Chapter 2: Previous Audits Related to the Environment

Key Messages:

- Too many OAG recommendations which Government agreed to implement have not been completed, including nearly half of those directed to the Department of Environment

- Increased risk that weaknesses identified continue to exist in important government systems, processes, and controls

- Department and overall government attention is needed to ensure oversight and accountability for timely completion of commitments made by departments in accepting previous OAG recommendations

Key Observations:

- 20 of 43 recommendations which Government agreed to implement from 2007 through 2016 were not complete the last time we followed up
- 11 of 17 recommendations from our 2010 work on Contaminated Sites were not complete as of May 2014
- Environment had not completed 8 of the 19 recommendations from our 2014 audit of Public Drinking Water Safety, as noted in our early 2017 review. We will review this again in early 2018.

- Our 2008 audit of Environmental Monitoring and Compliance had only one of seven recommendations not completed as of our 2013 follow-up
- Other audits such as our work on Aquaculture (2015), Species at Risk (2016), and Critical Infrastructure (2016) include references to roles involving Environment, such as monitoring or enforcement
- We also completed work on Disaster Preparedness (2011) and Business Continuity Management (2015) that would be impacted by environmental events

2 Previous Audits Related to the Environment

Government Plays an Important Role in a Healthy Environment

2.1   The importance of a healthy environment is well known. An unhealthy environment can negatively impact our quality of life in many ways, including public health and safety, the economy, and the use and enjoyment of our natural resources. Government plays an important role both directly and indirectly in ensuring a healthy environment. In our role as the auditors of government, we have conducted several audits focused on Government's performance in fulfilling this important responsibility. When we identified weaknesses, we made recommendations in our reports to help management be more effective. It is very important that department management, and government in their oversight role, have processes to ensure that appropriate action has been taken to implement the corrective actions covered by our recommendations. This chapter is intended to provide information to Nova Scotians on audits we have conducted in the past related to this important area. All our audit reports can be found on our website at www.oag-ns.ca.

OAG Audits at Department of Environment – 2007 to 2016

2.2   Over the ten years from 2007 to 2016, our Office completed three audits at the Department of Environment. We made 43 recommendations from those audits, of which 20 (47%) were not implemented at the time of our last follow-up review. The following paragraphs provide further details on the audits and status of recommendations.

2.3   Our February 2008 chapter – Environmental Monitoring and Compliance – included seven recommendations to improve Environment's processes. Our last follow-up review for this audit was reported in May 2013 and found one recommendation remained incomplete.

2.4   Our June 2010 chapter – Management of Contaminated Sites – included 17 recommendations to improve how Environment carried out their responsibilities in this area. Our final follow-up review for this audit was reported in May 2014 and noted 11 incomplete recommendations.

2.5   Our May 2014 chapter – Public Drinking Water Supply Program – included 19 recommendations to improve Environment's management of the program. Our most recent follow-up review for this audit was reported in February 2017, and found eight recommendations were incomplete, including one the Department did not intend to implement. We do not agree with the Department's position regarding recommendation 5.8 so we still consider it not complete. Our final follow-up review on this chapter will be reported in the winter of 2018.

2.6   See Appendix I for a list of the recommendations from the three audits discussed above.

Other Audit Areas Which Can Impact or be Affected by the Environment

2.7   Over the past few years our Office completed audits at certain other departments which have a connection with the environment. None of these audits included recommendations directed at the Department of Environment, but the Department may have a role or be impacted by events. The reports from these audits can be found on our website, including the specific recommendations for improvements. The following paragraphs provide a summary of the nature of the audits and number of recommendations to management.

2.8   Our June 2015 Report included the results from our audit on aquaculture. The nine recommendations from the audit were addressed to the Department of Fisheries and Aquaculture.   The chapter notes that enforcement responsibilities, including for aquaculture, became part of the mandate of the Department of Environment after our work was complete. This requires coordination between the two departments. We are following up on this audit for our winter 2018 report.

2.9   Our June 2016 Report included the results from our audit on species at risk. The five recommendations from the audit were addressed to the Department of Natural Resources as the department responsible for the Endangered Species Act. The chapter also noted species protection is impacted by other legislation and involvement of other government departments and stakeholders. This includes the Department of Environment which is responsible for protected areas (Special Places Protection Act, Wilderness Areas Protection Act, and the Nova Scotia Wetland Conservation Policy), as well as environmental assessment and other responsibilities under the Environment Act. We will follow up on this audit next year.

