

Auditor General Report on Outstanding Performance Audit Recommendations

January 2025



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

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Report Overview



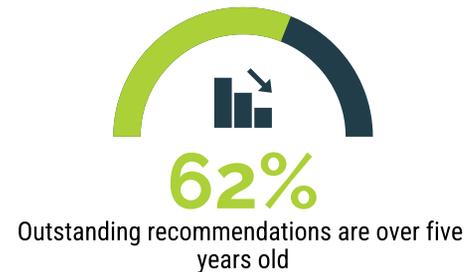
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Why We Did This Report

Implementing past Auditor General performance audit recommendations is an important way for government to demonstrate its responsiveness and improve the delivery of programs and services. This report covers performance audits issued for 17 entities from 2017 to 2021 and provides an update on 79 recommendations and their status.



37%
Recommendations made from 2017-2021
remain outstanding



Observations

Analysis of the 29 outstanding recommendations indicates that many government departments and entities have areas where they could improve; where services could be more efficient; and where savings may be realized with more effective program delivery.

- Newfoundland and Labrador Health Services has not implemented eight recommendations (28%), including seven related to the home support program. As a result, serious gaps continue with respect to the timely review of home support service assessments and the monitoring of home support hours.
- The Department of Transportation and Infrastructure has seven outstanding recommendations (24%), including those related to training of school bus drivers, root cause analysis of ferry vessel mechanical issues and road condition and complaints management.
- The Department of Tourism, Culture, Arts and Recreation has not completed any of the four recommendations made from our 2019 report on the Oversight of Provincial Wellness Priorities.
- The Department of Education does not have a nutrition policy that applies across the province and certain elements of internal control oversight related to the K-12 system continue to be unaddressed.
- A key finding from the NLC audit remains outstanding, specifically the issue of conflict of interest within the public service and Crown entities.
- Recommendations related to compliance with compensation policies by entities and those charged with their governance remain outstanding.

Unresolved recommendations no longer monitored by our office remain relevant and may result in future audit topics for our office. We are no longer monitoring 36 outstanding recommendations that were originally reported in six audit reports from 2016.

- Salaried Physicians – 15 outstanding recommendations
- Road Ambulance Services – 11 outstanding recommendations
- Acute Care Bed Management – 5 outstanding recommendations
- Child Protection Services – 2 outstanding recommendations
- Fire and Emergency Services – Newfoundland and Labrador – 2 outstanding recommendations
- Teacher Allocation in Schools – 1 outstanding recommendation

Why It Matters

It is important for government to fully implement or otherwise resolve Auditor General recommendations. The volume of unresolved recommendations - after seven years - indicates those topics still have gaps that require further attention. Approximately two of every five recommendations remain outstanding, and particularly concerning are the number of departments and entities with low implementation rates across a number of reports. As a result of recommendations not being fully implemented, risks remain, or further risks may be created.



After reading this report, you may want to ask the following questions of government:

1. What is government doing to ensure that the province's health authority is taking action on the 27 outstanding recommendations relating to home support, bed management, road ambulance and salaried physicians, stemming from the numerous audit reports issued between 2016 and 2017?
2. Is government going to address conflicts of interest within the public service and Crown entities in order to improve accountability and transparency, as this recommendation remains outstanding from the 2020 audit into the Newfoundland and Labrador Liquor Corporation?
3. Is government committed to pursuing timely implementation of the Auditor General's recommendations, given the lack of tangible action evidenced by the number of recommendations outstanding for more than five years?

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Table of Contents

5	Background
7	Summary Status of Recommendations
16	Detailed Status of Recommendations 2017-2021
16	Board of Commissioners of Public Utilities
16	Children, Seniors and Social Development
16	Education
18	Executive Council
18	Finance
18	Fisheries, Forestry and Agriculture
19	Health and Community Services
19	Justice and Public Safety
20	Municipal and Provincial Affairs
20	Municipal Assessment Agency Inc.
20	Newfoundland and Health Services
21	Newfoundland and Labrador Legal Aid Commission
21	Newfoundland and Labrador Liquor Corporation
22	PictureNL
22	Tourism, Culture, Arts and Recreation
22	Transportation and Infrastructure
24	Workplace NL
25	Ongoing Implementation
30	Unresolved Recommendations
33	Conclusion
34	Appendix I – About the Report
38	Appendix II – About Us



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Background

The Office of the Auditor General undertakes performance audits that examine how well government and its entities manage their resources and operations. A performance audit is an independent assessment of an entity's operations that looks to determine if specific programs or functions are working as intended and offers recommendations for improvement.

Our Office classifies and reports on the status of recommendations in one of three categories:

- Fully Implemented or Otherwise Resolved – the recommendation has been adequately addressed or circumstances have changed so that the recommendation is no longer applicable;
- Partially Implemented – action on the recommendation is in progress, but not complete; or
- No Action – action on the recommendation has not yet started.

We monitor previous performance audit report recommendations over seven years. An initial follow-up is conducted approximately two years after the release of a report, followed by continuous monitoring annually for an additional five years or until recommendations are fully implemented or otherwise resolved.

We are reporting on recommendations from past performance audit reports delivered between 2017 and 2021. Progress on all outstanding recommendations from our performance audit reports between 2017 and 2021 is reported as of August 31, 2024.

We expect that it is reasonable for departments to fully implement recommendations within three years of the audit report being issued. We initiate our follow-up after two years in order to gain an understanding of progress toward implementation.

We note that we are no longer actively monitoring 36 outstanding recommendations from reports delivered in 2016. Please see the relevant section of this report for further details.

There were 17 entities and departments included in audit reports from 2017 through 2021, resulting in 79 recommendations.

There were 12 subject areas included in the audit reports from 2017 through 2021:

- Climate Change
- Compensation Practices in Government Entities
- Government Preparedness for Changing Demographics
- Healthy Eating in Schools
- Management of Firearms and Ammunition
- Management of the Procurement of Goods and Services
- MV Veteran and MV Legionnaire
- Newfoundland and Labrador Liquor Corporation
- Oversight of Provincial Wellness Priorities
- Provincial Home Support Program
- Road Quality
- Student Transportation



Ongoing Implementation

There were three reports delivered during 2022, the report on Nalcor Energy, the report on Nalcor Energy – Compensation and the report on Adult Custody and Community Corrections. Each entity has self-reported their implementation status, and we have not audited their responses.

There were seven reports released between 2023 and 2024, but are not included in this year's monitoring activities because they are within the initial two-year implementation period:

- Food Premises Inspection and Licensing Program (May 2023)
- Innovation and Business Investment Corporation (June 2023)
- Office of the High Sheriff (September 2023)
- Memorial University (October 2023)
- Oil and Gas Corporation (June 2024)
- House of Assembly Members & Ministers Expenditures (July 2024)
- Administration of Crown Lands (October 2024)



Summary Status of Recommendations

Recommendations are a critical part of audit reports and it is important for the departments and entities we audit to fully implement or otherwise resolve our recommendations in order to improve the delivery of the programs and services that are critical to Newfoundlanders and Labradorians.

As we analyzed the outstanding recommendations, we noted concerns regarding entity attention to recommendations, audit subject area and aging of the recommendations. Overall, we are quite concerned that 37 per cent of our recommendations (29 out of 79) issued between 2017 and 2021 remain outstanding.

