

Service New Brunswick

Annual Report
2019–2020



**Service New Brunswick
Annual Report 2019-2020**

Province of New Brunswick
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Transmittal Letters

From the Minister to the Lieutenant-Governor

The Honourable Brenda Louise Murphy

Lieutenant-Governor of New Brunswick

May it please your Honour:

It is my privilege to submit the annual report of Service New Brunswick, Province of New Brunswick, for the fiscal year April 1, 2019, to March 31, 2020.

Respectfully submitted,



Honourable Mary E. Wilson
Minister

From the Board of Directors to the Minister

Honourable Mary E. Wilson

Minister of Service New Brunswick

Dear Minister Mary E. Wilson:

On behalf of the Board of Directors, I am pleased to present the annual report describing operations of Service New Brunswick for the fiscal year April 1, 2019, to March 31, 2020.

Respectfully submitted,



Karen O. Taylor
Board Chair

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Minister's message

Service New Brunswick has a broad mandate and is committed to providing services to the people of New Brunswick, as well as critical support such as Information Technology (IT) and procurement services to other areas of government. SNB's almost 2,400 employees share a common vision of "Excellence in Service Delivery." Every day SNB employees strive to provide high quality, innovative public services for customers with a focus on value for all New Brunswickers.

As we neared the end of the 2019-2020 fiscal year, SNB was presented with an unprecedented challenge due to COVID-19 on how to deliver services in a manner that was safe for both customers and employees, while also continuing to provide critical support to other areas of government during a province-wide shutdown and take on new responsibilities such as the COVID-19 information line.

SNB led the country in being able to safely re-open some service centres to provide essential services, while also quickly pivoting to increase online services like driver's licence renewals. Service New Brunswick was also the first in the Atlantic provinces to resume Class 5 road tests.

More than 90 percent of SNB employees remained on the job, providing valuable services like clean laundry to hospitals and nursing homes, procuring Personal Protection Equipment for health care workers, and developing IT solutions to the changing online needs of departments like Education and Early Childhood Development.

As Minister of Service New Brunswick, I would like to take this opportunity to thank all SNB employees for going above and beyond in service delivery during this challenging time. Your hard work and commitment is truly appreciated.



Honourable Mary E. Wilson
Minister

Chief Executive Officer's message

On behalf of the management and staff at Service New Brunswick (SNB), it is my privilege to present our 2019-2020 annual report. This report provides a summary of the activities of each SNB division within fiscal year 2019-2020, along with audited financial statements for the corporation.

Our annual report is a snapshot of the year in question, meant to provide our Board of Directors and the people of New Brunswick with a clear and concise update of the activities of our various divisions. In the final month of this fiscal year, however, our organization was impacted by the COVID-19 pandemic.

On March 16, the Government of New Brunswick reduced its service to essential functions only. Because SNB provides such critical functions as support to the health care system, IT services, and payroll and benefits to government workers, the majority of our staff remained at work.

I want to take this opportunity to express my pride in our almost 2,400 employees who continuously provide excellence in service delivery but who demonstrated their agility and dedication from the beginning of this crisis.

Our fiscal year did not end in a way we anticipated, and the impacts of COVID-19 will be felt at SNB for some time to come. I am confident we will be able to adapt to new demands in the coming year, while never veering from our vision to provide high quality, innovative services for our customers, with a focus on value for all New Brunswickers.



Alan Roy
Chief Executive Officer of Service New Brunswick

Highlights

The following is a list of particular achievements for the organization during the 2019-2020 fiscal year:

- Strategic Procurement, along with Opportunities New Brunswick and the Department of Transportation and Infrastructure, completed extensive consultations with suppliers and industry associations to develop the New Brunswick First Procurement Strategy and Action Plan. The initiative supports government's priorities of an *Energized Private Sector* and a *High-performing Organization*.
- Horizon Health Network's Saint John Regional Hospital and Dr. Everett Chalmers Regional Hospital earned NRCan's ENERGY STAR® certification for 2019, the only health care facilities in Canada to receive the certification. Bliss Carman Middle School and Royal Road Elementary School also earned NRCan's ENERGY STAR® certification for 2019, the only schools in Atlantic Canada to receive the certification.
- SNB completed its final phase in the Saint John Laundry refurbishment with the renovation of the clean linen areas. This two-and-a-half-year project was completed in the fall of 2019.
- In collaboration with the Department of Education and Early Childhood Development, SNB completed an enhancement to the provincial student information system. The project allows school administrators to view the current bus transport information for any student in real time.
- SNB's Technology Services completed the modernization of a 20-year-old Justice Information System used to track court cases. The system interconnects 12 separate applications and is used across three government departments, multiple external agencies, and police forces.
- All Government of New Brunswick (GNB) email was migrated to Microsoft's Office 365 cloud platform. This project upgraded more than 21,000 devices to Microsoft Office 2016, and moved nearly 35,000 GNB employees' email from GNB data centres to the cloud.
- The Technology Services division completed phase one of a project to modernize the provincial health care wide area network (WAN). This project impacted 109 locations and delivered savings of \$750,000 and a 1400% increase in available bandwidth capacity.
- In 2019-2020, the Translation Bureau expanded its services and began providing translation services to the Government of Manitoba.
- Accounts Payable Services assisted with GNB's 2019 flood response and processed approximately 500 cheques to impacted New Brunswickers.
- A new service centre was opened in Saint-Quentin in February 2020. This location is open two days per week.
- In August 2019, Service New Brunswick implemented an online scheduling application to allow the public to make an appointment for their road test.
- As a result of the service agreement with Transport Canada to deliver Pleasure Craft Licensing services, Service New Brunswick expanded the services and started sending reminder notices to pleasure craft owners via mail and email for boats about to expire in spring 2020.

Governance of the corporation

Service New Brunswick's Board of Directors endorses the principle that sound corporate governance practices are essential for the proper functioning of the corporation and for enhancing the interest of its sole shareholder, the Government of New Brunswick.

The board discharges its responsibilities directly and through committees in accordance with the *Service New Brunswick Act*, Service New Brunswick's bylaws, and the Board of Directors' Governance Manual. The board holds at least five scheduled meetings each year, with unscheduled meetings held as required.

Board committees

The Board of Directors is responsible for the overall administration of the business and affairs of Service New Brunswick and all decisions and actions of the board are to be based generally on sound business practices. The Board of Directors is also responsible for the governance and functioning of the following two committees:

- Audit and Finance Committee, which has responsibility for reviewing and recommending finance and risk items; and
- Governance and Human Resources Committee, which has responsibility for reviewing relevant governance and human resource items.

These committees do not act or make decisions on behalf of the board unless specifically mandated to do so.

Board of Directors

Name	Role	Board meeting attendance	Committee membership	Committee meeting attendance
Kelly Cain ¹	Director	2/2	Governance & HR	1/1
Roberta Dugas ²	Director	6/6	Governance & HR	4/4
Louise Duguay Lepage	Director	6/6	Audit & Finance	4/4
Doug Gaudett ³	Director	5/6	Audit & Finance	4/4
Gilles Lanteigne	Director	4/6	Audit & Finance	1/4
Cathy LaRochelle ⁴	Director	1/2	Audit & Finance	1/1
Marcel Lavoie ⁵	Director	2/2	Governance & HR	1/1
Garth Lawson	Director	5/6	Audit & Finance	4/4
Karen McGrath	Director	4/6	Governance & HR	0/4
Donald Moore ⁶	Director	5/5	Governance & HR	3/3
Mary-Eileen O'Brien ⁷	Director	0/1	Governance & HR	1/1
Gérald Richard ⁸	Director	1/3	Governance & HR	1/3
Alan Roy	Chief Executive Officer	6/6	Audit & Finance Governance & HR	2/4 3/4
Mireille Saulnier	Director	6/6	Governance & HR	2/4
Karen Taylor ⁹	Board Chair and Director	5/5	Audit & Finance Governance & HR	4/4 3/3
Judy Wagner ¹⁰	Director	1/2	Audit & Finance	0/1
Elizabeth Webster ¹¹	Board Chair and Director	1/1	Audit & Finance Governance & HR	0/0 1/1

1. Kelly Cain became a Director on January 10, 2020.
2. Roberta Dugas is the Governance & HR Committee Chair.
3. Doug Gaudett is the Audit & Finance Committee Chair.
4. Cathy LaRochelle became a Director on January 10, 2020.
5. Marcel Lavoie became a Director on January 10, 2020.
6. Donald Moore became a Director on May 16, 2019.
7. Mary-Eileen O'Brien's term ended on May 16, 2019.
8. Gérald Richard resigned as a Director on January 14, 2020.
9. Karen Taylor became a Director and was appointed Board Chair on May 16, 2019.
10. Judy Wagner resigned as a Director on September 15, 2019.
11. Elizabeth Webster's term as a Director and Board Chair ended on May 16, 2019.

Top Government Priorities

Strategy and Operations Management

The Government of New Brunswick (GNB) uses a Formal Management system built on leading business practices to develop, communicate and review strategy. This process provides the Public Service with a proven methodology to execute strategy, increase accountability and continuously drive improvement.

The development of the strategy, using the Formal Management system, starts with our government's roadmap for the future of New Brunswick that focuses on key priorities and the importance of public accountability.

Our Top Priorities:

- **Affordable and Responsive Government**
Getting our financial house in order will make it possible for government to be responsive and provide sustainable high-quality public services for all New Brunswickers.
- **Dependable Public Health Care**
New Brunswickers deserve a sustainable, high-quality health care system where they are able to access the services they need when they need them.
- **World-class Education**
New Brunswick's young people need access to a world-class education, so they can make the most of their lives and compete in future job markets.
- **Energized Private Sector**
All New Brunswickers benefit from a thriving private sector. Increasing private sector investment, growing our labour force and being home to successful businesses of all sizes is good for our province.
- **Vibrant and Sustainable Communities**
Vibrant communities are places people want to call home. More vibrant and sustainable communities make for a more resilient province.
- **High-performing Organization**
All New Brunswickers benefit when engaged and empowered civil servants use their talents and skills to make our province a better place.

Performance measures

This section contains selected measures from the corporation’s balanced scorecard.

Affordable and Responsive Government	Enhance value to customers	Measure
	Meet and exceed customer expectations	Internal customer satisfaction index External customer satisfaction index
	Foster an engaged, high performing team	Measure
	Develop trained and capable managers	Employee net promoter score Percentage of employee performance reviews completed
High-performing Organization	Grow the business	Measure
	Expand the business model	Number of new or expanded services

Enhance Value to Customers

Objective of the measure

Meet and exceed customer expectations

Measure

Internal customer satisfaction index
External customer satisfaction index

Description of measure

SNB has a methodology to measure customer satisfaction: the customer satisfaction index. SNB conducted separate customer satisfaction surveys with both internal customers and external customers in 2019-2020. In these surveys, SNB measures customer satisfaction with an index of 11 questions.

These measures indicate the level of satisfaction of all SNB customers with services that they have received. SNB conducts its annual survey using various outreach mediums (email, paper copy, online, telephone) to the customer groups. Survey questions are aligned with six key drivers of customer satisfaction¹: timeliness, issue resolution, staff interaction, service design, positive outcome, and channel functionality. The 2019 survey saw 6,374 responses from internal customers, which are GNB employees in Parts 1 and 3, and 1,903 responses from external customers which are NB residents and businesses.

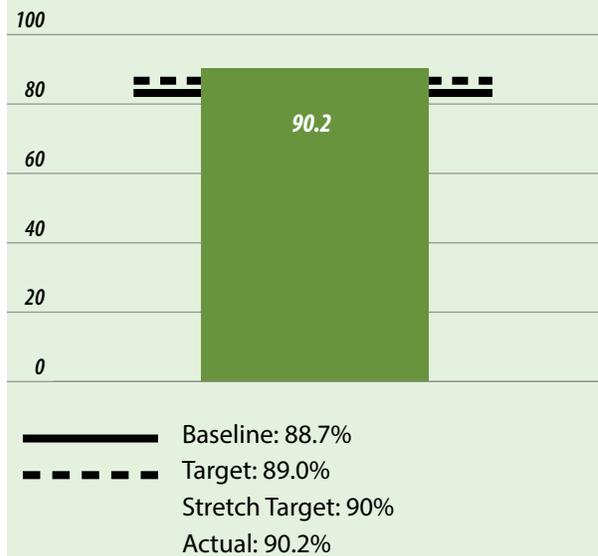
1. Institute for Citizen-Centered Services

Overall performance

Internal customer satisfaction survey results



External customer satisfaction survey results



Customer Satisfaction Survey Results



The results show that customer satisfaction for internal SNB customers decreased slightly while that of external customers had an increase. Fluctuation by 3-4% from year to year is not unusual when measuring customer satisfaction. Satisfaction is subjective, and many variables can impact the results.