2.10   Our November 2016 Report included results from our audit on critical infrastructure. The four recommendations were addressed to Executive Council and the Emergency Management Office. Within the chapter, we noted, as an example, the Department of Environment would be expected, under a National Strategy, to develop partnerships with water and wastewater treatment facilities to promote critical infrastructure planning and information sharing. Environment was also one of the nine departments we interviewed that was not familiar with the requirements of the National Strategy and Action Plan for Critical Infrastructure and not actively planning within its sector. We will follow up on this audit next year.

2.11   Beyond these audits, we also reported on matters that, while not the direct responsibility of the Department of Environment, can be impacted by

significant weather events. Both our November 2011 Disaster Preparedness – Major Government Information Systems audit (14 recommendations remain applicable of which only 4 were complete at time of last follow-up) and November 2015 Business Continuity Management audit (9 recommendations, no follow-up completed yet) identified areas of improvement that, if implemented, will help to mitigate the impact of large storms or other environmental disasters.

Pan-Canadian Collaborative Climate Change Report

2.12   Recognizing that climate change requires action by all governments, Canada's provincial, territorial, and federal legislative audit offices partnered to examine and report on progress on climate change action within their governments. This is the first time that all audit offices in Canada have coordinated their work on climate change in this way.

2.13   While each audit office performed its work independently, the overall objective of the collaborative project was to assess whether the federal, provincial, and territorial governments met their commitments to reduce greenhouse gas emissions and adapt to climate change. The offices worked together to develop a set of common questions to be addressed in their individual reports. Our audit on climate change management is presented in Chapter 3 of this report.

2.14   A summary report, expected in early 2018, will present the audit findings from the original audit work tabled by each office. It will provide an independent review of government actions on climate change commitments across the country, as well as a snapshot of key issues and trends that are common across governments.

Appendix I

OAG Audits at Department of Environment (2007-2016)

February 2008 Chapter 3 – Environment and Labour – Environmental Monitoring and Compliance	Follow-up Status
3.1 The Division should ensure that proof of ownership or right to use a site and all other documents are obtained, required financial security is in place, and all requirements are met before an approval is issued.	Complete
3.2 The Division should establish procedures to obtain objective evidence to validate the accuracy of monitoring reports received from approval holders.	Not Complete (as of May 2013 assessment)
3.3 The Division should ensure risk assessments are completed and inspections carried out as frequently as required. Further, the Division should completely document inspections, including obtaining signatures or providing an explanation why they were not obtained.	Complete
3.4 The Division should implement the quality assurance process across all its compliance programs as soon as possible.	Complete
3.5 District management should monitor the work of the inspectors to ensure they follow up on noncompliance in a timely manner and use appropriate enforcement measures.	Complete
3.6 Management should ensure that information entered into the complaints tracking systems is complete and accurate and that policies and procedures for handling complaints are followed.	Complete
3.7 The Division should ensure compliance activities and other data are consistently and accurately captured in the information management system.	Complete
No further follow-up planned	

June 2010 Chapter 3 – Environment – Management of Contaminated Sites	Follow-up Status
3.1 The Department of Environment should ensure sites which are known to be or likely to be contaminated are appropriately assessed and any unacceptable risk to human health and the environment are addressed by the responsible party.	Not Complete (as of May 2014 assessment)
3.2 The Department of Environment should report to Cabinet those contaminated sites where unacceptable risks have not been adequately addressed to ensure Cabinet has appropriate information for policy decisions.	Not Complete (as of May 2014 assessment)
3.3 The Department of Environment should implement timeframes to follow up receipt of site professional reports and ensure timeframes are being followed.	Not Complete (as of May 2014 assessment)
3.4 The Department of Environment should ensure that site professional reports and other information are reviewed in a timely manner based on timeframes established.	Not Complete (as of May 2014 assessment)
3.5 The Department of Environment should develop a formal prioritization process to identify higher-risk contaminated sites. Inspector monitoring activities should ensure priority is given to higher-risk sites.	Not Complete (as of May 2014 assessment)
3.6 The Department of Environment should conduct periodic site visits on certain sites, taking into consideration the level of risk involved, to verify key information reported by site professionals.	Not Complete (as of May 2014 assessment)

