

Chapter 3

Covid-19 Funding – New Brunswick Workers’ Emergency Income Benefit – Department of Post-Secondary Education, Training and Labour

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Covid-19 Funding – New Brunswick Workers’ Emergency Income Benefit – Department of Post-Secondary Education, Training and Labour

Report of the Auditor General – Volume I, Chapter 3 – October 2021

Why Is This Important?

- Oversight and monitoring of programs to help the most vulnerable should be a priority for government
- Government paid nearly \$37 million in total emergency benefits to over 40,000 applicants (\$900 per applicant) and an additional \$2.1 million to a third-party service provider to administer the emergency benefit program
- This was a new program area for the Department, resulting in higher risk of an inefficient and ineffective implementation

Overall Conclusions

The Department:

- did not adequately plan for delivery of the New Brunswick Workers’ Emergency Income Benefit program;
- utilized a weak contract for services that was underdeveloped; and
- did not monitor program delivery to ensure required results were effectively and efficiently achieved.

While this program successfully aided over 40,000 New Brunswickers, planning for future provincial emergency response programs needs improvement.

What We Found

Poor Controls

- Social Insurance Number was requested but no control was in place to ensure its validity
- Department failed to obtain 827 applicant Social Insurance Numbers during the program, increasing fraud risk
- Advancing \$54.5 million in lump sum payments effectively negated a key contract control
- \$15.8 million in unused funding not reimbursed until January 2021
- No program risk assessment or Department-wide fraud risk completed

Lack of Transparency and Accountability

- Department could provide little evidence for program planning or rationale for key decisions made
- Department did not share service-provider debrief information with SNB
- No public reporting of program results planned by the Department

Weak Contract

- Roles and responsibilities between contract parties were unclear
- Program-critical activities added outside contract terms required additional Department resources
- No appeals process was planned
- Department had only five days to plan the program, design and negotiate the contract

Inadequate Monitoring

- Department did not request or receive weekly reports required by the contract
- Service-provider payments of \$2.1 million not verified by Department
- No one at Department monitored program activities against contract terms and took corrective action
- Program final report not finalized until December 2020 – program ended June 2020

Key Findings and Observations Table

New Brunswick Workers' Emergency Income Benefit – Department of Post-Secondary Education, Training and Labour

Paragraph	Key Findings and Observations
	Poor Controls and Weak Contract
3.27	<i>Department did not have adequate time to plan the NBWEIB program</i>
3.29	<i>Department overestimated service provider capacity</i>
3.31	<i>Inadequate planning led to increased Department resource needs</i>
3.34	<i>Department was not aware of key third-party operational document</i>
3.38	<i>Controls over accuracy of SIN provided by applicants were weak</i>
3.40	<i>Poor communication between Department and service provider led to breakdown of key program control</i>
3.44	<i>Directive to halt identity validation may have delayed payments to affected applicants</i>
3.49	<i>No appeal process included in program planning</i>
3.53	<i>Contract did not fully detail roles and responsibilities of Department and service provider</i>
3.54	<i>Department continued negotiation with service provider after the contract was finalized to more fully determine roles and responsibilities</i>
3.55	<i>Department was not aware of Virtual Operations Team (VOT) resource requirements during contract negotiation</i>
3.60	<i>Poor oversight of redeployed Department resources under management of contracted service provider</i>
3.64	<i>Service New Brunswick directed Part I and Part II entities to follow a temporary emergency procurement process</i>
3.66	<i>Required purchase order not issued for nearly a year following Cabinet approval of program</i>
3.67	<i>Department did not forward service provider challenges to SNB</i>
3.69	<i>Department did not perform risk analysis for the program</i>
3.72	<i>Total demand for program ten times number forecasted by Department</i>
3.74	<i>Weak controls over verification of payments to service provider</i>
3.75	<i>Lump sum payment effectively negated control over contracted reporting requirement</i>
3.78	<i>Department had up-to-date Emergency and Pandemic Influenza plans in place</i>

3.84	<i>Contract did not sufficiently outline objectives of the program to allow program administration to align with objectives</i>
	Inadequate Program Monitoring
3.90	<i>Department did not have an assigned staff member actively monitoring the contract</i>
3.91	<i>Department did not enforce weekly monitoring reports required by in the contract</i>
3.92	<i>Department not requesting monitoring reports set out in the contract led to missed opportunities to discover and fix issues throughout program implementation</i>
3.93	<i>Final program report delivered five months late</i>
3.96	<i>Department has yet to verify the payments made to service provider</i>
3.100	<i>Department made over \$40,000 in payments to service provider outside the terms of the contract</i>
	Lack of Transparency and Accountability
3.105	<i>Rationale for key decisions were not well documented</i>
3.108	<i>Department does not plan to publicly report on the performance of NBWEIB</i>

Recommendations and Responses

Recommendation	Department’s response	Target date for implementation
We recommend the Department of Post-Secondary Education, Training and Labour:		
3.36 request supporting details or documentation from third-party service providers for inclusion in schedules attached to third-party contracts.	<i>The Department agrees with this recommendation and notes that this was an isolated situation due to the exceptional nature of the New Brunswick Workers’ Emergency Income Benefit.</i>	<i>Ongoing</i>
3.43 plan for the collection of all necessary information to satisfy tax requirements when developing programs such as the New Brunswick Workers Employment Income Benefit.	<i>The Department agrees with this recommendation and notes that this was an isolated situation due to the exceptional nature of the New Brunswick Workers’ Emergency Income Benefit.</i>	<i>Ongoing</i>
3.48 when developing new programs, design key controls to mitigate fraud risk and maintain the control structure throughout a program implementation.	<i>The Department agrees with this recommendation and notes that this was an isolated situation due to the exceptional nature of the New Brunswick Workers’ Emergency Income Benefit.</i>	<i>Ongoing</i>

Recommendations and Responses (continued)

Recommendation	Department's response	Target date for implementation
We recommend the Department of Post-Secondary Education, Training and Labour:		
3.52 ensure an appeals process is present in programs that provide financial benefits to applicants to ensure fairness in program implementation.	<i>The Department does not agree that a formal appeals process is always required when providing financial assistance, particularly when the eligibility criteria for the program are very clear. With respect to the New Brunswick Workers' Emergency Income Benefit, applications were re-considered due to data entry errors or misunderstanding of the questions; individuals who did not meet the criteria were not allowed to appeal their eligibility in the program.</i>	<i>Not applicable</i>
3.59 clearly document program roles and responsibilities during program and contract development when using a third-party service provider.	<i>The Department agrees with this recommendation and notes that this was an isolated situation due to the exceptional nature of the New Brunswick Workers' Emergency Income Benefit.</i>	<i>Ongoing</i>
3.68 provide feedback to Service New Brunswick on challenges faced when working with third-party service providers to promote continuous improvement in contracting services.	<i>The Department agrees with this recommendation and will provide feedback to SNB Strategic Procurement on any challenges with third-party service providers.</i>	<i>Ongoing</i>

Recommendations and Responses (continued)

Recommendation	Department's response	Target date for implementation
We recommend the Department of Post-Secondary Education, Training and Labour:		
3.76 perform and record risk analysis including appropriate mitigation strategies during the development of new programs.	<i>The Department agrees with this recommendation. The Department's Internal Audit unit will develop a fraud risk analysis template to be used during the development of new programs.</i>	<i>December 31, 2021</i>
3.77 periodically perform a formal fraud risk assessment of its organization, then design and implement adequate controls over programs to address identified risks.	<i>The Department agrees with this recommendation. The Internal Audit unit will work with the Audit Committee and the Senior Management Committee to complete a formal fraud risk assessment of the Department.</i>	<i>March 31, 2021</i>
3.88 develop objectives using SMART or another system to ensure program objectives clearly state what will be accomplished, and to further enhance the Department's ability to report and use performance metrics to improve services.	<i>The Department agrees with this recommendation and has now adopted a performance-based funding model for all new contracts.</i>	<i>Ongoing</i>
3.95 actively monitor contract performance and ongoing results when contracting with third-party entities to deliver provincial programs and take corrective actions to address performance deficiencies when necessary.	<i>The Department actively monitors contract performance and results and notes that this was an isolated situation due to the exceptional nature of the New Brunswick Workers' Emergency Income Benefit.</i>	<i>Ongoing</i>

Recommendations and Responses (continued)

Recommendation	Department's response	Target date for implementation
We recommend the Department of Post-Secondary Education, Training and Labour:		
3.99 validate the payments made to Red Cross were used solely for NBWEIB program purposes.	<i>The Department agrees with this recommendation. The Internal Audit unit of PETL will be conducting a further validation of the financial information and expense reports that were provided by the Canadian Red Cross and reviewed by the Department's Financial Services unit.</i>	<i>December 31, 2021</i>
3.103 follow best practices to address the need for changes and unforeseen circumstances in future contracts.	<i>The Department actively monitors contract performance and results and notes that this was an isolated situation due to the exceptional nature of the New Brunswick Workers' Emergency Income Benefit.</i>	<i>Ongoing</i>
3.107 create a policy to support and reinforce record keeping for meetings and decisions made when developing programs to ensure accountability and transparency.	<i>The Department agrees with this recommendation and notes that this was an isolated situation due to the exceptional nature of the New Brunswick Workers' Emergency Income Benefit.</i>	<i>Ongoing</i>

