



**Alberta Treasury  
Board and Finance**  
Fiscal 2021 Annual  
Reporting of COVID-19  
Initiatives

Hon. Brad Rutherford, MLA  
Chair  
Standing Committee on Legislative Offices

I am honoured to transmit my report, *Fiscal 2021 Annual Reporting of COVID-19 Initiatives*, to the Members of the Legislative Assembly of Alberta, under Section 20(1) of the *Auditor General Act*.

We conducted our work under the authority of the *Auditor General Act* and in accordance with the standards for assurance engagements as set out in the CPA Canada Handbook—Assurance.



W. Doug Wylie FCPA, FCMA, ICD.D  
Auditor General

Edmonton, Alberta  
June 2022

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Appointed under *Alberta's Auditor General Act*, the Auditor General is the legislated auditor of every provincial ministry, department, and most provincial agencies, boards, commissions, and regulated funds. The audits conducted by the Office of the Auditor General report on how government is managing its responsibilities and the province's resources. Through our audit reports, we provide independent assurance to the 87 Members of the Legislative Assembly of Alberta, and the people of Alberta, that public money is spent properly and provides value.

# About Our Work

This project was conducted under the authority of the *Auditor General Act*. The Office of the Auditor General applies Canadian Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with applicable professional standards and applicable ethical, legal and regulatory requirements.

Our office complies with the independence and other ethical requirements of the Chartered Professional Accountants of Alberta Rules of Professional Conduct, which are founded on fundamental principles of integrity and due care, objectivity, professional competence, confidentiality, and professional behaviour.

# Background

Ministries prepare annual reports to show how they spent public funds and what value they created for Albertans. These reports are key accountability documents that let readers assess ministry performance. The annual reports have two sections to demonstrate the ministry's accountability for results:

- Results analysis—a narrative section linking financial and non-financial information
- Financial information—financial highlights and other relevant information from the unaudited financial statements

Every year the Ministry of Treasury Board and Finance develops ministry annual report standards to provide guidance and ensure consistency. The 2020-21 standards require the reports to present significant events, achievements and challenges encountered, including events such as the COVID-19 pandemic.<sup>1</sup> Since 2019, the standards have required specific reporting on progress towards Government's red tape reduction objectives.<sup>2</sup> However, the 2020-21 standards did not indicate how to report COVID-19 activities and results.

Effective reporting of the COVID-19 response in ministry annual reports allows Albertans to understand:

- the government's strategies and programs to deal with the pandemic
- how much money the government budgeted and spent
- what the government spent the money on and the results achieved

<sup>1</sup> *Treasury Board and Finance—Ministry Annual Report Standards 2020-21 (Alberta)*, page 24.

<sup>2</sup> The Government of Alberta committed to reducing red tape by one-third by the end of fiscal year 2022-23.

# About This Report

The Government of Alberta spent over \$4 billion responding to COVID-19 in 2020-21.

Since annual reports are a key accountability tool for the government, we analyzed how well the government reported its COVID-19 programs in the 2020-21 annual reports. We focused on the results analysis sections, the narrative portions of the annual reports that link financial and non-financial information.<sup>3</sup> We did not audit the processes to produce the 2020-21 annual reports.

We examined 20 ministry annual reports, in conjunction with the *Annual Report Government of Alberta 2020-2021* and the *2020-21 Final Results Year-End Report*, against the following best practices:<sup>4</sup>

- Financial and non-financial information should be integrated by explaining links between program objectives, costs and results. Integrated information goes beyond the numbers—it explains the relationship between spending and outcomes and why expected results were (or were not) achieved.
- Information should be useful by being:
  - › understandable—information is in clear, concise plain language, and includes illustrative graphics to supplement the narrative
  - › relevant—the information can make a difference in readers' decisions and understanding of the organization
  - › comparable—there's sufficient commentary and disclosure so readers can evaluate similarities and differences between organizations

## What We Found

The results analysis sections of the 2020-21 annual reports did not always provide a clear picture of what the COVID-19 funding achieved. Nor were the sections comparable across ministries in terms of reporting dollars spent, objectives and results.

We are not making a new recommendation because these findings support our outstanding 2019 recommendation to Treasury Board and Finance to improve:

- guidance and training for ministry management to identify, analyze and report on results in ministry annual reports
- processes to monitor ministry compliance with results analysis reporting standards

<sup>3</sup> Our examination did not include the financial statements as these are audited separately by the Office of the Auditor General.

<sup>4</sup> *Treasury Board and Finance Ministry Annual Report Standards 2020-21* (Alberta).

*CAAF Public Performance Reporting - Reporting Principles* (Canada).

*Good Practice Guide in Annual Reporting - February 2021* - National Audit Office (United Kingdom).

*Good Practice Guide - Guide for audit and risk committees on financial reporting and management during COVID-19* - June 2020 - National Audit Office (United Kingdom).

## Why This Matters to Albertans

Meaningful results analyses in annual reports is critical for the government to show it is accountable to Albertans. Without effective COVID-19 reporting, readers cannot tell what the government achieved in spending \$4 billion on programs to help Albertans during the pandemic, especially our children, seniors and other vulnerable people.

## Management Actions

In March 2022, the Ministry of Treasury Board and Finance gave ministries instructions on the principles of results analysis and required content for the 2021-22 annual reports. These instructions include guidance on having a dedicated COVID-19 section for COVID-19 reporting to detail their budgeted dollars, expenditures, actions and results related to the government's COVID-19 response. We shared the results of our analysis in April 2022 allowing Treasury Board and Finance to provide additional guidance to ministries on their COVID-19 reporting for 2021-2022.

