

December 17, 2020

CONFIDENTIAL

Via email

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Ms. Shannon Phillips, MLA
Chair
Standing Committee on Public Accounts
5th Floor, Legislature Building
9820 - 107 Street
Edmonton, AB T5K 1E7

Dear Ms. Chair:

Public Accounts Committee, November 24, 2020, Office of the Auditor General of Alberta– Response to questions

I am pleased to provide the written response to the following questions, as was requested of us at the November 24, 2020 meeting of the Standing Committee on Public Accounts.

Below are the questions with our corresponding responses to page PA-366 of the transcript where Mr. Dach asks:

- “What impact does the failure to implement these recommendations for two years have on our province’s ability to prevent, protect against, and handle wildfires?”

Department of Agriculture and Forestry management would be best positioned to answer what risk exposure existed during the implementation period. We do note that it may be reasonable for some recommendations to take a few business cycles to be implemented.

- “A further question: will the new process examine how effective previous programs were so that we can know the effects of the cuts to wildfire scientists and the rappel team?”

We have not begun follow-up work at this time; however, Department of Agriculture and Forestry management may be able to provide more information on their processes to evaluate the effectiveness and impact of various activities related to wildfire management.

- “What progress is being made to implement this recommendation?”

Based on an update from the Department in August 2020, management asserts they have taken sufficient action on both recommendations to consider both as nearly implemented. As a result, we plan on beginning follow-up work in the near future (early/mid 2021).

- “Can you confirm my understanding that the rappel program could very well be part of a modern approach to fight fires and provides good value for money?”

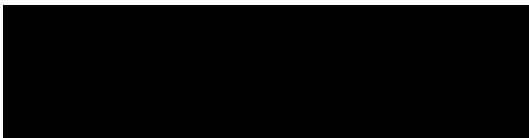
Our performance audit scope focused on prevention and review and improvement processes, and not on suppression activities. As such, we did not evaluate or review the processes the Department has to assess the value for money for particular suppression approaches, including the rappel program.

- “Also, switching quickly to crude by rail, in your report on page 85 you state that the Premier announced on February 11 of this year that he had divested from these contracts, but on March 31, 2020, 11 of the contracts were still active. Can you tell us if any of the contracts are still active? If so, how many? What is the accounting impact for the next financial year? Is there potentially an impact on the next financial year?”

The Department of Energy is best positioned to provide current information on whether there are active crude-by-rail contracts. We will be auditing the accounting approach and the numbers associated with the crude by rail contracts for fiscal 2021, as we did for the Government of Alberta financial statements for the year ended March 31, 2020.

Thank you for the opportunity to provide a written response to these questions.

Yours truly,



Doug Wylie FCPA, FCMA, ICD.D
Auditor General of Alberta