Recommendations and Responses (continued)

Recommendation	Department’s response	Target date for implementation
We recommend the Department of Post-Secondary Education, Training and Labour:		
3.111 publicly report on the performance of significant programs.	<i>There are a number of existing mechanisms through which program performance and information are reported, including the departmental Annual Report, the Standing Committee on Public Accounts, the Standing Committee on Estimates and Fiscal Policy, responses to Right to Information requests, and performance audits by the Office of the Auditor General. PETL will continue to use these existing accountability and transparency mechanisms to report on program performance and will consider any additional reporting mechanisms that may be appropriate.</i>	<i>Ongoing</i>

Recommendations and Responses (continued)

Recommendation	Department's response	Target date for implementation
We recommend the Executive Council Office:		
3.82 create a formalized process to provide direction, guidance, and resources to departments that are tasked with new activities during an emergency not covered under defined Mission Critical Business Functions within their respective Emergency Preparedness Plans.	<i>The Department of Justice and Public Safety, through the NB Emergency Measures Organization, monitors risks and coordinates planning, resulting in the Provincial Emergency Plan. Established risks and plans include the need for emergency social supports, including financial supports, during events. Arrangements under this plan were leveraged to develop and then deliver the New Brunswick Workers' Emergency Income Benefit.</i>	<i>Completed</i>

Audit Introduction

3.1 On March 19, 2020 New Brunswick declared a state of emergency due to the Novel Coronavirus (Covid-19) pandemic. Public health measures set out in the state of emergency caused many businesses to close temporarily and affected workers to be laid off. The New Brunswick Workers’ Emergency Income Benefit (NBWEIB) program was developed to provide bridge funding for those whose income was affected by the pandemic closures until the promised Federal employment program launched.

Why we chose this topic

3.2 We chose to audit the New Brunswick Workers’ Emergency Income Benefit program for the following reasons:

- Oversight and monitoring of programs designed to help the most vulnerable should be a priority for government.
- The potential transfer of up to \$100 million to a third-party service provider to deliver the program in four-weeks constituted significant financial risk to the Province.
- This was a new program area for the responsible Department, resulting in higher risk of an inefficient and ineffective program implementation.

Audit Objective

3.3 The objectives of this audit were to determine if the Department of Post-Secondary Education, Training and Labour:

- planned and contracted for the effective delivery of the Covid-19 funding initiative; and
- monitored the delivery of Covid-19 funding to eligible recipients.

Audit Scope

3.4 We examined the Department of Post-Secondary Education, Training and Labour’s New Brunswick Workers’ Emergency Income Benefit Program planning and implementation. We collected audit evidence from other stakeholders including the Executive Council Office, Service New Brunswick, and Canadian Red Cross – New Brunswick. Canadian Red Cross – New Brunswick was the third-party contracted to deliver the New Brunswick Workers’ Emergency Income Benefit program on behalf of the Province. We did not audit Canadian Red Cross – New

Brunswick. Our work focused on the Department's implementation of the program.

3.5 More details on the audit objectives, criteria, scope and approach used in completing our audit can be found in Appendix I and Appendix II.

Conclusions

3.6 While this quickly deployed program successfully aided over 40,000 New Brunswickers, there are valuable lessons learned and opportunities for improvement for any future provincial emergency benefit response program. Based on our observations and findings, we concluded the Department of Post-Secondary Education, Training and Labour:

- did not adequately plan for the implementation of the New Brunswick Workers' Emergency Income Benefit program;
- utilized a weak, underdeveloped contract for services; and
- did not adequately monitor the program to ensure required results were achieved in an efficient and effective manner.

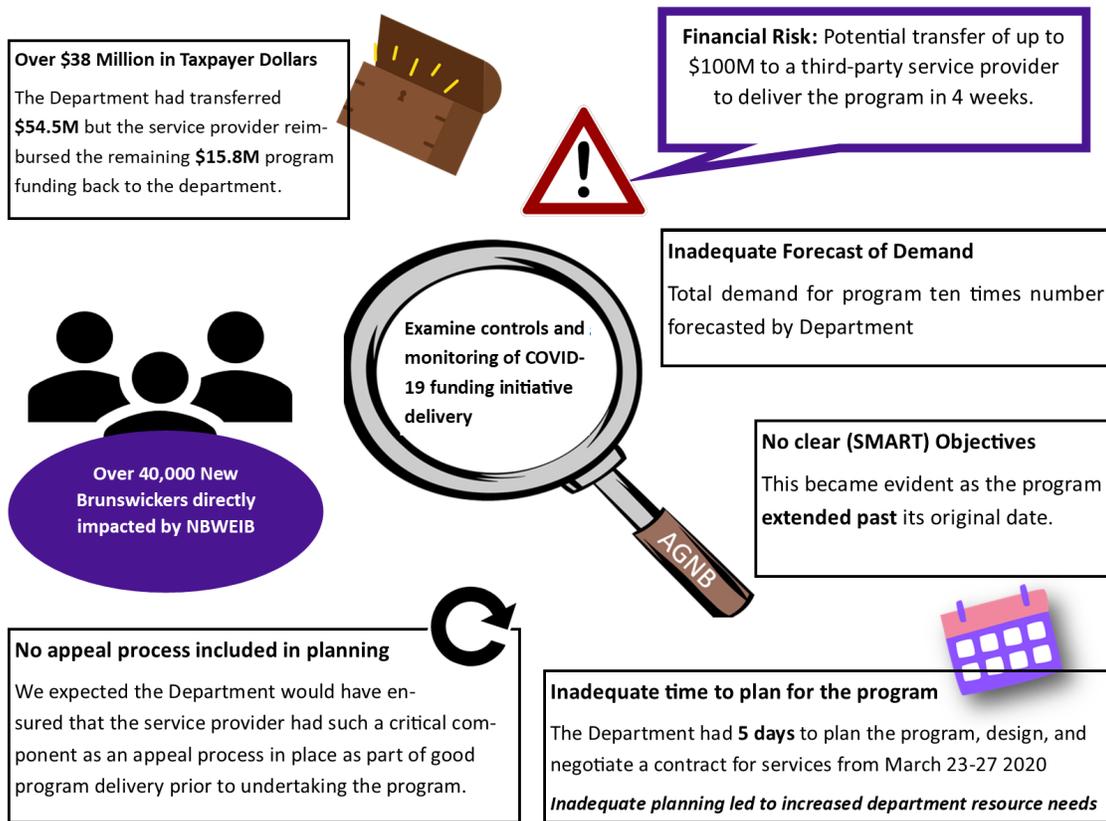
3.7 We understand the Department was tasked with implementing this program on short notice, however the weaknesses identified are important to understand in planning for future emergency benefit response programs. Planning for future emergency benefit programs needs improvement to protect against risk of fraud, program ineffectiveness and unclear roles and responsibilities if third-party service providers will be involved and regardless of which department is responsible.

Background Information

3.8 The Department of Post-Secondary Education, Training and Labour (the Department), through the WorkingNB branch, was tasked with developing and implementing an emergency employment income replacement benefit payable to eligible New Brunswick citizens in partnership with the Canadian Red Cross - New Brunswick (Red Cross).

3.9 An overview of the program is found in Exhibit 3.1.

Exhibit 3.1 - Overview of New Brunswick Workers' Emergency Income Benefit Program



