



**FIRST REPORT
OF THE
STANDING COMMITTEE
ON
PUBLIC ACCOUNTS**

First Session
Sixtieth Legislative Assembly
of the
Province of New Brunswick

May 17, 2022

MEMBERS OF THE COMMITTEE	
Mr. C. Chiasson, Chair Mr. Wetmore, Vice-Chair Ms. Anderson-Mason, Q.C. Mr. Carr Mr. Turner Ms. S. Wilson	Mr. Ames Mr. Legacy Mr. McKee Ms. Mitton Ms. Conroy

May 17, 2022

To The Honourable
The Legislative Assembly of
The Province of New Brunswick

Mr. Speaker:

Your Standing Committee on Public Accounts begs leave to submit this, their first report.

The report outlines the Committee's activities during the period of December 10, 2020, to March 3, 2022, which took place during the First Session of the 60th Legislative Assembly.

In addition, the report contains a Mission Statement and Guiding Principles to increase the efficacy of the work that the Committee has been mandated to do.

And your Committee begs leave to make a further report.

Mr. Chuck Chiasson
Chair

Election of Chair and Vice-Chair

Pursuant to Standing Rule 99, the Clerk convened a meeting of the Committee on December 10, 2020, and presided over the election of a Chair and Vice-Chair.

On motion of Mr. McKee, Ms. Lisa Harris was elected Chair of the Committee.

On motion of Hon. Mr. Savoie, Mr. Jake Stewart was elected Vice-Chair of the Committee.

Meetings – February 2021

The Committee held meetings on February 9, 10, 11, 23, 24, 25 and 26. The Auditor General appeared on February 9 and 23 to present the offices latest reports. The following entities appeared and answered questions concerning the years under review and Auditor General recommendations:

February 9, 2021

Office of the Auditor General

Under Review: *Report of the Auditor General 2020, Volume I – Performance Audit.*

Volume I presented a performance audit report concerning the Department of Early Childhood Development and school districts, the Department of Health and EM/ANB Inc., and the Department of Natural Resources and Energy Development.

February 10, 2021

WorkSafeNB

Under review: *Annual Report 2018;*

Report of the Auditor General 2018, Volume II, Chapter III;

Report of the Auditor General 2018, Volume I, Chapter II.

Department of Environment and Local Government

Under review: *Annual Report 2019-2020;*

Annual Report 2018-2019.

February 11, 2021

Regional Development Corporation

Under review: *Annual Report 2018-2019.*

Department of Education and Early Childhood Development

Under review: *Report of the Auditor General 2020, Volume I, Chapter II;*

Annual Report 2018-2019.

February 23, 2021

Office of the Auditor General

Under review: *Report of the Auditor General 2020, Volume III – Financial Audit;*
Report of the Auditor General 2020, Volume II – Performance Audit.

Volume II presented performance audit reports on the Electronic Medical Record Program in the Department of Health, NB Power Corporation Debt Challenges, and an update on Nursing Home Planning and Aging Strategy in the Department of Social Development. The volume also presented information on how the Auditor General's access to Vestcor is significantly limited and outlines the results of the follow-up on recommendations from prior years' performance audits.

Volume III focused on year-end financial results and matters arising from the annual financial audit of the provincial government and Crown agencies including understanding key financial audit issues and observations on the state of New Brunswick's financial condition. Issues discussed and information provided upon included: financial relief programs relating to the Covid-19 global pandemic and the risk of radon contamination in public housing units.

February 24, 2021

Department of Health

Under review: *Report of the Auditor General, 2020, Volume I, Chapter III;*
Report of the Auditor General 2019, Volume I, Chapter II;
Annual Report 2018-2019.

Extra-Mural/Ambulance New Brunswick

Under review: *Report of the Auditor General 2020, Volume I, Chapter III;*
Annual Report 2019-2020;
Annual Report 2018-2019.

The following motion was carried during the meeting:

THAT Vestcor present themselves before the Standing Committee on Public Accounts to answer pertinent questions that have arisen as a result of the Auditor General Report 2020 - Volume II - Performance Audit.

THAT the Public Accounts Committee supports the implementation of the following recommendation found in the Auditor General Report 2020 – Volume II, Chapter 5:

5.13 include Vestcor (and all related entities) as one of the entities who are regularly called to appear before the Committee.

February 25, 2021

Department of Finance and Treasury Board

Under review: *Report of the Auditor General 2019, Volume III, Chapter VI;*
Report of the Auditor General 2019, Volume I, Chapter IV;
Annual Report 2018-2019, Department of Finance;
Annual Report 2018-2019, Treasury Board.

