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# Office of the Auditor General

## Nova Scotia

AUDITOR GENERAL—Nov. 1, Performance Audit Report Released

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Auditor General Michael Pickup issued his 2017 environment-related performance audit report today, Nov. 1. The report contains four chapters.

Chapter four: Environmental Assessments: in examining Nova Scotia Environment's environmental assessment process, the report notes that:

-- from 2013 to 2016, the department approved almost all projects (53 of 54) presented for an environmental assessment. For the 22 projects examined by the Auditor General's office, approvals met legislative requirements and included 675 terms and conditions to be met by project owners. For almost half of the 53 terms and conditions tested by the auditor general (23 of 53) the department did not monitor whether the terms and conditions were met. This increases the risk that the environment is not protected as planned

-- the department has not determined if, on an overall basis, the terms and conditions it sets are working to reduce environmental risks

-- some terms and conditions attached to the approvals lacked important details, such as deadlines for completion and reporting requirements.

"The department is failing in this aspect of its environmental oversight because, in too many cases, terms and conditions on project approvals are not monitored or evaluated to see if they are working," said Mr. Pickup. "Nova Scotians value a healthy environment and expect monitoring to occur to see it protected."

Chapter three: Climate Change Management: in looking at plans for climate change, the report notes that:

-- the province's greenhouse gas emissions in 2015 were 18 per cent below 1990 levels, exceeding the minimum 10 per cent reduction target set for 2020

-- most of the actions in the government's 2009 action plan were completed by 2015. However, plans have not been updated since then and government should show Nova Scotians what it plans to do now

--in 2005, Nova Scotia Environment completed an assessment of risks related to climate change but risks have not been assessed since. Risks may have changed in the decade since this was prepared.

"Government's initial plan is essentially complete but it doesn't have an updated plan for mitigating and adapting to climate change," said Mr. Pickup. "Climate change is expected to continue to affect Nova Scotia and government should be assessing the risks and making plans to deal with them."

Chapter two: Previous Audits Related to the Environment: the report discussion notes that:

-- within the last 10 years the auditor general has done three environment audits. When last followed up, 20 of the 43 recommendations were not complete. This includes 11 recommendations from the



2010 contaminated sites audit which were still not complete more than three years after they were accepted by the department.

“Nova Scotians should look to their representatives, including the public accounts committee, to ask government whether they are completing their promised actions to address known environmental risks,” said Mr. Pickup.

Chapter one: Accounting for Contaminated Sites: the report information indicates that:

--the \$130 million liability for the Boat Harbour cleanup is over 60 per cent of the \$212 million liability for contaminated site future cleanup costs in the government’s 2017 financial statements. The amount has grown by more than 10 times the original \$12 million estimate made in 2013

--costs to remediate contaminated sites can be significant and may take years to finalize, often using assumptions to estimate the total costs. Fiscal planning can be challenging in those situations that include such a level of uncertainty.

The report contains 10 new recommendations which have all been accepted by government.

The full report, a two-page highlight and a two-minute video for each of the four chapters is available at [www.oag-ns.ca](http://www.oag-ns.ca).

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FOR BROADCAST USE:

Auditor General Michael Pickup, reported today, (November 1st) on his environment-related performance audit work.

In the report he says that for nearly half of the terms and conditions tested on 22 projects approved by Nova Scotia Environment the department did not monitor whether the terms and conditions were met which increases the risk that the environment is not protected. He also says that while greenhouse gas emissions met the 2020 reduction target, the 2005 risk assessment needs to be updated.

The auditor general also says that, when last followed up, nearly half of the 43 recommendations made from prior environment audits were not implemented and this leaves environmental risks for Nova Scotians. He also says, while government’s financial reporting on contaminated sites, such as the

Boat Harbour cleanup, meets accounting standards, the current estimated cost of 130-million dollars, more than 10 times the original 12-million dollar estimate, will likely continue to change, as more information becomes known.

The full report and four videos are available on the auditor general's website.

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