

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

STANDING COMMITTEE ON PUBLIC ACCOUNTS

ENVIRONET

(Section 3.08, 2003 Annual Report of the Provincial Auditor)

1st Session, 38th Parliament
53 Elizabeth II

Legislative
Assembly
of Ontario



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législative
de l'Ontario

The Honourable Alvin Curling, MPP,
Speaker of the Legislative Assembly.

Sir,

Your Standing Committee on Public Accounts has the honour to present its Report
and commends it to the House.

Norman Sterling, MPP,
Chair.

Queen's Park
November 2004

STANDING COMMITTEE ON PUBLIC ACCOUNTS

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PREAMBLE

The Provincial Auditor reported on the Ministry of the Environment's Environet strategy in Section 3.04 of the *2003 Annual Report*. The Standing Committee on Public Accounts (the Committee) held hearings on this audit report on February 24, 2004 with representation from the Ministry of the Environment (the Ministry). The Committee endorsed the findings in Section 3.04 and recommended the implementation of the Provincial Auditor's recommendations by the Ministry.

The Committee would like to take this opportunity to extend its appreciation to the Deputy Minister, Ministry of the Environment and other Ministry officials for their attendance at these hearings. In addition, the Committee acknowledged the assistance provided during these hearings by the Office of the Provincial Auditor (the Auditor), the Clerk of the Committee, and the Research Officer from the Ontario Legislative Library's Research and Information Services Branch.

This Committee's report includes introductory information in each section based directly on the Auditor's report, followed by an overview of the hearings and the Committee's recommendations.

Ministry Response to Committee Report

The Committee requests that the Ministry of the Environment provide the Committee Clerk with a comprehensive written response to this report within 120 calendar days of the tabling with the Speaker, Legislative Assembly of Ontario. If the Committee decides that a different reporting timeframe is required, instructions will be set out in the recommendation.

1. AUDIT OVERVIEW

1.1. Audit Objectives and Scope

The audit objectives for the Ministry of the Environment's Environet strategy were to assess whether the Ministry had adequate policies and procedures in place to:

- ensure that Environet systems adequately addressed existing legislative and regulatory requirements; and
- ensure that the Environet systems are being developed in accordance with government and information technology (IT) best practices, and the government's environmental commitments.¹

The audit was substantially completed by the end of March 2003.

1.2. Audit Observations and Conclusions

The Ministry's mandate is to restore and enhance Ontario's environment through legislation, which includes the *Ontario Water Resources Act* and the *Environmental Protection Act*, and associated regulations. The Auditor described the role of the Ministry's information technology system as follows:

In 2000, the Ministry developed a new information technology vision and strategy, called Environet, to strengthen the delivery of its environmental programs. At the time of our audit, the Ministry had spent approximately \$17.1 million developing the four Environet management information systems we reviewed.²

The Auditor concluded that the "Environet systems did not provide Ministry staff with the information needed to support the Ministry's responsibilities of ensuring that drinking water meets regulatory standards, that hazardous waste movements are properly controlled, and that all air emissions are monitored and reported where required."³

The Auditor's main concerns related to the following:⁴

- the decreased inspection activity at facilities;
- inadequate reporting to the Ministry by registered non-municipal waterworks and registered waterworks;
- Ministry systems and procedures did not ensure that all Adverse Water Quality Incidents were reported and addressed; and
- the province's hazardous waste movements were not properly monitored by the new Hazardous Waste Information System (HWIN), and there was no evidence of follow-up action on unauthorized hazardous waste movements.

In the initial response to the audit report, the Ministry pointed out that Environet is a long-term strategy and that implementation is proceeding on a timetable that allows for the development and testing of new systems.

Committee Hearings

The Ministry of the Environment reiterated its mandate during the hearings, and pointed out that improvements continue to be made to the Environet systems.⁵ The importance of having access to accurate, useful and timely information for better decision-making in management and operational areas was addressed.⁶ The Ministry acknowledged that more work is required in the procedural and system areas, and explained that shortcomings were evident during a transition period in the development and implementation of the strategy.⁷ The Committee was assured that the areas of concern are being addressed by the Ministry, and that results are evident.⁸

DETAILED AUDIT OBSERVATIONS

2. DRINKING WATER

There are approximately 1,100 large waterworks facilities in the province, of which municipalities own/operate 700. In addition, there are about 1,100 smaller private waterworks. Operation Clean Water is a provincial initiative to ensure safe drinking water under the Drinking Water Protection Regulation framework, which includes minimum sampling, analysis, and reporting standards, and a new municipal waterworks inspection policy. A second regulation, the Drinking Water Protection Regulation for Smaller Waterworks Serving Designated Facilities is in effect.

The Ministry has continued to address drinking water issues through the acceptance of the Walkerton Inquiry recommendations on water systems, and the *Safe Drinking Water Act*, passed in December 2002. Subsequent to this 2003 audit report, new regulations were enacted to support this Act (e.g., increasing the number of waterworks covered by the Act, and setting out specific sampling and testing requirements). The Auditor concluded that it would be necessary to address many of the remaining recommendations from the Walkerton Inquiry (e.g., the protection of water at source) in the future.

Committee Hearings

Report of the Walkerton Inquiry

The Ministry reported that the recommendations of the *Report of the Walkerton Inquiry* are being implemented.⁹ The province's approach is based on a comprehensive regulatory framework providing strict drinking water quality standards under the *Safe Drinking Water Act, 2002* with attention to the following components:

- regular sampling and testing;
- microbiological and chemical testing by accredited laboratories;
- minimum standards for treatment;
- clear notification requirements;
- public reporting;
- penalties; and
- compliance promotion workshops.

2.1. Drinking Water Information System

Since 2000, the Ministry has been developing its Drinking Water Information System (DWIS) to support new monitoring and reporting requirements made possible by the electronic submission of water quality test results. The Ministry has taken steps with an interim Web-based application to register all waterworks and receive water-sample test results electronically from laboratories servicing

them. DWIS can register large waterworks, accept their quarterly reports, and record Adverse Water Quality Incidents (AWQI).

The Auditor recommended that to ensure that the quality of Ontario's drinking water is properly monitored and that appropriate inspection and other follow-up action is taken on a timely basis when necessary, the Ministry should complete the development of the Drinking Water Information System as soon as possible; explore ways to use DWIS and its data to generate reports that would help inspectors identify and prioritize candidates for inspection and summarize waterworks regulatory compliance; and improve validation procedures to ensure all waterworks records in DWIS are accurate.

Upon completion of the audit in 2003, the Ministry indicated that DWIS is a priority, and noted that it inspects 100% of municipal water systems annually. Also, the Ministry is committed to exploring ways to incorporate DWIS in its risk assessment processes. The Ministry conducts quality assurance and quality control on waterworks profile information, and there are plans for "smart forms" to be introduced for data validation.

Committee Hearings

During the hearings the Committee focused on several aspects of the drinking water system; namely, a discussion of the implementation of DWIS with the planned improvements, and IT challenges.