We expect that no recommendation would take seven years to implement or otherwise resolve; the issues identified in past performance audits should have been rectified by now.

Table 1 outlines the status of the recommendations by entity.



Table 1 - Summary of Recommendations by Entity (2017-2021)

Entity	Fully Implemented or Otherwise Resolved	Partially Implemented or No Action	Total	% Fully Implemented	% Outstanding
Board of Commissioners of Public Utilities	-	1	1	0%	100%
Justice and Public Safety	-	1	1	0%	100%
PictureNL ¹	-	1	1	0%	100%
Tourism, Culture, Arts and Recreation	-	4	4	0%	100%
Newfoundland and Labrador Health ² Services	3	8	11	27%	73%
Executive Council	3	3	6	50%	50%
Transportation and Infrastructure ^{3 4}	16	7	23	70%	30%
Education ⁵	6	3	9	67%	33%
Newfoundland and Labrador Liquor Corporation	4	1	5	80%	20%
Children, Seniors and Social Development	1	-	1	100%	0%
Finance	1	-	1	100%	0%
Fisheries, Forestry and Agriculture ⁶	6	-	6	100%	0%
Health and Community Services ⁷	6	-	6	100%	0%
Municipal and Provincial Affairs ⁸	1	-	1	100%	0%
Municipal Assessment Agency Inc.	1	-	1	100%	0%
Newfoundland and Labrador Legal Aid Commission	1	-	1	100%	0%
Workplace NL	1	-	1	100%	0%
Total	50	29	79	63%	37%

1. Formerly Newfoundland and Labrador Film Development Corporation

2. Includes recommendations previously issued to the Western Regional Health Authority, Central Regional Health Authority, and Eastern Regional Health Authority

3. Formerly Transportation and Works

4. Includes recommendations previously issued to the Newfoundland and Labrador English School District

5. Includes recommendations issued previously to the Newfoundland and Labrador English School District, and Education and Early Childhood development

6. Formerly Fisheries and Land Resources

7. Includes recommendations previously issued to Children, Seniors and Social Development

8. Formerly Municipal Affairs and Environment

Variation in implementation rates warrants further analysis, particularly when approximately two of every five recommendations remain outstanding. Table 2 outlines the implementation status by entity, detailing multiple audit report topics where applicable.

There were four entities and departments that had a zero per cent implementation rate for the period of our review:

- Board of Commissioners of Public Utilities
- Justice and Public Safety
- PictureNL
- Tourism, Culture, Arts and Recreation

Entities with low overall implementation rates included:

- Executive Council – 50 per cent
- Newfoundland and Labrador Health Services – 27 per cent

We commend the eight entities that fully implemented their recommendations, with a 100 per cent implementation rate:

- Children, Seniors and Social Development
- Finance
- Fisheries, Forestry and Agriculture (formally Fisheries and Land Resources)
- Health and Communities Services
- Municipal and Provincial Affairs (formally Municipal Affairs and Environment)
- Municipal Assessment Agency Inc.
- Newfoundland and Labrador Legal Aid Commission
- Workplace NL

Table 2 - Summary of Recommendations by Entity and Report Topic

Board of Commissioners of Public Utilities

Report Topic	Report Year	Total	Fully Implemented or Otherwise Resolved	Partially Implemented or No Action	% Outstanding
Compensation Practices in Government Entities	2017	1	-	1	100%
Total		1	-	1	100%

Children, Seniors & Social Development

Government Preparedness for Changing Demographics	2017	1	1	-	0%
Total		1	1	-	0%

Education ¹

Report Topic	Report Year	Total	Fully Implemented or Otherwise Resolved	Partially Implemented or No Action	% Outstanding
Healthy Eating in Schools	2019	4	2	2	50%
Management of the Procurement of Goods and Services	2018	2	1	1	50 %
Government Preparedness for Changing Demographics	2017	2	2	-	0%
Student Transportation	2019	1	1	-	0%
Total		9	6	3	33%

Executive Council

Compensation Practices in Government Entities	2017	4	1	3	75%
Climate Change	2017	2	2	-	0%
Total		6	3	3	50%

Finance

Government Preparedness for Changing Demographics	2017	1	1	-	0%
Total		1	1	-	0%

Fisheries, Forestry and Agriculture ²

Management of Firearms and Ammunition	2018	6	6	-	0%
Total		6	6	-	0%

Health & Community Services ³

Government Preparedness for Changing Demographics	2017	1	1	-	0%
Healthy Eating in Schools	2019	1	1	-	0%
Oversight of Provincial Wellness Priorities	2019	4	4	-	0%
Total		6	6	-	0%

Justice & Public Safety

Report Topic	Report Year	Total	Fully Implemented or Otherwise Resolved	Partially Implemented or No Action	% Outstanding
Newfoundland and Labrador Liquor Corporation	2020	1	-	1	100%
Total		1	-	1	100%

Municipal and Provincial Affairs ⁴

Government Preparedness for Changing Demographics	2017	1	1	-	0%
Total		1	1	-	0%

Municipal Assessment Agency Inc.

Compensation Practices in Government Entities	2017	1	1	-	0%
Total		1	1	-	0%

Newfoundland and Labrador Health Services ⁵

Compensation Practices in Government Entities	2017	1	-	1	100%
Provincial Home Support Program	2017	10	3	7	70%
Total		11	3	8	73%

Newfoundland and Labrador Legal Aid Commission

Compensation Practices in Government Entities	2017	1	1	-	0%
Total		1	1	-	0%

Newfoundland and Labrador Liquor Corporation

Compensation Practices in Government Entities	2017	1	-	1	100%
Newfoundland and Labrador Liquor Corporation	2020	4	4	-	0%
Total		5	4	1	20%

PictureNL ⁶

Report Topic	Report Year	Total	Fully Implemented or Otherwise Resolved	Partially Implemented or No Action	% Outstanding
Compensation Practices in Government Entities	2017	1	-	1	100%
Total		1	-	1	100%

Tourism, Culture, Arts and Recreation

Oversight of Provincial Wellness Priorities	2019	4	-	4	100%
Total		4	-	4	100%

Transportation and Infrastructure ⁷

MV Veteran and MV Legionnaire	2021	3	2	1	33%
Road Quality	2017	8	5	3	38%
Student Transportation ⁸	2019	12	9	3	25%
Total		23	16	7	30%

Workplace NL

Compensation Practices in Government Entities	2017	1	1	-	0%
Total		1	1	-	0%

Total		79	50	29	37%
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1. Includes recommendations issued previously to the Newfoundland and Labrador English School District, and Education and Early Childhood development
2. Formerly Fisheries and Land Resources
3. Includes recommendations previously issued to Children, Seniors and Social Development
4. Formerly Municipal Affairs and Environment
5. Includes recommendations previously issued to the Western Regional Health Authority, Central Regional Health Authority, and Eastern Regional Health Authority
6. Formerly Newfoundland and Labrador Film Development Corporation
7. Formerly Transportation and Works
8. Includes recommendations previously issued to the Newfoundland and Labrador English School District

Another way to assess recommendation status is by subject area. Again, we are particularly concerned with a number of reports that had low implementation rates. Table 3 displays the outstanding recommendations by report topic and the related accountable department or entity.

Four reports have low implementation rates, two of which were delivered in 2017 and were listed in our prior year's monitoring report, yet the recommendations remain relevant today.

