the medical advisors. The medical advisor's input should be one piece of evidence contributing to the case manager's decision. Over reliance on the medical advisor's input, without consideration of all other evidence equally, can lead to the decisions of WorkSafeNB being challenged and ultimately overturned by the WCAT.

*No guidance for medical advisors regarding what type of opinion they cannot provide*

*No guidance for case managers on what questions are appropriate for medical advisors*

*Recommendations*

*No tracking of medical progress of injured workers*

**3.80** We believe this is a two-folded issue. The line between medical advisor and case manager are blurred. Case managers sometimes asked non-medical questions to WorkSafeNB's medical advisors. Medical advisors did not restrict themselves to only providing a medical opinion. Case managers may not be confident enough due to lack of training and experience to make a decision. There is no clear guidance for medical advisors regarding what opinion they can and cannot provide, nor is there guidance for case managers regarding what types of questions are appropriate for medical advisors.

**3.81** We recommend WorkSafeNB formalize the authority and role of the medical advisor and ensure both medical advisors and case managers understand their respective roles regarding medical opinions.

**3.82** We recommend WorkSafeNB:

- **require medical advisor opinions to be formally documented and be restricted to the specifics of the medical condition; and**
- **have templated, specific questions for case managers to ask medical advisors.**

**3.83** We expect WorkSafeNB to send the worker for an immediate assessment by an appropriate specialist, if the recovery looks prolonged or if barriers are present. Currently this is not the case. The claims management system does not track the worker's progress in terms of how well the injured worker is recovering from the injury. There is no forecasted duration of recovery to track against. This could cause delays in getting the injured worker to the appropriate treatments at the right time and reduce the possibility of early and safe return to work. In one case we examined, an injured worker was sent to a local physiotherapy clinic for treatment due to shoulder injury. At the end of the initial treatment period, a decision was made to extend the physiotherapy treatment further beyond the initial timeframe. However, the extended treatment did not result in any further improvement. The injured worker was then sent for an MRI, which had originally been suggested by the family doctor. This revealed that the nature of the injury could not be resolved by physiotherapy. Surgery would be required to correct the injury and allow the injured worker to recover and return to work.

**Recommendation****3.84 We recommend WorkSafeNB have a plan to:**

- **follow up with the injured worker in relation to treatment progress;**
- **closely monitor claims with modified return to work to ensure the modified work is suitable; and**
- **communicate with health care providers involved in relation to worker’s progress.**

**3.85** Case managers are allocated claims based on the region the injured worker resides. They manage all claims that emerge in that specific region.

**WorkSafeNB case managers not specialized based on types of injuries**

**3.86** WorkSafeNB, unlike many workers compensation boards in the country, does not have specific teams to manage claims based on types of injuries, illnesses or long latency diseases such as Noise-Induced Hearing Loss, Traumatic Brain Injuries, Psychological Conditions, etc. Other boards also have teams based on industry to ensure the case manager is familiar with the worker’s work environment. Others have specialized teams as well as regional offices.

**3.87** Currently, some case managers at WorkSafeNB may have developed subject matter expertise through their experience. However, we found that WorkSafeNB did not formally identify subject matter experts for further developing their professional abilities and for use as a resource by other, less experienced case managers. Utilizing this expertise in an organized manner could enhance the efficacy of the decision making and reduce the time required to process complex claims.

**Recommendation**

**3.88 We recommend WorkSafeNB develop expertise for complex and sensitive conditions among case managers by allocating specific types of injuries to certain case managers and offering professional development opportunities.**

**Regional inconsistency in benefit awards**

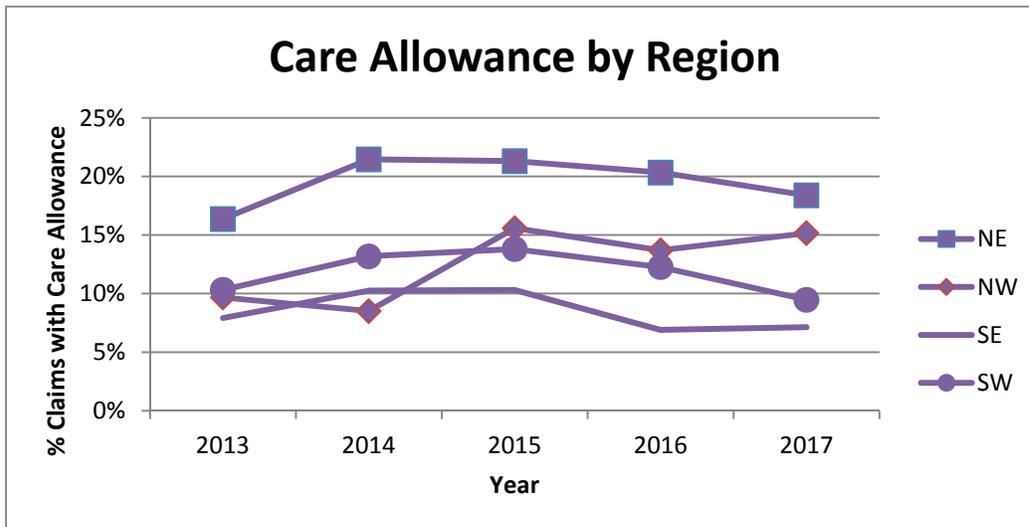
**3.89** During our testing, we observed inconsistency in the awarding of benefits among the regions. We found examples where:

- necessary care needs assessments were not always performed in some regions; and
- care allowance was recommended by the occupational therapist but denied by WorkSafeNB in some regions but not in others.

**3.90** In particular, care allowance awards post-surgery were not granted to eligible claimants in all cases. Per WorkSafeNB's care allowance fee schedule, Injured Workers are eligible for a care allowance: "When an informal caregiver such as a family member or a friend provides home care, WorkSafeNB pays a monthly allowance to help offset some of the costs of the informal care... The allowance is provided based on the level of care required, which is a combination of specific care needs and the number of hours required to provide this care."<sup>7</sup>

**3.91** Exhibit 3.9 shows care allowance awards as a percentage of total case-managed claims by region for the years 2013 through 2017. In 2017, 18% of claims in the North East region had care allowances compared to only 7% in the South East region. It is difficult to rationalize the differences between regions because we cannot easily compare the relative severity of injuries between regions. However, we did note that each region has a similar composition of parts of the body affected by workplace accidents. The parts of the body with the highest injury frequency were "shoulder", "lumbar region", "multiple body parts", "knees" and "unspecified lower back". The data supports our observation that there is regional inconsistency in the awarding of care allowance.

Exhibit 3.9 - Care Allowance by Region



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

<sup>7</sup> Worksafe NB Fee Schedule policy # 29-550

***Decentralized processing of medical claims creates inconsistency between regions***

**3.92** We also found inconsistency in the administration and processing of medical claims in the regions because of decentralized processing. Regional offices currently process claims for medication and there is a risk that medications authorized in one region would be rejected in others.

***Inadequate training for case managers***

**3.93** We believe many of the issues we have previously identified are linked to inadequate training. The new case manager training is a brief, intensive training period. Case managers felt the training was not adequate to learn all the requirements of the role. Following the training period, case managers are assigned cases with increasing complexity as they gain experience. We found there is a lack of ongoing training for case managers. Case managers rely on more senior co-workers within their region to provide guidance; however, this is informal.

***No formal training for policy change***

**3.94** WorkSafeNB does not provide regularly scheduled formal training regarding implementation and interpretation of policy changes. It is possible that the regions could have different interpretations of policy and this may contribute to the regional inconsistency we observed. A more structured training and mentoring program would be beneficial and should be standardized to improve consistency between regions. Further, we noted that WorkSafeNB does not centrally and regularly monitor cases that are managed by case managers. As a result, WorkSafeNB cannot provide timely performance feedback to the case managers or tailor ongoing training to ensure adherence to policy and consistency among the regions.

**3.95** In addition, WorkSafeNB has not expanded professional development opportunities to keep case managers abreast of information relevant to their position such as:

- new research in disability management,
- quality assurance reviews,
- key performance indicators (KPIs); and
- trend analysis.

**3.96** We also noted in our work some case managers lacked the confidence to make decisions. We believe that enhanced initial and ongoing training will increase the confidence and capability of case managers.

**Recommendation**

**3.97 We recommend WorkSafeNB:**

- **expand the duration and level of detail in case manager training; and**
- **enhance ongoing training for existing staff.**

**3.98 We recommend WorkSafeNB monitor claims managed and provide feedback to staff on an ongoing basis to ensure adherence to policy and consistency among regions.**

**Permanent claims / long term disability (LTD)**

**3.99** WorkSafeNB has five long term disability coordinators with a 950 claim caseload. Their role includes ongoing appeals for maintenance treatments, mobility support, and quality of life of claimants. There are three types of LTD files:

- Full LTD;
- Deceased / Alternate Occupation; and
- Work Wage Loss of 20% or more.

**3.100** A team of LTD coordinators has access to the claims management system to look into actual earnings of the injured worker, however, they are not authorized to enter information. This team has only paper files and updates to the files are manual. We found the LTD process is oriented toward administration of the files. WorkSafeNB is not regularly reviewing LTD files with a focus on possible return to work. An injured worker on LTD does not necessarily mean the individual cannot work anymore. As the conditions of an injured worker change and the job market evolves, there may be opportunities for the injured worker to return to work in a different capacity.

**Recommendation**

**3.101 We recommend WorkSafeNB annually review long term disability clients with a potential for return to work (for example, a change in functional abilities or a change in the labour market availability) to determine if the claim is still suitable for long term disability.**

**Issues Resolution Office**

**3.102** The Issues Resolution Office (IRO) of WorkSafeNB was created to deal with employer and injured worker service complaints and to try and resolve appeals before they go to the WCAT. The IRO is a separate group from the case managers who are involved in case management. It would be cost effective and more time efficient to solve the issues internally first. The injured worker could still escalate the appeal to WCAT if they are not satisfied with the IRO decision.

**Review by Issues Resolution Office mandatory in other jurisdictions but not in New Brunswick**

**3.103** In other jurisdictions, it is mandatory to have IRO review the file before it goes to the Appeals Tribunal. In WorkSafeNB’s case, the current legislation allows appellants to file their appeals directly with the WCAT without going through IRO.

**Recommendation**

**3.104 We recommend WorkSafeNB propose to amend the legislation so that appeals go to the Issues Resolution Office of WorkSafeNB as a mandatory first step before an appellant can file an appeal with the Workers Compensation Appeals Tribunal.**

**Quality Assurance**

**WorkSafeNB needs to measure the extent to which it is providing support to injured workers**

**3.105** WorkSafeNB has a performance management process to measure its performance against the goals outlined in its multi-year strategy. The goal closely related to claims management is the “Support Goal”. it states: “We will support our clients in recovering from the impacts of workplace injuries.” The goal statement does not provide an objective definition for “Support” with a linkage to Key Performance Indicators (KPIs) to demonstrate that this goal is being met. Without this, it would be difficult for WorkSafeNB to measure the extent to which it is providing support.

**KPIs do not demonstrate how the efforts of WorkSafeNB have improved performance**

**3.106** We found it would be difficult to attribute an improvement in KPIs to the initiatives and efforts of WorkSafeNB due to a lack of specificity of KPIs. For example, WorkSafeNB presented average paid days lost as a KPI; however, the significant driver of average claims duration overall is the type and severity of injuries. WorkSafeNB would have little influence on this. In this case, a better representation of WorkSafeNB’s performance would be measures of internal process cycle times for claims intake and initial adjudication.

**Recommendation**

**3.107 We recommend WorkSafeNB develop Key Performance Indicators which are relevant to the performance of its internal processes.**

**3.108** WorkSafeNB provided a dashboard type report with measures for claim duration, return to work, 90-day sustainability and satisfaction (demonstrated in Appendix VI). We expected the report to clearly indicate what would constitute good performance in each of the measured areas by stating performance targets. We found, however, it is not clear what would constitute a good result in these areas since targets were not defined.

**Recommendation**

**3.109 We recommend WorkSafeNB define targets for its Key Performance Indicators and clearly state these on performance reports.**

**Performance improvement initiatives not linked to KPIs**

**3.110** WorkSafeNB included progress update summaries for a number of initiatives related to the “Support Goal”. For example, there was an initiative entitled: “To develop northern rehabilitation strategy”. We observed that these initiatives did not identify which KPIs they were meant to improve under this goal. It would be difficult to correlate successful completion of these initiatives with an improvement to the KPI measures listed under the “Support Goal”.

**Recommendation**

**3.111 We recommend WorkSafeNB link:**

- **key performance indicators to strategic goals; and**
- **improvement initiatives to the key performance indicators identified.**

**Claims Management System**

**3.112** We expected WorkSafeNB to use claims management software to automate much of their processes. We found the software currently in use functions primarily as a document repository and for processing of payments. It lacks functionality found in other, more robust claims management systems such claim lifecycle management, reports and dashboards.

**There is no convenient way to pull data for review and analysis**

**3.113** WorkSafeNB’s system only provides the ability to review claims one by one. There are no dashboard reports to provide a summarized view of performance metrics. Also, we noted WorkSafeNB has no built in tool or a convenient way for users to extract data from the claims management system for further analysis. Having a data extraction tool that can be used to pull information for review purposes would save time and help ensure

accurate and efficient claim analysis.

*Administrative tasks consume much of the case managers’ time*

**3.114** We believe the case managers’ focus should be on the rehabilitation and return to work goals of their claim files. However, we found administrative tasks consume much of the case managers’ time. Information on payments of benefits is entered and benefits are calculated by the case managers rather than a separate payments department. We also observed there are no system reminders to ensure payments of benefits to injured workers are updated on a regular basis. It is then incumbent on the case managers to ensure this information is up to date.

*Recommendation*

**3.115** We recommend WorkSafeNB reallocate administrative tasks, such as loss of earnings benefit calculations, from case managers to administrative staff.

*Claim management system does not support emphasis on return to work*

**3.116** The system was designed with a focus on workers who are off work and need to be paid. There is no module for return to work, recovery and other case management initiatives. We expected the system to link the type and area of injury to medical guidelines for recovery. Other jurisdictions link the injury and Disability Duration Guidelines to provide an automatic estimation of the length of time an injured worker would need to recover. This saves time and makes return to work planning more efficient.

**3.117** WorkSafeNB has correspondence templates for various types of communications. There are specific and general letters. The letters, however, do not pull information from the system. We expected correspondence to automatically populate with details from within the system, to minimize the time required for re-entering and checking of information.

*There is no area of the system that a case manager can review as a snapshot or a synopsis of the claim*

**3.118** We found there is no area of the system that a case manager can review as a snapshot or a synopsis of the claim for quick reference. The case manager can sort through the event logs and various screens to familiarize themselves with the claim. This is a tedious and time-consuming process.

***Recommendation***

**3.119 We recommend WorkSafeNB build tools into the claims management system to free up staff from routine and repetitive tasks so they can focus on progress and treatments of injuries. Such tools would include:**

- **enhanced data extraction capabilities;**
- **system reminders to update client information;**
- **auto-complete forms; and**
- **automated medical claims processing.**

**Contract Monitoring**

**3.120** As part of our audit, we examined how WorkSafeNB monitors contracts entered into with service providers involved in assessing and treating injured workers. Our examination of WorkSafeNB's contract monitoring activities focused primarily on contracts for medical and rehabilitation services provided across the province and at the Workers' Rehabilitation Centre (WRC).

***Contract management framework in progress***

**3.121** We determined a contract management framework was not in place during the period audited. WorkSafeNB staff had identified this issue, and informed us they were in the process of developing a framework.

**3.122** A contract management framework is important for creating uniformity and discipline in the planning, execution and performance monitoring of commercial contracts. It allows the organization to acquire goods and services in a consistent manner in compliance with procurement rules and regulations, and ensures contract risks and supplier relationships are effectively and efficiently managed throughout the contract lifecycle.

**Contract for medical services**

**3.123** In 2009, the board authorized WorkSafeNB to enter into a ten year contract with one medical service provider for a range of services, including:

- research, practice guidelines, treatment programs consultation;
- multi-disciplinary complex claim file review and analysis;
- multi-disciplinary complex claim clinical evaluation and analysis;
- psychological assessment and treatments, electromyography (EMG), nerve conduction, neurology and electro-diagnostic services;
- permanent physical impairment assessments; and
- surgical assessments.

The services are provided at the Workers’ Rehabilitation Centre in Grand Bay as well as other locations. The contract is set to expire in 2019.

**3.124** Under the current contract, this service provider has been paid \$7.6 million in total from 2013 to 2017.

***Tender significantly modified after issuance***

**3.125** When we examined the awarding of this contract in 2009, we noted a significant change was made to the tender after it was issued. The initial documents required the bidder to provide medical services and purchase the Grand Bay rehabilitation facility. The latter requirement was later removed when the board decided not to sell the facility.

**3.126** A request for qualifications (RFQ) was issued in April 2008 to identify qualified bidders willing to buy the Grand Bay rehabilitation facility and provide the above mentioned services. Three organizations were qualified by this process.

**3.127** When the request for proposals (RFP) was issued in January 2009, only one of the three organizations submitted a proposal.

***Board decided not to sell facility***

**3.128** However, before the contract was awarded, the board decided not to sell the rehabilitation center. Although the reason for this decision is not documented in the board minutes, other documents we reviewed indicated the board made this decision after the government expressed concerns over the sale of the building. Government did not believe there was a genuine

business case for selling the facility.

**3.129** We expected WorkSafeNB to retender, or at a minimum, solicit new bids from the other two qualified organizations, who may have been discouraged by the requirement to buy the building. Doing so would have demonstrated the transparency and competitiveness of the process, since the original RFP was significantly amended.

*WorkSafeNB did not retender 10 year service contract after significant change to the original request for proposal*

**3.130** We found WorkSafeNB did not notify the other qualified firms and proceeded to negotiate and sign a ten year contract with the firm that responded to the RFP. By doing so, WorkSafeNB may have foregone a potential opportunity to obtain more competitive terms.

*Recommendation*

**3.131 When tendering the contract for medical services again in 2019, we recommend WorkSafeNB:**

- **ensure tender requirements are comprehensive to minimize the need for significant changes after the tender is issued; and**
- **follow procurement regulations and best practices to ensure transparency, fairness, and competitiveness of the bidding process.**

*Contract term of 10 years much longer than other service provider contracts*

**3.132** The term of this service provider contract was 10 years. It is much longer than the other contracts we examined at WorkSafeNB which ranged from one to five years in length. We expected contracts to be for a shorter duration, with the option to renew if the service provider has performed satisfactorily during the initial term. This would allow WorkSafeNB the option of changing service providers sooner if they were not meeting expectations.

*Recommendation*

**3.133 We recommend WorkSafeNB use a shorter initial term with an option to renew, when the contract for medical services is tendered in 2019.**

*Service contract did not address intellectual property rights*

**3.134** We noted the WorkSafeNB contracts for medical and rehabilitation services did not include specific provisions addressing intellectual property rights to programs developed by the service providers. Without specific contract sections dealing with intellectual property rights, there is a risk that a dispute may arise if a contract is terminated or not renewed. This could lead to disruption of operations while replacement programs are being

acquired or developed.

**Recommendation**

**Monitoring of private physiotherapy clinics**

**Monitoring process for clinics**

**3.135 We recommend that WorkSafeNB include contract terms addressing intellectual property rights in future contracts for medical and rehabilitation services.**

**3.136** Contracts exist with clinics across the province to provide treatment services towards the rehabilitation of injured workers. The services provided by the clinics include:

- administration of treatment programs specifically developed by WorkSafeNB, such as their back and shoulder programs;
- heat and cold treatments;
- diet counselling;
- exercise programs; and
- massage services.

**3.137** WorkSafeNB has a monitoring process in place for physiotherapy clinics. The Program Development and Evaluation department evaluates the clinics and their staff prior to awarding the contract. They also monitor the performance of the clinics and physiotherapists on a regular schedule.

**3.138** WorkSafeNB monitors clinics’ performance using processes such as:

- surveys completed by injured workers;
- review of clinics and physiotherapists against standards established by WorkSafeNB on a two year rolling cycle; and
- treatment program reviews.

*Progress reports received from physiotherapy clinics not used to actively monitor the progress of injured workers' recovery during treatment*

**3.139** WorkSafeNB requires clinics to submit reports detailing the progress of the injured worker. We noted case managers were not using these reports to monitor the progress of the injured worker during treatment. They only do so at the end of treatment.

**3.140** While we found the required reports in the system, there is no documentation to indicate the case manager has reviewed and incorporated the report in the injured worker's treatment plan.

*Recommendation*

**3.141** We recommend WorkSafeNB use progress reports received from physiotherapy clinics to monitor injured workers during treatment.

