



# AUDITOR GENERAL

Prince Edward Island

**COVID-19 Financial Support Programs**

**Phase II**

**July 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 II."

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  
July 6, 2023

# COVID-19 Financial Support Programs – Phase II

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## Executive Summary

Darren Noonan, CPA, CA  
Auditor General of PEI

The COVID-19 pandemic took us all by surprise and affected every person and every business on Prince Edward Island. It required the Government to act quickly to provide necessary financial support programs to assist Islanders and businesses deal with the changes brought about by the Public Health restrictions. When rolling out such financial support programs, many challenges are created for those charged with governance and management of government resources, especially with many government employees tasked with these new responsibilities while working from home.

The need to get money into the hands of Islanders and businesses was crucial, however Government is still responsible to ensure proper internal controls are in place to monitor the allocation of resources, track expenditures, and ensure program “eligibility” requirements are met.

This report will outline the work completed by our Office during Phase II of the COVID-19 financial support programs special examination.

Phase III will be completed in the next few weeks, and we will be following up on the recommendations presented in all of the COVID-19 reports 12 months following the date of our final report for Phase III.

The results of our Phase II audit work were very similar to the results in our Phase I audit work, and our recommendations are very similar. We found that proper authorizations were received from Treasury Board for the various financial support programs created and controls were in place for most financial support programs; however, we did identify a number of weaknesses in these controls.

It was important to get money to Islanders and businesses quickly; however, accountability and stewardship of the Province’s resources is charged to Government.

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

# COVID-19 Financial Support Programs - Phase II

## Why it's important

The COVID-19 pandemic affected every person and business in Prince Edward Island. Many Islanders felt immediate financial impacts as businesses closed, while others faced financial insecurity related to the uncertainty of what the future would bring. It was important for government to quickly take action to help address the needs of Islanders during the COVID-19 pandemic.

Treasury Board approved \$88.6 million in financial supports as part of the COVID-19 Emergency Contingency Fund for the fiscal period ending March 31, 2021. Given the high financial impact, and needs of Islanders, 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.

Some key weaknesses identified during the audit were:

- Five programs were not approved by Treasury Board before public announcement or implementation.
- Changes to two programs were not approved by Treasury Board before implementation.

- For one program, funding was provided to two applicants included in our testing, 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.
- Formal assessments have not been developed for five of the 11 programs.

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. On March 16, 2020, Treasury Board agreed to recommend to Executive Council that a COVID-19 Emergency Contingency Fund be established. The purpose of the fund was to enable Government to respond swiftly to the various needs of individuals and business sectors which were facing financial hardships due to the pandemic, until a new budget was passed.

3. In June 2020, the Province’s Operating Budget was approved by the Legislative Assembly. A budget allocation of \$88.6 million for the COVID-19 Emergency Contingency Fund was included within the appropriation of the Department of Finance.
4. Although the COVID-19 Emergency Contingency Fund was included within the budget of the Department of Finance, the initiatives were administered by various departments and Crown corporations that would submit the details of the program, including eligibility criteria, budgets, and deadlines, to Treasury Board for approval. Once approved, program expenditures were charged to the Department of Finance, as they were incurred.
5. There was \$67 million in actual expenditures charged to the COVID-19 Emergency Contingency Fund during the period from April 1, 2020 - March 31, 2021, as reported in the March 31, 2021 Consolidated Financial Statements for the Province. This represents 76% of the \$88.6 million budget allocation. **(See Appendix D)**

#### AUDIT OBJECTIVES AND SCOPE

6. This report summarizes the results of our audit work on the Phase II financial support programs. There were 11 programs, administered by five departments and three Crown corporations, identified as part of this phase. These programs represent approximately \$22.9 million of the total actual COVID-19 Emergency Contingency Fund expenditures. **(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.

#### OBSERVATIONS

### APPROVALS

#### *Summary of Findings*

9. Five of the eleven programs were not approved by Treasury Board before public announcement or implementation. Changes to two programs were not approved by Treasury Board before implementation.
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10. After government announced the COVID-19 Emergency Contingency Fund, programs to assist individuals and businesses in dealing with the financial impacts of COVID-19 began to be announced very quickly by various departments and Crown corporations. See **Appendix F** for the timeline of programs within the scope of this engagement.