- 1. Provincial Home Support Program (2017):** This report had an overall implementation rate of 30 per cent. Newfoundland and Labrador Health Services did not implement three of the five recommendations issued to the former Western Regional Health Authority, nor did it implement four of the five recommendations issued to the former Eastern Regional Health Authority. The recommendations in this audit are still relevant given that the demand for home support services will increase as the number of seniors also increases. Newfoundland and Labrador Health Services must have effective assessment and monitoring processes to ensure seniors are provided with timely and safe home support services.
- 2. Compensation Practices in Government Entities (2017):** This report had an overall implementation rate of 36 per cent. While the Municipal Assessment Agency Inc., Workplace NL and Newfoundland and Labrador Legal Aid Commission fully implemented their respective recommendation, this was offset by Executive Council not implementing three of its four recommendations, as well as four entities not implementing their respective one recommendation. Consistent compensation practices ensure that government costs are adequately managed and controlled.
- 3. Oversight of Provincial Wellness Priorities (2019):** This report had an overall implementation rate of 50 per cent. While the Department of Health and Community Services fully implemented its four recommendations, the Department of Tourism, Culture and Recreation have not fully implemented any of its four recommendations. The recommendations remain relevant since the province continues to have some of the highest rates of chronic diseases in the country.
- 4. Management of the Procurement of Goods and Services (2018):** This report had an overall implementation rate of 50 percent. The Department of Education (originally issued to the Newfoundland and Labrador English School District) have only fully implemented one of their two recommendations. This recommendation is still relevant as effective oversight of internal controls is always fundamental to the success of any government entity.

We commend the departments and entities that fully implemented the 14 recommendations on the following three report topics:

- Climate Change (2017)
- Government's Preparedness for Changing Demographics (2017)
- Management of Firearms and Ammunition (2018)

Table 3 - Recommendations Outstanding by Audit Topic**Provincial Home Support Program - 2017**

Entity	#	%
Newfoundland and Labrador Health Services ¹	7	70%
Total	7	70%

MV Veteran and MV Legionnaire - 2021

Transportation and Infrastructure ²	1	33%
Total	1	33%

Compensation Practices in Government Entities - 2017

Board of Commissioners of Public Utilities	1	100%
Newfoundland and Labrador Health Services ³	1	100%
Newfoundland and Labrador Liquor Corporation	1	100%
PictureNL ⁴	1	100%
Executive Council	3	75%
Municipal Assessment Agency Inc.	-	0%
Newfoundland and Labrador Legal Aid Commission	-	0%
Workplace NL	-	0%
Total	7	64%

Management of the Procurement of Goods and Services - 2018

Education ⁵	1	50%
Total	1	50%

Oversight of Provincial Wellness Priorities - 2019

Tourism, Culture, Arts and Recreation	4	100%
Health and Community Services	-	0%
Total	4	50%

Healthy Eating in Schools - 2019

Education ⁶	2	50%
Health and Community Services ⁷	-	0%
Total	2	40%

Road Quality - 2017

Entity	#	%
Transportation and Infrastructure 8	3	38%
Total	3	38%

Student Transportation - 2019

Transportation and Infrastructure 9	3	25%
Education 10	-	0%
Total	3	23%

Newfoundland and Labrador Liquor Corporation - 2020

Justice and Public Safety	1	100%
Newfoundland and Labrador Liquor Corporation	-	0%
Total	1	20%

Total	29	37%
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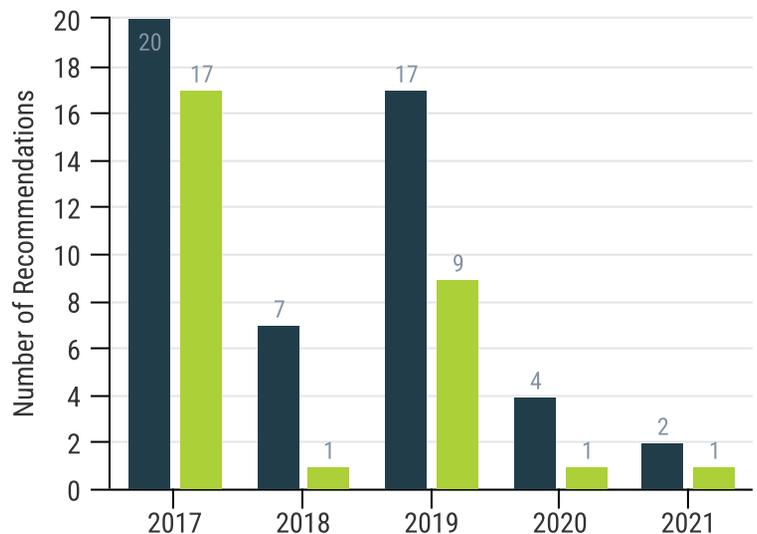
1. Four recommendations were originally issued to Eastern Regional Health Authority and three recommendations were originally issued to Western Regional Health Authority
2. Formerly Transportation and Works
3. Original report recommendation was issued to Central Regional Health Authority
4. Formerly Newfoundland and Labrador Film Development Corporation
5. Formerly Newfoundland and Labrador English School District
6. Formerly Newfoundland and Labrador English School District
7. Formerly Children, Seniors and Social Development
8. Formerly Transportation and Works
9. Original report recommendations were issued to Newfoundland and Labrador English School District
10. Formerly Education and Early Childhood Development

Our final performance audit recommendation analysis relates to progress toward full implementation or resolution. **We are concerned that recommendations issued up to seven years ago are not fully resolved and that 18 of the 29 outstanding recommendations (62 per cent) are more than five years old. Particularly concerning are the subject areas that remain outstanding from the 2017 and 2019 reports.**

There are 18 recommendations outstanding from the 2017 and 2018 reports, with 39 per cent (7 recommendations) related to the healthcare sector from the 2017 Provincial Home Support Program report. As a result of these recommendations not being fully implemented, seniors may not be provided with timely and safe home support services without effective assessment and monitoring processes.

The graph to the right demonstrates the progress towards full implementation or resolution by the year the report was issued.

Progress Toward Full Implementation



● Recommendations Fully Implemented or Otherwise Resolved
● Outstanding Recommendations

Detailed Status of Recommendations (2017-2021)

The following details the 79 recommendations related to our 2017 to 2021 audit reports, sorted in order of department or entity, noting the 29 recommendations that remain outstanding.

Board of Commissioners of Public Utilities

Compensation Practices in Government Entities - 2017

Outstanding Recommendation	Partially Implemented	No Action
The Board of Commissioners of Public Utilities should work with the Treasury Board Secretariat (formerly the Human Resource Secretariat) to determine whether their compensation policies and practices should be consistent with Government policy, and where deemed appropriate, identified inconsistencies should be assessed.	●	

Children, Seniors and Social Development

Government Preparedness for Changing Demographics – 2017

Completed Recommendation

- The department should ensure that an assessment of future impacts of an aging population is completed on its operations related directly to seniors and related to its role in providing expertise and knowledge to departments on seniors and aging.

