

**AUDITOR GENERAL
OF NEW BRUNSWICK**



**VÉRIFICATEUR GÉNÉRAL
DU NOUVEAU-BRUNSWICK**

**AUDITOR GENERAL
OF NEW BRUNSWICK
STRATEGIC PLAN
2014-2020**



Strategic Plan 2014-2020

In December 2010 Ms. Kim MacPherson was appointed Auditor General for the Province of New Brunswick to carry out the mandate outlined in the *Auditor General Act*.

In early 2014 the Auditor General initiated a strategic planning process to identify the strategic priorities for her Office over the next seven years. This resulting strategic plan represents a common vision for the Office that emerged from discussions and workshops with all staff, along with input from key stakeholders from the Legislative Assembly and the senior civil service.

The strategic plan will be used to guide the work of the Office and how it communicates its results to the Legislative Assembly and the public. It will also demonstrate how the Office fulfils its mandate on behalf of all New Brunswickers.



Message from the Auditor General

I am honoured to be the Auditor General of New Brunswick. During the first three years of my mandate, my personal focus has been to build and strengthen our team; modernize the *Auditor General Act*; and obtain additional funding to increase performance audit resources.

With respect to progress, first and foremost I am extremely pleased and proud of our team. I recognize the reputation and credibility of the office of the Auditor General of New Brunswick (AGNB) is a reflection of the professionalism and quality of our team. AGNB currently contains an excellent mix of 25 professionals at various stages of their careers.

Our amended *Auditor General Act* was given Royal Assent May 21, 2014. The comprehensive amendment will serve to modernize and strengthen the independence, authority, and mandate of AGNB. Given it had been 30 years since the last major update, I would like to express my appreciation to Government and all members of the Legislative Assembly for supporting the amendment. It will enable AGNB to carry out the mandate in the current-day environment.

Our budget is currently \$2 million. This includes a small budget increase of \$190,000 approved by Government since 2010. The increase, combined with other changes, has allowed the performance audit team to double from four to eight auditors. However, much work remains. Given the breadth of New Brunswick government operations, our need to increase performance audit coverage continues. I intend to continue to focus on this priority.

This *Strategic Plan 2014-2020* outlines how we intend to further demonstrate and enhance AGNB's value to legislators and the public. In our financial audits of the Province and Crown agencies we will provide independent reporting through audit opinions and recommendations on finances, internal controls, and system weaknesses. We will continue to reiterate the serious state of New Brunswick's financial situation. In our performance audits we will make recommendations on program improvement, governance, accountability, transparency, and fiscal management of government operations.

I am proud to present to the members of the Legislative Assembly our *Strategic Plan 2014-2020*. The Plan is a collaborative effort of the AGNB team and our stakeholders. I wish to thank all who participated.

Kim MacPherson, CPA, CA
AUDITOR GENERAL



Auditor General of New Brunswick

The Auditor General of New Brunswick (AGNB) 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 AGNB are issued in the Auditor General's annual report to the Legislative Assembly and through appearances before the Standing Committees on Public Accounts and Crown Corporations.

Strategic Plan 2014-2020

Our *Strategic Plan 2014-2020* comprises four components: our vision, mission, values, and strategic objectives. We have identified six strategic objectives as our current priorities and each is supported by actions we will undertake to achieve these objectives.

We will monitor our progress in implementing the planned actions and update our plans as necessary. We will review the Strategic Plan in its entirety in 2017.



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 a statement 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. For this reason, we offer continuous professional and personal development through teamwork and training.

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. We measure our impact on the acceptance and implementation of our audit recommendations.

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.



Our Strategic Objectives

The following six strategic objectives support the realization of our vision.

1. Select a mix of performance and financial audits that deliver greatest value to our stakeholders
2. Provide a rewarding work environment for our team
3. Enhance our support to the Public Accounts and Crown Corporation Committees
4. Increase public awareness of AGNB's role and reports
5. Pilot AGNB independent expert advisory committee
6. Implement the amended Auditor General Act 2014



Strategic Objectives with Planned Actions

Our strategic objectives and planned actions are:

1. **Select a mix of performance and financial audits that deliver greatest value to our stakeholders**

Actions:

1. Select the best mix of audit products consistent with our mandate and resources to maximize the impact and value of our work
2. Conduct lessons-learned exercises and adjust work plan and/or future project selections accordingly
3. Improve performance audit selection focusing on significance, risk, and potential impact.
4. Improve our audit work plan
5. Conduct lessons-learned exercises at the end of each year and adjust annual plans accordingly.



