

Office of the Auditor General of Prince Edward Island - Press Release

Charlottetown, PEI - The Auditor General has tabled two Reports with the Legislative Assembly today, July 20, 2023. The reports are COVID-19 Financial Support Programs – Phase II and Performance Reporting – Phase II – Report Content.

COVID-19 Financial Support Programs - Phase II - Highlights

Why we did this Audit

- On April 10, 2020, the Honorable 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.
- As we obtained a better understanding of the various COVID-19 programs, a three-phased approach was presented to, and approved, by Executive Council. The phases consist of the following:
 - **Phase I:** Included financial support program payments paid from the COVID-19 Emergency Contingency Fund with application deadlines up to, and including, August 31, 2020.
 - **Phase II:** Included loan programs, as well as the remaining program payments funded by the COVID-19 Emergency Contingency Fund with application deadlines after August 31, 2020.
 - **Phase III:** Included additional programs established using the COVID-19 Response and Recovery Contingency Fund of \$65 million.
- In July 2021, our Office released the COVID-19 Financial Support Programs - Phase I Report. This Phase II report is an extension of our work on the COVID-19 Emergency Contingency Fund and will continue into a final third phase, which we expect to release in the summer of 2023.
- We will be following up on the recommendations presented in all three reports approximately 12 months following the date of our Phase III report.

Objectives

- To determine whether the Province of Prince Edward Island
- obtained appropriate authorizations for financial support programs initiated in response to COVID-19; and
 - maintained appropriate oversight and controls over disbursements made under these programs.

Conclusions

- The Province of Prince Edward Island obtained appropriate authorizations for financial support programs initiated in response to COVID-19.
- Appropriate oversight and controls were not always maintained over disbursements made under these programs.

Audit Scope Period: March 16, 2020 to March 31, 2021

What we Found

Approvals	<ul style="list-style-type: none"> ○ All 11 programs in Phase II were approved by Treasury Board, but five programs were not approved before public announcement or implementation. ○ Treasury Board approval was not obtained prior to changes in eligibility criteria and program extensions for two programs.
Program Delivery	<ul style="list-style-type: none"> ○ For one program, our testing found two applicants who were approved, and funding was provided, even though eligibility criteria were not met. ○ Where third party vendors were involved in the delivery of the programs, service contracts were not in place for eight of the nine vendors tested.
Monitoring and Reporting	<ul style="list-style-type: none"> ○ A formal assessment on the delivery of all COVID-19 financial support programs has not been completed for five programs.

Performance Reporting – Phase II – Report Content – Highlights

Why we did this audit

- This audit is a follow up to our *Crown Corporations Governance Survey* and *Performance Reporting – Phase I – Reporting Timeliness* reports, where we identified annual performance reporting as an area in need of improvement.
- Annual reports allow government departments and reporting entities to demonstrate accountability and transparency.
- It is important that government departments and reporting entities release annual reports that help readers understand what was planned and achieved, how resources were used and where performance can be improved.

Objective

- To assess whether the annual reports of government departments and reporting entities are prepared in accordance with the content guidelines of Treasury Board Policy.

Conclusion

- Government departments and reporting entities are not following annual reporting content guidelines in accordance with Treasury Board Policy.

Audit scope: Most recently published annual report as of October 31, 2022

What we found

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| Responsibility | <ul style="list-style-type: none">○ Annual reports did not always include statements indicating who was responsible for the organization and its performance, the responsibilities of the organization, and an organizational chart showing lines of accountability. |
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RECOMMENDATION (paragraph 33)

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| Overview, Purpose & Approach | <ul style="list-style-type: none">○ Nearly 30 percent of annual reports did not identify the organization’s mandate, and over 50 percent did not identify the mission, vision and values of the organization.○ Annual reports did not always include a summary overview of what happened in the organization over the past year. |
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RECOMMENDATIONS (paragraphs 38 & 39)

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| Organizational Goals | <ul style="list-style-type: none">○ Forty percent of annual reports did not clearly identify the organization’s goals. For those that did, 80 percent did not provide readers with sufficient information to assess the organization’s performance against these goals. |
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RECOMMENDATIONS (paragraphs 43, 47 & 50)

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| Division and Program Results | <ul style="list-style-type: none">○ None of the annual reports provided information on the results of divisions and programs in relation to their goals.○ Almost 90% of annual reports provided relevant information on program and sector activities, such as statistical data. |
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RECOMMENDATIONS (paragraphs 57 & 61)

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| Financial | <ul style="list-style-type: none">○ Although annual reports presented financial information, they did not always include all information as outlined by Treasury Board Policy, such as approved budgets and variances between budget and actual results. |
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RECOMMENDATION (paragraph 66)