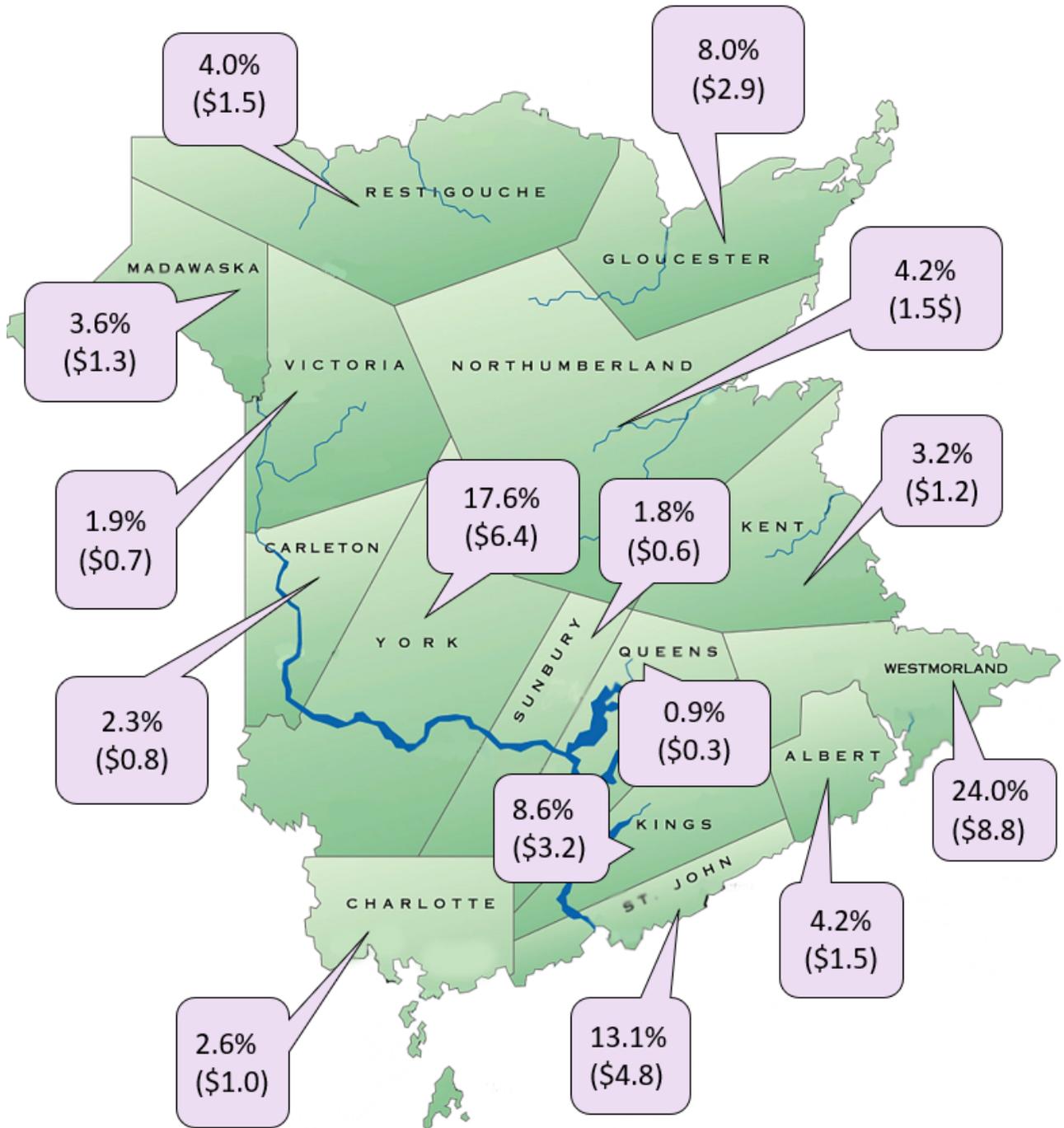
Source: Created by AGNB with information from the Department of Post-Secondary Education, Training and Labour and Red Cross (unaudited).

3.10 The intent of the New Brunswick Workers' Emergency Income Benefit (NBWEIB) was to mirror the Canadian Emergency Response Benefit (CERB) from the Government of Canada, providing a similar level of income replacement for a two-week period. The program was developed to ensure citizens of New Brunswick would not be without income if the Federal program experienced delays.

3.11 Exhibit 3.2 shows an estimated regional breakdown of successful applicants to the program by county and the corresponding estimate of benefits delivered to the applicants in each county.

Exhibit 3.2 - Estimated Regional Breakdown by County of Applicants Who Received New Brunswick Workers' Emergency Income Benefit.

Estimated Regional Breakdown by County of Successful Applicants (in percentage, \$ millions)



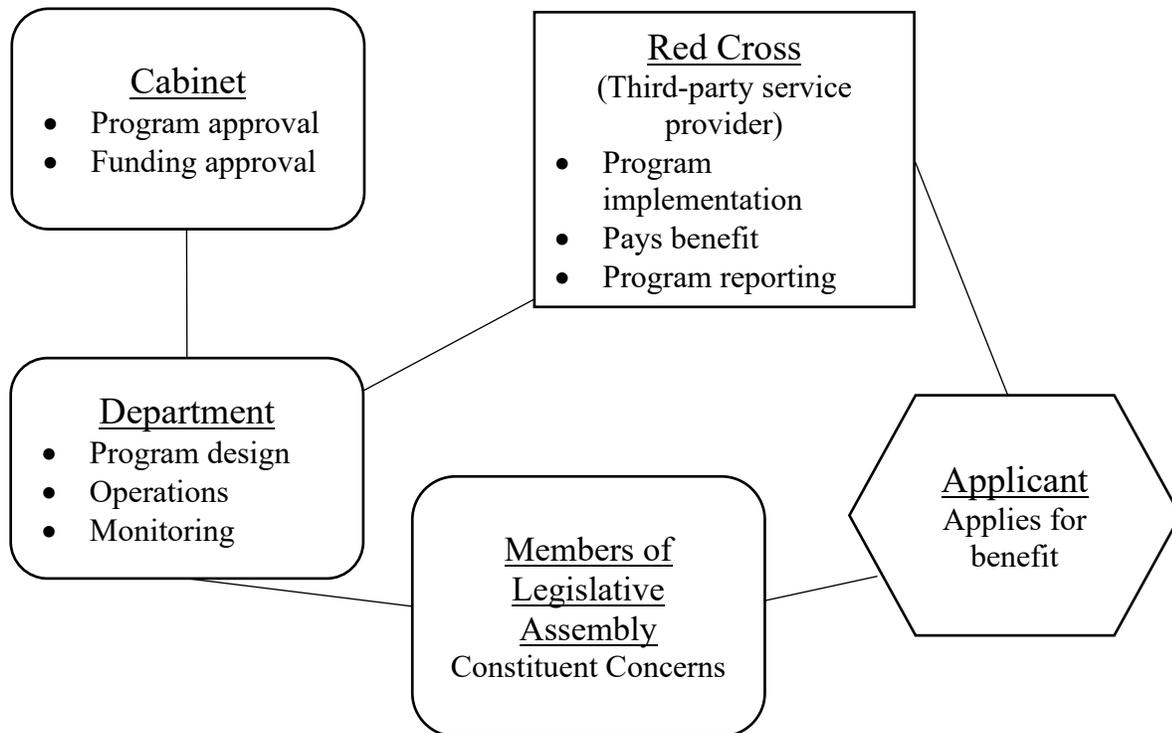
Source: Created by AGNB with information from Red Cross, the Department of Post-Secondary Education, Training and Labour, and postal code sorting (unaudited)

3.12 The objectives of the NBWEIB program were to:

- register applicants online and by telephone;
- assess online and telephone applications and determine eligibility; and
- provide a one-time income benefit payment of \$900 to eligible applicants.

3.13 NBWEIB was announced on March 26, 2020 and set to launch March 30, 2020 with a website and phonenumber for individuals to register for the program. A summary timeline of the NBWEIB program is presented in Appendix III. A diagram of the key players and a brief description of their roles in the NBWEIB program is presented in Exhibit 3.3.

Exhibit 3.3 - Diagram of Key Players Involved in New Brunswick Workers' Emergency Income Benefit Program



Source: Created by AGNB with information from Department of Post-Secondary Education, Training and Labour (unaudited)

3.14 Potential applicants were required to register and have their identity validated prior to submitting applications for the benefit. Overall, the number of registrations on the first day (March 30, 2020) was far greater than the Department anticipated (37,768 registered). The Department was concerned the number of successful applicants in the first few days would exceed Red Cross’s available cashflow (by April 1, 2020, 21,734 applications were submitted equaling \$19.6 million in benefits).

3.15 To address this concern, the Department sought Cabinet approval to increase the total funding available for the program. Cabinet approved a maximum of \$100 million in funding for the program. In addition to the approved initial advance of \$4.5 million to Red Cross, the Department subsequently advanced \$50 million in additional funding to the service provider to cover the remainder of the program. The Department planned to verify program costs after the program was complete instead of verifying costs throughout program implementation as described in the contract.

3.16 Exhibit 3.4 presents abbreviated financial information for the NBWEIB program.

Exhibit 3.4 - New Brunswick Workers' Emergency Income Benefit Comparison of Budgeted Cost to Actual Cost of Program (\$ millions)

