

Fifth Session – Forty-Second Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Public Accounts

Chairperson
Mr. Jim Maloway
Constituency of Elmwood

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MANITOBA LEGISLATIVE ASSEMBLY
Forty-Second Legislature

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**LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**

Wednesday, June 7, 2023

TIME – 1 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Jim Maloway (Elmwood)

VICE-CHAIRPERSON – Mr. Shannon Martin (McPhillips)

ATTENDANCE – 10 QUORUM – 6

Members of the committee present:

*Messrs. Brar, Guenter, Isleifson, Lamont,
MLA Lindsey, Messrs. Maloway, Martin,
Michaleski, Smook, Wishart*

Substitutions:

Mr. Brar for Ms. Naylor (announced June 5, 2023)

APPEARING:

Mr. Tyson Shtykalo, Auditor General

WITNESSES:

*Lori Stevenson, Acting Assistant Deputy Minister,
Resource Development–Department of Economic
Development, Investment and Trade*

MATTERS UNDER CONSIDERATION:

*Auditor General's Report – Quarry Rehabilitation
Program Investigation, dated May 2020*

*Auditor General's Report – Follow-Up of Previously
Issued Recommendations, dated March 2023*

Quarry Rehabilitation Program Investigation

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Mr. Chairperson: This meeting has been called to consider the following: Auditor General's Report–Quarry Rehabilitation Program Investigation, dated May 2020; Auditor General's Report–Follow-Up of Previously Issued Recommendations, dated March 2023, quarry rehabilitation investigation program.

For the information of members, Jerin Valel, the Deputy Minister of Economic Development, Investment and Trade, is unable to attend the meeting today. Lori Stevenson, acting assistant deputy minister of the Resource Development Division, is here instead to answer questions from members.

Is there agreement to allow Lori Stevenson to speak on the record? [*Agreed*]

Are there any suggestions from the committee as to how long we should sit this afternoon?

Mr. Shannon Martin (McPhillips): I'd suggest the—in line with what we've been doing, the committee sits 'til 3 o'clock, and then reassess at that time.

Mr. Chairperson: It's been suggested by Mr. Martin that we sit 'til 3 o'clock and reassess at that time.

Agreed? [*Agreed*]

Does the Auditor General, Tyson Shtykalo, wish to make an opening statement?

Mr. Tyson Shtykalo (Auditor General): Today I will be joined by my staff, Jeff Gilbert and Erika Thomas, who conducted the investigation of the quarry rehabilitation program, and by Stacey Wowchuk, assistant auditor general for performance audit.

Mr. Chair, this investigation was a result of a 2019 request from the minister of Finance under section 16 of The Auditor General Act to look at the quarry rehabilitation program. The request came after internal audit, and the department responsible at the time raised concerns about the program. The program was suspended in 2018 following the discovery of financial irregularities.

In my report, Quarry Rehabilitation Program Investigation, we found there was weak oversight and poor internal controls that resulted in the mismanagement of the program. More specifically, the investigation found the quarry rehabilitation program did not have a sufficient risk management strategy in place. There was no process to identify or prioritize depleted quarry sites to rehabilitate.

The investigation also found weak controls over levy collection and royalty revenue as well as many administrative deficiencies, including not following best practices for tendering work. Based on our review of department emails and other project files, we found no evidence of tendered projects from 2005 onward.

The report contains 15 recommendations. We followed up on these recommendations in March—in a

report in March 2023, and reported that none of the recommendations had been implemented.

Mr. Chair, I'd like to thank management and staff of the quarry rehabilitation program and the various departments for their assistance during this investigation.

I look forward to the discussion today on this investigation.

Mr. Chairperson: The acting assistant deputy minister, Lori Stevenson, wish to make an opening statement, and would she please introduce her staff joining her here today.

Lori Stevenson (Acting Assistant Deputy Minister, Resource Development—Department of Economic Development, Investment and Trade): Good afternoon, committee, Chairman.

I would like to introduce my staff. So, we have acting director, Mining, Oil and Gas, Jeff Kraynyk and manager of the quarry rehabilitation program, Jane Epp, along with me.

I'll proceed with my opening remarks. So, I'd like to begin by thanking Tyson Shtykalo and the Office of the Auditor General for the thorough review of the quarry rehabilitation program investigation provided to the department in May of 2020. The examination process and analysis of Manitoba's systems and practices, along with recommendations put forward in the audit, have assisted the department in enhancing program oversight and internal controls.

During the follow-up discussions on the progress the department was making on the recommendations as of September 2022, it was reassuring for department staff to hear that staff from the OAG office commended the amount of work done to date.

There certainly has much—there certainly has been much done to date since May 2020, even with the disruptions of COVID-19.

The department's involvement in the rehabilitation of depleted pits and quarries extends beyond over 30 years. The intention of rehabilitation program is that it will minimize hazards to public safety, protect the environment against adverse effects and minimize detrimental impacts on adjoining lands, leaving the site in a state that is compatible with those adjoining lands.

An aggregate rehabilitation levy was introduced with the proclamation of The Mines and Minerals Act in 1992.

The rehabilitation program has traditionally applied to private land and minerals, as well as Crown land and minerals. Private landowners often have different priorities when it comes to quarry rehabilitation than the Province does for Crown land.

As mentioned by the auditor, anomalies in the program's operation was raised with the executive by new management within the department in 2018. The department then followed with a referral to internal audit and consulting services and ultimately the referral to the Office of the Auditor General. As a result of these—the program investigation, the rehabilitation program was paused in 2018.

There was considerable demand to restart the private land rehabilitation program following the pause in 2018.

The Mines and Minerals Act allows the minister to enter into agreements to support quarry rehabilitation. The quarry rehabilitation private and municipal land program has been operating since 2020 as the government rebuilds its capacity. As a result, the Province has provided \$13 million in funding for 130 projects on private and municipal lands.

Up to 80 per cent of quarry rehabilitation levies collected annually comes from privately owned quarries. To ensure a private land rehabilitation program could be offered with the necessary controls and oversight, the department, in consultation with Procurement Services and Legal Services branch, acquired outside engineering support through a tender, utilizing the engineering and architectural services prequalification list under the Province's master services agreement.

The engineering service provider supported the paper review of landowner grant applications under the private program. They developed risk-based criteria in collaboration with the department, assessed cubic metre calculations, validated project cost estimates and final submissions for payment. As a part of the program, it's also required by the landowner to provide reports and visuals of the work done. The consultant would also conduct random advanced audits on some properties.