Water Inspection Program

The drinking water inspection program consists of two major types of responses for water systems. The first is obligatory inspections (inspections of municipal drinking water treatment plants on a yearly basis) serving in excess of 80% of the population.¹⁰ Second, the Ministry has a field response, to address adverse water quality incident reports. A follow-up is required in the case of an AWQI that involves E. coli or fecal coliform.¹¹ The Ministry also consults with the local health unit on the follow-ups as required.¹² Field responses are not recorded as a formal, obligatory inspection.¹³ The inspectors check out facilities and make a decision as to whether the location should be placed on its watch list and if it should be a candidate for inspections.¹⁴

The Ministry reiterated the essential measures of the safe drinking water system:

- multiple barriers aimed at preventing contaminants from reaching consumers;
- the adoption of a cautious approach to decision-making on all aspects of drinking water safety;
- a methodology to ensure that water providers apply sound quality management and operating systems; and
- introduction of effective provincial government regulation and oversight.¹⁵

DWIS Objectives

The Committee wanted assurance that DWIS improvements will assist in tracking the problems, focusing on risk.¹⁶ The Ministry assured the Committee that it was focusing on the overall safety of the drinking water delivery system.¹⁷ During the hearings, the Committee addressed several aspects of the drinking water delivery system that included overall water quality, and the effective management of inspection information by the Ministry for purposes of problem identification and taking corrective measures.¹⁸

The main principles used to manage safe drinking water in Ontario, include the following:¹⁹

- Treatment Standards - based on 161 chemical, physical, microbiological and radiological parameters, and stringent treatment requirements for surface water and groundwater;
- Testing/Reporting - timely and reliable testing with accredited laboratories, with reports to the Ministry;
- Adverse Water Quality - immediate notification of adverse water quality incidents;
- Licensing Regime - mandatory approvals in the licensing of drinking water systems with plans for an enhanced licensing regime;
- Engineering Evaluations - smaller municipal plants have engineering evaluations by a licensed engineer based on Ministry regulatory treatment requirements;
- Inspections Program - expanded and enhanced inspections program for drinking water based on a thorough inspection protocol (Note: recommendations from the *Report of the Walkerton Inquiry* fulfilled by the Ministry);
- Integrated Data Acquisition/Information Management – the Ministry plans to move forward with integrated systems and assessment capabilities; and
- Enforcement of Regulations – rigorous enforcement of regulations to drive the Ministry’s compliance and inspection protocols.

DWIS Implementation

The Auditor reported that significant components of DWIS had been implemented, but that the system was incomplete.²⁰ The Ministry explained that at the time of the audit, DWIS was not fully developed to meet the full range of water protection requirements as set out under the regulations, and that the audit had addressed previous business processes.²¹ The current version of DWIS was introduced in May 2003 following the audit.²² This system is being improved gradually, for example, through new analytical and report-generating capabilities on the compliance side.²³

The Ministry provided a DWIS report card on its progress during the hearings:

- Reporting Functions - certain reporting functions identified in the audit have been implemented, and others are under development.
- Updated Information System - an updated version of DWIS (EDWIS - Enhanced Drinking Water Information System) is planned for release in mid 2004 to support specific requirements under Regulation 170.
- Registration of Water Systems – the Ministry has registered all smaller drinking water systems since the audit. Profiles have been updated for existing systems and new profiles are entered as systems register with the Ministry.
- Multifaceted Compliance Strategy – the Ministry’s multifaceted compliance strategy will ensure that the small, non-municipal drinking water systems are apprised of regulatory responsibilities for testing drinking water and forwarding the results to the Ministry.
- Outreach Program – the Ministry’s strategy includes active outreach (e.g., information packages on regulatory requirements, and detailed guidance on the implementation of Ministry requirements for the owners of non-municipal drinking water systems).
- Registration of Systems – the Ministry follows up on drinking water systems not registered in DWIS and not in compliance with regulatory requirements.
- Accuracy of Databases – the Ministry has implemented quality control procedures on drinking water system information to address discrepancies and/or obtain missing data. In addition, the Ministry checks the profile information on these systems manually entered into DWIS. Follow-up procedures are pursued with owners/operators to verify data.
- Enhanced DWIS – these improvements will permit further improvements to data accuracy and crosschecks on the maintenance of drinking water system profiles (e.g., smart form capability to facilitate on-line registration with primary validation of data to ensure the proper registration, help functions, field verification, etc.). The objective is to ensure accurate information from users.

The plan is to have an enhanced system in place by June 2004, building on DWIS’ reporting functions.²⁴ The Ministry explained that the proper regulatory regime is in place, and that planned enhancements will provide a seamless approach with laboratories uploading data; and a new production of DWIS by mid 2004 with smart forms, more control over data quality at the entry point into DWIS by laboratories and drinking water facilities.²⁵ The Ministry provided supplementary information in October 2004, confirming that as planned, the phase in of EDWIS (*Enhanced DWIS with Smart Form Capability*) was underway in June. This process is accompanied by quality assurance measures with control checks. A key challenge at this point entails maintaining data integrity, while moving from the old system to the new architecture.

Committee Recommendations

Improvements in Analyses and Inspections

The Ministry assured the Committee that DWIS and the laboratory/waterworks information system that is coming on-line will enable the Ministry to focus on follow-ups.²⁶ Throughout this process, the Ministry has been gaining experience and accumulating information enabling it to improve analyses and to identify future requirements for water systems.²⁷ The Committee is encouraged that these procedures will enable the Ministry to be proactive in the inspections area.²⁸

The Committee therefore recommends that:

1. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the combined effectiveness of DWIS and the laboratory/waterworks information system in determining future water system requirements (e.g., prioritizing inspection follow-ups).

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

DWIS Enhancements – System Integration

The Ministry indicated that DWIS will provide the Ministry with enhanced assessment capabilities for drinking water systems; however, DWIS is not yet fully integrated with the Ministry's inspection process. The inspection procedures in place are innovative, but capabilities are to be expanded through smart forms, for example. The Committee concluded that a schedule and timetable for improvements are required at this point, indicating how Environet will be fully integrated with other systems, thereby providing an effective and efficient water inspection system.

The Committee therefore recommends that:

2. The Ministry of the Environment should report to the Standing Committee on Public Accounts on its schedule for improvements in the area of inspections and reporting requirements for the Drinking Water Information System (e.g., data quality control at the entry point, and smart form technology).

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

Committee Hearings (cont'd)

Managing Information Technology Projects

This report addresses issues related to broad management information systems, and in this context, the Committee questioned how IT systems can be managed to ensure value-for-money.²⁹ Because projects are so entwined with technology and

information systems today, questions arose over the appropriateness of project budgeting, time frames for product delivery/implementation, and the need to ensure that the technology can actually deliver on the substantive commitments over the long term.³⁰

The Ministry indicated that it has been receiving value-for-money on its IT investments. In the case of Environet, there is a definite Web-based framework to provide communication across the various components of the system.³¹ Each component is reviewed to identify needs, which are in turn considered, based on available resources.³² The Ministry listed various systems that have been successful, namely:³³

- Computer Assisted Mobile Enforcement Office system (CAMEO);
- Ontario Air Emission Registry (OnAIR); and
- Drinking Water Information System (DWIS).