**New Brunswick Workers' Emergency Income Benefit
Budget vs Actual (\$ millions)**

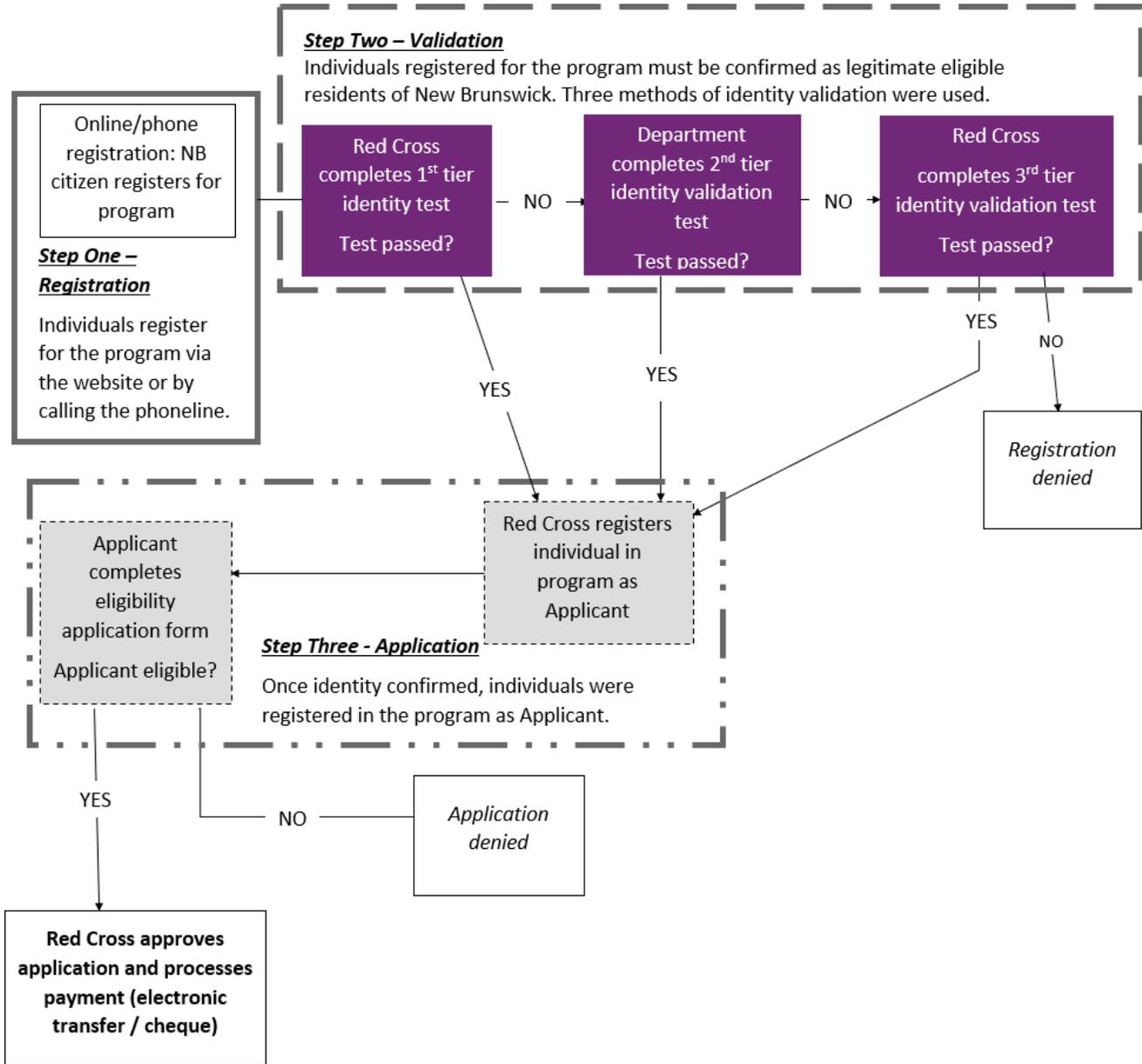
Expense	Budgeted	Actual	Unspent
Program Costs	\$4.0	\$0.8	\$3.2
Administrative Fee	2.5	1.3	1.2
Sub-total service-provider cost	\$6.5	\$2.1	\$4.4
Benefit Payments to 40,582 Applicants	68.4	36.6	31.9
Total	\$75.0	\$38.7	\$36.3
Total funding advanced to service		54.5	
Total recovered from service-provider in 2021		\$15.8	

Source: Created by AGNB with information from Department of Post-Secondary Education, Training and Labour (unaudited and rounded).

Note: Program received a second approval from Cabinet for up to \$100 million in funding, \$25 million over the original budget of \$75 million. Total amount advanced to service provider was \$54.5 million, of which \$15.8 million was recovered.

- 3.17** After the contract was finalized, the Department added additional resources to the program in the form of secondments to Red Cross for a virtual operations centre, management of a program email inbox, and identity validation work (described below). The Department had to deploy a total of 77 employees to the NBWEIB program.
- 3.18** On March 30, 2020, Red Cross informed the Department a second method to validate the identity of applicants would be necessary to ensure all applicants were legitimate New Brunswick residents. This was because Red Cross could not account for all applicant information using their established method (checking an Equifax database for name and address). The Department's second tier validation method (checking Motor Vehicle Inspection database for name and address) could not validate all applicants either, requiring Red Cross to then use a third method to validate applicant identities (visual inspection of documentation).
- 3.19** On April 6, 2020, the Federal CERB was launched. Due to this, the end date of NBWEIB was moved up to April 9, 2020 from the original April 30, 2020 delivery date. This change caused some uncertainty for potential applicants experiencing difficulties with the application process or who experienced technical problems with the application form.
- 3.20** The Department fielded requests from the Premier's Office and Members of the Legislative Assembly to review some individuals' applications. The Department could not provide us the total number of re-submitted applications when we made the request. VOT staff contacted applicants who had problems applying for the program or had questions that required escalation from their original registration.
- 3.21** Exhibit 3.5 provides a simplified outline of the process followed by Red Cross to register and evaluate program applications.

Exhibit 3.5 - Simplified Version of New Brunswick Workers' Emergency Income Benefit Registration and Application Process.



Source: Created by AGNB with information from Department and Red Cross (unaudited)

3.22 The process in Exhibit 3.5 includes the three steps used to validate the registrant’s identity:

- Tier I validation was completed by Red Cross through their normal internal process;
- Tier II validation was completed by the Department and consisted of a motor vehicle verification process; and
- Tier III validation was completed by Red Cross using applicant-submitted identity documentation.

3.23 We estimated the average applications processed in April for the program totalled approximately 1,800 per day. Due to the re-application and identity validation issues, program participants continued to submit applications up until June 23, 2020. An estimated average of 30 applications were processed per day in May and an estimated average of 12 were processed in June. The time between successful application and payment being issued averaged approximately 3 days.

3.24 We recognize the Department was operating under an accelerated timeline and external pressure to develop and implement the NBWEIB program. We believe this led to gaps in the planning process and implementation.

Poor Controls and Weak Contract

3.25 While the Department succeeded in achieving their objective of providing financial assistance to eligible applicants, there were various areas where we believe improvements could be made to better streamline this type of program delivery in future such events.

3.26 We began our work by reviewing the planning completed by the Department to implement NBWEIB. Planning is an important stage of any project; it takes time and care to create a plan that leads to a successful program. In the case of NBWEIB, time pressures placed on the Department limited staff's ability to fully plan the program.

Department did not have adequate time to plan the NBWEIB program

3.27 The Department had five days to plan the program design and negotiate a contract for services (see Appendix III for program timeline). While Department senior management first discussed what the Department could do to help New Brunswickers affected by the pandemic lockdown March 18th, it wasn't until March 23rd Department staff were tasked with designing a program by senior management.

3.28 Department personnel stated “*we did not have any time to effectively plan, trouble-shoot or problem-solve*”. We learned the Department's planning process was mostly operational in nature; staff were focused on “*trying to quickly adapt as the benefit rolled out and launched*”.

Department overestimated service provider capacity

3.29 The Department expected Red Cross to have a service delivery implementation model already available and the Department's role would be limited to managing the contract. NBWEIB was a new program area for the Department and for Red Cross. While Red Cross had an emergency payment system, it required additional steps to meet the needs of the NBWEIB program (validation of identity and recording applicant's SIN).

3.30 Red Cross was chosen by the Department based on the Red Cross's reputation as a national and international emergency responder. The Department was aware of Red Cross participating in similar benefit programs in Alberta and Quebec which provided a certain level of confidence in Red Cross's ability to roll out a program like NBWEIB.

There was an added benefit of a local presence with Red Cross having an office in Saint John, NB.

Inadequate planning led to increased department resource needs

3.31 The Department initially relied on Red Cross to authenticate all registrants and validate their identity. Red Cross’s system automatically performed a soft check through Equifax to validate the identity of applicants, but this method rejected too many (over 17,000) applicants of NBWEIB for the program to achieve its objectives (Equifax’s database did not have the data for all applicants). After the program launched, the Department learned they would need to provide a second method of identity validation, which was not planned for or contained in the contract.

3.32 The Department had to react quickly to create a second identify validation method or the program would have failed entirely. The Department contacted Service New Brunswick (SNB) and obtained access to the Motor Vehicle Inspections (MVI) database to validate applicant identification using the applicant’s name and address. Of the 77 total staff redeployed, 21 Department staff were deployed to support the second method of identity validation.

3.33 The MVI database did not contain the necessary information for all applicants. Therefore, Red Cross performed a third validation process. This method involved applicants submitting identification documents through email, over the phone, or by video-call.

Department was not aware of key third-party operational document

3.34 Red Cross created a program description document detailing how the program would operate, which included additional Department resources required that were not covered in the contract. We expected this program document to be a schedule to the contract, but this was not the case. The Department was not aware of this key operational document until our audit.

3.35 We were pleased to see Department staff complete internal debrief sessions after the program was completed, recognizing shortcomings of program development and implementation which provided possible solutions. One such solution was to establish and document roles and responsibilities with external service providers and request standard operating procedures from the service provider.

Recommendation

3.36 We recommend the Department of Post-Secondary Education, Training and Labour request supporting details or documentation from third-party service providers for inclusion in schedules attached to third-party contracts.

3.37 NBWEIB provided 40,582 successful applicants with a \$900 benefit through wage-loss replacement. Wage-loss replacement income in Canada requires the issuance of a T4A Statement of Pension, Retirement, Annuity, and Other Income for income tax purposes. While the Department made inquiries for the tax requirements of the program, they did not fully develop a solution before the program launched. Red Cross informed us they do not issue T4A statements. When we asked the Department, who would be issuing the T4A statements, they could not provide an answer. Ultimately, the Department issued the T4A statements as it was not feasible for the service provider to issue them. We expected the Department to require a valid Social Insurance Number (SIN) to apply for NBWEIB to facilitate sending out T4A statements.