Nonetheless, results for the staff interactions driver (staff are helpful, knowledgeable and courteous) continue to be the highest driver for both internal and external customers. When compared to scores from other Canadian public sector organizations, SNB's results for external customers continue to score very well, while there are still opportunities to explore improvements with our internal customers.

**Benchmarking provided by the Institute for Citizen-Centered Services (ICCS).*

Why do we measure this?

Measuring customer satisfaction provides insight into customers' experience when receiving SNB services. The survey is an opportunity for customers to communicate their needs and expectations, and for SNB to continue to improve in response to feedback received.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

In an effort to improve customer satisfaction for SNB, survey results, including verbatim comments received from customers, were shared with SNB leaders and their staff, by service area and by driver of satisfaction, to better understand where improvements can be made. As a result, a number of initiatives were undertaken to improve customer satisfaction including Lean Six Sigma projects to review SNB processes.

Foster an Engaged, High Performing Team

Objective of the measure

Develop trained and capable managers

Measure

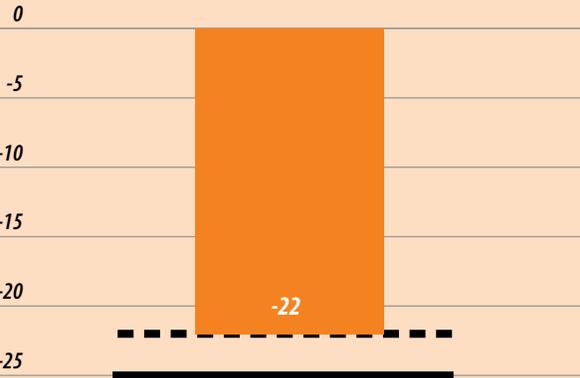
Employee net promoter score

Description of measure

SNB participated in an employee experience survey conducted by Finance and Treasury Board for all GNB employees. This survey is used to measure SNB's employee net promoter score, the current standard being employed by many organizations to indicate employee engagement at the corporate level. The score is based on responses to the following survey question: *I would recommend Service New Brunswick as a place to work to a friend / family member.*

Overall performance

The 2019-2020 SNB employee net promoter score of -22 is an improvement from the 2018-2019 results.



- Baseline: -25
- - - Target: -22
- Stretch Target: -20
- Actual: -22

Why do we measure this?

Employee engagement is a fundamental component of SNB's Strategic Plan.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

Establishing the baseline employee net promoter score enabled SNB to develop action plans in 2018-2019 to address employee engagement and foster a proud, productive and professional workforce. The results from the 2019-2020 employee experience survey demonstrate that SNB has made positive progress on employee engagement and has action plans for continued improvement.

Foster an Engaged, High Performing Team

Objective of the measure

Develop trained and capable managers

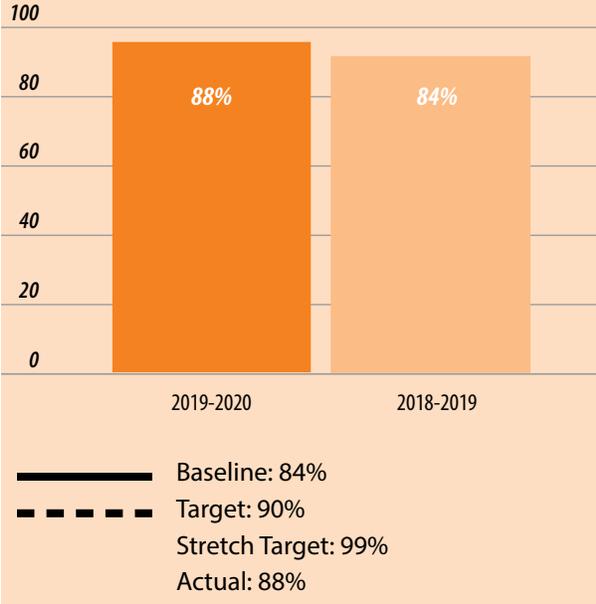
Measure

Percentage of employee performance reviews completed

Description of measure

The measure ensures that managers are trained on SNB's approach to employee performance management and complete employee performance reviews on an annual basis.

Overall performance



Why do we measure this?

SNB recognizes the importance of providing feedback to employees as a tool used in employee engagement and performance management. While feedback on performance is an ongoing activity, the annual performance review process permits a fulsome conversation on achievements and areas for improvement. It also assists with the establishment of training and development plans.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

SNB managers are required to complete their performance reviews on a quarterly basis based on their employee's anniversary date. The measure is reviewed quarterly by SNB's Executive Management Team and the Board of Directors. The results are shared with leaders across the corporation to prioritize the importance of completion rates and the importance of providing feedback to employees.

Grow the business

Objective of the measure

Expand the business model

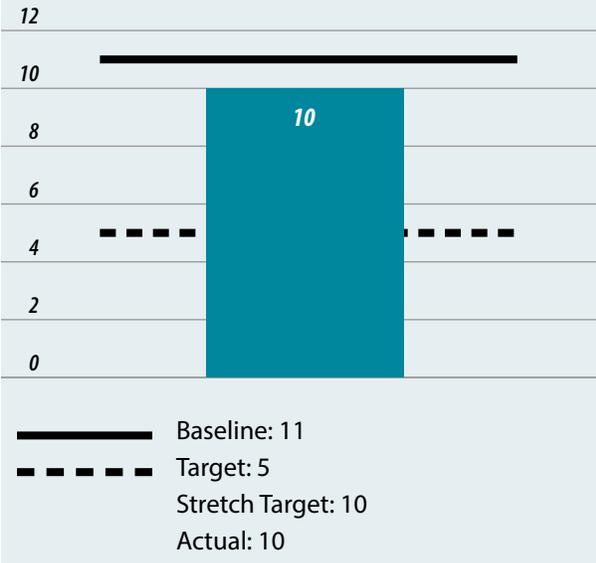
Measure

Number of new or expanded services

Description of measure

Success is measured in terms of the additional sustainable revenue streams arising from new or expanded service offerings, and new customers which is expressed in terms of new or updated service agreements.

Overall performance



Why do we measure this?

Growing the business is a fundamental component of SNB's Strategic Plan.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

A pricing strategy, complete with a pricing preparedness and cost model plan, has been proposed. A costing analysis for the Customer Care division was completed in order to ensure service level agreement pricing is reflective of the true costs of the associated services.

Overview of organizational operations

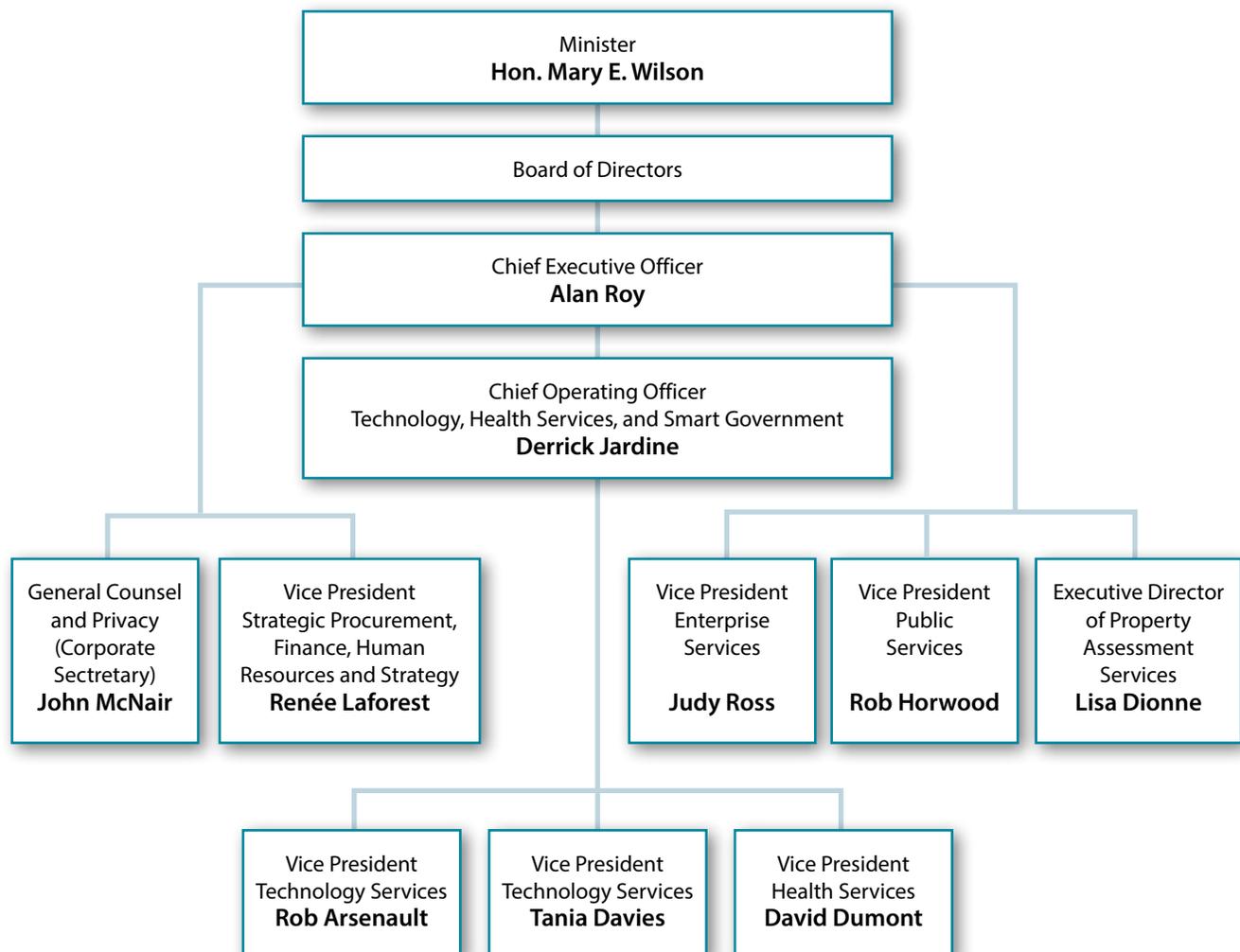
Service New Brunswick is a Part 1 Crown corporation created to deliver shared services for the Government of New Brunswick with the express purpose of standardizing services and reducing costs. The *Service New Brunswick Act* provides the context for the activities of the corporation. Our mission is to provide high-quality, innovative services for customers with a focus on value for all New Brunswickers.

SNB fulfils its mission by delivering high-quality services, standardizing processes and products, adopting best

practices, and leveraging greater economies of scale in the procurement of goods and services. SNB's operations are funded through a combination of regulated fees for registry services, payments from GNB and municipalities, grants that GNB provides to deliver service on its behalf, and sales of products and services.

Service New Brunswick employed almost 2,400 people and had a budget of more than \$266M in 2019-2020.

High-level Organizational Chart



Division overview and highlights

Corporate Services

Human Resources

At the outset of the 2019-2020 fiscal year, GNB announced a review of the Human Resources service delivery model with the objective of decentralizing services to better align departmental mandates and operations. Finance and Treasury Board (FTB) was given the mandate to conduct the review, and at its conclusion all HR staff were transferred from SNB to FTB. Operational and transactional human resources services were delivered by Finance and Treasury Board from April to December 2019, when they began transitioning back to Part 1 Departments and agencies.

Despite the change in reporting structure, the HR team assigned to SNB operations continued to provide a variety of HR services such as employee recruitment and retention; workforce planning; employee engagement; classification; employee and labour relations; performance management, training and development; and coordination of a variety of employee programs.

Strategy and Organizational Performance

The Strategy and Organizational Performance (SOP) Branch is responsible for corporate performance reporting and leads the strategic planning process. This includes developing strategic initiatives, annual action plans and performance metrics using the balanced scorecard methodology. The branch also administers continuous improvement efforts designed to increase efficiency and improve customer benefits using Lean Six Sigma methodologies.

SOP oversees aspects of SNB's total relationship management (customers and business partners) from a corporate perspective. It is responsible for developing business development strategies, which includes evaluating and supporting opportunities for growth, and developing and monitoring service agreements.

SOP is responsible for SNB's day-to-day internal communication needs, including maintenance of the employee intranet, websites, and reports that provide information and services to employees, managers and business partners.

It leads the advancement of the corporation's legislation, privacy and corporate policies, and administers the *Right to Information and Protection of Privacy Act* and responses to Right to Information requests. Staff are also responsible for the corporation's records management, risk management, data integration processes and operational reporting.

Finally, SOP administers survey services, change management and measurement of service delivery performance and customer satisfaction.