Education

Healthy Eating in Schools – 2019

Outstanding Recommendations	Partially Implemented	No Action
The Department of Education (formerly Newfoundland and Labrador English School District) should develop and communicate a nutrition policy which applies to all regions.	●	
The Department of Education (formerly Newfoundland and Labrador English School District) should identify information needed from schools to assist its ongoing oversight of healthy eating policies.	●	

Completed Recommendations

- The Department of Education (formerly Newfoundland and Labrador English School District) should work with schools and providers to ensure that foods and beverages meet the School Food Guidelines.
- The Department of Education (formerly Newfoundland and Labrador English School District) should work with schools to promote and make nutritional information available to assist healthy food choices.



Management of the Procurement of Goods and Services – 2018

Outstanding Recommendations	Partially Implemented	No Action
<p>The Department of Education (formerly the Newfoundland and Labrador English School District's Board of Trustees and senior management) should provide effective oversight on the development and performance of Newfoundland and Labrador English School District's internal controls. This should include:</p> <ul style="list-style-type: none"> • Developing a fraud risk management program that includes a fraud risk assessment to identify specific fraud risks, assess their likelihood and significance and implement and monitor appropriate controls to mitigate risks to an acceptable level. • Establishing a policy requiring a separate periodic evaluation of the effectiveness of the District's internal control environment with associated evaluation results and recommendations to be provided to the Board. • Implementing measures on a timely basis to address the significant internal control deficiencies outlined in this report and any other deficiencies identified through the recommended fraud risk management program and periodic evaluation of internal controls. • Conducting Board meetings with both the Internal and External auditors at least annually to discuss, for example, internal audit planning and any concerns identified with respect to internal controls or other financial matters. 	●	

Completed Recommendation

The Department of Education (formerly the School District's Board of Trustees and senior management) should set clear expectations for ethical organizational behaviour. This should include:

- Establishing and communicating a written code of ethics and conduct that integrates conflict of interest prevention and management to all staff, including consequences of non-compliance with these standards.
- Providing training to employees to promote an understanding of their role and responsibility for ethical organizational behaviour, including compliance with legislation and department (formerly the Newfoundland and Labrador English School District) policies and procedures.
- Monitoring adherence to the standards of conduct, including establishing a reporting mechanism by which employees may report suspected violations of the standards.
- Investigating allegations of violations of the standards on a timely basis and taking appropriate actions when allegations are substantiated.

Government Preparedness for Changing Demographics – 2017

(Originally issued to Education and Early Childhood Development)

Completed Recommendations

- The department should ensure that changing demographics are considered, impacts have been assessed, long-term plans are created, and costs related to changing demographics are integrated into the financial forecast.
- The department should consider whether a change in legislation is required to allow the department to provide oversight of the two school districts as it relates to the K-12 school system.

Student Transportation – 2019

(Originally issued to Education and Early Childhood Development)

Completed Recommendation

- The department should require the districts to establish and report on key performance indicators and targets for student transportation safety and efficiency.

Executive Council

Climate Change – 2017

Completed Recommendations

- Executive Council should ensure that when designing a plan to meet greenhouse gas emissions reduction targets, the expected impact of the actions set out is sufficient to achieve the targets.
- Executive Council should consider whether additional items could be designed which would result in measurable greenhouse gas emissions reductions that contribute to the Province reaching its overall greenhouse gas emissions reduction targets.

Compensation Practices in Government Entities - 2017

Outstanding Recommendations	Partially Implemented	No Action
The Treasury Board Secretariat (formerly the Human Resource Secretariat) should complete its review of Government compensation policies, as directed by Cabinet.	●	
The Treasury Board Secretariat should determine which Government entities should comply with existing and revised compensation policies.	●	
The Treasury Board Secretariat should consider whether legislative change is necessary to clarify the role of boards of directors of Government entities in following Government compensation policies.	●	

Completed Recommendation

- The Treasury Board Secretariat should work with the departments to ensure they effectively communicate Government compensation policies to their respective entities.

Finance

Government Preparedness for Changing Demographics – 2017

Completed Recommendation

- The Department of Finance should ensure that all departments are including costs associated with the changing demographics in their expense forecasts.

Fisheries, Forestry and Agriculture

Management of Firearms and Ammunition – 2018

(Originally issued to Fisheries and Land Resources)

Completed Recommendations

- The department should establish and communicate comprehensive policies and procedures to guide staff in the acquisition, disposition, recording, storage, use, movement and monitoring of firearms and ammunition.
- The department should ensure the inventory system is complete and accurate including:
 - updating the system on a timely basis for each acquisition, disposition and transfer of firearms and ammunition;
 - maintaining transaction history, supporting documentation, and relevant information for each inventory item; and
 - reconciling the inventory system and the Federal firearms registry on a periodic basis with inventory counts and investigating any discrepancies.

- The department should ensure the Federal firearms registry is updated on a timely basis for firearms that are acquired, lost, stolen or disposed of as required by legislation.
- The department should ensure secure access to, and storage of, firearms and ammunition at all storage locations throughout the province.
- The department should consider segregating the custody and record-keeping duties of staff involved with the firearms inventory, and if not practical to do so, ensure mitigating controls are in place.
- The department should develop an oversight framework for monitoring inventory management processes including establishing policies that:
 - outline the content and frequency of inventory reports to be reviewed by senior management for monitoring changes to inventory, inventory usage and inventory levels in relation to the delivery of its programs and staffing levels;
 - require annual and periodic inventory counts, including surprise counts; and
 - require the periodic review of the effectiveness of inventory controls and an assessment of any risks identified.

Health and Community Services

Government Preparedness for Changing Demographics – 2017

Completed Recommendation

- The department should ensure that its assessments and long-term plans consider all impacts of changing demographics, and costs are integrated into the financial forecast.

Healthy Eating in Schools – 2019

Completed Recommendation

- The Department of Health and Community Services (formerly Children, Seniors and Social Development), in conjunction with other departments, should consider updating the School Food Guidelines to meet best practices.

Oversight of Provincial Wellness Priorities - 2019

Completed Recommendations

- The Department of Health and Community Services should continue to develop an action plan for healthy active living to support government’s health outcome targets and bring indicators in line with the Canadian average by 2025.
- The department should continue to develop a monitoring/evaluation framework for overall healthy active living programming and ongoing assessment of progress against targets and desired outcomes.
- The department should develop a reporting framework for partnering departments on the information required to monitor, evaluate and report on the progress of healthy active living priorities.
- The department should work with partnering departments to improve the effectiveness of oversight of provincial healthy active living priorities across government.

Justice and Public Safety

Newfoundland and Labrador Liquor Corporation - 2020

Outstanding Recommendation	Partially Implemented	No Action
The department should adequately address conflicts of interest within the public service and Crown entities, including consideration of any legislative amendments required to improve accountability and transparency.	●	

Municipal and Provincial Affairs

(formerly Municipal Affairs and Environment)

Government Preparedness for Changing Demographics – 2017

Completed Recommendation

- The department should ensure that changing demographics are considered, impacts have been assessed, long-term plans are created, and costs related to changing demographics are integrated into the financial forecast.

Municipal Assessment Agency Inc.

Compensation Practices in Government Entities - 2017

Completed Recommendation

- Municipal Assessment Agency Inc. should work with the Treasury Board Secretariat (formerly the Human Resource Secretariat) to determine whether their compensation policies and practices should be consistent with Government policy, and where deemed appropriate, identified inconsistencies should be assessed.