This external engineering support was essential due to significant vacancies that ensued within the Mining, Oil and Gas branch following the initial reporting in 2018. Not only was the inspection service essentially vacated, the morale and culture of the branch was severely affected, and vacancies within

the quarries tenure unit and other areas grew substantially as a result.

So, in September of 2022, so just last fall, the branch had one of six mining and quarry inspection positions filled and only one of five of the quarry tenure unit positions filled. As of June 1st, I am pleased to say we now have five of six inspector positions filled and four of five quarry tenure unit positions filled, with competitions in process for the remaining positions.

There is still work to do, however. With the new hires, the branch has been able to complete a number of recommendations that were nearing completion last fall and is confident we will complete the others, save one, by late summer.

The hiring of an 'external' engineering support has also advanced the completion of the recommendations with the development of the risk-based assessment criteria, inventories, innovative methods of inspection and quality insurance processes, to mention a few. This was done for the private land programming, and all of that work will be leveraged for the Crown land rehabilitation program as well.

* (13:10)

I'd like to thank the committee for their time and would like to invite questions should they have any.

Mr. Chairperson: Thank you.

Before we proceed further, I'd like to remind the committee of the process that's undertaken with regard to outstanding questions. At the end of every meeting, the research officer reviews the Hansard for outstanding questions that the witness commits to provide an answer to and will draft a questions-pending-response document to send to the deputy minister. Upon receipt of the answers to those questions, the research officer then forwards the responses to every PAC member and to every other member recorded as attending that meeting.

I would like to remind members that only questions of an administrative nature are to be placed to the witnesses and that policy questions will not be entertained and—as they're better left for another forum.

The floor is now open for questions.

MLA Tom Lindsey (Flin Flon): Certainly look forward to finding out more about the problems with this particular program.

So, it was basically suspended in 2018, and part of the reason for its suspension was there was all kinds of questions and outstanding recommendations that hadn't been done yet.

So, now you've identified the fact that you're starting to get crewed up properly for inspectors and the other positions, how long does it take someone to get trained, qualified, to properly do these inspections that they're now just coming on stream for? How long would it take for them to be competent to do that job?

L. Stevenson: Yes, so, with the addition of new staffing to the branch, most recently—interesting enough, most of them started since January 1st—so, the chief mining engineer has developed quite a rigorous training plan for all of the new hires. It is including, of course, a detailed review of the acts and the legislation for which they operate, reminders to staff on, of course, oath of office, conflict of interest, that type of things.

More practically, the training involves attending two sites, observing and inspecting sites that are under way now. The inspectors also will be learning the computer system—iMaQs, it's called—is integrating a management and quarry system that records the details of proponents, leases and permits. So, they will be getting, over the next—I don't think it's unreasonable to expect four to six months it will take to bring inspectors fully up to speed.

Because the private municipal land rehabilitation program has not operated with provincial inspectors, it has operated with external consultant engineering support, that's not a concern or a risk. We'll be able to continue with that external engineering support. They provide oversight. They provide separation from the inspectors and their role. Inspectors are not allowed to contribute to landowners' application process, questions about estimates, anything of that matter whatsoever.

So, four to six months is not unreasonable. We may approach our engineering services vendor to see if there is any job shadowing opportunities there to work in as well.

The inspectors will be learning the regular quarry program as they go. Inspectors, part of their qualifications of getting the job is the use of advanced innovation—drones, GPS, that type of stuff—so, it is quite a learning curve, and we're not putting them in those responsibilities that there would be any risk for

conflict. They have nothing to do with the administration of the program itself. They're definitely dedicated to regulatory reviews.

Thank you.

MLA Lindsey: Appreciate that answer; that it takes four to six months and right now, the Crown lands, part of it is still held in abeyance while people are getting trained up.

So, for the private lands, if they only use contracted engineering support service, could you explain the process to ensure that whoever's doing that work is properly trained? And what kind of reports, then, would they issue to the department so that somebody's keeping track of what's going on there?

L. Stevenson: Thank you for that question.

So, the engineering services that we contracted for, by tenure, was a—quite an involved process. It did involve getting the JVs of the engineering staff that would be working on the project, to provide oversight to the private municipal land rehabilitation program, and it also included the specifications of what we required, you know, to look at to ensure that there is separation—there is no conflict of interest between the engineering consulting firm and a contractor that's ultimately hired by a private landowner to do the work.

So, with that, we've been quite satisfied. There's ongoing contact with the administrative portion of the department and the consulting engineer. So, the applications—there is a web posting when applications are ready for intake for private and municipal land programming. The website includes numerous questions and answers, the risk-based assessment criteria, information about slopes. So it gives the private landowner the idea if their project may qualify, so that then they can go and, themselves, find a contractor to submit a bid in accordance with those requirements.

Our consulting engineer reviews those to ensure they qualify, in accordance with the program guidelines. They will then provide recommendations to the department as to those that qualify, those that might not qualify, works that might not qualify. Then, once a decision is made, we will seek approval to enter into funding agreements with the individual landowners. So, again, the individual landowner enters into the agreement with a contractor to do the rehabilitation.

Our consulting engineer provides oversight. So, what's—that's—means is they will go out and they will—well, they will take air photo that's available of sites,

they will, in some instances, go and take new LiDAR imagery of sites, especially large sites or flatter sites that are difficult to tell when piles are moved from one area to another. So, they'll get the technology in play, and they'll take images. They will then, when the returns come back from the private landowner along with photos and data and quantities, they will analyze those against maps. They'll, in some instances, go back and take more LiDAR imaging and actually do a comparison between the two to validate that the amount of material moved is the amount of material moved, that the acreages for seeding are appropriate, all that type of thing.

So, then they would provide a recommendation back to the Province that it's either, you know, appropriate to pay as agreed or—we do reduce things from time to time. If they invoice for more, they're reduced because the contracts are—the grant contracts are very clear as to what the limits are.

So, I hope that helps. The—when we first obtained the consulting engineer, the consulting engineer was obtained through the, you know, a formal tender process, and all stats about, you know, the staff that would be working on the project confirmed.

Mr. Len Isleifson (Brandon East): My question is more—I want to go back to the opening statements made by both parties and—just for some clarification and then a follow-up.

I know on the Auditor General's opening statement, out of the 15 recommendations, it was mentioned that none have been completed.

* (13:20)

And then, in Ms. Stevenson's opening statement, it said that since the new hires have come on board a number have been completed—a number of the recommendations have been completed.

So I'm just wondering, I just look for some clarifications on how many have actually been completed, and out of the 15, which ones have actually been completed.

L. Stevenson: Thank you for that question.

So, yes, out of the 15 recommendations, one of the recommendations is the Department of Finance, so I will—I'll speak to the other 14.