Finance

The Finance Branch provides financial and operational reporting and analysis; internal controls; accounting for receivables, payables and assets; coordination of external audits; and the preparation of financial statements.

The branch provides budgeting, ordinary and capital expenditure management, and coordination of the budget and forecast process with FTB. It is also responsible for facilities management services, including lease administration, office relocation and renovations, and it fulfills organizational administrative requirements.

Internal Audit

The Audit Services Unit conducts internal compliance reviews with respect to cash management at SNB's service centres, performs IT security reviews, and audits automobile dealerships enrolled in the Online Dealer program. The unit also conducts investigations as required.

Highlights

- ◆ Strategy and Organizational Performance established a Process Classification Framework which displays and organizes all of SNB's leadership, operating and enabling processes. This strategic process management tool allowed SNB to quickly develop performance measures to demonstrate the value for money of our products and services. The end result is a corporate dashboard for SNB's service offerings.
- ◆ The Facilities team supported the planning and coordination of major renovations to the new administrative offices at Lincoln Place.

Strategic Procurement

SNB is responsible for delivering procurement services for Part 1 (GNB departments), Part 2 (school districts) and Part 3 (Regional Health Authorities). The division also provides support to the wider GNB entities such as municipalities, NB Power, community colleges and universities.

Strategic Procurement

Strategic Procurement's role is to maximize competition to achieve the best value for money while ensuring that all suppliers who wish to compete for government contracts have a fair and open opportunity to do so. Competitive quotes or formal bids are solicited for goods and services except in specific circumstances which are exempted from the normal process by legislation.

Procurement Enablement

The Procurement Enablement branch provides the policies, systems, and frameworks to support the procurement teams and the wider GNB community. Procurement Enablement helps support the daily operations of the Procurement Specialists by providing documentation and support for policies and regulations. The Central Tendering office is responsible for receiving and logging bids and for conducting public tender openings for goods and services tenders on behalf of Strategic Procurement. The Procurement Enablement team works to ensure the entire procurement process functions efficiently and effectively for customers and suppliers.

Statistics at a glance	2019-2020	2018-2019	Change
Purchase Order value	\$836,813,184	\$1,021,377,343	(\$184,564,159)
Number of Purchase Orders	4,987	5,451	(464)
Number of Tenders/ RFPs	1,649	2,241	(592)

Highlights

- ♦ Strategic Procurement, along with customer organizations, identified procurement savings opportunities of more than \$5M in 2019-2020. These savings included soft (negotiated price discounts and cost increase avoidance) and hard savings (year-over-year price reductions).
- ♦ The division developed a client education plan and provided comprehensive training on the *Procurement Act* and Regulation to 558 employees from 20 different organizations, including departments, school districts, municipalities, universities, community colleges and Crown corporations.
- ♦ Work continues on Strategic Procurement's three-year strategic plan, which was established in 2018-2019, to foster the integration of Strategic Procurement teams. A total of 10 out of 15 initiatives have been completed to date.
- ♦ Strategic Procurement, along with Opportunities New Brunswick and the Department of Transportation and Infrastructure, completed extensive consultations with suppliers and industry associations to develop the New Brunswick First Procurement Strategy and Action Plan. This initiative supports government's priorities of an *Energized Private Sector* and a *High-performing Organization*.
- ♦ Strategic Procurement successfully expanded its use of flexible format procurement methods. In 2019, a contract was awarded to acquire a new Enterprise Resource Planning (ERP) solution. In early 2020, a second contract was signed for its implementation services. Both followed a new and innovative sourcing method that encouraged reciprocal dialogue between government and proponents, increased agility, reduced risk and overall greater value to the public sector.

Health Services

Clinical Engineering

Health care professionals use a wide array of diagnostic and therapeutic medical equipment in their day-to-day work. This equipment can be complex and costly. The Clinical Engineering branch works with clinicians and health care

administrators to plan for and evaluate new and existing health care technologies. Responsibilities include inspecting and maintaining equipment, and ensuring the technology complies with all applicable regulations.

The Clinical Engineering Branch helps determine when equipment has reached end-of-life status and plays a role in the decommissioning process. The service also supports investigations of incidents related to medical equipment and participates actively in the training and education of technical and medical personnel regarding its use.

Statistics at a glance	2019-2020	2018-2019	Change
Work orders*	65,485	64,488	997
Preventative maintenance service orders received**	20,295	19,963	332
Equipment alerts requiring action***	1,029	1,290	(261)

Net new equipment inventory (incoming equipment – obsolete equipment) increased by 4,024 devices.

* The increase in work orders corresponds with a 2.5% growth in documented support hours (+ 2,918 hours) from the past 2018-2019 fiscal.

** Preventative Maintenance support hours increased by 1.5% (+ 321 hours) and incoming inspections (safety and compliance) on new equipment increased by 17.9% (+ 949 hours). Annual fluctuations in Preventative Maintenance Support are directly dependent on the quantity of new equipment purchases, past equipment purchases, and expiring equipment warranties.

*** The number of alerts handled varies from year to year as they are dependent on the quantity of equipment in service and the details of the published alert.

Supply Chain

On a daily basis, a wide variety of equipment, supplies and services are used in the delivery of health care to New Brunswickers. The Supply Chain Branch supports health care professionals by ensuring the right goods and services are available at the right time and place. It is responsible for the purchasing, storage, delivery, and distribution of all equipment, supplies and services for the health care system throughout New Brunswick. The Supply Chain Branch includes purchasing, inventory management/stores, shipping and receiving, distribution, logistics, print shops, and mail rooms.

Statistics at a glance	2019-2020	2018-2019	Change
Purchase orders*	142,370	144,825	(2,455)
Dollar value of purchase orders*	\$254,010,222	\$247,459,295	6,550,927
# Purchase order lines received by shipping & receiving departments	552,791	553,583	(792)
Avg. monthly inventory turnover	0.94	0.98	(0.04)
Avg. monthly main inventory value	\$6,042,801	\$5,940,504	\$102,297
# Warehouse line items picked for distribution	2,529,225	2,707,506	(178,281)

*The table above excludes dollar value and number of purchase orders processed by Strategic Procurement Health. Data is now reported under the Strategic Procurement Division of SNB.

Laundry and Linen Services

Reliable laundry service is essential to the operation and delivery of health care. It is an integral component in the management of infection control for the delivery of patient care. This includes the preparation and processing of products such as isolation gowns, surgical linen, patient gowns, bed sheets, towels, and environmental products. Laundry and linen service provides complete service from pick-up of soiled linen to delivery of clean items throughout New Brunswick's many health care facilities and nursing homes.

In the fall of 2019, the renovation of the linen finishing area at the Saint John Laundry was completed. While this concluded the multi-year refurbishment project at the facility, the Fredericton Depot started its operation to service central New Brunswick. For the Edmundston Laundry, all the equipment for the refurbishment was purchased and completion is planned for 2020-2021. During the winter, the Campbellton Laundry completed its multi-year washer replacement project.

Statistics at a glance	2019-2020	2018-2019	Change
Pounds of laundry processed (lbs.)	21,798,987	21,988,462	(189,475)
Number of customers	80	80	(no change)

Energy Management

The Energy Management Unit is responsible for leading and coordinating the Government of New Brunswick Energy Management Strategy. This service incorporates energy efficiency and conservation into everyday operational practices while maintaining or improving thermal comfort and indoor air quality for its patrons (patients, students, public service employees). The unit uses a continuous improvement approach which is instrumental in optimizing energy use, an essential solution to climate change challenges. Staff work directly with the Regional Health Authorities, laundry operations, and school districts.

In response to the Climate Change Action Plan, SNB continues to implement the government-wide energy management and reporting system to ensure all departments are accountable for energy consumption and corresponding greenhouse gas emissions. In collaboration with school districts, the Department of Transportation and Infrastructure Buildings Division, and the Department of Education and Early Child Development, all New Brunswick schools have been entered into the ENERGY STAR® Portfolio Manager system.^{1,2}

Statistics at a glance	2019-2020	2018-2019	Change
Number of sites entered into ENERGY STAR® Portfolio Manager	303	59	244
ENERGY STAR certified buildings	4	1	3
Actual cost avoidance ³	\$2.7M	\$1.95M	\$0.75M

1. This was made possible by financial contribution from Natural Resources Canada (NRCAN)

2. NRCAN's ENERGY STAR® Portfolio Manager is a free, simple to use, web-based benchmarking tool that allows users to understand how their building's energy performance measures against similar buildings

3. Cost avoidance for health is \$1.1M and \$1.1M for schools. Saint John Laundry refurbishment and laundry consolidation resulted in \$500,000 cost avoidance.

Highlights

- ◆ Clinical Engineering met its strategic targets for completing maintenance on life-critical and high-risk devices.
- ◆ The Saint John Laundry project continued throughout 2019-2020 with the renovation of the clean linen areas. This was the last phase of the refurbishment and the project was completed in the fall of 2019.
- ◆ In 2019-2020, workshops were delivered for the Anglophone and Francophone school districts to introduce ENERGY STAR® Portfolio Manager and energy management strategies.
- ◆ Bliss Carman Middle School and Royal Road Elementary School in Anglophone School District West earned NRCAN's ENERGY STAR® certification for label year 2019, the only schools in Atlantic Canada to receive the certification.
- ◆ Horizon Health Network's Saint John Regional Hospital and Dr. Everett Chalmers Regional Hospital both earned NRCAN's ENERGY STAR® certification for label year 2019, the only health care facilities in Canada to receive the certification.

Enterprise Services

Accounts Payable

The Accounts Payable Branch manages the delivery of standard payables as well as transactions associated with numerous Client and Case Management Systems used to deliver programs for client departments. The unit is responsible for transactional services as well as administration of the purchase-card and iExpense processes, supplier maintenance, payment processing, and delivering services in accordance with Key Performance Indicators (KPIs) established as part of service agreements. The team provides end-user guidance, publishes procedural documentation, and offers general process support to clients.

Statistics at a glance	2019-2020	2018-2019	Change
Account payable transactions processed (in excess of)	500,000	500,000	---

Central Collections Services

The Central Collections Services Branch manages debt owed to GNB by collecting on overdue property tax and student loan accounts.

For every \$1 invested in operations, Central Collection Services collected \$99.50.

Statistics at a glance	2019-2020	2018-2019	Change
Total collected on property tax accounts in arrears	\$86.1 M	\$86.4 M	\$(0.3 M)
Total collected on Student Loan Accounts in default	\$7.2 M	\$7.3M	\$(0.1 M)

Translation Bureau

The Translation Bureau Branch provides written translation; simultaneous interpretation for conferences, seminars, and other gatherings; consecutive interpretation for court proceedings and administrative tribunal hearings; and other linguistic services. The work performed by the branch helps departments and agencies meet GNB's obligations under the *Official Languages Act* as well as Subsection 16(2) of the *Canadian Charter of Rights and Freedoms*.

Statistics at a glance	2019-2020	2018-2019	Change
Translation requests processed by employees 12,209 requests 6.5 M words	13,877 requests 6.2 M words	(1668 requests) 0.3 M words	
Translation requests processed externally 2,206 requests 6.2 M words	2,755 requests 7.0 M words	(549 requests) (0.8 M words)	
Days of simultaneous and/or consecutive interpretation provided by employees 848	838	10	
Days of simultaneous and/or consecutive interpretation provided externally 1,028	1,200	(172)	

Payroll and Benefits Services

On behalf of the Government of New Brunswick the Payroll and Benefits Services Branch is accountable for ensuring Part 1 and Part 4 (NB Legal Aid Services Commission) civil servants, contingent workers and retirees receive timely payments and benefits as per established key performance indicators.*

The branch maintains employee records, leave data, and reporting for accounting and regulatory compliance with acts, regulations, policies, collective agreements and procedures. Payroll and Benefits Services also supports Part 4 (New Brunswick Community College, Collège communautaire du N.-B., and NB Legal Aid Services Commission) for regulatory, accounting and compliance activities.

There are three payroll systems used to process payroll for permanent, terms, seasonal, casuals, temporary terms, personal service contracts, and students. Additionally, the branch supports the data entry for Part 2, school district payrolls, school district student testing, and the moose and deer count on behalf of the Department of Natural Resources and Energy Development.

Statistics at a glance	2019-2020	2018-2019	Change
Transactions processed	130,757	130,042	715

*On January 1, 2020, Vestcor assumed responsibility for pension payments for retirees.

Corporate Marketing Services

The Corporate Marketing Services Unit provides a range of marketing support services to more than 30 client departments and agencies, including the following:

- Graphic design and photography;
- Website development and management of www.gnb.ca and associated sites;
- Media planning and buying;
- Government media monitoring services;
- Government brand management; and
- Content development and management.

The unit also maintains a list of prequalified vendors for these services and acquires external marketing communications services for departments and agencies when required.

