



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

**COVID-19 Financial Support Programs  
Phase III**

December 2023



Prince Edward Island Île-du-Prince-Édouard

Office of the  
Auditor General

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Honourable Speaker and  
Members of the Legislative Assembly  
Province of Prince Edward Island

I have the honour of presenting our Office's report entitled "COVID-19 Financial Support Programs - Phase III."

This special examination was conducted in response to a request from the Office of the Premier of Prince Edward Island and Executive Council under Section 14(d) of the *Audit Act*.

Respectfully submitted,

Darren Noonan, CPA, CA  
Auditor General

Charlottetown, Prince Edward Island  
December 12, 2023

# COVID-19 Financial Support Programs - Phase III - Highlights

## Why we did this Audit

- 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.
- 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:** Includes 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.
- In July 2023, our Office released the COVID-19 Financial Support Programs - Phase II Report.
- We will be following up on the recommendations presented in all three reports approximately 12 months following the date of this 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: July 8, 2020 to March 31, 2021**

## What we Found

Approvals	<ul style="list-style-type: none"><li>○ The COVID-19 Response and Recovery Contingency Fund was approved in accordance with the <i>Financial Administration Act</i>.</li><li>○ All 18 programs in Phase III were eventually approved by Treasury Board; however, three programs were not approved before implementation.</li><li>○ There were nine programs where program details, such as program dates and application deadlines, were not approved by Treasury Board.</li><li>○ There were two programs that did not obtain Treasury Board approval for changes to program dates.</li><li>○ Treasury Board approval did not clearly identify the final budget for three programs.</li></ul>
Program Delivery	<ul style="list-style-type: none"><li>○ Three of the six application-based programs did not have documented program procedures established for staff to process applications. Key program details were missing for two of the programs which had documented procedures.</li><li>○ In four of the programs we tested, we found seven ineligible funding recipients in our sample testing.</li><li>○ In our sample testing, we found two programs which had five payment calculation errors.</li></ul>
Monitoring and Reporting	<ul style="list-style-type: none"><li>○ Program expenditures were regularly reported to Treasury Board.</li><li>○ A formal assessment on the delivery of all COVID-19 financial support programs has not been completed for 10 of the 18 programs examined as part of this phase of our audit.</li></ul>

# COVID-19 Financial Support Programs - Phase III

## Why it's important

COVID-19 affected all Islanders. In addition to the health related uncertainty, many individuals and businesses found their income negatively impacted. Treasury Board approved \$65 million in financial supports as part of the COVID-19 Response and Recovery Contingency Fund, in addition to the \$88.6 million COVID-19 Emergency Contingency Fund, for the fiscal period ending March 31, 2021. These additional funds were intended to support Islanders and help the economy recover. It is important that funds were appropriately authorized and appropriate controls were in place over the disbursements that were made.

## What we found

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

We looked at 18 of the 42 programs funded by the COVID-19 Response and Recovery Contingency Fund. Some key weaknesses identified during the audit were:

- Three programs were not approved by Treasury Board before implementation.
- Key program details were not approved by Treasury Board for nine programs.
- There were two programs that did not obtain Treasury Board approval for changes to program dates.
- Treasury Board approval did not clearly identify the final budget for three programs.
- Three of the six application-based programs did not have documented procedures established for staff to process applications. Key program details were missing for two of the programs which did have documented procedures.
- In four of the programs we tested, we found seven ineligible funding recipients in our sample testing.
- In our sample testing, we found two programs which had five payment calculation errors.
- Formal assessments have not been completed for 10 of the 18 programs examined.

We have made two recommendations to Treasury Board and Executive Council. The recommendations and responses are included in **Appendix A**.

## BACKGROUND

1. Based on the advice of the Chief Public Health Officer, Executive Council declared a State of Public Health Emergency in Prince Edward Island on March 16, 2020, in response to the Coronavirus Disease 2019 (COVID-19) pandemic. This measure was considered necessary to protect the public health of the residents of PEI and remained in place until April 5, 2022.
2. In March of 2020, an Emergency Contingency Fund was established by the Government of Prince Edward Island. The Fund's purpose was to support individuals and businesses facing

hardships due to the pandemic. It eventually grew to \$88.6 million and supported 40 government programs.