So, the review of our ability to implement the recommendations was done in September of 2022. So, at that time there was no recommendations that we could say, these are a hundred per cent complete.

There were many recommendations that were a long way down the path—quite a ways down the pass, you know, 75 to 85 per cent complete.

Since September, with the addition of staff in a number of areas—inspectors, the tenure services area, the addition of the consulting engineers' work that gave us more about the assessment process, some additional work by the engineers assessing 2,700 properties—gives us good comfort on—to what kind of sites we've got out there, what are the priorities and what are the processes.

So, to reply to the question specifically, in our view, if you look at it as just private land, and I do know that the OAG's report combines both private and Crown land, so you're not able to say, well, we're done for private; but for private land, 10 out of the 14 recommendations have been implemented, and that is mainly due to the support and work and oversight of the engineering consultant and additional staff of the department so that we're able to, you know, follow up on returns and that.

But if we focus just on the 14 as a whole, in our view seven of those have now been implemented for both private and Crown programming, and those are: (5) To ensure returns are received on a timely basis—and a lot of this was administrative process and procedure that was necessary to be implemented; (8) Follow required tendering practices—absolutely, we're going to follow the Minister of Finance's tendering practices; (9) The inspection function separated from the administration function—it definitely has been separated, there's no overlap there.

(10) Implement a formal cost recovery methodology. So, since 2018 the Province has not been recovering costs from the fund. We have been paying the engineering support out of the fund and it has been less than 10 per cent for any of those three years. So, that's a significant reduction to what it had been in some prior years.

(12) Ensure we're using up-to-date technology practices. We have—that is part of the position description now for an inspector. Rather than having it, perhaps, in a procedure manner, we believe a position description is the place to ensure, you know, staff we're hiring at that.

(14) Proactive disclosure of contracts over \$10,000. The private program is running on grants, so that doesn't come into play there, and we haven't reinitiated the Crown land program. But absolutely, those will be tendered, contracted and disclosed.

And (15) Report on the program objectives and use of funds. So, this relates to the annual report. The annual report, definitely we're going to benefit from the OAG's recommendations there to add additional information for the public to understand the objectives of the program, key performance indicators, that type of thing. And key performance indicators may be things like amounts of acres, you know, put back in agricultural production, amount of acres put back in forestry.

So, that gets us for seven of the 14 that are now implemented. And then the balance, there's only one of the remaining seven recommendations that's less than 75 per cent complete, in our view, and that is recommendation 6, which relates to the reconciliation of the iMaQs computer system to the SAP system.

We do have a manual process in place; we do have modifications to the system submitted and on a list. It's a very specialized system, the iMaQs system, and essentially it will—it is waiting to have those modifications made so that that can happen automatically.

So, in our view, seven of 14 as of now—not as of September 2022, but as of now—are completed, and we feel we'll have the balance done by the end of summer, other than the iMaQs, due to resource constraints.

Mr. Chairperson: Mr. Shtykalo, do you—wanted to say something at this point?

Mr. Shtykalo: Yes, thank you.

I just wanted to confirm that my opening comments did refer to the results in our follow-up that were as of September 2022. Our next follow-up on these recommendations is currently scheduled for September 2024.

Based on comments I've heard today, I'm anticipating the results of that follow-up will be somewhat different.

Mr. Isleifson: I think you just answered my next question too. I was just going to inquire about the process used for follow-up.

So, when a department does complete all the recommendations that they commit to, how is the Auditor General's Office notified? And I think you just answered that, but maybe I'll just let you clarify.

Mr. Shtykalo: For sure.

Normally, after we issue a report, the Public Accounts Committee requests an action plan. So, we

will look at the action plan to see—we'll review it to see, kind of, the timeline for follow-up.

But, generally speaking, our follow-ups are scheduled for two years after the—sometime within two years after a report is issued. And then depending on the results of that follow-up, we will determine the next follow-up which is, again, generally two years after that date.

L. Stevenson: Yes, I have nothing further to add to that response.

Mr. Dennis Smook (La Vérendrye): Yes, I noticed that, like, things were sort of shut down in 2018. There were a number of recommendations made.

Now, you guys are following up and doing a lot of the recommendations, but are there more things that you're doing, like developing a complete new quarry program that's going to take over from what there was before, or just sort of building slowly from recommendations?

L. Stevenson: So, certainly we've been learning from the, you know, the Auditor's report and the engineering studies. The engineering studies also will be having us look at, more very specifically, the Crown rehabilitations and liabilities there. So, we will be developing a program under that.

As for broad speaking, you know, other policy changes to the current program, you know, those are comments that we're getting feedback: some from stakeholders; some from the heavy construction industry and that type of thing, but no plans are concrete as of now. We're looking to sort of—my goal is to stand up the branch, stand up the unit to be able to support what we need, to be able to support, sort of, priorities of resource identification, management of ongoing pits and quarries that are used and the rehabilitation program.

So, we're—there is lots that is being considered, but I don't have anything to report of, you know, new specific changes.

Mr. Smook: Yes. This report deals with quarry rehabilitation, but are there any, like, now that you have more staff, do they do any auditing throughout the year, like a spot audit on a pit, to make sure that the number of yards that are reported taken out are actually correct?

L. Stevenson: Yes, actually, that's exactly what the staff will be doing, and as part of their training. Some of them come with a considerable amount of background, and others, you know, will be trained in that.

* (13:30)

So, definitely that will be part of their role, is they will be visiting and they have already been visiting existing pits that are being worked, looking for anomalies, working with the contractors to educate on regulations.

We understand it's been five years 'til there's much presence in the field, so it's time to get out there and, you know, re-establish that presence and that relationship and work with them on their getting the returns in on time and that type of stuff, yes.

Thank you.

Mr. Diljeet Brar (Burrows): I'm referring to findings and recommendations on page 13 of the report.

The report comments about the culture of the program, and it says that the culture was to encourage spending rather than to focus on the rehab process and risks to the province. So, I see this is not listed as one of the recommendations, but I understand this is one of the findings.

Can the department share some steps or efforts made to change this culture, the culture shift on this point, if there is any information? *[interjection]*

Mr. Chairperson: Ms. Stevenson.

L. Stevenson: Sorry. Thank you.

So, for sure, part of it was, as I sort of mentioned in my opening remarks, is that not only was there a loss of staff from the mining inspecting unit, there was other staff that left, you know, to find other positions. It becomes pretty difficult to manage a positive tone in an office when something like this has happened. There's obviously was some misdoings, they were identified and now we have to rebuild it.