In December 2019, the unit assumed responsibility for editing and producing the Royal Gazette, which was previously under the authority of the Queen's Printer with Justice and Attorney General.

Statistics at a glance	2019-2020	2018-2019	Change
Graphic design projects	392	493	(101)
Media buys*	291	297	(6)
Websites maintained	40	38	2
Vendor contracts*	57	38	19

*Includes 13 campaigns planned but deferred due to the COVID-19 shutdown.

Managed Print and Distribution

The Managed Print and Distribution Branch is responsible for a number of units. Printing Services provides high-speed digital printing and finishing services for black and white and colour print requests. The unit also maintains a list of prequalified print vendors and acquires external print services for specialty and large quantity print jobs. This year the unit began providing print service for the Dr. Everett Chalmers Regional Hospital (DECH). This change made it possible for the hospital to repurpose the space that previously housed their own print shop.

The Postal Services Unit provides centralized mail and delivery services to GNB customers from its main processing facility in Fredericton. Regional interoffice mail services are also provided throughout the province.

Print Optimization Services centrally manages a contract that provides efficient multi-functioning printing devices throughout government. This year services were expanded beyond Parts 1, 2 and 4 of GNB to include Part 3.

The Managed Print and Distribution Branch also provides an employee/agent identification card service and administers GNB's surplus assets.

Statistics at a glance	2019-2020	2018-2019	Change
Printing Services (volume)			
Internal print jobs	1,625	1,813	(188)
Third-party print jobs	240	327	(87)
DECH Print Jobs	5,649	N/A	N/A
Postal Services			
Pieces metered	4,875,838	4,886,272	(10,434)
Pieces shipped	18,315	20,306	(1,991)
Print Optimization Services			
Device count	6,552	3,887	2,665
Impressions	324,750,309	217,961,756	106,788,553

Highlights

- Following an extensive procurement process, the branch signed a new print device contract with Lexmark, which consolidated two previous contracts held by Konica-Minolta (Part 1, 2 and 4) and Lexmark (Part 3).
- Print Optimization Services is currently implementing new print devices as part of this new contract across all Parts of GNB, with a targeted completion date of September 2020.
- In 2019-2020, the Translation Bureau expanded its services and began providing translation services to the Government of Manitoba.
- Accounts Payable Services assisted with GNB's 2019 flood response and processed approximately 500 cheques to impacted New Brunswickers.

Technology Services

Technology is increasingly a core element to improving the delivery of services to the public and an important aid in the productivity of government workers. SNB Technology Services is accountable for the effective and efficient delivery of Information Technology (IT) services across the Government of New Brunswick while meeting the provincial government's objectives related to technology.

Technology Services operates as a shared services provider across GNB and is responsible for all aspects of IT service delivery, including:

- IT Service Desk (SD);
- Providing technical support to 35,000 government employees and other stakeholders;
- Managing more than 26,000 desktops, laptops, tablets, and mobile devices;
- Procurement and contract management for all IT goods and services;
- IT operations and support of government IT infrastructure including the management of data centres, the email system, and provincial IT networks;
- IT strategy and planning;
- IT risk management and security;
- 24/7 IT support for the health sector; and
- Implementation, operation and support of business applications used by all GNB departments and the Regional Health Authorities to ensure the continuous operation and delivery of government services to the public.

Statistics at a glance	2019-2020	2018-2019	Change
Number of SD tickets created	289,848	293,400	(3,552)
SD calls answered	152,857	165,515	(12,658)
Number of managed devices	27,404	24,354	3,050

Highlights

- ◆ In collaboration with the Department of Education and Early Childhood Development, the division completed an enhancement to the provincial student information system. The project added the ability for school administrators to view the current bus transport information for any student in real time, including bus numbers, bus stops and any special arrangements the student may have on certain days for other locations.
- ◆ The modernization of a 20-year-old Justice Information System used to track court cases was successfully completed. The resulting system interconnects 12 separate applications and is used across three departments, multiple external agencies and police forces.
- ◆ The division migrated all GNB email to Microsoft's Office 365 cloud platform. This project included upgrading more than 21,000 end user devices to Microsoft Office 2016 and moving nearly 35,000 GNB employee mailboxes (email) from GNB data centres to the cloud (i.e. externally managed data centres).
- ◆ The division completed phase one of a two-phased approach to modernize the provincial health care wide area network (WAN). In this phase, 109 locations across the province were included which delivered savings of \$750,000 and a 1400% increase in available bandwidth capacity. Additionally, 26 of the larger health care facilities saw significant network resiliency improvements including the critical IWK interprovincial communication environment used for neonatal consultations. This modernization initiative is a catalyst to future consolidation and modernization initiatives in health care.

Land Information Infrastructure Secretariat, Business Opportunities and Digital Services

Land Information Infrastructure Secretariat

SNB is the lead agency for coordination of geomatics and base mapping in New Brunswick. The activities of the Land Information Infrastructure Secretariat include the following:

- managing an interagency governance framework to facilitate collaboration on geomatics across GNB;
- implementing interagency projects such as the development of provincial standards and data sets, and creation of authoritative road, water, and imagery data sets;
- developing and operating the GeoNB infrastructure, which allows for discovery, access, storage, and dissemination of geographic data and related applications on behalf of partners; and
- coordinating geomatics educational and outreach activities.

Statistics at a glance (Volume)	2019-2020	2018-2019	Change
GeoNB hosted datasets	66	66	0
GeoNB hosted applications	23	21	2
LiDAR acquired*	N/A	23,202 km ²	N/A
GeoNB hosted LiDAR	72,910 km ²	71,871 km ²	1,039 km ²
GeoNB visits	208,083	169,795	38,288
Maps hosted on ArcGIS Online	116	70	46
Digital Elevation Model	72,910 km ²	48,492 km ²	24,418 km ²
Provincial Building footprints **	700,000	0	700,000
Outreach / Education sessions	6	6	0

* 2018 – 2019 completion of the multi-year program to acquire and release LiDAR data for the entire provincial land mass.

**Provincial Building layer was derived from LiDAR and consists of building footprints with minimum and maximum building elevations.

Business Opportunities and Digital Services

Digital Services supports various online service platforms such as gBiz, Fish and Wildlife e-Licensing, Lobbyist Registry and BizPal, as well as Open Data NB, an online portal that allows citizens to access hundreds of data sets with continuous updates.

Highlights

- ◆ In 2019-2020, the unit published 89 new datasets in the open data portal and created online application forms for various regulatory intakes.
- ◆ Staff supported the back-office upgrade to the e-Licensing system.
- ◆ The unit worked on phase two of the SNB.ca website migration to GNB's content management system to streamline the content update process.
- ◆ Staff created 24 public service videos for display in SNB service centres.

Public Services

Customer Care

SNB is the gateway for the public to a number of government services offered through a multichannel service delivery network. Customer convenience is a key factor in service delivery. To meet New Brunswickers' expectations, SNB offers three channels of delivery:

- in person, through a network of 33 service centres;
- over the telephone (TeleServices) at 1-888-762-8600;
- and online at www.snb.ca.

A range of services are delivered on behalf of various departments and agencies including the federal government. SNB also accepts payments on behalf of 64 municipalities. Services include:

- Motor vehicle – driver's licences, registration, placards for disabled persons;
- Recreation – hunting and fishing licences, trail permits for all-terrain vehicles and snowmobiles;
- Government forms – Medicare, lottery registration, Elections NB;
- Federal government – pleasure craft licensing; and
- Municipalities – water and sewage payments, parking ticket payments.

Statistics at a Glance Service Delivery Transactions			
Volume by partner	2019-2020	2018-2019	Change
Government partners: Provincial (all government departments); federal (Pleasure Craft Licensing*); municipalities	3,231,630	4,201,611	(969,981)
SNB: Property Assessment Services, Corporate Registry, Personal Property Registry, Land Registry, Residential Tenancies Tribunal, Vital Statistics, and SNB products	2,471,175	2,513,194	(42,019)
Other partners: Payment taking for NB Power, Regional Health Authorities, WorkSafeNB, and others	88,269	86,080	2,189
Total transactions	5,791,074	6,800,885	(1,009,811)

*The bulk of the drop in transactions are related to the Pleasure Craft Licensing historical documents project, which ended at the end of the 2018-2019 Fiscal Year.

Residential Tenancies Tribunal

The Residential Tenancies Tribunal provides an alternative dispute resolution service outside of the traditional court process.

Residential Tenancies Officers are appointed to carry out duties prescribed by the *Residential Tenancies Act*. The activities include holding in trust all security deposits paid by tenants pursuant to a residential tenancy lease; investigating and resolving disputes and complaints by mediation, when possible, or adjudication; enforcing the *Residential Tenancies Act*; and providing information about residential tenancies.

Statistics at a glance	2019-2020	2018-2019	Change
Security deposits accepted*	17,271	18,398	(1,127)
Net value of security deposits	\$32,980,948	\$30,811,404	\$2,169,544
Security deposits returned*	13,665	13,065	600
Applications for assistance or disputed claims received*	5,469	5,601	(132)

*2018-2019 values have been restated

Property Assessment Services

SNB is responsible for the valuation and classification of all “real property” in New Brunswick. Property Assessment is a vital component in the processes of real property taxation.

The *Assessment Act* states that all property in the province is to be assessed at its real and true value (“market value”) as of January 1 of the year for which the assessment is determined. Individual property assessments are then compiled to produce municipal and provincial assessment bases.

These bases are shared with the Department of Environment and Local Government, which produces the tax bases for each municipality, rural community, and local service district.

Individual property assessments are also provided to the Department of Finance and Treasury Board. These are then used, along with municipal and provincial property tax rates, to produce an annual property tax bill.

Property assessors are responsible for maintaining an inventory of all real property information as well as administering many property tax-related benefits programs.

On November 23, 2017, the Auditor General of New Brunswick released a public report, *Service New Brunswick Residential Property Assessment – Special Examination*. The report included 25 recommendations, of which 22 were directed at SNB. The Auditor General targeted dates of completion between six and 24 months from the date of the report. SNB agreed with all recommendations and has implemented an action plan to address each of the outstanding issues. As recommended in the Auditor General’s report, SNB is now publicly reporting on property assessment errors. SNB has made considerable progress to date with 17 of the recommendations completed, while the remaining recommendations are either partially complete or in progress.

Property Assessment Statistics					
Tax year	Number of properties	Assessment base (Billion \$)	Request for review	% of property accounts	Appeals (Assessment Board)
2019	469,948	66.1	5,439	1.1	118
2018	468,744	64.4	3,956	0.08	127
2017	467,602	62.8	18,568	4.0	375
2016	466,022	62.5	7,156	1.5	180
2015	465,500	61.4	7,951	1.7	319
2014	464,000	60.0	6,947	1.5	242

Property Assessment Errors			
Tax year	Number of Factual* Errors	Number of Administrative **Errors	Total Errors
2019	1,568	3,125	4,693
2018	2,117	3,172	5,289

* A factual error is the result of incorrect property data / characteristics used in the calculation of a property value.

**An administrative error is the result of an incorrect tax levy amount which is unrelated to the property valuation.

Registries

Condominium properties are administered through the *Condominium Property Act*, which sets out the rules for developing, operating, and managing them in New Brunswick. This area provides approval for condominium corporations, and accepts information on reserve funds, financial statements, insurance, and directors filed by these corporations.

Corporate Registry administers incorporation of New Brunswick-based business corporations and non-profit companies, registering partnerships and business names, and registering extra-provincial corporations and businesses conducting business in New Brunswick. The registry maintains publicly available, up-to-date information on business and non-profit corporations

and unincorporated business entities. Internet users can access information on past and existing businesses and non-profit companies through the registry.

Land registration records date back to the original Crown land grants and are available for public scrutiny. The Land Registry unit operates the provincial land registration office where legal plans and documents such as deeds, mortgages and wills relating to the ownership of real property, can be registered. The unit maintains the PLANET system, which allows land-based transactions through a comprehensive, integrated, online source of land registration, property mapping and real property information. The unit also maintains a province-wide Global Positioning System (GPS)-based survey network that includes a series of continuously operating active control stations, which provides observations to users via the SNB website.

Personal Property Registry maintains a computerized, province-wide registry service where users can serve public notice of their security interests, judgments, and other claims affecting personal property, such as automobiles, recreational vehicles, furniture, and business inventory. It also offers individuals and businesses the opportunity to determine if there is a registered security interest on a personal property by providing the means to search the Personal Property Registry, primarily through the Atlantic Canada Online portal and SNB's Lien Check service.

Vital Statistics is responsible for registering, maintaining, verifying, and disseminating birth, death, stillbirth, and marriage data (vital events). Vital Statistics can search records, issue certificates of a vital event, distribute marriage licences, approve and register changes of name, and maintain an index of marriage officiants and churches/religions authorized to solemnize marriages in New Brunswick.