The difficulties experienced with the Hazardous Waste Information System were attributed to an assumption about the number of players that would use this electronic system (see also S. 3.1.).³⁴ The Ministry concluded that its suite of systems has significant compatibility and great potential.³⁵

The Committee enquired about planning and managing uncertainty both in-house, and while outsourcing.³⁶ The Ministry explained that it ensures that it has the right IT personnel, and policy/program expertise on the operational side.³⁷ It has attempted to be innovative and to look for other partners to align with, and share information.³⁸

The planning, development and the maintenance of Environet are done in-house by Ministry staff.³⁹ The private sector is retained when expertise is needed to develop a module to look at business user/operational requirements; for example, consultant services have been used to develop systems in recent years.⁴⁰ The Ministry's focus is not on large investments on the development side now, but rather on design and build projects. Attention is more on the observations and the outcomes of systems, with streamlining initiatives, using efficiencies in the current technology and building on Environet.⁴¹ The Ministry's objective has been to achieve system effectiveness in providing the necessary compliance information in a transparent manner to the public, and assisting in the development of good environmental policies.⁴²

IT Challenges

As noted, system integration is a significant IT challenge, and DWIS is not yet fully integrated with the Ministry's inspection process.⁴³ The Auditor recommended that the Ministry consider ways to use DWIS and available data to identify and prioritize inspection candidates, with a summary of compliance levels.⁴⁴ The Ministry established an assessment and evaluation section in the Drinking Water Management Division for the purpose of monitoring compliance trends and issues (e.g., priority areas for inspection).⁴⁵ Also, the Ministry will be

introducing new tools to analyze data and support the development of inspection protocols for higher-risk systems.⁴⁶

The Committee enquired about high-risk assessments, specifically the tracking methodology used for non-municipal facilities.⁴⁷ Ministry follow-up on an adverse water quality incident, for example, starts with communications with the owner, the operator, the local health unit, the local medical officer of health and Ministry staff.⁴⁸ Policies and regulations prescribe the response actions by system operators.⁴⁹ In January 2004, the Drinking Water Management Division was operational, conducting analyses and assessment of drinking water information, relying on DWIS test results.⁵⁰ It is the Ministry's objective to use available data to help focus future efforts (e.g., compliance promotion in the non-municipal systems) and to target field follow-ups and inspection activities.⁵¹

Committee Recommendations

The subject areas in the following recommendations address IT challenges requiring attention for the successful implementation of the Environet strategy.

Data Analysis and Inspection Protocols

The implementation of the Drinking Water Information System is proceeding, but as noted, there are outstanding features to be addressed, for example, the system is not fully integrated with the inspection process. The Ministry has plans for more data analyses and the development of inspection protocols for higher-risk systems.⁵²

The Committee therefore recommends that:

3. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the status and timing of information technology (IT) initiatives within the broader Environet strategy, specifically system integration (e.g., the Ministry's inspection process and DWIS).

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

Comprehensive Management Information System

The Ministry explained that the development of a strategy to assist with the integration of the Environet and non-Environet systems was underway at the time of the hearings. Ensuring the compatibility of these systems within the Ministry's comprehensive management information system is essential.

The Committee therefore recommends that:

4. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the status and timing of the long-term strategy for the integration of the Environet and non-Environet systems in a comprehensive management information system.

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

2.2. Submission of Water-Sample Test Results

Waterworks are required to submit water samples regularly to an accredited laboratory, and the test results are submitted electronically to the Ministry through DWIS. The Auditor concluded that DWIS was not able to verify that all test results were being filed. The Auditor recommended that to enhance its ability to respond to water problems promptly, the Ministry should improve controls to ensure all waterworks submit their water-sample test results and compliance reports in accordance with regulatory requirements.

The Ministry's response in 2003 indicated that all quarterly test-result reports from municipal water systems are tracked and followed-up on. DWIS reporting procedures were introduced to identify waterworks and laboratories not in compliance with the requirement to file information. A significant step forward since the audit is that compliance reports now automatically notify Ministry inspectors of those waterworks and laboratories not submitting sample test results and the accompanying reports.

Committee Hearings

Water Testing Standards

There are just under 3,000 municipal and non-municipal systems registered in the province.⁵³ The registration process is a necessary part of a comprehensive safety net that includes regulatory requirements.⁵⁴ The current approach to ensure compliance is comprised of the following:⁵⁵

- community outreach to ensure that the requirements are understood; and
- conducting follow up on the facilities that have not submitted test results (facilities identified in the audit report).

The facilities with compliance problems are placed on a watch list to ensure that they address their regulatory responsibilities. In the case of systems that have not submitted test results or have not met the minimum requirements in their submissions, the Ministry follows up in two ways:

- DWIS has been on-line since May 2003 identifying systems not submitting test results; and
- EDWIS is being phased in to identify facilities that have not submitted the minimum sampling requirements.⁵⁶

Accountability Initiatives

In response to the issue of fraud in the submission of water samples, the Ministry now requires the accreditation of all environmental laboratories conducting drinking water testing.⁵⁷ The current inspection system requires that each drinking water treatment plant have a licensed and accredited laboratory, with the laboratories being subject to inspections by Ministry staff for licence requirements and to audits on professional proficiency by the audit component of the Standards Council of Canada.⁵⁸

The Ministry introduced a “chain-of-custody form” to ensure accountability. It is possible to track the steps from the drinking water treatment plant to the laboratory, with the results being submitted to the Ministry.⁵⁹

The Ministry assured the Committee that corrective measures have been taken to address drinking water systems not in compliance with the requirement to submit test results.⁶⁰ The Ministry has responded to those drinking water systems identified by the Auditor, and DWIS will generate reports on those facilities not submitting the required minimum number of test samples (e.g., microbiological parameters).⁶¹

2.2.1. Reporting Exceedances and Adverse Water Quality Incidents

A water sample is considered an exceedance whenever it contains more than the maximum acceptable concentration limit for substances, as specified by the *Ontario Water Resources Act* regulations. The Auditor recommended that to improve its ability to investigate and resolve water problems promptly, the Ministry should enhance the existing system to highlight all AWQI for management attention to ensure timely follow-up action; and to promptly update substance concentration limits to reflect new and amended standards. Furthermore, the Auditor concluded that the Ministry needed to improve its AWQI monitoring and tracking procedures, and recommended that to ensure that all serious water problems are corrected, the Ministry should consider incorporating a follow-up reporting/resolution module within the DWIS. It would provide information to management on incident resolution for each adverse water quality incident.

The Ministry’s initial response to the audit in 2003 indicated that there are systems to respond, and that it is committed to ensure that all high risk AWQI are addressed by developing Environet reports highlighting AWQI. The low-risk AWQI are responded to through staff protocols to determine appropriate responses. The updating of substance concentration limits is consistent with the Ministry’s approach, and it has procedures to ensure new DWIS standards.

