Chapter 7
AgriStability Benefit Payment Processing

1.0 MAIN POINTS

Saskatchewan Crop Insurance Corporation (SCIC) administers the AgriStability program, a margin-based support program[1] to assist producers who experience large income losses. The AgriStability program is cost shared between the provincial and federal governments.

SCIC is responsible for having effective processes to determine AgriStability program benefits consistently and equitably. We audited SCIC's processes to determine AgriStability program benefits. SCIC has good processes to determine and pay individual producers' AgriStability benefits. We found that SCIC's processes were effective except that SCIC needs to:

❯ Document its procedures for reviewing the assumptions and the calculation of the benefit estimates

❯ Establish procedures to analyze previous estimates of AgriStability benefits and compare the estimates with actual benefits in order to refine its estimate process

❯ Set targets for its performance measures used to monitor the AgriStability program such as file processing times, administrative costs per file, and customer satisfaction

❯ Actively monitor to ensure staff do not process AgriStability files where a real or perceived conflict of interest could arise

Both SCIC and the Ministry of Agriculture (Ministry) use estimates for the AgriStability program benefits to calculate their AgriStability expense and liabilities. SCIC and the Ministry need to ensure that these recorded amounts are accurate. SCIC needs to work with the Ministry to develop processes to ensure that the AgriStability estimates are reasonable, consistent, and current.

2.0 INTRODUCTION

SCIC administers the AgriInsurance (Crop Insurance) and the AgriStability programs under the authority of *The Saskatchewan Crop Insurance Corporation Act*. SCIC's head office is located in Melville with 21 customer services offices in communities throughout the province.[2] It employs over 500 staff with approximately 100 staff at head office who deal with the AgriStability program.

In 2008, the AgriStability program was created under the *Growing Forward: A Federal-Provincial – Territorial Framework Agreement on Agriculture, Agri-food and Agri-based Products Policy* (known as the Growing Forward Agreement). The objective of the

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[1] The AgriStability program is referred to as a margin-based program because it compares the producer's current year margin (net income) to the producer's average margin of the previous five years.
[2] Saskatchewan Crop Insurance Corporation *Annual Report 2011-12*, p. 6.

AgriStability program is to provide financial support to producers who experience large income losses (i.e., an income-based support program).[3]

On January 1, 2010, SCIC took over the administration of the AgriStability program. Previously, the Federal Government's Department of Agriculture and Agri-Food Canada (AAFC) administered the program. AgriStability is cost shared between the provincial and federal governments. The Federal Government pays 60% of the program costs, including benefit payments, and the Saskatchewan Government (Ministry of Agriculture) pays 40%.[4]

SCIC is responsible for having effective processes to determine AgriStability program benefits consistently and equitably as described in the Growing Forward Agreement.

3.0 BACKGROUND

There are approximately 23,000 Saskatchewan producers enrolled in the AgriStability program. It covers most types of farm operations including grain farms, livestock operations, and produce operations. As of February 21, 2013, SCIC had processed approximately 15,000 of the 2011 program year files. Of these processed files, 23% or approximately 3,500 files had calculated benefits owing to the producer and the remaining 77% or 11,500 files had a calculated benefit of zero.

Benefit payments to producers under the AgriStability program are based on specific calculations for a program year. The change in a producer's current year's income[5] is compared to the average of the producer's previous five years' income.[6] The process involves receiving income tax return information from the Federal Government's Canada Revenue Agency (CRA) and certain other information directly from the producer, and performing a number of verification steps. SCIC calculates the benefit payment due to the producer. If information used in the calculation is not correct, it not only affects the current year calculation but it could also affect the calculation for several years into the future. This is because benefits are calculated based on current and past years' income.

SCIC's financial statements for the year ended March 31, 2012 recorded AgriStability indemnity (benefits) expenses of $101 million (March 31, 2011 - $144 million and March 31, 2010 - $198 million). During the year ended March 31, 2013, SCIC paid approximately $245 million in AgriStability benefits.

Producers (if eligible) can receive an interim payment and a final payment. SCIC calculates final payments after it receives all information from the producer and the CRA, which can take up to several months after SCIC's year-end. For example, for the 2012 program year, a majority of the producers had a year-end of December 31, 2012. Those producers are not required to file their tax returns with CRA until June 30, 2013. Also, the deadline for producers to submit program forms is September 30, 2013, which is after SCIC's March 31 year-end. Therefore, at March 31, 2013, SCIC has complete information for the 2012 program year for only a few producers. For this reason, the

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[3] Ibid., p. 7.
[4] Ibid., p. 26.
[5] The program year is defined as the taxation year for which program forms are being submitted. The producer's current year income is adjusted for items such as changes in inventory valuation, receivables, payables, and purchased inputs. See pages 10 and 14 of the *AgriStability Program Handbook.*
[6] The previous years' income amount is calculated by taking the average income of the previous five years with the highest and lowest years dropped.

year-end liability includes an estimate of the amount of benefit payments owing at year-end.

