

**Office of the Auditor General of Prince Edward Island**  
**Press Release**

Charlottetown, PEI - The Auditor General has tabled a Report to the Legislative Assembly today, January 11, 2023. The report contains a performance audit and follow-up on special reports and previous recommendations.

**FOREST MANAGEMENT HIGHLIGHTS**

**Why we did this Audit**

- The Province’s most recent *State of the Forest Report* found that forests represent approximately 250,000 hectares, or approximately 44 percent of the total area of Prince Edward Island; 33,000 hectares of public land is managed by the Department of Environment, Energy, and Climate Action.
- Forests provide a wide range of environmental, economic and social benefits. Forests are fundamental to the livelihood and ceremonial practices of our Indigenous communities.
- It is important that strong forest management practices be in place to safeguard forests so that Islanders can benefit from them now and into the future.
- It is important that the biomass used to heat public buildings be harvested using sustainable forest practices.

**Objectives**

- To determine whether the Department of Environment, Energy and Climate Action manages Public Forest Lands in accordance with legislation and policies.
- To assess whether the Department of Environment, Energy and Climate Action monitors the sustainability of wood harvested for biomass to heat public buildings.

**Conclusions**

- The Department of Environment, Energy and Climate Action does not manage Public Forest Lands in full accordance with legislation and policies.
- The Department of Environment, Energy and Climate Action has not monitored the sustainability of wood harvested for biomass to heat public buildings.

**Audit Scope Period: December 1, 2018 to March 31, 2022**

**What we Found**

Forest Policy	<ul style="list-style-type: none"> <li>o The Province’s Forest Policy does not include all elements required by the <i>Forest Management Act</i>.</li> <li>o There have been no reviews or updates made to the Forest Policy since 2006.</li> </ul> <p><b>RECOMMENDATIONS 1.20 &amp; 1.24</b></p>
<i>State of the Forest Report</i>	<ul style="list-style-type: none"> <li>o The two <i>State of the Forest Reports</i> which have been issued since the original <i>State of the Forest Report</i> in 1992, were not issued within the timelines established in the <i>Forest Management Act</i>.</li> </ul> <p><b>RECOMMENDATION 1.32</b></p>
Forest Management Plans and Forest Operations Plans	<ul style="list-style-type: none"> <li>o Forest management plans and forest operations plans are not in place for public forest districts in the province.</li> </ul> <p><b>RECOMMENDATIONS 1.37 &amp; 1.38</b></p>
Woodlot Management Plans	<ul style="list-style-type: none"> <li>o Woodlot management plans were not reviewed and revised as necessary in accordance with the Eco-manual.</li> <li>o Only 59 percent of the treatments in the woodlot management plans we sampled had evidence of post treatment assessments being completed.</li> </ul> <p><b>RECOMMENDATIONS 1.50 &amp; 1.51</b></p>
Biomass	<ul style="list-style-type: none"> <li>o The Department of Environment, Energy and Climate Action has not completed post-harvest audits on biomass harvest sites where the biomass was used to heat public buildings.</li> </ul> <p><b>RECOMMENDATION 1.60</b></p>

## PERFORMANCE REPORTING – PHASE I – REPORTING TIMELINESS – HIGHLIGHTS

### Why we did this Audit

- As follow up to our *Crown Corporations Governance Survey* report, where we identified annual performance reporting as an area in need of improvement.
- It is important that government departments and reporting entities release annual reports in a timely manner to provide users with relevant information.
- Annual reports allow organizations to demonstrate accountability and transparency.

### Objective

- To assess whether government departments and reporting entities are meeting annual reporting disclosure deadlines in accordance with legislation, Treasury Board policies and best practice.

### Conclusion

- Most government departments and reporting entities are not meeting annual reporting disclosure deadlines in accordance with legislation, Treasury Board policies and best practice.

### Audit Scope Period: 2016-17 to 2020-21 Fiscal Years

### What we Found

Annual Reporting	<ul style="list-style-type: none"><li>○ In each year included in the scope period of our audit there were some government departments and reporting entities who did not publish annual reports.</li></ul> <b>RECOMMENDATION 2.32</b>
Public Release	<ul style="list-style-type: none"><li>○ Where annual reports were published, all government departments, and many reporting entities, failed to make the reports available to the general public in accordance with deadlines established by legislation, Treasury Board policies and best practice.</li></ul> <b>RECOMMENDATION 2.38</b>
Submission to Legislative Assembly	<ul style="list-style-type: none"><li>○ Many government departments and reporting entities did not keep proper documentation to confirm the date the Minister received the final annual report in order to assess compliance with the <i>Financial Administration Act</i>.</li></ul> <b>RECOMMENDATION 2.41</b>

Darren Noonan, CPA, CA  
Auditor General

### Media Contact:

Tracy Reid  
902-368-5281