## Appendix I – Section 12 Request Letter



**RECEIVED**  
FEB 27 2017  
AUDITOR GENERAL  
FREDERICTON, N.B.

February 22, 2017

Ms. Kim MacPherson  
Auditor General of New Brunswick  
520 King Street, 6th floor, Suite 650  
P.O. Box 758  
Fredericton, NB E3B 5B4

Ms. MacPherson:

I understand that you had a recent meeting with Ms. Dorine Pirie, Chairperson of WorkSafeNB and Mr. Tim Petersen, Acting President and CEO, regarding a value-for-money audit.

In 2007-2008, the Independent Review Panel recommended that the "Government of New Brunswick direct the Auditor General to conduct a value-for-money audit of the WHSCC every five years to ensure public accountability of the Commission rather than mandatory periodic reviews by an independent commission". The Board at the time fully supported this recommendation.

Considering the recent significant increases in workers' compensation assessment rates and the concern of further increases due to claiming patterns and duration of claims, as well as the impact to employers and to the provision of efficient and effective services to injured workers, looking at all facets of the organization is crucial.

As such, I would request that the Auditor General move forward as quickly as possible with a comprehensive value-for-money audit of WorkSafeNB, including the Workers' Rehabilitation Center in Grand Bay.

Thank you for considering this request.

Sincerely,

Donald Arseneault  
Minister

c.c. Dorine Pirie, Chairperson, WorkSafeNB  
Tim Petersen, Acting President and CEO, WorkSafeNB

DN/10662

Minister/Ministre  
Post-Secondary Education, Training and Labour/Éducation postsecondaire, Formation et Travail  
P.O. Box/C.P. 6000 Fredericton New Brunswick/Nouveau-Brunswick E3B 5H1 Canada

www.gnb.ca



## **Appendix II – Audit Objective and Criteria**

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The objective and criteria for our audit of WorkSafeNB claims management are presented below. The WorkSafeNB board chair and senior management reviewed and agreed with the objective and associated criteria.

Objective	To determine if WorkSafeNB has an effective claims management framework.
Criterion 1	WorkSafeNB should have goals and objectives for claims management aligned with their legislated mandate.
Criterion 2	Claims management practices should comply with WorkSafeNB policies, standards and procedures.
Criterion 3	WorkSafeNB should monitor claims management performance against goals and objectives and take action to address weaknesses identified.

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Source of criteria: Developed by AGNB based on review of legislation and policies, claims management best practices and reports by other jurisdictions' Auditors General

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### Appendix III – Comparisons to other Canadian Jurisdictions

<b>Claim intake</b>	
<b>WSIB Ontario, WCB Alberta, WorkSafeBC</b> all offer Auto-Adjudication capabilities	Almost all other provinces have separate forms for Employer and Employee to complete.
<b>Initial adjudication</b>	
<b>WCB Alberta-</b> Claim assigned to an Adjudicator or Case Manager. Decisions based on Operational Policy.	<b>WSIB Ontario-</b> Eligibility Adjudicator reviews claim for medical diagnosis. Requests Medical Updates every 2 weeks. Workers obligated to cooperate with Return to Work and providing medical
<b>WorkSafeBC -</b> Board makes decisions. Claim is suspended if employee leaves the province without notifying the board or getting consent.	<b>WCB Manitoba -</b> Employer / Employee make their own arrangements for Return to Work. The Board intervenes only if needed.
<b>Decision Making Process</b>	
<b>WCB Alberta-</b> Worker receives step by step instructions on the claims process. If the employer is signed up for electronic services, they receive an email of claim submission and a reminder of the return to work.	<b>WSIB Ontario-</b> Auto adjudication and generated letter sent to the worker. If the employer is signed up for electronic submissions, they receive an email of claim submission. Eliminates all the internal work for simple claims.
<b>WorkSafeBC -</b> Decision letter includes the matter being adjudicated and evidence considered.	<b>WCB Saskatchewan -</b> Medical aid – includes surgical aid of hospital or nursing staff. Health care professionals.
<b>WorkSafe Nova Scotia -</b> WCB provides any medical aid.	
<b>Explaining Benefits to a Worker</b>	
<b>WSIB Ontario-</b> Detailed and standard decision letters advise the injured worker of all approved benefits. Information on starting treatment at a WSIB approved facility. When needed, the benefits are also described to the injured worker by phone.	

### Appendix III – Comparisons to other Canadian Jurisdictions (continued)

<b>The Initial Adjudication Role</b>	
<b>WCB Alberta</b> - Adjudicator makes the initial entitlement decision and contacts all parties. The Adjudicator then corresponds with all parties on the decision and the treatment plan. A claim process diagram is included in the claims letter.	
<b>Referrals</b>	
<b>WCB Alberta</b> - Identifies barriers and, before extension in the community, a referral is made to Millard Health for a medical status exam. Identifies any health concerns before they proceed with additional consultation, assessment or treatment.	<b>WSIB Ontario</b> - Programs of Care that are recovery focused. Approved providers that participate in Programs of Care: evidence-based healthcare delivery plans.
<b>WorkSafeBC</b> - Occupational Rehabilitation (OR) programs to assist with recovery and work conditioning. Uses a network of pre-approved providers.	
<b>Continuum of Care Maps</b>	
<b>WCB Alberta</b> - The Alberta Occupational Injury Service (OIS) gives injured workers access to a doctor with experience in work-related injuries. Using an OIS clinic for treatment is voluntary. Workers can go to their own doctor if they prefer.	<b>WSIB Ontario</b> - Dedicates money annually to research in the field. IWH receives funding and has established itself as a leader in the research area of health, safety and workers' compensation disability management.
<b>Workers' Rehabilitation Centre</b>	
<b>WCB Alberta</b> - Alberta is the only other province in Canada that has a designated rehabilitation centre for work-related injuries: The Millard Centre.	
<b>Use of Medical Advisors</b>	
Many Boards have specific forms to refer to a medical consultant. Medical Advisor opinions are formally added to the file. They note specifics on the condition and symptomology only.	
<b>Weight of the opinion of medical advisor, approved medical costs vs treating doctor</b>	
<b>WCB Alberta</b> - WCB pays for offers of medical aid treatment to an injured worker to promote safe and early return to work.	<b>CNESST</b> - A capacity decision needs to have been issued by the CNESST. (Commission des normes, de l'équité, de la santé et de la sécurité du travail)

**Appendix III – Comparisons to other Canadian Jurisdictions  
(continued)**

<p><b>WorkSafeBC</b> - If a Medical Advisor and Nurse Advisor had a different opinion than the employee’s treating physician, the two WorkSafeBC Advisors contact the treating physician to obtain a better understanding of the worker’s capabilities and restrictions.</p>	<p><b>WorkSafe Nova Scotia</b> - Benefits are only paid while there is a work-related impairment.</p>
<p><b>Monitoring / Follow Up</b></p>	
<p><b>WorkPlaceNL</b>- Notifies workers immediately whenever a decision affecting their compensation entitlement is made.</p>	<p><b>WorkSafe Nova Scotia</b> - Determines treatment and rehabilitation protocols and establishes expected duration guidelines, relates function to disability duration, establishes RTW goals and identifies flags where recovery is not progressing as expected.</p>
<p><b>Accountability</b></p>	
<p><b>WCB Alberta</b>- Alberta conducts brainstorming sessions to discuss complex claims. These include claims of high duration.</p>	<p><b>WSIB Ontario</b>- Ontario has a complex case unit. Individuals with credentials in specific areas of injury are used to assist in the adjudication and case management of files.</p>
<p><b>Presumption</b></p>	
<p><b>WCB Alberta</b>- If claim is accepted, letter includes a roadmap for the claim, showing the progression the injured worker can expect during the claim period.</p>	<p><b>WSIB Ontario</b>- Clearly laid out five points for allowable claims.</p>
<p><b>Case Managers are based on Region</b></p>	
<p>Specific teams to manage specific types of injuries or teams based on industry.</p>	
<p><b>Permanent claims / long term disability</b></p>	
<p><b>WCB Alberta</b>- To determine the level of the injured worker’s Permanent Clinical Impairment (PCI), a physician will complete a medical examination or review the medical reporting on the injured worker’s file.</p>	<p><b>WSIB Ontario</b> - The WSIB determines the degree of permanent disability when treatment is concluded, the condition is stable, and MMR has been reached.</p>

### Appendix III – Comparisons to other Canadian Jurisdictions (continued)

<p><b>WorkPlaceNL</b> - Impairment is determined by the Workplace Health, Safety &amp; Compensation Commission's approved Permanent Functional Impairment (PFI) Rating Schedule.</p>	<p><b>WorkSafe Nova Scotia</b> - The existence and degree of a permanent impairment is assessed by the Board. The appropriate time for the permanent impairment assessment is determined by the Case Manager in consultation with a Board Medical Adviser.</p>
<p><b>Return to work</b></p>	
<p><i>Sub-Category: Continuum of Care</i></p>	
<p><b>WCB Alberta</b>- WCB has very strong return-to-work results of 93.7% returned to their accident place of employment. If the employer is unable to accommodate lighter duties then the employee is awarded benefits until he/she is capable of return to pre-injury duties.</p>	<p><b>WSIB Ontario</b> - The WSIB requests a medical update in the form of a Health Professional's Progress Report (Form 26). This determines the injured worker's capabilities, progress, and level of impairment. Referring to medical duration guidelines, they provide the duration of specific injuries, and give a goal date for fitness and return to work</p>
<p><b>WorkPlaceNL</b> - Both employers and workers are obligated to cooperate in the worker's timely and safe return to work.</p>	<p><b>WorkSafe Nova Scotia</b> - Employer is obligated to offer re-employment to a worker who can perform suitable work.</p>
<p><b>WCB Saskatchewan</b> - The Individualized Vocational Plan (IVP) outlines suitable short term and long term objectives for reemployment and the selection of programs required to meet these objectives</p>	
<p><i>Sub-Category: Non-compensable injuries</i></p>	
<p><b>WCB Manitoba</b> - Health services department supports the case management process to clarify or obtain medical information, confirm and establish the health status of an employee, and provide educational case management.</p>	<p><b>WSIB Ontario</b> - The WSIB makes a determination on non-compensable injury and compares it to compensable to determine work-relatedness.</p>

### Appendix III – Comparisons to other Canadian Jurisdictions (continued)

<b><i>Sub-Category: Early Referral</i></b>	
<b>WCB Alberta-</b> The Adjudicator in Alberta makes a decision on initial entitlement and advises the injured worker right away of the treatment plan.	
<b>Quality assurance</b>	
<b><i>Sub-Category: Internal Quality Assurance Auditing</i></b>	
<b>WCB Alberta-</b> The Board has a dedicated audit department that reviews key performance metrics and case activity notes.	
<b><i>Sub-Category: Internal Data and Statistics</i></b>	
<b>WCB Alberta-</b> WCB Alberta has a reporting system that pulls information on duration and all other types of claims, e.g. Lost time, no lost time, on modified duties claim closure.	
<b><i>Quality Assurance Audit of External Providers</i></b>	
Many of the jurisdictions have an automated computer system that will approve a medication based on the formulary and the DIN. Most Workers’ Compensation Boards across Canada have the medication approval process automated and centralized.	
<b><i>Sub-Category: New Case Manager Training</i></b>	
<b>WCB Alberta -</b> Provides an in house training program for 6 weeks. When the Case Manager works on live claims they have a mentor while getting up to speed.	<b>WSIB Ontario -</b> Conducts a three month training program of all new claim adjudicators and case managers.
<b><i>Sub-Category: Appeal Process – Issues Resolution Office (IRO)</i></b>	
The first level of appeal is mandatory in other Workers’ Compensation Boards. There is an ability to conduct either written or oral hearings with submissions at first level of appeal.	

### Appendix III – Comparisons to other Canadian Jurisdictions (continued)

<b>Systems efficacy</b>
<i>Sub-Category: Payments</i>
Payments are made by a different department and not the case manager. They are revisited at various touch points. There are flags for the Case Manager / Payments Department to request earnings information. Payments of loss of earnings (LOE) benefits are based on return to work status.
<i>Sub-Category: Follow-ups</i>
Most Boards use a comprehensive system that includes task management.
<i>Sub-Category: Return to Work</i>
<b>WCB Alberta, WSIB Ontario</b> - Both Boards have specific tracking on return to work within their systems. These include conversation starters, standard limitations, and availability of suitable work. Their systems also generate tasks that provide letter templates for certain activities.
<i>Sub-Category: Manual Auditing and Aggregate Data Pulling</i>
<b>WCB Alberta</b> - Internal auditing department to ensure accuracy in letter writing.
<i>Sub-Category: Lack of Case Plan with Goals</i>
Other boards have specific follow up points embedded into their systems. There are specific details requested and these are mandatory for case management goals.
<i>Sub-Category: Durations</i>
Workers' Compensation Boards link the injury and Disability Duration Guidelines to provide an automatic estimation of the length of time an injured worker would need to recover
<i>Sub-Category: Templated Correspondence</i>
<b>WCB Alberta</b> - WCB Alberta has templates to assist with the quality of the letter writing. When the claim is assigned, the system generates the letter.
<i>Sub-Category: Claims management system Layout</i>
Other boards also have specific event types noting the action taken on the claim and an overview / summary slide where the claim can be referenced from a broad perspective.

### Appendix III – Comparisons to other Canadian Jurisdictions (continued)

<b>WCAT</b>	
<b><i>Sub-Category: WCAT Decisions Change Policy and Specific Policies</i></b>	
In the majority of all other provinces, excluding Quebec, tribunal decisions do not change operational policy. Other provinces will take policy changes to consultation.	
<b><i>Sub-Category: Personal Non-Compensable Conditions During Rehabilitation</i></b>	
<b>WCB Saskatchewan</b> - Benefits may be suspended if the employee does not attend health care appointments, or participate in treatment plans.	<b>WCB Manitoba</b> - Benefits may be reduced, suspended, or stopped, and the employee must be notified in advance of the change in benefits.
In other jurisdictions, if a worker is unable to participate in treatment or return to work due to an unrelated non-compensable condition, the benefits would be suspended until the worker has the ability to participate in their recovery process.	
<b><i>Sub-Category: Allocation of Claim Costs</i></b>	
The WCB in Alberta based the amount of cost relief on the duration of the prolonged recovery period; WorkSafeBC has specific criteria, a grid to rule on the percentage of relief and will not award cost relief if the worker has not been absent from work for at least 10 weeks; The Workplace Safety and Insurance Board in Ontario (WSIB) WorkplaceNL, and the Quebec Board (CNESST) has specific criteria basing the cost relief on a percentage.	
<b><i>Sub-Category: Representation of WorkSafeNB at WCAT</i></b>	
<b>CNESST</b> - Quebec will review and analyze most claims going to the Tribunal (TAT) to determine the financial impact if a claim is overturned. Dependent on their findings, the CNESST will decide if a representative is warranted or not.	

## **Appendix IV – Workers Compensation Appeals Tribunal**

### **Appeals**

If an injured worker, their dependants, or an employer are not satisfied with a decision made by WorkSafeNB, they can appeal that decision internally to the Issues Resolution Office (IRO) or externally to the Workers Compensation Appeals Tribunal, also known as the “WCAT”.

The WCAT is a quasi-judicial administrative tribunal independent of WorkSafeNB. It is staffed by a full time chairperson and up to 10 part-time vice-chairpersons.

### **WCAT became independent in 2015**

Before 2015, the appeals tribunal was an internal function within WorkSafeNB. A subsequent legislative review recommended the appeals tribunal to be independent of WorkSafeNB.

### **WCAT decisions had significant financial consequences**

This led to establishing the current WCAT on April 1, 2015. This move to an external appeals tribunal led to a number of consequences for WorkSafeNB. Several decisions made by the independent WCAT have had significant financial implications. WorkSafeNB estimates that the decisions laid out in the table below, have added an additional \$101.9 million in benefit liability.

## Appendix IV – Workers Compensation Appeals Tribunal (continued)

Significant WCAT decisions affecting WorkSafeNB operations		
Policy	Description	Liability Increase (in millions)
21-100 C4E 21-113	General Principles and Weighing Information (Standard of evidence)	\$46.070
21-215 R3	Supplements to compensation (ECE step 2)	20.817
21-206 R5	Funding annuity benefits (Negative interest) (This decision later reversed by legislation change)	30.655
21-206 R5	Funding annuity benefits (Amount set aside re CPPD)	5.491
25-010 R3	Personal Non Compensable Intervening Conditions during rehabilitation (Suspension of benefits)	2.105
21-230 R7	Deduction of CPP disability benefits (Apportionment of CPPD)	27.454
	Subtotal	132.590
	Removal of Negative Interest	(30.655)
	<b>Total Liability Increase (in millions)</b>	<b>\$101.935</b>

Source: WorkSafeNB - unaudited

### WCAT decision on negative interest later reversed by provincial legislation

The WCAT’s decision that an annuity cannot have a negative interest quarter was effectively eliminated by subsequent legislation passed by the Provincial government. Bill 15 received royal assent on December 16, 2016 and modified the Workers Compensation Act to allow annuities to have quarters with negative rates of return.

### WorkSafeNB did not attend early hearings

WorkSafeNB did not attend hearings when the independent appeals tribunal first began operations. Interviews with WorkSafeNB staff revealed that they decided not to attend because they felt the file should stand on its own, and they were concerned that they could be seen as trying to influence the decision.

### WorkSafeNB attendance at hearings has improved results

However, subsequently WorkSafeNB staff began attending the hearings. According to WorkSafeNB, this has had a positive impact, reducing the number of adjudicated decisions that are being overturned. Staff members were able to present WorkSafeNB’s rationale for

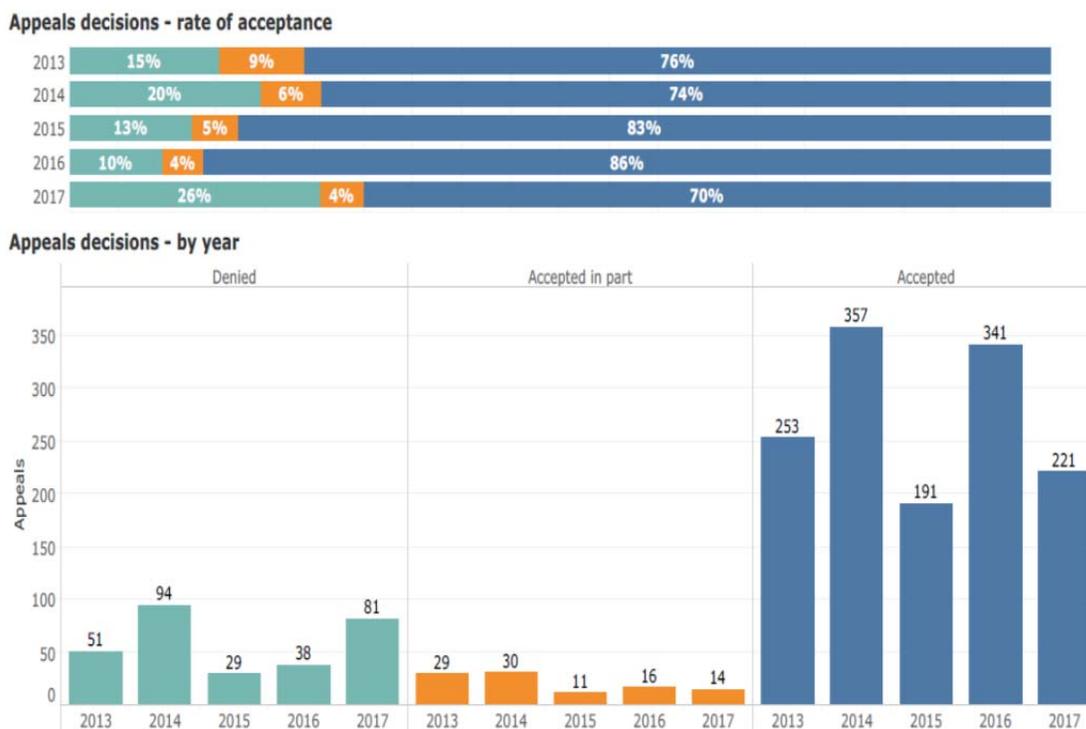
## Appendix IV – Workers Compensation Appeals Tribunal (continued)

denying the claim, and provide the WCAT with more information to make their decision.

### WCAT overturn rate initially high

When the WCAT initially began hearing cases in 2015, the overturn rate was in excess of 80%, approaching 90% of appealed cases. The table below shows the overturn rate has declined in 2017.