## Treasury Board approval not always obtained in a timely manner

11. Treasury Board should have approved all financial support programs prior to implementation. We found that all programs were eventually approved by Treasury Board; however, three programs were announced publicly, and two programs were implemented, before they were approved by Treasury Board.
12. Treasury Board should approve program details such as budgets, eligibility criteria, funding limits and deadlines. Any changes to these program details should also be approved by Treasury Board.
13. Program budgets and eligibility criteria were eventually approved by Treasury Board for all programs; however, we noted changes to two programs were implemented before obtaining Treasury Board approval. The deadline for one program was extended three times; two of the extensions were implemented before obtaining Treasury Board approval. With the other program, one recipient received funding over the program's approved funding limit. The increased funding limit was later approved by Treasury Board.

## PROGRAM DELIVERY

### *Summary of Findings*

14. Documented procedures were in place for all application-based grant programs. The procedures included eligibility criteria, timelines, funding limits and documentation

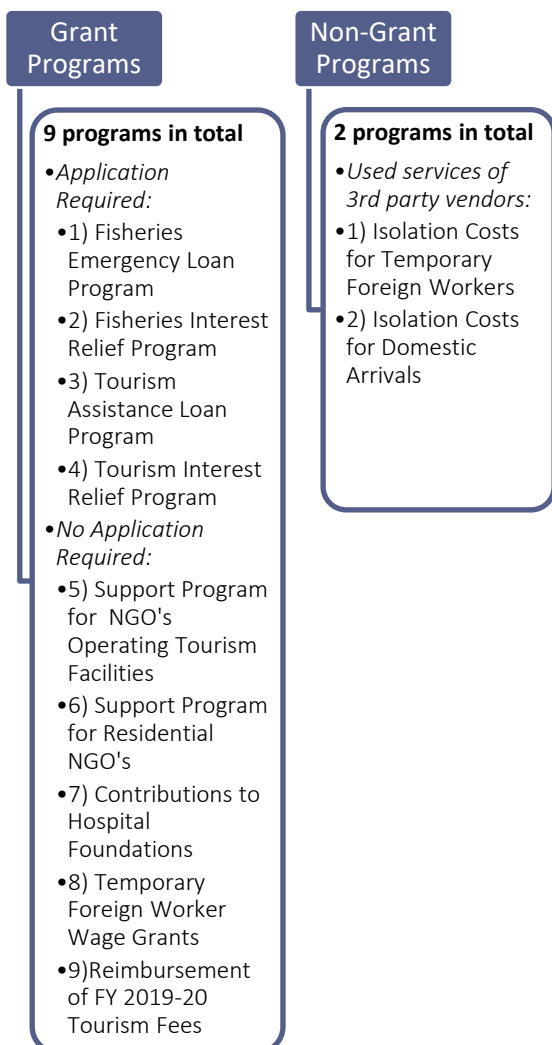
requirements consistent with the program details approved by Treasury Board.

15. For one program, funding was provided to two applicants included in our testing, even though eligibility criteria were not met.
  16. Third-party vendors were involved in the delivery of services for two programs. Service contracts were not in place for eight of the nine third-party vendors tested.
  17. Transactions were appropriately approved, accurately calculated and paid to the appropriate vendor.
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18. In emergency situations, it is important that government provides support and services to those most in need quickly and efficiently. In doing so, programs and program procedures need to be developed and put into place at a much quicker pace than normal. However, existing government policies still need to be followed.
  19. We examined the 11 financial support programs included in Phase II of our audit to determine if they were delivered following existing government policies, and in accordance with approved program criteria.
  20. The programs in this phase of our audit can be categorized as either grant programs or non-grant programs. For purposes of this report they are defined as:

- **Grant programs** – payments to an individual or organization experiencing financial hardship due to COVID-19, to be used for a particular purpose; or

- **Non-grant programs** – payments made by Government to cover all, or a portion of, the costs associated with specific COVID-19 related initiatives.
21. The eleven programs were administered in various ways such as through applications, specific recipients identified by Government, services provided by third-party vendors, and the reimbursement of dues previously paid to Government. **Exhibit 1** provides a listing of the programs offered by type.

**Exhibit 1**  
**Types of Programs in Phase II**



22. See **Appendices D & E** for more information on each of the financial support programs examined during this phase of our audit.

### Grant programs

23. Of the 11 programs we examined, nine were grant programs. Four of these grant programs required an application to be submitted, and were assessed based on the eligibility criteria established for the program.