So, we are rebuilding it by making sure that there is separation between regulatory work and any financial processes. We're ensuring staff, when they're hired and through regular—their meetings, you know, their commitment to, like, the code of conduct, any conflicts of interest, that type of thing; making them very aware.

I think we have quite a proud unit that we're building there now. They're all very engaged in providing good service to the public in Manitoba, and they take their job seriously in doing that the correct way. I tend to have a bit of a—not too much tolerance for going outside the box. So, that's—my reputation precedes me a little bit in that, and I have some advantages with that with staff.

But I have really found that, when I first came into there, I came in—just a teeny bit of background, I won't go into it too long—I came into the role last year as acting director, and the office was almost empty. And it was actually quite shocking to walk into that office because I had worked with that office for years—over the years as director of Crown lands, to now walking into our office and having, I don't know if we've got 10, 12, 14 new staff in there now, and they're all learning: here's the rules, here's the regulations.

We've got a very competent chief mining engineer, competent managers, that are all committed to, you know, this is what we need to do, these are our rules and our guidelines. So, I think we have a very good culture of that. You know what? We do what we can to ensure that industry, you know, can have work to do, to ensure that private landowners can get their lands rehabilitated within the limits that we're able to, within the regulations and that.

And that's sort of how I have always operated, so I'm hoping that I'm bringing some of that to the group.

Mr. Brar: So, when you mentioned about 14 staff, is that all inspectors, or it's a mix of different roles, No. 1.

My follow-up question is that rather—other than having more staff, is there any formal training where those inspectors have been told about these findings and be careful about not focusing on spending rather than real risks to the province? So, any formal system of training has been established or other efforts have been made in this regard. *[interjection]*

Mr. Chairperson: Ms. Stevenson.

L. Stevenson: So, just to respond to the first one, there has been—five of the positions were inspectors. So, these are the ones that are specifically hands-on with the program. Four of them had been what we call tenure services clerks, so they deal with the general quarry leases, quarry permits and that type of thing.

We have added others, some senior manager positions, some other areas in there for our team. We also have on the slate to hire another junior mining engineer to assist the chief mining engineer.

So, to get back on has there been training, so, interestingly enough, when the report came out about how unwell we were doing with the recommendations, that did definitely spur a number of sessions with staff in the branch. Some of that—because staff were new, a lot of the new staff were like, what is this, I thought I came to this exciting opportunity and now

they're telling me, you know, this is not the place I want to work.

So, we did—I did, myself, a specific meeting with the whole division saying, you know what, this report is out there, and I explained how the report review occurred in September, things have changed, you folks have come on board, these are the reasons. But also, we went into why did it happen in the first instance.

So, it—our intent was to always, sort of, you know, instill that with them: you can't do this; you can do this type of thing—and ironically enough, the release of the update helped us along with that, right? It was—we were able to say, no, you folks are here, we're rebuilding the team and we're looking for—to avoid—everybody is now, sort of, watching for those things, right? Because they've seen it. People see the report and right away they're, oh, I've—was trying; I'm trying. And so, there was a lot of explaining it. It's true, but this was September 2022, and that's how that works.

And the process of reporting progress doesn't allow you to say I'm 75 or 85 per cent. It's sort of—it's implemented; it's not done, that type of thing. So, yes.

Mr. Chairperson: Thank you.

Mr. Dougald Lamont (St. Boniface): Yes, thank you very much. Just a couple of questions about risk assessment.

I know that there are a couple of mentions in your report that the engineering service providers developing risk-based criteria. So, is there a ranking system in terms of quarries and projects and could you—would you be able to provide us with that list of projects based on their risk? If it—if you're there yet.

L. Stevenson: Yes, thank you for the question.

So, there is a list and, actually, the list can be found online, but we will provide it to the committee separately. It is included with the information that's provided for the private municipal rehabilitation program. It goes into things like the side slope of your pit, distances from developments, obvious risk to the environment, you know, water, maybe, potentially breaking through a bit of a berm into a more sensitive area—those type of things.

So, it deals with a number of things in the risk assessment. And the applicants know that's what we're going to be assessing their project on. Again, it's the public safety and the environmental safety.

But, we will provide that to the committee, the package of materials of how the risk assessment is rolled out.

Mr. Lamont: The other question is, I think, a broader one, is what is the current status of the rehabilitation fund?

We recently heard from somebody who said that they applied and then that funds weren't available for some reason or another. So, what is the—what's the current status of how it's working now for anybody who comes in to apply right now?

L. Stevenson: So, as contractors extract quarry materials each year, they have to provide returns and they have to provide a quarry rehabilitation levy. So that collection is ongoing.

We do know that one of the targets was to try to spend down whatever was held in the reserve through the private land rehabilitation process, and we have done that over the last few years with the, I think, \$13 million for 130 projects.

* (13:40)

But we do know right now from last year we collected another \$2.5 million in funds, so what we're working on now is what a program for this year will be able to look like.

So, it's always an ongoing money in, money out type of thing, predominately funded based on stats currently from private quarries. So, that is why we do have some interest—more interest from landowners and private quarries with where is the program at this year, so.

Mr. Martin: Thank Ms. Stevenson for attending, and I appreciate—I mean, all these reports are just a moment in time, and so the benefit of having these committee meetings is that you can update us in real time. So, I'm quite happy to see a number of these recommendations are almost in conclusion and that.

So, one of my questions has to do with—obviously, the role of quarry rehabilitation is, as you mentioned, you know, there's environmental aspects and that, but also a component, obviously, is to predict the liability of the Province when we're talking about Crown quarries. And it was noted in the report that Crown quarries didn't, at least previously, be a priority.

I'm wondering twofold: One is approximately how many Crown quarries do we have and whether or not that has been a change within the department in

terms of putting Crown quarries at the head of the list, for lack of better terminology.

L. Stevenson: Yes, thank you for the question.

So, part of the work over the last couple years, as well, was a separate contract that hired an engineering firm to analyze and assess Crown pits and quarries. They have been able to assess 2,700. They've all been ranked from class 1 to class 4 as to, sort of, the risk assessment ranking.

Five specifically were identified by the consultant as the most at risk, or most liability of the Province. One of them is in northern Manitoba, one in the Interlake, one in the west and two more in the southwest. We're still deliberating with Transportation and Infrastructure on those and making sure we're ready, but they will be the top of the list that would go to contract and tender to have it fixed.

So, we're quite pleased we were able to have 2,700 audits essentially done, or reviews done, on the properties. We have a very good inventory and a list to begin tackling that Crown liability question.