Newfoundland and Labrador Health Services

Compensation Practices in Government Entities – 2017

Outstanding Recommendation	Partially Implemented	No Action
Newfoundland and Labrador Health Services (originally issued to Central Regional Health Authority) should work with the Treasury Board Secretariat (formerly the Human Resource Secretariat) to determine whether their compensation policies and practices should be consistent with Government policy, and where deemed appropriate, identified inconsistencies should be assessed.	●	

Provincial Home Support Program – 2017

Outstanding Recommendations	Partially Implemented	No Action
Newfoundland and Labrador Health Services (originally issued to Eastern Regional Health Authority and Western Regional Health Authority) should complete clinical and financial assessments within established timeframes and should assess home support services for seniors at least annually.	●	
Newfoundland and Labrador Health Services (originally issued to Eastern Regional Health Authority and Western Regional Health Authority) should ensure that they contact seniors in accordance with established timeframes.	●	
Newfoundland and Labrador Health Services (originally issued to Eastern Regional Health Authority) should ensure that they receive required financial reports and records annually from seniors who self-manage their home support services. Newfoundland and Labrador Health Services (formerly Eastern Regional Health Authority) should review these reports and any financial records in the initial year as required and establish a process to review financial records on a more frequent basis beyond the initial year.	●	

Outstanding Recommendations	Partially Implemented	No Action
Newfoundland and Labrador Health Services (originally issued to Eastern Regional Health Authority and Western Regional Health Authority) should monitor the home support hours received by seniors and follow up on instances in which seniors were not provided with the home support hours they had been approved to receive.	●	

Completed Recommendations

- Newfoundland and Labrador Health Services (original recommendations issued to Eastern Regional Health Authority and the Western Regional Health Authority) should ensure that recurring issues identified in annual agency audits are adequately resolved prior to approving agencies to operate.
- Newfoundland and Labrador Health Services (original recommendation issued to Western Regional Health Authority) should ensure that they receive required financial reports and records annually from seniors that self-manage their home support services. Newfoundland and Labrador Health Services (formerly Western Regional Health Authority) should review these reports and any financial records in the initial year as required and establish a process to review financial records on a more frequent basis beyond the initial year.

Newfoundland and Labrador Legal Aid Commission

Compensation Practices in Government Entities – 2017

Completed Recommendation

- The Newfoundland and Labrador Legal Aid Commission should work with the Treasury Board Secretariat (formerly the Human Resource Secretariat) to determine whether their compensation policies and practices should be consistent with Government policy, and where deemed appropriate, identified inconsistencies should be assessed.

Newfoundland and Labrador Liquor Corporation

Compensation Practices in Government Entities – 2017

Outstanding Recommendation	Partially Implemented	No Action
The Liquor Corporation should work with the Treasury Board Secretariat (formerly the Human Resource Secretariat) to determine whether their compensation policies and practices should be consistent with Government policy, and where deemed appropriate, identified inconsistencies should be assessed.	●	

Newfoundland and Labrador Liquor Corporation – 2020

Completed Recommendations

- The Liquor Corporation should ensure that the introduction of new sales programs is supported by an approved business case.
- The Liquor Corporation should ensure that the acquisition of specialty wines follows a well-documented process with procurement transparency and accountability.
- The Liquor Corporation should ensure prescribed guidance for the pricing of all products, pricing exceptions, and transparency in pricing.
- The Liquor Corporation should ensure that all staff are aware of travel, entertainment and board expense policies, and that expense reimbursement is supported by adequate documentation to reduce the risk of overpayment related to travel, entertainment and board expenses.

PictureNL

(Formerly Newfoundland and Labrador Film Corporation)

Compensation Practices in Government Entities - 2017

Outstanding Recommendation	Partially Implemented	No Action
PictureNL (formerly Newfoundland and Labrador Film Development Corporation) should work with the Treasury Board Secretariat (formerly the Human Resource Secretariat) to determine whether their compensation policies and practices should be consistent with Government policy, and where deemed appropriate, identified inconsistencies should be assessed.	●	

Tourism, Culture, Arts and Recreation

Oversight of Provincial Wellness Priorities - 2019

Outstanding Recommendations	Partially Implemented	No Action
The Department of Tourism, Culture, Arts and Recreation should continue to develop an action plan for healthy active living to support government's health outcome targets and bring indicators in line with the Canadian average by 2025.	●	
The department should develop a monitoring/evaluation framework for overall healthy active living programming and ongoing assessment of progress against established targets and desired outcomes.	●	
The Department of Tourism, Culture, Arts and Recreation should develop a reporting framework for partnering departments on the information required to monitor, evaluate and report on the progress of healthy active living priorities.	●	
The Department of Tourism, Culture, Arts and Recreation should work with partnering departments to improve the effectiveness of oversight of provincial healthy active living priorities across government.	●	

Transportation and Infrastructure

Student Transportation – 2019

Outstanding Recommendations	Partially Implemented	No Action
The Department of Transportation and Infrastructure (originally issued to Newfoundland and Labrador English School District) should develop a training requirements policy for District-owned bus drivers.	●	
The Department of Transportation and Infrastructure (originally issued to Newfoundland and Labrador English School District) should review its practice of accepting CPR Level A for drivers used in student transportation.	●	
The Department of Transportation and Infrastructure (originally issued to Newfoundland and Labrador English School District) should conduct regular route audits and evaluate the findings from the pilot of the GPS technologies.	●	

Completed Recommendations

- The Department of Transportation and Infrastructure (originally issued to Newfoundland and Labrador English School District) should improve its monitoring and enforcement of driver training.
- The Department of Transportation and Infrastructure (originally issued to and resolved by Newfoundland English School District) should improve its monitoring of vehicle inspection processes.
- The Department of Transportation and Infrastructure (originally issued to and resolved by Newfoundland English School District) should develop staff guidance on assessing and meeting District expectations for qualified drivers.
- The Department of Transportation and Infrastructure (originally issued to and resolved by Newfoundland English School District) should ensure approval of contracted vehicles and drivers occur prior to the start of the school year.
- The Department of Transportation and Infrastructure (originally issued to and resolved by Newfoundland English School District) should reiterate its expectations of and require confirmation from schools on the required components of bus safety training for students.
- The Department of Transportation and Infrastructure (originally issued to and resolved by Newfoundland English School District) should continue efforts to fully implement its risk management program, including the risks related to the safe transportation of students.
- The Department of Transportation and Infrastructure (originally issued to and resolved by Newfoundland English School District) should continue efforts to improve its complaints and accident/incident system and provide guidance on it.
- The Department of Transportation and Infrastructure (originally issued to and resolved by Newfoundland English School District) should continue efforts to fully implement the routing software.
- The Department of Transportation and Infrastructure (originally issued to and resolved by Newfoundland English School District) should ensure schools are complying with Department policy for student transportation eligibility.

MV Veteran and MV Legionnaire – 2021

Outstanding Recommendation	Partially Implemented	No Action
The Department of Transportation and Infrastructure (formerly Transportation and Works) should ensure root causes for significant mechanical issues and recurring mechanical issues of vessels are identified and addressed in a timely manner.	●	

Completed Recommendations

- The Department of Transportation and Infrastructure (formerly Transportation and Works) should establish and follow a project management process for the procurement of vessels that follows leading practice, with particular attention paid to risk management, onsite supervision, document management and training.
- The Department of Transportation and Infrastructure, with cooperation from other departments, should ensure that all opportunities for potential industrial benefits are identified, pursued and documented.