3. Government also approved a COVID-19 Response and Recovery Contingency Fund for \$65 million, as the COVID-19 pandemic was still having a substantial impact on Islanders. This fund was to provide additional support to Islanders in the event of a second wave of the pandemic and to assist with economic recovery.
4. There was \$51.1 million in actual expenditures charged to the COVID-19 Response and Recovery Contingency Fund from April 1, 2020 - March 31, 2021, as reported in the March 31, 2021 Consolidated Financial Statements for the Province. This represents 79% of the \$65 million budget allocation. See **Exhibit 1**.

**EXHIBIT 1**  
**COVID-19 RESPONSE AND RECOVERY**  
**CONTINGENCY FUND**  
**(IN MILLIONS)**

<b>Department/Crown Corporation*</b>	<b>Budget</b>	<b>Actual</b>
Agriculture and Land	\$ 2,000	\$ 1,361
Economic Growth, Tourism and Culture	10,000	6,569
Innovation PEI	3,000	1,786
Tourism PEI	5,000	4,945
Education and Lifelong Learning	1,500	3,635
Public Schools Branch	6,050	5,755
French Language School Board	450	711
Environment, Water and Climate Change	1,000	-
Fisheries and Communities	4,000	4,965
Employment Development Agency	2,000	-
Health and Wellness	6,000	7,281
Health PEI	15,000	5,382
Justice and Public Safety	2,000	1,384
Social Development and Housing	5,000	2,046
Transportation, Infrastructure and Energy	<u>2,000</u>	<u>5,312</u>
<b>Total</b>	<b><u>\$65,000</u></b>	<b><u>\$51,132</u></b>

\*As at March 31, 2021

**AUDIT OBJECTIVES AND SCOPE**

5. This report summarizes the results of our audit work on the COVID-19 Response and Recovery Contingency Fund financial support programs. There were a total of 42 programs, administered under this fund.
6. As part of our audit scope, we examined 18 programs, administered by five departments and two Crown corporations. Programs previously included within the scope of our Office's COVID-19 Phase I and Phase II report were excluded from the scope of this work. We also excluded some programs that were not exclusively funded by the COVID-19 Response and Recovery Contingency Fund, as well as funding for departmental or Crown corporation operating expenditures. The programs we examined represent approximately \$15.9 million of the total actual COVID-19 Response and Recovery Contingency Fund. **(See Appendix D)**
7. The objectives of this engagement were to determine whether the Province of PEI
  - 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.
8. This report includes two recommendations which are listed in **Appendix A**. Details on the audit standards, objectives and scope of our audit work are included in **Appendix B**, and the audit criteria are included in **Appendix C**. The following sections of our report provide information on the findings and conclusions from our audit.

## APPROVALS

### *Summary of Findings*

9. The COVID-19 Response and Recovery Contingency Fund was approved in accordance with the *Financial Administration Act*. However, we noted the following:

- Three of eighteen programs were not approved by Treasury Board before implementation.
- Key details were not approved by Treasury Board for nine programs.
- Two programs did not obtain Treasury Board approval for changes to program dates.
- Treasury Board approved all initial program budgets, but did not clearly identify the final budget for three programs.

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### **COVID-19 Response and Recovery Contingency Fund was approved in accordance with the *Financial Administration Act***

10. On July 14, 2020, the Operating Budget for the Province, which included \$65 million in COVID-19 Response and Recovery Contingency funds, was approved when the *Appropriation Act (Current Expenditures) 2020* received Royal Assent.

11. The \$65 million was to be allocated to various departments and Crown corporations. It was to be used for a potential second wave of COVID-19 and to assist with the economic recovery for the Province.

12. To access the COVID-19 Response and Recovery Contingency Fund, the various departments and Crown corporations had to provide a submission to the COVID-19 Triage Committee for review and approval. The Committee was comprised of the Clerk of Executive Council, Chief of Staff, and the Deputy Minister of Finance which reviewed departments' and Crown corporations' requests.