### WCAT Appeal results 2013-2017



Source: WorkSafeNB - unaudited

### Other Indirect Impacts of WCAT

WorkSafeNB have also identified several other impacts of the WCAT decisions since the Appeals Tribunal was made independent. They include:

- Claims are increasing in both volume and duration;
- The Board of Directors has effectively lost the ability to control policy; and
- WorkSafeNB is forced to pay for non-compensable intervening conditions.

---

## **Appendix IV – Workers Compensation Appeals Tribunal (continued)**

### **Board feels it has lost ability to control policy**

WorkSafe Staff and board members have indicated they feel the board has been stripped of its power – it has lost the ability to control the policy making process as a result of the WCAT decisions.

### **No ability to refer decision back to board**

WorksafeNB noted that there is no mechanism for the WCAT to refer a decision back to the board for further consideration. This is not consistent with several other jurisdictions that have the power to do so.

### **Only WorkSafeNB pays for non-compensable intervening conditions**

Only WorkSafeNB pays for non-compensable intervening conditions. Some decisions of the WCAT have resulted in workers receiving benefits when a non-compensable intervening condition exists.

WorkSafeNB defines a personal non-compensable intervening condition as “a medical condition that arises after the occurrence of a workplace injury, and is not medically linked to, or caused by, the workplace accident”. After the workplace injury occurs, the worker may develop an illness or get injured in an unrelated event, such as a car accident. Rehabilitation of the workplace injury cannot continue until they recover from this event.

Other jurisdictions cease compensation benefits at this point and normally the worker claims sick leave or disability, or other insurance benefits that may be available depending on the coverage available to them. WorkSafeNB is the only jurisdiction that continues to pay benefits when a non-compensable intervening condition exists.

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## Appendix V – About the Audit

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This independent assurance report was prepared by the Office of the Auditor General of New Brunswick on WorkSafeNB Claims Management Practices. Our responsibility was to provide objective information, advice, and assurance to assist the Legislative Assembly in its scrutiny of WorkSafeNB claims management practices.

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 Canadian Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control, including documented policies and 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 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; and
- confirmation that the findings in this report are factually based.

Period covered by the audit:

The audit covered the period between January 1, 2015 and June 30, 2018. 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 that preceded the starting date of the audit.

Date of the report:

We obtained sufficient and appropriate audit evidence on which to base our conclusion on December 12, 2018, in Fredericton, New Brunswick.

Subsequent Event:

On December 12, 2018, WorkSafeNB announced that a new legislation impacting New Brunswick's workers compensation system has been proclaimed. It included amendments to the Firefighters' Compensation Act, the Workers Compensation Act and the Workplace Health, Safety and Compensation Commission and Workers' Compensation Appeal Tribunal Act. The new legislation restricts ability of the Workers Compensation Appeal Tribunal (WCAT) to override existing WorkSafeNB policies.

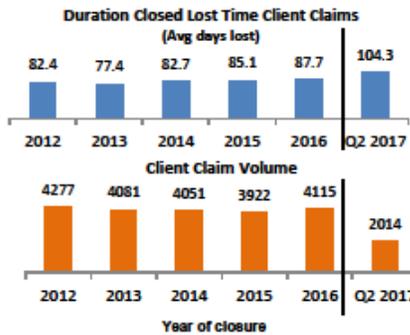
Findings related to WCAT in this report are accurate as of prior to the proclamation of this new legislation.

Appendix VI – Excerpt from WorkSafeNB’s Dashboard Report

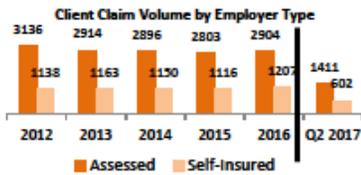
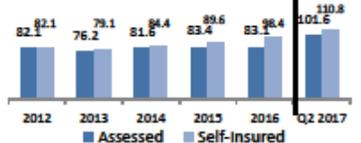


### System Key Performance Indicators (KPI's)

#### DURATION



#### Duration Closed Lost Time Client Claims By Employer Type (Avg days lost)



#### WORKING



#### 90-DAY SUSTAINABILITY

% of all lost time clients continued working at 90 days +

Result at Q2 2017 for client claim closures in Q1 2017

Year	2012	2013	2014	2015	2016
Sustainability	100.0%	99.9%	99.9%	98.3%	97.6%

#### SATISFACTION

##### Worker

Staff coordinated the right treatment you need to get better - 8.1/10

##### Employer

Staff coordinated and supported the return to work process - 8.9/10

#### ALL ELIGIBLE BENEFITS RECEIVED

To be included in System Requirement Analysis - 2020

Source: WorkSafeNB (unaudited)

# Chapter 4

## Follow-Up on Recommendations from Prior Years' Performance Audit Chapters

### Contents

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# Follow-up on Recommendations from Prior Years' Performance Audit Chapters

## Summary

*This year we followed-up on 2014, 2015 and 2016 chapters and selected others*

**4.1** This follow-up chapter promotes accountability by giving the Legislative Assembly, and the public, information about how government has acted on our performance audit recommendations. We think it is important that both MLAs and taxpayers have enough information to assess the progress government is making in implementing these recommendations.

**4.2** One of our strategic goals is that departments, commissions and agencies accept and implement all our performance audit recommendations. In this chapter, we report on the updates provided to us by departments, commissions and Crown agencies on the status of performance audit recommendations made in our 2014, 2015 and 2016 reports. For additional information on the scope and objective of our follow-up work, refer to Appendix I.

**4.3** This year we performed detailed follow-up work on our 2014 performance audit recommendations. Projects included in the 2014 Report are:

- *Data Centre Power Interruption ; and*
- *Point Lepreau Generating Station Refurbishment – Phase II*

**4.4** In addition, we performed detailed follow-up work on recommendations from select other reports as follows:

- *Constituency Office Costs for Members of the Legislative Assembly and Executive Council – 2011;*
- *Long-term infrastructure sustainability plan – 2013;*  
and
- *Financial Assistance to Atcon Holdings Inc. and Industry – 2015.*

**Note to Public  
Accounts and Crown  
Corporations  
Committees**

**4.5** We encourage Members of the Legislative Assembly to look at the performance audit recommendations documented in this report that departments, commissions and Crown agencies have not implemented. Upcoming meetings of the Public Accounts Committee and the Crown Corporations Committee provide an opportunity for Members to pursue the status of these recommendations with the involved departments, commissions and Crown agencies.

**Results in Brief**

**4.6** Results in brief are presented in Exhibit 4.1.

## Exhibit 4.1 – Results in Brief

## Follow-up on Recommendations from Prior Years' Performance Audit Chapters

### Why Is This Important?

- We audit areas that impact the lives of people in New Brunswick.
- We make recommendations to promote accountable and sustainable government.
- When recommendations are not implemented, risks remain and may worsen over time.
- This chapter is a tool for the Public Accounts Committee, the Crown Corporations Committee and the public to hold government departments and Crown agencies accountable.

### Overall comments:

- Entities self-report they have implemented 66% of our recommendations from performance audits in 2014, 2015 and 2016.
- We have verified recommendations from our 2014 reports and found 71% have been implemented.
- Key recommendations from our 2011 report on MLA constituency office expenses have still not been implemented.

#### 75% - 100% implemented: 4 entities

Agriculture, Aquaculture and Fisheries <i>Agricultural Fair Associations</i>	88%	Service New Brunswick <i>Data Centre Power Interruption</i>	* 75%
Horizon Health Network <i>Infection Prevention and Control in Hospitals</i>	78%	Transportation and Infrastructure <i>Centennial Building</i>	100%

#### 50% - 74% implemented: 10 entities

Energy and Resource Development <i>Private Wood Supply</i>	68%	Health <i>Infection Prevention and Control in Hospitals</i>	50%
Energy and Resource Development <i>Silviculture</i>	71%	Vitalité Health Network <i>Infection Prevention and Control in Hospitals</i>	60%
Legislative Assembly and Executive Council Office <i>Constituency Office Costs for Members of the Legislative Assembly and Executive Council</i>	* 60%	NB Power <i>Point Lepreau Generating Station Refurbishment – Phase II</i>	* 70%
Legal Aid Services Commission <i>Public Trustee Services</i>	50%	Opportunities NB <i>Financial Assistance to Atcon Holdings Inc. and Industry</i>	* 67%
Health <i>Meat Safety – Food Premises Program</i>	74%	Office of the Chief Information Officer <i>Data Centre Power Interruption</i>	* 67%

#### 0% - 50% implemented: 4 entities:

Executive Council Office <i>Financial Assistance to Atcon Holdings Inc. and Industry</i>	* 0%	Transportation and Infrastructure <i>Long Term Infrastructure Sustainability Plan</i>	* 25%
Finance <i>Public Debt</i>	13%	Social Development <i>Nursing Homes</i>	33%

Note: Values marked with \* have been verified by AGNB. All other values are self-reported.

## Key Findings

*Overall, 66% of our 2014 to 2016 recommendations have been implemented*

*Two key recommendations for constituency office expenses have still not been implemented*

*Elected officials are expected to set an example in accountability and transparency*

*Work still needed on long-term infrastructure plan*

**4.7** Our overall results show departments, commissions and agencies have implemented 66% (102 of 154) of our performance audit recommendations from the 2014, 2015 and 2016 Reports of the Auditor General.

**4.8** The percentage of performance audit recommendations implemented from 2014 was 71%.

**4.9** We are disappointed to report two of the five recommendations made in our 2011 report on constituency office costs have still not been implemented. Constituency office costs for Ministers are still not being authorized, paid, recorded, monitored and reported through the Office of the Clerk of the Legislative Assembly. Also, total constituency costs claimed by each Member of the Legislative Assembly, including Ministers, are not being publicly reported.

**4.10** We believe the Members of the Legislative Assembly and elected officials should set an example for all of government when it comes to accountability and transparency. These recommendations are critical to ensure Members of the Legislative Assembly are held accountable for their constituency office costs, spending limits are respected and expenses are transparent. This lack of implementation and lengthy delay is troubling.

**4.11** In 2012, we expressed concern with the sustainability of the Province's infrastructure. In 2013, we recommended a comprehensive long-term infrastructure plan be developed and implemented to ensure the sustainability and safety of all essential infrastructure in the province.

**4.12** Our 2018 follow-up found the recommendation has still not been fully implemented by the Department of Transportation and Infrastructure. Two of the eight components of the recommendation have been implemented, and the Department continues to work on developing key elements of the plan. The absence of systematic rationalization of assets remains an area of weakness and a lack of fiscal discipline could further erode the sustainability of the Province's infrastructure.

***Three of our ten recommendations on Point Lepreau Generating Station Refurbishment – Phase II have not been implemented***

**4.13** In our follow-up of the 2014 chapter on Point Lepreau Generating Station Refurbishment – Phase II, we found NB Power has implemented seven of our ten recommendations. Though NB Power reported the three remaining recommendations had been implemented, our detailed review found they were not. The recommendations that were not implemented concerned the following areas:

- Soliciting competitive bids;
- Using industry standardized format for external contracts; and
- Benchmarking market rates for services by contractors.

**4.14** Implementing these recommendations would:

- strengthen NB Power's negotiating position with proponents;
- promote efficiency in developing contracts and ensuring all key elements have been included; and
- potentially result in lower cost contracts.

***Two of our seven recommendations on Data Centre Power Interruption have not been implemented***

**4.15** For our 2014 audit of Data Centre Power Interruption in Service New Brunswick, recommendations addressing the need for a government-wide IT continuity plan and a disaster recovery plan have not been implemented. As a result, there continues to be no documented plans to recover critical systems and resume IT services in the event of a major system failure.

***Opportunities NB made progress to implement our recommendations but seven out of 19 have not been implemented***

**4.16** We found ONB has implemented 12 of 18 recommendations, an increase from prior year where we reported only 4 of 18 had been implemented. Our recommendation to the Executive Council has not been fully implemented.

**4.17** We were unable to confirm implementation of two recommendations concerning the need for an assessment of assets given as security for financial assistance and evidence to support the value of assets when a personal guarantee is provided. Though ONB has policies in place to address our recommendations, we did not find circumstances at the time of our testing where the policies would apply. We will follow-up on these

recommendations again next year.

**4.18** Other significant recommendations remain unimplemented, including:

- Reporting expected and actual results of job creation;
- Rationalization of entities providing financial assistance to industry; and
- Tracking and reporting the 10-year performance history of assistance provided to industry.

**4.19** Reporting expected and actual results of job creation is a key performance measure for ONB to be accountable for its results as the lead economic development agency in New Brunswick. We are disappointed further progress has not been made on this important recommendation.

**Detailed Findings**

**4.20** Exhibit 4.2 presents the status of recommendations by department, commission and agency, by report, by year. This information allows users to quickly assess which departments, commissions and agencies have done a good job in implementing our recommendations, and which have not. Exhibit 4.2 also distinguishes between the status reported by the departments, commissions and agencies and that verified by AGNB. Appendix II provides additional details on the implementation of recommendations by department, commission and agency.

*Exhibit 4.2 – Status of Implementation of Recommendations*

Legend	
	100% of Recommendations Implemented
	75% - 99% of Recommendations Implemented
	50% - 74% of Recommendations Implemented
	< 50% of Recommendations Implemented

Exhibit 4.2 – Status of Implementation of Recommendations (continued)

Department and Project Name	Report Release Date	2018 Status	
		Department Self-Reporting	Auditor General Follow-up
<b>Agriculture, Aquaculture and Fisheries</b> <i>Agricultural Fair Associations</i>	2016		N/A
<b>Legal Aid Services Commission</b> <i>Public Trustee Services</i>	2016		N/A
<b>Health</b> <i>Meat Safety – Food Premises Program</i>	2016		N/A
<b>Social Development</b> <i>Nursing Homes</i>	2016		N/A
<b>Energy and Resource Development</b> <i>Private Wood Supply</i>	2015		N/A
<b>Energy and Resource Development</b> <i>Silviculture</i>	2015		N/A
<b>Finance</b> <i>Public Debt</i>	2015		N/A
<b>Health</b> <i>Infection Prevention and Control in Hospitals</i>	2015		N/A
<b>Horizon Health Network</b> <i>Infection Prevention and Control in Hospitals</i>	2015		N/A
<b>Vitalité Health Network</b> <i>Infection Prevention and Control in Hospitals</i>	2015		N/A
<b>Opportunities NB</b> <i>Financial Assistance to Atcon Holdings Inc. and Industry</i>	2015		
<b>Executive Council Office</b> <i>Financial Assistance to Atcon Holdings Inc. and Industry</i>	2015		
<b>Transportation and Infrastructure</b> <i>Centennial Building</i>	2015		N/A
<b>NB Power</b> <i>Point Lepreau Generating Station Refurbishment – Phase II</i>	2014		
<b>Service New Brunswick</b> <i>Data Centre Power Interruption</i>	2014		
<b>Office of the Chief Information Officer</b> <i>Data Centre Power Interruption</i>	2014		
<b>Transportation and Infrastructure</b> <i>Long Term Infrastructure Sustainability Plan</i>	2013		
<b>Legislative Assembly and Executive Council Office</b> <i>Constituency Office Costs for Members of the Legislative Assembly and Executive Council</i>	2011		

***Five recommendations from 2014 have not been implemented***

***We find it very unfortunate that recommendations from four years ago are still not implemented***

**4.21** Exhibit 4.3 shows the results summarized by year. Departments, commissions and agencies reported to us that they had implemented 90 of 137 (66%) of our performance audit recommendations from the 2015 and 2016 Reports of the Auditor General. For 2014, based upon department, commission and agency reporting, and our own review of their assessments, we have concluded that 12 of 17 (71%) of our recommendations have been implemented. Of the remaining five recommendations, all have been agreed with but are not yet implemented. We find it very unfortunate that recommendations from four years ago are still not implemented. Appendix III provides a full listing of unimplemented performance audit recommendations from the reports we reviewed in 2018.

*Exhibit 4.3 - Summary Status of Recommendations by Year*

Year	Recommendations			Percentage Implemented
	Total	Implemented	Agreed/ Not Implemented	
2016	44	30	14	68%
2015	93	60	33	65%
2014 *	17	12	5	71%
<b>Total</b>	<b>154</b>	<b>102</b>	<b>52</b>	<b>66%</b>

\* All values for 2014 have been verified by AGNB. Other years include self-reported results

**4.22** In the section that follows, we provide additional commentary on the projects where we performed detailed follow-up work in 2018.

## Constituency Office Costs for Members of the Legislative Assembly and Executive Council (2011)

<b>4.23</b>	In 2011 we reported on our work on constituency office costs for Members of the Legislative Assembly and Members of the Executive Council. We identified issues that needed improvement to ensure proper stewardship and accountability.
<b>4.24</b>	We are disappointed to report two of the five recommendations made in our 2011 report have still not been implemented. Their implementation is critical to ensure Members of the Legislative Assembly (MLAs) are held accountable for their constituency office costs. The outstanding recommendations would be an important control in ensuring the spending limits imposed by legislation are respected and MLA expenses are transparent and accountable to taxpayers.
<b>4.25</b>	Our objective for this work was:  <i>To determine whether payments to Members of the Executive Council and /or Members of the Legislative Assembly including allowances, reimbursements and related expenses are adequately supported and in accordance with Acts, Regulations, policies and other guidelines.</i>
<b>4.26</b>	We concluded there was adequate authority for constituency office expenses. However, policy and guidelines for consistently approving, recording and reporting constituency office expenses needed improvement. In particular, we had concerns about management practices and operating procedures in place for Ministers' constituency office expenses paid by their departments.
<b>4.27</b>	We made five recommendations to the Legislative Assembly and/or Executive Council Office. Only three of those recommendations have been implemented to date. The two outstanding recommendations are discussed below.
<b>4.28</b>	We recommended all constituency office costs be authorized, paid, recorded, monitored and reported through the Office of the Clerk of the Legislative Assembly. (Recommendation 3.50)

***Why follow-up seven years after a 2011 report?***

***Audit objective***

***Audit Conclusion***

***Two important recommendations from 2011 have still not been implemented***

***Constituency office costs paid by the Clerk***

***Constituency office costs for Ministers are still not being authorized, paid, recorded, monitored and reported through the Office of the Clerk***

**4.29** The following updates were received in 2018 from the Legislative Assembly and Executive Council Office respectively:

*“We will continue to consult with officials of the Executive Council Office in addressing this matter, in an effort to work collaboratively towards achieving this recommendation. There are budgetary issues related to the level of funding for the operation of Members’ constituency offices, and practical considerations related to the additional responsibilities of Cabinet Ministers. Resulting revisions to policy and guidelines may be made in due course once the matters have been fully considered.”*

*“Revisions to policies and guidelines will be delayed until such time as budgetary issues associated with the constituency expenses can also be addressed.”*

**4.30** We remain concerned this important recommendation has not been implemented because it would help ensure constituency office cost guidelines are respected by MLAs and Ministers. For 2017-2018, publicly reported constituency office expenses were \$1.5 million. However, one cannot determine if this is the total amount as the portion Ministers are charging to their departments is not known.

***Lack of public reporting on constituency office costs***

**4.31** We also recommended the Legislative Assembly publicly report total constituency office costs claimed by each MLA, whether paid by the clerk or a department. (Recommendation 3.62)

***Total constituency costs claimed by each MLA, including Ministers, are still not publicly reported***

**4.32** The Legislative Assembly provided the following update in 2018:

*“As previously noted, the full public reporting of Members’ constituency office costs would be achieved once the full constituency office costs of all Members, including Members of the Executive Council, are authorized, paid and recorded through the Office of the Clerk of the Legislative Assembly. In the interim, we will continue to consult with the Executive Council Office on the feasibility of reporting on additional expenses incurred by departments.”*

**4.33** We understand it would be easier to implement this recommendation if all constituency office expenses were

authorized, paid, recorded and reported through the Office of the Clerk. However, we continue to believe that full public reporting of MLAs' constituency office costs is necessary for appropriate accountability. We encourage the Legislative Assembly to implement this recommendation in cooperation with the Executive Council Office as soon as possible.

## **Transportation and Infrastructure**

### **Long Term Infrastructure Sustainability Plan (2013)**

***Auditor General  
concerned with  
sustainability of  
infrastructure***

**4.34** In 2012, the Auditor General expressed concerns with the sustainability of the Province's infrastructure. Following the findings of audits on deferred maintenance on highways (2012), and deferred maintenance in schools (2011 and 2005), the Auditor General noted the need for a comprehensive long-term infrastructure plan to ensure the sustainability and safety of all essential infrastructure, including highways, hospitals, schools and bridges, while respecting the fiscal challenges faced by the Province.