### Documented program procedures in place

24. Where there was a requirement for a funding application to be assessed for eligibility, we looked to see if there were documented procedures to guide staff in the assessment of applications. All four application-based grant programs had documented procedures including eligibility criteria, timelines, funding limits and documentation requirements consistent to the program information approved by Treasury Board.

### Ineligible applicants approved

25. For the four application-based programs, we tested a sample of approved applications to determine if they were assessed in accordance with eligibility criteria, timelines and funding limits, as authorized by Treasury Board.
26. For one of the programs, eligible applicants had to be a 'for profit entity' in an approved business sector, one of which was the licensed tourism accommodation sector. We found two applicants for this program were approved, and funding was provided, even though the eligibility criteria were not met.



No issues were noted with the assessments of the other three application-based programs.

27. Five grant programs did not require an application to be submitted. For these programs, Government identified groups with a financial need due to COVID-19 restrictions, and developed grant programs to address those needs.
28. In three of the non-application based grant programs, the recipients were specifically identified in Treasury Board approval documents. The other two non-application based grant programs were for the reimbursement of either wage costs<sup>1</sup> for workers completing the mandatory 14-day isolation period, or fees for licensing and advertising costs. These fees had been previously paid to Government by businesses in an industry which was negatively impacted by COVID-19; these fees were waived for organizations which had not yet paid them.
29. We examined payments made through each of these five programs to determine if recipients met the eligibility requirements approved by Treasury Board. We noted for one program, an organization received funding although it was not identified in the Treasury Board approval. Although this funding recipient was the same type of organization, facing similar financial challenges as those listed in the Treasury Board approval, without this approval they were technically ineligible for the funding. No

issues were noted for the other four programs.

#### **Funding Agreements in place and included necessary terms and conditions**

30. When Government provides grant funding to individuals or organizations, there are often stipulations that certain conditions must be met by the grant recipient. In these situations, funding agreements should be in place to outline the terms and conditions, and document the roles and responsibilities for all parties.
31. Six of the grant programs we examined as part of this phase of our audit required a funding agreement to be in place. These included:
  - Fisheries Emergency Loan Program;
  - Tourism Assistance Loan Program;
  - Tourism Interest Relief Program;
  - Support Program for NGO's Operating Tourism Facilities;
  - Support Program for Residential NGO's; and
  - Temporary Foreign Worker Wage Grants.

Agreements were in place between Government and the grant recipients for each of these programs, and the agreements included all necessary terms and conditions.

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<sup>1</sup> This program related to wages paid to temporary foreign workers who came to the province to work in either the agriculture and/or seafood processing sector.

## *Non-Grant programs*

32. Two of the 11 financial support programs we examined as part of Phase II of our audit, were non-grant programs.
33. The two non-grant programs were:
  - Isolation Costs for Temporary Foreign Workers; and
  - Isolation Costs for Domestic Arrivals.
34. Both non-grant programs required Government to rely on services provided by third-party vendors. These services included the provision of accommodations, food, security and transportation by third-party vendors.

### **Service Contracts not in place**

35. Due to the pandemic, and the emergency measures which were in place at the time, Treasury Board policies allowed for contractors to be chosen without the use of a competitive process. However, we still expected a service contract to be in place with each third-party vendor contracted to provide services. These contracts are important to establish the obligations and expectations of each party, and to address how issues are to be resolved.
36. We selected a sample of nine third-party vendors involved in the delivery of these programs. Contracts were not in place with eight of the nine vendors tested.
37. These programs were established for the protection of public health, and the services provided by these vendors were essential for

the programs to meet their objectives. Not having contracts in place is problematic for a variety of reasons, including, but not limited to:

- increases the risk of misunderstandings, resulting in goods and services not being obtained, or provided, as expected;
  - increases risk of negative financial impacts for Government with no clear terms documenting the amount and manner of payment; and
  - limits the legal recourse Government has in cases where services are not delivered as expected.
38. In the instance where there was a contract with a third-party vendor, we noted all required terms and conditions were included in the contract.
  39. We expected the costs incurred through these programs to be aligned with the expenditures approved by Treasury Board for these programs. No issues were noted.

### **Payments appropriately calculated and authorized**

40. Section 6.07 of Treasury Board policy requires anyone authorizing payments to have a sufficient signing authority limit delegated by the Deputy Minister responsible for the department. By providing their authorization, they are confirming that:
  - the payment is made to the correct payee;
  - the amount is correct;

- the transaction is posted to the proper accounting code; and
  - sufficient funds are available.
41. We selected a sample of transactions from all 11 programs included in this audit. We found that payments were appropriately approved, accurately calculated and paid to the appropriate payee.

