Chapter 21
Environment—Regulating Air Emissions Follow Up

1.0 Main Points

In 2004, we made seven recommendations to strengthen the Ministry of Environment's processes to regulate air emissions. In 2012, we completed our fourth follow-up of these recommendations. We found that the Ministry has met five of our recommendations and has made progress on the remaining two recommendations. During our follow-up, we also found that since February 2011, the Ministry has not followed the existing law regarding the issuance of permits under *The Clean Air Act*. As a result, we have made one new recommendation. We recommend that the Ministry comply with existing legislation until such time as the legislation is amended.

2.0 Introduction

This chapter describes our follow-up of management's actions on the four recommendations we made in 2004 that remained outstanding in 2011.

In 2004, we assessed the Ministry's processes to regulate air emissions. Our *2004 Report – Volume 1*, Chapter 10, concluded that the Ministry did not have adequate processes to regulate air emissions. We made seven recommendations.

Since 2004, we have completed four follow-ups to assess the Ministry's progress towards addressing our past recommendations. These follow-ups were reported in our *2006 Report – Volume 3*, Chapter 5, our *2009 Report – Volume 3*, Chapter 6, and our *2011 Report – Volume 2*, Chapter 8, respectively. In our 2011 Report, we noted that the Ministry still had work to do to meet four of the seven recommendations made in 2004. This report is our fourth follow-up on these recommendations.

In January 2012, the Government released the Saskatchewan Environmental Code for public comment. The Environmental Code will change the administration of environmental protection by eliminating the need for some permits in favour of alternative approaches. The Government planned for the legislative changes required to implement the Environmental Code to become law by fall 2012[1] but this did not occur. Ministry officials are now targeting for these changes to be law in the summer of 2013. The Ministry has moved forward with the new administration prior to the changes to law being in effect. As a result, we make one new recommendation.

To conduct this review, we followed the *Standards for Assurance Engagements* published in the *CICA Handbook - Assurance.* To evaluate the Ministry's progress towards meeting our outstanding recommendations, we used the relevant criteria from the original audit. The Ministry's management agreed with the criteria in the original audit.

[1] Saskatchewan Government 2012 Speech from the Throne, p.17.

3.0 STATUS OF RECOMMENDATIONS

This section sets out the four outstanding recommendations and the Ministry's actions up to September 30, 2012 and the status of each recommendation. We found that the Ministry still has work to do to meet two of the four outstanding recommendations. We have also made one new recommendation.

3.1 Non-compliance with Current Legislation

We recommended that the Ministry of Environment establish processes to ensure permits to regulate air emissions are properly approved and expired permits are followed up on promptly. (2004 Report – Volume 1; Public Accounts Committee agreement December 1, 2004)

Status – Not Implemented

The Ministry has outlined in the Clean Air Permitting Protocol what is required for air permits to be approved as well as what the processes are for waiving a permit and renewing an expired permit. The Ministry continues to maintain an inventory of permits and their expiry dates on a spreadsheet. Operators are required to apply for a clean air permit renewal sixty days prior to expiry per *The Clean Air Regulations*. Employees use the spreadsheet to identify permits that will soon expire and notify the operators to apply for renewal of those permits. However, the spreadsheet is not kept current. For example, some permits do not have their permit number listed, and some permits that expired remained on the spreadsheet as "current".

We also found that the Ministry stopped issuing permits for certain industries, (e.g., asphalt plants) in February 2011. These industries will not be required to have a permit once the legislative changes related to the Government's new Environmental Code become law. This action is not in compliance with the existing law. The Government had planned for these changes to be law by fall 2012 but this did not occur. Ministry officials are now targeting for these changes to become law in the summer of 2013. Some of these companies had permits that expired prior to 2010. Under *The Clean Air Act*, the Minister can waive a permit for a minor source of air contaminants but this was not done in these instances.

