



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

2018 Special Report – Presentation to the NPCA Board of Directors

Bonnie Lysyk, Auditor General of Ontario

May 3, 2019

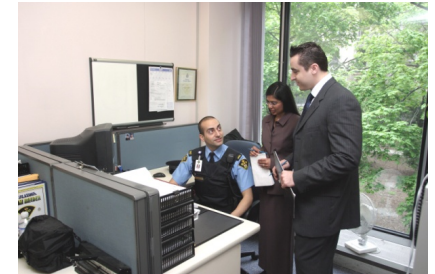
Agenda

- Introduction to the Office of the Auditor General of Ontario
- Audit Objectives
- Audit Scope
- Audit Observations and Audit Recommendations
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 2. Protection of People and Property
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 4. Managing Financial Resources and Capital Resources
 5. Province and Municipalities' Oversight of Conservation Authorities



Role of the Auditor General

- Appointed under the Auditor General Act, 1990.
- The Auditor General has a 10 year non-renewable term.
- We provide information to the Legislature to help ensure taxpayer funds are prudently spent and government administrators follow sound business practices.
- We encourage improvements in the way the government delivers public services by reviewing their economy, efficiency, and effectiveness.
- We provide assurance that financial accounts are fairly presented (traditional auditor role).



Role of the Auditor General

As an Officer of the Assembly, the Auditor General is independent from the government. Our key stakeholder is the Legislative Assembly.

Reporting Structure



* Member of the following Associations: Chartered Professional Accountants of Canada (CPA), Canadian Council of Legislative Auditors (CCOLA), and Canadian Audit and Accountability Foundation (CAAF)



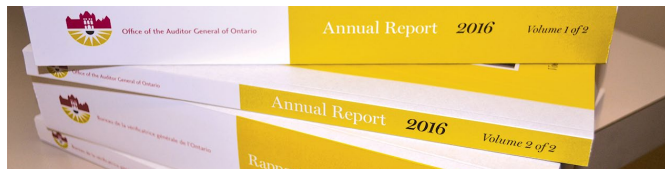
Standing Committee on Public Accounts

- The membership of the Committee reflects proportionately the representation of parties in the Legislative Assembly.
- Currently, the Committee is composed of 6 MPPs from the Progressive Conservative Party, and 3 MPPs from the New Democratic Party.
- PAC holds formal hearings on selected contents of our Annual Report at which senior ministry and agency officials are questioned about the matters under review. Each party selects a minimum of three audits annually.
- The Auditor General is an advisor to the committee.



Our Work

- **Value-for-Money audits** are conducted annually – mandate extends to ministries, crown agencies, school boards, long-term care homes, hospitals, universities, colleges, etc.
- **Follow-up reports** on value-for-money audits are conducted every two years to determine the status of implementation of recommendations. We have also introduced a new process to follow-up on all recommendations after the two-year follow-up until each recommendation is fully implemented.
- **Financial statement audits** are conducted on the province's Public Accounts, as well as numerous provincial Crown agencies such as the Liquor Control Board of Ontario, TVOntario, and the Ontario Securities Commission.
- Review and report on reasonableness of the **Pre-election Report** on Ontario's Finances
- New responsibilities under the **Environmental Bill of Rights (EBR)** include reporting on ministries' compliance with the EBR. May also report on the government's progress on energy conservation, greenhouse gas emissions reduction or other environmental issues



Special Audits: 2013-2018

- 15 special audits completed since 2013

Audit	Tabling Date
Mississauga Power Plant Cancellation Costs	April 2013
Oakville Power Plant Cancellation Costs	October 2013
Divestment of Ontario Northland Transportation Commission	December 2013
OLG Modernization Plan	April 2014
Changes to Teacher Collective Agreements	November 2014
2015 Pan/Parapan Am Games Security	November 2014
Winter Road Maintenance	April 2015
Government's Proposed Amendments to the <i>Government Advertising Act, 2004</i>	May 2015
Community Care Access Centres	September 2015
Government Payments to Education-Sector Unions	May 2016
2015 Pan/Parapan Am Games	June 2016
The Fair Hydro Plan: Concerns About Fiscal Transparency, Accountability and Value For Money	October 2017
Review of the <i>2018 Pre-Election Report on Ontario's Finances</i>	April 2018
Special Audit of the Niagara Peninsula Conservation Authority	September 2018
Metrolinx GO Station Selection	November/December 2018