Controls over accuracy of SIN provided by applicants were weak

3.38 An applicant's SIN was one of the required fields on the application for NBWEIB. To ensure accuracy of the SIN provided by the applicant, a process control required the entered SIN be at least nine characters in length to be considered valid. However, no steps were taken to verify that an entered SIN was valid for the specific applicant. A unique SIN is created for each Canadian citizen or permanent resident that requests one from the Federal government; the SIN can be verified using a mathematical equation named the Luhn algorithm.

3.39 The weakness of the SIN control led to several instances of an invalid SIN being entered. It also resulted in many errors regarding the validity of the applicant-provided SIN, for example:

- 266 applicants provided no SIN;
- 455 applicants provided an invalid SIN;
- 106 applicants used a duplicate SIN; resulting in
- A total of 827 problem cases related to SIN

Using a SIN in this manner was not an effective control over the application process.

Poor communication between Department and service provider led to breakdown of key program control

3.40 Additionally, some applicants were not comfortable with providing their SIN when they registered. For this reason, the Department allowed Red Cross to waive the requirement for providing a SIN in one specific case. While the Department maintains they did not direct Red Cross to provide a general waiver of the SIN requirement to reluctant applicants, Red Cross did waive this requirement whenever an applicant refused to provide their SIN. We could not determine from either entity why Red Cross interpreted the Department's direction so broadly. This effectively defeated any benefit the SIN could provide as a control.

3.41 Weak controls over the SIN and the breakdown of requiring a SIN to apply for the NBWEIB program led to increased resource needs, delays in providing T4A statements to applicants and increased risk that applicants could be provided with more than a single payment of the benefit. In response to these risks, the Department sent out notices after payments were made requesting an accurate SIN be provided to be eligible for NBWEIB, or the paid benefit would have to be returned.

3.42 In addition to the risks noted above, delays in processing T4A statements can result in fines being applied by the Canada Revenue Agency (CRA) if appropriate efforts are not made. The Department stated they are working with the CRA to resolve all issues surrounding T4A statements. At the end of the audit period this work was still ongoing, and no fine had been issued against the Department by the CRA.

Recommendation

3.43 We recommend the Department of Post-Secondary Education, Training and Labour plan for the collection of all necessary information to satisfy tax requirements when developing programs such as the New Brunswick Workers Employment Income Benefit.

Directive to halt identity validation may have delayed payments to affected applicants

3.44 Department staff deployed to validate applicant identity were directed by Department management to cease identity validation activities April 3, 2020. This decision was made due to the Federal CERB launching earlier than anticipated and the high volume of validation work still pending for the Department; the Department paused the work to determine if there were other solutions available to more quickly get payments out to applicants. This delay was only two days, but due to the very short timeline for the delivery of this

program, it caused disruption for Department staff resulting in increased frustration during an already stressful time and may have delayed payment to affected applicants.

- 3.45** The program included three main steps for applicants: 1) program registration; 2) identity validation; and 3) completing an application form. We expected the Department to ensure controls in place remained intact to reduce the possibility of fraud within the NBWEIB program. We were surprised Department senior management considered continuing the program without identity validation even though Red Cross opposed this suggestion.
- 3.46** Department staff believed there was wasted effort when a potential applicant's identity was validated and they were deemed ineligible later in the process at the application stage. Department personnel thought the process should have been reversed (application then identity validation instead of identity validation then application). This would have reduced the work performed by the Department, but the application stage resulted in a 76% eligibility rate. Therefore, we do not believe the reduction would have been significant (program controls ensured 12,475 applications were appropriately denied).
- 3.47** Eliminating the validation requirement entirely, which was the intent of halting the validation work, would have increased the risk of fraud for the program. If this control had been removed, we believe the remaining fraud controls would not have been enough to prevent undue financial risk to the program.

Recommendation

- 3.48 We recommend the Department of Post-Secondary Education, Training and Labour, when developing new programs, design key controls to mitigate fraud risk and maintain the control structure throughout program implementation.**

No appeal process included in program planning

- 3.49** We found the Department did not include an appeal process for the NBWEIB program. We expected the Department would have ensured the contracted service provider had such a critical component of good program delivery in place prior to undertaking the program. This was not the case.

3.50 Applicants could re-submit the application questionnaire due to data entry errors, misunderstanding of application questions, or technical glitches that occurred with the application page. The names of these applicants came to the Department from Members of the Legislative Assembly (MLAs) and the Office of the Premier. The Department provided the names to Red Cross and VOT staff contacted applicants to redo the questionnaire. However, this was not part of an overall planned appeal process designed to address rejected applicant concerns and complaints, and it was not communicated to the public in any manner. The Department stated they did not have time to develop an appeals process or framework. We found the lack of a formal appeal process troubling.

3.51 A clear, well-designed appeal process is critical in efficiently and effectively addressing applicant complaints and concerns. An appeals process ensures those who were mistakenly considered ineligible have an effective process to address their concerns and rectify incorrect decision when warranted.

Recommendation

3.52 We recommend the Department of Post-Secondary Education, Training and Labour ensure an appeals process is present in programs that provide financial benefits to applicants to ensure fairness in program implementation.

Contract did not fully detail roles and responsibilities of Department and service provider

3.53 While we expected the contract for services between the Department and Red Cross to outline the roles and responsibilities of each party, we found this was not the case. The contract and process failed to address these critical elements for program success.

Department continued negotiation with service provider after the contract was finalized to more fully determine roles and responsibilities

3.54 Roles and responsibilities for all aspects of the program were not clearly stated in the contract and some program activities had not been designed (e.g. additional identity validation and appeals process). The Department and Red Cross continued to negotiate how program responsibilities would be divided until the contract was signed April 1, 2020, although no changes were made to the contract resulting from these negotiations. Program implementation continued to evolve throughout the timeline of NBWEIB.

Department was not aware of Virtual Operations Team (VOT) resource requirements during contract negotiation

3.55 Red Cross requested the Department provide human resources to staff a new Virtual Operations Team (VOT) for NBWEIB. This request occurred after the contract was approved by Department senior management. The Department moved quickly to find available staff and ensure the reassignment of staff was appropriate under the applicable collective agreements. Of the 77 redeployed Department staff, 27 were assigned to the VOT in Saint John.

3.56 Red Cross uses outsourced call centre contractors to handle the initial registration for programs it operates (FrontLine Group, a British Columbia based company with staff at locations across Canada). Red Cross sets up a VOT for programs to address escalations or issues that arise from the registration process; in the case of NBWEIB, the VOT was set up in Saint John, New Brunswick.

3.57 Because the VOT was not considered in planning, roles and responsibilities of VOT staff were not clear. This failure in planning led to an inefficient use of VOT staff during the first days of program implementation. At that time, VOT staff were only authorized to inform applicants they would be contacted on a later date but could not directly assist applicants with their issues. The VOT staff were slowly provided more responsibilities as the program was implemented and problems needed to be addressed.

3.58 This issue of unclear roles and responsibilities extends to the whole NBWEIB program. Unclear roles and responsibilities caused confusion between Red Cross and the Department and led to inefficiencies in program implementation.

Recommendation

3.59 **We recommend the Department of Post-Secondary Education, Training and Labour clearly document program roles and responsibilities during program and contract development when using a third-party service provider.**

Poor oversight of redeployed Department resources under management of contracted service provider

3.60 We were told by Department staff redeployed to the VOT that there was very little contact with the Department directly. We were also told there was confusion for the VOT team as program rules and work tasks changed frequently, sometimes multiple times per day. We expected the Department would have some contact with staff re-

deployed to a service provider under a contract for services, but this was not the case.

3.61 We believe if the Department had regular contact with its redeployed staff working under Red Cross, the Department would have been aware of the challenges and limitations VOT staff faced (lack of authorization to solve problems and frequently changing program rules and tasks) and could have taken steps earlier to allow the VOT staff to better administer the program. This likely would have had the effect of reducing the additional resource requirements of the Department to run NBWEIB.

3.62 We recognize this was a unique situation involving redeployed staff to a third-party service provider. We believe it was a missed opportunity for the Department to create a feedback loop with their staff working under Red Cross to ensure effective communication between the Department and the service provider.

3.63 While interviewing Department staff, we discovered issues with the procurement process for NBWEIB. While Cabinet approved the spending in March 2020, a purchase order was not created for the program until nearly a year later February 2, 2021.

Service New Brunswick directed Part I and Part II entities to follow a temporary emergency procurement process

3.64 Service New Brunswick (SNB) provided a directive March 17, 2020 to all departments for requesting emergency procurement exemptions in light of the pandemic's effects on SNB operations. Departments were to provide details of their exemption request to SNB's procurement branch through a specific email process, after which they were to apply for an exemption through the New Brunswick Opportunities Network (NBON).

3.65 The Department followed the general guidelines of the directive but did not include the exact requested wording in the subject line of the email, which may have led to the request being missed by SNB. The Department did copy the email to key SNB staff to ensure it was seen, but SNB did not respond to the Department's request.

Required purchase order not issued for nearly a year following Cabinet approval of program

3.66 The Department followed up with SNB in September 2020 and was directed to submit an application through NBON. The Department submitted the necessary documentation and, after explaining the situation that occurred in March 2020, SNB approved the exemption. A

purchase order was issued for NBWEIB February 2, 2021, nearly a year after the program was approved by Cabinet.

