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**Backgrounder for News Release
Provincial Auditor's 2018 Report – Volume 1**

Regulating Oil and Gas

Ministry of Energy and Resources – Regulating Oil, Gas, and Pipeline Industry Incidents (Chapter 4)

The Ministry of Energy and Resources is responsible for licensing and regulating the oil, gas, and pipeline industry. This includes regulating reportable incidents of the uncontrolled releases of substances like oil and gas, fires, and damage to or malfunction of equipment. In 2016-17, 66 industry operators reported 657 incidents to the Ministry.

Provincial Auditor Judy Ferguson reports that the Ministry needs to formalize several practices it uses to regulate that industry operators appropriately resolve incidents to protect public safety and the environment. The audit found the Ministry's practices to regulate reported incidents varied significantly across the Ministry's four field offices. These offices are responsible for enforcing related laws.

The Ministry needs to give its staff and industry operators guidance on classifying risks of reportable incidents, and specify how it expects staff to regulate these incidents. When industry operators have resolved an incident and finished their reclamation work, the Ministry needs to use a consistent approach to inform them that it is satisfied that industry has resolved the incident. Also, the Ministry needs to set clear expectations for what key regulatory activities it expects staff to document.

Formalizing its practices would result in more consistent consideration of the consequences and risks of a reported incident. Better use of its IT system to capture key information about its handling of reportable incidents would facilitate sharing of information within the Ministry and with industry operators. Also, better documenting its activities will give managers greater ability to supervise whether staff make reasonable and supportable decisions when regulating reportable incidents.

Ministry of Energy and Resources – Managing Future Cleanup of Oil and Gas Wells (Chapter 17)

The oil and gas industry is responsible for the cleanup of oil and gas wells. The Ministry of Energy and Resources estimates the industry's overall future cleanup cost in Saskatchewan could exceed \$4 billion. The Ministry is responsible for regulating the future cleanup of oil and gas wells.

Provincial Auditor Judy Ferguson reports that the Ministry has made some improvements since 2015 (the timing of the Office's last look at the Ministry's progress in managing future cleanup of oil and gas wells). The Ministry has dedicated more resources to its oil and gas well cleanup programs. It was using current cleanup cost estimates to monitor, assess, and report on the current estimated costs of the future cleanup of wells. It extended its auditing of industry operators' reclaimed well sites to include audits of all reclamation reports. It had also improved its reporting to legislators and the public on its management of risks related to the future cleanup of oil and gas wells.

In addition, Provincial Auditor Judy Ferguson reports that the Ministry has further work to do, particularly given the increasing number of inactive wells and facilities in Saskatchewan. Inactive wells increased by almost 90% between 2005 and 2017. The Ministry needs to complete its analysis of whether its programs sufficiently protect the oil and gas industry from risks resulting from the potential that



licensees with financial difficulties pass cleanup costs onto the rest of the industry. The Ministry also needs to continue to assess the environmental risks posed by the 9,000 legacy well sites in the province.

Impaired Driver Treatment Program

Saskatchewan Impaired Driver Treatment Centre – Delivering the Impaired Driver Treatment Program (Chapter 9)

Even though Saskatchewan's rate of impaired driving is improving, it had the highest provincial rate in 2015. Having successful programs to decrease this rate is critical.

The Saskatchewan Impaired Driver Treatment Centre delivers a program that can be vital in helping address impaired driving in Saskatchewan. It provides a three-week treatment program that focuses solely on treating adults convicted with a second or subsequent impaired driving offence. The program is an alternative to incarceration for these individuals. The program accommodates up to 28 co-ed clients, and typically has a five- to eight-month waitlist.

Provincial Auditor Judy Ferguson highlights improvements needed to the processes the Centre uses to deliver the impaired driver treatment program to reduce recidivism (i.e., drive impaired again).

The Centre needs to regularly review its program objectives that were set in 2005, and better monitor and report on whether its program is making a difference in reducing impaired driving.

To keep the program up-to-date, it needs to refresh the program to incorporate relevant good practices such as customizing treatment programs to focus on specific unique needs of its clients (e.g., gender, culture).

Also, the Centre needs to collect and maintain complete client assessment information, and information about individualized treatment that clients receive. This includes documenting one-on-one counselling sessions with clients. Without this, counsellors may not have sufficient information to determine interventions and treatments appropriate for current and repeat clients. About 13% of its clients repeat the treatment program.

In addition, the Centre needs to make sure each client completes relapse prevention plans, and do more to connect clients with further support. Having a relapse prevention plan and connection with ongoing support after leaving the Centre would help clients sustain changes in their behaviour resulting from the Centre's treatment. Clients not sustaining changed behaviour can be at a higher risk of driving impaired again.



For More Information

The full Provincial Auditor's *2018 Report – Volume 1*, which includes further details and other Provincial Auditor's findings and recommendations, is available online at www.auditor.sk.ca.

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