Road Quality – 2017

Outstanding Recommendations	Partially Implemented	No Action
The department should implement a system to track road conditions, identify maintenance priorities and support roadwork decisions. The department should also evaluate how to objectively assess road conditions.	●	
The department should develop a structured maintenance program that considers the pavement lifecycle and includes information on the type of maintenance required, maintenance schedules and frequency.	●	
The department should establish a centralized location for receiving road complaints and document complaint information and action taken.	●	

Completed Recommendations

- The department should ensure that roadwork performed meets Department standards.
- The department should evaluate site conditions to determine whether it should customize project specifications.
- The department should choose roadwork projects based on an objective evaluation process that is consistently applied.
- The department should ensure that roadwork is tendered on time, extension requests are received, and eligible liquidated damages are collected.
- The department should improve its monitoring of roadwork progress and completion by:
 - ensuring that all quality control and quality assurance testing is complete and clearly documented.
 - evaluating deficiencies identified and documenting the action taken,
 - performing contractor evaluations and taking action when contractor issues are identified,
 - ensuring that cost increases beyond an original tender estimate have approved contract extensions,
 - evaluate the benefit of performing inter-laboratory testing and laboratory audits, and
 - updating the numbering system used for samples.

Workplace NL

Compensation Practices in Government Entities - 2017

Completed Recommendation

- The Workplace NL should work with the Treasury Board Secretariat (formerly the Human Resource Secretariat) to determine whether their compensation policies and practices should be consistent with Government policy, and where deemed appropriate, identified inconsistencies should be assessed.

Ongoing Implementation

The Office of the Auditor General Newfoundland and Labrador delivered three Performance Audit reports during 2022, Nalcor Energy, Nalcor Energy – Compensation, and Adult Custody and Community Corrections.

Status of Recommendations

We expect that it is reasonable for departments to fully implement recommendations within three years of an audit report being issued. As part of the monitoring process, an initial follow-up on recommendations is conducted approximately two years after the release of a report. Entities self-report their implementation status and their responses are unaudited. The progress of these reports is reported as of August 31, 2024.

Newfoundland and Labrador Hydro

Nalcor Energy – October 2022

This report covered the audit period from January 2013 to December 2018. Its objective was to determine whether:

- Nalcor is spending responsibly on discretionary expenses.
- Nalcor ensures adherence to appropriate conflict of interest policies and procedures and related legislation.
- Nalcor is assessing the cost-effectiveness of using embedded contractors when planning and meeting its operational needs.

The report found that there were no policies to guide how hospitality, guest relations, honorariums, and various employee-related expenses were spent. There were also policy gaps for relocation, leased vehicles, as well as board member expense claims. While Nalcor's guiding handbook generally reflected the Conflict of Interest Act, Nalcor's policies did not provide guidance on accepting post-employment contracts, which is inconsistent with government's policy. We found that numerous contracts did not contain a conflict of interest section, did not specify termination requirements, had omissions, or ambiguity.

We did not find any confirmed incidents of conflict regarding the CEO's employment contract or disclosures. Moreover, the report found that Nalcor did not have policies or procedures that required officials to evaluate the cost-effectiveness of hiring employees directly versus hiring a contractor. The report also includes examples of perceived conflicts of interest which illustrate potential opportunities for embedded contractors to benefit personally from their relationship with Nalcor.

We concluded that Nalcor did not always ensure the best possible use of public money, particularly as it related to its management of discretionary expenses and its use of embedded contractors for the management of the Lower Churchill Project. By not aligning policies covering discretionary expenses with government policy whenever possible, Nalcor incurred excess expenses. Nalcor also did not always ensure adherence to appropriate conflict of interest policies, procedures, and related legislation, creating unnecessary risk. Nalcor's policies did not provide guidance or restrictions on accepting a post-employment contract, which is inconsistent with government policy. Nor did Nalcor manage its use of embedded contractors in a cost-effective manner when hiring highly-paid contractors into technical and corporate management positions, without considering the value of such roles being employees.

The Public Accounts Committee held a public hearing for this report topic on November 29, 2023.



Preliminary Status (unaudited)	Self-Reported Implementation Status		
	Fully Implemented or Otherwise Resolved	Partially Implemented	No Action
Newfoundland and Labrador Hydro (formerly Nalcor Energy) should ensure discretionary expense policies and procedures are clearly defined and include clear spending limits and approval requirements.	●		
Newfoundland and Labrador Hydro (formerly Nalcor Energy) should ensure discretionary expenditures are appropriately projected, managed and monitored through the budget approval process and internal control processes.	●		
Newfoundland and Labrador Hydro (formerly Nalcor Energy) should manage its discretionary expenses in a manner that ensures the best possible use of public money, by aligning discretionary expenses policy with government policy whenever possible.	●		
Newfoundland and Labrador Hydro (formerly Nalcor Energy) should ensure its conflict of interest policies, procedures, training and guidance documents are clear and comprehensive to make certain that conflict of interest considerations are incorporated into all relevant processes and to ensure employees, board members and embedded contractors know the protocols should they find themselves in a conflict of interest situation.	●		
Newfoundland and Labrador Hydro (formerly Nalcor Energy) should ensure it manages and monitors conflict of interest procedures in a complete and timely manner to ensure the procedures are appropriately followed by employees, board members and embedded contractors.	●		
Newfoundland and Labrador Hydro (formerly Nalcor Energy) should ensure it has complete and adequate information to facilitate assessing and monitoring all aspects of project costs pertaining to embedded contractors.	●		
Newfoundland and Labrador Hydro (formerly Nalcor Energy) should ensure it has effective procedures and controls over any contractual relationship, including those involving positions of authority, to mitigate the risk and likelihood of conflict of interest.	●		
Newfoundland and Labrador Hydro (formerly Nalcor Energy) should ensure it has processes for the staffing of projects, particularly as it relates to assessing the cost-effectiveness of temporary employees versus contractors; consistent contract terms for allowances; and the continuous management of staffing mix and cost.		●	

Nalcor Energy – Compensation – November 2022

This report covered the audit period from January 2013 to December 2018. Its objective was to determine whether Nalcor Energy's employee compensation was comparable to government and industry.

The report found that Nalcor (and its subsidiaries) paid higher base salaries than the provincial government for all 35 management and executive positions we examined. Between 2017 and 2018, Nalcor's Board of Directors:

- Approved the implementation of executive salary scales higher than prior employment contract base salary levels and allowed executives to exceed the top of the pay scale by 20 per cent; and
- Approved a new management salary structure with less classifications and broader pay ranges, and allowed management to exceed the top of the scale by 10 per cent. For context, these changes happened when provincial government employees were under a pay freeze.

From 2013 to 2018, approximately 15 executive employees were given an average of \$46,000 each in incentive payments annually; approximately 70 senior management employees were given an average of \$16,000 each in incentive payments in lieu of bonuses; and approximately \$1.5 million in bonuses was paid to management employees who were at the top of their pay scale.

We found that Nalcor's base salaries were above many of the benchmarks found in the industry. Specifically, we found that executive employee total compensation was at the high end of the range of Canadian industry markets. Management employee total compensation was also above Nalcor's benchmark of the Atlantic Canada electric utilities market. Canadian compensation planning surveys reported average increases ranging from 0.3 per cent to 4.4 per cent annually, while Nalcor employees received increases ranging from four to eight per cent annually.

