

Alberta Jobs Now Program

Jobs, Economy and Trade

Report of the Auditor General
December 2023



**Auditor
General**
OF ALBERTA

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- [Small and Medium Enterprise Relaunch Grant Program](#) (November 2022)
- [Municipal Operating Support Transfer and Municipal Stimulus Program COVID-19 Response Programs](#) (November 2022)
- [COVID-19 Capital Stimulus Initiative](#) (November 2022)

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 properly accounted for and provides value.

Report Highlights



In 2020, the Government of Canada gave the provinces funding to help employers recover from the pandemic and assist those in underrepresented groups and employees in sectors hardest hit by the pandemic to quickly re-enter the workforce. In 2021, the Government of Alberta used available federal funding to create the Alberta Jobs Now Program, part of the Alberta Recovery Plan. p. 127

The program had three application intake periods (intakes), two in 2021 and one in 2022. We focused our audit on processes applied on the first intake. p. 127

The department has so far provided little information to Albertans on how effective the program has been and if program desired outcomes will be met. This lack of interim program reporting is similar to a lack of reporting by other government programs we recently reported on. p. 127



We conclude based on our findings, the department had effective processes overall to design, deliver and monitor the program. Improvements can be made to reporting processes. p. 127



Effective reporting helps the department assess program effectiveness and demonstrate to Albertans how they are adjusting the program to maximize worker training and job creation to strengthen and grow Alberta's workforce. p. 130

We are not making a new recommendation

to the department on reporting because our previous recommendation on improving performance reporting to Albertans in ministry annual reports is still outstanding. p. 130

Summary

The COVID-19 pandemic and its impact on the Alberta economy created significant challenges for Alberta workers and employers. Businesses had to reduce costs to survive, so many workers lost their jobs. Unemployment rates soared.²³ In 2020, the Government of Canada gave the provinces funding to help employers recover from the pandemic. In 2021, the Government of Alberta used available federal funding to create the Alberta Jobs Now Program, part of the Alberta Recovery Plan. The program objective was to create jobs for unemployed Albertans and to give new hires enhanced skills training so employers can re-open or expand their businesses as the economy recovers.

The program had three application intake periods (intakes), two in 2021 and one in 2022. We focused our audit on processes applied on the first intake.

We examined if the Department of Jobs, Economy and Trade:

- had effective processes to design, deliver, monitor, and report on the first intake of the program launched in May 2021
- applied lessons learned from the first intake to improve program delivery for the second intake late in 2021

We conclude based on our findings, the department had effective processes overall to design, deliver, and monitor the program. Improvements can be made to reporting processes.

The department has so far provided little information to Albertans on how effective the program has been and if program desired outcomes will be met. This lack of interim program reporting is similar to a lack of reporting by other government programs we recently reported on. We have not issued a new recommendation because we have an outstanding recommendation to improve performance reporting to Albertans in ministry annual reports.²⁴

Effective reporting helps the department assess program effectiveness and demonstrate to Albertans how they are maximizing worker training and job creation to strengthen and grow Alberta's workforce.

²³ Unemployment rates rose to 15.5 per cent in May 2020 from 7.3 per cent in February 2020. <https://economicdashboard.alberta.ca/dashboard/unemployment-rate/>.

²⁴ *Report of the Auditor General—August 2019, Reporting Performance Results to Albertans Followup.*

About This Audit

Alberta Jobs Now Program

Historically the Government of Alberta has provided worker training and job creation programs to strengthen and grow Alberta's workforce. The Government of Canada partially funds many annual programs through a Workforce Development Agreement (WDA).²⁵ Alberta has discretion on which specific programs to use this funding.

In 2020, the Government of Canada paid an additional \$185 million to Alberta to assist those in underrepresented groups and employees in sectors hardest hit by the pandemic to quickly re-enter the workforce. This \$185 million had to be used by March 31, 2021, but Alberta could not implement a program by then. The two governments agreed to extend the deadline for 60 per cent of the funding to March 31, 2022. Alberta also committed provincial funding to increase the program budget to \$262.5 million for fiscal 2021–2022.