Statistics at a Glance			
Registries Activities	2019-2020	2018-2019	Change
Condominiums			
New Corporations	3	4	(1)
New units approved	89	33	56
Corporate Registry			
Incorporations	2,471	2,447	24
Registrations	3,070	3,168	(98)
Annual Return	41,601	41,802	(201)
Certificate of Status/certified copies	3,794	3,775	19
Land Registry			
Registrations	85,852	81,491	4,361
Searches	34,536	34,608	(72)
Certificate of Registered Ownership sold	32,242	28,540	3,702
Personal Property Registry			
Registrations	153,557	152,451	1,106
Searches	79,231	73,100	6,131
Vital Statistics			
Certificates issued (all types)	28,981	29,671	(690)
Change of name processed	352	378	(26)
Vital events registered	15,104	18,153	(3,049)

Highlights

- ◆ A new service centre was opened in Saint-Quentin in February 2020. This location is open two days per week.
- ◆ In August 2019, Service New Brunswick implemented an online scheduling application to allow citizens to make an appointment for their road test.
- ◆ As a result of the service agreement with Transport Canada to deliver Pleasure Craft Licensing services, Service New Brunswick expanded services and started sending reminder notices to pleasure craft owners via mail and email for boats about to expire in spring 2020.
- ◆ The Land Registry unit has initiated a modernization of some components of its PLANET system to be implemented in 2020-2021. This system dates back to the 1990s where the technology was at the forefront. These updates will assure that land-based transactions, access to online source of land registration, property mapping and real property information continue to be efficiently completed and accessible to citizens for years to come.
- ◆ The Residential Tenancies Tribunal further enhanced its website with updates addressing common issues and additional videos to help educate the public on its services.
- ◆ The New Brunswick's *Vital Statistics Act* was amended to provide for a third sex designation option on the birth certificate, specifically X as a non-binary identifier.

Financial overview

2019-2020 Financial Statement Discussion and Analysis

The Financial Statement Discussion and Analysis document will focus on providing variance analyses between the Budget and Actual amounts for 2019-2020.

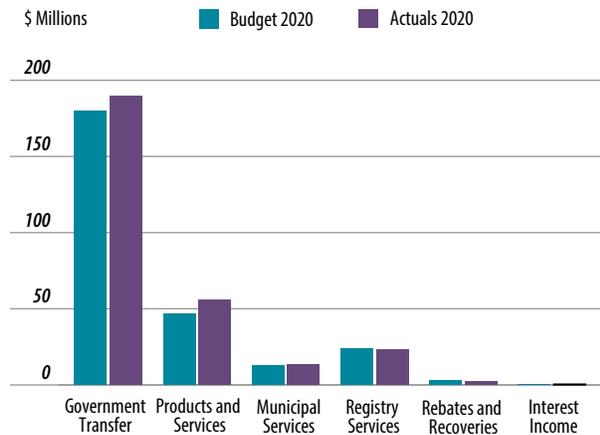
Significant Financial Variances

The following table compares actual financial results to budgeted figures for 2019-2020.

Financial Statement Analysis for the year ended March 31, 2020: Statement of Operations			
	Budget 2020	Actuals 2020	Budget Variance
Revenues			
Government Transfers	\$ 179,580,090	\$ 189,763,225	\$ 10,183,135
Products and Services	46,430,996	55,761,657	9,330,661
Municipal Services	13,033,588	13,124,567	90,979
Registry Services	23,768,470	23,072,673	(695,797)
Rebates and Recoveries	2,709,000	2,506,007	(202,993)
Investment Income	500,000	538,154	38,154
Revenue from Operations	266,022,144	284,766,283	18,141,639
Expenses			
Executive Administration	768,557	567,777	(200,780)
Finance, Human Resources and Strategy	17,313,677	18,159,286	845,609
Strategic Procurement	5,141,699	4,750,652	(391,047)
Technology Services	147,490,403	142,699,373	(4,791,030)
Health Services	36,851,515	43,435,749	6,584,234
Enterprise Services	27,262,022	32,244,989	4,982,967
Public Services	31,194,271	32,583,593	1,389,322
Total Expense	266,022,144	274,441,419	8,419,275
Surplus	\$ -	\$ 10,324,864	\$ 10,324,864

Revenue Variances

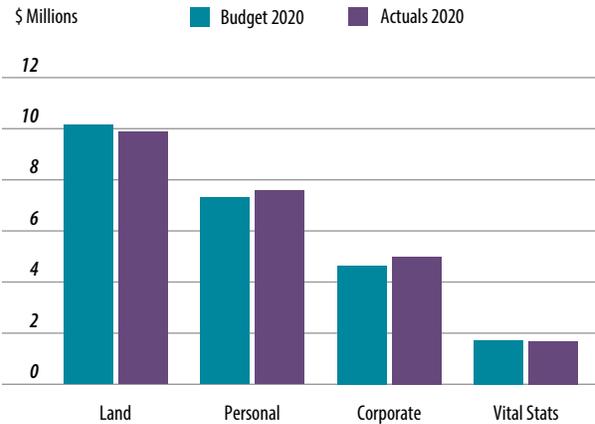
Total revenue for 2019-2020 is \$18.7M greater than budget. This variance will be explained by revenue source below.



Government Transfer - Revenues from Government Transfers is \$10.2M higher than budget. This increase is due to funding for laundry capital purchases of \$8.1M, and transfers for unsigned bargaining contract increases of \$2.1M.

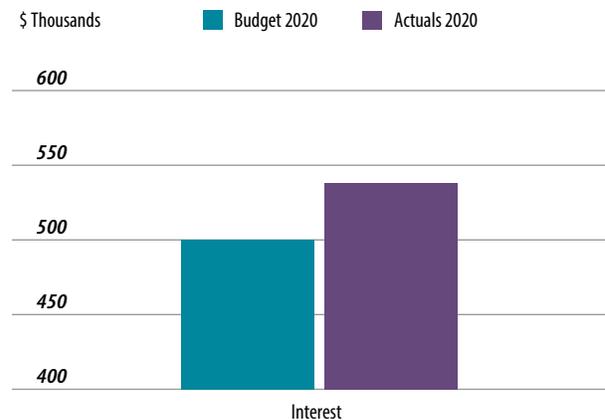
Products and Services - Revenues resulting from the sale of products and services came in at \$9.3M more than budget for 2019-2020. This increase is made of additional revenue for 'net new' services and additional chargebacks to departments and agencies for programs and services related to Technology Services (\$7.8M), Print and Postal (\$0.4M) and Corporate Marketing (\$0.1). There was also a \$1.0M reclassification of revenues in registries, as identified below.

Registries - Registry revenue totals were \$0.7M less than budgeted for 2019-2020. This variance is largely due to reclassification of revenue to Products and Services of \$1.0M and Land Registry transaction volumes being lower than expected and accounted for \$0.3M less revenue. The performance of the land registry is heavily dependent on the strength of the economy, and the degree to which consumers are selling and purchasing real property. This decrease is partially offset by additional transaction volumes in the Corporate registry, Personal Property registry and Vital Statistics which accounted for \$0.6M in additional revenue.



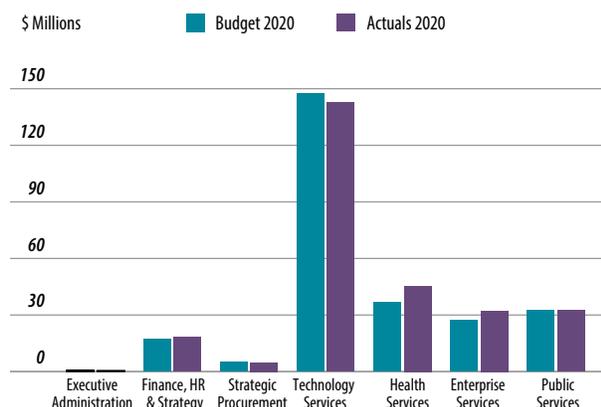
Rebates and Recoveries - This revenue came in at \$0.2M less than budget primarily due to lower rebates from suppliers.

Interest Income - Interest revenues exceeded budget expectations by \$0.04M in 2019-2020. Growth in interest income is contingent upon the amount of money invested, term of the investment and interest rates. For 2019-2020 SNB was able to retain a higher amount invested along with prior year investments continuing to provide slightly higher rates of return than currently available.



Expense Variances

Total expenses for 2019-2020 are \$8.4M higher than budgeted. This over expenditure is due to a higher salary expense of \$3.4M, purchase of new printers for \$4.3M, and additional discretionary expenses of \$0.7M. Variances by division will be explained below.



Executive Administration - Total expenses for 2019-2020 were \$0.2M less than budgeted. This decrease was due to unspent budget in Professional Services.

Finance, Human Resources and Strategy - Total expenses for 2019-2020 were \$0.8M greater than budgeted. This increase was due to \$0.8M in additional salary expense and additional WorkSafeNB claims of \$0.1M. These increases were partially offset by a saving of \$0.1M in credit card discount fees.

Strategic Procurement - Total expenses for 2019-2020 were \$0.4M less than budgeted. This decrease was due to unspent Professional Services fees and vacancies by \$0.6M.

Technology Services - Total expenses for 2019-2020 were \$4.8M less than budgeted. This decrease is due to vacancies of \$1.2M, savings in professional services of \$9.6M due to project delays and amortization of \$0.4M. These savings were partially offset by additional expenditures in computer hardware and software of \$4.0M, development expenses of \$1.7M and other discretionary expenses of \$0.7M.

Health Services - Total expenses for 2019-2020 were \$6.6M higher than budgeted. This increase was due to additional salaries of \$1.9M which were required due to the modernization of laundries service project, \$3.1M

in equipment, building and supplies expense, \$0.8M in amortization and \$0.8M in additional vehicle expenses.

Enterprise Services - Total expenses for 2019-2020 were \$5.0M greater than budgeted. Increases related to \$4.3M expense for new printers, additional salaries of \$0.3M and additional postage expense of \$0.9M. These increases were partially offset by saving in translation and interpretation of \$0.3M and office equipment and services of \$0.2M.

Public Services - Total expenses for 2019-2020 were \$1.4M higher than budgeted. This increase was primarily due to salary expenses of \$1.8M and computer and software expenses of \$0.1M. This increase was partially offset by \$0.2M reduction in Professional Services and other discretionary expenses of \$0.3M.

Risk Management

Service New Brunswick faces numerous risks which have the potential to disrupt the achievement of the corporation's strategic and operational objectives. Service New Brunswick uses an enterprise risk management approach to mitigate risks and challenges related to achieving strategic and operational objectives.

Risk Management – Board Oversight

While Executive Management is responsible for developing appropriate risk management policies, guidelines and strategies and ensuring monitoring and reporting procedures are established and followed, under the terms of reference, the Corporation's Board of Directors has overall responsibility for reviewing and approving risk management policies, procedures, and strategies recommended by Executive Management, and monitoring the corporation's adherence thereto.

Within the board structure, the Audit and Finance Committee focuses specifically on oversight of financial risks and risks relating to the systems of internal controls and financial reporting as well as fraud. The Governance and Human Resource Committee focuses on risks relating to employees and the work environment as well as focusing on the leadership and effectiveness of the Board of Directors and the reputation and public image of Service New Brunswick.

Risk Management – Independent Audits

To assist in its oversight of risk management, the Audit Committee has engaged an independent audit service provider to conduct a review of Service New Brunswick's internal controls and processes. In addition, Service New Brunswick has an internal audit services unit which conducts reviews in certain operating areas of SNB and reports regularly to the Audit and Finance Committee.

Summary of staffing activity

Number of SNB employees		
Employee type	2019-2020	2018-2019
Permanent	1,897	2,017
Temporary	83	81
Casuals	397	383
TOTAL	2,377	2,481

Permanent employees include all permanent full-time and part-time employees. Temporary employees are employees in various types of temporary positions, including Personal Service Contract positions and ministerial/constituency office staff. Casuals include full-time, part-time, hourly and on-call employees, as well as students.

Staffing Activity Within Fiscal Year		
Employee type	2019-2020	2018-2019
Permanent	341	355
Temporary	388	252
TOTAL	729	607

Staffing activities include formal competitions, expressions of interest, casual hiring, personal services contracts, secondments, and lateral transfers. Of these, SNB posted 395 competitions, including 249 open (public) competitions and 146 closed (internal) competitions.