Treasury Board and Finance has also reminded ministries to:

- indicate if results are unavailable and when they will be available
- include significant spending or initiatives even if they were not in the business or strategic plan being reported against
- clarify reporting for federal transfers

# Detailed Findings

## Our findings

### Key findings

COVID-19 information in the results analysis sections of the annual reports did not give a clear picture of the \$4 billion of spending. These sections:

- did not always include spending and results
- were not comparable across ministries
- did not always cross reference information

We also found good reporting practices showing integration of financial and non-financial information.

## Results analyses did not always include spending and results

Clear, relevant and detailed analysis of spending and results should be evident in the results analysis section of annual reports. But for the 2020-21 ministry annual reports, this was not always the case. Financial and non-financial information was not always integrated because it did not link program objectives, costs and results. Nor was more information provided in the *Annual Report Government of Alberta 2020-2021* and the *2020-21 Final Results Year-End Report*. For example:

**Safe Restart Agreement**—the province received \$1.3 billion in federal funding through the Safe Restart Agreement “to help protect public health and safety, prepare for potential future waves of the virus, and further support the safe reopening of economies across Canada”. We could not trace funds through to the recipient ministry results analysis sections to see who spent the money and what was achieved.

**Spending to protect public health and safety**—while the Ministry of Health disclosed the quantity of personal protective equipment (PPE) and rapid tests distributed during the year, we could not identify how much Health spent on each of the categories: PPE, contact tracing and rapid testing. In addition, Health did not disclose the number of vaccines received from the federal government, nor did it describe what it achieved by spending \$260 million to protect staff and residents in long-term care, designated supportive living facilities and seniors’ lodges.

**Municipal Operating Support Transfer program**—the Ministry of Municipal Affairs paid \$576 million to municipalities to help cover increases in COVID-19 related costs and to mitigate the impact of reduced revenues. Municipal Affairs reported 338 municipalities signed agreements to participate in the program but it did not provide an analysis of what the program achieved. Nor did it indicate if this information was not yet available or when, or if, it would be reported.

**Transportation related programs**—the Ministry of Transportation reallocated \$113 million to a COVID-19 “resilience stream” and approved \$405 million more in funding for capital maintenance and renewal projects. Transportation identified the program objectives, however it did not provide the results for 2020-21.

**Safe return to class**—the federal government gave the Ministry of Education \$263 million to deal with COVID-19 issues and protocols to ensure staff and students remain safe. The objective was to support at-home and online learning, adaptation of learning spaces and facility alterations. It also supported ongoing shifts in learning environments and requirements to ensure students and staff remained safe. But we could not identify how much was spent on individual initiatives, nor were results reported.

**Child Care relief programs**—the Ministry of Children’s Services reported that during the pandemic, and in partnership with the federal government, it spent about \$130 million in relief funding to support child care providers. Children’s Services gave a breakdown of the various programs that received the money and stated the anticipated outcomes, but it did not report what each program achieved with the money.

**Education capital maintenance and renewal**—the results analysis section had no mention of the \$98 million of provincial funding the Ministry of Advanced Education received for capital maintenance and renewal as part of the province’s recovery plan.

**Canada Emergency Commercial Rent Assistance program**—the Ministry of Jobs, Economy and Innovation contributed \$67 million to this federal program to help “commercial tenants by alleviating at least 75 per cent of their rental costs for April to August 2020 and ensure landlords still had the funds needed to cover loan obligations”. But the results analysis section did not indicate the responsibility for publicly reporting program results rests with the Canada Mortgage and Housing Corporation.

## COVID-19 information was not comparable across ministries

Treasury Board and Finance did not give ministries a standard COVID-19 reporting format, so readers could not easily compare program spending, objectives and results across ministries.

There were variations in results analysis reporting between ministries in the same program. For example, the six ministries involved in the Critical Worker Benefit program reported as follows:

- The Ministry of Education referred to the program but did not report the amount spent or the number of workers supported.
- The ministries of Community and Social Services, Children Services, and Labour and Immigration reported the amount spent on the program but did not report the number of workers its ministry supported.
- The ministries of Health, and Seniors and Housing reported the amount spent and the number of critical workers supported.

## COVID-19 information was not always cross-referenced

Information related to COVID-19 activities was not always cross-referenced within the results analysis sections of the annual reports. Without cross-referencing, it is difficult for readers to get a full picture of the ministries’ response to the pandemic.

## Good reporting practices

Here are examples of good reporting practices in the 2020-21 annual reports:

- The Ministry of Energy gave a detailed analysis of the Site Rehabilitation Program. This program paid relief funding to eligible oil field service workers to perform well, pipeline, and oil and gas site closure and reclamation work. The annual report included:
  - › available federal funding and the program objective
  - › grant funding available for the six periods in 2020-21, each with targeted priorities, application criteria and timelines
  - › amount of funding allocated and approved
  - › program achievements
- For the Small and Medium Enterprise Relaunch Grant program, the Ministry of Jobs, Economy and Innovation provided information about the program objective, costs and results.
- The Ministry of Community and Social Services included a COVID-19 table with page numbers to cross reference supporting information.
- Some ministries, such as Seniors and Housing and Labour and Immigration, included a COVID-19 section highlighting their response to the pandemic and their supports.





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ISSN 1999-4242 (print)  
ISSN 1927-9604 (online)