Department did not forward service provider challenges to SNB

3.67 We expected the Department to provide some of this information on challenges they faced (such as unclear roles and responsibilities between the contracting parties) to Service New Brunswick if the Province considers Red Cross as a third-party service provider again in the future, but we were informed this was not the case. A debrief between the Department and SNB would promote continuous improvement in contracting services.

Recommendation

3.68 We recommend the Department of Post-Secondary Education, Training and Labour provide feedback to Service New Brunswick on challenges faced when working with third-party service providers to promote continuous improvement in contracting services.

Department did not perform risk analysis for the program

3.69 We expected the Department to perform a risk analysis for the program to determine what controls should be in place to protect against fraud and misuse of NBWEIB. The Department informed us that no risk analysis was completed for the program and there has been no formal fraud risk assessment performed at the Department.

3.70 Since NBWEIB was approved for up to \$100 million funding and considering the nature of the program, we were surprised risk assessment and a fraud prevention strategy were not part of the planning process. Timely risk assessments and strong fraud prevention strategies can strengthen the overall control structure of programs.

3.71 We expected the Department to forecast demand for the program based on New Brunswick workforce data. The Department informed us they used New Brunswick workforce data but could not provide documentary evidence in support of their statement. After reviewing the available evidence, we determined the forecast was based on another province's Covid-19 employment replacement program (Quebec vs New Brunswick) with an adjustment made for population difference between the two provinces. Quebec's program was targeted at individuals self-isolating at home to prevent the spread of Covid-19. This target group was different from the NBWEIB program's target audience, making the forecast target unsuitable for the New Brunswick program.

Total demand for program ten times number forecasted by Department

3.72 The inaccuracy of the forecast was clear on March 30, 2020 when registration for NBWEIB opened; 37,768 individuals registered to apply for the program which far outpaced the forecast of over 7,000 made by the Department. On launch day, April 1, 2020, almost 22,000 NBWEIB applications were completed. By program end, over 50,000 New Brunswick residents applied to NBWEIB (ten times the original projection made by the Department).

3.73 The unanticipated high interest in NBWEIB caused the Department to return to Cabinet and request further funding be advanced to Red Cross; the Department was concerned Red Cross would not have the cash available to process so many applications without further funding from the Department. After the initial \$4.5 million payment, a further \$50 million was transferred to Red Cross, expecting it to cover the remainder of program costs. Red Cross reimbursed the unused \$15.8 million program funding (from the \$54.5 million funding advances) to the Department January 29, 2021. The timing of payments and reimbursement is presented in Exhibit 3.6.

Exhibit 3.6 - Payments to Service Provider and Reimbursement to Department for New Brunswick Workers’ Emergency Income Benefit Program

Payment to Service Provider and Reimbursement to Department for New Brunswick Workers’ Emergency Income Benefit Program		
Date Transaction Complete	Transaction	Amount (\$ millions)
April 2, 2020	Initial payment to service provider	\$4.5
April 6, 2020	Second payment to service provider	50.0
January 29, 2021	Reimbursement to Department	(15.8)
Total NBWEIB cost		\$38.7

Source: Created by AGNB with information from the Department of Post-Secondary Education, Training and Labour (unaudited).

Weak controls over verification of payments to service provider

3.74 Under the contract, Red Cross was to submit monthly invoices to the Department, with payments made according to actual expenses incurred. The Department was supposed to verify the information contained in the invoices and make payments to Red Cross within 15 days of receiving the invoice. While technically allowed under the contract,

the Department's decision to provide a lump sum payment weakened the control set in place by the contract to verify invoices submitted by Red Cross.

Lump sum payment effectively negated control over contracted reporting requirement

3.75 In addition, the contract allowed the Department to withhold final payment until Red Cross submitted a final report with a financial statement of program costs. Unfortunately, providing the \$50 million lump sum payment soon after program launch meant the Department could not leverage this contract control to receive timely reporting.

Recommendations

3.76 We recommend the Department of Post-Secondary Education, Training and Labour perform and record risk analysis including appropriate mitigation strategies during the development of new programs.

3.77 We further recommend the Department of Post-Secondary Education, Training and Labour periodically perform a formal fraud risk assessment of its organization, then design and implement adequate controls over programs to address identified risks.

Department had up-to-date Emergency and Pandemic Influenza plans in place

3.78 We found the Department had both Emergency Preparedness and Pandemic Influenza plans in place and both were updated as of March 6, 2020. This conformed to a March 2001 directive by Finance and Treasury Board for all departments to create an Emergency Preparedness Plan.

3.79 We observed the Department was prepared for continuity of service of mission critical business functions. What was not contemplated by the Department before the Covid-19 pandemic was how to fulfill different activities not part of their normal operations during an emergency situation such as the pandemic like the NBWEIB program the Department was tasked with creating and running.

3.80 In the case of future emergencies, we believe it would be prudent and helpful for all government departments to have access to resources and guidance on how to adapt to changing circumstances in an emergency context. This could take the form of an emergency operations manual, a guide to accessing internal government expertise including a list of those knowledge holders, a living reference document detailing past emergency programs and lessons learned, etc. The critical features of any such development are: a formalized process, clear communication to

departments, ease of access, and recording lessons learned. It is also important for the lessons learned from past experiences to be put into practice by the appropriate departments.

3.81 We also believe a better approach to providing funding to New Brunswick citizens in an emergency may be warranted. The Government of New Brunswick (GNB) has many resources at its disposal and it may be possible to develop an emergency funding system within the current infrastructure of GNB.

Recommendation

3.82 We recommend Executive Council Office create a formalized process to provide direction, guidance, and resources to departments that are tasked with new activities during an emergency not covered under defined mission critical business functions within their respective Emergency Preparedness Plans.

3.83 The planning process of a government project with a third-party often results in a contract between government and the third-party. Contracts dictate the responsibilities and expectations of each party to the contract. Topics often contained in these contracts include: program objectives, program activities, responsibilities of parties, etc.

Contract did not sufficiently outline objectives of the program to allow program administration to align with objectives

3.84 According to the contract the objectives of the NBWEIB program were:

- *To register applicants on-line and by telephone.*
- *For those authenticated and living in New-Brunswick eligible to receive the survey, to assess on-line and telephone applications received from New Brunswick residents to the NB Workers Income Support Relief subsidy (the “Program”) and determine eligibility.*
- *To provide a one-time income benefit payment of \$900.00 up to approximately 76,000 individuals or self-employed individuals in New Brunswick who are eligible for the subsidy.*

3.85 According to the Service Description (Schedule A to the contract) the objectives of the program were:

- *To provide financial support to workers residing in New Brunswick who have lost their job, been laid off or lost all revenues through self-employment due to the state of emergency in NB, and who have applied (or*

plan to apply) for support through the Federal government (either EI or the Canada Emergency Response Benefit program). This measure helps to “bridge” the time between when they lose all revenues (on or after March 15th) and receive their federal benefit.

- *Further objectives may be provided subject to discussion and mutual agreement between the Parties.*

3.86 We expected NBWEIB to have clear objectives that are specific, measurable, achievable, relevant, and time-bound (SMART objectives). We believe the objectives do not fit within a SMART goals approach. The clearest objective of the program, to provide the one-time \$900 benefit, is the closest to being SMART, but is not time-bound. This became evident as the program extended past its original end date. Leaving open the possibility of adding objectives to the program after program launch shows how much uncertainty surrounded NBWEIB.

3.87 The Department informed us the objective of the program was to get funding out as quickly as possible. The Department indicated there was a rush to formalize the letter of offer and get approvals in place. Department staff felt they did not have enough time to create the perfect contract, so they cast a broad net to try to catch anything that might come up in the program.

Recommendation

3.88 We recommend the Department of Post-Secondary Education, Training and Labour develop objectives using SMART or another system to ensure program objectives clearly state what will be accomplished, and to further enhance the Department’s ability to report and use performance metrics to improve services.

Inadequate Monitoring

3.89 As the party requesting services from a third-party service provider, the Department had the responsibility to monitor the contract to ensure Red Cross performed its responsibilities in accordance with the contract. We assessed the Department’s monitoring activities throughout program implementation as well as their contract closing activities.

Department did not have an assigned staff member actively monitoring the contract

3.90 When the Department learned of the increased resource needs of the program, the staff member originally responsible for contract management was required to take on operational responsibilities. Changes were occurring constantly throughout program planning and the early days of program implementation that required this staff member’s attention. The Department did not assign another staff member to monitor the program’s administration against the contract terms.

Department did not enforce weekly monitoring reports required by the contract

3.91 The contract required Red Cross to submit daily and weekly reports. The Department received daily reports and Department senior management used these to understand the provincial emergency need. The Department did not receive weekly reports from Red Cross and did not enforce this contractual requirement. The daily reports provided by Red Cross included some of the weekly report information, but excluded important information required to monitor the program.