13. After approval by the Triage Committee, Treasury Board approval was required for funds to be added to the budget of the department or Crown corporation to implement and administer the program. Funds were only to be used if needed and for programs in the best interest of Islanders, which aligned with government's priorities related to COVID-19.

14. Treasury Board approval should be received before programs are implemented. Details of the program, including program dates and budgets, should be included in the request to Treasury Board.

15. Also, any significant changes to these program details would require Treasury Board approval. These details are important, as they provide guidance to the departments or Crown corporations, as well as individuals or businesses who may want to utilize the various programs.

### **Treasury Board approval not always obtained prior to implementation**

16. Programs funded by the COVID-19 Response and Recovery Contingency Fund were all eventually approved by Treasury Board. However, we found that three programs were

implemented prior to Treasury Board approval.

17. In one of these three programs, applications for funding were accepted prior to Treasury Board approval. However, funding was not provided until the program was approved. The other two programs were implemented before Treasury Board approval was received. One program was completed approximately five months prior to Treasury Board approval and the majority of third party contracts had already been paid by the time approval was received. The other program was implemented in the summer of 2020, but the Department did not enter into contracts or disburse funds until after Treasury Board approval in February 2021.

#### **Treasury Board approval not always obtained for key program details or changes in program dates**

18. Of the 18 programs we examined, key program details were not approved for nine of the programs. Two programs did not receive approval for the program dates and six programs did not receive approval for application deadlines. One program did not receive approval for program dates or application deadlines.
19. We also noted that Treasury Board approval was not obtained when program dates were changed for two of the programs.

#### **Treasury Board approval did not clearly identify the final budget for three programs**

20. We found that Treasury Board approved initial program budgets for all 18 programs we examined. However, budget re-allocations were not clearly identified in the Treasury

Board approval for three of the programs that we examined.

21. One program administered by a department did not have the uptake expected, which resulted in approximately \$1,250,000 in unused funds. The department went to Treasury Board to request approval for these funds to be reallocated to three additional COVID-19 recovery programs that the department was administering. When the approval was received, it was not clear how these funds were to be distributed among the three programs, and what the final budgets for each of these programs should be.
22. Program budgets are important, as they provide guidance to the departments on the funds available for each program and establish a baseline for reporting on financial results.

## **PROGRAM DELIVERY**

### *Summary of Findings*

23. Three of six application-based programs did not have documented program procedures established for staff to follow when processing applications. Key program details were missing for two of the programs which did have documented procedures.
  24. In our sample testing, we found seven ineligible funding recipients in four of the programs we tested, and five payment errors in two of the programs we tested.
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25. The COVID-19 financial support programs were administered in various ways, such as through applications, specific recipients

identified by Government, and services provided by third-party organizations. Of the 18 programs that we examined, six were application based programs administered by government departments or Crown corporations.

26. We expected there to be documented and approved procedures established to guide staff when processing applications. We also expected these procedures to include eligibility criteria, application deadlines, funding limits and documentation requirements consistent with the program details approved by Treasury Board.

#### **Documented program procedures not always in place**

27. We found only three of the six application-based programs had developed documented procedures for staff to follow when processing applications. Of the program procedures that were developed, we noted issues with two of them. The procedures for both programs did not include the application deadline. One of the programs did not include the maximum funding amounts, and the other program did not include eligibility criteria.

#### **Funding provided to ineligible recipients**

28. For the 18 support programs examined in our audit, we tested a sample of recipients to determine if they were assessed in accordance with deadlines, eligibility criteria and funding limits, as authorized by Treasury Board.
29. We did not identify any issues with funding recipients receiving amounts greater than

approved funding limits. However, in four of the programs, we found seven funding recipients in our sample testing that did not meet the application deadline or eligibility criteria approved by Treasury Board. For one program, funding was provided to an organization even though it did not apply to the program until after the application deadline.