**4.35** In 2013, we recommended the plan include the following key elements:

1. The rationalization of assets (i.e. if not considered essential, remove from service and dispose in an appropriate manner);
2. A long term approach to budgeting which includes life cycle maintenance of capital assets;
3. A protected stream of a base level of funding determined necessary to adequately maintain assets in service;
4. A 20-year planning horizon;
5. A process whereby new assets are constructed only when there is a business case to support the need. This should include redirecting savings from rationalized assets to the new asset life cycle maintenance costs;
6. Apply the current DTI strategy and asset management system to all essential assets. This would result in a corporate approach which applies the least cost lifecycle prioritization to all essential assets;

7. Provide annual public performance reporting, which includes the actual physical condition of our essential assets versus pre-established targets, explaining the reason for any significant variances; and
8. A process or mechanism that ensures fiscal discipline is adhered to over the long-term (such as legislative change, statutory funding, and contractual arrangements).

***Department's 2018 update shows some progress being made***

**4.36** As part of its 2018 update, the Department responded the recommendation has not been implemented, stating:

*“DTI recognizes the importance of a long term infrastructure plan and has been working toward an outcome that balances the need for certainty with the need to have flexibility when responding to challenges or opportunities that are not known in advance. (...) DTI is now analyzing different options/criteria to complement existing internal intelligence to populate a list of divestiture candidates, and plans to finalize a process in 2018-2019. (...)”*

**4.37** Though the Department has not fully implemented the recommendation, it has implemented 2 of 8 key elements of the plan and continued to work on developing the remaining elements. During the past year, DTI amended legislation to make it easier and less expensive to dispose of surplus Crown property. It also completed a jurisdictional scan of dedicated funding approaches in use by other governments.

***Systematic rationalization of assets remains a weakness***

**4.38** The Department continues to delay full implementation of a plan that would provide a systematic, evidence-based approach to identifying and removing redundant infrastructure assets from service. It cited process complexity and the need to take a conservative approach to secure government and community buy-in, as the reasons behind this delay.

**4.39** The Department has identified the minimum funding required to optimize the lifecycle of its existing roads with results generated from its Asset Management Model. The Department has not fully incorporated bridges and culverts into the asset management system. This is because of limitations in the current optimization model and the complexity of bridge structures.

***Short-term financing of long-term assets continues***

**4.40** The government continues to finance capital maintenance of long-term assets on a short-term (annual) basis. Use of asset management system and modelling has not resulted in a protected stream of base level funding.

***Lack of fiscal discipline erodes the sustainability of Province's infrastructure***

**4.41** The Department communicates the importance of full adherence to asset management funding to government, however it has no process or mechanism in place to ensure fiscal discipline to optimize infrastructure maintenance over the long term. This lack of fiscal discipline risks further erosion of the sustainability of the Province's infrastructure.

### **NB Power**

#### **Point Lepreau Generating Station Refurbishment – Phase II (2014)**

**4.42** The Auditor General of New Brunswick examined the Point Lepreau Generating Station (PLGS) refurbishment, completed in 2012, in two phases. Phase II of this work was completed in 2014 with the following objective:

*To assess the reasonableness of key project costs of Point Lepreau Generating Station Refurbishment Project.*

**4.43** Our audit concluded that key project costs of the PLGS refurbishment project were generally reasonable. Through testing and the use of an expert, we did identify improvements that NB Power could undertake and made a total of ten recommendations in:

- Procurement;
- Contract management; and
- Active risk management of key contractors.

***Three of our ten recommendations have not been implemented***

**4.44** We found seven of these recommendations have been implemented and though some progress has been made on the three remaining recommendations, they were not fully implemented. The status of these non-implemented recommendations is discussed below.

***Not soliciting competitive bids***

**4.45** We recommended “NB Power obtain competitive bids for all significant engineering services, even if not required by legislation to do so.” (Recommendation 2.51)

**4.46** The response from NB Power in 2018 indicated this recommendation was implemented, stating:

*“Following a competitive bid process, NB Power issued a general engineering service contract incorporating engineering needs for the generation, distribution and transmission divisions.*

*For the Mactaquac Options Project:*

- *NB Power implemented an evaluation process to identify the engineering firm best suited to support the project initiation phase.*
- *NB Power sought various engineering services for the planning phase using a “Request for Expression of Interest” within three specific categories of expertise. Specifically*
  - *Alkali Aggregate Reaction (AAR) Specialist Engineering*
  - *Detailed Design Engineering*
  - *Owner’s Engineer*
- *Where specific specialists were required, the project evaluated the best suited firm to supply the required service. With more general engineering service the selected firm was the same firm providing general engineering services under a tendered engineering services contract.”*

**4.47** Recommendation 2.51 calls for NB Power to solicit competitive bids when procuring significant engineering services, whether they are required to be publicly tendered under the Act or not.

**4.48** We reviewed the following documents provided by NB Power:

- Evaluation results from a 2015 public tender; and
- 2017 Request for Expression of Interest (REOI) for Engineering Services related to the Mactaquac Generating Station Life Achievement Project.

**4.49** The 2015 public tender appeared to meet the requirements of the recommendation. However, when we reviewed the 2017 REOI, we found no evidence that NB

Power had solicited bids before selecting the successful proponents. The REOI was meant to evaluate the technical qualifications of the proponents and did not evaluate price. As a result, we consider this recommendation not fully implemented.

**4.50** While we agree with NB Power that appropriate technical qualifications are critical to project success, we also believe a solicitation of competitive bids would further strengthen NB Power's negotiating position with the successful proponent.

***Not using industry standardized format for external contracts***

**4.51** We also recommended "NB Power use industry standardized formats for all external contracts. The International Federation of Consulting Engineers offers standardized contract templates which can be used as a model." (Recommendation 2.60)

**4.52** In its 2018 response, NB Power believed this recommendation to be implemented, stating:

*"NB Power Legal and NB Power Supply Chain developed standardized contract templates. These templates are updated regularly using lessons learned from previous projects.*

*For the Mactaquac Options Project:*

- *NB Power updated its standard Engineering Service Contract."*

**4.53** NB Power informed us it reviewed the standardized templates available on the website of the International Federation of Consulting Engineers and found these did not meet NB Power needs. NB Power further indicated the contract templates developed by NB Power Legal and NB Power Supply Chain were updated as required to meet the requirements of specific contracts and to facilitate continuous improvement.

**4.54** While the internal development of NB Power templates allows for adaptation to specific contract requirements, the recommendation focused on the adoption of industry standard contract templates. Since NB Power indicated its internally developed templates did not follow a specific industry standard, the recommendation was not fully implemented.

***Lack of benchmarking market rates for similar services***

**4.55** We further recommended “NB Power benchmark market rates for similar services and retain this support with procurement documentation to support the contractor choice.” (Recommendation 2.96)

**4.56** The 2018 response from NB Power indicated the recommendation was complete, stating:

*“All documentation regarding the evaluation of supply alternatives is maintained in the procurement files.*

*For the Mactaquac Options Project:*

- *NB Power is maintaining all documentation regarding selection of supply alternatives in records.”*

**4.57** The recommendation related to a sole sourced engineering services contract for the Point Lepreau refurbishment. Though sole sourcing in that particular case complies with the Act, we believe NB Power could secure lower cost contracts if it benchmarked market rates for these services. Our review found that NB Power does not benchmark market rates for non-tendered service contracts.

**4.58** While NB Power indicated in its response that it does maintain all documentation in procurement files, it did not confirm this includes the practice of benchmarking market rates for sole sourced contracts. When we spoke with representatives of NB Power, they indicated market rate benchmarking was only completed through the tender process and not for sole sourced contracts. For this reason, we do not believe the recommendation was fully implemented.

**Service New Brunswick and Office of the Chief Information Officer**

**Data Centre Power Interruption (2014)**

***Mainframe failure leads to audit***

**4.59** Following a power outage on June 9, 2014, a failure of one of the Province’s electrical backup power systems caused a mainframe and multiple server failure in the Marysville Data Centre. From September through November 2014, the Auditor General of New Brunswick completed a review of the events and circumstances around the interruption in information technology (IT) services with the following objectives:

- to examine the details of the June 9 outage including the causes of service interruption and recovery efforts by Service New Brunswick (SNB) [formerly the New Brunswick Internal Services Agency (NBISA)];
- to examine examples of impacts to the delivery of government programs and services;
- to determine what risks had previously been identified and the extent of effort to mitigate those risks prior to the outage;
- to review the current state of IT risks, specific to the outage of June 9, and determine what improvements have been made or are planned; and
- to determine whether SNB, formerly NBISA, had business continuity and disaster recovery planning documented, tested and in place for the Marysville Data Centre.

**4.60** Our review resulted in seven recommendations. We found five had been implemented and two recommendations were not implemented. The status of the non-implemented recommendations is discussed below.

### ***IT continuity plan***

**4.61** We recommended “*the OCIO<sup>1</sup>, in consultation with departments, develop a government-wide IT continuity plan, which considers all aspects of government programs, services and operations. This plan should be tested annually to ensure its adequacy.*”  
(Recommendation 3.92)

**4.62** In their 2018 response, Treasury Board, on behalf of OCIO, indicated this recommendation was partially implemented, stating:

*“Per Treasury Board’s Accountability Framework, “Treasury Board is responsible for the strategic*

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<sup>1</sup> Office of the Chief Information Officer

*direction and oversight of the management of GNB's risk, information, technology, and digital innovation.”*

*As such, TB supports the direction previously documented within the GNB IT Continuity Strategy published by OCIO<sup>2</sup> in 2015. Within the strategy, SNB is noted as responsible for developing and testing the IT continuity solution which follows Business Continuity planning. EITROCIO<sup>3</sup> has an internal Business Continuity certified professional responsible to work with GNB client departments on Business Continuity planning. TB will engage with SNB to continue the work required to identify IT continuity and testing of this plan. (...)*

**4.63** We reviewed the IT Continuity Strategy developed by the OCIO in 2015. The strategy serves as an explanation and guide for IT continuity, but does not specify the details of an IT continuity plan. Instead, OCIO listed several deliverables for completion by SNB, including “IT Continuity plans for business-enabling IT systems”. To date, these deliverables have not been completed, therefore this recommendation has not been implemented.

***No disaster recovery plan***

**4.64** We further recommended “*the NBISA, in consultation with departments, develop a disaster recovery plan, which prioritizes the restoration of government IT systems.*” (Recommendation 3.94)

**4.65** Service New Brunswick’s 2018 response indicated the recommendation was a work in progress, stating:

*“The revised 18/19 SNB Technology Services work plan includes an initiative to prepare a disaster recovery plan. As an initial step, SNB will assess the scope, effort and cost of developing a comprehensive disaster recovery plan. Funding to properly consult, elicit recovery requirements and develop the plan will need to be identified.*”

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<sup>2</sup> Office of the Chief Information Officer

<sup>3</sup> Enterprise Information, Technology, Risk and Office of the Chief Information Officer

*As well, EITROCIO<sup>4</sup> now has an internal Business Continuity certified professional responsible to work with GNB client departments on Business Continuity planning. Treasury Board will engage with SNB to continue the work required to identify IT continuity and testing of this plan.*

*In 2015 a Critical Application Inventory (CAI) was developed and implemented. In consultation with departments maximum downtimes for systems in Part 1 were categorized across 6 categories ranging from <10 min to multiple days. This information informs restoration efforts during any major incidents. This was last updated in May 2017. Efforts to refresh the application criticality and classification of application criticality are included in the 18/19 workplan.”*

**4.66** We reviewed the critical application inventory and it is a good first step in the process of developing a disaster recovery plan. SNB has identified which applications are critical to departments and require a high degree of assured availability. The list does not, however, prioritize the recovery of these critical systems. Further, a detailed disaster recovery plan is still outstanding.

### **Opportunities NB**

#### **Financial Assistance to Atcon Holdings Inc. and Industry (2015)**

**4.67** In June 2013, AGNB was asked to conduct an audit of all financial assistance given by the Province to the Atcon group of companies, and its president. We examined all financial assistance granted to the Atcon group of companies as well as certain aspects of the (then) Department of Economic Development (now Opportunities NB).

#### **Audit objectives**

**4.68** Our objectives for this work were:

1. *To determine whether the Government exercised due diligence in granting financial assistance to the Atcon group of companies;*

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<sup>4</sup> Enterprise Information, Technology, Risk and Office of the Chief Information Officer

2. To identify all provincial government organizations that provide financial assistance to industry and determine whether they coordinate their assistance to limit the exposure of the Province;
3. To determine whether the Department has implemented recommendations made in previous performance audits of financial assistance to industry performed by our Office; and
4. To determine whether the Department publicly reports on the performance of the financial assistance it provides.

**4.69** We reported the results of our work in 2015 and made a total of 19 recommendations to address deficiencies; 18 recommendations were directed to the Department and 1 was directed to the Executive Council Office.

**4.70** In 2018, ONB self-assessed 15 of the recommendations as implemented and 3 as not implemented. The Executive Council Office assessed its recommendation as implemented.

**Recommendation 2.98:**  
*Executive Council Office to coordinate the implementation of our recommendations across all entities providing assistance*

**4.71** As there were six departments/agencies providing financial assistance at the time of our audit in 2015, we recommended the Executive Council Office (ECO) take responsibility for coordinating the implementation of our recommendations by all departments/agencies providing financial assistance to industry (recommendation 2.98). We found ECO directed several entities to adapt the policies and procedures of ONB to their own. However, we believe further coordination is required by ECO to ensure entities remain committed to fully implement the recommendations from our report. As a result, we found this recommendation has not been implemented.

**12 of our 19 recommendations have been implemented**

**4.72** Of the 15 recommendations self-assessed as implemented by ONB, we were able to verify that 12 recommendations had been implemented based on our follow-up work. In particular:

- ONB has established guidelines for applications for assistance, with documented analysis in the client file to support decisions;
- ONB has established standards and criteria for use in evaluating applications for assistance;

- Financial considerations included in the Memorandums to Executive Council state the financial impact on the accounts of the Province;
- When evaluating an application for assistance, ONB identifies companies and individuals involved in past defaults on government financial assistance; and
- ONB has established goals, objectives and measurable targets for its financial assistance programs.

***Progress made on recommendations but seven recommendations are still not implemented***

**4.73** Though further work is needed, we recognize the progress made so far by ONB in implementing our recommendations. ONB's implementation rate (as verified by AGNB) has increased from 22% in 2017 to 67% in 2018.

***Recommendations to verify claims and track and report on performance of assistance require further work***

**4.74** Recommendation 2.64 concerning verifying claims and assumptions made by applicants, and recommendation 2.123, which addressed tracking and reporting on the 10-year history of actual performance of assistance provided to industry, were reported by ONB as not implemented and require further work. Since this has not been implemented, the public is unable to assess the value or the impact of the government's financial assistance to industry.

***Unable to confirm implementation of recommendation for independent assessment of assets given as security***

**4.75** We recommended the Department seek an independent assessment of assets when assets are given as security for financial assistance (recommendation 2.82), and ONB reported it had implemented this recommendation. We found ONB has established policies surrounding the requirement of assessing assets pledged as security. However, the circumstances where the policies would apply are very specific and were not found in our testing sample. As a result, because we could not confirm implementation through testing, we have assessed this recommendation as not implemented. Due to the unique circumstances required to verify the application of the policies, we will continue to follow this recommendation in the future.

***Unable to confirm implementation of recommendation for evidence to support value of assets in personal guarantee***

**4.76** We recommended the Department ensure it has adequate evidence to support the value of personal assets when a personal guarantee is provided on financial assistance (recommendation 2.83). This would ensure there is sufficient net worth to safeguard taxpayers' money. In its response, ONB stated the recommendation had been implemented and indicated its policy was updated in November 2017 based on AGNB's recommendation. We found the updated policy required a "detailed statement of net worth verified by an independent CPA or lawyer." At the time of our testing, there were no personal guarantees requiring a review since the updated policy. As a result, because we could not confirm implementation through testing, we have assessed this recommendation as not implemented and will continue to follow it in the future.

***No rationalization of entities providing assistance***

**4.77** We recommended the Department make recommendations to Cabinet to rationalize the number of provincial entities providing financial assistance to industry (recommendation 2.97). ONB reported this recommendation was not implemented and in its response added "ONB has made consolidation recommendations. Further implementation is out of scope of ONB's mandate." As a result, we will consider redirecting this recommendation by discussing it with the Executive Council Office in 2019. The intent of our recommendation is to address the need for a provincial perspective on financial assistance to industry, and leadership will be needed to implement it.

***Lack of reporting on expected and actual results of job creation***

**4.78** We also made a recommendation to ONB to report both expected and actual results of job creation and job maintenance in their annual report (recommendation 2.113). ONB reported this recommendation as implemented, but added it does not report or capture information on job maintenance. We reviewed ONB's most recent 2016-2017 annual report available on its website. We found it did report actual job numbers created in 2016-2017, but it did not report the target number. Since only actual results were reported, we found this recommendation was not implemented.

**4.79** Reporting expected and actual results of job creation is a way for ONB to be accountable for the results it has achieved as the lead economic development agency in New Brunswick. We are disappointed further progress has not been made on this important recommendation.

### **General Comments on the Implementation of our Recommendations**

*We are not satisfied with the implementation rate of our recommendations*

**4.80** Implementation of our recommendations from 2014 is 71%. We are not satisfied with this rate of implementation. We encourage the Public Accounts and Crown Corporations Committees to use this chapter to hold government departments and Crown agencies accountable for implementing our performance audit recommendations. Exhibit 4.4 reports government's progress in implementing our performance audit recommendations since 1999.

Exhibit 4.4 - Implementation of Performance Audit Recommendations

Year	Number of Recommendations	Recommendations Implemented Within		
		Two years	Three years	Four years
1999	99	35%	42%	42%
2000	90	26%	41%	49%
2001	187	53%	64%	72%
2002	147	39%	58%	63%
2003	124	31%	36%	42%
2004	110	31%	38%	49%
2005	89	27%	38%	49%
2006	65	22%	38%	N/A <sup>1</sup>
2007	47	19%	N/A <sup>1</sup>	45% <sup>2</sup>
2008	48	N/A <sup>1</sup>	60% <sup>2</sup>	57% <sup>4</sup>
2009	49	73% <sup>2</sup>	73% <sup>3</sup>	74% <sup>4</sup>
2010	44	64% <sup>3</sup>	70% <sup>3</sup>	62% <sup>4</sup>
2011	24	71% <sup>3</sup>	79% <sup>3</sup>	63% <sup>4</sup>
2012	32	69% <sup>3</sup>	81% <sup>3</sup>	61% <sup>4</sup>
2013	44	65% <sup>3</sup>	61% <sup>3</sup>	43% <sup>4</sup>
2014	17	71% <sup>3</sup>	94% <sup>3</sup>	71% <sup>4</sup>
2015	93	49% <sup>3</sup>	65% <sup>3</sup>	-
2016	44	68% <sup>3</sup>	-	-

<sup>1</sup> N/A as no follow-up performed in 2010  
<sup>2</sup> As self-reported by departments, commissions and agencies with confirmation by our Office in the Department of Justice and Consumer Affairs  
<sup>3</sup> As self-reported by departments, commissions and agencies  
<sup>4</sup> As self-reported by departments, commissions and agencies and reviewed for accuracy by our Office.

**4.81** A summary of significant projects conducted in Departments and Crown agencies over the past ten years can be found in Appendix IV. For a detailed status report of recommendations since 2014, please see Appendix V.

***Many entities do not meet their own target implementation date***

**4.82** When we issue recommendations to entities, we ask officials to provide a response and a target date by which the recommendations will be implemented. We have noticed many entities do not meet their own target implementation date.

**4.83** We reviewed the target implementation date of entities who were the subject of a performance audit in 2014, 2015 and 2016. Based on the entities' self-assessments,

only 20% had fully implemented our recommendations by the target date.

**4.84** We are committed to continuing to work with departments, commissions and Crown agencies to develop sound, practical recommendations. Also, we will continue to use our follow-up process as a means of providing encouragement and support for departments, commissions and Crown agencies to implement our recommendations on a timely basis.

***Inconsistent reporting by departments and Crown agencies in annual reports***

**4.85** As per the *Annual Report Guidelines* issued by the Executive Council Office, departments and Crown agencies are required to report the status of our recommendations in their annual report. While we view this as a positive step to enhance transparency and accountability, we have noted that not all Crown agencies we reviewed met this requirement in their 2016-17 annual reports. For example, Opportunities NB did not report the status of recommendations from our 2015 audit of *Financial Assistance to Atcon Holdings Inc. and Industry* in its 2016-17 annual report. However, we did note Service New Brunswick reported on the status of two of its recommendations from our 2016 audit of *Agricultural Fair Associations* in its 2016-2017 annual report. Given so much of government operations are now in Crown agencies, we believe Crown agencies should comply with the guidelines for annual reports and provide an update on the status of recommendations by the Auditor General.