2018 Special Audit of the Niagara Peninsula Conservation Authority



Audit Objective

- On October 25, 2017, the Standing Committee on Public Accounts of the Legislative Assembly passed a motion requesting that our Office conduct a value-for-money audit of the NPCA.
- To assess whether the NPCA, in partnership with the Ministry of the Environment, Conservation and Parks (Ministry, previously the Ministry of Natural Resources and Forestry) and participating municipalities, had effective procedures and systems in place to ensure that:
 - Programs and services were delivered economically, efficiently and in accordance with relevant legislation, regulations, agreements and policies, such that the impact of human activities, urban growth and rural activities on the area of the watershed within the NPCA's jurisdiction was effectively managed; and,
 - Operational effectiveness was measured, assessed and publicly reported on.



Audit Scope

- Audit work was conducted between January 8, 2018, and July 31, 2018, primarily based out of the NPCA head office in Welland.
- Audit focused on the NPCA's operations (and to some extent, the Ministry and participating municipalities' oversight of the NPCA's operations) in the five-year period between 2013 and 2017.
- Reviewed applicable legislation, agreements, program directives, policies, relevant files, emails and electronic files from the NPCA.
- Interviewed all current NPCA staff (at time of audit), 17 former NPCA staff, all current members of the NPCA Board of Directors, staff from the OPSEU, staff from the Ministry and the three participating municipalities, representatives from Conservation Ontario and other stakeholders
- Visited the NPCA's four revenue-generating conservation areas (Ball's Falls, Binbrook, Chippawa and Long Beach) and its central maintenance workshop in Gainsborough Conservation Area.
- Surveyed the 35 other conservation authorities, and interviewed representatives from six conservation authorities. We also researched governance in other jurisdictions and international conservation organizations.



Audit Team

- Bonnie Lysyk, Auditor General
- Gus Chagani, Assistant Auditor General
- Ariane Chan, Audit Director
- Katrina Exaltacion, Audit Manager
- Jesse Dufour, Audit Supervisor
- Kristy May, Senior Auditor
- Anne Benaroya, Senior Auditor
- Bradley Merklinger, Researcher



Part 1: Board's Governance of NPCA's Operations



Built-in Conflict

- 12 of the 15 NPCA Board members at the time of our audit were elected officials such as mayors and councilors. Elected officials comprised on average 80% of conservation authority boards across the province.
- Conservation authorities are governed by boards of directors whose members are appointed by the municipalities that provide funding to conservation authorities.
- The *Conservation Authorities Act* authorizes board members to vote and generally act on behalf of their respective municipalities.
- This puts board members in a difficult position when municipal interests conflict with the interests and responsibilities of conservation authorities.
- Board members said the same to us, confirming that they acted primarily on behalf of their municipality when making NPCA Board decisions.



Recommendation 1

To ensure effective oversight of conservation authorities' activities through boards of directors, we recommend that the Ministry of the Environment, Conservation and Parks clarify board members' accountability to the conservation authority



Board Involvement in NPCA's Day-to-Day Operations and Decision-Making

- Our review of relevant documents and correspondence found varying levels of board involvement in some aspects of the NPCA's day-to-day activities.
- Examples ranged from asking for information and updates about a proposal, to attending meetings between NPCA staff and municipal staff, and instructing NPCA staff that the NPCA needed to support a development proposal.
- Board members told us they got involved because they were perceived to be accountable to the taxpayers in their municipality.
- A key role of a Board is to provide oversight by objectively assessing the assumptions and rationale behind management's recommendations, and to do so through an official process at Board meetings.
- Any degree of Board involvement in day-to-day operations is inappropriate because it compromises the Board's objectivity in fulfilling its oversight role.