30. With another program, in order to maintain eligibility for funding, organizations had to maintain a certain staffing level. We reviewed documentation for four applicants that received funding under this program. Two of the four organizations did not maintain staffing levels as required by the program. The other two organizations did not submit sufficient documentation to show that staffing levels were adequately maintained.
31. There were 12 programs we examined which did not require an application to be submitted. Of these 12 programs, five were administered by government departments and Crown corporations, and seven were administered by third-party organizations. In these instances, Treasury Board approved specific recipients for funding.
32. We noted two programs administered by two different Crown corporations where organizations received funding, even though they were not identified in the Treasury Board approval. Each provided funding to one additional organization. However, in both cases the funding was still utilized to carry out the objectives of the programs.



### **Payments appropriately authorized and made to correct payee**

33. Section 6.07 of Treasury Board Policy states that appropriate authorization for payments is essential to ensure that decisions are supported by sufficient and appropriate documentation. By authorizing a payment, the approver is stating:

- the amount is to the correct payee;
- the payment is the correct amount;
- the payment is from the correct account; and
- that sufficient funds are available.

### **Payments to recipients were not always appropriately calculated**

34. We tested a sample of payments from each of the 18 programs we examined. All payments tested were appropriately authorized and made to the correct payee. However, we noted calculation errors in payments through two programs that resulted in four overpayments totaling approximately \$136,000, and one underpayment totaling approximately \$4,300.

## **MONITORING AND REPORTING**

### *Summary of Findings*

35. Program expenditures were regularly reported to Treasury Board. Formal assessments have not been developed for 10 of the 18 programs that we examined.

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36. Section 6.02 of Treasury Board Policy requires departments and reporting entities to prepare and submit forecasts of expenditures

and revenue on a regular basis, and quarterly at a minimum. These forecasts should take the latest available information into consideration, allowing decision makers to identify specific issues or corrective action required to meet Government's overall fiscal goals.

### **Expenditures regularly reported for all programs**

37. Funds required for programs were added to the budgets of specific departments and Crown corporations as needs were identified and programs were approved. The programs were then administered by these departments and Crown corporations, including the task of monitoring the budget, as well as the responsibility to provide regular updates to Treasury Board on program expenditures.

38. We found that regular updates were being provided to Treasury Board for the programs we examined during this phase of our audit, either through quarterly or year-end reporting.

### **A need for formal assessments for all programs**

39. A program assessment involves a systematic approach to evaluate a program to understand how well it achieved its goals. We expected formal assessments to be completed for each of the 18 programs we examined as part of this phase of our audit. At the end of our field work, formal evaluations or assessments had not been completed for 10 of the programs examined.

40. Given the high dollar value of the COVID-19 Response and Recovery Contingency Fund, as well as how the fund was intended to be used in areas which needed economic recovery or

stimulus, it is important to complete formal assessments. This helps to determine whether the programs funded met their objectives, and to identify what went well and what could be improved for future programs.

- In our sample testing, we found two programs which had calculation errors in five payments.
- Formal assessments have not been completed for 10 of the 18 programs examined.

## **CONCLUSIONS**

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

42. The following weaknesses were identified:

- Three programs were not approved by Treasury Board before implementation.
- Key program details were not approved by Treasury Board for nine programs.
- There were two programs that did not obtain Treasury Board Approval for changes to program dates.
- Treasury Board approval did not clearly identify the final budget for three programs.
- Three of six application-based programs did not have documented procedures established for staff to process applications. Key program details were missing for two of the programs that did have documented procedures.
- In four of the programs we tested, we found seven ineligible funding recipients in our sample testing.

