

## **Office of the Auditor General of Prince Edward Island**

### **Press Release**

Charlottetown, PEI - The Auditor General's 2021 Annual Report to the Legislative Assembly was tabled today, March 9, 2021. The report contains chapters on performance audits, financial audits, special reports and previous recommendations.

#### Prince Edward Island International Student Program (PEIISP)

This chapter reports the results of an audit that was conducted on the Prince Edward Island International Student program. We found that the Department of Education and Lifelong Learning does not have processes in place to effectively manage the PEI International Student Program. Our key findings were:

- There is no documented and approved long-term plan for the PEIISP.
- Documented and approved policies and procedures have not been developed for the PEIISP.
- There is limited reporting on the program.

We have made 13 recommendations to the Department of Education and Lifelong Learning.

#### Crown Corporations Governance Survey

This chapter includes results from a governance survey sent to board members of 32 Crown corporations. We have made 11 recommendations to Treasury Board to help ensure effective and consistent governance policies for the boards of directors of the various Crown corporations operating within the Province.

#### Implementation of 2017 and 2018 Recommendations

This chapter provides information on the status of the implementation of the recommendations made in our 2017 and 2018 annual reports. Based on our limited assurance follow-up work, we concluded that as of October 31, 2020:

- 77 percent of our 2017 recommendations have been implemented
- 50 percent of our 2018 recommendations have been implemented; and
- management has advised that some of the delays in implementing our recommendations are due to outstanding IT upgrades, pending changes to regulations, and the impact of COVID-19.

### Update on COVID-19 Special Examination

We expect to issue our report on Phase I of our COVID-19 Special Examination in June 2021.

### Climate Leadership Act

This is our first year reporting under the Climate Leadership Act. The Province returned approximately \$5 million more to Islanders than was collected under the new carbon levy for the fiscal year ended March 31, 2020.

### Financial Audits

In our financial audit chapters, we report on observations and recommendations resulting from our audits of the Province's 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 the financial condition for the Province. We noted that:

- an unqualified audit opinion was issued on the 2019-20 consolidated financial statements;
- the Province reported a surplus of \$22 million in 2019-20, a significant difference from the budgeted surplus of \$1.8 million;
- net debt totaled \$2.2 billion as at March 31, 2020, an increase of \$81.5 million and the first increase to net debt in a number of years;
- similar to prior years, some expenditures were incurred prior to obtaining a special warrant, as required by the *Financial Administration Act*; and
- Treasury Board policies are not always being followed.

Most of the financial indicators presented were trending in a positive direction at the end of the 2020 fiscal year. However, net debt has increased for the first time in several years.

The 2021 Annual Report of the Auditor General to the Legislative Assembly is available on our website at [www.assembly.pe.ca/auditorgeneral](http://www.assembly.pe.ca/auditorgeneral)

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