We concluded that Nalcor's management and executive employees' total compensation was, and continues to be, higher than the total compensation of comparable provincial government positions.

The Public Accounts Committee held a public hearing for this audit topic on November 29, 2023.

Preliminary Status (unaudited)	Self-Reported Implementation Status		
	Fully Implemented or Otherwise Resolved	Partially Implemented	No Action
Newfoundland and Labrador Hydro (formerly Nalcor Energy) should re-evaluate its compensation policies and practices to ensure the best possible use of public money, including consideration of alignment with government classification, pay scales, and benefits policies.		●	



Department of Justice and Public Safety

Adult Custody and Community Corrections – December 2022

This report involved the Department of Justice and Public Safety and covered the audit period from January 2017 to December 2019. Its objective was to determine whether the Department of Justice and Public Safety:

- was providing and adequately managing appropriate rehabilitation programming intended to meet the needs of adult offenders in custody and assist them with their successful reintegration into the community; and,
- had adequate processes to manage adult offenders in the community, while also supporting public safety and offenders’ successful community reintegration.

The report found that the department has not ensured that timely passing of the Correctional Services Act and its regulations and Adult Custody policies on rehabilitation programming and reintegration were incomplete, inadequate, and outdated, and for the majority of the criteria we assessed, no policies existed to guide adult custody at all. The report also found that Case management processes were not always adhered to for both offenders in custody or those serving community sentences. The report also found that classification officers did not follow department directives regarding how often they should have been meeting with offenders to monitor their rehabilitation progress. The department did not have a formalized process to ensure that it had the appropriate types and availability of rehabilitation programming to meet the needs of current and future offenders. Furthermore, the report found the department had no formalized release planning processes for offenders in custody. Probation officers also did not consistently monitor compliance with offenders’ court ordered conditions, or properly enforce compliance when breaches occurred.

We concluded that the Department of Justice and Public Safety was inadequate in its efforts to appropriately and consistently manage adult offenders in custody and in community arrangements. The department did not provide adequate rehabilitation programming, with outdated adult custody policies and incomplete risk assessments. Probation officers did not always supervise offenders in accordance with established supervision standards, nor did they always monitor offenders’ compliance with the conditions outlined in their court orders. Probation officers also did not always properly enforce compliance with probation and conditional sentence order conditions when breaches occurred. These deficiencies may have increased the risk to public safety and diminished offenders’ probability of successful community reintegration.

The Public Accounts Committee held a public hearing for this audit topic on June 20, 2024.

Preliminary Status (unaudited)	Self-Reported Implementation Status		
	Fully Implemented or Otherwise Resolved	Partially Implemented	No Action
The Department of Justice and Public Safety should complete the work necessary for the government to enact the 2011 Correctional Services Act.		●	
The Department of Justice and Public Safety should ensure that all adult custody and community corrections policies are complete, current, reflect best practice, communicated, and monitored regarding the rehabilitation and management of offenders.		●	

Preliminary Status (unaudited)	Self-Reported Implementation Status		
	Fully Implemented or Otherwise Resolved	Partially Implemented	No Action
The Department of Justice and Public Safety should ensure classification and probation officers have current, adequate training in all aspects of managing adult offenders, including the establishment of formal information transfer processes to improve correctional services.		●	
The Department of Justice and Public Safety should ensure that rehabilitation programming is available and accessible to all offenders.		●	
The Department of Justice and Public Safety should ensure that probation officers are supervising offenders in the community in accordance with established standards and are monitoring and enforcing compliance with court ordered conditions.		●	

2023-2024 Reports

There were seven reports released between 2023 and 2024 by our office that are not included in this year's monitoring report because they are within the initial two-year implementation period:

- Food Premises Inspection and Licensing Program (May 2023)
- Innovation and Business Investment Corporation (June 2023)
- Office of the High Sheriff (September 2023)
- Memorial University (October 2023)
- Oil and Gas Corporation (June 2024)
- House of Assembly Members & Ministers Expenditures (July 2024)
- Administration of Crown Lands (October 2024)



Unresolved Recommendations

The outstanding recommendations from 2016 are no longer monitored by our office, as they fall outside our seven-year continuous monitoring framework. There were 36 recommendations from those reports that had been partially implemented at the time of our May 2024 report - however, they remain relevant and should be considered.

Entity	Report	Outstanding Recommendation
Children, Seniors and Social Development	Child Protection Services	The department should establish results-oriented goals and performance expectations to address program and service delivery system performance.
		The department should identify and monitor performance indicators to measure the performance of the Protective Intervention and In-Care Programs.
Education (was Education and Early Childhood Development)	Teacher Allocation in Schools	The department should, with the assistance of the Newfoundland and Labrador English School District, establish a formal evaluation framework that includes documented goals, specific objectives, performance indicators, expected outputs and expected outcomes. The department should use this framework to periodically evaluate the Teacher Allocation Model to determine whether intended results are being achieved.
Health and Community Services	Road Ambulance Services	The department should ensure it is providing effective oversight of the road ambulance program, through the establishment and communication of clearly defined performance objectives and its information needs to the Regional Health Authorities and the Provincial Medical Oversight Program.
		The department should ensure that its policies and procedures and the Ambulance Operations Standards Manual are up to date and reflect all requirements of the road ambulance program; are being enforced; and, are conveyed in an easy-to-follow format.
		The department should ensure there is adequate documentation for relief under the "Best Efforts" policy in instances in which operators demonstrate that they must temporarily employ attendants with less than the required skill levels.
		The department should evaluate its basis for dispatcher training, and determine whether it is sufficient to ensure quality care.
		The department should evaluate its basis for road ambulance attendant skill level policy, which is below Canadian industry best practice, and determine whether it is sufficient to ensure quality care.
		The department should monitor the road ambulance program to ensure the intended results are achieved.
		The department should set ambulance response time targets, giving consideration to Canadian industry best practices for response times.

Unresolved Recommendations

Entity	Report	Outstanding Recommendation(s)
Health and Community Services	Salaried Physicians	The department should consider the development of Province-wide performance appraisal standards specifying how often physicians employed at the Regional Health Authorities and Memorial University of Newfoundland are to be formally assessed.
		The department should develop an accountability system to track the level of service provided by salaried physicians.
		The department should ensure they comply with the Salaried Physicians Quick Reference Guidelines when hiring salaried physicians.
		The department should update the Salaried Physicians Quick Reference Guidelines to reflect the current hiring processes in place at the Regional Health Authorities and the Department.
Justice and Public Safety (was issued to Municipal Affairs)	Fire and Emergency Services – Newfoundland and Labrador	The department should ensure that the Government Business Continuity Plan is maintained in accordance with the Emergency Services Act.
		The department should monitor and encourage that all department Business Continuity Plans are updated in accordance with Fire and Emergency Services – Newfoundland and Labrador guidance.
Newfoundland and Labrador Health Services	Acute Care Bed Management	Newfoundland and Labrador Health Services (formerly the Labrador-Grenfell Regional Health Authority) should identify and/or establish performance indicators related to acute care bed management and ensure national benchmarks are identified or hospital targets are established for each performance indicator.
		Newfoundland and Labrador Health Services (formerly the Central Regional, Eastern Regional and Labrador-Grenfell Regional Health Authorities) should establish bed management processes and systems which include daily multidisciplinary meetings, daily bed huddles, electronic bed boards, posted and informative whiteboards in units and patient rooms, early discharge times, patient transfer/repatriation protocols, and information systems that promote good planning and monitoring of acute care bed usage/availability.
		Newfoundland and Labrador Health Services (formerly the Labrador-Grenfell Regional Health Authority) should compare actual results to established benchmarks and targets for key performance indicators, in order to identify variances that require follow-up and action. Statistical and performance indicator reports should be provided to senior staff, bed managers and other interdisciplinary team members for effective planning and resource decisions.
	Road Ambulance Services	Newfoundland and Labrador Health Services (formerly the Eastern Regional Health Authority) ensure that the road ambulance services provided by private and community-based operators for Newfoundland and Labrador Health Services meet the skill levels required by the Department of Health and Community Services. In instances in which operators demonstrate that they must temporarily employ attendants with less than the required skill levels, the Newfoundland and Labrador Health Services and the Department of Health and Community Services should ensure there is adequate documentation for relief under the "Best Efforts" policy.
		Newfoundland and Labrador Health Services (formerly the Eastern Regional Health Authority) should ensure that Patient Care Reports are included in a patient's medical records and that the Patient Care Reports are not altered after the patient transports are completed.
		Newfoundland and Labrador Health Services (formerly the Eastern Regional Health Authority) should ensure targets that the Department of Health and Community Services sets are being monitored for the eastern region of the Province.