Recommendation 2

To ensure that the NPCA Board of Directors has the necessary independence and objectivity to oversee the NPCA's activities effectively, we recommend that the NPCA Board:

- adhere to its Code of Conduct, which states that Board members are to refrain from unduly influencing staff, being respectful of staff's responsibility to use their professional expertise and corporate perspective to perform their duties; and
- update its Code of Conduct to clearly define the circumstances and relationships that could lead to an actual or perceived conflict of interest beyond those defined in the Municipal Conflict of Interest Act



Board Skills and Training

- The *Conservation Authorities Act* does not impose any requirement regarding Board composition and member qualifications beyond establishing the minimum number of representatives and requiring that Board members reside in the municipalities within the conservation authority's jurisdiction.
- The municipalities in the NPCA's jurisdiction did not appoint their NPCA Board members based on specific skills or competencies.
- Board members advised us that they relied on the NPCA staff's expertise if the Board did not have expertise in particular areas. This reliance prevents the Board from being able to independently evaluate the rationale behind management's recommendations.
- The NPCA Board did not undergo any governance training to help its members fully understand the scope, limitations, and responsibilities of their oversight role.



Recommendation 3

To ensure that members of the NPCA Board of Directors collectively have the skills, experience and training necessary to oversee the NPCA's activities effectively, we recommend that the NPCA Board:

- Determine the types of skills and experience required on the Board based on the NPCA's mandate, and develop and implement a strategy to address any gaps;
- Work with the NPCA's funding municipalities to ensure that their Board appointment processes consider skills and experience requirements;
- Assess the current role of its advisory committee to determine whether it is sufficient in fulfilling any gaps in Board skills and competencies, and revise as necessary; and,
- Identify initial and ongoing Board governance training needs.



Recommendation 4

We recommend that the Ministry of the Environment, Conservation and Parks:

- Make a recommendation to the Executive Council of Ontario to proclaim Section 40 of the Conservation Authorities Act;
- Once Section 40 is proclaimed, make a regulation prescribing requirements for board composition that result in board members having the independence and objectivity they need to fulfill their oversight responsibilities; and
- Work with Conservation Ontario and conservation authorities to determine whether governance training should be developed and delivered province-wide for board members of conservation authorities



Assessment of CAO and Board's Performance

- NPCA policies require that the Board regularly evaluate the CAO's performance against the strategic plan and the financial and human resources goals of the organization.
- The last formal CAO evaluation was conducted in 2001 and NPCA had since had four different CAOs after that time.
- There was no formal process in place for the Board to evaluate its oversight processes and activities.
- The Board had not established goals and performance indicators to enable such evaluation.



Recommendation 5

To ensure that the NPCA Board of Directors has all the information it needs to effectively oversee the NPCA and improve its oversight when needed, we recommend that the NPCA Board:

- regularly evaluate the performance of the NPCA's Chief Administrative Officer, as required by its policies;
- develop performance indicators to facilitate the Board's evaluation of its oversight processes and activities; and,
- regularly evaluate both its collective performance and the performance of individual Board members.



Board Expenses

- Per diem payments in 2017 totalled \$47,700 – a 500% increase from \$7,900 in 2010.
- The per diem rate increased from \$66 in 2010 to \$75 in 2017 (compared to \$73 average per diem rate from conservation authorities surveyed)
- Total number of meetings claimed by Board members increased 422% from 121 in 2010 to 632 in 2017.
- NPCA Board policies stated that Board members could receive per diem payments for attending Board meetings, standing committee meetings, and “other business functions as may be from time to time requested by the Chair, through the CAO.” The policies did not specify what “other business functions” may include.
- One Board member received per diem payments for 145 meetings in 2017 (an average of three meetings per week).
 - 28 of the 145 meetings were Board or committee meetings
 - The remainder were mainly for attendance at NPCA events, meetings with stakeholders, performing administrative duties, and according to the Board member, preparations for Board and committee meetings.



Recommendation 6

To ensure that per diem payments to Board members are reasonable and transparent, we recommend that the Niagara Peninsula Conservation Authority:

- Clarify its Board policies to specify the meetings and other functions for which Board members may receive per diem payments in the future; and
- Continue to publish information on actual Board per diems and other expenses annually online



Part 2: Protection of People and Property



Identifying Flood-Prone Areas

- The NPCA did not have floodplain maps for over half of the watercourses in NPCA's watershed.
- These include 70 watercourses for which the Ministry recommends floodplain maps be prepared because they drain land areas 125 hectares in size or larger.
- Of the existing floodplain maps, almost one quarter of them were outdated.
- Without current and up-to-date floodplain maps, NPCA's review of development proposals and work permit applications might not be fully reflective of actual flood risks.