On May 19, 2021, the Department of Jobs, Economy and Trade (at the time Labour and Immigration)²⁶ created the Alberta Jobs Now Program. The department indicated the program was needed because of “the unprecedented economic crisis due to the COVID-19 pandemic, global recession and world oil price collapse.” The program objective is to create jobs for unemployed Albertans and to provide new hires with enhanced skills training so employers can re-open or expand their businesses as the economy recovers.

The first program application intake was May 20 to July 23, 2021. Approved employers would:

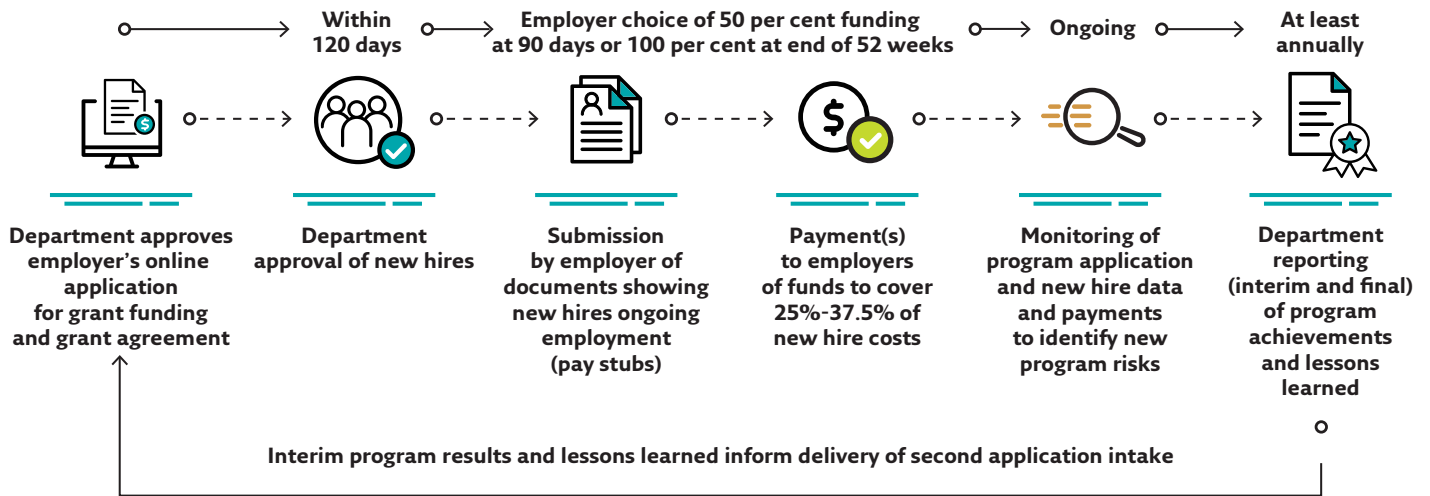
- hire a maximum of 20 new approved employees, all of whom were unemployed or part-time employees at another employer. New hires had to remain employed for at least 52 weeks to receive full funding.
- receive funding to offset 25 per cent of a new hire's total salary (to a maximum of \$25,000) or 37.5 per cent of a disabled new hire's total salary (to a maximum of \$37,500). Employers could receive funding either in two instalments or one lump sum at the end of the grant agreement.

A second application intake was done November 10 to December 17, 2021, utilizing lessons learned from the first intake.

²⁵ Canada-Alberta Workforce Development Agreement, signed in March of 2018, between Alberta and the federal government supports the development and delivery of programs and services that help Canadians upgrade their skills, gain work experience, and start their own businesses. Other programs to employers funded by the WDA include Canada-Alberta Job Grant, Aboriginal Training to Employment Program, and First Nations Training to Employment Program.

²⁶ As part of a government reorganization announced on June 9, 2023, the department's name was changed to Jobs, Economy and Trade.

First Application Intake Processes



As of March 31, 2022, the department committed \$152.5 million to employers for approved hires from both intakes. Of this amount, \$19 million was paid to employers for new hires completed, with the rest committed to approved new hires to come. The program had a third intake in 2022. Payments on approved applications are expected until all grant agreement terms are completed in fiscal 2024-2025.

Objective and Scope

Our audit objective was to conclude whether the department has effective systems to design, deliver, monitor, and report on the Alberta Jobs Now Program.

