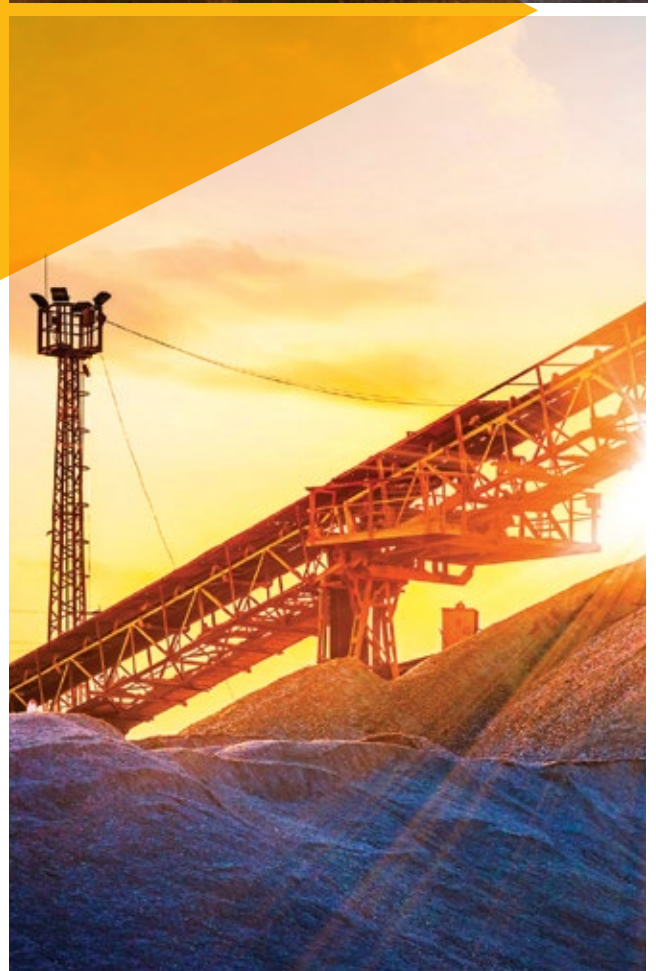


Mine Audits and
Effectiveness Unit

**PROGRAM
CHARTER**



Mine Audits and
Effectiveness Unit



Mission

The Mine Audits and Effectiveness Unit (the Audit Unit) protects the public, workers and the environment by independently assessing the effectiveness of the oversight of mining activities in British Columbia.

Scope of Work

The Audit Unit assesses mining sector compliance, safety and environmental performance to determine the effectiveness of the regulatory framework for mining in B.C. in mitigating risks to human health and safety, and the environment. Each audit will generate a public report outlining audit conclusions and recommendations.

Specifically, the Audit Unit seeks to:

- » Understand and report on mining sector compliance, safety and environmental performance in relation to regulatory obligations and risk mitigation.
- » Determine how the Ministry of Energy, Mines and Petroleum Resources (the Ministry)'s legislative and regulatory program,¹ and supporting policies, processes and systems, are working in practice and whether they are achieving intended outcomes.
- » Develop recommendations to improve the effectiveness of the regulatory framework and increase industry safety.

The Audit Unit will consider and analyse multiple types of information to support its work, including (but not limited to):

- » Mining sector trends (e.g., compliance, safety statistics, monitoring data and dangerous occurrences).
- » Data gathered through mineral exploration and mine site visits.
- » Regulatory documents, policies, processes and systems.

- » Interviews with (or surveys of) government staff, industry, workers, qualified professionals, Indigenous representatives and/or other interested parties.
- » Relevant best practices and standards set by regulatory or professional bodies.

The Audit Unit may undertake other projects or examinations in delivering its mission.

Values

The Audit Unit will conduct all activities in accordance with its overarching values for excellent practice, including a commitment to:

- » Develop defensible and reasonable recommendations that add value to the Ministry; produce tangible results for the public, workers and the environment; and help industry operate safely and successfully in B.C.
- » Engage with stakeholders and Indigenous peoples throughout the audit process.
- » Encourage continuous improvement of the regulatory framework for mining, as well as the Audit Unit's policies and procedures.
- » Approach audits with curiosity and strive for innovative solutions.
- » Align with relevant auditing practices and procedures, drawn from a range of audit standards.
- » Ensure consistency and transparency in audit practices and communication.

1. The Ministry's legislative and regulatory program includes: the *Mines Act*, the *Mineral Tenure Act* and the *Coal Act*; authorizations issued pursuant to these acts; supporting regulations; and the Health, Safety and Reclamation Code for Mines in B.C.