Recommendation 7

To ensure that the NPCA has complete and up-to-date information about flood risks within its watershed, we recommend that the NPCA:

- assess the risk to communities around the unmapped watercourses;
- Determine the time and cost for completing and updating floodplain maps; and
- Schedule this work, based on its risk assessment and for the watercourses for which the Ministry of Natural Resources and Forestry recommends floodplain maps be prepared



Recommendation 8

To ensure that conservation authorities have complete and up-to-date information about flood risks within their watershed, we recommend that the Ministry of Environment, Conservation and Parks work with Conservation Ontario to:

- Establish clear responsibility and criteria for developing and updating floodplain maps across the province; and,
- Review current funding levels to conservation authorities to determine how floodplain mapping can be completed in a timely manner.



Review of Development Proposals and Permit Applications

- The NPCA, at one time, had contradictory policies for reviewing development proposals and work permit applications.
- In 2013, NPCA senior management developed “interim directives” that instructed staff to use more flexibility in reviewing development proposals and work permit applications near wetlands and valleys than was allowed in the policies approved by the Board in 2007.
- NPCA senior management advised us that staff no longer used these interim directives, but was unable to provide evidence that staff had been so instructed.
- Our review of a sample of development proposals and work permit applications found that, in some cases, the NPCA’s comments were inconsistent with NPCA policies.
- The cases we found where staff did not follow NPCA policies indicated that staff were either still following the “interim directives” or stretching their interpretation of the 2007 policy to be more permissive about where development can occur.



Biodiversity Offsetting

- In response to a Provincial discussion paper on wetland conservation, NPCA staff met with provincial government officials in December 2015 to propose and obtain approval for a pilot biodiversity offsetting project involving Thundering Waters.
- The NPCA stated the pilot offsetting project would result in three hectares of wetland being created elsewhere for every one hectare destroyed.
- We found that:
 - the proposal was not based on any scientific analysis to determine the feasibility of offsetting; and
 - the NPCA had not gathered information on the ecosystems in Thundering Waters to determine if they contained unique features that cannot be replicated.



Recommendation 9

To ensure that development is directed away from areas of natural hazards where there is an unacceptable risk to public health and safety or of property damage, we recommend that the NPCA :

- Finalize, as soon as possible, its policies for reviewing development proposals and work permit applications; and,
- In finalizing such policies, ensure that the criteria for where development is allowed is consistent with Section 3.1 of the Provincial Policy Statement and the Conservation Authorities Act



Public Complaints about Violations of the *Conservation Authorities Act*

- Our review of a sample of public complaints about possible violations that the NPCA had logged between 2013 and 2017 found that one-quarter of the complaints were still open. Some dated as far back as 2014.
- NPCA did not consistently track complaints about possible violations and enforcement actions taken to address complaints. Therefore, we could not determine the actual number of reported violations and how many of them have been investigated and resolved.
- For those violations that are tracked, NPCA did not take timely and progressive action after complaints are received. NPCA also did not conduct site visits to confirm that landowners were complying with conditions of the work permit issued by the NPCA.
- NPCA relied entirely on public complaints to identify individuals engaging in prohibited activities, but had not informed the public about which activities are prohibited and how to report them.
- The lack of consistent, dedicated enforcement staff contributed to delays in resolving violations.



Recommendation 11

To ensure that reports of possible and known violations are appropriately addressed in a timely manner, we recommend that the Niagara Peninsula Conservation Authority:

- determine the number of enforcement staff necessary to address violations on a timely basis and staff accordingly;
- ensure that enforcement staff obtain the necessary training to discharge their responsibilities;
- revise its enforcement policy to provide guidance on the progressive actions enforcement staff should take to address violations taking into consideration the significance of the violations;
- revise its enforcement policy to require that enforcement activities be sufficiently documented and ensure that staff adhere to the policy; and,
- use CityView to track reports of possible violations.



Recommendation 12

To ensure that the NPCA can proactively identify unlawful activities before they result in risk to people, property and the environment, we recommend that the NPCA:

- institute a mandatory reporting mechanism for landowners to notify the NPCA that approved work has been completed in compliance with the conditions of the permit, and follow up with landowners who fail to report;
- develop a risk-based plan to conduct site visits to ensure that landowners have completed the approved work in compliance with the conditions of the permit; and,
- update its website to provide information to the public about activities that are prohibited under the Conservation Authorities Act and how the public can report suspected violations to the NPCA.