Some of the ones that are less critical but still of concerns, we're actually going to, this summer, be installing signage that will just alert folks that there's an excavation area here. It doesn't mean that because there's an excavation area it's always dangerous, but it will alert the public to that there is an excavation area here. So, that will also happen this summer.

Mr. Martin: Interestingly that—the timing of this committee is interesting in that yesterday we talked about aging information systems and technology. One of the comments made by the Auditor was the inadequate use of technology.

Now, that being said, obviously technology is always changing, so it's a sort of—a bit of a two-part question: Is—are you confident that you have the necessary technology to—for the inspectors to do their job? And, if not, is it a matter of financial allocation? Is it a matter of supply and demand?

Because, again, I would imagine that some of these equipment are not things that you can go at the, you know, Target to get, kind of thing.

L. Stevenson: Yes, so, we were very pleased last year to be able to secure funding to obtain some of the very high-tech equipment. We've got, sort of, top-of-the-line drone and computer software to be able to go to a pit, essentially fly the pit, get the data. You could go back two days later and see what they've moved, essentially, by re-flying it and doing analysis on there.

And very fortunate—quite exciting when you're doing an interview for a number of positions and one of your candidates is very accomplished in that. So that was a bonus, because otherwise it would have been, you know, the training aspect as well.

And yes, one of our incumbents is also already certified, because some of those drones require that Transport Canada certification and that type of stuff. So, we've gone down the path of drones. Inspectors are all equipped with new GPSs; they're all now equipped with new sound-monitoring devices.

Yes, we're using technology as much as we can to—because we know, you know, you don't have an infinite supply of getting inspectors, so we have to do it quicker, faster. And, of course, we're always using, you know, the Google Maps and all that other type of stuff as well.

So, yes, it's almost embarrassing now to ask folks if they use Word or Excel in a job interview, because.

MLA Lindsey: So, if I just—you talked about you'd contracted someone to do a risk assessment of 2,700 pits and quarries. And those are just the ones that are on Crown land, or is that the total number in the province? And how did they do this risk assessment if you haven't completed the recommendations that talk about developing the documented risk-assessment process? It's the first recommend—it's one of the ones that you haven't completed yet.

So, how did whoever did this assessment—what did they use for criteria to develop that risk assessment? And then how did they decide, okay, if this one is a high-risk one, what's the procedure that's different from a normal procedure that remediate it?

L. Stevenson: So, I—and because pit rehabilitation isn't unique to Manitoba, of course, the consultants were able to, you know, look at other jurisdictions, other events that have occurred. Rehabilitation has really occurred in the province for well over 30 years, so there is some history there as well.

And I did—would like to mention is that the risk-assessment model was already developed for the private program that we sort of reintroduced in 2020, because the Crown land programming hasn't been reintroduced yet. The 2,700 sites are Crown land sites.

What we expect—we received the report from the consulting engineer, we did get intermediate reports, but we received the final report from the consulting engineer recently. Our idea is to now go through that report, compare that risk-assessment model that has

been developed with private land for its application on Crown land, which a number of same situations will apply.

But we also, on Crown land, have to pay attention to things like, is the Crown pit in a provincial forest? Has the Crown pit been there for so long that there's been the exercise of rights starting to occur in that area? Will it require consultation? Some pits have been in places for so many years, and they have vertical faces that, ironically enough, an endangered bird has decided to live in them.

So, the risk-assessment model was able to be used as a guide, to guide them and to improve as they go on, and that's what will happen. As we review these 2,700 sites and the five that they've identified as priorities, the risk-assessment model for major sites will be tweaked for Crown land as necessary, as all policies and procedures evolve as you get more information, so.

MLA Lindsey: Thank you for that.

So, 2,700 Crown land sites. I guess I have to ask the question, then, how many private land sites are there, and if you've developed the risk-assessment system that someone else is going to use to assess the risk on the private lands, what kind of follow-up is there, then, within your department to ensure that those are actually carried out in a timely fashion and properly done?

L. Stevenson: I'm just going to confer for a minute.

* (13:50)

Mr. Chairperson: Ms. Stevenson.

L. Stevenson: Thank you for that time.

So, when it comes to private quarries, that's a little harder for us to track. We are aware of about 800 that apply to the office for a private quarry certificate, so we're expecting about, then—it's also the decision of the landowner when they want to apply or put up their hand that they would like to have their pit rehabilitated.

So, the criteria—we've now got at least three years under our belt with the risk-based assessment criteria is—seems to be working.

We do have—from stakeholders, we do get a comment that some would like to do smaller pits that might not be risky or as at risk. And, again, we haven't communicated to them that really that is part of the programming and the reason for that fund is to, you

know, ensure there's public safety and low environmental risk.

Also, if you—if a private owner wishes to have a pit rehabilitated that's not depleted, there is a risk for multiple rehabilitations, which, you know, isn't definitely the intent of the program. So, there has to be key evidence that you're not rehabilitating the same site.

So, I think the question was, ultimately, how do you ensure that the rehabilitations occurring on private land are done in accordance with the risk-based assessment. So, we do know that from 2020, while we have had the engineering consulting service providing oversight, they do those follow-up inspections to make sure it's done based on the criteria that it was intended to be.

Mr. Ian Wishart (Portage la Prairie): Thank you for the work that you've done. And some of what I'm going to ask has been touched on a little bit here, because you've done very good work in getting started with the private ones.

But you do have all of the Crown ones to work through, and there are, as you've indicated, quite a number, and I'm glad you've been able to assess as many as you have. Some of them are so long-standing that many of the municipalities tend to view them as theirs, and they are not necessarily as open or co-operative in terms of the rehabilitation process as they might be.

What type of relationship—what attempts at developing a relationship are you going to have to do with a number of these municipalities, some of which have found a revenue stream by getting compensated for the use of Crown fill, gravel, whatever you want to call it, from private contractors that really hasn't—the money hasn't flowed in the right direction? How is this going to be a challenge moving forward?

L. Stevenson: So, it is intended that, as the Crown rehabilitation program moves forward, we will definitely be in discussions with the municipalities with the pits and quarries. And there—we're actually in discussions now with the municipalities—some of them that have the list—the sites on the high priority list, some of them where standard rehabilitation of the quarry is very problematic—they're very steep faces, that type of thing.

So, we do have, actually, a working group established and, actually, Jeff is on the working group that's right now participating with a municipality in the east. And we have, you know, partnered with Manitoba Hydro and others like that to work out the

best solution for this quarry that has been there for years that takes into consideration everybody's needs, the municipality's needs for ongoing use for recreational purposes, maybe a trail committee, maybe a hydro—actually, legal requirement to preserve a site and, of course, ours with ensuring that, if we can help co-ordinate this process through and they don't want the quarry rehabilitated, what do we have to do to make it safe, to provide notice, that type of thing.