## MONITORING AND REPORTING

### *Summary of Findings*

42. COVID-19 Emergency Contingency Fund expenditures were centrally monitored by the Department of Finance and reported to Treasury Board on a timely basis. Formal assessments have not been developed for five of the 11 programs.
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43. Treasury Board Policy 6.02 requires departments and reporting entities to prepare and submit forecasts of expenditures and revenue on a regular basis. The information included in these forecasts should be up to date and based on current information, allowing decision makers to identify what changes to budgetary plans and/or corrective action is required to meet Government's overall fiscal goals.
44. Although the COVID-19 Emergency Contingency Fund was included within the Department of Finance's budget, the initiatives were administered by various departments and Crown corporations.

### **Program expenditures reported regularly**

45. Given the significance of COVID-19 expenditures, we expected that financial information for each program would have been reported to Treasury Board on a timely basis. We found that the Department of Finance did provide regular updates to Treasury Board.

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

46. Programs offered through the Province's COVID-19 response should be assessed to determine whether they met their objectives and intended impact. To complete these assessments, it is important that key performance measures be established and, relevant data be collected to assess performance.
47. At the time of this report, assessments had been completed for only six of the 11 programs examined during this phase of the audit. At the time of our Phase I report, only eight of the 21 programs examined had assessments completed. Management's response, included in that report, noted that government will be developing an evaluation framework for the overall response to the COVID-19 pandemic. Even though our Phase I report was released in July 2021, this framework and overall assessment were not available at the time of this audit report.
48. It is important that all financial support programs be assessed to determine how each program performed against its goals. Assessments also provide the opportunity for reflection and learning on what worked, and

did not work, in preparation for future emergency situations.

## CONCLUSIONS

49. Overall, we concluded that the Province of PEI obtained appropriate authorizations for 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.

50. The following weaknesses were identified:

- Five programs were not approved by Treasury Board before public announcement or implementation.
- Changes to two programs were not approved by Treasury Board before implementation.
- For one program, funding was provided to two applicants included in our testing, even though eligibility criteria were not met.
- For two programs where third-party vendors were involved in the delivery of the programs, service contracts were not in place with eight of the nine third-party vendors tested.
- Formal assessments have not been developed for five of the 11 programs.

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 in this audit, to ensure they understand the requirement to follow Treasury Board policy, specifically requirements related to Section 13: Contract Services, Conditional Grants &amp; Funding Agreements.</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 of, and importance of, agreements for contract services, conditional grants and funding agreements.</p> <p>Treasury Board will follow 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, specifically related to Section 13, in July 2023.</p> <p><u>Timeline</u>: On-going</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 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.</p> <p>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><u>Timeline</u>: Fall 2023</p>

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## 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 audit. Management accepted the relevance and suitability of the criteria used in the audit.

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;
- 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 March 16, 2020 to March 31, 2021, and includes programs funded by the COVID-19 Emergency Contingency Fund with application deadlines after August 31, 2020. We examined documentation outside of that period as necessary.

Programs previously included within the scope of our Office's COVID-19 Phase I report were excluded from the scope of this work. See **Appendix D** for the listing of programs tested as part of this second 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 July 5, 2023, in Charlottetown, Prince Edward Island.

AUDIT TEAM

Auditor General: Darren Noonan

Assistant Auditors General: Jennifer Bowness  
Sheri Griffin

Principal: Justin Ellis

Director: Sarah Taylor

Managers: Tim Cook  
Jenna Dominey



<b>AUDIT CRITERIA</b>
The Emergency 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.