***Recommendation***

**4.86** We recommend the Executive Council Office ensure Crown agencies comply with the requirement of the *Annual Report Guidelines* to report the status of recommendations from the Auditor General in their annual report.

**4.87** We have noted differences in the status of our recommendations as reported by Departments in their 2017 annual reports and the status reported to us as part of our annual follow-up process. In some cases, departments reported recommendations as not implemented to us, but reported the same recommendation as “Adopted” in their annual report. In our opinion, the term “Adopted” could simply imply agreement and not implementation.

**4.88** We noted one department who indicated to us 7 of 13 recommendations had been implemented while reporting in their annual report that all 13 recommendations were “Adopted”. Another department indicated to us that 17 of our 21 recommendations had been implemented while reporting only 8 “adopted” recommendations in their annual report.

**4.89** We encourage departments to be more transparent and consistent in reporting the status of our recommendations. We believe this could be achieved if the *Annual Report Guidelines* referred to “implemented” recommendations instead of “adopted” recommendations.

***Recommendation***

**4.90** We recommend the *Annual Report Guidelines* be amended to direct departments and Crown agencies to report on the status of “implemented” recommendations instead of “adopted” recommendations.

***Response from Executive Council Office***

**4.91** *The recommendations directed to the Executive Council Office at paragraphs 4.86 and 4.90 were adopted and the annual report guidelines for 2017-18 were amended as such.*

## **Appendix I - Scope and objective of follow-up work**

### Scope and objective

Our practice is to track the status of our performance audit recommendations for four years after they first appear in the Report of the Auditor General, starting in the second year after the original Report. In other words, in this 2018 Report, we are tracking progress on performance audit recommendations from 2014, 2015 and 2016. We may also choose to track the status of some recommendations for a period extending beyond four years.

Our objective is to determine the degree of progress departments, commissions and Crown agencies have made in implementing our recommendations. We assess their progress as either implemented, not implemented, disagreed with, or no longer applicable.

To prepare this chapter, we request written updates from the respective departments, commissions and Crown agencies. They provide their assessment of the status of each performance audit recommendation. In addition, departments, commissions and agencies also add any comments they believe are necessary to explain the rationale for their assessment. We received all updates requested.

Though we do not have the resources to review the accuracy of all responses annually, we reviewed the responses received related to our 2014 recommendations for accuracy, and gathered and summarized the information submitted by departments, commissions and agencies for 2015 and 2016. We did the same for certain recommendations made in 2011 concerning constituency office expenses; in 2013 concerning the need for a comprehensive long-term infrastructure sustainability plan; and in 2015 concerning financial assistance to Atcon Holdings Inc. and industry.

Recommendations made to departments, commissions and Crown agencies as a result of our financial audit work are followed-up annually as part of our financial audit process, and are not discussed in this chapter.

## Appendix II - Status of Performance Audit Recommendations as Reported by Departments, Commissions or Agencies

Department/ Commission/ Agency	Subject	Year	Performance Audit Recommendations			% Implemented
			Total	Implemented	Agreed/Not implemented	
Agriculture, Aquaculture and Fisheries	Agricultural Fair Associations	2016	8	7	1	88%
Energy and Resource Development	Private Wood Supply	2015	19	13	6	68%
Energy and Resource Development	Silviculture	2015	21	15	6	71%
Finance	Public Debt	2015	8	1	7	13%
Legal Aid Services Commission	Public Trustee Services	2016	10	5	5	50%
Legislative Assembly & Executive Council Office	Constituency Office Costs for Members of the Legislative Assembly and Executive Council	2011	5	3	2	60%*
Health	Meat Safety – Food Premises Program	2016	23	17	6	74%
Health	Infection Prevention and Control in Hospital	2015	2	1	1	50%
Horizon Health Network			9	7	2	78%
Vitalité Health Network			10	6	4	60%
NB Power	Point Lepreau Generating Station Refurbishment - Phase II	2014	10	7	3	70%*
Opportunities NB	Financial Assistance to Atcon Holdings Inc. and Industry	2015	18	12	6	67%*
Executive Council Office			1	0	1	0%*
Social Development	Nursing Homes	2016	3	1	2	33%
Service New Brunswick	Data Centre Power Interruption	2014	4	3	1	75%*
Office of the Chief Information Officer			3	2	1	67%*
Transportation and Infrastructure	Centennial Building	2015	5	5	0	100%
Transportation and Infrastructure	Comprehensive Long Term Infrastructure Plan	2013	8	2	6	25%*
<b>Total</b>			<b>167</b>	<b>107</b>	<b>60</b>	<b>64%</b>

\* Implementation status as verified by AGNB in 2018.

### Appendix III - Listing of unimplemented performance audit recommendations for the reports reviewed in 2018

Department/ Commissions/ Agency	Chapter Name	Year	Volume	Chapter	Paragraph	Recommendation	Status
Legislative Assembly & Executive Council Office	Constituency Office Costs for Members of the Legislative Assembly and Executive Council	2011	3	3	50	We recommended all constituency office costs should be authorized, paid, recorded, monitored and reported through the Office of the Clerk of the Legislative Assembly. Appropriate revisions should be made by the Legislative Assembly and the Executive Council Office to existing guidelines to facilitate this change.	Not implemented
			3	3	62	To provide better accountability, the Legislative Assembly should publicly report total constituency office costs claimed by each Member, whether paid by the Clerk or a department.	Not implemented
Transportation and Infrastructure	Introductory Comments: Long Term Infrastructure Plan	2013	2	1	Exhibit 1.1	We recommend the Department of Transportation and Infrastructure develop and implement a comprehensive long-term infrastructure plan that will ensure the sustainability and safety of highways, hospitals, schools, bridges, and other essential provincial infrastructure while respecting the fiscal challenges faced by the Province.	Not implemented
						Key elements of the plan should include:	
						1. the rationalization of assets (i.e. if not considered essential, remove from service and dispose in an appropriate manner);	Not implemented
						2. a long term approach to budgeting which includes life cycle maintenance of capital assets;	Not implemented
						3. a protected stream of a base level of funding determined necessary to adequately maintain assets in service;	Not implemented
						4. a 20 year planning horizon;	Not implemented
						5. a process whereby new assets are constructed only when there is a business case to support the need. This should include redirecting savings from rationalized assets to the new asset life cycle maintenance costs;	Implemented
6. apply the current DTI strategy and asset management system to all essential assets. This would result in a corporate approach which applies the least cost lifecycle prioritization to all essential assets;	Not implemented						
7. provide annual public performance reporting, which includes the actual physical condition of our essential assets versus pre-established targets, explaining the reason for any significant variances; and	Implemented						

### Appendix III - Listing of unimplemented performance audit recommendations for the reports reviewed in 2018 (continued)

Department/ Commissions/ Agency	Chapter Name	Year	Volume	Chapter	Paragraph	Recommendation	Status
Transportation and Infrastructure	Introductory Comments: Long Term Infrastructure Plan	2013	2	1	Exhibit 1.1	8. a process or mechanism that ensures fiscal discipline is adhered to over the long-term (such as legislative change, statutory funding, contractual arrangements).	Not implemented
NB Power	Point Lepreau Generating Station Refurbishment - Phase II	2014	2	2	51	We recommend NB Power obtain competitive bids for all significant engineering services, even if not required by legislation to do so.	Not implemented
			2	2	60	We recommend NB Power use industry standardized formats for all external contracts. The International Federation of Consulting Engineers offers standardized contract templates which can be used as a model.	Not implemented
			2	2	96	We recommend NB Power benchmark market rates for similar services and retain this support with procurement documentation to support the contractor choice.	Not implemented
Service New Brunswick and Chief Information Officer	Data Centre Power Interruption	2014	2	3	92	We recommend the OCIO, in consultation with departments, develop a government-wide IT continuity plan, which considers all aspects of government programs, services and operations. This plan should be tested annually to ensure its adequacy.	Not Implemented
			2	3	94	We recommend the NBISA, in consultation with departments, develop a disaster recovery plan, which prioritizes the restoration of government IT systems.	Not Implemented
Opportunities NB	Financial Assistance to Ateon Holdings Inc. and Industry	2015	1	2	64	We recommend the Department establish guidelines for verification of claims and assumptions underlying projections included in applications for financial assistance	Not implemented
			1	2	82	Where it would improve the security taken by the Province on loan agreements, we recommend the Department seek an independent assessment of assets when assets are provided as security on loan or guarantee agreements, especially where the value is significant. Should further financial assistance be requested, the Department should reassess the value of these assets as this may affect the realizable value of the security.	Not implemented

**Appendix III - Listing of unimplemented performance audit recommendations for the reports reviewed in 2018** (continued)

Department/ Commissions/ Agency	Chapter Name	Year	Volume	Chapter	Paragraph	Recommendation	Status
Opportunities NB	Financial Assistance to Atcon Holdings Inc. and Industry	2015	1	2	83	When personal guarantees are provided, we recommend the Province ensure there is adequate evidence to support the value of the personal assets such that there is sufficient net worth to safeguard taxpayers' money.	Not implemented
			1	2	97	We recommend, as an efficiency measure and to streamline administration, the Department of Economic Development make recommendations to Cabinet to rationalize the number of provincial entities that provide financial assistance to industry.	Not implemented
			1	2	113	We recommend the Department report both expected and actual results of job creation and job maintenance in their annual report.	Not implemented
			1	2	123	We recommend the Department annually track and report the 10-year history of actual performance of assistance provided to industry, based on the 2010 analysis performed by the Office of the Comptroller.	Not implemented
Executive Council Office	Financial Assistance to Atcon Holdings Inc. and Industry	2015	1	2	98	We recommend the Executive Council Office take responsibility for coordinating the implementation by all departments/agencies providing financial assistance to industry of recommendations of this report.	Not implemented

# Appendix IV

## Summary of Significant Projects Conducted in Departments and Crown Agencies over the Past Ten Years

The following is a list of value-for-money projects reported in a separate chapter of our annual Reports over the last ten years, organized by department and agency. The year of reporting is in brackets following the subject of the projects. The list is organized using the current name of the department or agency, even though in some cases the project was conducted prior to government reorganization.

### **Department of Agriculture, Aquaculture and Fisheries**

#### **Agricultural Fair Associations (2016)**

This chapter examines whether there is adequate government oversight of New Brunswick Agricultural Associations.

### **Department of Education and Early Childhood Development**

#### **Student Performance: A New Brunswick Challenge (2018)**

This chapter reports observations, findings and recommendations regarding the Department's management of student performance in reading, math and science, which is measured through provincial assessments. It examines whether the Department sets goals for student performance, monitors, improves and publicly reports on student performance. It covers both the Anglophone and Francophone education sectors and includes all seven school districts.

#### **School District Purchase Cards (2017)**

This chapter examines the use of purchase cards by school districts after we identified risks associated with the use of purchase cards through our financial audit work, which highlighted numerous control weaknesses in the purchase card procedures.

#### **Provincial Testing of Students – Anglophone Sector (2009)**

This chapter assesses the Department's strategic direction for its provincial testing of students in the Anglophone sector. It also assesses the Department's process of administering its provincial testing of students in the Anglophone sector.

## **Department of Environment and Local Government**

### **Climate Change (2017)**

In April 2016 all Auditors General across Canada agreed to undertake work on their provinces' and territories' climate change initiatives. This work will then be summarized in a report to the Parliament in early 2018. The overall objective of this initiative was to work together to determine the extent to which federal, provincial and territorial governments in Canada are meeting commitments to reduce greenhouse gas (GHG) emissions and to adapt to climate change.

### **Solid Waste Commissions (2012)**

This chapter examines the governance, accountability and financial management of the twelve provincial solid waste commissions. It also addresses the Province's involvement in reducing the impacts of solid waste on the environment.

### **Wastewater Commissions (2011)**

This chapter examines the governance, accountability and financial practices of the three largest wastewater commissions: the Greater Moncton Sewerage Commission, the Greater Shediac Sewerage Commission and the Fredericton Area Pollution Control Commission. The report addresses concerns with respect to board governance, accountability and questionable financial practices of the Greater Moncton Sewerage Commission.

### **Environmental Trust Fund (2009)**

This chapter examines whether the purpose of the Environmental Trust Fund is clearly established, and whether the Fund is measuring and reporting the achievement of its goals and objectives. It also examines whether the Fund is operating as intended with respect to grants.

## **Executive Council Office**

### **Constituency Office Costs for Members of the Legislative Assembly and Executive Council (2011)**

This chapter reports observations, findings and recommendations regarding Members' constituency office costs with respect to the authority and management by both the Office of the Clerk of the Legislative Assembly and departments. It identifies positive features, as well as issues that need improvement to ensure proper stewardship and accountability.

## **Department of Finance**

### **Agricultural Fair Associations (2016)**

This chapter examines whether there is adequate government oversight of New Brunswick Agricultural Associations.

### **Atlantic Lottery Corporation (2016)**

This volume examines whether Atlantic Lottery Corporation('s):

- governance structures and processes create a framework for effective governance and are working well;
- executive and employee compensation and benefits are appropriately managed;
- travel, hospitality, and board expenses are managed in a transparent manner that promotes the appropriate use of shareholder money;
- significant contracts are monitored to ensure services are received, and payments made, in accordance with contract terms;
- significant contracts are effective in meeting its objectives and achieving enterprise value; and
- procures required services in an efficient and economical manner.

### **Collection of Accounts Receivable (2013)**

This chapter provides information on provincial policies and initiatives currently underway to improve the collection of accounts receivable, and our comments relating to those policies and initiatives.

### **Public Debt (2015)**

This chapter describes the public debt situation in New Brunswick in comparison with other Canadian provinces. It determines if the Department of Finance follows a prudent debt management practice to mitigate risks associated with public debt.

## **Department of Government Services**

### **Procurement of Goods and Services – Phase 1 (2013)**

This chapter examines whether public purchasing practices used by the Department comply with key components of the regulatory framework and best practices, and if it publicly reports on the effectiveness of the procurement function.

## **Department of Health**

### **Addiction and Mental Health Services in Provincial Adult Correctional Institutions (2018)**

This chapter examines whether the Department of Health and the Department of Justice and Public Safety deliver addiction and mental health services to provincial correctional institution inmates to improve health outcomes and contribute to safer communities.

### **Meat Safety – Food Premises Program (2016)**

This chapter determines if the Department of Health monitors and enforces compliance with the legislation, regulations and policies in place to ensure the safety of meat for public consumption.

### **Nursing Homes (2016)**

This chapter provides information on the current status of nursing homes. It looks at the current situation in the province concerning nursing homes and the capacity within the system to meet the growing demand for services.

### **Infection Prevention and Control in Hospitals (2015)**

This chapter determines if the Department of Health and the Regional Health Authorities have an infection prevention and control program to protect people from hospital-acquired infections.

### **Medicare - Payments to Doctors (2012)**

This chapter examines whether the Department of Health is maximizing its recovery of incorrect Medicare payments to doctors, through the practitioner audit function. It also highlights unusual items that warrant further investigation by the Department.

### **EHealth – Procurement and Conflict of Interest (2012)**

This chapter examines the government procurement policy for purchases of services related to the E-Health initiative. It also examines whether a conflict of interest exists in the use of consultants.

## **Department of Justice and Public Safety**

### **Addiction and Mental Health Services in Provincial Adult Correctional Institutions (2018)**

This chapter examines whether the Department of Health and the Department of Justice and Public Safety deliver addiction and mental health services to provincial correctional institution inmates to improve health outcomes and contribute to safer communities.

### **Public Trustee Services (2016)**

This chapter examines whether the Public Trustee properly safeguards and administers client assets held in trust, whether the Public Trustee's processes for making care decisions on behalf of its clients are in accordance with legislation and policies, and whether the Public Trustee publicly reports on the performance of its services.

### **Agricultural Fair Associations (2016)**

This chapter examines whether there is adequate government oversight of New Brunswick Agricultural Associations.

## **Legislative Assembly**

### **Constituency Office Costs for Members of the Legislative Assembly and Executive Council (2011)**

This chapter reports observations, findings and recommendations regarding Members' constituency office costs with respect to the authority and management by both the Office of the Clerk of the Legislative Assembly and departments. It identifies positive features, as well as issues that need improvement to ensure proper stewardship and accountability.

## **Department of Energy and Resource Development**

### **Silviculture (2015)**

This chapter determines whether the Department 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.

### **Private Wood Supply (2015)**

This chapter determines whether the Department is meeting its responsibilities respecting timber supply from private woodlots and if the New Brunswick Forest Products Commission provides adequate oversight of Forest Products Marketing Boards.

## **Department of Post-Secondary Education, Training and Labour**

### **Immigration with the Provincial Nominee Program (2010)**

This chapter examines whether the Population Growth Secretariat has identified and documented significant planning measures for New Brunswick's Provincial Nominee Program. It also examines whether the Secretariat has adequate processes and controls for delivering the Provincial Nominee Program in New Brunswick, and if it supports the program in achieving its objective "to increase the economic benefits of immigration to New Brunswick." Finally, it examines whether the Secretariat measures performance for the Provincial Nominee Program and if it publicly reports the program's performance.

## **Department of Social Development**

### **Advisory Services Contract (2017)**

This chapter evaluated the effectiveness of specific Department of Social Development contract management practices in procuring, administering, and measuring results of a significant consulting contract for advisory services.

### **Nursing Homes (2016)**

This chapter provides information on the current status of nursing homes. It looks at the current situation in the province concerning nursing homes and the capacity within the system to meet the growing demand for services.

### **Foster Homes (2013)**

This chapter examines whether the Department complies with its documented foster home standards, and if it publicly reports on the effectiveness of its Children's Residential Services program.

### **CMHC Social Housing Agreement (2011)**

This chapter examines the future of the financial impact to the Province due to the decline of funding under the CMHC Social Housing Agreement; and assesses whether the Department managed and administered the programs in accordance with four key agreement requirements.

### **Review of Nursing Home Contract with Shannex Inc. (2009)**

This chapter examines various questions surrounding the contract with Shannex Inc. to supply nursing home beds.

## **Department of Tourism, Heritage and Culture**

### **New Brunswick Art Bank (2010)**

Our objective for this project was to ensure that all art works acquired for the provincial Art Bank can be accounted for and are being adequately protected, maintained and conserved.

## **Department of Transportation and Infrastructure**

### **Centennial Building (2015)**

This chapter reports on government infrastructure planning for the Centennial Building in Fredericton, associated financial impact on provincial taxpayers, and the current status of the facility.

### **Provincial Bridges (2013)**

This chapter examines whether the Department performs bridge inspections in accordance with accepted professional standards and used the inspection results to identify and prioritize necessary capital maintenance and other remedial measures. The chapter also examines whether the Department maintains the service level of its bridge inventory based on a long term least life cycle cost approach, and whether it publicly reports on the condition of designated Provincial bridges and the effectiveness of its bridge inspection activities.

### **Premixed Asphalt Procurement (2013)**

This chapter discusses our planned project to determine if the Department's exempt purchases of pre-mixed asphalt are being made with due regard of economy and transparency, and the reasons why we chose to temporarily defer this project.

### **Capital Maintenance of Highways (2012)**

This chapter examines whether capital road repairs, identified as necessary by the Department, are made on a timely basis.

### **Public-Private Partnership: Eleanor W. Graham Middle School and Moncton North School (2011)**

This chapter examines the process for identifying the two school project as potential P3 agreements and evaluates the value for money assessment on which the Department's decision to recommend the P3 approach for the two school project was based.

### **Review of Nursing Home Contract with Shannex Inc. (2009)**

This chapter examines various questions surrounding the contract with Shannex Inc. to supply nursing home beds.

## **Government-wide projects**

### **Office of the Chief Information Officer**

#### **Data Centre Power Interruption (2014)**

This chapter examines the events and circumstances surrounding the data centre outage of June 9, 2014. It reports findings on the impact to government operations and the level of emergency preparedness of IT operations. It provides recommendations on improvements to business continuity and disaster recovery planning as well as defining roles and responsibilities of those involved in providing IT services.

## **Legal Aid Services Commission**

### **Public Trustee Services (2016)**

This chapter examines whether the Public Trustee properly safeguards and administers client assets held in trust, whether the Public Trustee's processes for making care decisions on behalf of its clients are in accordance with legislation and policies, and whether the Public Trustee publicly reports on the performance of its services.

## **New Brunswick Liquor Corporation**

### **Agency stores (2010)**

This chapter examines whether the New Brunswick Liquor Corporation has appropriate control procedures for its agency store program.

