



Office of the Auditor General

Auditor General's Statement to the Media

Release of Performance Audit Report to the Nova Scotia House of Assembly
July 28, 2020



Thank you for your interest in my report tabled today with the Nova Scotia Legislature.

This audit examined the Province's processes for identifying and managing the contaminated sites it is responsible for and followed up on the recommendations from the June 2010 Management of Contaminated Sites audit at the Department of Environment.

This audit is important because contaminated sites can have an impact on both human health and the environment. There are also significant financial considerations as these sites can be expensive to clean up and liabilities have to be recorded in the Province's financial statements. As of March 31, 2019, the Province recorded a \$372.1 million liability for contaminated sites and was responsible for tracking 127 sites.

The key messages from this report are:

We concluded that, overall, there is no coordinated approach for assessing and managing risks for contaminated sites, and there is no oversight body responsible for creating a provincial approach to ensure appropriate action is taken on potential and known contaminated sites the Province is responsible for.

Our work was focused at the departments of Lands and Forestry, and Transportation and Infrastructure Renewal, as those departments hold most provincially-owned lands and administer most of the provincially-owned contaminated sites.

Each department had different processes to identify sites, not all potentially contaminated sites were tracked, and historical information was not readily available. At Transportation and Infrastructure Renewal we found that a process to assess and prioritize the operational bases was developed in 2010 but was not continued. We found one site had been given a high-risk rating for contamination in 2010; however, there was no evidence to determine if any cleanup had been completed on this site since that time. Ongoing monitoring and tracking of sites are important to ensure management has appropriate information to make resourcing decisions, and to assess potential risks arising from future activities on the site.

We also found that the Province does not have a process to prioritize site evaluations and remediation. Provincial resources, both funding and staff time, are limited; therefore, prioritizing the use of provincial resources is essential.

Work has recently begun at the Department of Lands and Forestry to evaluate the 69 historic mine sites to assess potential risks and prioritize site evaluations. We reviewed draft documentation and found that Lands and Forestry had defined criteria to assess the mine sites based on the impacts to human health and the environment. The risk assessment work is important, and it is a good first step; however, Lands and Forestry should have taken steps to determine if mine sites were in compliance with the Contaminated Sites Regulations when they were released in 2013.

In 2016, the Department of Environment sent a letter to the Department of Natural Resources (now Lands and Forestry) outlining the requirements of the Contaminated Sites Regulations in regard to the abandoned mine sites. Lands and Forestry management was unable to explain why no work had been done to assess mine sites until the fall of 2019.

Without a system in place to prioritize and rank site evaluations, there is a risk the Province inefficiently uses its financial and human resources. Limits to financial resources makes it imperative that the Province allocate remediation funding where it will provide the most benefit to the public in terms of protecting human health and the environment.

In this audit we also followed up on the recommendations made in our 2010 audit of the Contaminated Sites Program at the Department of Environment. When we last followed up on the recommendations in May 2014, we assessed one recommendation as no longer required and removed it from future follow-up assignments, and 11 of 16 recommendations were assessed as not complete. When we reassessed them in this audit, over ten years after we issued our initial report, we found that 4 of the 16 recommendations are still not complete; exposing the department to risks, including:

- potential costs associated with the cleanup of a contaminated site in cases when persons responsible lack financial resources,
- staff not following performance standards or policies and procedures; and
- inconsistent information in the electronic tracking system.

It is important to note that in the ten years since we made our initial recommendations, the Department has undergone significant change, and while progress has been made towards completing the four remaining recommendations, additional work is still needed.

We made one recommendation to the Department of Environment and three recommendations to the Province, including assigning responsibility for implementing a consistent coordinated approach for contaminated sites the Province is responsible for to an oversight body. All recommendations were agreed to. It is now up to the Province to implement the recommendations to improve the identification and management of contaminated sites the Province is responsible for.

In concluding, I want to thank the staff in my Office for their continued hard work and dedication. You all should be proud of the hard work you do on behalf of all Nova Scotians. To staff at the departments, I also want to say thank you for your professionalism and cooperation in completing this audit.