



Understanding Key Financial Audit Issues

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What We Found

Unqualified audit opinion in most audits

- The Province had an unqualified audit opinion
- Most Crown Agencies had an unqualified audit opinion
- Key issues in our financial audits are found in this chapter

Little progress on centralizing accounts receivable collection since 2011

- The Province is owed more than \$2.8 billion
- SNB collections branch has no clear mandate for the collection of all accounts receivable
- No timeline for completion of centralization of accounts receivable
- Collecting receivables should be a priority
- Disaster financial assistance receivable now at \$61 million for past storms and flood damages

Many of the Province's key IT systems are out of date

- Systems are out-of-date
- Province is in the process of obtaining a new system to replace many systems

Future government interference in NB Power rate setting process may have serious consequences

- History of past governments imposing rate caps or freezes impacts NB Power's authority to carry on as a business and self-sustain operations
- Respect for the independent rate setting regulatory process must exist in substance and form
- There may be significant impact in the Province's consolidated financial statements in future

Government spending announcements impact financial statements at different times

- Timing of announcements and expense differs
- The financial statements disclose \$4.7 billion in committed spending for future expense