## SUMMARY OF COVID-19 FINANCIAL SUPPORT PROGRAMS - PHASE II

#	Department/ Crown Corp.	Financial Support Program	TB Approval Date	Approved Budget FY Ending March 31, 2021 \$	Actual Expenditures as of March 31, 2021 \$	Defined Purpose
1	Finance PEI; Fisheries & Communities	Fisheries Emergency Loan Program	6-May-20	2,400,000	13,539	<b>Application-Based Grant Program</b> - Reimbursement of interest costs for 18-month emergency loans of up to \$25,000 for a five-year term at 4% with corresponding principal deferral.
2		Fisheries Interest Relief Program	6-May-20	12,500,000	10,278,478	<b>Application-Based Grant Program</b> - Reimbursement of interest costs for 12-months on existing term debt held with chartered banks, PEI Credit Unions, or Finance PEI, incurred to produce fishing income.
3	Finance PEI; Tourism PEI	Tourism Assistance Loan Program	22-Apr-20	3,000,000	118,000	<b>Application-Based Grant Program</b> - Reimbursement of interest costs on 18-month emergency loans of up to \$1,00,000 for a five-year term at 4%, with corresponding principal deferral.
4		Tourism Interest Relief Program	22-Apr-20	10,000,000	3,698,802	<b>Application-Based Grant Program</b> - Reimbursement of interest costs on 18-months on existing term debt held with financial institutions provided to tourism operators, who demonstrate a minimum 30% decline in revenue compared to the comparable month in the prior year.
5	Social Development & Housing	Support Program for Residential NGOs	20-May-20	389,200	389,070	<b>Non-Application-Based Grant Program</b> - Temporary financial support measures for six non-governmental organizations providing residential services for the Department of Social Development and Housing.
6	Fisheries & Communities	Support Program for NGOs Operating Tourism Facilities	18-Jun-20	175,000	173,581	<b>Non-Application-Based Grant Program</b> - Financial support of up to \$25,000 for not-for-profit organizations that operate tourism facilities to help stabilize and mitigate the negative economic impacts as a result of the COVID-19 pandemic. The program was administered by the Central Development Corporation with joint funding provided by the Provincial Government and the Atlantic Canada Opportunities Agency.
7	Finance	Contributions to Hospital Foundations	24-Mar-20	2,700,000	2,750,000	<b>Non-Application-Based Grant Program</b> - One-time payments to hospital foundations to support future capital and/or equipment purchases.
8	Island Investment Development Inc	Temporary Foreign Worker Wage Grants	29-Apr-20	-	673,094	<b>Non-Application-Based Grant Program</b> - Funding to support the wage costs associated with the mandatory 14-day isolation period for temporary foreign worker upon arrival to Canada. The initiative was completely funded by the Federal Government who provided \$1,500 per worker. IIDI was required to reimburse employers for their actual wage costs, with the remaining net proceeds applied to other isolation costs incurred by the Province.
9	Transportation & Infrastructure; Health & Wellness	Isolation Costs for Temporary Foreign Workers	29-Apr-20	3,625,500	3,695,934	<b>Non-Grant Program</b> - Costs relating to transportation, accommodations, food and security, incurred to provide a centrally managed program for temporary foreign workers, to complete their mandatory 14-day isolation period due to the COVID-19 pandemic.
10	Health & Wellness	Isolation Costs for Domestic Arrivals	5-May-21	198,000	98,851	<b>Non-Grant Program</b> - Costs relating to accommodations, food and security incurred for the isolations of Island residents (domestic arrivals), who return to PEI with inadequate isolation plans, become infected with COVID-19 and/or were contact cases.
11	Tourism PEI	Reimbursement of FY 2019-20 Tourism Fees	22-Apr-20	2,000,000	1,088,712	<b>Non-Application Based Grant Program</b> - Reduction in Tourism PEI's operating revenue resulting from refunded or waived fees from individual PEI tourism operators during FY 2019-20, related to licensing and advertising.
COVID-19 Emergency Contingency Fund - Phase II				\$36,987,700	\$22,978,061	
COVID-19 Emergency Contingency Fund - Other				\$51,639,900	\$44,077,639	
COVID-19 Emergency Contingency Fund - Total				\$88,627,600	\$67,055,700	

\*Based on supporting documentation provided by the Department of Finance for the COVID-19 Response note disclosure in the 2020-21 Consolidated Financial Statements.