Regulations introduced in 2003 require that a report be submitted to the Ministry for each AWQI within seven days following resolution. Environet and non-Environet systems are used in the Ministry in a comprehensive management information system, and a strategy is being developed to assist with the full integration of both Environet and non-Environet systems.⁶²

Committee Hearings

The Ministry confirmed that the procedures are in place to respond to adverse water quality incidents. Non-municipal and the smaller facilities are required to conduct water tests, indicating exceedances, and report to the Ministry.⁶³ The facility and the local health unit are contacted in the event of problems, followed by a field assessment and an engineering evaluation report.⁶⁴

In the case of a high-risk problem, the Ministry responds immediately through on-site inspectors, using detailed procedures to manage the required response actions through the following:⁶⁵

- regular Ministry updates of DWIS to reflect amended regulatory water standards (monitoring and compliance standards);
- introduction of a new business process to ensure that substance concentration limit standards are entered into DWIS, thereby ensuring that tests are assessed against current standards;
- DWIS now distinguishes between raw and treated water exceedances in its reporting; and
- the implementation of a mandatory “chain-of-custody” process to improve the quality control for data submitted. The Ministry receives assurance that these are used through its mandatory inspection program.

DWIS and the Integrated Divisional System, for monitoring and tracking adverse water quality incidents, have been enhanced.⁶⁶ Also, additional improvements are underway to permit the Ministry to track incident resolution through DWIS.⁶⁷ The Ministry now has a reporting tool to match adverse water quality incident notifications reported to the Spills Action Centre with testing data uploaded to DWIS by the laboratory.⁶⁸

During 2004 and 2005 the Ministry plans to amend its approach as follows:

- the Ministry will have significant capacity to analyze its information and make decisions affecting the allocation of inspection resources (high versus low risk facilities); and
- the Ministry is focusing resources to pursue facilities with difficulties around water quality. In the case of non-municipal systems, there is a field response based on Ministry policies that permit follow-ups to facilities reporting AWQIs.⁶⁹

Committee Recommendation

Reporting Incidents/Inspection Resources

The Committee noted the Ministry’s undertaking to permit the tracking of incident resolution within DWIS. The Ministry will be able to make decisions based on data in its allocation of inspection resources (with a focus on water

quality), and a strategy was being developed in 2003 to assist with the complete integration of Environet and non-Environet systems.

The Committee therefore recommends that:

5. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the tracking of incident resolution within DWIS, decision-making on the allocation of inspection resources in specified areas (e.g., water quality), and the proposed strategy to integrate Environet and non-Environet systems.

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

3. HAZARDOUS WASTE

3.1. Hazardous Waste Information Network

3.1.1. Electronic Manifests Strategy

Tracking documents, or manifests for hazardous waste movements, require that the generator and receiver submit copies to the Ministry. The Hazardous Waste Information Network Environet application replaced the Hazardous Waste Information System (HWIS) with the objective of introducing an electronic submission of manifests and fees. However, there has been minimal use of the new system, handling less than 1% of the hazardous waste movement manifests.

The Auditor recommended that to ensure that all hazardous waste movements are properly monitored to minimize the risk to the public, the Ministry should develop and deliver an ongoing incentive, conversion, and communication strategy to promote the adoption of electronic manifests by the hazardous waste industry. It should also develop Hazardous Waste Information Network analytical and reporting tools that provide summary information related to the generation and movement of hazardous waste, and to help identify potential problems warranting follow-up.

In its initial response to the audit, the Ministry noted that it had initiated HWIN to improve the quality and quantity of information, specifically on electronic registration, and in relation to manifests and fees. The Ministry plans to build analytical and reporting tools to provide summary information on hazardous waste, and in the interim it will continue to obtain information from HWIS.

3.1.2. HWIN Registration

The Ministry requires generators to register in HWIN. Generators must use Ministry-approved carriers and receivers, which are controlled through Certificates of Approval and the HWIN tracking system. The Auditor noted that the majority of generators failed to re-register on time each year, and the Ministry

made little effort to follow up on delinquent registrants. The HWIN system identified a number of unauthorized waste movements; however, there was no evidence of follow-up action. Carriers and receivers were moving waste without authorization.

The Auditor recommended that to ensure that all hazardous waste is moved in accordance with regulatory standards, the Ministry should: ensure all active hazardous waste generators are registered; investigate hazardous waste movements initiated by unregistered generators; and investigate hazardous waste movements where the generator, carrier, or receiver is not authorized to handle the waste type.

The Ministry's initial response in 2003 indicated as follows:

- the requirement to register is the sole responsibility of the generator; however, the Ministry provides reminders to generators;
- a comprehensive and integrated program is used for monitoring hazardous and liquid industrial wastes; and
- SWAT (Soil, Water and Air Team) implemented a targeted compliance strategy (e.g., inspection sweeps of hazardous waste transfer and processing facilities).

Committee Hearings

The registration process is complex involving numerous facilities, for example, in the order of 22,000 generators of hazardous waste are required to register each year with the Ministry.⁷⁰ Carriers, and receivers require a Certificate of Approval and Ministry registration.⁷¹ Approximately 70% of the industry is covered by three major receivers, with which the Ministry is working to promote compliance.⁷²

Inspection Methodology

The Ministry's focus on inspections has been redirected to mitigating environmental risk through inspections (e.g., SWAT inspections of high-risk companies and sectors). District offices conduct facility inspections using stringent methods to ensure compliance (e.g., provincial officer orders).⁷³ These complementary inspections help to detect sector-wide trends as well as providing a regional, community-based presence.⁷⁴ Inspections are one mechanism to ensure effective regulatory compliance.⁷⁵ The Ministry's workload includes the following:⁷⁶

- responding to in excess of 40,000 pollution incident reports a year (not counted as inspection statistics); and
- issuing more than 8,000 environmental approvals (industries and facilities are regulated to meet effective regulatory performance).

Electronic Manifests

The electronic processing of manifests within HWIN requires initiation by the generator, with support by the carrier and receiver. Carriers have relied on paper manifests for various reasons, resulting in minimal usage of the electronic option.⁷⁷

With increased electronic monitoring, the Ministry is attempting to achieve “real-time” monitoring and tracking of waste, and ultimately timely reporting.⁷⁸ The Ministry is doing significant outreach with the hazardous waste community, encouraging electronic manifests. For example, meetings were held with receiver companies to provide the Ministry with improved tracking.⁷⁹ The goal is to have two-thirds of the system electronic, providing a greater ability to track hazardous waste movements in real time.⁸⁰ This responsibility will rest with District and SWAT staff to follow up with generators, carriers and receivers.⁸¹

The challenge is one of resolving the interaction between electronic and paper tracking.⁸² The Ministry has a number of modifications including an adapted electronic system that allows a carrier without an onboard computer to key into the system by telephone when the delivery is completed.⁸³ At the time of the hearings, the Ministry was in discussions on electronic reporting, with the objective of encouraging usage through training, and garnering input on facilitating compliance.⁸⁴

Supplementary Information

The Committee requested supplementary information on the processing of hazardous waste manifests.⁸⁵ It was not until HWIN was introduced in January 2002 that electronic manifests were filed. The number of paper manifests submitted each year between 1999 and 2004 has been in the order of 210,000 and in comparison electronic submissions totalled 1,885 in 2002, 682 in 2003, and 73 for the first few months of 2004.