SCIC needs to ensure that it calculates the benefit payments in accordance with the Growing Forward Agreement. It needs to apply the rules and procedures consistently to all producers enrolled in the program. If benefits are not calculated correctly, SCIC is at risk of not meeting its objective for the AgriStability program. If payments are too high, the overpayments could result in the program being no longer financially viable. If payments are too low, the producers may not receive the income support they need to remain viable.

4.0 AUDIT OBJECTIVE, SCOPE, CRITERIA, AND CONCLUSION

The objective of this audit was to assess whether SCIC had effective processes to determine AgriStability program benefits consistently and equitably for the year ended March 31, 2013.

To conduct this audit, we followed the *Standards for Assurance Engagements* published in the *CICA Handbook - Assurance*. To evaluate the SCIC's processes, we used criteria based on the work of other auditors and current literature listed in the selected references. SCIC's management agreed with the criteria in **Figure 1**.

We examined how SCIC carries out the requirements of the AgriStability program. We interviewed key management personnel and staff at SCIC. We also examined SCIC's policy and procedure documents developed for the AgriStability program and examined a sample of producer files to determine whether SCIC calculated benefit payments in accordance with established procedures.

Figure 1—Audit Criteria

To have effective processes to determine AgriStability program benefits consistently and equitably, SCIC should:

1. Establish policies and procedures for processing benefit payments

2. Assess benefit payments for eligibility and reasonableness

3. Process benefit payments fairly and objectively in accordance with established policies and procedures

4. Estimate unpaid benefit payments

5. Monitor program performance

We concluded that, for the year ended March 31, 2013, SCIC's processes to determine AgriStability program benefits consistently and equitably were effective except that SCIC needs to:

❭ **Document its procedures for reviewing the assumptions and the calculation of the benefit estimates**

❭ **Establish procedures to analyze previous estimates of AgriStability benefits and compare the estimates with actual benefits in order to refine its estimate process**

> **Set targets for its performance measures used to monitor the AgriStability program**

> **Actively monitor to ensure its staff do not process AgriStability files where a real or perceived conflict of interest could arise**

During the course of our audit, we looked at the processes that SCIC and the Ministry of Agriculture used to estimate the March 31 liability for SCIC's financial statements and Saskatchewan's Public Accounts. We discuss the results of our work in **Section 6**.**0.**

We concluded that SCIC needs to:

> **Work with the Ministry of Agriculture to develop processes to ensure that the estimates for AgriStability program benefits are reasonable, consistent, and current.**

5.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we set out our expectations, key findings, and recommendations related to each of the criteria.

5.1 Policies and Procedures for Processing Benefit Payments in Place

We expected SCIC to:

> *Create policies and procedures in accordance with the Growing Forward Agreement*

> *Have policies and procedures approved and communicated*

> *Maintain policies and procedures*

> *Periodically review policies and procedures to assess efficiency, effectiveness, and objectivity of program delivery*

The AgriStability program is a Canada-wide farm income stabilization program with participation by the Federal Government and all provinces and territories. All parties agree upon the policies used to carry out the program. The approved Growing Forward Agreement specifies these policies. In addition, a working group was established to develop program guidelines. The working group has representation from the Federal Government and each province and territory, and maintains the guidelines through periodic meetings. The group recommends any changes to the guidelines for approval by the Federal Government and all provinces and territories.

Based on these program guidelines, SCIC has developed an *AgriStability Program Handbook*. This handbook provides producers and SCIC's staff with detailed guidance on how the program operates.

SCIC has also developed procedure documents and checklists to guide its staff in processing AgriStability benefits. For example, SCIC has documented the detailed procedures for the staff assigned to do an independent check on the calculation of a producers' AgriStability benefit.

SCIC uses informal processes to revise its documented procedures for processing AgriStability benefits. We noted that SCIC had revised several procedure documents within the last 12 months. All parties to the AgriStability Growing Forward Agreement have signed a new agreement effective April 1, 2013. Management of SCIC indicated it plans to incorporate the new agreement into its documented procedures.