**SUMMARY OF COVID-19 FINANCIAL SUPPORT PROGRAMS-PHASE II  
AUDIT FINDINGS BY PROGRAM**

#	Department	Financial Support Program	Type	Approvals		Program Delivery					Monitoring & Reporting	
				Program Approval	Approval of Program Changes	# of Applicants/Vendors	# of Applicants / Vendors Tested	Applicant Approval	Terms and Conditions	Payment Process	Financial Reporting	Program Assessment
1	Finance PEI; Fisheries & Communities	Fisheries Emergency Loan Program	Grant	✓	✓	33	1	✓	✓	✓	✓	✓
2		Fisheries Interest Relief Program	Grant	✓	✓	866	20	✓	N/A**	✓	✓	✓
3	Finance PEI; Tourism PEI	Tourism Assistance Loan Program	Grant	✗	✓	25	10	✗	✓	✓	✓	✓
4		Tourism Interest Relief Program	Grant	✗	✗	167	20	✓	✓	✓	✓	✓
5	Social Development & Housing	Support Program for Residential NGO's	Grant	✓	✓	6	2	N/A*	✓	✓	✓	✗
6	Fisheries & Communities	Support Program for NGOs Operating Tourism Facilities	Grant	✓	✓	1	1	N/A*	✓	✓	✓	✓
7	Finance	Contributions to Hospital Foundations	Grant	✓	✓	7	7	N/A*	N/A**	✓	✓	✗
8	Island Investment Development Inc	Temporary Foreign Worker Wage Grants	Grant	✓	✓	41	10	N/A*	✓	✓	✓	✓
9	Transportation & Infrastructure; Health & Wellness	Isolation Costs for Temporary Foreign Workers	Non-Grant	✗	✗	14	9	N/A*	✗	✓	✓	✗
10	Health & Wellness	Isolation Costs for Domestic Arrivals	Non-Grant	✗	✓	6	2	N/A*	✗	✓	✓	✗
11	Tourism PEI	Reimbursement of FY 2019-20 Tourism Fees	Grant	✗	✓	2256	20	N/A*	N/A**	✓	✓	✗

\*These were not application-based programs, therefore an application assessment process was not tested.

\*\*Information obtained with application process provided management with the necessary assurance that project funding would be used for its intended purposes.

## COVID-19 FINANCIAL SUPPORT PROGRAMS-PHASE II TIMELINE

<u>March 16, 2020</u>
<ul style="list-style-type: none"> <li>• Declaration of a State of Public Health Emergency</li> <li>• Treasury Board - Establishment of Emergency Contingency Fund For \$25 million</li> </ul>
<u>April 8, 2020</u>
<ul style="list-style-type: none"> <li>• Treasury Board - Increase in the Emergency Contingency Fund to \$40 million</li> </ul>
<u>April 16, 2020</u>
<ul style="list-style-type: none"> <li>• Finance PEI; Tourism PEI – Tourism Assistance Loan Program</li> <li>• Finance PEI; Tourism PEI – Tourism Interest Relief Program</li> <li>• Tourism PEI – Reimbursement of FY 2019-20 Tourism Fees</li> </ul>
<u>April 22, 2020</u>
<ul style="list-style-type: none"> <li>• Treasury Board - Increase in the Emergency Contingency Fund to \$75 million</li> </ul>
<u>April 29, 2020</u>
<ul style="list-style-type: none"> <li>• Island Investment Development Inc – Temporary Foreign Worker Wage Grants</li> <li>• Transportation &amp; Infrastructure; Health &amp; Wellness – Isolation Costs for Temporary Foreign Workers</li> </ul>
<u>May 7, 2020</u>
<ul style="list-style-type: none"> <li>• Finance PEI; Fisheries &amp; Communities – Fisheries Emergency Loan Program</li> <li>• Finance PEI; Fisheries &amp; Communities – Fisheries Interest Relief Program</li> </ul>
<u>May 20, 2020</u>
<ul style="list-style-type: none"> <li>• Social Development &amp; Housing – Support Program for Residential NGO’s</li> </ul>
<u>June 17, 2020</u>
<ul style="list-style-type: none"> <li>• Legislative Assembly – Increase in the Emergency Contingency Fund to \$88.6 million per approved FY 2020-21 Provincial Operating Budget</li> </ul>
<u>June 18, 2020</u>
<ul style="list-style-type: none"> <li>• Fisheries &amp; Communities – Support Program for NGOs Operating Tourism Facilities</li> </ul>
<u>March 24, 2021</u>
<ul style="list-style-type: none"> <li>• Finance – Contributions to Hospital Foundations</li> </ul>
<u>March 31, 2021</u>
<ul style="list-style-type: none"> <li>• Fiscal year end for 2020-21 Provincial Operating Budget</li> </ul>
<u>May 5, 2021</u>
<ul style="list-style-type: none"> <li>• Health &amp; Wellness – Isolation Costs for Domestic Arrivals</li> </ul>

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