Restoration Program to Improve Water Quality

- Our review of all restoration projects between 2013 and 2017 showed that restoration grants were not directed toward areas or activities of concern because the NPCA did not establish clear goals for its restoration program, nor did it determine where restoration work was most needed.
- NPCA suspended its restoration program in July 2017 after identifying concerns about its delivery. In May 2018, the Board approved the draft terms of reference for the new design of the program, whereby the NPCA provides restoration grants to organizations instead of private landowners.
- \$3 million from Ontario Power Generation (OPG) to be spent on the Welland River restoration by 2012:
 - Only 48% had been spent;
 - NPCA could not provide project details for 73% of the 48% spent; and
 - 27% of funding was spent on ineligible projects (i.e. not in the Welland River).



Recommendation 13

To ensure that restoration funding is directed toward projects that best achieve the goals of the restoration program, we recommend that the Niagara Peninsula Conservation Authority, regardless of its chosen program delivery model, develop and implement a strategy to better target areas of the watershed based on water quality monitoring and other information on the health of the watershed.



Recommendation 14

To ensure that funding from Ontario Power Generation (OPG) helps improve the health of the Welland River as agreed to, we recommend that the NPCA :

- Seek clarification with OPG regarding its expectations for how the remaining funds are to be spent;
- Revise, as necessary, the formal agreement between the NPCA and OPG to outline such expectations; and
- Develop and implement a plan that identifies the projects and their locations for which the remaining funds will be spent, ensuring that such projects focus efforts on areas of concern based on the watershed plans that have been developed for the Welland River.



Buying Land for Conservation, Recreation and Education

- The 2007 Land Acquisition Strategy was based on scientific data and objective analysis but was not followed.
 - 66% of spending was on one property designated as low priority and only 5% of spending was on land identified as high priority.
- The 2015 and 2017 land plans were less detailed and provided less direction about lands to be acquired. Neither plan:
 - described the process for prioritizing and securing lands for protection; nor
 - identified how acquiring lands will fulfill the NPCA's mandate to protect people and property from flood and erosion hazards.
- To meet the goal of its 100-year plan, the NPCA will need to acquire at least 250 acres per year – more than what it acquired over the last 10 years combined. NPCA could not tell us how it established this goal and did not conduct analysis to determine whether the goal is feasible.



Recommendation 15

To ensure that lands are acquired to help the Niagara Peninsula Conservation Authority (NPCA) fulfill its mandate, we recommend that the NPCA:

- Review and revise its land acquisition goals—both in its latest 2015 plan and in its 100-year plan—for reasonableness and to reflect the NPCA’s responsibilities under the natural hazard policies of the Provincial Policy Statement;
- Improve its current land acquisition criteria to provide clear direction on which lands should be acquired;
- Prioritize its current land acquisition criteria to reflect the revised goals;
- Determine the total cost of its land acquisition plan and how it will fund the acquisitions;
- Develop and implement a plan to achieve its land acquisition goals; and,
- Monitor and report to the NPCA Board of Directors on land acquisition progress.



Measuring the Impact of NPCA's Programs and Services

- While the NPCA publishes quarterly and annual reports, the reports:
 - Did not always include key information about the NPCA's mandate (i.e. core activities or description of NPCA's different departments);
 - Did not contain information about the benefits of projects and how they contribute to the NPCA fulfilling its mandate; and,
 - Included quantitative information—for example, the number of development proposals reviewed, number of work permits issued, and the average time it took staff to review applications—but did not compare this information against pre-established goals or targets or include consistent measures throughout the years.
- While the NPCA had engaged a third-party consultant to assess its progress in achieving the goals it established in its 2014-17 Strategic Plan:
 - The assessment was incomplete because it only focused on what the NPCA has done without identifying all those action items in the strategic plan that NPCA has not yet done; and,
 - The review only assessed the steps taken by NPCA to establish new policies but did not assess whether the policies are being followed or are achieving their intended results.