2. Provide a rewarding work environment for our team

Actions:

1. Create an effective team structure
2. Recognize and reward good performance
3. Provide cross-functional opportunities among our teams
4. Support professional growth
5. Develop a coaching program
6. React to employee survey results
7. Improve our audit work schedule and our annual work plan
8. Support work life balance

3. Enhance our support to the Public Accounts and Crown Corporation Committees

Actions:

1. Provide annual orientation/information sessions to the committees
2. Improve the release of reports to offer greater support to the committees' deliberations
3. Present annual business plan to committees
4. Enhance AGNB's involvement in the legislative committee process, in consultation with the legislative committees, to improve effectiveness of committee deliberations



4. Increase public awareness of AGNB's role and reports

Actions:

1. Develop and implement an external communications plan
2. Develop and implement a branding strategy for AGNB
3. Revise and maintain website with greater accessibility and functionality

5. Pilot AGNB independent expert advisory committee

Actions:

1. Establish committee consisting of retired AGs, retired senior civil servants and/or others
2. Develop terms of reference
3. Organize at least two meetings per year



6. Implement the amended *Auditor General Act 2014*

Actions:

1. Ensure annual work plan incorporates the changes to our Act
2. Review and strengthen security and retention practices of audit files and personal information in accordance with the Act
3. Communicate significant implications of the amended Act and new Administrative Policy for dealing with requests for information with stakeholders
4. Update all AGNB documentation to be consistent with the amended Act
5. Develop and implement a risk management plan



History of the Office of the Auditor General

The position of Auditor General in New Brunswick dates back to Confederation. Like so many of our customs, the Province adopted the English form and appointed an Auditor General as one of its chief public servants. This position remained until 1918 when, by Act of the Legislature, the position title was changed to Comptroller-General.

In 1965 a new Act designed to give "thought and attention" to improving the legislative and financial machinery in the Province was introduced. The then-Minister of Finance, in discussing the need for new legislation in light of several new programs and the tremendous growth in anticipated government expenditures, commented: *"We must be more aware than ever of the dangers of an apathetic public or an irresponsible power group. We must seek ways and means to ensure that groups to whom power is granted are responsible as well as responsive, that they not only report their actions, but are accountable for them. This is why we propose a new Financial Administration Act."*

The *Financial Administration Act* provided for an Auditor General who would give some independent assurance that those to whom power was granted were responsible and accountable for their actions. This was to be accomplished through an audit of the accounts of the Province and an annual report to the Legislative Assembly.

The Act was passed in 1966. The Office of the Auditor General was formed the following year, with Mr. W. McNichol appointed as the first Auditor General since 1918 and the first Auditor General in the history of the Province who was independent of the financial function.

The Province's first Deputy Auditor General, the late Mr. R. E. Goodwin, defined the role of the Auditor General in an earlier office manual as follows:

"The office of the Auditor General is an independent group separate from the jurisdiction of any Minister, department or agency of government with the Auditor General directly responsible to the members of the Legislative Assembly. It is the intention of the *Financial Administration Act* to safeguard the complete independence of the Auditor General so that his certification of the financial statements of the Province and his annual report, his two main functions, will represent an unbiased and independent opinion."



While it may have been the intention of the legislators that the *Financial Administration Act* would safeguard the independence of the Auditor General, the fact that his mandate was outlined therein and he reported through the Minister of Finance might have given the impression that the Auditor General was not completely independent of the departments of government.

As a result, the second Auditor General, Mr. W. D. Cumberland, commented in his 1978 report on the need to emphasize his independence from the departments of government and his direct responsibility to the Legislative Assembly. He also requested that his duties and responsibilities be clarified. He suggested that this could be accomplished through the removal of the Auditor General's mandate from the *Financial Administration Act* and the provision for new and separate legislation -- an Auditor General Act. A new audit Act (*Auditor General Act*) received Royal Assent on July 17, 1981.

Mr. John Astle was appointed Auditor General in 1983. His initial report talked about the Canadian Institute of Chartered Accountants initiative of developing public sector accounting and auditing standards. The Canadian Institute of Chartered Accountants initiative has produced substantial guidance in the area of public sector accounting and auditing. During Mr. Astle's term the *Auditor General Act* was amended to include a mandate to carry out value-for-money audits.

These long-awaited amendments allow the Office to focus on two things: assessing the extent to which money has been expended with due regard to economy or efficiency, and determining whether satisfactory procedures have been established to measure and report on the effectiveness of programs, where the procedures could appropriately and reasonably be used. The Auditor General is required to report significant observed instances where management of the departments and agencies audited have not performed these functions in a satisfactory manner.

Mr. Astle retired in January 1993 after 10 years as Auditor General. His replacement, Mr. Ralph Black, was appointed in June 1993.

Mr. Black served as Auditor General from June 1993 until April 1997. During this time his interest, enthusiasm, and approach to legislative auditing resulted in increased public awareness of the role of the provincial Auditor General. He also had a particular focus on the need to strengthen governance practices of Crown agencies.

Mr. Daryl Wilson, who was appointed Auditor General in September 1997, further raised the profile of the Office. During his eight-year term, the Office focused on environmental issues and protecting vulnerable groups such as seniors, children, and low-income families. He continued the focus on government performance reporting and Crown agency oversight. Mr. Wilson also had a particular



interest in decision-making in the provincial government and the lack of transparency in this area. Mr. Wilson retired in August 2005.

Mr. Michael Ferguson was appointed Auditor General in November 2005. During his five-year term the Office continued to produce valuable annual reports on the Province's fiscal situation and various value-for-money recommendations. He focused in particular on financial management and stewardship of the Province. Mr. Ferguson went on to become the Deputy Minister of Finance of New Brunswick and after one year was appointed Auditor General of Canada.

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