Pursuant to sections 15 and 16 of the *Civil Service Act*, SNB made the following appointments using processes to establish merit other than the competitive process:

Appointment type	Appointment description	Section of the <i>Civil Service Act</i>	Number
Specialized Professional, Scientific or Technical	An appointment may be made without competition when a position requires: <ul style="list-style-type: none"> – a high degree of expertise and training – a high degree of technical skill – recognized experts in their field 	15(1)	0
Equal Employment Opportunity Program	Provides Aboriginals, persons with disabilities and members of a visible minority group with equal access to employment, training and advancement opportunities.	16(1)(a)	9
Department Talent Management Program	Permanent employees identified in corporate and departmental talent pools, who meet the four-point criteria for assessing talent, namely performance, readiness, willingness and criticalness.	16(1)(b)	8
Lateral transfer	The GNB transfer process facilitates the transfer of employees from within Part 1, 2 (school boards) and 3 (hospital corporations) of the Public Service.	16(1) or 16(1)(c)	22
Regular appointment of casual/temporary	An individual hired on a casual or temporary basis under section 17 may be appointed without competition to a regular properly classified position within the Civil Service.	16(1)(d)(i)	0
Regular appointment of students/ apprentices	Summer students, university or community college co-op students or apprentices may be appointed without competition to an entry level position within the Civil Service.	16(1)(d)(ii)	0

Pursuant to section 33 of the *Civil Service Act*, no complaints alleging favouritism were made to the CEO of Service New Brunswick and no complaints were submitted to the Ombud.

Summary of legislation and legislative activity

Name of Legislation	Effective Date	Summary of Changes
<i>Bill 19 - An Act Respecting the Assessment Act, the Real Property Tax Act and the Real Property Transfer Tax Act (joint proposal – Service New Brunswick and Finance and Treasury Board)</i> https://www.gnb.ca/legis/bill/pdf/59/2/Bill-19.pdf	This Bill received Royal Assent on June 14, 2019; changes will take effect on October 1, 2020.	The assessment and property tax notice is being divided into two notices as per the recommendations of the Auditor General. The assessment notice will be issued on October 1st of each year and the property tax notice will follow on March 1st of the following year.
<i>Bill 31 - Official Notices Publication Act (introduced by the Office of the Attorney General)</i> https://www.gnb.ca/legis/bill/pdf/59/2/Bill-31.pdf	This Bill received Royal Assent on June 14, 2019 and came into effect on September 1, 2019.	Responsibility for publishing the Queens Printer is to be transferred from the Office of the Attorney General to Service New Brunswick. An Order in Council was issued stating that this responsibility was transferred to the Minister of Service New Brunswick as of January 1, 2020.
<i>Bill 20 - An Act to Amend The Residential Tenancies Act</i> https://www.gnb.ca/legis/bill/pdf/59/3/Bill-20.pdf	This Bill received Royal Assent on December 20, 2019. It has yet to come into effect, but regulatory changes have been posted for the 28-day public review period.	Changes will be made to allow for the early termination of a long-term lease where a tenant is experiencing domestic violence.
<i>Bill 39 - An Act to Amend the Assessment Act (introduced by the Minister of Finance and Treasury Board)</i> https://www.gnb.ca/legis/bill/pdf/59/3/Bill-39.pdf	This Bill was introduced on March 17, 2020 but has yet to complete the legislative process.	Changes are being proposed so that the public transit facilities operated by the cities of Saint John, Fredericton and Moncton are exempt from the provincial portion of property tax.

Name of Regulation	Effective Date	Summary of Changes
<i>New Brunswick Regulation 87-30, the General Regulation – Vital Statistics Act</i> http://laws.gnb.ca/en/showfulldoc/cr/87-30//20200421	July 2, 2019	This regulation was amended to allow for a third option of “X” as a non-binary identifier on a birth certificate.
<i>New Brunswick Regulation 93-104, the Fees Regulation – Vital Statistics Act</i> http://laws.gnb.ca/en/showfulldoc/cr/93-104//20200421	July 2, 2019	The regulation was amended to allow for no fee to be charged to amend a birth certificate and a birth registration when obtained in relation to a change in sex designation.
<i>New Brunswick Regulation 2014-93, the General Regulation – Procurement Act</i> http://laws.gnb.ca/en/showfulldoc/cr/2014-93//20200421	July 2, 2019	This regulation was amended to comply with trade agreements and to revise outdated provisions.
<i>New Brunswick Regulation 84-6, the General Regulation – Assessment Act</i> http://laws.gnb.ca/en/showfulldoc/cr/84-6//20200421	October 1, 2020	This regulation is being amended to separate the Real Property Assessment Notice into two notices as per the recommendations of the Auditor General.

Summary of Official Languages activities

Service New Brunswick recognizes its obligations under the *Official Languages Act* and is committed to actively offering and providing quality services in both Official Languages.

Three official complaints were filed under the act in 2019–2020. All of the complaints were deemed to be founded, and the issues surrounding each were reviewed and addressed.

Introduction

During 2019–2020, Service New Brunswick continued to ensure its obligations under the *Official Languages Act* were met throughout the organization. Below are associated activities that were carried out on an ongoing basis during the year in question.

Focus 1

Ensure access to service of equal quality in English and French throughout the province:

- Completed a review of all linguistic profiles to ensure that resources can deliver services in both Official Languages.
- The Annual Customer Satisfaction Survey includes a question for customers to confirm if they received the service in the Official Language of their choice.
- Service New Brunswick now includes details of the required language proficiency levels for certain in-service competitions as a way to provide applicants with more information on the job requirements.

Focus 2

An environment and climate that encourages, for all employees, the use of the Official Language of their choice in their workplace:

- As part of the annual Performance Review process, all employees are required to review the Language of Service and Language of Work policies and discuss with their managers.

Focus 3

Ensure that new and revised government programs and policies took into account the realities of the province's Official Language communities:

- Presentations on Official Languages are part of the orientation for new employees.

Focus 4

Ensure public service employees have a thorough knowledge and understanding of the *Official Languages Act*, relevant policies, regulations, and the province's obligations with respect to Official Languages:

- Employees were asked to complete the online modules on Language of Service and Language of Work in order to build on their knowledge of the *Official Languages Act*.

Conclusion

During 2019–2020, Service New Brunswick continued to apply tools that help employees work in the language of their choice. The organization continues to work toward achievement of the objectives set out in the government-wide Official Languages Action Plan.

Summary of recommendations from the Office of the Auditor General

Section 1: Includes the current reporting year and the previous year

Name and year of audit area with link to online document	Recommendations
	Total
Matter arising from the Audit of the Financials Statements of Service New Brunswick, 2019/2020	6

Recommendations not Implemented	Considerations
Breakdowns in Internal Controls Resulted in Millions of Dollars of Overpayments: <i>Recommend SNB pay for goods or services it has received and review all payments made to Lexmark to verify SNB has only paid for printers it has ordered and received.</i>	Audit recommendation received in July 2020, possible implementation steps will be explored during the remainder of the 2020-21 fiscal year.
Increasing Risks of Operating Multiple Systems Including Duplicate Payments: <i>Recommend SNB implement a new accounting and payroll system. If SNB expects an extended timeframe for completing these projects and if it is cost effective, SNB should process transactions in one system reducing the risk of duplicate payments, fraud and staff inefficiencies.</i>	Audit recommendation received in July 2020, possible implementation steps will be explored during the remainder of the 2020-21 fiscal year.
Weaknesses in Cash Processes May Lead to Errors or Fraud Going Undetected: <i>Recommend SNB reconcile its cash to its accounting records on a regular basis. Cash should be reconciled every month for the previous month's activity and unreconciled amounts should be investigated and corrected as soon as possible.</i>	Audit recommendation received in July 2020, possible implementation steps will be explored during the remainder of the 2020-21 fiscal year.
Disclosing Significant Contracts: <i>Recommend SNB maintain a list of all significant contracts, review current and existing contracts, and disclose all significant contracts, if any, in its commitments note.</i>	Audit recommendation received in July 2020, possible implementation steps will be explored during the remainder of the 2020-21 fiscal year.
Weaknesses in Internal Control and Other Areas: <i>Recommend SNB review and resolve the weaknesses in internal control and other areas identified as soon as possible.</i>	Audit recommendation received in July 2020, possible implementation steps will be explored during the remainder of the 2020-21 fiscal year.
Service Level Agreements Remained Unsigned: <i>Recommend SNB have signed service level agreements with all of its business partners.</i>	Audit recommendation received in July 2020, possible implementation steps will be explored during the remainder of the 2020-21 fiscal year.

Name and year of audit area with link to online document	Recommendations
	Total
Matters Arising from our Audit of the Financial Statements of the Province, 2019 – SNB, Property Tax Assessment System https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2019V3/Agrepe.pdf	4

Implemented Recommendations	Actions Taken
<p>We recommend SNB improve the Market Adjustment Factor (MAF) processes by reviewing the accuracy of MAFs uploaded to the system, as well as any subsequent changes to approved MAFs.</p> <p>We recommend SNB document and retain evidence of all MAF reviews for audit purposes. This includes the review and approval of MAFs prior to upload.</p>	SNB has already updated its quality control measures to include enhancements to the MAF processes to ensure the accuracy of MAF uploads to the system.

Name and year of audit area with link to online document	Recommendations
	Total
Matters Arising from our Audit of the Financial Statements of the Province, 2020 – SNB, Payments Processed through the Imaging Process Management System (IPM)	4

Name and year of audit area with link to online document	Recommendations
	Total
Matters Arising from our Audit of the Financial Statements of the Province, 2019 – SNB, Information Technology Infrastructure Audit https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2019V3/Agrepe.pdf	5

Name and year of audit area with link to online document	Recommendations
	Total
Matters Arising from our Audit of the Financial Statements of the Province, 2019 – SNB, Payments Processed through the Imaging Process Management System (IPM) https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2019V3/Agrepe.pdf	6

Implemented Recommendations	Actions Taken
We recommend SNB identify, verify and approve changes to key supplier information, such as bank account number, name and address. The process of verifying and approving these changes should be performed by someone who does not have access to create or change supplier information. The approval should be documented and retained for audit purposes.	A review and approval process have been established.
We also recommend the database account passwords be changed as soon as possible to be in accordance with SNB password policies. SNB should investigate if the sharing of database accounts can be discontinued.	SNB has established a process to address this recommendation.

Name and year of audit area with link to online document	Recommendations
	Total
Matters Arising from our Audit of the Financial Statements of the Province, 2019 – SNB, Payroll and Benefits (HRIS) https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2019V3/Agrepe.pdf	3

Implemented Recommendations	Actions Taken
We again recommend SNB use effective project management practices when implementing a new payroll/ human management system. These practices should ensure the new system meets the needs of its users and is implemented in a timely manner, within budget and with proper internal controls.	Highly qualified project managers with experience in ERP implementations have been hired for the ERP project.

Name and year of audit area with link to online document	Recommendations
	Total
Matters Arising from our Audit of the Financial Statements of the Province, 2019 – SNB, Collection of Overdue Property Tax Accounts https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2019V1/Chap4e.pdf	1

Implemented Recommendations	Actions Taken
We again recommend SNB develop a strategy to collect overdue property tax accounts with specified targets. This strategy should: <ul style="list-style-type: none"> – provide measurable key performance indicators such as the timeliness and quantity of property accounts returned to the Department of Finance and Treasury Board for tax sale purposes; – analyze the feasibility of registering overdue property tax accounts with the Canada Revenue Agency (CRA) Refund Set-off Program; and – be agreed upon by both parties. 	Both the Department of Finance and Treasury Board and SNB have agreed on performance measures including a scheduled reporting timeline. The feasibility of using the CRA set off for property tax continues to be evaluated by the department. SNB will continue to work collaboratively with the department.