So, it will be, for a number of sites, that ongoing dialogue. Other sites, municipalities are sort of saying, when are you coming here; this is what we need done.

So, yes. Yes, they will definitely know when we're identifying sites in their area, so.

Mr. Wishart: Well, thank you very much for that.

I see that as an ongoing issue because, as I mentioned, some of them have been generating a little revenue out of this from the contractors, and they certainly aren't going to be keen to forgo that. And yet, you know, we need to rehabilitate them as they become—as becomes necessary.

Some of these are going to have many years of development yet ahead of them if it's handled properly. It wouldn't necessarily mean that they—that what's been done, in terms of development to this point in time, has been done very well. So, it's going to be a little bit of retraining in the process, I assume.

And what have you done, or what are you doing, with that?

L. Stevenson: Thank you, actually, for that question; brings up lots of discussions that we have within the branch and that type of thing.

So, the chief mining engineer, who is in Jeff's section, or Jeff's branch, along with, you know, the staff in the Tenure Services, they are working on processes to look at the conditions within existing quarry leases and permits and that type of thing, for more of a progressive rehabilitation. Those types of things, conditions that, you know, you shall not leave the pit without doing these types of safety precautions and that, so that it doesn't all build up to be all of a sudden a large safety risk.

Progressive rehabilitation and the requirement, for sure, for safe sloping seems to be—yes, it will take a contractor a little bit of work at the end of the year, but ultimately it will leave that pit safer. So, we are looking at those, how we can implement those into conditions in existing leases and permits.

Mr. Brar: My question—sorry. My question is regarding the quarry returns.

The report notices that some deadlines were not met and interest was not charged. Just wondering what happened there. Was it a systemic issue or some random errors, as you shared that this recommendation 5 has been completed?

So, like, what steps have been taken and what was actually the fault in the system why this happened?

L. Stevenson: So, for a number of years, what was happening is, it was really on the honour system, right, for contractors to submit their returns.

The computer system does have some anomalies that we're working to address. We can export data from the system for casual permits and private quarries that will tell us if a return has been submitted, or if a return hasn't been submitted, then staff are able to follow that up.

There is a technical issue with having that done for quarry leases currently, and that system anomaly has been identified to our technology group to put that sort of back in place the next time that the system is modified. So, right now it's quite a manual process. Staff are needing to go through manually to see where returns haven't come in.

One of the stopgaps is often these folks are looking for a renewal or they're looking for a new permit, and that's an absolute check before that happens. So, if they haven't filed their returns, paid their returns, they're not getting a new allocation for the next year, so.

Mr. Brar: So, seems like it was a systemic issue.

So, did we upgrade the system, or we are still in the process of upgrading it? Is it still manual?
[interjection]

Mr. Chairperson: Ms. Stevenson.

* (14:00)

L. Stevenson: Sorry.

It is still manual for the quarry lease process, but because—well, I guess that's returns, and I won't mix the two, because it would make it too—so, staff need to manually go in to quarry leases and check on the status of returns, which we can do and we have done to make sure that we're meeting those obligations of the recommendations.

We are very hopeful that that fix will come also by the end of summer. We are in the process of—

buy blocks of administrative time from our service provider, and those are, you know, one pen signature away, type of thing, so—and it's on the list to have that improved. It just takes too much time to do it manually, to be honest, so.

Mr. Lamont: One of the questions, or the issue that spurred recommendation 10, related to cost recovery—administration cost recovery that for, you know, a number of years, the department was recovering in 2005, 75 per cent of salary, and that 2013-14 it was recovering 85 per cent of salary and administration costs. Just to say the issue—the challenge there was that it—we don't want a situation where the fund was subsidizing department operations.

So, if you could just provide an update of those costs in—whether in—you have a year-to-year breakdown of what that's been looking like.

L. Stevenson: So, since 2020, since the program reinitiated in 2020, we have not charged any internal costs to the account. We have charged the engineering services costs to the account and we can provide those details. They've been less than 10 per cent in any of the three years. So, significantly lower with us just rebuilding our team.

There will be, you know, the consideration as to whether, you know, really, ongoing pit maintenance. Those that aren't depleted will need the inspectors and that. And we will have to reassess should that be an issue in the future.

But currently, because the engineering consultant is providing that oversight service and they're doing it quite effectively, we're not looking for a return to—a lot of money coming out of the funds, and we will definitely put in place, you know, a regular cost-share model, should we go down that path.

There's no plans right now to return to that, so.

Mr. Lamont: Just as a follow-up, or another question: The—it was the issue of contracts over \$10,000 being paid out being listed on the government's proactive disclosure website.

So, if you could—how does the government department ensure that that's happening and do you have a list of the contracts that are tendered or untendered?

L. Stevenson: So, since, again, 2020, we haven't issued any individual contracts to contractors to rehabilitate private land. There has been grants issued to land-owners. The tenders that we issued for the consulting services went through the MERX process and are

publicly disclosed, so I don't have any tenders to give you for the rehabilitation process.

But we certainly—some of the recommendations were a little bit of an eye piker to me because, of course, we'll report and we'll go through, you know, our executive financial officers to make sure that's done appropriately and that type of stuff, so.

Mr. Brad Michaleski (Dauphin): This question's been sort of asked a couple of times already. It has to do with where we are today, where we're going.

And just some of the comments you've made that you're working on this, there's—you're learning and things are under consideration, and I can appreciate that.

But what's needed is—again, we're talking about rehab, but there's actually three issues here, which is permits, use and validating that use and rehab.

So, again, I think it's important and I think it's stressed in the report that we need a new system, and you mentioned also that you haven't really been given new marching orders. And so, this is taking some time.

So, recommendations 5, 6, 7 talk about to monitor the quarry returns, reconcile revenues, regular statements of account. So these are in-field, ongoing operational things.

So, I would ask, is—what's going on now to address those specific recommendations? And is this part of a broader new program, as suggested by another colleague, that we need a new process, we need a new system, a much more accountable system, and are these components would—going to get melded into a new system at this time?

L. Stevenson: Thank you for that question.

So, the answer is, in that extent, there will be a new system. Like, there will be a new system of monitoring how much comes out of a pit, how much—how that is tracked internally, how that is reconciled internally, that type of work. They're developing haul log reports for contractors potentially with a requirement to submit monthly—not to submit daily, that's—nobody has time for daily reports, but they should be available daily while they're doing it, so those kinds of things.