SCIC has a corporate-wide conflict-of-interest policy. Annually, staff sign a form as evidence that they have read and agree to follow SCIC's conflict-of-interest policy. This policy states that staff members cannot handle files where a potential conflict of interest could arise. Potential conflict situations could involve relatives, business partners, or close personal friends enrolled in the AgriStability program. Staff are required to disclose names of relatives or business partners where a potential conflict could arise. However, staff do not have to disclose names of close personal friends where a conflict could arise. Also, SCIC does not have processes to monitor to ensure staff have not processed a file where staff had a conflict of interest.

Because SCIC staff do not declare all potential conflicts of interest, we were not able to determine if there were any instances where staff had processed a file where they had a conflict of interest. SCIC should monitor files processed in order to reduce the risk of staff processing AgriStability benefit files of relatives, business partners, or close friends.

> 1. **We recommend that the Saskatchewan Crop Insurance Corporation actively monitor to ensure its staff do not process AgriStability files where a real or perceived conflict of interest could arise.**

5.2 Benefit Payments Assessed for Eligibility and Reasonableness

We expected SCIC to:

❭ *Provide adequate communication to producers regarding program information, application, forms, and deadline dates*

❭ *Calculate benefit payments in accordance with established policies and procedures*

❭ *Have an independent check to ensure benefit payments are calculated correctly and objectively*

SCIC provides participants enrolled in the AgriStability program with sufficient information to file for AgriStability benefits. This includes the *AgriStability Program Handbook*, the New Participant Form, and the *New Participant Guide*. SCIC also provides information on its website including the *AgriStability Program Handbook*,

information on deadline dates, information on filing appeals, and various AgriStability forms.

SCIC uses a computer program to gather information and calculate individual producers' AgriStability benefits. The computer program has a number of edit checks (checks). These checks help to ensure that the information entered is reasonable and the calculated amount of the AgriStability benefit is correct. It verifies that none of the required information is missing, information submitted appears reasonable, and the required reviews and on-line approvals are entered before payment is made to the producer. Where these checks highlight a potentially significant issue, staff must resolve the issue before processing can continue. For example, if a check highlights that a producer's inventory does not appear reasonable based on production and sales, staff will investigate the issue by obtaining further information from the producer, performing further analysis on the information the producer has provided or by performing a comparison to the information in the producer's crop insurance file. We found that staff document the resolution in the producer's file.

SCIC has set out risk-based processes that require independent reviews of the accuracy of the benefit payment calculation. SCIC uses a hierarchy for determining the level of review required for each producer file. SCIC requires that the higher the calculated benefit, the greater the level of review. For example, SCIC requires an independent review unless the file passed all edit checks and the benefit is less than $5,000. SCIC also has a Quality Assurance group that checks the information entered into the computer system for all files where the calculated payout is above $40,000. For the 2011 program year, there were approximately 900 of these files (25% of all files where a benefit payment was calculated). SCIC also has a policy to further review files where the calculated payment is more significant.[7]

SCIC has detailed checklists for staff to use when performing an independent review and for staff in the Quality Assurance group. The checks include ensuring prior year files for the producer are complete, reviewing the data for incomplete or inconsistent information, and ensuring that all issues highlighted through the edit checks have been resolved. The results of our testing show that SCIC followed these processes and completed related checklists.

5.3 Benefit Payments Processed Fairly and Objectively in Accordance with Established Policies and Procedures

We expected SCIC to:

❭ *Make interim payments in accordance with established policies and procedures*

❭ *Verify producers' information before payments are made*

❭ *Document processes to handle producers' enquiries and requests for appeals*

❭ *Have processes for correcting and documenting benefit calculation errors*

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[7] Payments of $250,000 or greater must be reviewed and approved by a supervisor. Payments of $500,000 or greater must be reviewed and approved by a manager.

SCIC has set out processes for determining interim payments. The *AgriStability Program Handbook* specifies the eligibility requirements for interim payments. The process includes checking the eligibility of the producer for an interim payment. Interim payments also need to have an independent review using the same thresholds for final payments as mentioned in **Section 5.2**. To reduce the risk of overpayments, interim payments are limited to 50% of the expected benefit payment for the program year.

As mentioned in **Section 5.2**, SCIC staff verify the information received through edit checks and a review of the information contained in the producer's file.

SCIC deals with producer enquiries centrally through its call centre. Call centre staff log calls to ensure SCIC follows up all calls. Where there are potential changes to the producer information, call centre staff forward the enquiry to AgriStability staff to investigate and resolve.