Department of Natural Resources and Energy Development

Under review: *Report of the Auditor General 2020, Volume I, Chapter IV;*
Annual Report 2019-2020;
Annual Report 2018-2019.

February 26, 2021

Department of Social Development

Under review: *Annual Report 2019-2020.*

Orientation

Auditor General Kim Adair-MacPherson held an on orientation on February 16, 2021 for members of Standing Committee on Public Accounts on the principles of an effective Public Accounts Committee. The orientation was held online via the Zoom platform and open to all members and additional support staff such as researchers and the New Brunswick Legislative Interns. The session covered topics such as cross-party collaboration, the role of the Public Accounts Committee and asking effective questions.

Resignation of Chair and Vice-Chair and Election

At the commencement of the meeting on September 14, 2021, the Committee was informed of the resignation of the Chair, Ms. Harris, on August 16, and of the Vice-Chair, Mr. Stewart, on August 18. Both Members had resigned to run in the Canadian federal election.

On motion of Mr. McKee, Mr. Chuck Chiasson was elected Chair.

On motion of Mr. Hogan, Mr. Ross Wetmore was elected Vice-Chair.

Meetings – September to October 2021

The Committee held meetings on September 14, 15, 16 and 17 and October 7. The Auditor General appeared on October 7 to present the office's latest report. The following entities appeared and answered questions concerning the years under review and Auditor General recommendations:

September 14, 2021

Aboriginal Affairs

Under review: *Annual Report 2019-2020;*
Annual Report 2018-2019.

New Brunswick Forest Products Commission

Under review: *Report of the Auditor General 2020, Volume 1, Chapter IV;*
Annual Report 2019-2020;
Annual Report 2018-2019.

September 15, 2021

New Brunswick Power Corporation

Under review: *Report of the Auditor General 2020, Volume 2, Chapter III;*
Annual Report 2020-2021;
Annual Report 2019-2020.

Horizon Health Network

Under review: *Annual Report 2020-2021;*
Annual Report 2019-2020.

September 16, 2021

Service New Brunswick

Under review: *Report of the Auditor General 2020, Volume 3, Chapter IX;*
Annual Report 2019-2020;
Annual Report 2018-2019.

Vitalité Health Network

Under review: *Annual Report 2020-2021;*
Annual Report 2019-2020.

Friday, September 17, 2021

Vestcor Inc.

Under review: *Report of the Auditor General 2020, Volume 2, Chapter V;*
Annual Report 2020;
Annual Report 2019.

October 7, 2021

Office of the Auditor General of New Brunswick

Under Review: *Report of the Auditor General of New Brunswick 2021, Volume I – Performance Audit.*
Volume I presented performance audit reports on funding for rural internet in the Regional Development Corporation and Opportunities New Brunswick, and Covid-19 funding relating to the New Brunswick Workers' Emergency Income Benefit in the Department of Post-Secondary Education, Training and Labour. The volume also presented the results of audit work on the Executive Council Office's role in Government's oversight of Crown agencies. The volume was presented by Janice Leahy, Acting Auditor General.

Appointment of Auditor General

Auditor General Kim Adair-MacPherson announced that she would start a new position as Nova Scotia's Auditor General in May 2021. Adair-MacPherson was appointed Auditor General in 2010 for a 10-year term. Janice Leahy, Deputy Auditor General, was appointed as Acting Auditor General effective May 3 to perform the duties while an independent process selected a replacement.

On December 8 the House recommended the appointment of Paul Martin as Auditor General for a term of ten years. Martin worked for Grant Thornton LLP for over 30 years and was the Comptroller for the Government of New Brunswick since 2014.

Meetings – February to March 2022

The Committee held meetings on February 15, 16, 17, 18, 22, 23, 24 and 25 and March 3. The Auditor General appeared on February 24 to present the office's latest report. The following entities appeared and answered questions concerning the years under review and Auditor General recommendations:

February 15, 2022

New Brunswick Health Council

Under review: *Annual Report 2020-2021;*
Annual Report 2019-2020.

Department of Post-Secondary Education, Training and Labour

Under review: *Report of the Auditor General 2021, Volume I, Chapter III;*
Annual Report 2020-2021;
Annual Report 2019-2020.

February 16, 2022

Department of Finance and Treasury Board

Under review: *Report of the Auditor General 2020, Volume III, Chapter VII;*
Annual Report 2020-2021;
Annual Report 2019-2020.

Executive Council Office

Under review: *Report of the Auditor General 2021, Volume I, Chapter IV;*
Fiscal year 2020-2021;
Fiscal year 2019-2020.

February 17, 2022

Department of Tourism, Heritage and Culture

Under review: *Annual Report 2020-2021*;
Annual Report 2019-2020;
Annual Report 2018-2019.