But one of the things we did early on in the process, or early on in the fall, is the Mining, Oil and Gas branch also has a tax and royalty auditor and a production clerk. So, we actually have a qualified

auditor on staff that predominantly has worked with petroleum and that field.

So, we've expanded that role to include the monitoring of production volumes and cash receipts for quarries. So we do have—a qualified accountant is going to lead us through a process that ensures it's reconciled, we're accountable. And she has some really great suggestions about how that can be done, even with the state of the iMaQs system not being where we'd like it; iMaQs is a very handy tool; it does need some tweaks.

So, that will definitely be—the new program will be—there will be new policies and procedures about how we do things, as streamlined as we possibly can. Currently, it is quite manually. They get uploaded every day, and we double-check that they're all in there. If payments don't match revenue, clerks work with the intake clerks to validate the data that's in iMaQs, and we are ensuring that, you know, those processes are being followed.

So, the daily log reports, the tax and royalty auditors—oh, the—ensure the contractors and land-owners are provided with regular statements. So, one of the very best ways for a contractor, the client, to know where they're at is for them to be using iMaQs and being comfortable using iMaQs.

So, working with Manitoba heavy association, we're planning, likely in June and one in August, some training sessions with some of the contractors. We'll offer them out to whoever would like to attend. We're actually going to probably do canned videos of how you look stuff up in iMaQs, how you enter your returns in iMaQs.

So, those are all under way, including staff has been reaching out to—any time they do receive a call from a client, asking them, what can we do for you to help make the use of the iMaQs system better? And that's all going to lead to more returns being done electronically, ready—like, readily available access to that statement of their account.

We do have a few outliers that would prefer to do paper accounts. In those instances, staff must enter their returns, and then we have somebody double-check that that entry is correct. Ultimately, we really want the client putting those entries in, and then we validate them.

Mr. Michaleski: Thanks for that answer.

* (14:10)

I'm not sure if the new accounting rules are going to drive the process and essentially create the mechanism, I guess, to create a system that's going to work as an aggregate, whether, you know, because the rehab is actually—it wasn't a considered liability and it may be, moving forward.

And therefore everything else attached to that is also relevant, like land use and—so, again, or like use and measuring and, you know, the whole system needs to be, I think, more accountable for start to finish, is just an assertion I'm making.

But—and I guess, I have to stress, again, the Auditor General's report is, you know, the lack of work, really, that's been done in changing the system.

And, of course, it's also related to—the big issue for me is the use, the—and measuring those things, and in effect, who has access to those quarries and as it relates to now, use, whether it's by a government—municipal, provincial or federal—for annual use, or project. Like, we need to sort of get a handle on those things, which ultimately relates to rehab, right? Because that's one of the three steps that's identified in this report.

So, again, I'm concerned that there isn't a real emphasis on developing a new program. And I guess, is there a timeline that you have that you are required to work to, to make sure that there's improvements made to some of these recommendations? Like, is, again, is PSAB—is there a deadline there? Where's that at?

L. Stevenson: So, essentially for a deadline, my direction is we don't let up the gas; we're working on these recommendations, now that we've got resources in place, you know, at this—at the best speed we can to get them addressed.

So, the timeline is, yes, we're not going to, you know, wait for another year and then say, oh, we better do that last one. We're—there—we're full speed ahead on concluding these recommendations so they're concluded.

The discussion about whether—will there be a whole new program is really a policy overarching question. And although we're gaining lots of information to support potential recommendations for new programming, that's what we're doing at this stage, is really building up that support document for—this is a—this is something potential that could happen.

For instance, it's known by ourselves and it's known by industry—including Manitoba heavy—that the rehabilitation fee needs to be increased. So, that's

something that's not disputed; that's something that the consultants have said, it's not high enough.

The timing of that is very important to the industry. They need at least three months' notice before they can implement that. So, that's also a consideration that's taken, you know, as we work through these recommendations.

So, the recommendations that we're getting from—and working on—from the Auditor General is helping us to build, what can this final model look like and what are those proposals? But yes, we don't have a—like, a model in the box to sort of say we're going to present this; that's something that, you know, would have to be communicated out more, and there'd be more engagement on that type of thing, so.

MLA Lindsey: Thank you for all your *[inaudible]*, it's been somewhat educational for many of us.

So just, if you could expand a little more on some of the quality assurance process that is in place, that needs to be in place, some of the things that need to be in place that are going to prevent some of the real questionable practices that I understand are being reviewed elsewhere to see if there was criminal activity. If the proper quality assurance process is in place, that, I think, would go a long way to preventing that kind of gaming the system for personal benefit.

So, is there a quality assurance process presently in place, and who reviews the whole process to make sure that everything is being documented and followed up and entered into a system, so that that kind of assurance is in place?

L. Stevenson: So, in terms of quality insurance, from a—the—an operational perspective for the private program, that, of course, is being provided by our consulting engineers. They're assessing the work done based on the criteria and the project, so—and they're doing very detailed before-and-after work and analysis of volumes moved and costs made type of thing.

Again, our tax and royalty auditor, who is a professional CPA, is establishing those processes in-house for the reconciliation of returns and amounts and that type of stuff.

Position descriptions have been modified to ensure there is no overlap in that financial administration with the regulatory services role. So, those are sort of systemic things that we're able to do to make sure that doesn't go back. It's really outside their job descriptions.

And then more, you know, reminders and that—and, of course, watchful eyes by the managers and the directors and that type of thing.

I can attest our department has a high level of scrutiny on financial submissions. So, not only is the branch and the department—or 'branch' and the division hyper-aware, you know, any of the departments that we've been with, and we've been with two or—a couple in the last short while, have had very strong controls on how processes are being paid and that type of thing, so.

MLA Lindsey: Just kind of on a follow-up to that, I get that, for the private lands, it's the consulting engineers that are tasked with doing the follow-up to make sure that everything is done that's said being done, that the process is working.

But is there people within your department, then, that at least do some kind of spot check on it to ensure that what the consulting engineers are reporting is the correct information? Or is it just left entirely up to the consulting engineer to just submit a report, and everybody takes their word for it, all is good? And then, what about with the Crown land ones, what kind of management oversight follow-up is there with those ones?

L. Stevenson: Yes, so, up to this year, since we only had one inspector, and that inspector was in Flin Flon, the ability to sort of revisit work that's been reviewed by the consultant was not—it was not possible.

This part is part of the training process of new inspectors, and also as routine practice, is we will have the ability to send inspectors out to inspect work that's being overseen by consulting engineers.