## **Crown Agency and Crown Corporation Projects**

### **New Brunswick Lotteries and Gaming Corporation**

#### **Atlantic Lottery Corporation (2016)**

This volume examines whether Atlantic Lottery Corporation's:

- governance structures and processes create a framework for effective governance and are working well;
- executive and employee compensation and benefits are appropriately managed;
- travel, hospitality, and board expenses are managed in a transparent manner that promotes the appropriate use of shareholder money;
- significant contracts are monitored to ensure services are received, and payments made, in accordance with contract terms;
- significant contracts are effective in meeting its objectives and achieving enterprise value; and
- services are procured in an efficient and economical manner.

### **NB Power**

#### **Climate Change (2017)**

In April 2016 all Auditors General across Canada agreed to undertake work on their provinces' and territories' climate change initiatives. This work will then be summarized in a report to the Parliament in early 2018. The overall objective of this initiative was to work together to determine the extent to which federal, provincial and territorial governments in Canada are meeting commitments to reduce greenhouse gas (GHG) emissions and to adapt to climate change.

#### **Point Lepreau Generating Station Refurbishment – Phase II (2014)**

This chapter assesses the reasonableness of key project costs of the Point Lepreau Generating Station Refurbishment Project.

#### **Point Lepreau Generating Station Refurbishment – Phase I (2013)**

This chapter describes key aspects of NB Power's planning and execution of the Point Lepreau refurbishment, and presents summaries of amounts making up the \$1.4 billion asset account and the \$1.0 billion deferral account related to the refurbishment.

## **Opportunities NB**

### **Financial Assistance to Atcon: Unanswered Questions (2017)**

This chapter examines questions on the use of the funds received by Atcon and whether anyone benefited inappropriately from this money during the short timeframe between granting the company financial assistance and the placement of Atcon into receivership.

### **Financial Assistance to Atcon Holdings Inc. and Industry (2015)**

This chapter assesses whether the government exercised due diligence in granting financial assistance to the Atcon group of companies and determines if provincial government organizations coordinate the provision of assistance to industry to limit provincial exposure. It also determines whether the Department has implemented recommendations made in previous performance audits of assistance it provides to industry as well as the effectiveness of the Department's public reporting of the financial assistance it provides.

### **Financial Assistance to Industry (2010)**

This chapter assesses whether the Department has adequate procedures in place to measure and report on the effectiveness of the financial assistance it provides to industry.

### **New Brunswick Innovation Foundation (2009)**

This chapter examines whether governance structures and practices established by the Department in connection with the delivery of innovation funding through the New Brunswick Innovation Foundation ensure accountability and protection of the public interest.

## **Regional Health Authorities – Horizon and Vitalité Health Networks**

### **Infection Prevention and Control in Hospitals (2015)**

This chapter determines if the Department of Health and the Regional Health Authorities have an infection prevention and control program to protect people from hospital-acquired infections.

## **Service New Brunswick**

### **Residential Property Assessment – Special Examination (2017)**

This chapter examines the circumstances related to inaccuracies and errors in Service New Brunswick's (SNB) calculation of real property assessment values for the taxation years 2011 through 2017.

### **Agricultural Fair Associations (2016)**

This chapter examines whether there is adequate government oversight of New Brunswick Agricultural Associations.

### **Data Centre Power Interruption (2014)**

This chapter examines the events and circumstances surrounding the data centre outage of June 9, 2014. It reports findings on the impact to government operations and the level of emergency preparedness of IT operations. It provides recommendations on improvements to business continuity and disaster recovery planning as well as defining roles and responsibilities of those involved in providing IT services.

## **WorksafeNB**

### **Phase I – Governance (2018)**

This chapter determines if WorksafeNB's framework is structured to enable the organization to meet its mandate, goals and objectives.

### **Phase II – Management of Injured Workers' Claims (2018)**

This chapter presents findings and recommendations regarding WorkSafeNB's management of injured workers' claims. It examines whether WorkSafeNB has an effective claims management framework.

Appendix V  
Detailed Status Report of  
Recommendations  
Since 2014

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Point Lepreau Generating Station Refurbishment – Phase II	NB Power	2014	2	2	51	We recommend NB Power obtain competitive bids for all significant engineering services, even if not required by legislation to do so.	Implemented
Point Lepreau Generating Station Refurbishment – Phase II	NB Power	2014	2	2	60	We recommend NB Power use industry standardized formats for all external contracts. The International Federation of Consulting Engineers offers standardized contract templates which can be used as a model.	Implemented
Point Lepreau Generating Station Refurbishment – Phase II	NB Power	2014	2	2	61	We recommend NB Power use a consistent approach to perform post contract reviews and document any areas for improvement.	Implemented
Point Lepreau Generating Station Refurbishment – Phase II	NB Power	2014	2	2	77	We recommend NB Power: <ul style="list-style-type: none"> <li>contract directly with vendors providing major components or equipment;</li> <li>require the contractors and subcontractors demonstrate that they have appropriate safety and risk mitigation procedures in place;</li> <li>include provisions in contracts which provide sufficient liability protection based on NB Power's assessment of risks; and</li> <li>increase oversight on the transportation of major equipment with the contractor and transportation vendor.</li> </ul>	Implemented
Point Lepreau Generating Station Refurbishment – Phase II	NB Power	2014	2	2	82	We recommend for future building construction contracts NB Power perform sufficient due diligence and preparatory work prior to proceeding to the procurement process to avoid cost overruns.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Point Lepreau Generating Station Refurbishment – Phase II	NB Power	2014	2	2	95	We recommend NB Power conduct an annual review of all major ongoing time and materials contracts. This review should assess the level of success achieved by the vendor over the past year based on set criteria including results achieved and value for money. During an annual review NB Power should conduct interviews with key vendor personnel and perform internal assessments by NB Power staff responsible for interaction with that vendor.	Implemented
Point Lepreau Generating Station Refurbishment – Phase II	NB Power	2014	2	2	96	We recommend NB Power benchmark market rates for similar services and retain this support with procurement documentation to support the contractor choice.	Implemented
Point Lepreau Generating Station Refurbishment – Phase II	NB Power	2014	2	2	106	We recommend NB Power assess its project cost management methodology for large projects. Earned Value Management System, which is an industry best practice, could be used as a model.	Implemented
Point Lepreau Generating Station Refurbishment – Phase II	NB Power	2014	2	2	121	We recommend NB Power develop contingency plans to manage overtime during project delays, including: <ul style="list-style-type: none"> <li>periodically reevaluating during the project to account for major changes in project timelines;</li> <li>sufficiently analyzing the new circumstances and revise the plan as necessary, when a major unanticipated event impacts a project; and</li> <li>carrying out sufficient equipment testing to address any equipment challenges resulting from extended delays.</li> </ul>	Implemented
Point Lepreau Generating Station Refurbishment – Phase II	NB Power	2014	2	2	136	We recommend NB Power prepare a staffing plan for each major project and revise when it is determined that major project changes have occurred.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Data Centre Power Interruption	NB Internal Services Agency (Service New Brunswick)	2014	2	3	71	We recommend the NBISA identify critical infrastructure components and establish replacement plans. We also recommend the NBISA develop and implement a refresh program for such equipment.	Implemented
Data Centre Power Interruption	Office of the Chief Information Officer	2014	2	3	72	We recommend the Office of the Chief Information Officer (OCIO) define roles and responsibilities related to development of corporate IT strategic development for all departments and take recommendations to cabinet that clarify corporate IT roles and responsibilities and ensure strategic goals of the OCIO, the NBISA and the departments are aligned.	Not Implemented
Data Centre Power Interruption	NB Internal Services Agency (Service New Brunswick)	2014	2	3	81	We recommend the NBISA prepare threat risk assessments, as part of its corporate IT continuity planning, and take recommendations to cabinet to further mitigate risk of failure of IT services.	Implemented
Data Centre Power Interruption	NB Internal Services Agency (Service New Brunswick)	2014	2	3	82	We recommend the NBISA develop a data centre availability strategy to provide a level of service congruent with industry standards. We also recommend NBISA develop a monitoring process to ensure strategies are implemented to achieve the strategic vision.	Implemented
Data Centre Power Interruption	Office of the Chief Information Officer	2014	2	3	92	We recommend the OCIO, in consultation with departments, develop a government-wide IT continuity plan, which considers all aspects of government programs, services and operations. This plan should be tested annually to ensure its adequacy.	Not Implemented
Data Centre Power Interruption	Office of the Chief Information Officer	2014	2	3	93	We recommend the OCIO, as part of IT continuity planning, obtain an assessment of services from each department to identify and prioritize critical systems, which require uninterrupted IT continuity.	Not Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Data Centre Power Interruption	NB Internal Services Agency (Service New Brunswick)	2014	2	3	94	We recommend the NBISA, in consultation with departments, develop a disaster recovery plan, which prioritizes the restoration of government IT systems.	Not Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	38	We recommend the Department establish clear guidelines for applications for assistance with documented analysis maintained in the client file to ensure decisions are supported.	Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	39	We recommend the Department ensure all requests for assistance include an application properly prepared and signed as complete and accurate by the client.	Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	41	We recommend the Department establish minimum standards and criteria, such as number of jobs to be created or maintained per dollar advanced, for use in evaluating applications for assistance.	Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	45	We recommend the Department include a complete version of the most recent audited financial statements with Memorandums to Executive Council requesting financial assistance.	Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	57	We recommend the financial considerations included in the Memorandum to Executive Council clearly state the financial impact on the accounts of the Province, including the need for a provision for loss.	Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	61	To improve future economic development decision making, we recommend the Department quantify the risks and rewards to the Province in order to clearly establish and balance the value received for the output of funding and the risk assumed by the Province.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	64	We recommend the Department establish guidelines for verification of claims and assumptions underlying projections included in applications for financial assistance.	Not Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	65	We recommend all claims of job creation or maintenance, in connection with the application, be made in writing, supported by documentation and signed by a company representative indicating the accuracy of the documentation and the company's commitment.	Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	72	We recommend the Department, in collaboration with others, propose an update to the <i>Economic Development Act</i> and Regulation to clarify the authority to amend security.	Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	82	Where it would improve the security taken by the Province on loan agreements, we recommend the Department seek an independent assessment of assets when assets are provided as security on loan or guarantee agreements, especially where the value is significant. Should further financial assistance be requested, the Department should reassess the value of these assets as this may affect the realizable value of the security.	Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	83	When personal guarantees are provided, we recommend the Province ensure there is adequate evidence to support the value of the personal assets such that there is sufficient net worth to safeguard taxpayers' money.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	85	We recommend the Department clearly identify companies and individuals involved in past defaults on government financial assistance as part of the Memorandum to Executive Council (MEC). Where there is a recommendation to approve assistance to such a company or individual, the justification should be clearly stated on the MEC.	Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	95	We recommend the Department establish a limit on the amount of assistance/level of provincial exposure that can be granted to a single company or group of related companies.	Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	96	We recommend the Department implement a process whereby financial assistance to industry provided by all government departments/agencies is monitored to determine the extent of financial assistance granted by all agents in the government reporting entity.	Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	97	We recommend, as an efficiency measure and to streamline administration, the Department of Economic Development make recommendations to Cabinet to rationalize the number of provincial entities that provide financial assistance to industry.	Not Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Executive Council Office	2015	1	2	98	We recommend the Executive Council Office take responsibility for coordinating the implementation by all departments/agencies providing financial assistance to industry of recommendations of this report.	Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	113	We recommend the Department report both expected and actual results of job creation and job maintenance in their annual report.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	123	We recommend the Department annually track and report the 10-year history of actual performance of assistance provided to industry, based on the 2010 analysis performed by the Office of the Comptroller.	Not Implemented
Financial Assistance to Atcon Holdings Inc. and Industry	Economic Development (Opportunities NB)	2015	1	2	127	We recommend the Department establish goals, objectives and measurable targets for its financial assistance to industry programs.	Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network and Vitalité Network	2015	2	2	112	<p>We recommend the Horizon and Vitalité Health Networks address deficiencies in infection prevention and control practices within their respective programs, including but not limited to those reported in Exhibit 2.9 such as:</p> <ul style="list-style-type: none"> <li>• hand hygiene not done when required by policy, healthcare workers wearing rings and bracelets, areas with inadequate signage and gel;</li> <li>• biomedical waste improperly stored;</li> <li>• overcrowding in hemodialysis and oncology areas whose patients have an increased risk of acquiring an infectious disease;</li> <li>• no cleaning between patients treated in the same chemotherapy chair;</li> <li>• isolation inadequacies (signage, carts supplies, use of personal protective equipment, etc.);</li> <li>• linen deficiencies (clean laundry arriving at hospitals without being properly covered, linen delivery trucks not properly cleaned,</li> </ul>	Not Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Infection Prevention and Control in Hospitals	Horizon Health Network and Vitalité Network	2015	2	2	112 cont	<ul style="list-style-type: none"> <li>uncovered clean linen transported through the hospital, inadequate washing or replacing of the cloth cart covers protecting clean linen, excessive linen inventories, improper storage of clothing worn in the operating room, etc.);</li> <li>containers of disinfectant wipes left open;</li> <li>inadequate separation of clean and dirty items and storage space (clean linen stored in poor locations, inadequate separation within nursing units and Medical Device Reprocessing units, equipment and testing supplies stored in patient's washrooms, poor placement of soiled linen hampers, etc.);</li> <li>doors missing or being left open;</li> <li>permanent placement of patients in beds in the corridor;</li> <li>inadequate cleaning, labelling and storage of shared equipment;</li> <li>insufficient signage (public entrances) and labelling ("clean" and "soiled" items, storage areas, etc.); and</li> <li>construction areas not properly sealed-off from patient areas (with proper ventilation and signs restricting access).</li> </ul>	Not Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network	2015	2	2	113	We recommend the infection prevention and control professionals and all managers do regular "walk-arounds" observing for compliance with policies and standards, reporting deficiencies to the units/departments, and ensuring corrective action is taken by those units/departments. Deficiencies should be monitored and reported to appropriate committees and/or department heads.	Implemented
	Vitalité Health Network						Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Infection Prevention and Control in Hospitals	Horizon Health Network	2015	2	2	114	In smaller hospitals without on-site managers, we recommend the infection prevention and control professional and unit/department managers perform site visits on a regular basis. These visits will provide the opportunity to better monitor the smaller facility. Also, it will provide staff members with the opportunity to ask questions and identify challenges with which they are dealing.	Implemented
	Vitalité Health Network						Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network	2015	2	2	115	We recommend the Horizon and Vitalité Health Networks enforce compliance with infection prevention and control policies by all staff members, in all hospitals.	Implemented
	Vitalité Health Network						Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network	2015	2	2	146	We recommend the Department of Health in consultation with the Horizon and Vitalité Health Networks develop a provincial infection prevention and control program and strategy for use in all New Brunswick hospitals. This should address both routine practices and additional precautions. The provincial program should include, but not be limited to, the following: <ul style="list-style-type: none"> <li>documented provincial infection prevention and control policies, standards and practices;</li> <li>a strategy for monitoring compliance with infection control standards; and</li> <li>a comprehensive hand hygiene strategy.</li> </ul>	Implemented
	Vitalité Health Network						Not Implemented
	Department of Health						Not Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network	2015	2	2	147	We recommend the Horizon and Vitalité Health Networks engage sufficient resources for their programs to ensure all zones have access to Infection Prevention and Control Professionals (ICPs), experts and administrative support.	Implemented
	Vitalité Health Network						Implemented
Infection Prevention and Control in Hospitals	Vitalité Health Network	2015	2	2	148	We recommend the Vitalité Health Network require their ICPs obtain specialized training in infection prevention and control.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Infection Prevention and Control in Hospitals	Horizon Health Network	2015	2	2	149	We recommend the Horizon and Vitalité Health Networks address the inconsistencies within their respective programs, including but not limited to: <ul style="list-style-type: none"> <li>inconsistencies in ICPs' knowledge of appropriate practices and standards;</li> <li>variations in the ICPs' work in different zones; and</li> <li>inconsistencies with isolation gowns.</li> </ul>	Not Implemented
	Vitalité Health Network						Not Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network	2015	2	2	180	We recommend the Horizon and Vitalité Health Networks improve monitoring for compliance with infection prevention and control standards, including the monitoring of routine practices. This should include, but not be limited to, establishing policies and procedures for: <ul style="list-style-type: none"> <li>consistent unbiased hand hygiene auditing of appropriate quantity and including coverage of all areas in the hospitals;</li> <li>auditing jewelry and nails of healthcare workers to ensure compliance with the hand hygiene policy;</li> <li>auditing of linen management, including delivery trucks;</li> <li>auditing of waste management, including all types of waste; and</li> <li>auditing of shared equipment (proper cleaning, storage, etc.).</li> </ul>	Implemented
	Vitalité Health Network						Not Implemented
Infection Prevention and Control in Hospitals	Horizon Health Network	2015	2	2	202	We recommend the Department of Health and/or the Regional Health Authorities enhance its public reporting on the effectiveness of its infection prevention and control program(s) by reporting on hand hygiene and other infection prevention and control program performance indicators.	Implemented
	Vitalité Health Network						Implemented
	Department of Health						Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	76	We recommend the Department adhere to a regulated and predictable forest management planning cycle and ensure compliance with the <i>Crown Lands and Forests Act</i> by obtaining revised forest management plans from each licensee every five years.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	83	We recommend the Department regularly obtain forest management plans for all industrial freehold managed by Crown licensees and compare silviculture levels between licensee freehold and Crown land.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	104	We recommend the Department complete and finalize a silviculture manual with performance standards based on best practices.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	105	We recommend the Department enforce adherence to forest management standards and make amendments and exceptions only in light of new scientific knowledge and analysis of the effect of past treatments.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	106	We recommend the area of Crown forest, subject to clear cut harvest, be reduced in favor of non clearcut harvest treatments as per the updated forest management strategy “A Strategy for Crown Lands Forest Management Putting our Resources to Work”.	Not Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	118	We recommend the Department continue with the silviculture annual monitoring program and apply consistent controls on silviculture services acquired.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	122	We recommend the Department complete licensee performance evaluations every five years per the <i>Crown Lands and Forests Act</i> .	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	123	We recommend evaluation data be verified by the Department for completeness and accuracy.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	131	We recommend the Department monitor the results of silviculture treatments over time and hold licensees accountable through performance based measures.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	132	We recommend information self-reported by licensees be verified for completeness and accuracy.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	142	We recommend the Department regularly report to the Legislative Assembly and the public on the status of New Brunswick's forest and its management.	Not Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	143	We recommend pending the development and issuance of a consolidated "State of the Forest" report by the Department, the most recent forest management plans for all Crown licenses be made available to the Legislative Assembly and the public.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	158	We recommend the Department include the use of an economic payback model when analyzing resource allocations for silviculture program activities.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	159	We recommend the Department implement a previous recommendation made by the Select Committee on Wood Supply to commit to, on a five year basis, the level of silviculture funding deemed appropriate to achieve stated timber and non-timber objectives.	Not Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	163	We recommend the Department, in consultation with the Office of the Comptroller, calculate and record the value of the Crown timber asset in the Department's annual report and adjust this valuation to reflect harvest, silviculture and other changes. This valuation will quantify the impact of their management decisions.	Not Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	167	We recommend the Department include long-term regeneration needs of the Crown forest and harvest trends to support distribution of silviculture funding.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	181	We recommend the Department regularly benchmark silviculture rates from other jurisdictions in addition to using the costing model.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	182	We recommend the Department require licensees to provide a reconciliation of actual costs incurred for silviculture services provided on Crown land against fees paid and that cost efficiencies realized be proportioned between the Crown and licensee.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	194	We recommend the standard reporting package prepared by the Forest Products Marketing Board include reconciliation between the audited financial statements and the schedule of silviculture funding and related costs.	Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	196	We recommend the Department ensure a forest management agreement is signed by all current licensees to ensure compliance with the <i>Crown Lands and Forests Act</i> .	Not Implemented
Silviculture	Natural Resources (Energy and Resource Development)	2015	2	3	206	We recommend the Province adopt a more equitable cost sharing arrangement for silviculture work that recognizes the direct benefits realized by the forestry companies.	Not Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	96	We recommend the Department comply with the <i>Crown Lands and Forests Act</i> and regulations in meeting their responsibilities related to proportional supply and sustained yield. If current principles of proportional supply and sustained yield required under the Act are no longer relevant or applicable, the Department should pursue changes to the Act and regulations in order to facilitate accomplishment of its mandate.	Not Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	105	We recommend the Department establish a policy for sustained yield, set objectives and measurable targets, and monitor and publicly report on its performance in ensuring sustainable yield from private woodlots.	Not Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	113	We recommend the Department implement a single private land silviculture agreement for all marketing boards in order to limit duplication of effort.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	124	We recommend the Department set separate goals and objectives against which to measure its success in fulfilling its mandate regarding private woodlots. In addition, we recommend the Department establish goals and objectives for the Private Land Silviculture program to measure the benefits of the program to the Province.	Not Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	128	We recommend the Department publicly report on the goals, objectives, performance targets and actual results of their work and programs in regards to private wood supply. This should include providing explanations for variances between planned and actual performance.	Not Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	149	We recommend the Commission establish member position profiles and criteria against which potential appointees can be evaluated.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	154	We recommend the Commission make appointment requests in a manner that effectively staggers member appointments to promote continuity.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	159	We recommend the Department review the Commission's mandate and performance to ensure government objectives for the Commission's work are being achieved, and the Commission's role and responsibilities are well communicated and understood.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	161	We recommend the Commission review and compare their current governance policies and procedures against the Province's Agencies, Boards, and Commissions appointment policy as well as accepted governance best practices in order to define and implement tools to enhance current Commission practices.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	169	We recommend the Commission complete its strategic plan to reflect its mandate under legislation and articulate its strategic priorities.	Not Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	175	We recommend the Commission review its current policies and manuals to ensure these accurately and consistently reflect necessary requirements in accordance with accepted financial reporting standards. We further recommend current copies of these documents be provided to marketing boards.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	193	We recommend the Commission evaluate its reporting requirements from marketing boards to ensure that what is being requested provides the benefits intended. We further recommend the Commission enforce its Orders to ensure marketing board compliance with regulation.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	205	We recommend the Department and Commission document how financial reviews of marketing boards will be undertaken, assign personnel with the appropriate background and expertise to do the analysis, and report on the results of this analysis with recommendations, if required.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	219	We recommend the Commission require Marketing Boards to provide them with a signed agreement between the Marketing Board and its associated agent(s) that defines the nature of the agent relationship and the roles and responsibilities of each party as they pertain to the mandate of the Marketing Board.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	224	We recommend the Commission undertake regular meetings with the marketing boards, individually or in a group setting as required, and attend random district meetings to identify and act on areas of concern.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	226	We recommend the Commission document a framework, proactively identifying and addressing areas of risk in marketing board governance, to ensure that marketing boards operate as intended by legislation.	Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	234	We recommend the Commission establish and document an administrative process for the use of its investigative powers and formalize a series of escalating enforcement measures/mechanisms to be used in cases of non-compliance with Orders, regulations and policy directives.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	237	We recommend the Department and the Commission jointly reviews the Commission's mandate and structure and make the changes required to ensure the Commission can effectively perform its legislated mandate.	Not Implemented
Private Wood Supply	Natural Resources (Energy and Resource Development)	2015	2	4	241	We recommend the Commission establish performance targets for its own oversight work and for marketing boards against which the Commission can evaluate marketing board performance in critical areas. We further recommend the Commission report on the effectiveness of both its own work and marketing board operations against the predetermined targets.	Implemented
Public Debt	Finance	2015	4	2	80	We recommend the Department develop a comprehensive debt management strategy and have it approved by Cabinet.	Not Implemented
Public Debt	Finance	2015	4	2	94	We recommend the Department establish the Province's risk tolerance in terms of an acceptable dollar variation from the budget of servicing public debt due to financial markets movement.	Not Implemented
Public Debt	Finance	2015	4	2	95	We recommend the Department form a risk committee independent of the Treasury Division to review and approve all risk management related policies.	Implemented
Public Debt	Finance	2015	4	2	109	We recommend the Department regularly conduct a full stress test of its debt portfolio on the basis of the economic and financial shocks to which the Province is potentially exposed.	Not Implemented
Public Debt	Finance	2015	4	2	123	We recommend the Department clearly state in its borrowing policies which debt products may be issued by the Province and which may not.	Not Implemented
Public Debt	Finance	2015	4	2	129	We recommend the Department document in its policy the limits and authorities for all levels of staff who can undertake borrowing and investing related transactions.	Not Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Public Debt	Finance	2015	4	2	139	We recommend the Department publicly report the government's debt management objectives, guidelines, and strategies, as well as medium-term financing needs and targets, in terms of debt composition, average maturity, and other indicators.	Not Implemented
Public Debt	Finance	2015	4	2	145	We recommend the Department provide the public with information on the projected future performance of the Province's debt portfolio, including its cost of debt.	Not Implemented
Centennial Building	Transportation and Infrastructure	2015	4	3	57	To facilitate a government decision on the future of the Centennial Building, we recommend the Department present government with an updated cost analysis of potential options for the facility, including the "do nothing" option.	Implemented
Centennial Building	Transportation and Infrastructure	2015	4	3	58	We also recommend the Department implement a moratorium on new modifications, fit-ups and new occupants in the Centennial Building until a decision on its future has been made.	Implemented
Centennial Building	Transportation and Infrastructure	2015	4	3	59	We further recommend the Department proceed immediately to implement government's chosen option for the facility.	Implemented
Centennial Building	Transportation and Infrastructure	2015	4	3	60	We recommend one central authority within government be assigned control over the provision and management of all government office space, with the mandate and authority to fully enforce office space allocation and acquisition policies.	Implemented
Centennial Building	Transportation and Infrastructure	2015	4	3	61	We recommend, for future infrastructure projects, the Department request comprehensive approval from government, including any removal from service, disposal and or demolition of surplus infrastructure rather than having a piecemeal approval process not supported by the original business case.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Nursing Homes	Social Development	2016	1	2	33	We recommend the Department of Social Development evaluate whether there is an economic benefit to providing nursing home beds under the public-private model versus the traditional model.	Implemented
Nursing Homes	Social Development	2016	1	2	70	We recommend the Department of Social Development, in consultation with the Department of Health, develop a comprehensive long term plan to ensure the Province can continue to provide sustainable services to New Brunswick seniors.	Implemented
Nursing Homes	Social Development	2016	1	2	71	We also recommend the Department report publicly on the measures and outcomes of current and future initiatives as part of the comprehensive long term plan.	Implemented
Public Trustee Services	Legal Aid Services Commission	2016	1	3	39	We recommend the Public Trustee develop comprehensive policies and procedures for trust officers to assist trust officers in their work, to help in training new trust officers, and to ensure consistency of client files.	Implemented
Public Trustee Services	Legal Aid Services Commission	2016	1	3	40	We recommend the Public Trustee amend and implement the investment policy for client funds.	Implemented
Public Trustee Services	Legal Aid Services Commission	2016	1	3	41	We recommend the Public Trustee upgrade or replace its current case management information system in order to meet user needs.	Not Implemented
Public Trustee Services	Legal Aid Services Commission	2016	1	3	42	We recommend the Public Trustee review its insurance coverage to ensure client assets are adequately insured.	Implemented
Public Trustee Services	Legal Aid Services Commission	2016	1	3	43	We recommend the Public Trustee implement regular supervisory review of client files.	Not Implemented
Public Trustee Services	Legal Aid Services Commission	2016	1	3	44	We recommend the Public Trustee implement an internal audit function.	Not Implemented
Public Trustee Services	Legal Aid Services Commission	2016	1	3	50	We recommend the Public Trustee ensure guardianship officers sufficiently document the rationale for all personal care and healthcare decisions in the case management system.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Public Trustee Services	Legal Aid Services Commission	2016	1	3	59	We recommend the Public Trustee establish goals, objectives and measurable targets for its services, measure its performance against the targets and publicly report on its performance.	Not Implemented
Public Trustee Services	Legal Aid Services Commission	2016	1	3	60	We recommend the Public Trustee make available publicly all audited financial statements of Trusts under the Administration of the Public Trustee.	Implemented
Public Trustee Services	Legal Aid Services Commission	2016	1	3	69	We recommend the Public Trustee identify legislation changes needed to address the following, and work with the responsible department to implement them: <ul style="list-style-type: none"> <li>• lack of timeliness in obtaining authority to act as Public Trustee for a client;</li> <li>• loss of authority upon death of a client;</li> <li>• limitations in fees that can be charged to clients; and</li> <li>• administration of unclaimed property.</li> </ul>	Not Implemented
Agricultural Fair Associations	Agriculture, Aquaculture and Fisheries	2016	1	4	55	We recommend the Department of Agriculture, Aquaculture and Fisheries fulfill its legislated mandate under the <i>Agricultural Associations Act</i> . We recommend DAAF develop a strategy to further define its mandate, including a clear definition of its role and responsibilities as well as goals and objectives for its work with agricultural societies and agricultural fair associations.	Implemented
Agricultural Fair Associations	Agriculture, Aquaculture and Fisheries	2016	1	4	56	We recommend, alternatively, if the Department of Agriculture, Aquaculture and Fisheries does not intend to meet its current mandate under the <i>Agricultural Associations Act</i> and regulations, it pursue legislative amendments to the <i>Agricultural Associations Act</i> and regulations. This would define and clarify its commitment to these entities.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Agricultural Fair Associations	Agriculture, Aquaculture and Fisheries	2016	1	4	72	We recommend the Department of Agriculture Aquaculture and Fisheries define, communicate, and monitor minimum reporting requirements for all agricultural associations and societies it is required to oversee under the <i>Agricultural Associations Act</i> .	Implemented
Agricultural Fair Associations	Agriculture, Aquaculture and Fisheries	2016	1	4	81	We recommend the Department of Agriculture, Aquaculture and Fisheries distribute funding directly to agricultural fair associations without the assistance of a third-party entity. Accordingly, we recommend DAAF develop and implement a grant allocation process with applicable controls to ensure proper use of public funds.	Implemented
Agricultural Fair Associations	Service New Brunswick	2016	1	4	104	We recommend, at a minimum, Service New Brunswick follow its internal standard and re-assess any agricultural fair association exceeding the 10-year assessment cycle, including Fredericton, Saint John, Miramichi and Queens County associations. We recommend SNB evaluate the eligibility of these organizations for exemption from property tax.	Implemented
Agricultural Fair Associations	Service New Brunswick	2016	1	4	109	We recommend Service New Brunswick develop, document, and implement a standardized process and procedures to evaluate the eligibility of requests for property tax exemptions (tax class 50) and undertake regular monitoring to ensure organizations with exemptions have sustained their eligible status.	Not Implemented
Agricultural Fair Associations	Public Safety (Justice and Public Safety)	2016	1	4	143	We recommend the Department of Public Safety develop a standardized process and implement associated procedures for evaluating initial and ongoing eligibility of agricultural fair associations for licensing under the Charitable Gaming program.	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Agricultural Fair Associations	Finance	2016	1	4	154	We recommend the Department of Finance request Canada Revenue Agency undertake audits of Agricultural Fair Associations currently exempted from provincial income tax to verify the eligibility status of these organizations.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	54	We recommend the Department of Health ensure applicants for food premises licences submit all required documentation and comply with the food premises standards prior to issuing a licence.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	65	We recommend the Department of Health implement procedures to identify illegal operators of food premises and then proceed to either license the operator or take enforcement actions to cease their operations. The procedures should be done on a regular basis and the results documented.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	66	We recommend the Department of Health review all food premises licences to ensure the class is correct and the proper annual fee is being collected.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	69	We recommend the Department of Health fully implement its risk-based inspection strategy by ensuring staff follow the documented <i>Standard Operational Procedures</i> and properly complete a risk assessment, and update it annually, to determine the proper inspection frequency for food premises.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	75	We recommend the Department of Health follow the documented Standard Operational Procedures (SOPs) and properly conduct inspections to monitor operators' compliance with the food premises standards.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	76	We recommend the Department of Health properly document all inspections by accurately and neatly completing the <i>Food Premises Inspection Form</i> .	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Meat Safety – Food Premises Program	Health	2016	3	2	77	We recommend the Department of Health perform the required number of routine inspections each year (which is determined by assessing the risk of the food premises).	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	78	We recommend the Department of Health perform reinspections on a timely basis to ensure violations of the food premises standards have been corrected.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	85	As part of recommendation 2.75, we recommend the Department of Health ensure all inspectors wash their hands before beginning their inspection and record all violations on the inspection report.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	86	We recommend the Department of Health enhance inspections by checking temperatures, sanitizing solution concentration, food safety training records, etc. and thoroughly reviewing operators' records required by the food premises standards.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	87	We recommend the Department of Health encourage consistency between inspectors through such means as: <ul style="list-style-type: none"> <li>• providing refresher training on the SOPs;</li> <li>• monitoring compliance with the SOPs; and</li> <li>• having regular meetings to discuss violations and food premises standards using professional judgment.</li> </ul>	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	92	We recommend the Department of Health explore the benefits of tracking and monitoring violations of the food premises standards to identify trends and target systematic corrective efforts. (For example, one region could pilot a project where violations are recorded on a spreadsheet and then analyzed to identify trends. If the exercise proves to be beneficial, a provincial system could be implemented.)	Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Meat Safety – Food Premises Program	Health	2016	3	2	95	We recommend the Department of Health ensure proper procedures are consistently followed and documented when revoking a food premises licence.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	102	There should be serious ramifications for food premise operators who repeatedly have their licence revoked. We recommend the Department of Health eliminate noncompliance by operators by implementing stronger enforcement actions, such as posting compliance status in premises' window clearly visible to the public, ticketing with fines, graduated licensing fees, etc.	Not Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	110	We recommend the Department of Health enhance its public reporting of compliance with the food premises standards by: <ul style="list-style-type: none"> <li>• posting inspection reports for all food premises, and</li> <li>• posting results of all inspections for the past two years.</li> </ul>	Not Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	114	We recommend the Department of Health establish a standard method (to be used by all regional offices) for maintaining consistent, reliable and useful information for the food premises program including the following: <ul style="list-style-type: none"> <li>• directories of licensed food premises including their class, annual fee, assigned inspector, risk category, etc.; and</li> <li>• information required by the Standard Operational Procedures, such as specific information on food premises relating to their risk assessment, “major” and “critical” violations, “management and employee food safety knowledge”.</li> </ul>	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	115	The current manual inspection system does not provide information needed by the Department. We recommend the Department of Health explore what other provinces are doing in this regard and automate the inspection system.	Not Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Meat Safety – Food Premises Program	Health	2016	3	2	125	We recommend the Department of Health implement quality assurance practices to ensure all risk areas covered by the <i>Food Premises Regulation</i> are subject to quality assurance monitoring.	Not Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	126	We recommend the Department of Health rotate food premises assigned to inspectors at least every four years as required by the <i>Standard Operational Procedures (SOPs)</i> .	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	127	We recommend the Department of Health calibrate equipment regularly as required by the SOPs.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	128	We recommend the Department of Health thoroughly review all of the SOPs to determine if they are practical. Attention should be given to identify SOPs that are not being followed. (In particular, the number of inspection files per inspector to be reviewed by the Regional Director may be excessive.) We further recommend the SOPs be revised as needed.	Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	154	We recommend the Department of Health assess the public health risks related to: <ul style="list-style-type: none"> <li>• uninspected meat;</li> <li>• class 5 operators not having food safety training;</li> <li>• licensing and inspecting abattoirs that are also involved with processing meat (such as making sausage, head cheese, jerky and other smoked products); and</li> <li>• community suppers, and we recommend the Department consider updating its regulations based on their findings.</li> </ul>	Not Implemented
Meat Safety – Food Premises Program	Health	2016	3	2	155	We recommend the Department of Health fully implement the current <i>Food Premises Regulation</i> or amend it to reflect the Department’s present public health policy intentions.	Not Implemented