We audited the effectiveness of the program processes during the period November 1, 2020 to June 30, 2022 when the department designed, delivered, and began monitoring and interim reporting on its first application intake period. Any identified lessons learned from this intake should be applied to the program's second intake.

Criteria

We used the following criteria to assess the department's systems to design, deliver, monitor, and report on the program.

The department should have effective systems to:

- design the program to align with the government's strategic objectives and goals
- deliver the program
- monitor the delivery of the program and to identify opportunities for improvement
- collect relevant, timely, and accurate information to evaluate and report on the financial and non-financial performance of the program

We developed the criteria for this audit based on the department's responsibilities and applicable legislation, including:

- Government of Alberta (GoA) Grants Best Practices, 2003
- GoA Grant Accountability Framework
- International Standards Organization (ISO) 31000—Enterprise Risk Management
- GoA Financial Management Manual Chapter 10— Expenditures and Disbursements
- GoA Office of the Controller, Corporate Accounting Policy—Government Transfers

Department management acknowledged the suitability of the audit criteria on August 29, 2022.

What We Examined

To conduct our audit, we:

- examined management’s analysis and documentation supporting the design, delivery, monitoring, and reporting of the program
- interviewed key staff and walked through the systems supporting the program
- examined policies, procedures, guidelines, and training documents
- tested a sample manually or used data analytics to test key controls
- conducted data analytics over timing from employer application to disbursement
- examined other documentation relevant to the audit

We conducted our fieldwork from October 2022 to May 2023. We completed our audit on June 8, 2023.

Conclusion

We conclude—based on our audit criteria and findings—that the Department of Jobs, Economy and Trade had effective processes to design, deliver, and monitor the first application intake of the program. The department can improve the reporting process.

We are not making a new recommendation to the department on reporting because we still have an outstanding recommendation on improving performance reporting to Albertans in ministry annual reports.²⁷



Why This Conclusion Matters to Albertans

The objective of the program is to get Albertans back to work and help employers with hiring and training new employees. Effective reporting helps the department assess program effectiveness and demonstrate to Albertans how they are adjusting the program to maximize worker training and job creation to strengthen and grow Alberta’s workforce.

²⁷ Report of the Auditor General—August 2019, Reporting Performance Results to Albertans Followup.

Detailed Findings

Program Design

Context

A strong design process is foundational to a program’s success. This process should begin with a needs assessment to understand the current environment and intended recipients; identify the program gap or need; gather relevant data; and determine actions and how to proceed. The program design should also include an approval process for the original design and for later changes to the program.

Criteria

The department should have effective systems to design the program to align with the government’s strategic objectives and goals. It should:

- analyze relevant data and risks to inform the design of the program
- document clear goals, objectives, and requirements
- identify and develop the processes, internal controls, resources, and information systems needed to effectively deliver, monitor, and report on the program
- develop relevant internal and external performance metrics²⁸ to evaluate the effectiveness of the program
- obtain required approvals to implement and deliver the program

Our findings

Based on our detailed findings as follows, we assess the criteria on program design has been met.

The department used past grant program experience and various employment data sources to identify and mitigate relevant program risks

The department identified program risks by considering risks identified in other wage subsidy programs. Available federal and provincial data on unemployment and labour market conditions were also examined to identify program risks and suitable mitigating controls. Examples of program risks included:

- lack of clarity on goals, objectives, and measures
- inadequate understanding of low employment sectors, targeted special needs groups, and differing support levels required
- overlapping employer funding with other Alberta or Federal programs
- approval of ineligible applicants
- managing federal funding criteria, priorities, and approvals

Alignment of program risks to related controls, risk probability ratings, and the potential risk impacts were not always clearly documented. But overall program risk was mitigated by the department’s applying its template for grant program processes and controls which would mitigate the majority of typical grant program risks.

²⁸ Performance metrics include measures, related targets, and indicators.

The department communicated the program objective, outcomes and criteria in program guidelines and program administrator guides

Detailed program applicant guidelines were prepared by staff and approved by a department executive director. The guidelines had essential program information including the objective of the program, the eligibility criteria, the application requirements, and the use of grant agreements. The guidelines also incorporated federal grant agreement requirements.

Program administrator and advisor procedural guides were prepared for program delivery staff. They had more extensive detail on program requirements and delivery procedures than was in the applicant guidelines.