Organizational Independence and Authorities

The Audit Unit is a dedicated, fully resourced team within the Ministry that is separate and independent from other regulatory functions for mining, including permitting, compliance and enforcement. The Audit Unit's independence and objectivity is set out and maintained through the following authorities:

- » The Director of Mine Audits and Effectiveness (the Director) is responsible and accountable for the functioning of the Audit Unit.
- » Staff within the Audit Unit report to the Director for policy and operational decisions, including those pertaining to:
 - annual audit planning
 - scoping individual audit topics
 - developing and implementing work plans for individual audit topics
 - allocating internal resources, including contracting the services of third-party experts, where necessary
 - developing, approving and reporting audit conclusions and recommendations
 - publicly releasing audit conclusions and recommendations
 - developing and maintaining audit policies and procedures
- » The Audit Unit has access to all records and people within the Ministry to the extent necessary to conduct and complete its audits.
- » The Audit Unit will periodically report on the Ministry's progress in addressing audit recommendations.

Individual Objectivity

The Ministry and the public must have confidence in the reliability and defensibility of the Audit Unit's audit conclusions and recommendations. As such, auditors and program support staff must perform audit activities with objectivity, and they must be impartial and unbiased in collecting and reviewing information and developing and presenting conclusions and recommendations.

The Audit Unit is developing clear and transparent policies and procedures for selecting, planning and conducting audits that aim to enhance objectivity. Auditors and support staff are required to report any known or potential conflicts of interest prior to engaging in an audit. Where a conflict of interest exists, or could be perceived to exist, the team member will work with the Director to determine the appropriate course of action.

Quality Assurance and Improvement Program

The Audit Unit will maintain a quality assurance and improvement program (Q/A program) that covers all aspects of the Audit Unit's activities. The Q/A program will be designed to enable the evaluation of the Audit Unit's audit framework, including alignment with relevant audit standards.

The Audit Unit will conduct internal assessments on a regular basis to monitor the Audit Unit's activities and identify areas for improvement. The internal assessment will be informed by an assessment against key performance indicators and engagement with previous audit participants, including Ministry staff, industry and Indigenous peoples. External assessments will be conducted at least once every five years by a qualified, independent assessor, in accordance with relevant audit standards.

Accountability

The Audit Unit, by way of the Director, is ultimately accountable to the Deputy Minister of Energy, Mines and Petroleum Resources (the Deputy Minister). The Deputy Minister will provide strategic advice to the Audit Unit and ensure the Audit Unit is operating in an independent, objective and effective manner. The Director must provide the Deputy Minister with the following each fiscal year:

- » Any proposed revisions to the Audit Unit's mandate and responsibilities, as defined by the Program Charter, for the Deputy Minister's approval.
- » A summary of audit conclusions and recommendations from the previous fiscal year.
- » A summary of the Ministry's progress in addressing previous audit recommendations.
- » The Audit Plan setting out audits that will be commenced during the fiscal year, as well as any other projects, examinations or priority work areas.
- » A report of Q/A program activities and plans for the Audit Unit's continuous improvement.

Director:



Nov 25, 2019

Karina Sangha

Date

Deputy Minister:



Nov 26, 2019

Dave Nikolejsin

Date

Responsibility

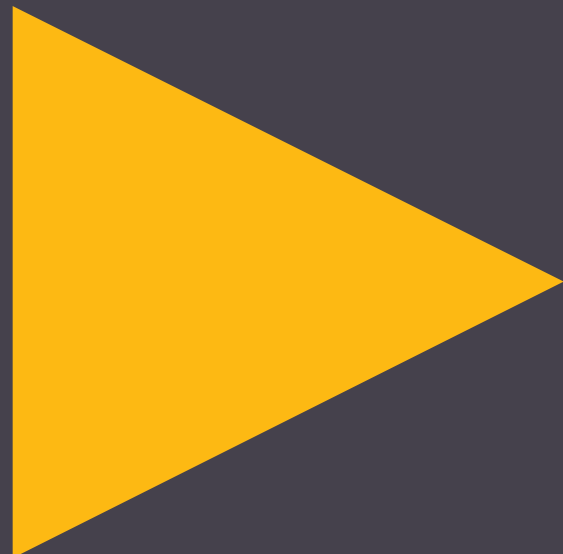
The Audit Unit and staff have the responsibility to:

- » Prepare the Audit Plan, informed by mining sector trends, stakeholders and Indigenous peoples.
- » Present the Audit Plan to the Deputy Minister and release to the public.
- » Implement the Audit Plan, as approved by the Director and aligned with relevant audit standards.
- » Review and adjust the Audit Plan, as necessary, in response to changes in the Ministry's business, risks, operations, programs, systems and controls.
- » Ensure the use of a gender-based analysis plus approach to consider differential impacts on diverse groups of British Columbians in audit analyses and recommendations.
- » Report audit conclusions and recommendations to the Ministry and to the public.
- » Report on the Ministry's progress in addressing recommendations to the public.
- » Ensure staff in the Audit Unit have sufficient knowledge, skills, experience and professional certifications in the areas of auditing and mining to meet the requirements of this Program Charter.
- » Develop and maintain audit policies and procedures.
- » Establish a Q/A program by which the Audit Unit assures the objectivity and independence of audit activities, alignment with relevant audit standards and the reliability and validity of audit conclusions.

Mine Audits and Effectiveness Unit

Ministry of Energy, Mines
and Petroleum Resources

1810 Blanshard Street
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Effectiveness Unit