New Brunswick Human Rights Commission /

Under review: *Annual Report 2019-2020*;
Annual Report 2018-2019.

February 18, 2022

Department of Justice and Public Safety

Under review: *Annual Report 2020-2021, Department of Justice and Public Safety*;
Annual Report 2019-2020, Department of Justice and Office of the Attorney General;
Annual Report 2019-2020, Department of Public Safety;
Annual Report 2018-2019, Department of Justice and Office of the Attorney General.

February 22, 2022

10 a.m. Department of Transportation and Infrastructure

Under review: *Annual Report 2020-2021*;
Annual Report 2019-2020.

February 23, 2022

Department of Social Development

Under review: *Annual Report 2020-2021*.

February 24, 2022

Office of the Auditor General

Under review: *Report of the Auditor General 2021, Volume III*;
Report of the Auditor General 2021, Volume II.

Volume II presented performance audit reports on the Residential Energy Efficiency Program in NB Power and the Department of Natural Resources and Energy Development, Crown agency salary and benefits practices and a follow up on prior years' performance audits.

Volume III focused on New Brunswick's year-end financial results and matters arising from the annual financial audit of the provincial government and Crown agencies including understanding key financial audit issues and observations on the state of New Brunswick's financial condition. The report also discussed issues and provided information on: Federal funding relating to the Covid-19 global pandemic and the implementation of the new Oracle Fusion system.

February 25, 2022

Opportunities New Brunswick (ONB)

Under review: *Report of the Auditor General 2021, Volume I, Chapter II*;
Annual Report 2020-2021;
Annual Report 2019-2020.

March 3, 2022

Department of Health

Under review: *Annual Report 2020-2021*.

Mission Statement and Guiding Principles

The following was proposed by Chair Chuck Chiasson and adopted by the Committee on February 25. The Mission Statement and Guiding Principles will be used to increase the efficacy of the work that the Committee has been mandated to do.

Mission Statement

The mission of the Standing Committee on Public Accounts is to scrutinize public expenditures in a nonpartisan manner to ensure that New Brunswick taxpayers are getting value for their tax-dollar investments. To meet its mission, the Committee will use the annual reports referred to it, reports of the Auditor General of New Brunswick, recommendations from the Auditor General's Office, and Committee recommendations in order to examine the economy, efficiency and effectiveness of program delivery and performance measures as well as the adherence to government policies, directives and standards.

Guiding Principles

The Standing Committee on Public Accounts offers nonpartisan oversight to assure that public funding is invested efficiently and effectively so that services are delivered to New Brunswickers and that taxpayers are getting value for their tax-dollar investments.

As such, Members of the Standing Committee on Public Accounts shall adhere to the following four guiding principles in their work with the Committee: collaboration, respect, purpose, and reporting.

1. Collaboration

To effectively scrutinize public expenditures, Members of the Standing Committee on Public Accounts should remember their responsibility to collaborate in a nonpartisan way with their fellow Committee Members. The following are reminders for Members:

- a. Members should focus on examining the expenditures of the entity before them and not use the Committee as a platform to engage in political rhetoric.
- b. Members should engage in meaningful lines of questions and avoid leading or ingratiating questions.

2. Respect

To effectively scrutinize public expenditures, Members of the Standing Committee on Public Accounts must demonstrate respect for one another and extend that respect to persons appearing before the Committee. The following are reminders for Members:

- a. Members should never speak over their fellow Committee Members or make comments or judgements on another Member's line of questions.
- b. Members should respect the time allotted to them for questions and avoid asking lengthy questions at the end of their allocated time with the prescribed rotation.
- c. Members should be succinct in their questions and avoid prolonged preambles to their questions.
- d. Members should direct any points of order or objections to the Chair.

3. Purpose

To effectively scrutinize public expenditures, Members of the Standing Committee on Public Accounts are tasked with conducting themselves in a manner that demonstrates the seriousness with which the Committee takes the Province's finances. The following are reminders for Members:

- a. Members should focus their questions on an entity's mandate, management and operation, and any past recommendations from the Committee or the Auditor General to elicit specific actions and commitments from the entity in question.
- b. Members should use their time wisely by keeping their questions focused and ensuring the person appearing before the Committee fully answers their questions. Members should encourage the person appearing before the Committee to focus on answering their questions straightforwardly. Should the person appearing before the Committee take the Member's question under advisement, the Member should establish a timeline for receiving the answer.

4. Reporting

To foster an accountable and open environment, the Standing Committee on Public Accounts should present a report to the Legislative Assembly, with key observations and recommendations where necessary.