Name and year of audit area with link to online document	Recommendations
	Total
Matter arising from the Audit of the Financial Statements of Service New Brunswick, 2018/2019 https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2019V3/Agrepe.pdf	6

Implemented Recommendations	Actions Taken
<p>We again recommend SNB develop a process to prevent or identify duplicate transactions in its multiple systems.</p> <p>We again recommend SNB implement a new accounting and payroll system. If SNB expects an extended timeframe for completing these projects and if it is cost effective, SNB should process transactions in one system reducing the risk of duplicate payments, fraud and staff inefficiencies.</p>	<p>SNB instituted a process to check the three financial systems on a quarterly basis to identify duplicate payments. This new process has allowed the identification and immediate correction of duplicate payments during the year</p> <p>SNB has decided to wait until the ERP implementation for system changes.</p>
<p>We again recommend SNB train staff on how and when to record transactions around year-end.</p> <p>We again recommend SNB develop checklists and process documents which outline year-end accounting procedures.</p> <p>We recommend SNB thoroughly review all account reconciliations and other year-end documents to reduce the number of errors in the financial statements. Evidence of this review should be documented and retained for audit purposes.</p>	<p>SNB Financial Services is currently fully staffed and training continues for year end processes and reconciliations.</p>
<p>We recommend SNB review and resolve the internal control weaknesses identified in Appendix A as soon as possible.</p>	<p>Some internal control weaknesses identified in Appendix A have been rectified as singular issues however a number of the information technology controls remain reliant on the new ERP to resolve due to technological and/or cost effectiveness reasons. SNB has investigated these items and deemed the risks acceptable due to secondary controls which are currently in place.</p>
<p>We recommend SNB document its approval to dispose of tangible capital assets.</p> <p>We recommend SNB review and inspect its tangible capital asset listing on an annual basis to verify all assets exist and are valued appropriately.</p>	<p>Efforts were made before year end to bring increased awareness to the asset disposal policy and the responsibility of budget owners as it relates to capital asset purchase and disposal.</p> <p>The Director of Capital visited the site that was identified as the largest capital risk area due to major renovation and purchase of new equipment / disposal of old equipment.</p>
<p>We recommend SNB prepare its budget on the same basis as the financial statements.</p>	<p>Implemented for the 2020-2021 fiscal year budget.</p>
<p>We recommend SNB have signed agreements with all of its business partners.</p>	<p>Work continues on this recommendation.</p>

Section 2: Includes the reporting periods for years three, four and five

Name and year of audit area with link to online document	Recommendations	
	Total	Adopted
Special Examination of Property Assessment Services https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2017V3/Agrepe.pdf	25	13
Matters Arising from our Audit of the Financial Statements of the Province, 2016 – SNB, Property Tax Assessment System (EvAN) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2016V4/Agrepe.pdf	3	2
Matters Arising from our Audit of the Financial Statements of the Province, 2017 – Payments Processed through the Image Process Management System (IPM) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2017V4/Agrepe.pdf	4	2
Department of Social Development: Advisory Services Contract, 2017 – SNB, Strategic Procurement https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2017V1/Chap2e.pdf	3	2
Matters Arising from our Audit of the Financial Statements of the Province, 2017 – SNB, Payroll and Benefits (HRIS) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2017V4/Agrepe.pdf	3	1
Department of Agriculture, Aquaculture and Fisheries: Agricultural Fair Associations, 2016 – SNB, Property Tax Assessment Services http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2016V1/Chap4e.pdf	2	1
Matters Arising from our Audit of the Financial Statements of the Province, 2016 – SNB, Information Technology Findings http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2016V4/Agrepe.pdf	4	2

Report on the *Public Interest Disclosure Act*

Service New Brunswick has policies and processes designed to manage public interest disclosures as required by the *Public Interest Disclosure Act*. Service New Brunswick received no claims or disclosures of wrongdoing in the 2019-2020 fiscal year.

Appendix: Financial statements

Financial Statements – Service New Brunswick

Management Report

The preparation of financial information is an integral part of management's responsibilities and the accompanying financial statements are the responsibility of the management of the Corporation. This responsibility includes the selection of appropriate accounting policies and making judgments and estimates consistent with Canadian Public Sector Accounting Standards (PSAS).

The Corporation maintains accounting systems and related controls to provide management and the Board of Directors with reasonable assurance that transactions are executed and recorded as authorized, that assets are properly safeguarded and accounted for, and that financial records are reliable for the preparation of financial statements in accordance with PSAS.

It is the responsibility of the Board of Directors to oversee management's performance of its financial reporting responsibilities and to review and approve the financial statements. It is assisted in its responsibilities by the Audit and Finance Committee. This committee reviews and recommends approval of the financial statements, and meets periodically with management and the external auditors concerning internal controls and matters related to financial reporting. Upon the recommendation of the Audit and Finance Committee, these financial statements for the year ended March 31, 2020 are approved by the Board of Directors.



Alan Roy
Chief Executive Officer



Renée Laforest, CPA, CGA
Chief Financial Officer

Fredericton, N.B., Canada
July 15, 2020

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Board of Directors of Service New Brunswick

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Service New Brunswick (the Entity), which comprise the statement of financial position as at March 31, 2020, and the statements of operations & change in accumulated surplus, change in net financial assets, and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and the results of its operations & change in accumulated surplus, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

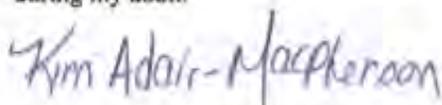
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



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

Fredericton, New Brunswick, Canada
July 15, 2020

Service New Brunswick

Statement of Financial Position

As at March 31

	2020	2019
Financial Assets		
Cash	\$ 6,704,321	\$ 22,657,798
Due from Province of New Brunswick	83,639,431	61,048,971
Short-Term Investments	12,000,000	6,000,000
Restricted Assets (Note 6)	8,012,487	13,692,600
Accounts Receivable and Advances (Note 7)	23,369,162	25,340,757
Long-Term Investments	7,000,000	19,000,000
Total Financial Assets	140,725,401	147,740,126
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	\$ 30,580,875	\$ 27,407,378
Partner Liabilities (Note 9)	1,582,489	7,481,288
Deferred Receipts	287,047	349,387
Land Titles Assurance (Note 10)	6,429,998	6,211,312
Total Liabilities	38,880,409	41,449,365
Net Financial Assets	\$101,844,992	\$ 106,290,761
Non-Financial Assets		
Tangible Capital Assets (Note 11)	\$ 69,848,863	\$ 58,558,190
Inventory	240,688	234,542
Prepaid Expenses	14,996,163	11,522,349
Total Non-Financial Assets	85,085,714	70,315,081
Accumulated Surplus	\$186,930,706	\$ 176,605,842

The accompanying notes are an integral part of these Financial Statements.

Contingent Liabilities (Note 13)

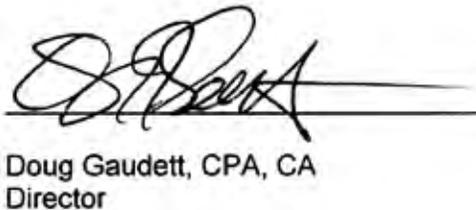
Subsequent Event (Note 15)

Commitments (Note 14)

Approved on Behalf of the Board



Karen O. Taylor
Chair - Board of Directors



Doug Gaudett, CPA, CA
Director

Service New Brunswick

Statement of Operations & Change in Accumulated Surplus

For the years ended March 31

	Budget Note 3	2020	2019
Revenue			
Government Transfers	\$ 179,580,090	\$ 189,763,225	\$ 200,054,247
Products and Services	46,430,996	55,761,657	57,791,197
Municipal Services	13,033,588	13,124,567	12,790,692
Registry Services	23,768,470	23,072,673	22,098,265
Rebates and Recoveries	2,709,000	2,506,007	4,213,057
Investment Income	500,000	538,154	2,937,678
Total Revenue	266,022,144	284,766,283	299,885,136
Expense			
Executive Administration	768,557	567,777	591,799
Finance, Human Resources and Strategy	17,313,677	18,159,286	24,730,969
Strategic Procurement	5,141,699	4,750,652	4,253,181
Technology Services	147,490,403	142,699,373	140,163,539
Health Services	36,851,515	43,435,749	43,190,771
Enterprise Services	27,262,022	32,244,989	26,355,659
Public Services	31,194,271	32,583,593	31,383,168
Total Expense	266,022,144	274,441,419	270,669,086
Surplus	-	10,324,864	29,216,050
Accumulated Surplus, Beginning of Year		176,605,842	147,389,792
Accumulated Surplus, End of Year		\$ 186,930,706	\$ 176,605,842

The accompanying notes are an integral part of these Financial Statements.

Service New Brunswick

Statement of Change in Net Financial Assets

For the years ended March 31

	Budget Note 3	2020	2019
Net Financial Assets, Beginning of Year	\$106,290,761	\$106,290,761	\$ 89,545,458
Surplus	-	10,324,864	29,216,050
Loss (Gain) on Disposal of Tangible Capital Assets	-	123,760	129,542
Proceeds from Disposal of Tangible Capital Assets	-	24,965	201,226
Acquisition of Tangible Capital Assets (Note 11)	(21,611,648)	(20,140,251)	(20,334,762)
Amortization of Tangible Capital Assets	8,404,655	8,700,853	8,293,628
Net Changes in Prepaid Expenses	-	(3,473,814)	(708,428)
Net Changes in Inventory	-	(6,146)	(51,953)
(Decrease) Increase in Net Financial Assets	(13,206,993)	(4,445,769)	16,745,303
Net Financial Assets, End of Year	\$ 93,083,768	\$101,844,992	\$106,290,761

The accompanying notes are an integral part of these Financial Statements.

Service New Brunswick

Statement of Cash Flows

For the years ended March 31

	2020	2019
Cash Generated by (used in):		
Operating Transactions		
Surplus	\$ 10,324,864	\$ 29,216,050
Amortization of Tangible Capital Assets	8,700,853	8,293,628
Loss on Disposal of Tangible Capital Assets	123,760	129,542
	19,149,477	37,639,220
Changes in Non-Cash Working Capital Balances		
Accounts Receivable and Advances (Note 7)	1,971,595	(827,410)
Due from Province of New Brunswick	(22,590,460)	(61,048,971)
Accounts Payable and Accrued Liabilities (Note 8)	3,173,497	(10,629,637)
Prepaid Expenses	(3,473,814)	(708,428)
Land Titles Assurance (Note 10)	218,686	206,979
Partner Liabilities (Note 9)	(5,898,799)	707,616
Deferred Receipts	(62,340)	4,734
Due to Province of New Brunswick	-	(21,508,621)
Inventory	(6,146)	(51,953)
Restricted Assets (Note 6)	5,680,113	735,405
	(1,838,191)	(55,481,066)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 11)	(20,140,251)	(20,334,762)
Proceeds from Disposal of Tangible Capital Assets	24,965	201,226
	(20,115,286)	(20,133,536)
Investing Transactions		
Investments Purchased	-	(58,000,000)
Investments Redeemed	6,000,000	81,000,000
	6,000,000	23,000,000
(Decrease) Increase in Cash	(15,953,477)	(52,614,602)
Cash, Beginning of Year	22,657,798	75,272,400
Cash, End of Year	\$ 6,704,321	\$ 22,657,798

The accompanying notes are an integral part of these Financial Statements.

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2020

1. Description of Operations

Service New Brunswick (hereafter referred to as "the Corporation") is a non-taxable Crown Corporation established under the *Service New Brunswick Act* (hereafter referred to as "the Act") which was proclaimed and came into force October 1, 2015.

The Corporation has no share capital and the Act does not provide for this. However, the Act does stipulate that any profits may be appropriated by the Crown at the discretion of the Minister of Finance. The Corporation is not subject to any externally imposed capital requirements and has the ability to borrow funds when necessary.

The Corporation was formed as a result of the restructuring of the former common services organizations, the New Brunswick Internal Services Agency, Service New Brunswick, the Department of Government Services and FacilicorpNB into one common services organization Service New Brunswick. Its mission is providing high quality, innovative public services for customers with a focus on value for all New Brunswickers.

On October 22, 2019 the Corporation's wholly owned subsidiary Contract Management Services Limited ("CMSL") was dissolved. CMSL financial results are no longer consolidated with Service New Brunswick.

2. Summary of Significant Accounting Policies

General

These financial statements are prepared by management using the Corporation's accounting policies stated below, which are in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board.

Due from Province of New Brunswick

Represents the net amount of Province of New Brunswick ("the Province") funds used by the Corporation in the course of its operations. The amount is payable to the Corporation on demand and is not interest bearing. It does not include all amounts owing to or receivable from the Province (Note 5).

Investments

The Corporation holds investments in the form of short-term and long-term Guaranteed Investment Certificates of varying interest rates. Short-term investments mature within the subsequent fiscal year while long-term investments are held to a maximum of 5 years.

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2020

Note 2 (Continued)

Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not to be consumed in the normal course of operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but instead are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include prepaid expenses, inventory and tangible capital assets.

Restricted Assets

Management has amounts Due from Province of New Brunswick equal to the amount of Partner Liabilities (Note 9) and the amount accumulated under Land Titles Assurance (Note 10).

Tangible Capital Assets

Tangible capital assets are assets owned by the Corporation which have useful lives greater than one year. For practical purposes certain dollar thresholds have been established for each asset. Intangible assets are not recognized in the financial statements.

Tangible capital assets are reported at cost and amortized on a straight-line basis over their estimated useful lives.

In the year of acquisition and disposal, one-half of the annual amortization expense will be recorded.