The Ministry’s objective is to have 75% of all manifests processed electronically by year-end 2004-05. To achieve this result, a Ministry Action Plan includes an Outreach Strategy to gather feedback and to provide information on the electronic registration process, manifest requirements, and fees. To facilitate this process the Ministry has met with the major carriers, and committed to review HWIN and related policies and regulations, with attention to incentives to promote the use of electronic manifests.

Compliance Assistance/Co-operative Agreements

The Ministry has developed different partnerships to address shortcomings in certain industries, particularly those with individual owner-operators or small employers. The objective is to impart knowledge on the regulatory requirements. The Ministry has taken several initiatives, which include pilot programs:⁸⁶

- Co-operative Agreements – through these agreements the Ministry has encouraged environmental leaders, and those in compliance with Ministry

- programs to exceed the minimum provincial standards with further reductions of certain substances (e.g., nitrous oxide, and sulphur dioxide);
- Compliance Assistance – the Ministry’s focus is on industry sectors with few employees that may require assistance with “plain-language versions” of regulations;
 - Educational Programs – courses are contracted through community colleges to provide training (e.g., dry cleaner operators and well drillers); and
 - SWAT Initiatives - targeting repeat violators based on compliance records, with a thorough review of the sector.

Registration Process

The majority of generators did not register on a timely basis, and the system flagged several unauthorized waste movements.⁸⁷ In response, the Ministry has sent reminders to generators in violation of registration requirements. The status of facilities’ registration is now checked during routine inspections.⁸⁸

The information collected is useful in providing a better understanding of pollution trends, and conducting policy analysis. Also, it assists with Ministry partnerships with private stakeholders, companies and government in the effort to address environmental matters through preventative measures, as well as outcomes.⁸⁹

Committee Recommendations

Electronic Compliance

The Committee noted that the Ministry is taking steps to facilitate compliance with the electronic reporting system.⁹⁰ The Ministry explained that it planned to have the options defined by the spring 2004, followed by an action plan to increase electronic reporting, possibly through a combination of paper and electronic approaches. The planned review of HWIN and related policies and regulations is necessary to monitor progress and take remedial action in the short term.

The Committee therefore recommends that:

6. The Ministry of the Environment should report to the Standing Committee on Public Accounts on its Action Plan to increase electronic manifesting. The report should address the impact of the Outreach Strategy, and the internal Ministry review of HWIN on the specific usage of electronic and paper manifests, providing a statistical summary on the volume of reporting activity from 2003-04 to the present (approximately mid-year 2004-05).

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

Corporate Registrations

The Ministry noted that full compliance demonstrated through company registrations is dependent on a regulated system. The Committee recognizes that registration is an essential component of the Hazardous Waste Information Network and that without compliance on the part of users, the overall success of the Environet system would be compromised.

The Committee therefore recommends that:

7. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the status of industry registrations under the Hazardous Waste Information Network (HWIN), with reference to timelines and the degree of completeness. In addition, this report should address the impact of the following: sending registration reminders to generators; conducting routine inspections; compiling data on pollution trends; and undertaking preventative measures.

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

4. AIR

New regulations were introduced under the *Environmental Protection Act* to increase public accountability for air pollution sources (e.g., monitoring and disclosure of environmental pollutants).

4.1. Ontario Air Emission Registry

Environet's Ontario Air Emission Registry (OnAIR) system was designed to provide the public with timely access to information on air emissions data reported by facilities. This system allows these facilities to submit emission reports electronically to the Web site. Each facility is responsible for the accuracy of its emission data.⁹¹

The Auditor recommended that the Ministry should complete the inventory of the facilities that should be reporting air emissions, verify if facilities are approved to emit the substances they report on, and periodically verify the accuracy of data submitted. The Auditor received satisfactory management responses to this recommendation, within the framework of the Ministry action plans.

Committee Hearings

Reporting by Facilities

The Auditor noted that many facilities were not in compliance with the OnAir reporting requirement, within the time frames prescribed by regulation. Also, the Ministry did not have a complete inventory of the facilities required to report

emissions from industrial, commercial and municipal sources.⁹² Response strategies have been introduced to identify these facilities.⁹³

Outreach Program

In June 2003, company reports were a requirement and an outreach strategy was initiated.⁹⁴ The focus of this strategy was to raise awareness of the various regulatory requirements (e.g., reporting by facilities). In conjunction with Environment Canada and other partners, the Ministry has provided workshops and training sessions on reporting for 2,000 facilities.⁹⁵ To facilitate this process, the provincial and federal governments have taken several steps:⁹⁶

- provincial outreach initiatives to raise awareness of reporting requirements;
- ongoing strategic inspections by the province to determine if facilities are meeting reporting requirements;
- Environment Canada's list on the "national pollutants release inventory" to identify potential inspections;
- the Ministry crosscheck of the OnAir registry; and
- Ministry's Approvals Branch database (Certificates of Approval) of potential facilities for reporting as required by regulation (O. Reg. 127/01).

The Ministry tracks those facilities that are not in compliance through reminder letters, setting out their responsibilities (approximately 700 of 3,900 facilities in 2002 were non-compliant).⁹⁷ This year there were 3,900 emitters, including municipalities and companies that have reported.⁹⁸ The Ministry takes follow-up actions in the case of repeat offenders.⁹⁹ OnAir's non-compliance module, which was to be operational by June 2004, will support the Ministry's various strategies.

OnAir Data Analysis

The Auditor reported that minimal analyses had been conducted on the data assembled by the OnAir system, which would be useful in the development of provincial environmental policy. The Ministry acknowledged this conclusion, and indicated that it is the first year that the Ministry has been receiving a comprehensive statement of emission data.¹⁰⁰ Although trend data is not yet available, data on emissions has been used in policy development and it will be addressed in the annual *Air Quality in Ontario* reports.¹⁰¹

Committee Recommendations

Verification of Facility Data

The Committee concurred that verification work is necessary when a facility's reported data has been questioned, given that each facility is responsible for the accuracy of its emission data.¹⁰² It was noted by the Committee that the Ministry has committed to review reports to OnAir as part of its quality assurance/quality control procedures.¹⁰³

The Committee therefore recommends that:

8. The Ministry of the Environment should report to the Standing Committee on Public Accounts on its evaluation of emission data reports submitted to OnAir by facilities as part of its internal quality assurance/quality control procedures.

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

OnAir Data

The Committee noted the minimal level of analyses on the data assembled by the OnAir system, and that the Ministry is in the early stages of receiving comprehensive emission data. The Committee is encouraged by the commitment to introduce OnAir's non-compliance module in 2004, to conduct trend analyses of the data assembled, thereby contributing to provincial environmental policy and annual reporting on air quality.