The department based program processes and controls on prior similar grant programs

The department determined that due to the size, scope and eligibility criteria of the program, it could not incorporate the program objective and requirements into an existing department workforce development agreement program. It created a new employer wage subsidy program, using the experience and knowledge of staff and many of the application, approval, and payment processes applied in similar department grant programs.

Program staff decided to deliver the program via an online application process. This process used automated information technology system controls on application receipt and grant agreement management. Manual controls would be staff evaluating the eligibility of employers and their proposed new hires. The department defined, approved, and tested the system and manual controls prior to the program going live.

The department developed a performance measurement framework and evaluation plan but there was no evidence of a process to develop targets for the measures

The department developed a performance measurement framework documenting 15 measures/ indicators for six specific outcomes aligned to the program objective. The framework also noted the data source/system and the frequency of measurement.

Measures included:

Outcome	Measure/Indicator
Reduced employer training and hiring costs	<ul style="list-style-type: none"> • \$ allocated for hiring cost • \$ disbursed for hiring cost • \$ allocated for training cost • \$ disbursed for training cost • # of employers funded
Unemployed and underemployed Albertans are supported to return to work quickly	<ul style="list-style-type: none"> • # of unemployed Albertans hired • # of underemployed Albertans hired
Albertans have the right skills to maintain employment	% of Albertans hired who are employed 12 months after grant benefit period

There was no evidence of a process used to set targets for each of the measures or analysis and conclusions why targets could not be set. While there was no documentation of target setting, a government news release on May 19, 2021 stated the program would create 22,000 jobs from planned grant spending of \$370 million. There was no evidence of these specific targets in the performance framework or evaluation plan. We also found no evidence that measures were adjusted after the program was amended for the second intake.

The department received proper program approvals

On May 19, 2021, the program was created through Ministerial Order 2021-02 pursuant to the *Government Organization Act* and *Employment and Immigration Grant Regulation (AR 94/2009)*. The ministerial order established the objective of the program, eligibility criteria, and that program delivery would be subject to program guidelines. After the first intake, on November 9, 2021, the minister rescinded this original order and replaced it with Ministerial Order No. 2021-45 to amend the program. The most significant amendment was to eliminate the original program requirement that new hires be previously unemployed.

The department also obtained program budget approval through regular Legislative Assembly supply estimates.

Program Delivery

Context

The department needs processes to ensure those the program targeted know about it and how to apply. Processes should include monitoring the volume of applications received to ensure approved funding is promptly available. Well-understood application assessment processes ensure funding approvals are completed consistently based on program eligibility criteria. Results of the assessment process should be communicated to applicants promptly. Denied applications should explain the reason they were denied.

Criteria

The department should have effective systems to deliver the program. It should:

- clearly communicate the program, eligibility criteria, conditions, and application requirements to potential applicants
- evaluate and approve applications consistently against program criteria to ensure that only eligible applicants receive funding
- enter into grant agreements, where appropriate, that clearly set out roles, responsibilities, conditions of funding, reporting and audit requirements
- disbursed funds in a timely manner according to program requirements and agreements

Our findings

Based on our detailed findings as follows, we assess the criteria on program delivery has been met.

Program information was clearly communicated to applicants

Program applicant guidelines were posted on the government's website along with later program updates.

When they announced the program, the Premier and then Minister of Labour and Immigration held a press conference and provided key program information to supplement the media releases. The department provided supplemental information to Albertans through news releases and social media postings.

Application and hiring approval processes were consistently followed

Applicants' online application for funding included the number of positions being applied for, position descriptions, and expected remuneration. Applicants also included business and banking information to support they were valid and eligible. A department grant manager approved applications. Our data analysis found most first intake applications were assessed within 14 days of submission. Staff kept track daily of the total approved funds committed to determine when to stop accepting applications during the intake.

After application approval, an employer had up to 120 days to hire an employee and 30 days after hiring to submit online documentation to the department supporting their eligibility. If a new hire did not remain with the employer for the required 52-week period, the employer could hire up to two replacements as long as they met the program eligibility requirements.

We tested a sample of applications to ensure all parts of these processes were followed. We found no deviations from this process except some had new hires approved after the 120-day requirement. The department provided us an internal directive in which the minister permitted staff flexibility to still approve new hires up to 180 days at their discretion. Our sample testing included new hire approvals up to 162 days after application approval.

