

AAFC Response to the Report by the Office of the Auditor General on the Canadian Agricultural Income Stabilization (CAIS) program

Taking action on the recommendations

On May 1, 2007, the Office of the Auditor General (AG) released a status report which included a Chapter on the Canadian Agricultural Income Stabilization (CAIS) program.

AAFC agrees with the AG recommendations. Below is a summary of some of the key areas where AAFC has already improved or will take steps to improve CAIS program delivery in three key areas:

Making program calculations more transparent:

- The AG acknowledges the department:
 - is taking steps to improve CAIS application forms and tools to make the program more transparent;
 - has simplified the application form for the 2006 CAIS program year by reducing the amount of information required; and,
 - provides a Web-based electronic CAIS application tool and on-line access to CAIS account information for individual producers.
- The department agrees with the AG's recommendation to make producer statements more transparent and intends to add more information to the Calculation of Benefits Notice which producers will receive for the 2007 program year. These statements will go to producers in 2008.
- Since the first year of the program, AAFC has been working to improve the information producers receive about how their payments have been calculated. Currently, program statements are issued within 12 days of a producer receiving a payment and more detailed information has been added. In the first year of the program, statements for CAIS included limited information and were issued long after the producer received a payment.

Service Standards:

- Federal and provincial delivery agencies for CAIS are working toward national service standards so that producers across the country can predict when their applications will be processed and will receive the same level of service. National service standards are to be in place for 2006 program delivery.
- The percentage of files completed within the service standards has increased each year. As of December 31, 2006, AAFC had processed 76% of 2005 applications. At the same point in the 2004 processing year, 55% of forms had been processed.

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Reducing payment errors:

- The AG report acknowledges that processing errors have dropped consistently with each program year and are now close to the program target of three per cent.
- From 2004 to 2005, AAFC has increased processing speed by over 20 per cent and at the same time has improved accuracy by about 47 per cent from 6.5% to 3.45%.
- The department agrees with the AG recommendation on the importance of detecting both over and underpayments. AAFC has already responded to the AG's recommendation and has increased the focus on underpayments and will take steps in the review and verification stages to ensure methods are improved.

Avoiding Conflict of Interest Situations:

The department agrees with the AG recommendation on avoiding conflict of interest situations and will continue to strengthen its values and ethics program.

The department has a strong Values and Ethics program in place to inform employees of potential conflict of interest situations. It includes:

- Directing staff to avoid any Conflict of Interest situations.
- Advising staff of their obligations under the Values and Ethics Code for Public Servants in the letter of offer they sign when they join the department.
- Reminders to staff of their obligations through an annual letter from the Deputy Minister.
- The department has recently instituted a formal training program and will be delivering this program across the country.
- An office of Values and Ethics with a full time officer, a web site, an email address and a 1-800 number so that employees have many avenues available for advice on whether they are in a conflict of interest situation.