

# Alberta Agriculture and Forestry

There are no new recommendations to the department in this report. The department has two outstanding recommendations, one of which is ready for assessment.

We issued unqualified independent auditor's reports on the 2019–2020 financial statements for the Agriculture Financial Services Corporation (AFSC), and for the Environmental Protection and Enhancement Fund. Bill 20, the *Fiscal Measures and Taxation Act, 2019*, disestablished the Environmental Protection and Enhancement Fund effective December 5, 2019. Responsibilities have been transferred to and will continue under the administration of the Department of Agriculture and Forestry and the Department of Environment and Parks. There are no new or outstanding recommendations to the AFSC or the Environmental Protection and Enhancement Fund.

The department and AFSC have implemented four outstanding recommendations from our *Systems to Manage the Lending Program Assessment of Implementation Report*—see page 173.

## Status of Recommendations

as of November 2020

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- 4** Implemented
- 0** New Recommendations
- 2** Outstanding Recommendations
  - > 1** Ready for Assessment
  - > 1** Not Ready for Assessment
- 0** Outstanding Recommendations Older Than Three Years

## IMPLEMENTED Recommendations

### Systems to Manage the Lending Program

#### IMPLEMENTED Recommendation:

Define strategic objectives, articulate sector credit needs and re-evaluate the relevance of the lending program

**Original:** *Report of the Auditor General of Alberta—October 2016, no. 1, page 23*

We recommend that the Agriculture Financial Services Corporation:

- clearly define the strategic objectives of the lending program; these objectives should be consistent with AFSC's legislative mandate
- clearly articulate the credit needs of the agriculture sector in Alberta, which should drive its lending activities
- develop a process to periodically re-evaluate the relevance of the lending products it offers to ensure they continue to be relevant

## Findings

Details on our assessment of implementation on the above recommendations can be found in the *Systems to Manage the Lending Program Assessment of Implementation Report* on page 174.

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### Systems to Manage the Lending Program

#### IMPLEMENTED Recommendation:

Define oversight responsibilities

**Original:** *Report of the Auditor General of Alberta—October 2016, no. 2, page 25*

We recommend that the Department of Agriculture and Forestry and the board of directors of the Agriculture Financial Services Corporation clearly define the oversight responsibilities of both parties for the lending program.

## Findings

Details on our assessment of implementation on the above recommendations can be found in the *Systems to Manage the Lending Program Assessment of Implementation Report* on page 175.

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**Systems to Manage the Lending Program****IMPLEMENTED** Recommendation:

Develop a funding model and costing system

**Original:** *Report of the Auditor General of Alberta—October 2016, no. 3, page 29*

We recommend that the Agriculture Financial Services Corporation:

- develop a product-specific government funding model
- develop a costing system capable of allocating, tracking and reporting product-specific costs

## Findings

Details on our assessment of implementation on the above recommendations can be found in the *Systems to Manage the Lending Program Assessment of Implementation Report* on page 176.

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**Systems to Manage the Lending Program****IMPLEMENTED** Recommendation:

Monitor the performance of the loan portfolio

**Original:** *Report of the Auditor General of Alberta—October 2016, no. 4, page 29*

We recommend that the Agriculture Financial Services Corporation set up an independent function to monitor the performance of the loan portfolio.

## Findings

Details on our assessment of implementation on the above recommendations can be found in the *Systems to Manage the Lending Program Assessment of Implementation Report* on page 177.

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## Outstanding Recommendations as of November 2020

Recommendation	When	Status
<p><b>DEPARTMENT</b> WILDFIRE MANAGEMENT: PROCESSES FOR PREVENTION AND REVIEW AND IMPROVEMENT:</p> <p><b>Ensure processes in place to evaluate and report on wildfire prevention programs</b></p> <p>We recommend that the Department of Agriculture and Forestry:</p> <ul style="list-style-type: none"> <li>publicly report on its FireSmart programs, including how this work helps reduce wildfire hazard and risk</li> <li>ensure there are processes in place to measure, monitor and report on the results and effectiveness of the various activities set out in the forest areas' annual wildfire prevention plans</li> </ul>	<p>November 2018, Performance Auditing, p. 9</p>	<p><b>Ready for Assessment</b></p>
<p><b>DEPARTMENT</b> WILDFIRE MANAGEMENT: PROCESSES FOR PREVENTION AND REVIEW AND IMPROVEMENT:</p> <p><b>Comply with business rules for internal reviews results reporting and establish and monitor implementation timelines for recommendations from external reviews</b></p> <p>We recommend that the Department of Agriculture and Forestry:</p> <ul style="list-style-type: none"> <li>comply with its established business rules for internal results reporting for the review and improvement program</li> <li>establish and monitor implementation timelines for recommendations and opportunities for improvement from independent external reviews and publicly report implementation progress against these</li> </ul>	<p>November 2018, Performance Auditing, p. 12</p>	<p><b>Not Ready for Assessment</b></p>