In 2022, management became aware of possible fraud related to a small number of previously approved applications. Management engaged a consultant to examine all similar approved applications. The department investigation is still ongoing. During the application stage, the department did not require applicants to have a fully verified My Alberta Digital ID (MADI)²⁹ to validate the identity of the applicant authorized signing authority. The department's contract and grant policy requires it to obtain a verified MADI or My Alberta Digital ID for Business for electronic signatures. The department examination is determining the extent of fraudulent applications and if the proper verification process would have prevented those cases from occurring.

The department grant agreement clearly set out program requirements

The department used a grant agreement that clearly outlined the program roles and responsibilities, terms and conditions of funding, and reporting requirements. Our sampling of approved applications found all had signed agreements.

Payments followed program guidelines and were issued within 14 days after approval

Employers could request grant funding at the end of the required 52-week employment period or 50 per cent after 90 days employment and the remaining 50 per cent after 52 weeks. The employer must submit pay stubs verifying new hire employment during the period when requesting payment. Within 30 days of the last approved hire completing the 52-week employment term, the employer submitted a grant completion declaration and survey to obtain final grant payment. Ninety-one per cent of approved employers chose to receive two payments.

Once payment is approved by a program manager, the grant system generates a spreadsheet of all approved payments to be entered electronically into the Government of Alberta's payment system for actual payment. We found staff regularly reconciled payments under the grant system to the payment system. Our sample testing found payments to employers were processed within 14 days of payment approval, which is reasonable when compared to other grant programs.

Program Monitoring

Context

Oversight of application and grant agreement processing is important to ensure consistency and accuracy. Timely identification of inaccuracies or inconsistencies with these processes allow program staff to adjust processes promptly, so all eligible applicants receive the program funding they are entitled. Complaint and appeal processes help to provide external feedback on the effectiveness of expected program delivery. Timely processes to monitor the use of grant funding by recipients help ensure funds are used as intended. Monitoring may include reviewing reporting or documentation from recipients as designed in the grant agreements.

²⁹ MADI is a free identification system allowing individuals to access many government sites and services. Applying for a MADI account uses three levels of authentication: basic, partially verified, and fully verified. A basic MADI is typically used for payments to the Government of Alberta, such as traffic fines. A partially verified MADI is the first step towards verifying identity and residency against the government's motor vehicles database. To fully verify a MADI, a personal identification number is mailed to the person's address for them to enter back into the MADI system to confirm they reside at the address on file.

Criteria

The department should have effective processes to monitor program delivery and identify opportunities for improvement. It should:

- monitor the use of grant funds to verify that employers use them as intended. This may include receiving required reports, post-verification reviews, or audits.
- identify, evaluate, and manage risks, including complaints during program delivery
- identify opportunities for continuous improvements of the program, and systems to deliver the program or similar programs

Our findings

Based on our detailed findings as follows, we assess the criteria on program monitoring has been met.

Payments are only made when employers supply required employment documentation

Since the department does not pay program funding to employers without documentation of new hire continued employment, the risk of misused program funds is low. The department does not verify continued employment of a new hire unless payment is requested. The department pays employers 50 per cent of the total grant if payment is requested after 90 days employment (one quarter the grant term). The department does not recover from the employer any portion of the payment if the employee is not retained for a further 90 days.

The department emails employers when they can request a payment. Staff manually monitor the system if responses for requests are not received. Our data analysis of payments found \$35 million of the \$52 million approved for new hires from the first intake have been paid by May 2023. Employers have not yet provided full supporting employment documentation after 52-weeks for unpaid grants issued in the first intake.

Management managed risks, including any from applicant inquiries, complaints, and appeals

Management managed risks identified during the program on an ad hoc basis.

Applicants were notified that their application was denied by email. Applicants could request an appeal form. Appeals had to be made within 30 days of notification. Only fourteen appeals were made on the 4,480 applications assessed in the first intake. Nine were successful after providing additional information to support their eligibility.

Program applicant guidelines provided information on how to inquire or complain about the program by phone or email. There was no central recording of complaints and inquiries to know how many were received, nor evidence of analysis of common problems and lessons learned for the second intake.