The Committee therefore recommends that:

9. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the following for the purposes of enforcement, environmental planning, and policy development:

- **trend analyses in OnAir emission data; and**
- **the introduction of OnAir's non-compliance module in 2004.**

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

5. INSPECTIONS AND MANAGEMENT INFORMATION SYSTEMS

The audit concluded that regional inspectors of water, hazardous waste, and air facilities were not using Environet applications or the data on a consistent basis, and in certain cases not at all. SWAT uses a risk-assessment framework to target specific sectors, based on past instances of non-compliance.

It was concluded in the audit report that there are still significant concerns with inspection coverage, for example: the new policy of annually inspecting all municipal waterworks has had a negative impact on the Ministry's ability to cover other environmental sectors; and inspection activity has decreased, which has been attributed in part to a change in inspection methodology.¹⁰⁴ There was no formal evidence or analysis that supported the allocation of inspectors by region across the province, and inspectors not currently using the Environet systems to prioritize their work were not able to access the current data to improve risk-based inspection planning.

The Auditor concluded that to ensure that inspection coverage is risk-based and that inspection resources are allocated most efficiently, the Ministry should develop Environet reports to analyze the state of Ontario's environment and compliance with its regulations. In this way, inspection resources can be allocated based on the greatest risks to human health, re-assessing waterworks inspection coverage to ensure that more non-municipal waterworks are inspected, and completing the development of a regime for laboratory inspections to ensure that testing standards are being met and all Adverse Water Quality Incidents are reported promptly.

In its initial response in 2003, the Ministry noted that it uses information from various sources, in addition to Environet, for planning and setting its priorities. Also, resource allocation is dependent on the collection, integration and analyses of data using the Environet. Subsequently the Ministry has taken several initiatives:

- Information Technology Strategy - development of an information technology strategy to bring many drinking water databases together into one Environet-compatible network and data model; and
- New Resources - funding was allocated for the development of complementary systems (e.g., Laboratory and Waterworks Inspection System) to contribute to inspection and compliance functions. It will electronically assess waterworks and provide a grading to identify and prioritize inspections.

The Ministry now has a regulatory obligation to inspect municipal drinking water systems annually. In the case of non-municipal waterworks, the Ministry developed a structured risk-based program. Also, the Ministry is developing its laboratory licensing and inspection program for implementation to ensure compliance with regulatory requirements.

Committee Hearings

This section of the report focuses on inspections and management information systems, with respect to developing Environet reports for the analyses of the environment and ensuring compliance with regulations. In this regard, during the hearings, attention was directed toward several related components, namely:

- risk-based inspection coverage;
- the regime for laboratory inspections; and
- the allocation of inspection resources (e.g., staffing).

Aspects of these subject areas are addressed throughout the report; however, this section is focused more on their management implications.

Risk-Based Inspection Protocol

The Auditor noted that the policy of annually inspecting municipal drinking water systems has had an impact on the Ministry's ability to address other sectors.¹⁰⁵ The inspection regime includes a comprehensive inspection for all municipal drinking water treatment systems, within an established protocol, which includes extensive data collection. The protocol is now in its second year of operation and the Ministry indicated that there may be some adjustments required following a planned internal review.¹⁰⁶

As we see those results and as we look at where there may be problems, if they're as diverse as larger municipalities versus smaller municipalities or rural versus urban, I think that does help inform us as to that particular protocol and if we need the same robust protocol across the board. My expectation would be . . . that we would take that review seriously and see what makes sense, recognizing . . . that we have limited resources to deal with water inspection, let alone any other inspections, across the province.¹⁰⁷

In the non-municipal and smaller waterworks, the Ministry noted that it needs to assess current resources and how it can provide better assurance and compliance in these areas without having specific regulatory requirements (e.g., annual inspections).¹⁰⁸

Inspection Regime and Resources

The Auditor recommended that inspection resources should be allocated based on the greatest risks to human health, and that more non-municipal waterworks are inspected. The Committee questioned the merit of allocating resources to inspect a new water plant, for example rather than focusing available resources in trouble areas.¹⁰⁹ It was noted that inspectors were averaging fewer inspections annually, and total water inspection activity had decreased over the past decade.¹¹⁰

Modified Inspection Regime

The Ministry acknowledged that its traditional inspection coverage has been declining, as it has redirected its efforts to a more comprehensive format. Under a risk-based inspections program it was pointed out that the approach to inspections is based less on the actual number of inspections under a new inspections regime:¹¹¹

...our inspections are becoming far more comprehensive these days. Years ago, an inspector used to spend, on average, about five hours in a facility. The average that my division now spends in a facility is 15½ hours. That's a threefold increase of going in there. I know from the days when, for example, my division

had drinking water responsibilities assigned to it that the staff would take one, two or, in some cases, three weeks to get ready to do the inspection, because the protocol is so stringent and strict to go in and make sure there is no stone left unturned in terms of what they look at. So our planning time for doing inspections is increasing too. What I think that means at the end of the day is we have to have our resources appropriately apportioned to where the highest risk is. So we asked our director of the environmental SWAT team to prepare a risk-based assessment program for our overall inspections, and we're going to roll that out this year, in April [2004].¹¹²

Environet Applications - Reporting

The Committee addressed the Auditor's conclusion that inspectors were not using Environet to plan and prioritize their work.¹¹³ This Web-based system permits analyses of data and sharing broadly with other offices, identifying areas in need of follow-up inspections.¹¹⁴ The Ministry noted the inability of inspectors to access information on a timely basis (e.g., compliance history) and that there are plans to integrate current Environet systems with the Integrated Divisional System to manage information and risks.¹¹⁵ Reports and information generated in all program areas and databases are now used for work planning and priority-setting activities, thereby ensuring that inspectors have essential information.¹¹⁶ The Ministry explained that it is in the process of improving Environet's applications.¹¹⁷ For example, the Ministry is planning expanded applications for OnAir, and the SWAT team has completed broad inspections over an 18-month period with plans for a more regional-based strategy.¹¹⁸

Integrated Divisional System

In January 2003, the Ministry trained field staff in the use of the Integrated Divisional System (IDS) which is being linked to Environet, thereby providing access to the database system.¹¹⁹ However, it is not yet fully Environet-compatible.¹²⁰ On the other hand, SWAT's CAMEO program, which is Environet-compatible now, is to be made available across the province for all staff, in addition to inspectors.¹²¹

Committee Recommendations

Review of the Inspection Protocol

The Ministry indicated that its risk-based inspection program would be the subject of a future review. The review will consider problem areas, which may relate to municipal profiles (e.g., urban/rural and size), and the uniform application of the inspection methodology across the board, taking into account budgetary constraints.¹²²

The Committee therefore recommends that:

10. The Ministry of the Environment should report to the Standing Committee on Public Accounts on its review of the risk-based inspections protocol. The review should assess the efficiency and effectiveness of the inspection methodology, taking into account such factors as the impact in urban and rural municipalities, the suitability of a uniform approach across the province, and budgetary considerations.

