



Office of the Auditor General
Prince Edward Island

80 Grafton Street
Charlottetown, PE
C1A 1K7
902-368-4520

News Release

For Immediate Release

Auditor General's report flags payroll concerns for excluded employees at Health PEI

Charlottetown, PE, January 7, 2026 - A new report from the Office of the Auditor General has found that the classification and reclassification of Health PEI's excluded positions were not always consistent with legislation and policies. It also found that some payouts which occurred for accrued vacation time and time-in-lieu earned were not permitted under the terms and conditions of employment for excluded employees.

As a Crown Corporation, Health PEI is responsible for the operation and delivery of publicly funded health care services within the province. Thousands of employees are on its payroll and compensation expenses reached approximately \$660 million last fiscal year. Excluded employees of Health PEI are governed by the Civil Service Act with specific terms and conditions of employment.

During its audit work, the Office discovered instances of excluded positions that were created and filled by Health PEI without being classified or reported to Treasury Board as required.

Vacation and time-in-lieu payouts were also identified. Some of these payouts did not follow the terms and conditions for excluded employees. In instances where these payouts happened, there were inconsistencies with approvals, rationale, and tracking of time.

"Policies exist so employees receive fair and transparent compensation throughout the provincial government," said Darren Noonan, Auditor General. "At the end of the day, having these policies in place aims to ensure equity and to see taxpayer dollars being used in the most effective way possible. When they are not followed consistently, it puts trust from both employees and the public at risk."

The audit report made 12 recommendations to Health PEI, which were accepted and will be monitored over the next four years for progress.

-30-

Media Contact:

Molly Pendergast
mollypendergast@assembly.pe.ca
(902) 288-2011