We do recognize these consulting engineers are professional individuals that are bound by their code of ethics as well. And it's fully expected that, once we, you know, jump wholeheartedly into the Crown land rehabilitation process, those will be tendered and contracted projects, defined lists of deliverables. Our inspectors, you know, capacity-wise, we should have at least some to keep—up to a few—will be able to do that analysis.

The chief mining engineer is very skilled in knowing what needs to happen on a pit and a quarry in rehabilitation. And, as I had indicated, we also have staffing authority to fill a junior mining engineer to support him as well.

* (14:20)

So, that's what we're doing, sort of, for the private program. We will, this year, be starting with visiting some of those sites ourselves on the private land and then go forward with the Crown program. You know, the intention would be that our engineers—our inspectors and our engineers can do that quality insurance checks as well.

Mr. Lamont: Just a question around recommendation 4, that there were some challenges around levy collection and royalty revenue, making sure that people were—because contractors are self-reporting, what has been done in terms of the department assessing, monitoring or analyzing quarry returns just to see, even on a statistical basis, whether all this—whether you might—it might suggest that one quarry or another is under-reporting? If anything, what's been done on that score?

L. Stevenson: Have implemented what is those daily haul reports, and we are beginning to visit sites often. And actually, just the presence of visiting sites often, seeing what's there; lots of drone footage and photos are being taken whenever we're out on those site inspections.

I'm pretty sure there will be a noticeable change to the environment this summer. I was kind of surprised myself. The inspection trucks are bright red and there's three of them in the lot, so they can't be missed when they're out and about inspecting. So, they're much more present on the landscape, even when there's a working pit going, right, to ensure that safety practices are being followed and that type of stuff.

So, that really just had to wait 'til we had some bodies, so.

Mr. Lamont: The other question had to do with—and this may overlap with my previous question.

We're talking about risk assessment, but clearly one of the things that was identified in the Auditor General's report is the difference between, you know, the size and scale of rehabilitation. So, is there a different assessment process or a different risk assessment process when it comes to large sites as opposed to smaller sites?

Is there a—what sort of approach were you—or what sort of new approach has been taken in terms of dealing with large versus small sites?

L. Stevenson: So, generally, the 'riks' assessment is quite similar for the two.

You know, we want to make sure the safe—the site is safe to the public and to the environment, whether it's large or small. Interestingly enough, there can also—for instance, in the private municipal land programming, if the program is oversubscribed, size can also enter into a factored of awarding, so a small site may be able to go, or multiple small sites may be able to go when a larger one wouldn't, just also in the process of, you know, prioritizing those lists.

The tricky thing with small sites are—is the small site—fully depleted small site all on its own, or is it a subset of a larger site? So we're also ensuring that landowners are responsible to prove that this is the site they want to rehabilitate and that they haven't, you know, that next year, if they apply, they're definitely in a distinct separate area, that type of thing.

But size can be entered into the risk assessment model as a qualifying factor as well as, I believe, the amount of material moved.

Mr. Brar: Thank you so much for so much information that you're sharing off the top of your head, and I appreciate OAG for that great work looking into the system and finding a lot of issues and recommending.

I have a general question about recommendations because I don't see any deadlines or implications of not being able to correct the system, or something like that. So, who has the final say, or who makes the final decision? Because these are—kind of recommendations sounding like suggestions: you should do this; we recommend that this should be corrected, improved, right?

So, who makes the final decision how to address these issues, and what are the implications if these issues are not addressed at all or are not addressed, say, for another six, seven, eight years? So, what happens?

Just trying to understand the system, how it works.

L. Stevenson: So, it's—this is probably a little out of my bailiwick. But essentially, we are taking the recommendations seriously, all of them, and intending to implement them, other than we will be looking to have a discussion with the Auditor General's Office, Office of the Auditor General, about things like 12, are we using up-to-date technology practices? That recommendation suggested that the procedure manual be updated to ensure that was occurring.

And although I agree, you know, it's good to say the procedure is this, I'm also seeing that there might

be a bigger role for the position description. So, I don't know if we implement in another manner, as set out in the recommendation, if that still is considered as implemented; because there might be those types of modifications that are coming.

I know from reading other reports that I've seen, some are not implemented. But I'm not seeing that here. It's just that there might be a modification to a recommendation, like, from the department, of how we would address that concern.

Mr. Brar: Just a follow-up with an example.

For example, there is a project or contract worth \$100,000, right? And it's divided into two so that the tendering process could be bypassed. So what steps or measures would be followed, taken, to stop happening that again and again?

Because it seems very simple: break the project into three, four, five and give it to anybody without tendering. So, like, have—has the department taken any steps or in the process of building a system where we can stop this?

L. Stevenson: So, I think to respond to that is—to be able to issue a tender of under \$50,000 still requires an elevated level of delegated financial signing authority.

So essentially, they're going to have to come to me if it's under \$30,000; if it's between 30 and 50, they're going to have to come to the deputy minister, you know, and there's other values depending on what level.

So, the delegated financial authority process itself is a bit of a stopgap in what are we doing, and why are we doing this. We don't intend to return to no tenders. I don't see that anywhere in the recommendations that—like not the Auditor General, but our recommendations internally, that we tender for projects.

Like, if a project is going to be tendered, it's out there, it's on MERX, the value comes in and we process, so, yes.

Mr. Chairperson: Are there any other questions?

Hearing none—okay, hearing no further questions or comments, I'll now put the question on the reports.

Auditor General's Report—Quarry Rehabilitation Program Investigation, dated May 2020—pass.

Does the committee agree that we have completed consideration of Quarry Rehabilitation Program Investigation of the Auditor General's Report-Follow-Up of Previously Issued Recommendations, dated March 2023? Agreed? *[Agreed]*

* (14:30)

So, I'm being asked here, does the committee agree that we have completed consideration of Quarry Rehabilitation Program Investigation—investigation program—of the Auditor General's Report-Follow-Up of Previously Issued Recommendations, dated March 2023? *[Agreed]*

Could all members leave behind their copies of the report titled Follow-Up of Previously Issued Recommendations so they can be used in future meetings.

The committee will now go in camera.

I thank the witnesses for their time and contributions this afternoon and ask that they please leave the Chamber.

The committee went in camera at 2:31 p.m.

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The committee resumed at 2:39 p.m.

Mr. Chairperson: So, will the Standing Committee on Public Accounts please come to order.

I would like to thank the witnesses who've appeared over the last three days, the Auditor General and his staff for their support over the last four years and also the hard-working Assembly staff operating behind the scenes, who have helped ensure our meetings run as smoothly as they have.

The hour being 2:39 and a half, what is the will of the committee?

An Honourable Member: I would suggest committee rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 2:39 p.m.

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