Department not requesting monitoring reports set out in the contract led to missed opportunities to discover and fix issues throughout program implementation

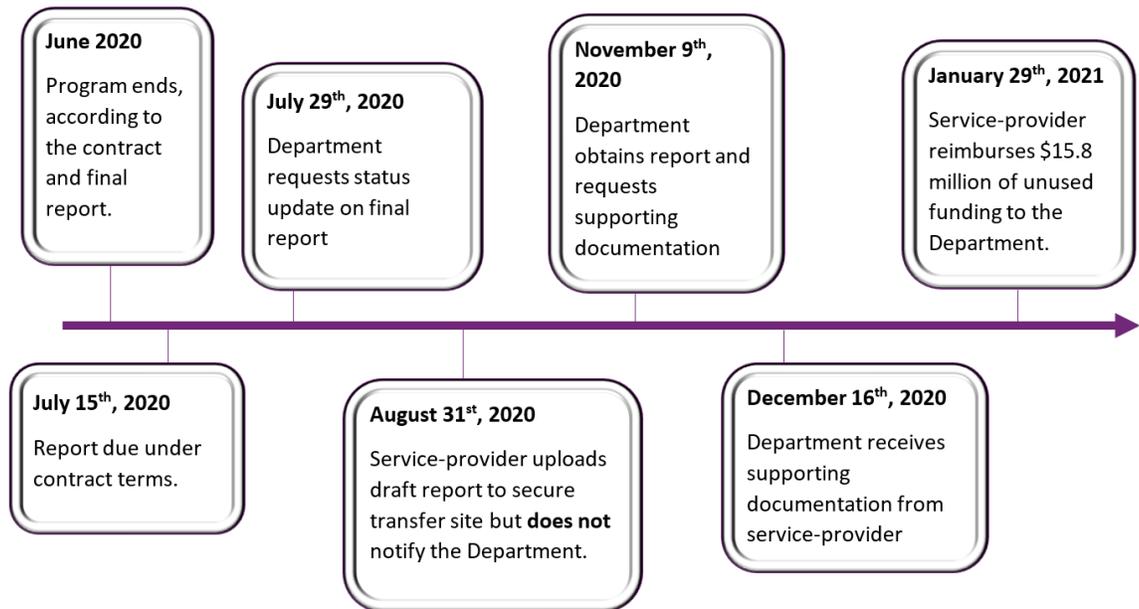
3.92 The Department should have requested and received weekly reports, including various reports detailing the number of successful and unsuccessful applicants, key financial information detailing the costs of the program, and detailed applicant data. If the Department had monitored this information, they may have been able identify issues that required action after the program concluded. We believe better monitoring by the Department could have revealed options to leverage VOT staff to correct missing and invalid SINs by identifying the problem during implementation.

Final program report delivered five months late

3.93 The Department was not notified by Red Cross when the final program report was uploaded to Red Cross’s secure transfer site. When the Department received the

report, they requested supporting documentation. The five-month delay in receiving the final report resulted in the Department being reimbursed for \$15.8 million unused funding on January 29, 2021, irrespective of the program ending in June 2020 according to the contract and the program final report. Exhibit 3.7 details the timeline of the service provider reporting and reimbursement to the Department.

Exhibit 3.7 - Timeline Detailing Delayed Final Report and Program Funding Reimbursement by Service Provider



Source: created from information provided by the Department of Post-Secondary Education, Training and Labour (unaudited)

3.94 We believe the Department should have monitored NBWEIB as it was implemented. The Department was aware the program was rushed through planning, but they did not take sufficient steps to identify and manage problems as they arose.

Recommendation

3.95 We recommend the Department of Post-Secondary Education, Training and Labour actively monitor contract performance and ongoing results when contracting with third-party entities to deliver provincial programs and take corrective actions to address performance deficiencies when necessary.

Department has yet to verify the payments made to service provider

3.96 Red Cross submitted an expenditure summary with their revised final report in December 2020 and the Department requested supporting details to validate the amounts once the report was received. Red Cross provided the Department with three expenditure reports which included line-by-line transactions for different categories of costs. Department staff compared the expenditure summary to the expenditure reports. The Department informed us the expenditure reports were legitimate and the amounts were reasonable, leading to their conclusion the charges were valid. While the Department had performed some preliminary audit work on program processes, they had not performed audit work on program expenses at the end of our audit period.

3.97 We expected the Department to verify the payments made to Red Cross. We believe the Department should have requested at least a sample of invoices for the line-by-line items and verify the payments made. The expenditure reports do not include sufficient detail to determine whether they were solely for NBWEIB program purposes. This is a troubling situation given there was no validation, test checks, or controls report of how the Department could rely on Red Cross's systems.

3.98 Under the terms of the contract, Red Cross is required to make available all program information necessary for the Department to determine the validity of the payments made to Red Cross for a period of 36 months after the program's completion. The Department informed us their internal audit team will conduct work in this area in the future.

Recommendation

3.99 We recommend the Department of Post-Secondary Education, Training and Labour validate the payments made to Red Cross were used solely for NBWEIB program purposes.

Department made over \$40,000 in payments to service provider outside the terms of the contract.

3.100 We found Red Cross received \$43,055 in additional payments outside the terms of the contract between the months of July and November 2020. We expected the Department to keep tight controls over the spending of the program based on clear contract terms but found this was not the case.

3.101 The contract stated Red Cross would not receive further reimbursements for work performed after June 30, 2020. However, the Department required Red Cross to continue

performing work for the NBWEIB program past the intended contract end date. Department personnel informed us that Red Cross was needed after the original work end-date to complete the registration work and provide payments to eligible applicants.

3.102 We believe government departments should comply with the terms of their contracts and agreements. Contracts should be developed according to best practices to address unforeseen circumstances and potential future changes to contract terms such as written amendments signed by both parties to make changes to the original contract and written addendums to clarify or add new terms to the contract.

Recommendation

3.103 We recommend the Department of Post-Secondary Education, Training and Labour follow best practices to address the need for changes and unforeseen circumstances in future contracts.

Lack of Transparency and Accountability

3.104 It is important for Department decisions, actions, and results to be transparent to the Legislative Assembly and the public. Accountability in the form of public reporting and well documented processes allows the public to understand the decisions made by departments and consider whether these decisions result in good value through efficient and effective processes. This is especially the case where large sums of taxpayer money are provided to third-party service providers.

Rationale for key decisions not well documented

3.105 When we requested documentation from the Department, we were informed agendas and minutes were not kept for program planning meetings and discussions. The Department did provide some evidence of program planning in the form of notes. We expected the Department to keep records of meetings, key decisions, and the design of the program.

3.106 Keeping a record of decision-making processes increases transparency and accountability and can lead to performance improvements. By not keeping track of what was discussed and decided, it is difficult to hold decision makers to account and to bring lessons learned forward to future initiatives. This can result in poor retainment of important knowledge when decision makers move on from their current roles.

Recommendation

3.107 We recommend the Department of Post-Secondary Education, Training and Labour create a policy to support and reinforce record keeping for meetings and decisions made when developing programs to ensure accountability and transparency.

Department does not plan to publicly report on the performance of NBWEIB.

3.108 We reviewed the Department’s annual reports and found the Department referenced the NBWEIB program in its 2019-2020 annual report. We asked the Department if they intended to report publicly on NBWEIB program performance. The Department indicated it may report on the program at a high-level in a future annual report.

3.109 We expected the Department to have a plan to report publicly on NBWEIB’s performance. The program had a

high level of public engagement and cost over \$38 million. It was a major program and was a new program area for the Department.

3.110 We believe public reporting on program expenditures of this nature increases transparency and public trust.

Recommendation

3.111 We recommend the Department of Post-Secondary Education, Training and Labour publicly report on the performance of significant programs.

Appendix I – Audit Objectives and Criteria

The objective and criteria for our audit of the New Brunswick Workers' Emergency Income Benefit program are presented below. The Department of Post-Secondary Education, Training and Labour and senior management reviewed and agreed with the objective and associated criteria.

Objective 1	To determine if the Department of Post-Secondary Education, Training and Labour planned and contracted for the effective delivery of the Covid-19 funding initiative.
Criterion 1	The Department should develop a plan to deliver COVID-19 relief funding to ensure the initiative's objectives are met within the required timeline.
Criterion 2	The Department should have a signed service delivery contract with service providers with clear performance and reporting expectations.
Objective 2	To determine if the Department of Post-Secondary Education, Training and Labour monitored the delivery of Covid-19 funding to eligible recipients.
Criterion 1	The Department should monitor the initiative against the plan objectives.
Criterion 2	The Department should monitor service delivery against contract terms.
Criterion 3	The Department should publicly report on the initiative.

Source of Criteria: Developed by AGNB based on review of legislation, best practices and reports by other jurisdictions' Auditors General. Further guidance was taken from works published by Canadian Audit & Accountability Foundation.

Appendix II – About the Audit

This independent assurance report was prepared by the Office of the Auditor General of New Brunswick on the Department of Post-Secondary Education, Labour and Training on Covid-19 Funding – New Brunswick Worker’s Emergency Income Benefit. Our responsibility was to provide objective information, advice, and assurance to assist the Legislative Assembly in its scrutiny of the Department of Post-Secondary Education, Training and Labour on contract management and program implementation practices.

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 by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook – Assurance.

AGNB applies Canadian Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control, 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 the independence and other ethical requirements of the Rules of Professional Conduct of Chartered Professional Accountants of New Brunswick and the Code Professional Conduct of the Office of the Auditor General of New Brunswick. Both the Rules of Professional Conduct and the Code are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

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

- confirmation of management’s responsibility for the subject under audit;
- 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 findings in this report are factually based.