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

Environet-Compatibility Applications

The Ministry indicated during the hearings that it is in the process of expanding the application of the Environet-compatibility.¹²³ The Committee concluded that the broadest application of Environet is essential in terms of ensuring seamless access to data for monitoring and enforcement purposes, and to realize the full benefit of the provincial investment in this environmental strategy.

The Committee therefore recommends that:

11. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the progress made in expanding the application of the Environet-compatibility (e.g., Integrated Divisional System). The report should describe the current application, and itemize those cases in which the Environet application will be applied, indicating the timelines and resource requirements for the implementation of outstanding components, and the introduction of formal Environet reporting.

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

Committee Hearings (cont'd)

Allocation of Inspection Resources – Staffing

The Committee addressed the relevance of prioritizing inspection resources in high-risk areas to ensure the maximum impact.¹²⁴ The province will not be inspecting all water treatment facilities; however, there is the commitment to inspect all 650 municipal water treatment facilities across the province each year.¹²⁵ The focus will be on problem areas, possibly reducing the number of inspection days in facilities with effective regulatory performance.¹²⁶ The Ministry indicated that it could experience a further drop in the total number of inspections as it targets facilities.¹²⁷

The Auditor expressed a concern that 37 of 231 inspectors were assigned to the Central Region with a population of five million.¹²⁸ In addition, it was noted in the audit report that a formal analysis to support the allocation of inspectors by region was not in place.¹²⁹ The Ministry explained its approach:

- the resource distribution is based on several factors; namely, the size and complexity of the regulated community; environmental significance of the community; geographical dispersion of facilities; protection of urban versus natural areas, and population; and
- in addition, SWAT inspectors contribute to the overall inspection capacity, complementing district inspection staff through strategic, sector-based inspections.¹³⁰

Substantial resources were allocated to the Ministry over the past year to assist with water inspection, for example.¹³¹ Staff had been assigned to deal with outstanding registrations, and the status of each system is tracked weekly.¹³² The Committee noted that the Ministry plans to ensure adequate staffing levels for inspections, given that it operates under a level of constraint.¹³³ In February 2004, the Ministry was in the process of recruiting 30 additional staff in the compliance/inspection area for the drinking water program.¹³⁴ In October 2004 the Ministry confirmed that these positions have been filled, thereby providing a total staff complement of 101 inspectors for its responsibilities in this area.

Laboratory and Waterworks Inspection System Project

The Ministry has plans for a Laboratory and Waterworks Inspection System Project.¹³⁵ The Ministry described this undertaking as involving the integration of the Environet strategy with the Integrated Divisional System for an improved information management system.¹³⁶

This undertaking entails a strategy to redesign present inspection approaches with new tools (e.g., diagnostics testing, outreach and incentives). The Ministry's Operations Division is to evaluate the IT systems with the objective of identifying future Environet-compatible base systems.¹³⁷ The Ministry has a strong accreditation system now that requires laboratory licensing as well as Ministry inspections of laboratories.¹³⁸

Committee Recommendations

Inspection Resources

The Ministry indicated that it is too early to determine the overall effectiveness of resources allocated to water inspection, given that the current initiative is two years old.¹³⁹ The Ministry noted that the results to date are significant; however, the overall impact will not be known immediately.¹⁴⁰

The Committee therefore recommends that:

12. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the results of the allocation of

resources for water inspection. The report should address the overall level of efficiency and effectiveness achieved with the allocation of new resources.

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

New Initiatives

The Committee noted that the Ministry has taken two important initiatives; namely, the implementation of the Integrated Divisional System and the initial planning for the implementation of the Laboratory and Waterworks Inspection System Project. The Committee expressed interest in the overall impact of these initiatives - for example, the extent to which the integration of the Environet strategy with the Integrated Divisional System has resulted in an improved information management system.

The Committee therefore recommends that:

13. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the implementation of the Integrated Divisional System and the Laboratory and Waterworks Inspection System Project. An assessment of these initiatives is required to evaluate their integration with the Environet strategy, and more generally, the benefits derived within the information management system.

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

6. INFRASTRUCTURE FUNDING

Affordability of Water/Sewage Facilities

The Committee enquired about the availability of future provincial funding from the Ministry of Public Infrastructure Renewal for municipal water and sewage facilities.¹⁴¹ Of concern are those municipalities that may not be in a position to afford these plants, particularly older municipalities with a decreasing population base.¹⁴² In addition, the matter was raised that the fine system may compound the problem of affordability for municipalities not yet in compliance with provincial standards.¹⁴³

The Committee raised the following points in relation to the suggestion that there be a clear definition of responsibilities, with an indication of where the Ministry's responsibility stops as a regulator. The Committee made several suggestions for the Ministry's consideration:¹⁴⁴

- provincial responsibilities and standards should be clearly defined;
- large municipalities should be able to manage their systems and inspection responsibilities; and
- provincial resources should be directed to municipalities with defined problems.

The Ministry responded that the current legislation identifies a variety of accountabilities, and that responsibility rests with the province at one level, and then with municipalities, operators, and laboratories.¹⁴⁵

Committee Recommendation

Infrastructure Affordability

The Committee acknowledged the significant benefits derived from the implementation of the Environet strategy; however, it is also aware of the long-term financial implications at the provincial and municipal levels of government.¹⁴⁶ Specifically, the Committee is concerned that certain municipalities may not be able to afford the infrastructure costs.¹⁴⁷

The Committee therefore recommends that:

14. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the availability of funding and/or financial assistance programs to assist municipalities with the construction and maintenance of municipal water and sewage facilities over the long-term.

The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the date of tabling this report in the Legislature.

7. LIST OF COMMITTEE RECOMMENDATIONS

The Committee requests that the Ministry provide the Committee Clerk with a written response to the following recommendations within 120 calendar days of the date of tabling this report in the Legislature, unless otherwise indicated in a recommendation.

1. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the combined effectiveness of DWIS and the laboratory/waterworks information system in determining future water system requirements (e.g., prioritizing inspection follow-ups).

2. The Ministry of the Environment should report to the Standing Committee on Public Accounts on its schedule for improvements in the area of inspections and reporting requirements for the Drinking

Water Information System (e.g., data quality control at the entry point, and smart form technology).

3. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the status and timing of information technology (IT) initiatives within the broader Environet strategy, specifically system integration (e.g., the Ministry's inspection process and DWIS).

4. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the status and timing of the long-term strategy for the integration of the Environet and non-Environet systems in a comprehensive management information system.

5. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the tracking of incident resolution within DWIS, decision-making on the allocation of inspection resources in specified areas (e.g., water quality), and the proposed strategy to integrate Environet and non-Environet systems.

6. The Ministry of the Environment should report to the Standing Committee on Public Accounts on its Action Plan to increase electronic manifesting. The report should address the impact of the Outreach Strategy, and the internal Ministry review of HWIN on the specific usage of electronic and paper manifests, providing a statistical summary on the volume of reporting activity from 2003-04 to the present (approximately mid-year 2004-05).

7. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the status of industry registrations under the Hazardous Waste Information Network (HWIN), with reference to timelines and the degree of completeness. In addition, this report should address the impact of the following: sending registration reminders to generators; conducting routine inspections; compiling data on pollution trends; and undertaking preventative measures.

