



Business Plan 2021-2022

AUDITOR GENERAL
OF NEW BRUNSWICK



VÉRIFICATEUR GÉNÉRAL
DU NOUVEAU-BRUNSWICK

Introduction

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

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

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

This document presents the Office's 2021-2022 business plan. The Office's performance report is also available on our website www.agnb-vgnb.ca

The 2021-2022 year is anticipated to be a very busy year for our Office and one of significant change. This is due to the Auditor General of New Brunswick taking a new role as the Auditor General of Nova Scotia starting May 3, 2021.

The Office intends to table up to three volumes of the 2021 Report of the Auditor General at a timeline to be determined by our new Auditor General. A new strategic plan for the Office will also be done in accordance with the new Auditor General's wishes.

The extent of the continuing impact of the COVID-19 global pandemic in 2021-2022 is uncertain. While our prior year audits were published early in 2021, the pace of progress was not as expected because a number of government offices were challenged to respond to our inquiries.

At the time of writing this 2021-2022 Business Plan, our staff are all working to deliver performance and financial audits and draft chapters for future reports.

In addition, one of our most significant priorities for 2021-2022 is to continue to expand the Office's performance audit resources, given our \$1 million budget increase in the prior year. Finding suitable staff resources is challenging, however, given the skill set and experience sought, and considering the impact of the COVID-19 global pandemic.

What we do

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

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

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

Recent examples of this type of request are our 2020 Report Volume I regarding follow up of our Office's work in 2008 on Timber Royalties, as well as our 2017 Report Volume III Service New Brunswick residential property assessment, and our 2018 Report Volumes I & II chapters on WorkSafeNB.

Guiding principles

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

Our Vision

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

Our Mission

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

Our Values

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

- **Team**

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

- **Impact**

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

- **Integrity**

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

Strategic Plan

The current strategic plan reflects the Office's focus on performance audit expansion with our \$1 million budget increase and includes the following objectives:

1. select a quality mix of performance and financial audits that deliver greatest value to the Legislative Assembly and the people of New Brunswick;
2. provide a rewarding work environment for our team;
3. enhance our support to the Public Accounts Committee;
4. maintain public awareness of AGNB's role, reports and authority under the AG Act; and
5. maintain our Risk Management and Professional Standards Accountability.

The Office will be updating its strategic plan in 2021-2022 according to the wishes of the new Auditor General.

2021-2022 Priorities

Our Office's 2021-2022 priorities reflect our vision, mission and values as well as our strategic objectives. Our 2021-2022 priorities are:

Overall

AGNB's overall priority is to issue up to three volumes of our 2021 Report covering both financial and performance audits at a timeline to be determined by the new Auditor General.

Performance audit

Performance audit priorities relate to work required to complete and report on performance audits. Chapters that we anticipate publishing in our 2021 reports include:

- Rural Internet;
- Covid-19 Expenditures;
- Salary & Benefits in GNB;
- Accountability and Oversight by ECO of Public Entities;
- Energy Efficiency;
- GNB Health & Dental Benefit Plans;
- ANBL/Cannabis Procurement
- Joint Follow-up of the 2016 Recommendations to the Atlantic Lottery Corporation; and
- Follow Up.

Financial audit

The audit of the Province of New Brunswick's financial statements is the largest and most significant financial audit completed by our Office. Its completion is dependent on many factors, some of which are outside of our control. Past years have seen fall completion dates for this work given significant accounting and audit issues encountered. This year we have targeted September 2021 for completion.

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

The Office also audits Service New Brunswick, which is integral to our audit of the Province's financial statements and represents another large and

complex audit for our Office (given the comprehensive and diverse nature of SNB operations).

Overall, the financial audit team will audit 11 Crown agency financial statements, one cost shared claim (Legal Aid Claim), and perform one notice to reader engagement (NB Combat Sport Commission).