Recommendation 16

To enable the NPCA to assess its performance in fulfilling its mandate, we recommend that the NPCA:

- develop performance indicators that are tied to its mandate and overall program goals;
- establish targets against which each indicator will be assessed;
- regularly collect and analyze information about the impact of its programs and services on the Niagara Peninsula watershed to help adjust programs on an ongoing basis; and,
- review, and revise as necessary, its annual and quarterly reports to better reflect how the NPCA's initiatives and projects are helping the NPCA fulfill its mandate and overall program goals



Part 3: Managing Human Resources



Organizational Restructurings

- In the absence of a long-term plan for staffing, the NPCA implemented four restructurings between 2012 and 2017, which were both costly and short-sighted. For example, eight positions were created and then eliminated three-and-a-half years later.
- The NPCA's average involuntary turnover rate in the 2012–17 period was 11%, two-and-a-half times the average rate of 4.4% for the public and private sectors in the same period reported by the Conference Board of Canada.
- NPCA paid out over \$1.3 million in staff compensation, grievance settlements, HR counselling and consulting fees related to terminations.
- In addition, the NPCA had incurred \$217,000 in legal fees relating to terminations and grievances, some relate to the restructurings.



Recommendation 10

To ensure that staffing decisions are focused on improving the operations of the NPCA to fulfill its legislative mandate and provide effective and efficient services, we recommend that the NPCA:

- develop a human resources (HR) plan that identifies current and future HR needs, as they relate to the strategic direction of the NPCA;
- in developing such an HR plan, review its staffing mix to determine the appropriate level of administrative and corporate support staff;
- base future HR decisions on its HR plan; and
- provide information about planned restructuring decisions, including their financial implications, to the NPCA Board prior to implementing such decisions.



Hiring, Promotions and Performance Evaluations

- In 2014, NPCA began taking steps to improve its human resource practices.
- However, we still found instances where:
 - Recruitment files did not always support the hiring of selected candidate; and,
 - NPCA did not follow its own policy for assessing staff performance annually.



Recommendation 17

To ensure that the NPCA follows fair and transparent recruitment and promotion processes, and that the best-qualified individuals are hired and promoted, we recommend that the NPCA:

- update its recruitment policies to include the steps and documentation required to support hiring decisions and eliminate situations of real or perceived conflict of interest in recruitment and hiring;
- update its promotion policies to include the decision-making process required to be followed and documented for promotions and appointments;
- assess staff's performance annually, as required by its policies; and,
- provide quarterly updates to the NPCA Board of Directors on staffing changes and performance.



Grievances and Complaints

- Since 2016, 21 NPCA staff had filed 51 grievances.
- NPCA's grievance rate—calculated based on the number of grievances filed as a percentage of total unionized employees—was 42% in 2016 and 92% in 2017. The grievance rate at the public and private companies surveyed by the Conference Board of Canada was 5%.
- We found that in 13 of the 16 harassment grievances and complaints, NPCA failed to either conduct an appropriate or timely investigation of the incident or obtain sufficient information to determine if an investigation was required.
- One-third of the NPCA staff we interviewed raised concerns that the HR staff person would not properly investigate allegations of workplace harassment in an unbiased and neutral manner.



Recommendation 18

To ensure compliance with the Occupational Health and Safety Act, the Ontario Human Rights Code and the Ministry of Labour's Code of Practice, we recommend that the NPCA :

- For every harassment or discrimination complaint or grievance filed, fully assess and document whether an investigation is required and, if it is, conduct it in an appropriate and timely manner;
- use its ability, under its workplace harassment policy, to appoint an external investigator or develop mechanisms to ensure that complaints against the CAO are investigated by a party who does not report directly to the CAO; and,
- provide additional information on grievances, staff complaints and investigations, including their subject and financial implications, as part of confidential updates to the NPCA Board of Directors.



NPCA's Workplace Culture

- Our survey of and interviews with staff showed that half of the NPCA employees viewed the workplace as generally positive, respectful and supportive, while the other half expressed concerns of harassment, fear and intimidation.
- On the positive side, many employees highlighted management's investment in staff training and continuous development.
- Several employees who had a positive view of the workplace commented that some employees, who were resistant to change, were not happy about efforts to change and modernize the organization.
- Employees who had a negative view of the workplace said that they were fearful that if they disagreed with management or otherwise raised concerns about management's strategic direction, they would be fired or laid off.