June 2010 (continued) Chapter 3 – Environment – Management of Contaminated Sites	Follow-up Status
3.7 The Department of Environment should complete background checks to ensure site professionals have the education and work experience required under Departmental guidelines.	Action No Longer Required (OAG agreed with status)
3.8 The Department of Environment should develop standardized cleanup submission requirements as well as standard report formats.	Complete
3.9 The Department of Environment should ensure consultation with the Compliance and Inspection Coordinator and notification to the coordinator and district manager occurs prior to enforcement action being taken.	Complete
3.10 The Department of Environment should ensure closed complaint and notification files are reviewed by management as required. Evidence of review, including the date, should be documented in the file.	Complete
3.11 The Department of Environment should implement time standards for the inspection of a complaint or notification by inspectors and for district manager review of closed files.	Not Complete (as of May 2014 assessment)
3.12 All information related to a complaint and notification file should be accurately reflected in the activity tracking system.	Not Complete (as of May 2014 assessment)
3.13 The Department of Environment should implement the quality assurance program for contaminated site files.	Not Complete (as of May 2014 assessment)
3.14 Management should closely supervise all new inspectors to ensure they are receiving appropriate training and sites assigned to them are properly monitored.	Complete
3.15 Training on the use of the Development Accountability Model should be completed as soon as possible.	Complete
3.16 The Department of Environment should clearly define and communicate the objectives of the contaminated site program as well as establish outcome measures including reporting on program performance.	Not Complete (as of May 2014 assessment)
3.17 An inventory of known contaminated sites should be established and maintained for management purposes. This should include information on the stage of cleanup and risks involved for each site.	Not Complete (as of May 2014 assessment)
No further follow-up planned	

May 2014 Chapter 5 – Environment – Public Drinking Water Supply Program	Follow-up Status
5.1 The Department of Environment should conduct registered facility audits at the required frequency.	Complete
5.2 The Department of Environment should investigate why errors exist with scheduled audit dates in the activity tracking system and take the necessary action to address the problem.	Complete
5.3 The Department of Environment should require inspectors to determine if appropriate contingency plans exist when auditing registered facilities.	Complete
5.4 The Department of Environment should develop and implement clear guidance supporting the areas covered during facility audits, including the nature and extent of water testing.	Complete
5.5 The Department of Environment should evaluate whether the current requirement for water testing by inspectors at registered facilities is appropriate and implement changes where required.	Not Complete (as of February 2017 assessment)

May 2014 (continued) Chapter 5 – Environment – Public Drinking Water Supply Program	Follow-up Status
5.6 The Department of Environment should complete all required procedures when conducting registered facility audits.	Complete
5.7 The Department of Environment should record all deficiencies in the activity tracking system as required.	Not Complete (as of February 2017 assessment)
5.8 The Department of Environment should obtain documented acknowledgement from facilities that they have received the audit report. **Department indicated they do not intend to implement this recommendation.**	Not Complete (as of February 2017 assessment)
5.9 The Department of Environment should establish time frames indicating when inspectors should issue audit reports. The Department should monitor compliance with these time frames.	Not Complete (as of February 2017 assessment)
5.10 The Department of Environment should develop and implement a policy regarding the timing and nature of deficiency follow-up required by inspectors.	Complete
5.11 The Department of Environment should ensure all annual reports are received and reviewed in a timely manner, and that they contain all required information.	Complete
5.12 The Department of Environment should conduct all boil water advisory confirmatory samples within the 30-day requirement.	Complete
5.13 The Department of Environment should develop and implement guidelines for contacting facilities when a boil water advisory is issued.	Complete
5.14 The Department of Environment should establish a policy clarifying the time frame in which newly registered facilities should have an initial audit.	Complete
5.15 The Department of Environment should utilize information available in the activity tracking system for trend analyses and identification of risks.	Not Complete (as of February 2017 assessment)
5.16 The Department of Environment should track time for key inspector activities for use by management in operational planning and monitoring.	Complete
5.17 The Department of Environment should conduct its planned review of the quality assurance process and implement changes as required.	Not Complete (as of February 2017 assessment)
5.18 The Department of Environment should complete management file reviews as required.	Not Complete (as of February 2017 assessment)
5.19 The Department of Environment should review management reports from the activity tracking system in a timely manner and take appropriate action to address issues identified.	Not Complete (as of February 2017 assessment)
Our final follow-up review on this chapter to be reported in winter of 2018	