1. **We recommend that the Ministry of Environment issue permits in compliance with existing legislation (*The Clean Air Act*) until such time as the legislation is amended.**

3.2 Guidance for Monitoring Compliance with Permits in Draft Form

We recommended that the Ministry of Environment set sound and consistent processes for monitoring compliance with permits to regulate air emissions and for handling air emission complaints. (2004 Report – Volume 1; Public Accounts Committee agreement December 1, 2004)

Status – Partially Implemented

The Clean Air Permitting Protocol and the Air Monitoring Guideline for Saskatchewan provide employees of the Ministry with written guidance on what to monitor and when. The established guidance requires employees to review operators' annual compliance reports and prepare a summary report for management on non-compliant matters identified. Employees use a standardized form to monitor operators and take action on complaints. The Ministry has drafted an Inspection Manual that adequately outlines what Environmental Protection Officers are to do to prepare for, complete and compile their findings on the inspections of the operators. This manual is being used by staff even though it is still in draft form. Management needs to approve the manual.

The Industrial Branch Primary Contact and Responsibilities document has processes for Ministry employees to record, investigate, and document the resolution of complaints. The Ministry is currently using a spreadsheet to track complaints for operators that are not directly related to a larger assigned industrial facility. This spreadsheet contains information on the caller, their contact information, the nature of the complaint, and how the Ministry resolved that complaint. The Ministry indicated that they plan on transitioning to a database system for tracking complaints and permit compliance. For larger facilities, the complaints are directed to the appropriate Environmental Project Officer and recorded in that operator's individual file. The Environmental Project Officer will then follow up with the complainants directly and report to management any findings on non-compliance by the operator.

3.3 Collecting and Maintaining Information to Prepare Reliable Reports

We recommended that the Ministry of Environment establish systems to collect and maintain information to prepare reliable reports. (2004 Report – Volume 1; Public Accounts Committee agreement December 1, 2004)

Status – Implemented

The Ministry maintains manual records for each of its permit holders and uses a spreadsheet to collect and maintain information centrally on permits, inspections, and actions taken. Management uses the spreadsheets to assess the Ministry's performance.

The Ministry has prepared guidelines for operators, such as the Environmental Monitoring Guidelines for Mining Operations and the Environmental Performance Reports Guidelines. These guidelines outline when and how the operator is to gather data to ensure it is sufficient and that the reports provided to the Ministry are consistent and complete.

The Ministry utilizes the Saskatchewan Air Monitoring Lab[2] for gathering data for air quality reports in locations that do not currently have a permanent monitoring station. In December 2011, the Ministry published the Saskatchewan Air Monitoring Laboratory 2010 Mobile Air Quality Monitoring Report summarizing the Lab's findings. The Ministry also collects and stores air quality data from six permanent monitoring stations throughout the province (Regina, Saskatoon, Prince Albert, Swift Current, Buffalo Narrows, and North Battleford) on its website.

3.4 Internal and External Reporting on Air Emissions in Place

We recommended that the Ministry of Environment should improve its internal and external reporting on air emissions. (2004 Report – Volume 1; Public Accounts Committee agreement December 1, 2004)

Status – Implemented

Employees are expected to report to management any non-compliant items identified for a specific operator as incidents arise. Operators are required to meet the Saskatchewan Ambient Air Quality Standards along with any other site-specific conditions in their operating permits. Ministry staff inspect the operators for compliance with these conditions and report their findings to management. Frequency of monitoring and reporting on air emissions is identified in each industry's permit to operate and the frequency of compliance inspections is determined through branch compliance planning and individual employee work planning sessions. Air quality reporting updates are provided in summaries of the Saskatchewan Air Monitoring Lab activities, in the State of the Environment Reporting process, and on the Ministry's website from the permanent air monitoring stations throughout the province.

The Ministry has improved its external reporting to include the Air Quality Index and the Air Quality Health Index on its website. These Indexes contain real time and historical data for several locations around the province. The Ministry established the Southeast Saskatchewan Airshed Association which reports continuous regional air quality monitoring results on its website. In 2012, the Ministry established an additional airshed known as the Western Yellowhead Air Management Zone where air monitoring began in North Battleford in March 2012.

[2] The Saskatchewan Air Monitoring Lab is a vehicle, owned by the Ministry, designed to measure air quality and is equipped to continuously monitor a variety of air pollutants simultaneously.