



Business Plan 2023-2024

AUDITOR GENERAL
OF NEW BRUNSWICK



VÉRIFICATEUR GÉNÉRAL
DU NOUVEAU-BRUNSWICK

INTRODUCTION

The Office of the Auditor General of New Brunswick (AGNB) is an independent office that serves the New Brunswick Legislative Assembly. The Office assists the Legislative Assembly in holding the government accountable by reporting on its performance, the delivery of programs and services, and stewardship of public funds and resources.

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 2023-2024 business plan. The Office's performance report is also available on our website www.agnb-vgnb.ca

The 2023-2024 year begins the first full year of the Office's new strategic plan. We are excited about our refreshed strategic priorities and goals and look forward to implementing them in the year ahead. We will report our implementation progress and measure our results using our updated performance targets in our 2023-2024 Report on Performance.

At the time of writing this 2023-2024 Business Plan, our staff are all working to deliver performance and financial audits for future reports. Overall, the Office intends to table three volumes of the 2023 Report of the Auditor General.

The significant focus of our 2023 reports will be presenting the results of our work on government's response to the Covid-19 pandemic. This work was undertaken at the request of the Legislative Assembly and will focus on key government entities and departments involved in providing, overseeing or coordinating government's pandemic response.

In addition, one of our most significant priorities this year is staff recruitment and retention. The labour market for professionals is extremely competitive and we continue to face recruitment and retention challenges given other market opportunities. Ensuring we have enough skilled and qualified staff resources to accomplish the work of our Office remains a priority.

WHAT WE DO

We provide audit opinions on financial statements and conduct performance audits on government's programs and services. The New Brunswick *Auditor General Act* outlines our responsibilities. The findings of our Office are issued through our reports to the Legislative Assembly and appearances before the Standing Committee on Public Accounts. We encourage discussion and debate on public sector management and accountability issues. Our Auditor General Reports are public documents.

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, public property or on any funding recipient.

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 and the people of New Brunswick on government's performance in its delivery of programs and services.

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.

- **Diversity**

We respect strength gained from our varied experiences, knowledge, and backgrounds.

- **Learning**

We offer continuous professional and personal development through teamwork and training.

- **Integrity**

We strive to meet the highest standards of professional and ethical conduct.

- **Impact**

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

- **Independence**

We work together and with others in an open, nonpartisan, trustworthy and objective manner.

- **Trust**

We are professional, honest, courteous and fair.

STRATEGIC PLAN

Our Office's new strategic plan includes the following strategic goals and priorities:

1. **Focus on relevant audit areas**

- identify relevant audit areas
- focus on impact and value

2. **Sustain an engaged work force**

- foster a work environment reflective of our values
- develop leaders
- recruit and retain qualified employees

3. **Deliver quality audits on a timely basis**

- meet evolving professional standards
- manage resources based on deadlines
- review, refresh and refine Office processes

2023-2024 OFFICE PRIORITIES

Our Office's current 2023-2024 priorities reflect our vision, mission and values as well as our strategic goals and priorities.

OVERALL

AGNB's overall priority is to issue up to three volumes of our 2023 Report covering both financial and performance audits by December 31, 2023.

PERFORMANCE AUDIT

Performance audit priorities relate to work required to complete and report on performance audits. Chapters that we anticipate publishing in our 2023 reports include government's response to the Covid-19 pandemic pertaining to work conducted in the following key government entities:

- Executive Council Office
- Department of Education and Early Childhood Development
- Department of Finance and Treasury Board
- Department of Health
- Department of Justice and Public Safety
- Department of Social Development

We will also publish our annual chapter on follow up of prior year performance audit recommendations.

Projects the Office currently has started include:

- WorkSafeNB Claims*
- Flood Relief & Readiness*
- Service New Brunswick (SNB) Value Proposition*
- Crown Agency Construction Contracts*
- Nurse Practitioners*
- Mental Health Services*

**Work on these projects has been deferred and, depending on future audit project selections, work may resume again after completion of the work on government's COVID-19 pandemic response*

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 Office's control. Past years have seen fall completion dates for this work given significant accounting and audit issues encountered. This year we have targeted September 2023 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.

Among the information systems being examined again this year is Oracle Fusion, part of the Province's new ERP project. The scope of the ERP Project is extensive, requiring multiple years to implement. As well, our Office may be required to obtain expert assistance in performing our work.

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 and also its ongoing conversion to Oracle Fusion).

Overall, our Office will audit nine Crown agency financial statements and one cost shared claim (Legal Aid Claim).

Below is a list of our planned Crown agency financial statement audits during 2023-2024:

- Cannabis Management 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
- Public Trustee – Trusts administered
- Regional Development Corporation
- Service New Brunswick

Our Office also provides 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 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 2023-2024 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. As well, by December 15, 2023 the Office will be required to evaluate its system of quality management after implementation of the new Canadian Standard on Quality Management in December 2022.

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 2023-24 include:

- staff recruitment and retention;
- 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;
- maintain and update our financial and performance audit methodologies;
- conduct lessons learned exercises at the end of each audit and for large projects;
- modernize our Office’s external communication documents; and
- receive an unqualified audit opinion on our Office’s financial statement audit and publish the audited financial statements in our performance report.

PERFORMANCE TARGETS

The Office has used performance measures for many years to assess its performance. We have assessed our Office performance in our 2021-2022 performance report which is available on our [website](#). The performance report also includes our March 31, 2022 financial statements, for which we received an unqualified audit opinion dated June 23, 2022.

The March 31, 2023 financial statements will also be available on the website once the financial statement audit is completed.

With adoption of our new strategic plan, we have reviewed and updated our performance targets.

Our updated performance measures and related targets are listed below:

| Performance measure | Link to Strategic Goal | Office target 2023-2024 |
|--|------------------------|---|
| 1. Public Accounts Committee feedback, as determined by semi-annual survey | Goal #1 | Perform survey semi-annually to seek feedback with a target of 80% or higher satisfaction rate |
| 2. Reporting to the Public Accounts Committee with AG reports for tabling | Goal #1 | Minimum of twice per annum |
| 3. Percentage of performance audit recommendations implemented | Goal #1 | Overall 80% of our recommendations implemented for our follow up period |
| 4. Auditee perception, as determined by survey | Goal #1 | 80% or higher satisfaction rate |
| 5. Employee retention percentage | Goal #2 | Annually retain 85% of employees |
| 6. Investment in staff training and development | Goal #2 | A minimum of 5% of employee work hours spent on annual training and development |
| 7. Employee perception, as determined by survey | Goal #2 | 80% or higher positive engagement expressed |
| 8. Meet evolving professional standards | Goal #3 | Complete one monitoring review for one financial audit file and one performance audit file at minimum |
| 9. Completion of audits on time | Goal #3 | All target dates met |
| 10. Review, refresh and refine Office processes | Goal #3 | Annually select and review one significant internal process |

BUDGET 2023-2024

The Office's approved budget for 2023-2024 as per the Province's Main Estimates is \$3,628,000 which has been allocated as follows:

| | |
|-------------------------------|--------------------|
| Personnel services | \$3,419,141 |
| Other services | 346,259 |
| Materials and supplies | 9,100 |
| Property and equipment | 13,500 |
| Less: recoveries | (160,000) |
| Total budget 2023-2024 | \$3,628,000 |

The majority of the Office's funding is through an annual appropriation of the Legislative Assembly. Of this amount, the majority 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:

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Fax: 506-453-3067
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