



Office of the Auditor General of Prince Edward Island
Press Release

Charlottetown, PEI - The Auditor General's COVID-19 Financial Support Programs - Phase I Report to the Legislative Assembly was tabled today, July 29, 2021.

On April 10, 2020, the Honourable Dennis King requested the Auditor General, under section 14(d) of the *Audit Act*, to undertake a special assignment to examine government's COVID-19 pandemic response. In particular, the Auditor General was requested to complete a financial examination of the provincial government's COVID-19 programming and supports, and the special warrants associated with COVID-19 for the period starting March 13, 2020.

The COVID-19 pandemic took us all by surprise. It affected every person and every business on Prince Edward Island. It required the government to act quickly to provide necessary support programs to assist Islanders and businesses to deal with the changes brought about by the pandemic. When rolling out such program supports, it created many challenges for those charged with governing and management of government resources, especially with many people being tasked with working from home.

The need to get money into the hands of Islanders was crucial, however government is still responsible to ensure that proper internal controls are in place to monitor the allocation of resources, tracking of expenditures and ensuring "eligibility" requirements are met.

There were 21 programs identified as part of our work, which were administered by seven departments and one Crown corporation. These programs had totaled budgeted expenditures of approximately \$52 million.

Overall, we concluded that the Province of PEI obtained appropriate authorizations for financial support programs initiated in response to COVID-19, but there were weaknesses identified in the oversight and controls over the disbursements made under these programs.

The following weaknesses were identified:

- Treasury Board approval was not obtained when budgets were exceeded for three of the programs;
- Program procedures for some programs did not outline proper authorization levels, or requirements for segregation of duties, between those who processed applications and those who reviewed and authorized payments;
- Applicants were not always required to attest to all eligibility criteria;
- Funding was sometimes provided even though the applicant did not meet all eligibility criteria, or insufficient documentation was submitted;
- Two programs had errors in payment calculations, one of which had errors for 60 percent of applications in our sample;
- Payments and contracts were not always appropriately authorized;
- There were no documented agreements with some third parties which distributed funding;
- For most programs there was no documentation available to indicate a quality review had occurred;
- There is a lack of post payment verification plans for four of the seven programs which processed applications based on attestations; and
- Formal program assessment plans have not been developed for 13 of the 21 programs.

We made three recommendations to Executive Council as a result of our work.

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