Chapter Name	Department/ Agency	Year	Volume	Chapter	Par.	Recommendation	Self Reported Status
Advisory Services Contract	Service New Brunswick	2017	1	2	50	We recommend Service New Brunswick: <ul style="list-style-type: none"> <li>ensure emergency and urgent exemptions are not used inappropriately by departments to bypass the competitive tendering process;</li> <li>require that departments provide sufficient rationale and documentation to support requested exemptions; and</li> <li>maintain a record of why the decision to approve the emergency and urgent exemption was made.</li> </ul>	*
Advisory Services Contract	Social Development	2017	1	2	58	We recommend the Department of Social Development apply a cool down period between the end of existing contracts with potential future proponents to avoid undue influence and conflict of interest.	*
Advisory Services Contract	Social Development	2017	1	2	59	We recommend the Department of Social Development communicate to Service New Brunswick rationale for not following Service New Brunswick procurement procedures and advice.	*
Advisory Services Contract	Social Development	2017	1	2	89	We recommend the Department of Social Development structure contracts containing performance compensation only on actual, measurable results.	*
Advisory Services Contract	Social Development	2017	1	2	94	We recommend the Department of Social Development develop a framework to govern significant aspects of contract management such as procurement, administration, evaluation and reporting.	*
Advisory Services Contract	Social Development	2017	1	2	103	We recommend the Department of Social Development design and develop agreements that provide for performance measurement by including objectives and clear, well defined deliverables.	*

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Advisory Services Contract	Social Development	2017	1	2	117	We recommend the Department of Social Development: <ul style="list-style-type: none"> <li>independently evaluate the performance of contractors against well-defined contract goals, objectives and deliverables; and</li> <li>submit written feedback to Service New Brunswick on the contractor's performance for significant contracts.</li> </ul>	*
Advisory Services Contract	Service New Brunswick	2017	1	2	118	We recommend Service New Brunswick require contractor performance reports be submitted by procuring entities for all significant agreements.	*
Advisory Services Contract	Social Development	2017	1	2	129	We recommend the Department of Social Development track actual savings as they accumulate over time supported by relevant data.	*
Advisory Services Contract	Social Development	2017	1	2	132	We recommend the Department of Social Development measure and report the impact to quality of client service delivery resulting from implemented performance improvement initiatives.	*
Advisory Services Contract	Service New Brunswick	2017	1	2	146	We recommend Service New Brunswick ensure that service contracts include a 'not to exceed' clause in the amount matching the purchase order value.	*
Advisory Services Contract	Social Development	2017	1	2	169	We recommend the Department of Social Development develop a monitoring strategy for implementation targets, milestones, deliverables, and service quality for significant Departmental initiatives.	*
Advisory Services Contract	Social Development	2017	1	2	180	We recommend the Department of Social Development not include clauses in contracts for consulting services that allow out of scope work to be undertaken.	*
Advisory Services Contract	Social Development	2017	1	2	199	We recommend the Department of Social Development include clear contract terms stipulating billing requirements such as a maximum timeframe for submission of invoices.	*

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Advisory Services Contract	Social Development	2017	1	2	228	We recommend the Department of Social Development design and implement controls to ensure: <ul style="list-style-type: none"> <li>• compliance with government policies governing travel expenses (AD-2801) and approval of payments (AD-6402); and</li> <li>• significant contract terms such as billing discounts and caps are adhered to.</li> </ul>	*
Advisory Services Contract	Social Development	2017	1	2	259	We recommend the Department of Social Development not include consultants on procurement evaluation committees if compensation to the consultant is impacted by the procurement award.	*
Climate Change	Environment & Local Government	2017	1	3	41	We recommend the Department propose to Cabinet that Greenhouse Gas emission targets, as specified in its Climate Change Action Plan be legislated, similar to other Canadian provinces.	*
Climate Change	Environment & Local Government	2017	1	3	48	We recommend the Department set specific GHG emission reduction targets for NB Power to ensure the provincial targets set in the Climate Change Action Plan are achievable.	*
Climate Change	NB Power	2017	1	3	55	We recommend NB Power: <ul style="list-style-type: none"> <li>• perform a comprehensive analysis on the potential impact of phase-out of Belledune Generating Station;</li> <li>• consult with the Department of Environment and Local Government on a proposed solution regarding the Belledune Generating Station; and</li> <li>• integrate the Belledune Generating Station phase-out analysis in its Integrated Resource Plan process to ensure it has the capacity to meet New Brunswick's future electricity requirements, while respecting energy efficiency and demand reduction programs.</li> </ul>	*

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Climate Change	Environment & Local Government	2017	1	3	63	We recommend the Department finalize an implementation plan that describes: <ul style="list-style-type: none"> <li>• how and when the actions identified in the Climate Change Action Plan will be implemented; and</li> <li>• how the Department intends to monitor and report on the progress.</li> </ul>	*
Climate Change	Environment & Local Government	2017	1	3	108	We recommend the Department develop a provincial climate change risk assessment. The assessment should include: <ul style="list-style-type: none"> <li>• Risk identification;</li> <li>• Risk analysis;</li> <li>• Risk evaluation;</li> <li>• Risk treatment and adaptation measures; and</li> <li>• Implementation plan and monitoring.</li> </ul>	*
Climate Change	NB Power	2017	1	3	120	We recommend NB Power conduct a corporate level climate change vulnerability assessment.	*
Climate Change	NB Power	2017	1	3	121	We recommend NB Power develop an implementation plan for adapting to climate change after the completion of its vulnerability assessment.	*
Climate Change	Environment & Local Government	2017	1	3	134	We recommend the Department update the CCAP Progress Tracking System to reflect the changes in the most current Climate Change Action Plan.	*
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	80	We recommend, for performance bonds or funds placed in trust, Opportunities NB structure the release of such funds such that sufficient supporting documentation is obtained and reviewed for authenticity and legitimacy prior to authorizing the disbursement of funds.	*