8. The Ministry of the Environment should report to the Standing Committee on Public Accounts on its evaluation of emission data reports submitted to OnAir by facilities as part of its internal quality assurance/quality control procedures.

9. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the following for the purposes of enforcement, environmental planning, and policy development:

- **trend analyses in OnAir emission data; and**
- **the introduction of OnAir's non-compliance module in 2004.**

10. The Ministry of the Environment should report to the Standing Committee on Public Accounts on its review of the risk-based inspections protocol. The review should assess the efficiency and effectiveness of the inspection methodology, taking into account such factors as the impact in urban and rural municipalities, the suitability of a uniform approach across the province, and budgetary considerations.

11. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the progress made in expanding the application of the Environet-compatibility (e.g., Integrated Divisional System). The report should describe the current application, and itemize those cases in which the Environet application will be applied, indicating the timelines and resource requirements for the implementation of outstanding components, and the introduction of formal Environet reporting.

12. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the results of the allocation of resources for water inspection. The report should address the overall level of efficiency and effectiveness achieved with the allocation of new resources.

13. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the implementation of the Integrated Divisional System and the Laboratory and Waterworks Inspection System Project. An assessment of these initiatives is required to evaluate their integration with the Environet strategy, and more generally, the benefits derived within the information management system.

14. The Ministry of the Environment should report to the Standing Committee on Public Accounts on the availability of funding and/or financial assistance programs to assist municipalities with the construction and maintenance of municipal water and sewage facilities over the long-term.

NOTES

¹ Ontario, Legislative Assembly, Standing Committee on Public Accounts, Official Report of Debates (*Hansard*), First Session, 38th Parliament (24 February 2004): P-20.

² Ontario, *2003 Annual Report*, Office of the Provincial Auditor (The Office, 2003), p. 13. This section is a direct quote from the Provincial Auditor's *2003 Annual Report*, with minor stylistic changes for integration with this Committee report.

³ Ibid.

⁴ Ibid.

⁵ Ibid., P-199.

⁶ Ibid.

⁷ Ibid., P-204 and P-223.

⁸ Ibid., P-223.

⁹ Ibid., P-214.

¹⁰ Ibid., P-207.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid., P-214.

¹⁶ Ibid., P-202.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Ibid., P-214.

²⁰ Ibid., P-199.

²¹ Ibid.

²² Ibid.

²³ Ibid., P-199 and P-200.

²⁴ Ibid., P-207 and P-208.

²⁵ Ibid., P-208.

²⁶ Ibid., P-206.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid., P-221.

³⁰ Ibid.

³¹ Ibid.

³² Ibid.

³³ Ibid., P-222.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Ibid., P-222 and P-223.

⁴¹ Ibid., P-223.

⁴² Ibid., P-220.

⁴³ Ibid., P-200.

⁴⁴ Ibid.

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷ Ibid., P-203.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² Ibid., P-200.

⁵³ Ibid., P-205.

⁵⁴ Ibid.

⁵⁵ Ibid., P-206 and P-207.

⁵⁶ Ibid., P-206.

⁵⁷ Ibid., P-207.

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ Ibid., P-200.

⁶¹ Ibid.

⁶² Ibid., P-207.

⁶³ Ibid., P- 205.

⁶⁴ Ibid.

⁶⁵ Ibid., P-200.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ Ibid., P-206.

⁷⁰ Ibid., P-212.

⁷¹ Ibid., P-214.

⁷² Ibid., P-211.

⁷³ Ibid., P-201.

⁷⁴ Ibid.

⁷⁵ Ibid., P-209.

⁷⁶ Ibid., P-210.

⁷⁷ Ibid., P-200.

⁷⁸ Ibid., P-214.

⁷⁹ Ibid., P-204.

⁸⁰ Ibid., P-214.

⁸¹ Ibid.

⁸² Ibid., P-220 and P-221.

⁸³ Ibid., P-221.

⁸⁴ Ibid.

⁸⁵ Correspondence from the Deputy Minister, Ministry of the Environment to the Clerk, Standing Committee on Public Accounts, dated March 29, 2004 (Exhibit No. 1/04/030).

⁸⁶ Ontario, Legislative Assembly, Standing Committee on Public Accounts, Official Report of Debates (*Hansard*), First Session, 38th Parliament (24 February 2004): P-216 and P-217.

⁸⁷ Ibid., P-201.

⁸⁸ Ibid.

⁸⁹ Ibid., P-216.

⁹⁰ Ibid., P-221.

⁹¹ Ibid., P-201.

⁹² Ibid.

⁹³ Ibid.

⁹⁴ Ibid., P-204.

⁹⁵ Ibid., P-201.

⁹⁶ Ibid.

⁹⁷ Ibid.

⁹⁸ Ibid., P-204.

⁹⁹ Ibid., P-201.

¹⁰⁰ Ibid., P-210.

¹⁰¹ Ibid.

¹⁰² Ibid., P-201.

¹⁰³ Ibid.

¹⁰⁴ Note: According to the Ministry, this has been attributed to the fact that the inspections are now more compliance-related and more comprehensive, and therefore they take longer to carry out than

in the mid-nineties. The Auditor expressed concern with the decrease, as the number of facilities now covered by the new regulations has increased and will continue to do so.

¹⁰⁵ Ibid., P-201.

¹⁰⁶ Ibid., P-225.

¹⁰⁷ Ibid.

¹⁰⁸ Ibid., P-209.

¹⁰⁹ Ibid., P-205.

¹¹⁰ Ibid., P-209.

¹¹¹ Ibid., P-210.

¹¹² Ibid.

¹¹³ Ibid., P-204.

¹¹⁴ Ibid.

¹¹⁵ Ibid., P-202.

¹¹⁶ Ibid.

¹¹⁷ Ibid., P-204.

¹¹⁸ Ibid.

¹¹⁹ Ibid.

¹²⁰ Ibid.

¹²¹ Ibid.

¹²² Ibid., P-225.

¹²³ Ibid., P-204.

¹²⁴ Ibid., P-206.

¹²⁵ Ibid., P-211.

¹²⁶ Ibid.

¹²⁷ Ibid.

¹²⁸ Ibid., P-201.

¹²⁹ Ibid., P-201 and P-202.

¹³⁰ Ibid.

¹³¹ Ibid., P-209.

¹³² Ibid., P-220.

¹³³ Ibid., P-209.

¹³⁴ Ibid., P-220.

¹³⁵ Ibid., P-202.

¹³⁶ Ibid.

¹³⁷ Ibid.

¹³⁸ Ibid., P-224.

¹³⁹ Ibid., P-209.

¹⁴⁰ Ibid.

¹⁴¹ Ibid., P-225.

¹⁴² Ibid., P-226.

¹⁴³ Ibid., P-225.

¹⁴⁴ Ibid.

¹⁴⁵ Ibid., P-225.

¹⁴⁶ Ibid.

¹⁴⁷ Ibid., P-226.