SCIC has set out an appeal process as described in **Section 5.5**. Staff handle errors in a similar manner as changes from producer enquiries. They update the producer's file based on the new information, and also document the reasons for the change. Producers receive a revised statement of benefits that shows the revised calculation.

Where staff update information in the producer file, the file is re-opened and it undergoes the same checking as the original including edit checks and independent reviews. Before a revised file can be closed, it must be signed off again. SCIC's computer system tracks the open producer files to ensure that staff have processed all files. Files are automatically removed from the list of open producer files once the processing has been completed and the file contains the appropriate sign-offs.
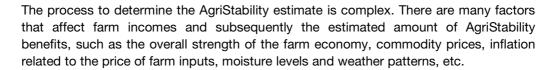
The results of our testing show that SCIC followed these processes.

5.4 Improved Procedures for Estimating Program Year Expenses Needed

We expected SCIC to:

❭ *Establish policies and procedures for calculation of the estimate*

❭ *Calculate the estimate using current information*

❭ *Obtain senior management's approval of the estimate*

❭ *Compare estimated amounts to actuals in order to refine estimation assumptions in future years*

For the calculation of the estimate using current information, we expected SCIC to actively seek and use current information when making its estimates of expenses for the AgriStability program. We expected SCIC to re-assess, evaluate, and consider the impact on its estimate of any changes needed to the assumptions used in the estimation process that occur between January and March 31 of each year. In addition, we expected SCIC to document its consideration of these assumptions up to the completion of its financial statements.

The process to determine the AgriStability estimate is complex. There are many factors that affect farm incomes and subsequently the estimated amount of AgriStability benefits, such as the overall strength of the farm economy, commodity prices, inflation related to the price of farm inputs, moisture levels and weather patterns, etc.

SCIC does not have a model to estimate the amount of AgriStability benefit payments likely to be paid out for a given program year. SCIC relies on Agriculture and Agri-food Canada (AAFC) for this estimate. AAFC's estimate provides an amount specific to Saskatchewan as at December 31. AAFC bases this estimate on an economic forecast of the overall condition of the farming industry in Canada and in Saskatchewan and assumptions for such items as grain prices and quantities and prices of farming inputs. However, this estimate may not take into account all of the unique circumstances for Saskatchewan. For example, management of SCIC indicated that in a year with excess moisture in Saskatchewan, AAFC's estimate would calculate an overall effect of flooding for the province. A better estimate would determine the effect of flooding for only the flooded areas as opposed to applying an average adjustment for the entire province.

AAFC develops an initial forecast usually in January for the previous program year. The Provincial Ministry of Agriculture (Ministry) and SCIC officials have input into AAFC's forecast and assumptions. The Ministry, with input from SCIC, is responsible for reviewing the initial forecast and providing information to AAFC that may affect the forecast. For example, the estimated breakdown by crop type would affect the forecasted amount as crop prices will vary. If SCIC and the Ministry consider that AAFC's estimated breakdown is not reasonable based on Saskatchewan's circumstances, the Ministry would ask AAFC to revise that assumption. When the Ministry is satisfied with the assumptions, AAFC would then calculate a final estimate. Once AAFC completes its estimate of the AgriStability benefit, SCIC and the Ministry review and approve the estimate.

Although SCIC and the Ministry have developed some documentation regarding the calculation of the estimate, it is not complete. The documentation does not include processes for reviewing the calculation of the AgriStability estimate, reviewing the assumptions used, updating the estimate for their annual financial statements, and providing input to AAFC to refine the estimation process for Saskatchewan.

2. **We recommend that the Saskatchewan Crop Insurance Corporation document its procedures for reviewing the assumptions and reviewing the calculation of the estimate of benefits for its AgriStability program.**

For its year-end financial statements, SCIC calculates the amount payable to producers at its year-end by deducting payments to producers made to its year-end from the estimated total amount of AgriStability benefit payments as calculated above. Although AAFC calculates the estimate of the total AgriStability benefits approximately four months before SCIC completes its year-end financial statements, SCIC does not review the assumptions made to ensure that they remain valid at the date of the completion of SCIC's financial statements. Nor does it adjust the estimate for any new information that may affect the estimate.

At March 31, 2013, SCIC had received approximately 400 files with complete information for the 2012 program year. SCIC had processed half of those files at March 31, 2013. This means that at March 31, 2013, SCIC did not have enough benefit payment experience to use to improve its estimate of the total AgriStability benefits for the 2012 program year.