RECOMMENDATIONS	MANAGEMENT RESPONSE
<p><b>Recommendation 1</b></p> <p>Treasury Board should follow up with all departments and Crown corporations, even those not involved with this audit, to ensure they understand the requirement to follow Treasury Board Policy, specifically requirements related to budgeting and financial management and contracts.</p>	<p>Treasury Board Secretariat staff work regularly with all staff to provide education on Treasury Board Policies. Government commits to continue working with departments and Crown Corporations to provide information on the requirements related to budgeting, financial management and contracts.</p> <p>Treasury Board has followed up with all departments and Crown corporations, even those not involved in this audit, with an email reminder of the importance of following Treasury Board policy, on October 4<sup>th</sup>, 2023. Treasury Board Secretariat will commit to sending this reminder each calendar year.</p> <p><b>Completed</b></p>
<p><b>Recommendation 2</b></p> <p>Treasury Board and Executive Council should conduct a formal assessment of the delivery of the COVID-19 financial support programs and apply the findings of this assessment to the design and delivery of future government emergency financial assistance programs.</p>	<p>Government will be developing an evaluation framework for the overall response to the COVID-19 pandemic. In developing the framework there may be programs that will require a comprehensive assessment.</p> <p>Government is committed to ongoing improvement through its learnings. The results of the COVID-19 evaluation will assist government to continue improving our future emergency management processes, and Government agrees to apply any findings to the delivery of government emergency programs in the future.</p> <p><b>Fall 2023</b></p>

## **AUDIT STANDARDS, OBJECTIVES, AND SCOPE**

### STANDARDS

This independent assurance report was prepared by the Office of the Auditor General of Prince Edward Island. Our responsibility was to provide objective information and independently conclude on whether the Province of PEI 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.

Work conducted for this audit was performed to a reasonable level of assurance in accordance with Canadian Standards on Assurance Engagements (CSAE) 3001 - Direct Engagements set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook - Assurance.

The Office of the Auditor General of Prince Edward Island applies the Canadian Standard on Quality Management which requires our office to design, implement and operate a system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we have complied with independence and other ethical requirements of the Rules of Professional Conduct of the Chartered Professional Accountants of Prince Edward Island and the Code of Conduct of the Office of the Auditor General of Prince Edward Island. Both the Rules of Professional Conduct and our Office's Code of Conduct are founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality, and professional behavior.

### OBJECTIVES

The objectives of this audit were to determine whether the Province of PEI 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.

We developed a number of criteria to assess whether the departments and Crown corporations had met these objectives. These criteria are listed in **Appendix C**.

Criteria were primarily based on legislation, policy and best practice consistent with those applied in the COVID-19 Phase I and Phase II audits.

In accordance with our regular audit process, we obtained the following from management:

- confirmation of Executive Council's and Treasury Board's responsibility for the subject;
- acknowledgement of the suitability of the criteria used in the audit;
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided; and
- confirmation that the audit report is factually accurate.

## SCOPE AND APPROACH

This engagement is a continuation of audit work related to a special assignment to review government's financial response to the COVID-19 pandemic which has been broken down into phases. The scope period of this phase was July 8, 2020 to March 31, 2021, and includes programs funded by the COVID-19 Response and Recovery Contingency Fund. We examined documentation outside of that period as necessary.

Programs previously included within the scope of our Office's COVID-19 Phase I and Phase II report were excluded from the scope of this work. We also excluded some programs that were not exclusively funded by the COVID-19 Response and Recovery Contingency Fund, as well as funding for departmental or Crown corporation operating expenditures. See **Appendix D** for the listing of programs tested as part of this third phase.

Our approach included:

- interviewing management and staff responsible for administering each financial support program;
- examining Treasury Board minutes;
- reviewing policy and procedure documents relevant to each financial support program;
- walkthroughs and evaluation of key control processes including program authorization, applicant approvals, payments and monitoring;
- testing samples of program applications, and vendor payments (See **Appendix E** for total sample size for each program); and
- reviewing reports and other documentation as required.

## DATE OF REPORT

It is important to note that our observations and conclusions relate only to the management practices of the departments and Crown corporations responsible for administering these financial support programs and consequently, our comments and conclusions do not pertain to the practices or performance of any third parties.

We obtained sufficient and appropriate audit evidence on which to base our conclusions on December 5, 2023, in Charlottetown, Prince Edward Island.

## AUDIT TEAM

Auditor General:	Darren Noonan
Assistant Auditors General:	Jennifer Bowness Sheri Griffin
Directors:	Julianna Chiu Sarah Taylor
Auditors:	Kaitlyn Lord Katie Widdifield Ryan Carr

**AUDIT CRITERIA**

The Response and Recovery Contingency Fund and all financial support programs initiated in response to COVID-19 were approved in accordance with relevant legislation and policies.

