



Office of the Auditor General of Ontario  
Bureau de la vérificatrice générale de l'Ontario

Value-for-money audit of:

# Management of Contaminated Sites

2015 Annual Report, Section 3.10

# Background

- Government is responsible for contaminated sites:
  - that it owns or on which it directly caused contamination through its own activities;
  - on which contamination was caused by third parties that became insolvent, ceased to exist, or had insufficient funds, and for which it has assumed responsibility; and
  - for which it implicitly accepts responsibility by taking remediation action in emergency situations.
- Province's total estimated liability at March 31, 2015, for remediating 288 contaminated sites was \$1.792 billion



# Audit Objective

Assess whether, in its implementation of accounting standard PS 3260, *Liability of Contaminated Sites*, the government had:

- effective processes and systems in place to ensure that it had identified its contaminated sites, sufficiently assessed their risks, and developed appropriate remediation plans to address their contamination; and
- sufficient and appropriate evidence to support its measurement and reporting of the Province's contaminated sites liability in the March 31, 2015, consolidated financial statements.



# Overall Conclusions

- There is no centralized oversight of contaminated sites
- Province lacks a centralized inventory of contaminated sites
- Province needs a government-wide funding and resources-allocation strategy for remediating contaminated sites



# Specific Findings

- Province-wide risk prioritization model not yet implemented
- Need for consistent liability estimates province-wide
- Inadequate documentation supporting the liability estimates
- Process needed for updating liability estimates



# Recommendations

- Designate a central unit or ministry group to assume overall responsibility for managing contaminated sites
- Develop a centralized database of all contaminated sites
- Finalize the model to be used in prioritizing sites for remediation funding
- Co-ordinate development of a long-term plan for remediating contaminated sites
- Provide formal guidance to ministries on how to account for and measure the government's ongoing contaminated sites liability



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