Recommendation 19

To ensure the NPCA operates as effectively and productively as possible, without workplace issues hindering its operations unnecessarily, we recommend that the NPCA:

- develop and implement an action plan to address workplace concerns;
- present this action plan and related timeline to the NPCA Board of Directors for review and approval; and,
- report on its progress in implementing the actions within the approved timeline.



Part 4: Managing Financial and Capital Resources



Procurement Practices and Managing Capital Spending

- Our review of NPCA's spending policies and practices found that NPCA may have paid more than necessary for goods and services.
 - NPCA did not acquire goods and services competitively as required by its procurement policy in half of the purchases we reviewed.
 - NPCA accepted unsolicited proposals without assessing whether it needed the service.
 - NPCA policy exempted legal services from competitive procurement.
- While we noted several areas of improvements in how the NPCA plans and manages capital spending, we also noted the following weaknesses in its internal capital plan.
 - There was little to no information to support the estimates for the 10 highest-costing projects.
 - The capital plan identified when projects are to be carried, it does not prioritize the projects.
 - The capital plan did identify how the NPCA will obtain funding to implement the projects.



Recommendation 20

To ensure that the NPCA receives value for money spent on goods and services, we recommend that the NPCA:

- Follow its procurement policies for the acquisition of goods and services;
- Revise its procurement policies to require that any needed services associated with unsolicited proposals be obtained in a transparent and competitive manner;
- assess the benefits of establishing continuity and achieving cost savings from contracting with a preferred law firm for each field of law it requires services; and,
- revise its procurement policies for legal services to implement the results of the above assessment.



Recommendation 21

To ensure that funds are available and that critical capital projects are completed in a timely manner, we recommend that the NPCA :

- Update the information in its asset management system to reflect the actual replacement cost of assets (when this information is available) and the estimated useful life of assets based on their condition;
- Obtain reliable information to support replacement cost estimates and cost estimates for planned capital projects;
- Prioritize capital projects using an objective assessment of needs;
- Identify how the NPCA will obtain funding to undertake these projects; and,
- Refine the capital plan, based on the above action items, and present it to the NPCA Board for approval.



Part 5: Province and Municipalities' Oversight of Conservation Authorities



Provincial Oversight

- Province does not give conservation authorities sufficient direction and guidance to resolve conflicts between conservation and development. Amendments to the Conservation Authorities Act in 2017:
 - did not specify which of the objectives – conservation, restoration, development or management of natural resources – takes priority when conflicts arise; and
 - did not give the Ministry or municipalities powers to intervene in conservation authorities' operations when there are indications of operational issues.
- The 2017 amendments, once proclaimed, would give the Ministry the ability to make additional regulations, including those requiring conservation authorities to provide certain services.
- The Act only requires conservation authorities to provide their annual audited financial statements to Ministry and municipalities. Neither the Ministry nor municipalities are involved to the extent necessary to assess how well conservation authorities are fulfilling their mandate.



Recommendation 22

To ensure that conservation authorities have the necessary information to interpret and fulfill their legislative mandate, we recommend that the Ministry of the Environment, Conservation and Parks, upon proclamation of Section 40 of the *Conservation Authorities Act*:

- Clearly describe for conservation authorities what the development of natural resources entails, and how it differs from “development” in general;
- Provide guidance to help conservation authorities prioritize the objectives of their programs and services (conservation, restoration, development and management of natural resources);
- Use its regulatory powers to establish minimum requirements and standards for conservation authorities’ delivery of programs and services; and,
- Establish the governance practices that it determines conservation authorities should be uniformly following province-wide.



Recommendation 23

To ensure that conservation authority boards of directors are held to account appropriately, we recommend that the Ministry of the Environment, Conservation and Parks work with municipalities to develop and implement a formal, cost-effective and purposeful reporting process that includes a discussion of the outcomes of conservation authorities' activities.



Recommendation 24

To ensure that issues that are beyond conservation authorities' ability to manage themselves are dealt with appropriately and in a timely manner, we recommend that the Ministry of the Environment, Conservation and Parks (Ministry) work with municipalities to:

- Determine the circumstances when Ministry and/or municipality intervention is warranted;
- Establish mechanisms for the Ministry and/or municipalities to intervene when necessary in conservation authorities' operations; and,
- Formalize such mechanisms through a memorandum of understanding between the Ministry, municipalities and conservation authorities that clearly establishes the roles and responsibilities of each party and when intervention is necessary.



Thank you