Applications for COVID-19 financial support programs were assessed in accordance with approved eligibility criteria and payments were appropriately authorized and disbursed.

Processes were established to monitor and report on the COVID-19 financial support programs.

**COVID-19 FINANCIAL SUPPORT PROGRAMS - PHASE III  
COVID-19 RESPONSE AND RECOVERY CONTINGENCY FUND PROGRAMS AUDITED**

#	Department (during fiscal 2021)	Financial Support Program	Treasury Board Approval Date	Total Response and Recovery Fund Budget (\$)	Actual Total Expenditures Ending FY March 31, 2021 (\$)	Defined Purpose
1	<b>Fisheries &amp; Communities</b>	Safe Restart for Municipalities Program	30-Sep-20	Note 1	3,794,976	Funding for municipalities in recognition of the increased costs associated with providing services such as planning, permitting, inspections, fire, police, recreation and water and sewer, in a safe manner.
2		COVID-19 PEI Mussel Retail Promotion Support Initiative (Note 2)	16-Dec-20	Note 1	497,495	To support mussel processors in increasing sales through the retail market and allow them to expand and diversify their markets domestically.
3		COVID-19 Operational Support Program for Community Halls	16-Dec-20	Note 1	124,248	Operational funding support to not-for-profit organizations that own and/or operate community halls to stabilize and mitigate the negative economic impacts as a result of COVID-19.
4		Surplus Oyster Support Fund	15-Jul-20	750,000	746,911	Funding to purchase surplus cultured oysters from oyster growers to be used to enhance commercially fished oyster beds and to improve water quality in strategic areas of the Province
5	<b>Innovation PEI</b>	Broadband Access Sites Pilot Program	2-Dec-20	198,000	169,531	Funding for a six-month pilot program to provide reliable Wi-Fi connection at accessible community spaces, allowing Islanders to connect to the internet using their own equipment.
6		COVID-19 Love Local Advertising Fund	2-Dec-20	1,200,000	177,110	Advertising funding to provide a maximum of \$2,500 per business to offset the cost of advertising consumer goods or services to the local PEI market during the peak holiday shopping season.
7		COVID-19 Relief Funding for Cultural and Creative Sectors	10-Mar-21	152,000	133,725	To implement programs for PEI cultural and creative industries that have been significantly impacted by economic conditions related to COVID-19. The program we audited was the Support for Black Indigenous People of Colour (BIPOC) Economic Recovery program.  Funding was provided to the PEI Black Cultural Society to undertake a community needs assessment, engage in recovery solutions, and seek opportunities for the organizations to leverage federal and municipal funds/resources.
8	<b>Education &amp; Lifelong Learning</b>	Additional Financial Supports for Licensed Early Learning and Child Care Centers	16-Sept-20 & 18-Dec-20	1,931,800	1,939,260	Funding to support Early Childcare Centers that were not able to meet CPHO Directives around safety precautions with existing staff complements. This included increased cleaning and sanitizing protocols, screening, no mixing of cohorts of children and staff.  Funding was also provided to Early Childcare Centers to support vacant child care spaces, to maintain current staffing levels, until pre-COVID enrolments were achieved.
9		COVID Relief Funding for Holland College	18-Nov-20	400,000	400,000	Funding to Holland College for increased costs for instruction and support staff, as a result of a blended model of learning (partially on-line).

Note 1 – Total COVID-19 Response and Recovery Contingency Fund budget not clear. See paragraph 20.

Note 2 – The COVID-19 PEI Mussel Retail Promotion Support Initiative was also funded by Innovation PEI. The total Response and Recovery Fund budget for Innovation PEI was \$200,000 and the actual expenditures as at March 31, 2021 were \$198,998. The total expenditures for the program under the Department of Fisheries and Communities were \$298,497.