Unresolved Recommendations

Entity	Report	Outstanding Recommendation(s)
Newfoundland and Labrador Health Services	Road Ambulance Services	Newfoundland and Labrador Health Services (formerly the Eastern Regional Health Authority) should have systems and processes in place to effectively monitor the day-to-day operations of road ambulance services provided by base hospitals and private and community operators, and their compliance with Department of Health and Community Services policy.
	Salaried Physicians	Newfoundland and Labrador Health Services (formerly the Labrador-Grenfell Regional Health Authority and Western Regional Health Authority) should conduct performance appraisals in accordance with its internal policies.
		Newfoundland and Labrador Health Services (formerly the Central Regional Health Authority, Eastern Regional Health Authority, Labrador-Grenfell Regional Health Authority, and Western Regional Health Authority) should develop an accountability system to track the level of service provided by salaried physicians.
		Newfoundland and Labrador Health Services (formerly the Central Regional Health Authority, Eastern Regional Health Authority and Western Regional Health Authority) should develop and implement detailed workload requirements for salaried physicians.
		Newfoundland and Labrador Health Services (formerly the Central Regional Health Authority and Labrador-Grenfell Regional Health Authority) should ensure they comply with the Salaried Physicians Quick Reference Guidelines when hiring salaried physicians.



Conclusion

Recommendations are an essential part of audit reports and it is important for the departments and entities to fully implement or otherwise resolve our recommendations to improve program and service delivery. Approximately two out of every five recommendations remain outstanding, and we are particularly concerned with the number of departments and entities that had overall low implementation rates across a number of reports, some of which date back to 2017. As a result of recommendations not being fully implemented, risks remain, or further risks may be created.

Of particular concern, Newfoundland and Labrador Health Services has not implemented eight recommendations (28 per cent), including seven related to the home support program. As a result, serious gaps remain with respect to the timely review of home support service assessments and the monitoring of home support hours.

The Department of Transportation and Infrastructure has seven (24 per cent) outstanding recommendations, including those related to training of school bus drivers; root cause analysis of ferry vessel mechanical issues; and road condition and complaints management. The Department of Tourism, Culture, Arts and Recreation has not completed any of the four recommendations made from our 2019 report on the Oversight of Provincial Wellness Priorities. The Department of Education does not have a nutrition policy that applies across the province and certain elements of internal control oversight related to the K-12 system continue to be unaddressed.

A key finding from the NLC audit remains outstanding, specifically the issue of conflict of interest within the public service and Crown entities, and recommendations related to compliance with compensation policies by entities and those charged with their governance also remains outstanding.

Sixty-two per cent of these 29 recommendations relate to audit reports that were issued in 2018 and earlier. That volume of unresolved recommendations - after six years - indicates that the issues we identified in our performance audits remain relevant. Unresolved recommendations no longer monitored by our office remain relevant and may result in future audit topics for our office.

Appendix I - About the Report

Objectives

This information report was conducted in accordance with Section 21 of the Auditor General Act, 2021. The objective was to assess the status of outstanding performance audit recommendations from 2017 to 2021. The report also satisfies questions from the Public Accounts Committee regarding the government's response to past Auditor General performance audits.

Level of Assurance & Audit Procedures

For each recommendation, entity officials self-report whether the recommendation has been fully implemented or otherwise resolved, partially implemented, or if no action has been taken.

Progress on these recommendations is reported as of August 31, 2024, and responses were received and assessed between September 2024 and November 2024.

The limited assurance engagement was completed on the outstanding recommendations originating from reports on Performance Audits of Departments and Crown Agencies between 2017 and 2021. We provide limited assurance as of August 31, 2024, on recommendations assessed as fully implemented or otherwise resolved, partially implemented or no action, to determine if departments' and agencies' assessments were free from material misstatement. For recommendations assessed as fully implemented or otherwise resolved and partially implemented, our work consists primarily of enquiry and discussion with management officials at government departments and Crown agencies, and an examination of selected supporting documentation. No procedures were performed, and therefore no assurance is provided, where the status of recommendations is noted as no action.

Self-reported implementation statuses originating from reports on Performance Audits of Departments and Crown Agencies delivered in 2022 were not audited by our office, and no assurance is provided.

Occasionally, our Office will disagree with an entity's assessment of the extent of implementation of a recommendation. In all cases, the status of a recommendation is reported based on our Office's assessment of implementation.

The Office applies the Canadian Standard on Quality Management 1. This standard requires our Office to design, implement, and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we have complied with the independence and other ethical requirements of the Rules of Professional Conduct of the Association of Chartered Professional Accountants of Newfoundland and Labrador.

Date Conclusion Reached

We obtained sufficient and appropriate audit evidence on which to base our conclusions on December 18, 2024 in St. John's, Newfoundland and Labrador.



DENISE HANRAHAN, CPA, CMA, MBA, ICD.D
Auditor General

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Appendix II - About Us

Vision

Promoting positive change and accountability in the public sector through impactful audits.

Mission

To promote accountability in government's management and use of public resources and encourage positive change in its delivery of programs and services.

Values

Above all else, the Office of the Auditor General must have independence, credibility and integrity. These are essential to everything we do and critical to our success. The Office of the Auditor General complies with professional and office standards to produce relevant and reliable audit reports. The Office of the Auditor General's independence of government, in fact, and in appearance, provides objective conclusions, opinions and recommendations on the operations of government and crown agencies. Our staff work in a professional and ethical manner, ensuring respect, objectivity, trust, honesty and fairness.

OAG Team

The Auditor General and Deputy Auditor General wish to thank the diligent team who performed their work with independence, credibility and integrity:

- Lindy Stanley, CPA, CA, Assistant Auditor General
- Adam Lippa, CPA, CMA, CISA, CISM, Audit Principal
- Sujin Gu, CPA, Audit Senior

The Auditor General also would like to thank Chrysta Collins, Manager of Communications and Stakeholder Engagement, for report editing and design, as well as stakeholder management.



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