

Chapter 31

Environment – Regulating Industrial Wastewater

1.0 MAIN POINTS

By July 2017, the Ministry of Environment had improved its processes to regulate industrial wastewater systems by implementing all four recommendations made in our 2015 audit of this area.

Since our 2015 audit, the Ministry implemented a new IT system to centralize inspection results and help monitor inspection frequency. It developed a new inspection guideline to help staff document inspection results consistently. It started to routinely prepare environmental compliance reports for high and extreme risk industrial wastewater systems. These reports document whether permit or legislative requirements were met and identified problems. In addition, its public reporting includes better information about its inspection activities and industrial wastewater operators' compliance with permit requirements.

Active regulation by the Ministry helps reduce the risk of industrial wastewater causing harm to human health and ecosystems.

2.0 INTRODUCTION

The Ministry of Environment is responsible for regulating industrial wastewater under *The Environmental Management and Protection Act, 2010*.

This chapter describes our follow up of management's actions on the recommendations we made in 2015. Our *2015 Report – Volume 1*, Chapter 11 concluded that, for the period of January 1, 2014 to December 31, 2014, the Ministry had effective processes to regulate industrial wastewater systems except for the areas related to the four recommendations made.

Industrial activities (e.g., mining) generate wastewater. Industrial wastewater can contain various contaminants that are harmful to human health and ecosystems. Provincial laws are in place to limit risks posed by these contaminants. For example, they require industrial site owners to have wastewater systems that reduce the negative impacts of industrial wastewater.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Ministry agreed with the criteria in the original audit.

We interviewed Ministry staff responsible for industrial wastewater regulation and discussed the actions taken to address the recommendations. We also obtained, reviewed, and assessed the adequacy of documentation (e.g., inspection reports) on the work being done to implement each outstanding recommendation.



3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 31, 2017, and the Ministry's actions up to that date. We found that the Ministry had fully implemented our recommendations.

3.1 Up-to-Date Records Kept on Inspection Frequency

We recommended that the Ministry of Environment keep up-to-date records on the frequency of its inspections of industrial wastewater systems. (2015 Report – Volume 1; Public Accounts Committee agreement September 15, 2016)

Status – Implemented

Since December 2014 (the time of our audit), the Ministry created an IT system, called the Customer Relationship Management System, to help it keep up-to-date records on the frequency of inspections and to facilitate monitoring of inspections. We found the Ministry had up-to-date information on inspections performed in this system.

The new IT system tracks and stores records on the frequency and outcome of the Ministry's inspections of industrial wastewater systems. This IT system also stores electronic versions of the related inspection reports.

The Ministry can produce reports from this new system to help it determine the frequency of which inspections have occurred on each industrial site. In addition, using the new system, the Ministry can easily review the findings from inspections and confirm that information in the system corresponds with supporting manual documents.

By having the ability to run these system-generated reports, the Ministry can more efficiently monitor whether inspections have occurred as often as required per *The Environmental Management and Protection Act, 2010* or any of its regulations such as *The Mineral Industry Environmental Protection Regulations, 1996* and take corrective action as needed.

3.2 Identification of Non-Compliance and Reporting of Enforcement Action Improved

Non-Compliance Clearly Identified

We recommended that the Ministry of Environment require its staff to clearly document, for each industrial wastewater system inspected, the results of inspections as compared to the Ministry's permit requirements. (2015 Report – Volume 1; Public Accounts Committee agreement September 15, 2016)

Status – Implemented

The Ministry has provided its staff (Environmental Protection Officers) with better direction on documenting the results of inspections of industrial wastewater systems.

In July 2016, the Ministry released a Field Inspection Guideline. This Guideline provided Environmental Protection Officers with direction on completing and reporting on inspections.

The Guideline described how to document and set up inspection reports in the Customer Relationship Management System—the new IT system. For example, the Guideline included an inspection report template. This template laid out information that Environmental Protection Officers are to include when completing inspection reports.

Since the Ministry established these guidelines, we found inspection reports provided more complete information around the findings of each inspection.

Having complete inspection records is essential in the event these findings are required to be used in legal proceedings. Appropriate documentation supports decisions made and work completed.

We recommended that the Ministry of Environment require the annual preparation of environmental compliance reports for all higher-risk industrial wastewater systems. (2015 Report – Volume 1; Public Accounts Committee agreement September 15, 2016)

Status – Implemented

The Ministry required, through a policy, the preparation of environmental compliance reports for all high and extreme risk industrial wastewater systems. These reports serve as useful tracking and monitoring tools. We found the Ministry's Environmental Protection Officers implemented this policy.

Environmental Protection Officers used permit requirements, legislation, and best practices for each industrial site to develop environmental compliance reports. By having these reports, they can track if requirements are being met, and identify systemic issues and desired actions to bring to the attention of permit holders. We found Environmental Protection Officers use these reports to discuss inspection findings with industrial site owners annually.

Better tracking and monitoring reduces the risk of non-compliance on higher-risk sites that could have a negative impact on the environment.

Public Reporting of Enforcement Action

We recommended that the Ministry of Environment provide the public with information on its enforcement actions (e.g., number of notices of violation, administrative penalties levied, court orders sought) related to its regulation of industrial wastewater systems. (2015 Report – Volume 1; Public Accounts Committee agreement September 15, 2016)

Status – Implemented



The Ministry released its *2016-17 Annual Report*, which included information on the enforcement actions taken during the year. It included statistics on the number of inspections that were completed, and the number of enforcement actions taken.

While the information included in the *2016-17 Annual Report* does not give the public insight into specific actions taken by the Ministry, it provides sufficient information on the results of the completed inspections, and the nature and extent of compliance of permit holders in the province.