Period covered by the audit:

The audit covered the period between March 16, 2020 and February 28, 2021. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the subject matter of the audit, we also examined certain matters that preceded the starting date of the audit.

Date of the report:

We obtained sufficient and appropriate audit evidence on which to base our conclusion on September 17, 2021 in Fredericton, New Brunswick.

Appendix III - New Brunswick Workers' Emergency Income Benefit Program Timeline

Date	Event
March 17, 2020	SNB sends memo to Part I and II entities with temporary emergency exemption instructions for procurement.
March 18, 2020	WorkingNB management brainstorms ideas. WorkingNB is a branch of the Department of Post-Secondary Education, Training and Labour (Department).
March 19, 2020	One-pager concept created for program including projected \$4.5 million budget.
March 23, 2020	Department senior management approves concept, negotiations between Red Cross and Department begin, program and agreement drafting begins by WorkingNB team.
March 25, 2020	Memorandum to Executive Council submitted by Department, Department requested information on procurement exemption from SNB Strategic Procurement.
March 26, 2020	Cabinet approves spending by Department, Premier's Office announces NBWEIB, negotiation between Department and Red Cross ongoing.
March 27, 2020	Contract approved by Department, Department learns it must supply additional HR resources for Virtual Operations Team in Saint John.
March 28, 2020	GNB launches online landing page for NBWEIB, Virtual Operations Team redeployment scheduling occurs.
March 30, 2020	NBWEIB registration launched, eligibility criteria changed, NBWEIB inbox created, Department notified they would have to create a 2nd tier identity validation process, 37,768 registrations on first day.
March 31, 2020	Department approaches SNB to use MVI database for 2nd tier identity validation, 21 Department staff deployed to support 2nd tier identity validation.
April 1, 2020	NBWEIB email had been shared on social media drastically increasing number of emails, Two staff assigned to manage NBWEIB inbox, NBWEIB applications open, 21,734 applications completed day one, contract signed between Department and Red Cross.
April 2, 2020	SNB confirmed partnership and use of MVI, Cabinet approves increased program funding up to \$100 million, \$4.5 million program funding paid to Red Cross.
April 3, 2020	2nd tier identity validation team given more flexibility to approve identity, team ordered to halt all validation work.
April 5, 2020	Directive given by senior management to resume validation work.

Appendix III - continued

- April 6, 2020** Additional Department staff assigned to manage NBWEIB inbox, Federal CERB launched, decision made to end NBWEIB April 9, Red Cross asked to complete 3rd tier identity validation, \$50 million program funding paid to Red Cross.
- April 7, 2020** Registrants with out of province address informed they did not qualify via email.
- April 9, 2020** Four additional Department staff assigned to manage NBWEIB inbox, 8:00pm deadline to apply for NBWEIB.
- April 10, 2020 to April 13, 2020** Redeployed Department staff work over Easter weekend.
- April 14, 2020** Deadline for Red Cross to provide Department late applicant information.
- April 15, 2020** Virtual Operations Team staff authorized to redo survey directly with rejected applicants under specific criteria.
- April 18, 2020** NBWEIB inbox shut down.
- April 24, 2020** Cut-off to activate payment link for applicants who applied under normal program process.
- April 29, 2020** Last day Department staff at Virtual Operations Team.
- June 5, 2020** Red Cross notifies Department some files missed that require 2nd tier validation.
- June 8, 2020** Department receives 218 casefiles to process 2nd tier validation.
- July 29, 2020** Department requests status update on final report.
- August 31, 2020** Red Cross uploads program final report draft to their secure FTP site.
- September 18, 2020** Department follows up with SNB to ensure Purchase Order would be created for NBWEIB.
- September 21, 2020** Department submits procurement exemption request to NBON.
- November 8, 2020** Last payment to applicant made.

Appendix III - continued

- November 9, 2020** Department obtains draft final report from Red Cross.
- December 16, 2020** Department received Red Cross final report and supporting expenditure reports.
- January 29, 2021** Department receives repayment from Red Cross of \$15.8 million.
- February 2, 2021** Purchase Order issued for NBWEIB by SNB.

Source: Compiled by AGNB from Department and Red Cross documents and interviews.

Appendix IV – New Brunswick Workers’ Emergency Income Benefit Application Survey

APPLICATION FOR FINANCIAL ASSISTANCE UNDER THE NEW BRUNSWICK WORKERS EMERGENCY INCOME BENEFIT

APPLICATION FOR FINANCIAL ASSISTANCE UNDER THE NEW BRUNSWICK WORKERS EMERGENCY INCOME BENEFIT

The personal information collected by Department of Post-Secondary Education Training and Labour (PETL) and by the Canadian Red Cross on its behalf is required to assess this application for emergency financial assistance related to the New Brunswick State of Emergency and to manage the benefits.

Failure to provide the requested information may result in your application being denied.

The program provides financial support to workers residing in New Brunswick who have lost their job, been laid off or lost all revenues through self-employment.

Consent to Collect, Use, and Disclose Personal Information and Attestation

1) IMPORTANT: You do not have to submit any supporting documents with your application. However, you must keep them for a period of three (3) years, as you will have to provide them if requested by PETL.

Personal information provided by you for this program is collected by PETL, its agents and service providers in accordance with paragraph 37(1)(b) of the Right to Information and Protection of Privacy Act, SNB 2009, c. R-10.6 (RTIPPA) and subsection 27(1) of the Personal Health Information Protection and Access Act, SNB 2009, c. P-7.05 (PHIPAA) for the purposes of administering the employment-related programs and services.

Personal information provided by you is protected and handled in accordance with RTIPPA, PHIPAA, and the Document and Record Management Policy. If you have any questions or concerns regarding this Consent Form, the handling of your personal information, or the programs and services, please contact your Department or Agency Representative

All personal information provided by you must be accurate; please immediately inform PETL, its agents, and service providers of any changes.

By submitting this application, I, hereby consent to allow PETL, its agents, and service providers to collect and use my personal information:

- to determine and verify my eligibility for the benefit for which I am applying and/or;
- to contact me for a period of up to three (3) years following my participation in the program, for the purpose of collecting information concerning my participation and to evaluate the program for research and effectiveness of the benefit.

I understand that in order to accomplish these purposes, my personal information may need to be shared. I hereby consent to allow PETL, its agents, and service providers to disclose my personal information, if and when necessary, to:

- other branches within PETL;
- other New Brunswick provincial departments;
- the federal Department of Employment and Social Development Canada; and
- third party evaluators.

I acknowledge that this authorization is valid for the duration of my participation in the benefit and the monitoring associated with it, and to carry out the evaluation of the program as established by PETL.

Appendix IV – New Brunswick Workers’ Emergency Income Benefit Application Survey – continued

I understand that I can revoke my consent in writing, at any time and in doing so, I understand that I will no longer be able to participate in the program.

All personal information provided by you must be accurate; please immediately inform PETL, its agents, and service providers of any changes.

*

I agree

ATTESTATION:

2) I attest that:

I will keep supporting documents proving my eligibility for the program for a period of three (3) years following my approval to the program for audit and compliance purposes.

I understand that any assistance paid without entitlement may be claimed from me by PETL.

All the information in this form is true and I understand that PETL may verify its accuracy by comparing it with information from other agencies or departments. *

I agree

3) Personal Details*

First Name: _____

Last name: _____

4) Social Insurance Number (SIN)* _____

5) Are you currently in receipt of Employment Insurance due to job loss that was prior to the State of Emergency and unrelated to COVID-19?*

Yes No

6) Are you currently in receipt of Social Assistance?*

Yes No

7) Are you currently in receipt of Old Age Security (OAS), Canada Pension Plan (CPP) or a Private/Provincial/Federal pension?*

Yes No

8) Are you currently in receipt of some form of income or benefit (e.g., salary, sick leave, disability insurance, workers compensation) to compensate for the temporary loss of your income unrelated to COVID-19?*

Yes No

9) Are you currently incarcerated in a Federal or Provincial institution?*

Yes No

10) Select which applies to your situation:*

I am an individual and have lost my job (been laid off) on or after March 15, 2020 due to the State of Emergency in New Brunswick

I am self-employed and have lost all revenues through self-employment on or after March 15, 2020 due to the State of Emergency in New Brunswick.

Appendix IV – New Brunswick Workers’ Emergency Income Benefit Application Survey – continued

None of the above

11) Have you earned a minimum of \$5000 (gross) earnings in the last 12 months or in the last calendar year?*

Yes No

12) Have you applied or do you intend to apply for Employment Insurance?*

Yes No

13) Have you applied or do you intend to apply for the Canada Emergency Response Benefit?*

Yes No

Employment Information

14) Employment Information

Last Day of Work: _____

Actual or estimated income in the last 12 months or last calendar year: _____

Job Title: _____

Name of Employer: _____

Employer email address: _____

Employer phone number: _____

15) Is a pay stub or Record of Employment available if requested?*

Yes No

Self Employment Information

16) Self Employment *

Registered legal name of business: _____

Year that business began: _____

CRA business number (if applicable): _____

Website or Facebook page for business (insert URL):

17) Is your business name listed on the New Brunswick Corporate Registry? *

Yes No

18) Is your 2018 Notice of Assessment available if requested?*

Yes No

Source: provided by Red Cross (unaudited).