**COVID-19 FINANCIAL SUPPORT PROGRAMS - PHASE III**  
**COVID-19 RESPONSE AND RECOVERY CONTINGENCY FUND PROGRAMS AUDITED (CONT'D)**

#	Department (during fiscal 2021)	Financial Support Program	Treasury Board Approval Date	Total Response and Recovery Fund Budget (\$)	Actual Total Expenditures Ending FY March 31, 2021 (\$)	Defined Purpose
10	Agriculture & Land	COVID-19 Seed Potato Recovery Program	28-Oct-20	1,189,000	1,189,895	To offset extraordinary costs and a loss of revenue for Island seed potato producers impacted by COVID-19.
11		Hog Recovery Initiative	24-Mar-21	200,000	171,373	To offset extraordinary costs for humane depopulation and additional feed costs for PEI hog producers due to delayed processing schedules as a result of COVID-19.
12	Tourism PEI	Tourism Business Activation Grant	10-Mar-21	3,000,000	3,000,000	Funding to provide relief to eligible applicants that demonstrated a minimum of 30% decrease in tourism related revenues for 2020 compared to 2019. Up to 50% of eligible expenses were funded. These expenses included new product or experience development, routine maintenance, new equipment and improved furnishings.
13		PEI Drive-In Theatre Festival	10-Feb-21	400,000	400,000	Funding for a summer drive-in theatre festival to stimulate the cultural community by engaging local artists to participate in pre-recorded shows to provide entertainment for residents and visitors.
14		Campaign to Support Full-Service Restaurant Industry	16-Dec-20 & 31-Mar-21	500,000	500,000	Funding to stimulate the full-service restaurant industry on PEI. Diners received a 50% discount, up to \$15 per person, on their food and non-alcoholic beverage purchases when dining in at a full-service restaurant from Sunday to Wednesday.
15		Support Local Gift Card Program	10-Mar-21	500,000	500,000	A gift card program that allowed businesses to purchase cards at a 40% discount, to be included as part of a package or rewards to stimulate spending; and for consumers to purchase at a 20% discount.
16	Transportation & Infrastructure	Safe Restart for Transportation Support Fund	10-Mar-21	645,000	785,976	Funding in support of public transit services, including reimbursement of pandemic-related costs (fare box revenue losses and costs related to measures taken to reduce pandemic risks - cleaning supplies, plexiglass barriers, etc).
17	Economic Growth, Tourism & Culture	Air Access Recovery Program	10-Mar-21	1,000,000	1,000,000	Funding to support a unified strategy to reinstate air travel through retaining and attracting additional air carriers to service PEI.
18		COVID-19 Relief Funding to the Fathers of Confederation Building Trust	3-Feb-21	410,000	410,000	Funding to offset additional costs of programming and changes to programming as a result of COVID-19.
<b>Total</b>					<b>15,940,500</b>	