Below is a list of our planned Crown agency financial statement audits for 2020-2021:

- Cannabis Management Corporation
- New Brunswick Energy Solutions Corporation
- New Brunswick Legal Aid Services Commission
- New Brunswick Lotteries and Gaming Corporation
- New Brunswick Municipal Finance Corporation
- New Brunswick Highway Corporation
- Opportunities New Brunswick
- Provincial Holdings Limited
- Public Trustee – Trusts administered
- Regional Development Corporation
- Service New Brunswick

The financial audit team is also responsible for preparing recommendations to the entities it audits when significant deficiencies are observed. The key findings from our financial audit recommendations as well as comments on the Province's financial position and sustainability will be included in the financial audit volume of our Report.

Quality assurance

Quality is essential to the work of our Office. We believe the public, the government and our stakeholders demand the highest quality in our work. In response, we have processes in place to assess and monitor our quality assurance practices. For 2021-2022 our key priorities in this area include: maintaining, monitoring and reporting on our Office quality control systems, as well as participating in peer professional reviews and implementing any related recommendations.

Human resources and administration

Our human resources and administration practices support the vision, mission and strategic objectives for the Office. Human resource and administration priorities for 2021-22 include:

- expanding the office work force for performance audit and onboarding new hires;
- provide all staff with adequate professional development opportunities to support and complement their work assignments and meet professional development requirements;
- continue to support our CPA students in their training and CPA education program as they gain professional experience in our Office;
- table our performance report and business plan as required under our Act;
- perform an employee perception survey;
- maintain and update our financial and performance audit methodologies;
- conduct lessons learned exercises at the end of each audit and for large projects;
- update the project plan for performance audit; and
- receive an unqualified audit opinion on our Office’s financial statement audit and publish the audited financial statements in our performance report.

Performance measures

The Office has used performance measures for many years to assess its performance. We have assessed our Office performance in our 2019-2020 performance report which is available on our [website](#). The performance report also includes our March 31, 2020 financial statements, for which we received an unqualified audit opinion dated July 23, 2020.

The March 31, 2021 financial statements will also be available on the website once the financial statement audit is completed.

Our current performance measures and related targets are listed below:

Performance measure	Link to Strategic Objective (SO)/ Mission	Office target 2021-2022
1. MLA perception, as determined by survey	Mission SO #1 SO # 3	80% or higher
2. Auditee perception, as determined by survey	SO #3	80% or higher
3. Percentage of performance audit recommendations implemented	Mission	Overall 100% of our recommendations implemented for our follow up period
4. Employee perception, as determined by survey	SO #2	80% or higher
5. Completion of audits on time	Mission SO #3	All target dates met
6. Use of our time, focusing on the percentage of time spent on audit work	SO #1 SO #6	Allocation of working hours as follows: <ul style="list-style-type: none"> • Financial and performance audits - 65% • Professional development and training - 5% • Audit office admin & support activities - 30%
7. Staff cost of our audits	SO #1 SO #6	\$1,950,000* represents the approximate annual staff cost of significant audit projects split as follows: <ul style="list-style-type: none"> • 45% Performance audit • 20% Province of New Brunswick audit • 24% Crown agencies audit • 1% Cost shared claims audit • 10% AG report preparation <p><i>*note: we also expect to hire experts and other resources which are not included in this amount</i></p>
8. Number of public reports	SO #3 SO #4	Up to 3 Volumes of the 2021 Auditor General Report

Budget 2021-2022

The Office's approved budget for 2021-2022 is \$3,377,000 which has been allocated as follows:

Personnel services	\$ 3,043,000
Other services	479,300
Materials and supplies	8,200
Property and equipment	13,500
Less: recoveries	(167,000)
Total budget 2021-2022	\$ 3,377,000

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

In accordance with our Act, the Office has cost recoveries in relation to certain financial audits and, on occasion, performance audits. This represents about 5% of the Office's overall current budget.

Additional information

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

Telephone: 506-453-2465
Fax: 506-453-3067
Mail: PO Box 758, Fredericton, NB, E3B 5B4