Thresholds and Amortization Rates

Class	Cost Thresholds	Amortization Rate
Land	Any	n/a
Buildings	\$ 100,000	40 years
Leasehold Improvements	\$ 100,000	Lease Term
Capital Leases (various classes)	As per related class	Lease Term
Computer Hardware	\$ 100,000	5 years
Computer Software	\$ 100,000	5 years
Motor Vehicles	\$ 15,000	5 – 10 years
Major Equipment	\$ 100,000	5 – 15 years
Databases and Systems	\$ 100,000	5 – 15 years
First Time Equipping of New Buildings	\$ 100,000	5 years
Assets Under Construction	As per related class	n/a

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2020

Note 2 (Continued)

Revenues

Government transfers are provided by the Province in the form of appropriations, operating and capital grants in accordance with Government's Main Estimates process. Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Government transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Deferred government transfer revenue is recognized in the statement of operations & change in accumulated surplus as the liabilities are settled.

Other revenues; including Products and Services, Municipal Services and Registry Services are recognized in the period in which the transactions or events occurred that gave rise to the revenues. Gains are generally recognized when realized. Items not practicably measurable until cash is received would be accounted for at that time.

Deferred Receipts

Monies received in consideration for the development of Tangible Capital Assets such as systems are initially accounted for as deferred receipts, and recognized as revenue in the period in which the asset is completed and deployed.

Pension Contributions

The Corporation has shared risk pension plans in accordance with New Brunswick's *Pension Benefits Act*. Certain employees of the Corporation are entitled to receive benefits under these plans. Employer pension contributions are accounted for by the Province on behalf of the Corporation. The Corporation is not responsible for any unfunded liability nor does it have access to any surplus with respect to its employee pensions.

The Corporation's employer contributions are made by the Province as described below.

Expenses Paid by Other Parties

The Corporation's employer contributions are made by the Province as described in Note 5.

Inter-entity Transactions

Inter-entity transactions (transactions between commonly controlled entities) are recorded at the exchange amount when they are undertaken on similar terms and conditions as if the entities were dealing at arm's length. Cost allocations (such as chargebacks) to/from commonly controlled entities are recorded on a gross basis.

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2020

Note 2 (Continued)

Financial Instruments

Financial assets and liabilities are initially recognized at fair value and their subsequent measurement is dependent on their characteristics, the purpose for which the financial instruments were acquired or issued, and how they are evaluated or managed.

All financial assets and liabilities, not including Deferred Receipts, are subsequently measured at cost or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Measurement Uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the useful lives of tangible capital assets for amortization, allocation of costs, Land Titles Assurance as well as the accrual of certain expenses and service delivery revenues. Actual results could differ from management's estimates as additional information becomes available in the future. Additional information is provided under Subsequent Events (Note 15).

Inventory

Inventory includes paper stock and supplies used in the Print Centre, postage on hand in Postal Services and is recorded at the lower of cost or net realizable value.

Prepaid Expenses

Prepaid expenses include maintenance and support amounts, in excess of \$10,000, which are charged to expense over the periods expected to benefit from it.

3. Budget

The budget figures included in these financial statements have been derived from management's estimates and approved by the Corporation's Board of Directors.

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2020

4. Risk Management

The carrying value of the Corporation's financial instruments are assumed to approximate their fair amounts because of their short term to maturity.

An analysis of significant risk from the Corporation's financial instruments is provided below:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. Significant accounts receivable balances are due from related entities of the Province (\$14,452,565 as described in Note 5) and two vendors with whom the Corporation conducts regular business (\$5,413,333 in total). These balances are considered low risk due to excellent collection history. The Corporation's maximum exposure to credit risk at March 31, 2020 is equal to the accounts receivable balance of \$23,433,726. Credit risk is not disbursed as the majority of the accounts receivable balance consists of amounts due from related entities of the Province and two reputable vendors noted above.

b) Liquidity risk

Liquidity risk is the risk of not being able to settle or meet an obligation on time or at a reasonable price. The Corporation manages liquidity risk through its Due From Province of New Brunswick to ensure sufficient cash availability to meet operating and capital requirements.

c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. The Corporation's management considers exposure to interest rate risk to be insignificant.

d) Currency risk

Currency risk arises on financial instruments denominated in a foreign currency. The Corporation is exposed to currency risk on purchases and that are denominated in a currency other than the Corporation's functional currency, primarily in US Dollars (USD). The Corporation's foreign currency transactions are normally settled in the short term, therefore management considers exposure to currency risk to be insignificant.

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2020

5. Related Entity Transactions

The Corporation is economically dependent on the Province of New Brunswick. During the fiscal year, the Corporation received funding of \$189,763,225 (\$200,054,247 in 2019) from the Province. These financial statements include transactions with related entities.

The Corporation is related to the Province and all departments, agencies, commissions, and Crown corporations under common control of the Province.

As part of its common services mandate, the Corporation provides services for payroll, payment processing, information technology, procurement, laundry, collections and other administrative support services to the Province and many other entities under common control of the Province.

Transactions with the Province of New Brunswick and entities under common control of the Province are settled on normal trade terms, with the exception of the items noted below:

- The Corporation uses some office space for which rent is paid for by the Province.
- The Province contributes certain other services, such as legal and personnel services pending subsequent transfer to the Corporation.
- The Province records the employer expenses for the following: Pension contributions, Canada Pension Plan contributions, Retirement Allowance payments, Group Life Insurance, and Supplementary Employee Retirement Program on behalf of the Corporation. These expenses along with the Sick Leave Liability Accrual, Worksafe Liability Accrual, and vacation liability are not presented in these financial statements. Under the agreed operating terms of the Corporation, these benefit plan balances are obligations/assets of the Province and are not assumed by the Corporation.
- Items recorded on a net basis such as IT procurement, telephone and marketing chargebacks.

There are no contractual obligations or contingent liabilities with related entities.

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2020

Note 5 (Continued)

The Statement of Financial Position contains the following related entity amounts.

	2020	2019
Due from Province of New Brunswick	\$ 83,639,431	\$ 61,048,971
Accounts Receivable	14,452,565	13,704,267
Accounts Payable and Accrued Liabilities	(431,731)	(849,852)
Partner Liabilities	(1,222,579)	(6,110,252)
Net Due to (from) the Corporation	\$ 96,437,686	\$ 67,793,134

The Statement of Operations & Change in Accumulated Surplus contains the following amounts that were received from or paid to the Province of New Brunswick related entities:

	2020	2019
Revenue	\$246,356,423	\$259,544,932
Expense	(3,773,659)	(4,878,786)
Net Revenue	\$242,582,764	\$254,666,146

6. Restricted Assets

	2020	2019
Partner Liabilities (Note 9)	\$ 1,582,489	\$ 7,481,288
Land Titles Assurance (Note 10)	6,429,998	6,211,312
	\$ 8,012,487	\$ 13,692,600

7. Accounts Receivable and Advances

	2020	2019
Accounts Receivable	\$ 22,795,232	\$ 24,586,388
Advances	484,604	548,649
Accrued Interest	153,890	232,447
Provision for Doubtful Accounts	(64,564)	(26,727)
	\$ 23,369,162	\$ 25,340,757

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2020

8. Accounts Payable and Accrued Liabilities

	2020	2019
Accounts Payables and Accrued Liabilities	\$ 23,511,475	\$ 23,154,731
Salary and Benefits Payable	7,069,400	4,252,647
	\$ 30,580,875	\$ 27,407,378

9. Partner Liabilities

The Corporation collects amounts on behalf of the Province of New Brunswick and other business partners. The following amounts were payable to the Province and other partners at the end of the year.

	2020	2019
Province of New Brunswick	\$ 1,217,205	\$ 5,906,375
Other Partners	365,284	1,574,913
	\$ 1,582,489	\$ 7,481,288

10. Land Titles Assurance

Under the *Land Titles Act*, the Province guarantees title to real property registered under Land Titles. The Corporation has established a charge, based on an actuarial estimate, to cover potential claims pertaining to indemnification pursuant to the *Land Titles Act*. An assurance fee of \$3.00 is charged for each registration in the Land Titles registry:

	2020	2019
Opening Balance	\$ 6,211,312	\$ 6,004,333
Assurance Fees Collected	238,686	221,979
Assurance Claims Paid	(20,000)	(15,000)
	\$ 6,429,998	\$ 6,211,312

Service New Brunswick

Notes to the Financial Statements
For the year ended March 31, 2020

11. Tangible Capital Assets

	Computer Hardware and Software	Land and Buildings	Databases and Systems	Motor Vehicles	Major Equipment	Leasehold Improvements	First Time Equipping of New Buildings	Assets Under Construction (AUC)	March 31 2020 Total	March 31 2019 Total
Estimated Useful Life (Years)	5 Years	Buildings 40 Years	5 - 15 Years	5 - 10 Years	5 - 15 Years	Lease Term	5 Years			
Cost										
Opening Cost	\$28,684,587	\$ 4,533,694	\$62,471,515	\$ 390,967	\$20,199,369	\$ 6,304,426	\$1,794,274	\$ 16,956,179	\$ 141,335,011	\$ 127,477,194
Transferred from AUC	-	15,099,562	1,505,052	-	2,627,590	1,739,746	-	(20,971,950)	-	-
Additions	4,100,099	-	-	108,616	3,491,346	-	-	12,440,190	20,140,251	20,334,762
Disposals	(293,205)	-	-	-	(4,853,830)	-	-	-	(5,147,035)	(6,476,945)
Closing Cost	32,491,481	19,633,256	63,976,567	499,583	21,464,475	8,044,172	1,794,274	8,424,419	156,328,227	141,335,011
Accumulated Amortization										
Opening Accumulated Amortization	18,814,401	3,044,567	47,738,427	159,605	6,419,662	4,805,885	1,794,274	-	82,776,821	80,629,370
Disposals	(293,205)	-	-	-	(4,705,105)	-	-	-	(4,998,310)	(6,146,177)
Amortization Expense	4,053,780	225,923	2,609,100	63,630	1,252,851	495,569	-	-	8,700,853	8,293,628
Closing Accumulated Amortization	22,574,976	3,270,490	50,347,527	223,235	2,967,408	5,301,454	1,794,274	-	86,479,364	82,776,821
Net Book Value	\$ 9,916,505	\$16,362,766	\$13,629,040	\$ 276,348	\$18,497,067	\$ 2,742,718	\$ -	\$ 8,424,419	\$ 69,848,863	\$ 58,558,190

Assets Under Construction at March 31, 2020 is as follows:

Databases and Systems	\$ 264,087
Major Equipment	1,673,443
Leasehold Improvements	6,486,889
Computer Hardware and Software	-
Total	\$ 8,424,419

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2020

12. Expenses by Object

	2020	2019
Personnel Services	\$136,710,032	\$136,621,706
Supplies and Services	128,813,860	125,618,632
Debt and Other Charges	216,674	135,120
Amortization	8,700,853	8,293,628
	\$274,441,419	\$270,669,086

13. Contingent Liabilities

The Corporation does not carry general liability insurance on the majority of its assets. Any successful liability claims against the Corporation and any replacement of lost or damaged property are generally charged to expense in the year of settlement or replacement.

The Corporation is involved in legal actions which the outcome is not determinable and where management believes there is no material loss. These amounts are not disclosed to prevent adverse effects on the outcome of the litigations.

14. Commitments

The Corporation has commitments related to office space, enterprise licenses, and equipment. Minimum payments for these commitments are estimated as follows:

	2021	2022	2023	2024	2025	Thereafter
Office Space	\$5,088,649	\$4,307,890	\$4,033,711	\$3,770,530	\$3,045,547	\$3,603,338
Enterprise Licenses	10,362,431	10,375,060	3,149,564	2,492,700	2,492,700	10,886,251
Equipment	296,902	-	-	-	-	-
Total	\$15,747,982	\$14,682,950	\$7,183,275	\$6,263,230	\$5,538,247	\$14,489,589

The Corporation enters into other contractual arrangements on a regular basis in its normal course of operations.

15. Subsequent Events

As of April 1, 2020 Corporate Marketing operations transferred from Service New Brunswick to the Executive Council Office. This transfer affected 22 positions with \$1.1M in associated budget (salary and operations).

As of April 1, 2020 a portion of the Enterprise Resource Planning project budget was transferred from Service New Brunswick to Finance and Treasury Board. This transfer affected 0 positions with \$7.1M in associated budget (salary and operations).

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2020

Note 15 (Continued)

In March 2020, a global pandemic was declared as a result of the COVID-19 virus. Because of the timing of when the pandemic was declared, the COVID-19 virus did not have a significant financial impact on the Corporation for the year ended March 31, 2020. The extent and timing, however, of the continued spread, or mitigation of, the COVID-19 virus remains uncertain. Given this uncertainty, the Corporation cannot reasonably estimate the financial impact of the COVID-19 virus on its future results of operations, cash flows or financial position. The Corporation is continuing to closely monitor and evaluate the impacts of the COVID-19 virus on its financial condition.