SUMMARY OF COVID-19 RESPONSE AND RECOVERY CONTINGENCY FUND  
AUDIT FINDINGS BY PROGRAM

#	Department (during fiscal 2021)	Financial Support Program	Approvals				Program Delivery					Monitoring & Reporting	
			Program Approval	Program Details	Final Budget Re-allocation	Program Changes	# of Applicants/Vendors	# of Applicants/Vendors Tested	Procedural Documentation	Eligible Applicant	Payment Processing	Formal Program Assessment Completed	Regular Financial Reporting to Treasury Board
1	Fisheries & Communities	Safe Restart for Municipalities Program	✓	✗	✗	N/A <sup>2</sup>	51	5	✗	✗	✓	✓	✓
2		COVID-19 PEI Mussel Retail Promotion Support Initiative (Note 1)	✓	✓	✗	N/A <sup>2</sup>	1	1	N/A <sup>4</sup>	✓	✓	✓	✓
3		COVID-19 Operational Support Program for Community Halls	✓	✓	✗	N/A <sup>2</sup>	64	5	✓	✓	✓	✓	✓
4		Surplus Oyster Support Fund	✓	✓	✓	N/A <sup>2</sup>	1	1	N/A <sup>4</sup>	✓	✓	✓	✓
5	Innovation PEI	Broadband Access Sites Pilot Program	✓	✓	N/A <sup>1</sup>	✗	15	3	N/A <sup>4</sup>	✗	✓	✓	✓
6		COVID-19 Love Local Advertising Fund	✓	✗	N/A <sup>1</sup>	N/A <sup>2</sup>	137	6	✓	✓	✓	✗	✓
7		COVID-19 Relief Funding for Cultural and Creative Sectors	✓	✗	N/A <sup>1</sup>	N/A <sup>2</sup>	7 <sup>3</sup>	1	N/A <sup>4</sup>	✓	✓	✗	✓
8	Education & Lifelong Learning	Additional Financial Supports for Licensed Early Learning and Child Care Centers	✓	✗	N/A <sup>1</sup>	N/A <sup>2</sup>	175	8	✓	✗	✓	✗	✓
9		COVID Relief Funding for Holland College	✓	✗	N/A <sup>1</sup>	N/A <sup>2</sup>	1	1	N/A <sup>4</sup>	✓	✓	✗	✓
10	Agriculture & Land	COVID-19 Seed Potato Recovery Program	✓	✗	N/A <sup>1</sup>	N/A <sup>2</sup>	38	5	✗	✓	✗	✓	✓
11		Hog Recovery Initiative	✗	✗	N/A <sup>1</sup>	N/A <sup>2</sup>	11	3	✗	✓	✗	✓	✓

Note 1 – The COVID-19 Mussel Retail Promotion Support Initiative was also funded by Innovation PEI. Audit testing was performed on transactions paid through Innovation PEI; no issues were noted.

<sup>1</sup> No changes to program budgets.

<sup>2</sup> No changes to programs.

<sup>3</sup> Although there were seven programs, only one program payment was made in our scope period for testing.

<sup>4</sup> Non-application based programs did not require procedural documentation.

SUMMARY OF COVID-19 RESPONSE AND RECOVERY CONTINGENCY FUND  
AUDIT FINDINGS BY PROGRAM (CONT'D)

#	Department (during fiscal 2021)	Financial Support Program	Approvals				Program Delivery					Monitoring & Reporting	
			Program Approval	Program Details	Final Budget Re-allocation	Program Changes	# of Applicants/ Vendors	# of Applicants/ Vendors Tested	Procedural Documentation	Eligible Applicant	Payment Processing	Formal Program Assessment Completed	Regular Financial Reporting to Treasury Board
12	Tourism PEI	Tourism Business Activation Grant	✓	✓	N/A <sup>1</sup>	✗	3	3	N/A <sup>4</sup>	✓	✓	✗	✓
13		PEI Drive-In Theatre Festival	✗	✗						✗	✓	✗	✓
					N/A <sup>1</sup>	N/A <sup>2</sup>	2	2	N/A <sup>4</sup>				
14		Campaign to Support Full-Service Restaurant Industry	✓	✓	N/A <sup>1</sup>	N/A <sup>2</sup>	1	1	N/A <sup>4</sup>	✓	✓	✗	✓
15		Support Local Gift Card Program	✓	✓						✓	✓	✗	✓
16	Transportation & Infrastructure	Safe Restart for Transportation Support Fund	✓	✓	N/A <sup>1</sup>	N/A <sup>2</sup>	3	1	N/A <sup>4</sup>	✓	✓	✗	✓
17	Economic Growth, Tourism & Culture	Air Access Recovery Program	✓	✗	N/A <sup>1</sup>	N/A <sup>2</sup>	1	1	N/A <sup>4</sup>	✓	✓	✓	✓
18		COVID-19 Relief Funding to the Fathers of Confederation Building Trust	✗	✓	N/A <sup>1</sup>	N/A <sup>2</sup>	1	1	N/A <sup>4</sup>	✓	✓	✗	✓

<sup>1</sup> No changes to program budgets.

<sup>2</sup> No changes to programs.

<sup>3</sup> Although there were seven programs, only one program payment was made in our scope period for testing.

<sup>4</sup> Non-application based programs did not require procedural documentation

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