However, at March 31, 2013, SCIC had processed the majority of the 2011 and previous years' program files. Therefore, SCIC would be able to compare the actual amounts of program benefits paid for those years to its previous estimates of total program benefits. A detailed analysis of the causes of the differences between SCIC's estimated program benefits for a program year and the actual benefits paid out for that program year may provide information to help SCIC improve the future accuracy of its program year benefit estimate process. SCIC does not presently perform such analysis. This analysis could aid in refining the estimate process and the assessment of assumptions. Refining the process could help future estimates to be more accurate.

Figure 2 compares the estimated AgriStability program year expense compared to the actual program year benefits. It shows that past program year benefit estimates have fluctuated significantly as compared to the actual amount of the total program year benefits.

Figure 2–Three-year Comparison of Estimated and Actual AgriStability Expenses by Program Year Ended December 31

Program Year	Original Estimate of AgriStability Benefits (in millions)	AgriStability Benefits to March 31, 2012[8] (in millions)	Difference (in millions)
2009	$ 204.8	$ 132.2	$ 72.6
2010	$ 248.3	$ 222.9	$ 25.4
2011	$ 101.5	$ 173.7[9]	$ (72.2)

Source: Saskatchewan Crop Insurance Corporation accounting records

3. **We recommend that the Saskatchewan Crop Insurance Corporation establish processes to compare its estimates of past years' benefits for its AgriStability program to actual benefits to help improve the estimate process for the AgriStability benefits.**

5.5   Monitoring of Program Performance Needed

We expected SCIC to:

〉 *Set out specific performance measures*

〉 *Analyze attainment of measurement goals*

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[8] This is the actual amount of benefits paid by program year up to March 31, 2012. It also includes an estimate of benefits not yet paid.
[9] This is the amount of benefits paid up to March 31, 2013 and does not include an estimate of benefits not yet paid at March 31, 2013.

- *Investigate complaints*

- *Provide reports to management*

- *Adjust procedures based on analysis*

The working group described in **Section 5.1** has set out performance measures and targets for the AgriStability program. These are on a Canada-wide basis and help AAFC to measure the program's overall performance. SCIC measures and reports to AAFC on its performance related to those targets.

SCIC includes in its annual report its own specific performance measures for the AgriStability Program. For example, SCIC tracks and reports the percentage of AgriStability files that staff process within 75 days, the administrative costs per AgriStability file, and the percentage of calls to its Call Centre that are answered within a set time. SCIC also uses satisfaction surveys to track producers' satisfaction of SCIC's customer service. Although SCIC reports to management on the status of the performance measures, SCIC has not set out specific targets for those performance measures. For example, SCIC does not set a specific target for the percentage of AgriStability files that staff should process within 75 days.

4. **We recommend that the Saskatchewan Crop Insurance Corporation set targets for its performance measures related to its AgriStability program and report to senior management on its progress in achieving those targets.**

SCIC has a process to deal with producer complaints. A producer may contact SCIC in a variety of ways: through its Call Centre, in person at a Customer Services Office, or contact with an AgriStability Advisor. If the complaint requires further analysis or adjustment of the producer's file, staff re-open the file and it is re-sent through the regular benefit verification processes. Although SCIC has processes to ensure it addresses all individual complaints, it does not keep track of the number of complaints received. The number of complaints would be another indicator of producer satisfaction.

If a producer believes SCIC has not satisfactorily resolved the complaint, the producer can file an appeal. The Growing Forward Agreement requires SCIC to establish an appeals committee. The procedures to file an appeal are set out in the *AgriStability Program Handbook*. The process starts with the producer submitting a request for an appeal. AgriStability staff review the request and contact the producer if further information is required. For some requests for appeals, the additional information provided by the producer may result in the resolution of the issue before the appeal is heard by the Appeal Committee. If the issue has not been resolved, staff forward the issue to the Appeals Committee. Once the Appeals Committee reviews the appeal, it makes a recommendation to the SCIC Board. The Board then makes a final decision on the appeal and SCIC staff carry out the Board's decision. SCIC typically has less than 10 appeals per year. During the year, SCIC had 10 appeals. The results of our testing show that SCIC followed these processes.

6.0 YEAR-END ESTIMATE PROCESS NEEDS REFINEMENT

SCIC uses its estimate for the AgriStability program year benefits to then calculate its AgriStability expense for its financial statements at its March 31 year-end. The Ministry uses SCIC's estimate to calculate its 40% share of the program benefits. The Ministry of Finance then includes an estimate of the March 31 expense and liability in Saskatchewan's Public Accounts (Public Accounts).

