



AUDIT PLAN 2021/22



Chief Auditor's Remarks

I am pleased to present the Audit Plan for the Mine Audits Unit (the Audit Unit) in 2021/22. This plan sets out the audits the team will prioritize beginning in 2021/22.

This is the first Audit Plan issued under the authority of the Chief Auditor—a role that was established by the [Mines Act \(the Act\)](#) in 2020. This plan is the result of extensive engagement with the Ministry of Energy, Mines and Low Carbon Innovation (the Ministry), other government agencies, Indigenous peoples, industry groups, labour representatives and non-governmental organizations. Our selection of priority topics is based on this broad engagement and careful consideration of the value each audit may bring to the regulatory program for mining.

The team has achieved some significant milestones in recent months. In June of this year, we released the final report for our first audit: [Code Requirements for Tailings Storage Facilities](#). This report provided seven recommendations to ensure the regulation and oversight of tailings storage facilities (TSFs) in B.C. offer strong environmental protection and continue to improve. The Ministry accepted all seven recommendations and developed an [Action Plan](#) to support implementation. We expect to finalize the report for our second audit, Worker Protection in Mobile Equipment near Water, by Spring 2022.

Our team has grown to include a full complement of auditors. As a team, we have expertise and experience in a range of technical mining disciplines and a strong understanding of the regulatory framework for mining in B.C. We have developed and implemented a comprehensive training program for the team, which includes training in audit best practice, mining regulation, Indigenous reconciliation and field-based health and safety practices.

Over the past several months, our team has revised our governance, policy and guidance documents to ensure consistency with the amended Act and to incorporate key learnings from our first two audits. We have updated our [Program Charter](#) and published our [Reference Manual](#), which sets out the standards and procedures we will follow in conducting our activities. We have also signed a [Memorandum of Understanding \(MOU\) with the Ministry](#) that sets out our mutual commitments throughout the audit process.

Looking forward, the Audit Unit is committed to continuing to develop and improve its program, which includes building relationships with Indigenous peoples across B.C. Earlier this year, we signed an [MOU with the B.C. First Nations Energy and Mining Council](#). This MOU sets out commitments for bilateral dialogue to ensure Indigenous perspectives are meaningfully considered in the Audit Unit's work. This Audit Plan is the first produced under this new relationship.

I am grateful for the opportunity to lead the Audit Unit, and I am excited for another year of working to support the continuous improvement of the regulatory program for mining in B.C.



Karina Sangha
Chief Auditor

Background

MINE AUDITS UNIT

The Audit Unit is a dedicated team in the Ministry. Led by the Chief Auditor, the Audit Unit conducts audits to evaluate the effectiveness of the provincial regulatory program for mining in protecting the public, workers and the environment. Each audit focuses on an area of mining that is regulated by the Ministry.

PURPOSE OF THE AUDIT PLAN

Every year, the Chief Auditor publishes an Audit Plan outlining the audits the Audit Unit will prioritize in that year. The Audit Plan is posted on [our website](#).

The Audit Plan provides audit teams with a starting point for their work each year. Audit teams will work to develop a specific objective, scope and design for each audit based on research and engagement with Indigenous peoples and interested parties (e.g., industry, labour representatives, non-governmental organizations and other regulatory bodies) during the planning phase.

Every audit included in the Audit Plan will generally consist of four iterative phases:

- ▶ **Planning**—Gather background information on the audit topic and develop a plan for the audit, summarized as a Terms of Reference on our website
- ▶ **Examination**—Collect and analyze data to establish findings and develop a conclusion in response to the audit objective
- ▶ **Reporting**—Develop and release a report summarizing the audit findings, conclusion and recommendations
- ▶ **Follow-up**—Monitor the Ministry's actions in relation to the audit recommendations

To adjust to emerging trends in the mining sector, amendments to the regulatory framework, or changes within the Ministry, the Chief Auditor may review and adjust the Audit Plan, as necessary. Any changes will be documented and reported in the following year's Audit Plan.

AUDIT TOPIC SELECTION

The Audit Unit identifies potential audit topics on an ongoing basis through multiple information sources, including trend data and previous audit findings. The Audit Unit also accepts topic suggestions from other government staff and external parties, including Indigenous peoples. If a topic is aligned with the Audit Unit's current mandate, it will be meaningfully considered for an audit.

Each annual planning cycle, the Audit Unit will prioritize its current list of potential topics and develop a shortlist for the Chief Auditor's consideration. Prioritization is based on the following factors:

- ▶ **Value**—The potential benefit of performing an audit to provincial mining regulation
- ▶ **Interest**—Different perspectives about the topic and its relative importance to Indigenous peoples and interested parties
- ▶ **Auditability**—The Audit Unit's ability to complete an audit of the topic given available resources, expertise, data and information

The Chief Auditor will decide which topics to include in the Audit Plan each year, in consideration of the shortlist of priority topics. Any potential topics not included in the Audit Plan may be considered in future years.

2021/22 Priorities

PLANNED AUDITS

The following table presents the audits that the Audit Unit will prioritize beginning in 2021/22. These audits have been selected and approved by the Chief Auditor in accordance with the Audit Unit's annual audit planning methodology. The audits are not fully scoped, and the provided description may differ from the details in each audit's published Terms of Reference. The Terms of Reference for each audit will be added to our website upon completion of the planning phase.

Audit Topic	Description
Occupational health and safety committees	Occupational health and safety committees (OHSCs) are composed of employers and employees working together to improve occupational health and safety. This audit will focus on the duties and functions of OHSCs as defined by the Act and the Health, Safety and Reclamation Code for Mines in British Columbia (the Code).
Reclamation securities for advanced mineral and coal exploration projects	In recent years, the Ministry has developed new approaches, such as the Regional Mine Reclamation Bond Calculator, to manage reclamation liability in the exploration sector. This audit will focus on the effectiveness of the Ministry's current approaches in achieving their goals.
Major mine closure	Closure is the process whereby mines transition from production to decommissioning, reclamation and monitoring/maintenance. This process can range in length from a few years, to decades, or even centuries, where proponents have long-term management or treatment obligations. The Act defines phases and activities associated with mine closure, and the Code and permits issued under the Act provide general and site-specific prescriptions for this process. Closure is a complex topic with significant interest. The Audit Unit intends to conduct an extended planning process to define an appropriate focus for this audit.

AUDITS IN PROGRESS

The following table outlines the audit that we currently have in progress. Terms of Reference for this audit can be found on our website.

Audit Name	Objective	Current Status
Worker Protection in Mobile Equipment near Water	To determine whether the Ministry's regulatory requirements and actions protect workers from undue risks to their health and safety when operating mobile equipment near water. ¹	Reporting

¹ The objective for this audit has been revised since the [Terms of Reference](#) was published on the Audit Unit's website in April 2020. This revision is documented in an addendum to the Terms of Reference.

Potential Future Audit Topics

The following potential topics may be considered for future Audit Plans. These topics are broad and may be the subject of more than one audit. If you have an interest in any of these topics, including potential priorities for examination, we encourage you to [contact us](#).

Potential Future Audit Topics

Abandoned mines	Ministry certifications
Administrative monetary penalties	Permit application requirements
Bullying and harassment	Physical stress and fatigue
Code-required annual reporting	Pits and dumps
Cumulative effects	Placer mining
Dangerous occurrences	Reclamation securities for major mines
Fuel transport and storage	Underground mine emergency response
Guarding	Variance requests
Health and safety in the exploration industry	Ventilation
Mine and reclamation plan updates	Water management
Mine roads and haul roads	Water treatment