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Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	150	Where the financial assistance requested is significant and is considered high risk, we recommend a clear determination be made and presented to Cabinet as to whether the financial assistance requested is sufficient for the purpose intended.	*
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	152	Where the financial assistance requested is significant and is considered high risk, we recommend information presented to Cabinet for decisions on financial assistance should include comparisons to industry standards to assess the health of the company requesting financial assistance.	*
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	154	Where the financial assistance requested is significant and is considered high risk, we recommend no financial assistance be granted to a company when significant amounts are outstanding from the shareholders of the company or from affiliated companies. Any exceptions should be rare and well justified.	*
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	156	Where the financial assistance requested is significant and is considered high risk, we recommend management and shareholders be required to make a declaration pertaining to dividends, salaries, bonuses (or other) as needed, as part of the application process, such as: <ul style="list-style-type: none"> <li>• Salaries to key executives for the past three to five years;</li> <li>• Salaries, dividends and bonuses to shareholders and family members for the past three to five years;</li> <li>• Transfers to related/associated/affiliated companies in the past three to five years;</li> <li>• Details of shareholder account activity during the past three to five years; and</li> <li>• Details of dividends, share redemptions and changes in share capital in the past three to five years.</li> </ul>	*

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Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	158	Where the financial assistance requested is significant and is considered high risk, we recommend that agreements contain a restriction to require the approval of ONB prior to a dividend or bonus payment.	*
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	160	Where the financial assistance requested is significant and is considered high risk, we recommend that statutory declarations made as a condition of financial assistance be verified.	*
Financial Assistance to Atcon: Unanswered Questions	Opportunities NB	2017	2	2	162	Where the Province has personal guarantees as security on financial assistance, we recommend ONB put in place a process whereby, in the event of default by the recipient, personal guarantees are promptly pursued.	*
Financial Assistance to Atcon: Unanswered Questions	Executive Council Office	2017	2	2	164	We recommend the Executive Council Office take responsibility for coordinating the implementation of recommendations in this report by all departments/agencies providing financial assistance to industry.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	42	We recommend Service New Brunswick (Property Assessment Services) follow standard Project Management processes to initiate, plan, execute, control and oversee the work of project teams to achieve specific goals and meet specific success criteria.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	43	We recommend Service New Brunswick (Property Assessment Services) require proponents of projects to develop a detailed business case for each project in order to demonstrate its expected value.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	44	We recommend Service New Brunswick (Property Assessment Services) consult with the Project Management Branch in managing major projects.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	45	We recommend Service New Brunswick (Property Assessment Services) conduct lessons-learned analysis subsequent to implementing new technology and incorporate lessons learned.	*

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Residential Property Assessment – Special Examination	Service New Brunswick Executive Management	2017	3	2	72	We recommend Service New Brunswick executive management ensure key risks associated with project proposals are clearly highlighted within the information presented to the Board for approval.	*
Residential Property Assessment – Special Examination	Service New Brunswick Board of Directors	2017	3	2	73	We recommend the Service New Brunswick Board of Directors apply an appropriate level of scrutiny to highrisk project proposals as identified in the corporate risk register.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	79	We recommend Service New Brunswick (Property Assessment Services) prioritize its efforts to validate Gross Living Area data on the more complicated types of building.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	82	We recommend Service New Brunswick (Property Assessment Services) utilize aerial photography as a tool to improve, augment or verify data, not as the authoritative record.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	86	We recommend Service New Brunswick (Property Assessment Services) adequately resource future mass appraisal model development and implementation.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	88	We recommend Service New Brunswick (Property Assessment Services) require peer review for quality assurance when developing new mass appraisal models.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	91	We recommend Service New Brunswick (Property Assessment Services) regularly review the extent to which each property data element has an impact on property value and the benefit of collecting, maintaining and using such data in all future mass appraisal model development.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	92	We recommend Service New Brunswick (Property Assessment Services) capture the quality and condition of properties and properly analyze their impact on property value.	*

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Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	95	We recommend Service New Brunswick (Property Assessment Services) develop and document a formal definition of an error in property assessment.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	109	We recommend Service New Brunswick (Property Assessment Services) identify, correct, track, and publicly report on errors.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	110	We recommend Service New Brunswick (Property Assessment Services): <ul style="list-style-type: none"> <li>• conduct exploratory analysis on existing</li> <li>• property data elements to determine</li> <li>• completeness, accuracy and consistency; and</li> <li>• formalize and implement a process to monitor the integrity of data.</li> </ul>	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	120	We recommend Service New Brunswick (Property Assessment Services) establish a Quality Assurance functional unit. The unit should: <ul style="list-style-type: none"> <li>• report to the Executive Director to maintain independence, avoid any potential conflict of interest, and ensure key information is provided;</li> <li>• monitor and report on the quality of project management; and</li> <li>• undertake a province-wide program to</li> <li>• improve property data quality, with consistent training, tools, and standards in all regions.</li> </ul>	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	132	We recommend Service New Brunswick (Property Assessment Services) enhance quality assurance by: <ul style="list-style-type: none"> <li>• developing parameters, policies and procedures for exception reports; and</li> <li>• ensuring exception reports are properly followed up.</li> </ul>	*

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Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	133	We recommend Service New Brunswick (Property Assessment Services) discontinue the practice of relying on property owner Requests for Review as a means of quality assurance.	*
Residential Property Assessment – Special Examination	Department of Finance	2017	3	2	139	We recommend the Department of Finance propose to Cabinet that Finance assume responsibility for the administration of all: <ul style="list-style-type: none"> <li>• property tax policy changes; and</li> <li>• property tax benefit and relief programs.</li> </ul>	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	145	We recommend Service New Brunswick (Property Assessment Services) issue annual property assessment notices separate from property tax bills that lists the real and true value of the property and explains clearly why the assessed value has changed from one year to the next.	*
Residential Property Assessment – Special Examination	Department of Finance	2017	3	2	146	We recommend the Department of Finance issue property tax bills separate from the assessment notice and clearly demonstrate how property taxes are calculated, including all the applicable credits, deductions, and exemptions.	*
Residential Property Assessment – Special Examination	Service New Brunswick Property Assessment Services	2017	3	2	150	We recommend Service New Brunswick (Property Assessment Services) appropriately engage staff throughout the organization in the development and implementation of major high risk change initiatives.	*
Residential Property Assessment – Special Examination	Service New Brunswick Executive Director	2017	3	2	155	We recommend Service New Brunswick ensure the Executive Director of Assessment: <ul style="list-style-type: none"> <li>• has adequate time to fulfill his or her statutory obligation; and</li> <li>• encourages group cohesion between the units within Property Assessment Services.</li> </ul>	*

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Residential Property Assessment – Special Examination	Service New Brunswick Board of Directors	2017	3	2	156	To ensure the necessary independence to fulfill the Executive Director's statutory obligations, we recommend: <ul style="list-style-type: none"> <li>• Service New Brunswick Board of Directors require the Executive Director of Property Assessment Services report directly and independently to the Board;</li> <li>• Service New Brunswick Board of Directors have authority for hiring and termination of Executive Director upon recommendation from the CEO; and</li> <li>• Performance appraisal and other administrative matters rest with SNB senior management as determined by the CEO.</li> </ul>	*
Residential Property Assessment – Special Examination	Executive Council Office	2017	3	2	157	We recommend Executive Council Office provide Service New Brunswick's Executive Director of Property Assessment Services full discretion to communicate independently as needed with the public.	*
School District Purchase Cards	School Districts	2017	5	2	36	We recommend school districts use the cardholder agreement in government policy AD-6405 Purchase Card and have cardholders sign the agreement before obtaining their purchase card and annually as required by the new policy.	*
School District Purchase Cards	Treasury Board	2017	5	2	39	We recommend Treasury Board issue guidance for the application of government policy AD-2801 Travel Policy in regards to business meeting expenses.	*
School District Purchase Cards	School Districts	2017	5	2	43	We recommend school districts use purchase cards only for purchases that are authorized under government policies.	*

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School District Purchase Cards	Office of the Comptroller	2017	5	2	47	We recommend the Office of the Comptroller issue guidance for making online purchases, including the risks associated with online shopping and security precautions that should be taken.	*
School District Purchase Cards	School Districts	2017	5	2	49	We recommend school districts monitor and enforce adherence to guidelines in the cardholder agreement and policy AD-6405 Purchase Card.	*
School District Purchase Cards	School Districts	2017	5	2	53	We recommend school districts provide education to cardholders on their responsibilities, the appropriate use of purchase cards, consequences for misuse, as well as transaction reconciliation procedures, before new cardholders begin to use their card and regularly for all cardholders.	*
School District Purchase Cards	School Districts	2017	5	2	54	We recommend school districts provide training to purchase card administrators and transaction approvers on the appropriate use of purchase cards and enforcement procedures.	*
School District Purchase Cards	School Districts	2017	5	2	60	We recommend school districts segregate incompatible user responsibilities and system accesses as required by government policies AD-6402 Approval of Payments and AD-6405 Purchase Card.	*
School District Purchase Cards	School Districts	2017	5	2	65	We recommend school districts ensure sufficient documentation in support of purchase card transactions be provided by the cardholder, reviewed against applicable policies and guidelines and filed for future reference.	*

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School District Purchase Cards	School Districts	2017	5	2	69	We recommend school districts monitor and enforce compliance with the provisions of the cardholder agreement in relation to timely submission of supporting documentation.	*
School District Purchase Cards	School Districts	2017	5	2	72	We recommend school districts review account coding and the amount of sales tax for each transaction entered into the financial system in order to provide accurate financial information.	*
School District Purchase Cards	School Districts	2017	5	2	85	We recommend school districts review cardholder listings regularly to ensure only active employees who purchase for the school districts have the appropriate type of purchase card with transaction and monthly limits that meet their purchasing needs.	*
School District Purchase Cards	School Districts	2017	5	2	86	We recommend school districts add a formal step in the termination process in order to ensure departing employees' cards are cancelled before their employment with the district ends.	*
School District Purchase Cards	School Districts	2017	5	2	87	We recommend school districts develop, document and implement procedures for the issuance and cancellation of purchase cards in consultation with the other school districts, with guidance from the Office of the Comptroller as needed, to ensure consistency and efficiency.	*
School District Purchase Cards	School Districts	2017	5	2	95	We recommend school districts document their regular monitoring of purchase card transactions to identify violations.	*

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School District Purchase Cards	School Districts	2017	5	2	96	We recommend school districts develop, document and implement consistent enforcement procedures for non-compliant cardholders to enforce guidelines in consultation with the other school districts, with guidance from the Office of the Comptroller as needed, to ensure consistency and efficiency.	*
School District Purchase Cards	Education and Early Childhood Development	2017	5	2	97	We recommend the Department of Education and Early Childhood Development coordinate work on the implementation of our recommendations by all school districts.	*
School District Purchase Cards	Education and Early Childhood Development	2017	5	2	98	We recommend the Department of Education and Early Childhood Development's internal audit function audit and report on school district purchase cards on a regular basis.	*
WorkSafeNB Phase I – Governance	Post-Secondary Education, Training and Labour	2018	1	2	61	We recommend the Department of Post-Secondary Education, Training and Labour: <ul style="list-style-type: none"> <li>• initiate a process to ensure appointments are completed in a timely manner;</li> <li>• comply with provincial legislation and government policy when recommending the appointment of board members under the Act; and</li> <li>• clearly document the appointment process and provide clear rationale for appointment recommendations made to government.</li> </ul>	**

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WorkSafeNB Phase I – Governance	Post- Secondary Education, Training and Labour	2018	1	2	66	We recommend the Department of Post-Secondary Education, Training and Labour ensure future recommendations to government for WorkSafeNB appointments do not create a conflict of interest or result in reduced independence of the corporation.	**
WorkSafeNB Phase I – Governance	Executive Council Office and the	2018	1	2	83	We recommend the Executive Council Office and the Department of Post-Secondary Education, Training and Labour co-ordinate their efforts to provide timely decisions for future WorkSafeNB appointments.	**
	Post- Secondary Education, Training and Labour						**
WorkSafeNB Phase I – Governance	Post- Secondary Education, Training and Labour	2018	1	2	90	We recommend the Department of Post-Secondary Education, Training and Labour clearly state its requirements and expectations in the mandate letter.	**
WorkSafeNB Phase I – Governance	Post- Secondary Education, Training and Labour	2018	1	2	98	We recommend the Department of Post-Secondary Education, Training and Labour comply with the requirements of the <i>Accountability and Continuous Improvement Act</i> by: <ul style="list-style-type: none"> <li>• issuing mandate letters annually; and</li> <li>• enforcing WorkSafeNB submission of annual plan per requirements of the Act.</li> </ul>	**
WorkSafeNB Phase I – Governance	Post- Secondary Education, Training and Labour	2018	1	2	103	We recommend the Department of Post-Secondary Education, Training and Labour monitor and publicly report on the progress of WorkSafeNB in meeting the requirements and expectations provided in Department mandate letters.	**

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WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	124	<p>We recommend the WorkSafeNB board of directors review its committee structures and practices to:</p> <ul style="list-style-type: none"> <li>• select participating board members to chair committees;</li> <li>• ensure per diem payments are made only to committee members for committee meetings;</li> <li>• ensure membership is aligned with board needs and competencies are sufficient to address committee requirements;</li> <li>• develop and implement competencies for committee membership; and</li> <li>• develop and implement a plan to evaluate committee performance on an annual basis.</li> </ul>	**
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	131	<p>We recommend the WorkSafeNB board of directors and the Department of Post-Secondary Education, Training and Labour jointly develop, document and implement a succession strategy to ensure:</p> <ul style="list-style-type: none"> <li>• timely recruitment of all board positions,</li> <li>• including the chair and vice-chair and,</li> <li>• effective staggering of board member terms.</li> </ul>	**
	Post- Secondary Education, Training and Labour						**
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	132	<p>We recommend the WorkSafeNB board of directors develop, document and implement a succession strategy for the President and Chief Executive Officer position.</p>	**

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WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	137	We recommend the WorkSafeNB board of directors fully develop, regularly update and utilize a board competency matrix for, at a minimum: <ul style="list-style-type: none"> <li>• evaluating board member development requirements;</li> <li>• identifying development opportunities for board members; and</li> <li>• recruiting new board members to address competency and skillset needs.</li> </ul>	**
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	141	We recommend the WorkSafeNB board of directors develop performance expectations for board positions and undertake annual performance evaluations for at least the board chair.	**
WorkSafeNB Phase I – Governance	WorkSafeNB	2018	1	2	147	We recommend WorkSafeNB provide board information packages well in advance of board meetings and focus information presented to meet the board's decision making requirements using documentation such as executive summaries.	**
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	150	We recommend the WorkSafeNB board of directors develop, document and implement an orientation program for new board members and a development plan for all board members.	**

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WorkSafeNB Phase I – Governance	WorkSafeNB	2018	1	2	160	<p>We recommend WorkSafeNB, as part of its annual planning and reporting processes:</p> <ul style="list-style-type: none"> <li>• fully develop long-term strategic goals and objectives and define measurable targets for all key performance indicators;</li> <li>• include the strategic requirements of the government mandate letter as part of its strategic planning process;</li> <li>• develop an operational action plan designed to implement the long-term strategic direction of the corporation; and</li> <li>• submit an annual plan to the Department focused on goals and objectives it intends to complete over the period of the plan, as required under the <i>Accountability and Continuous Improvement Act</i>.</li> </ul>	**
WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	167	<p>We recommend the WorkSafeNB board of directors:</p> <ul style="list-style-type: none"> <li>• establish a CEO performance agreement that ties CEO performance to the corporation's strategy and results; and</li> <li>• conduct an annual CEO performance evaluation against the documented expectations.</li> </ul>	**
WorkSafeNB Phase I – Governance	WorkSafeNB	2018	1	2	186	<p>We recommend WorkSafeNB:</p> <ul style="list-style-type: none"> <li>• include comparable New Brunswick public sector entities when undertaking compensation market comparisons in order to meet mandate letter requirements; and</li> <li>• maintain clearly documented rationale for decisions not in alignment with the Department's mandate letters.</li> </ul>	**

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WorkSafeNB Phase I – Governance	WorkSafeNB Board of Directors	2018	1	2	207	We recommend the WorkSafeNB board of directors ensure current travel expense policy is enforced and revise it to: <ul style="list-style-type: none"> <li>clearly define acceptable board and employee travel expense practices; and</li> <li>align with public service Part I policy where applicable to board and employee travel.</li> </ul>	**
WorkSafeNB Phase I – Governance	WorkSafeNB	2018	1	2	210	We recommend WorkSafeNB provide full public disclosure of board and executive compensation and expense information.	**
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	58	We recommend the Department of Health provide clear direction through legislation and regulation as to who is responsible for health services including addiction and mental health services in provincial correctional institutions.	**
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	67	We recommend the Department of Health, in consultation with the Department of Justice and Public Safety and other relevant parties, complete an integrated service delivery model for addictions and mental health services in New Brunswick correctional institutions. Existing agreements should be redrafted to meet the requirements of this service delivery model.	**
	Justice and Public Safety						**

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Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	72	We recommend the Department of Health and the Department of Justice and Public Safety collaborate to capture and share addiction and mental health data. This data should be used to identify addiction and mental health needs in New Brunswick correctional institutions and develop strategic service delivery plans.	**
	Justice and Public Safety						**
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Justice and Public Safety (New Brunswick Corrections)	2018	1	3	84	We recommend the Department of Justice and Public Safety (New Brunswick Corrections) in consultation with the Department of Health implement a recognized mental health screening tool in the admissions process.	**
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	90	We recommend the Department of Health, in coordination with the Department of Justice and Public Safety, provide training on mental health screening to nursing staff and admission officers.	**
	Justice and Public Safety						**

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Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	93	We recommend the Department of Health ensure nursing staff within a correctional institution receive access to, or notification of, client records in the Client Service Delivery System (CSDS). This will allow validation of treatment history and treatment options.	**
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Justice and Public Safety	2018	1	3	100	We recommend the Department of Justice and Public Safety amend its admission process to: <ul style="list-style-type: none"> <li>eliminate duplication of effort in admissions;</li> <li>improve the quality of inmate mental health data; and</li> <li>incorporate best practices in mental health screening.</li> </ul>	**
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	105	We recommend the Department of Health and the Department of Justice and Public Safety ensure inmates flagged from the screening protocol be referred to a qualified mental health professional for a comprehensive mental health assessment to develop a treatment plan.	**
	Justice and Public Safety						**

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Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	117	We recommend the Department of Health and the Department of Justice and Public Safety collaborate to ensure addiction and mental health counselling and therapy treatment options are available for inmates in provincial correctional institutions.	**
	Justice and Public Safety						**
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	118	We recommend the Department of Health and the Department of Justice and Public Safety use integrated clinical teams for assisting adults in custody, similar to the approach taken in the youth facility.	**
	Justice and Public Safety						**
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	119	We recommend the Department of Health and the Department of Justice and Public Safety support community based addiction and mental health programs to treat inmates inside the correctional institution due to the logistical and security challenges of bringing inmates to community treatment centres.	**
	Justice and Public Safety						**

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Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	124	We recommend the Department of Health ensure addiction treatment services are made available to inmates in provincial correctional institutions.	**
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	130	We recommend the Department of Justice and Public Safety and the Department of Health ensure all provincial correctional institutions have continuous access to emergency mental health services.	**
	Justice and Public Safety						**
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Justice and Public Safety	2018	1	3	134	We recommend the Department of Justice and Public Safety implement a formulary for medications for use within all provincial correctional institutions. Where possible the formulary should be aligned with drug protocols in Federal penitentiaries.	**

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Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Justice and Public Safety	2018	1	3	140	We recommend the Department of Justice and Public Safety implement an individualized protocol approach for inmates with mental health issues in segregation such as is used by Correctional Service Canada. Individualized protocols should be integrated into treatment plans and reviewed by mental health professionals.	**
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	151	We recommend the Department of Health and the Department of Justice and Public Safety map out all services currently available to clients with addiction and mental health issues who are also involved in the criminal justice system. This information should then be used when developing the integrated service delivery model.	**
	Justice and Public Safety						**
Addiction and Mental Health Services in Provincial Adult Correctional Institutions	Health	2018	1	3	152	We recommend the Department of Health and the Department of Justice and Public Safety develop appropriate protocols to ensure continued services for addiction and mental health clients who are placed in custody in provincial correctional institutions.	**
	Justice and Public Safety						**

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