SCIC and the Ministry work together to review the reasonableness of AAFC's forecast of the total AgriStability benefits for each program year for the province. They also approve the final estimate for Saskatchewan's total AgriStability benefits. In **Section 5.4,** we made two recommendations to improve SCIC's processes to calculate the program year estimate of AgriStability benefits. Meeting these recommendations will require both SCIC and the Ministry to work together to document and refine the process to improve the accuracy of the March 31 year-end estimates.

Since the inception of the AgriStability program, the March 31 estimates have fluctuated significantly. For example, SCIC's March 31, 2011 financial statements included an adjustment for the 2009 program year of $98 million (decrease of the expense). Further to that adjustment, SCIC adjusted its March 31, 2012 financial statements by increasing its expense by $25 million for the 2009 program year. In addition, SCIC adjusted its March 31, 2012 financial statements by decreasing its expense by $25 million related to the 2010 program year.

Figure 3 highlights the difference between the AgriStability expense recorded in SCIC's financial statements and the expense amount that it could have recorded if it had used a better model or estimate process.

Figure 3–Saskatchewan Crop Insurance Corporation AgriStability Expenses at Year-end as per March 31 Financial Statements

SCIC Year-end	Recorded AgriStability Estimated Expenses (Benefits) as per March 31 Financial Statements[10] (in millions)	AgriStability Expenses That Could Have Been Recorded[11] (in millions)	Difference (in millions)
March 31, 2010	$ 197.7	$ 125.1	$ 72.6
March 31, 2011	$ 144.3	$ 222.9	$ (78.6)

Source: Saskatchewan Crop Insurance Corporation accounting records

Figure 4 shows a comparison of the AgriStability benefit liability SCIC recorded in its financial statements to the actual amounts it could have recorded if it had used a better model or estimate process.

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[10] Amounts are from SCIC's annual financial statements in the line item labelled as Indemnities.
[11] These are the actual amount of expenses as of March 31, 2012 and includes amount paid for previous program years. For comparability purposes, this amount also includes an estimate of the benefits not yet paid as of March 31, 2012.

Figure 4–Saskatchewan Crop Insurance Corporation AgriStability Liability at Year-end as per March 31 Financial Statements

SCIC Year-end	Recorded AgriStability Estimated Payable (Benefits) as per March 31 Financial Statements[12] (in millions)	Actual AgriStability Payable That Could Have Been Recorded[13] (in millions)	Difference (in millions)
March 31, 2010	$ 197.0	$ 124.4	$ 72.6
March 31, 2011	$ 257.7	$ 260.3	$ (2.6)[14]

Source: Saskatchewan Crop Insurance Corporation accounting records

Figures 3 and 4 show that the actual amounts have varied significantly from the estimated amounts. Without good processes to estimate the AgriStability liability and expenses, there is a risk that SCIC's financial statements and Saskatchewan's Public Accounts may not be correct. SCIC needs to work with the Ministry to ensure its processes accurately estimate the expenses and liability at March 31 each year.

The Ministry relies on SCIC to provide information to complete the schedules required for completion of the Public Accounts. SCIC and the Ministry need information that is consistent and reflects the most current information available. We note that for the 2012 fiscal year, SCIC adjusted its March 31, 2012 financial statements based on benefit payment experience. The adjustment was a $12 million increase in the estimate of benefit liability.

5. **We recommend that the Saskatchewan Crop Insurance Corporation work with the Ministry of Agriculture to develop processes to ensure that the annual fiscal year-end estimates for AgriStability program benefits are reasonable, consistent, and current.**

7.0 SELECTED REFERENCES

Agriculture and Agri-food Canada. (June 2008). *Audit Report – Canadian Agricultural Income Stabilization Program.* Ottawa: Author. www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1234816387758&lang=eng (28 November 2012).

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[12] Amounts are from SCIC's annual financial statements and include amounts outstanding from prior program years. These are labelled in the financial statements as Indemnities Payable.
[13] These are the actual amounts paid as of March 31, 2012 and includes amount paid for previous program years. For comparability purposes, this amount also includes an estimate of the benefits not yet paid as of March 31, 2012.
[14] The difference of $2.6 million includes an adjustment to increase the 2009 program year estimate by $25 million and an adjustment to decrease the 2010 program year estimate by $25 million.

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