

Press Release

Charlottetown, PEI - The Auditor General's 2020 Annual Report to the Legislative Assembly was tabled today, March 16, 2020. The report contains chapters on performance audits, financial audits and previous recommendations.

AccessAbility Supports Program: This audit examined whether the Department of Social Development and Housing authorized and provided AccessAbility Supports in accordance with legislation and policies, and if there was an adequate process to receive and respond to program inquiries on a timely basis. The key conclusions are:

- implementation of the AccessAbility Supports Program was not well managed;
- eighteen months after the program was implemented, some individuals receiving benefits had not been assessed using the new capability assessment tool; and
- program inquiries were not adequately logged and monitored.

"The program was hastily implemented and there was inadequate attention to some basic management practices," said Auditor General Jane MacAdam. "It's concerning that eighteen months after the program was implemented, some individuals receiving benefits had not been assessed using the new capability assessment tool, and the Department couldn't provide information on the number of assessments outstanding."

IT Security Access Controls: This audit examined whether the Department of Social Development and Housing and Information Technology Shared Services have designed and implemented key access controls as identified in the Access Control chapter of the PEI Government Information Security Policy. For security reasons, we are not disclosing detailed findings and recommendations, and we do not comment on the specific IT systems examined. Overall, our audit noted:

- there was a lack of compliance with several access control policies;
- government was not regularly assessing compliance with security policies and standards; and
- communication of IT security policy requirements needs improvement.

Laboratory Services - Surgical Specimen Processing: This audit examined whether Health PEI Laboratory Services has effective processes for the timely analysis of surgical specimens. MacAdam stated "Overall, we concluded that Laboratory Services does have effective processes to analyze surgical specimens efficiently; but, we did identify some weaknesses requiring attention."

Implementation of 2016 and 2017 Recommendations: This chapter provides information on the status of the implementation of the recommendations made in our 2016 and 2017 annual reports. Based on our limited assurance follow-up work, we concluded that as of October 31, 2019:

- 64 percent of 2016 recommendations were implemented (unchanged from October 31, 2018);
- 43 percent of 2017 recommendations were implemented; and
- management has advised that some of the delays are due to outstanding IT upgrades as well as changes to regulations.

Implementation of Recommendations 2016 Special Assignment: This chapter provides the status of implementation of 15 recommendations made in our report on Government Involvement with the E-gaming Initiative and Financial Services Platform. Based on our limited assurance follow-up work, we concluded that:

- action was taken on all recommendations as of October 31, 2019; and
- some recommendations were assessed as on-going to reiterate that there is a continuing requirement to comply with legislation and policies. The remainder were assessed as complete.

MacAdam stated "We do not plan to do any further follow-up work on the recommendations from this special assignment."

Financial Audits: In our financial audit chapters, we report on observations and recommendations resulting from our audits of the consolidated financial statements, the financial statements of other government entities, and the processing and recording of appropriations and special warrants. We also provide summary financial highlights and comments on indicators of financial condition for the province. We noted that:

- an unqualified audit opinion was issued on the 2018-19 consolidated financial statements;
- the province reported a surplus of \$57 million in 2018-19, a significant difference from the budgeted surplus of \$1.5 million;
- net debt totaled \$2.12 billion at March 31, 2019, a decrease of \$5.1 million compared to the prior year; and
- similar to prior years, some expenditures were incurred prior to obtaining a special warrant as required by the *Financial Administration Act*.

MacAdam noted that "Most of the financial indicators presented were trending in a positive direction at the end of the 2019 fiscal year."

The 2020 Annual Report of the Auditor General to the Legislative Assembly is available at www.assembly.pe.ca/auditorgeneral

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