Program changes were made based on learnings from internal data analysis

The department held stakeholder consultation sessions to get feedback on the first intake for changes to the second intake. Feedback resulted in the department:

- reducing the time in which to hire new employees after application approval from 120 to 90 days. This reduced the time until funds committed to an application that didn't proceed could be given to other applicants.
- allowing employers to use funding to convert a part-time employee to full-time within an employer. An employer could hire only part-time employees from outside the organization in the first intake.
- removing the requirement for employers to have at least one full year of operations.

The department examined program data from the first intake to identify program changes. Staff saw many approved applications requested funding to hire the maximum of 20 new hires, but they eventually hired less than half that number. The maximum number of hires by one employer was reduced to ten for the second intake. This committed less funding to individual employers and allowed more eligible employers to participate in the program.

In October 2021, the department identified the number of new hires being applied for in the first intake was less than one quarter expected levels. To increase employer program accessibility, the minister changed the original program objective for the second intake to eliminate the requirement to hire the unemployed or under-employed which was the original intent of the program.

Program Reporting

Context

An important element of accountability is reporting results to stakeholders, typically in the results analysis section of ministry annual reports. Evaluating results achieved, and why they varied from targets, is fundamental to learning whether the strategies and activities in programs worked as intended. Reporting and analyzing these differences and trends on an ongoing basis helps management adjust the programs. By understanding why differences exist, management can better achieve desired results for the current program and apply lessons learned to future programs.

Criteria

The department should have effective systems to collect relevant, timely, and accurate information to evaluate and report on the financial and non-financial performance of the program. It should:

- collect relevant, timely, and accurate program results information
- analyze the results promptly
- report analysis and results on effectiveness of the program to management
- report financial, non-financial or other information to key stakeholders

Our findings

Based on our detailed findings as follows, we assess the criteria on program reporting has not been met. The department does not have effective processes to report:

- analysis and results on effectiveness of the program to management
- financial, non-financial or other information to key stakeholders

We are not making a new recommendation to the department on reporting because our previous recommendation on improving performance reporting to Albertans in ministry annual reports³⁰ is still outstanding.

Management collected information on applicant program utilization. Management's analysis of program results was not always documented

The grant system gives management regular statistical information on program applications. We examined a sample of monthly program results reports which provided data including the number of:

- applications by size of employer (based on number of employees)
- new hires applied for by size of employer
- applications to hire persons with disabilities
- positions applied for by sector
- applications which already include new hire information
- employers selecting program payment after 52 weeks

This information gives a snapshot of how applicants are using the program which management can use to consider program changes.

There was no evidence of management's regular analysis of program information. Maintaining written analysis supports program decisions and the rationale for program changes. Management did provide us two briefing documents for the minister which included brief program information analysis to support recommended changes to the program after the first intake.

A planned interim program effectiveness report has not been completed

The department planned to perform an interim program evaluation report. The department did not complete this report. The department is performing an end of program evaluation scheduled to be completed in fiscal 2024–2025.

We found no regular internal analysis of program effectiveness documented during the period examined, including the measures identified by management in the design of the program.

³⁰ *Report of the Auditor General—August 2019, Reporting Performance Results to Albertans Followup.*

Program statistical information was publicly reported, but no interim program results analysis nor lessons learned were included

The department disclosed in its 2021–2022 Annual Report overall details of the program and information as at March 31, 2022 including:

- 2,501 applications were received during the first intake and 2,843 during the second intake of applications
- \$152.5 million of the budgeted \$263 million was committed to support 12,678 new hires from 3,367 employers

There was no interim results analysis of these statistics in the annual report. Nor were there any lessons learned or possible impacts on the program in the future. We would have expected the department to provide some interim analysis of the program to date, and the department's assessment if the program was on track to create 22,000 jobs and provide funding of \$370 million.

Audit Responsibilities and Quality Assurance Statement

Management of Jobs, Economy and Trade is responsible for the design, delivery, monitoring, and reporting for the program.

Our responsibility is to express an independent conclusion on whether the Department of Jobs, Economy and Trade had effective systems to design, deliver, monitor, and report on the program.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements, set out in the CPA Canada Handbook—Assurance. The Office of the Auditor General applies Canadian Standard on Quality Management 1, which requires the office to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. The 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.