

Audit at a glance

Why we did this audit

- Mining is an important source of jobs, government revenues, and regional development in B.C. It also presents significant environmental and public safety risks if not well managed.
- Abandoned mines also pose a risk to public safety and the environment if not properly managed.
- In 2016, an audit completed by our office concluded that the Ministry of Energy, Mines, and Low Carbon Innovation's compliance and enforcement activities were inadequate to protect the province from significant environmental risks associated with major mines.
- In response to our audit, the ministry made changes, including: amending the *Mines Act*, forming new policies and procedures, and establishing the Abandoned Mines Branch, Mines Investigations Unit, and Mine Audits Unit.
- We wanted to see if these changes addressed key risks identified in 2016.

Objective

To determine if the ministry developed:

1. Adequate policies and procedures to address the key environmental risks of major mines identified in the 2016 audit of compliance and enforcement of the mining sector.
2. An adequate framework to manage the potential public safety and environmental risks of abandoned mines.

Audit period:

June 1, 2020, to April 30, 2022

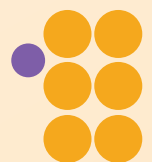
Conclusion

We concluded that the ministry:

1. Developed adequate policies and procedures to address the key environmental risks of major mines identified in the 2016 audit of compliance and enforcement of the mining sector, with minor exceptions.
2. Developed an adequate framework to manage potential public safety and environmental concerns at abandoned mines, with one exception.

We made five recommendations focused on compliance and enforcement policies, historical permits, reclamation liabilities, and abandoned mines.

The ministry has accepted all five recommendations.



What we found

1. Policies and procedures – major mines

Compliance and enforcement activities

- A plan was developed outlining the ministry's regulatory approach to compliance and enforcement.
- Risk-based inspection planning was established.
- Processes to monitor mines for compliance with reporting requirements were inconsistent.
- Policies and procedures for inspections were developed, but not all were formally documented.
- The Mines Investigations Unit was established to investigate serious incidents, including environmental damage incidents.
- Tools for addressing non-compliance with requirements were developed.

Recommendations 1 and 2

Reclamation security

- A reclamation security policy was developed.
- Work to decrease the difference between liabilities and security was in progress. As of March 31, 2021, the difference was approximately \$1.14 billion.

Recommendation 3

Evaluation and continual improvement

- The Mine Audits Unit was established to evaluate the effectiveness of the ministry's regulatory framework for mining.
- A process to implement recommendations from the chief auditor was established.

Enforceable language in permits

- Policies and procedures to write permits with enforceable language were developed.
- A process for updating historical permits with enforceable language was developed, with 25 of 94 permits updated.

Recommendation 4

2. Abandoned mines

Abandoned mines framework

- The Abandoned Mines Branch was established to manage public safety and environmental risks at abandoned mine sites.
- A risk-based approach to address public safety concerns at abandoned mines was developed.
- No risk-based approach to address environmental concerns at abandoned mines was in place.

Recommendation 5

After reading the report, you may want to ask the following questions of government:

1. What is the ministry's timeline for ensuring all major mines are adequately bonded to minimize taxpayer liability?
2. How will the ministry ensure that it consistently monitors the large volume of compliance reports it receives from mine operators?
3. How will the ministry ensure the work to assess public safety and environmental risks at all abandoned mines in B.C. is completed?