



Canada Energy
Regulator

Régie de l'énergie
du Canada

Suite 210, 517 Tenth Avenue SW
Calgary, Alberta
T2R 0A8

Final Audit Report

ISH Energy Ltd.

Audit Topic: Contaminated Sites Management

CV2122-256

File OF-Surv-OpAud-I146-2021-2022 01

Date: 31 March 2022

Executive Summary

The Canada Energy Regulator (**CER**) expects pipelines and associated facilities within the Government of Canada's jurisdiction to be constructed, operated, and abandoned in a safe and secure manner that protects people, property, and the environment. To this end, the CER conducts a variety of compliance oversight activities, such as audits.

Section 103 of the *Canadian Energy Regulator Act* (S.C. 2019, c.28, s.10) authorizes Inspection Officers to conduct audits of regulated companies. The purpose of these audits is to assess compliance with the *Canadian Energy Regulator Act* and its associated Regulations.

The purpose of operational audits is to ensure that regulated companies have established and implemented both a management system and its associated programs, as specified in the *Canadian Energy Regulator Onshore Pipeline Regulations* (SOR/99-294) (**OPR**).

The CER conducted a Contaminated **Sites** operational audit of ISH Energy Ltd. (the **Auditee** or **ISH**) between 27 July 2021 and 28 October 2021.

Based on a review of files, ISH has not reported any contaminated sites to the CER.

The objective of this audit is to verify that ISH manages contaminated sites as a component of its Environmental Protection Program as per the requirements of the OPR.

Of fifteen (15) audit protocols, fifteen (15) were deemed to be non-compliant.

ISH did not demonstrate that it has processes, procedures, work instructions, and activities in place to identify or manage contaminated sites.

Within 30 calendar days of receiving the final audit report, ISH shall file with the CER a Corrective and Preventive Action (**CAPA**) Plan that details how the non-compliant findings will be resolved. The CER will monitor and assess the implementation of this CAPA Plan to confirm that it is completed in a timely manner.

Note that all findings are specific to the information assessed at the time of the audit as related to the audit scope.

The Final Audit Report will be made public on the CER website.

The auditors have found several deficiencies that are outside of the scope of this audit. The existing management system does not appear to satisfy OPR requirements. For example, it appears ISH took steps in approximately 2015 to develop and implement a management system, however ISH has not adequately maintained/updated the management system since its original implementation. Thus, the CER may follow up with additional compliance verification activities in the future.

Table of Contents

Executive Summary	2
1.0 Background	4
1.1 Introduction	4
1.2 Description of Audit Topic	4
1.3 Company Overview	4
2.0 Objectives and Scope.....	6
3.0 Methodology.....	6
4.0 Summary of Findings.....	7
5.0 Next Steps.....	11
6.0 Conclusion	12
Appendix 1: Audit Assessment.....	13
AP-01 Annual Documented Evaluation of Need	13
AP-02 Setting Objectives and Specific Targets.....	15
AP-03 Performance Measures	17
AP-04 Identifying and Analyzing all Hazards and Potential Hazards--	19
AP-05 Hazard Identification	21
AP-06 Risk Assessment	22
AP-07 Controls	24
AP-08 Legal List.....	26
AP-09 Training, Competence and Evaluation	27
AP-10 Communication.....	29
AP-11 Operational Control.....	31
AP-12 Internal Reporting of Hazards, Potential Hazards, Incidents and Near-misses....	33
AP-13 Inspection and Monitoring.....	35
AP-14 Conducting Annual Management Review	37
AP-15 Correcting Deficiencies.....	39
Appendix 2: Terms and Abbreviations.....	41

List of Tables

Table 1: Summary of Findings.....	7
-----------------------------------	---

1.0 Background

1.1 Introduction

The Canada Energy Regulator (**CER**) expects pipelines and associated facilities within the Government of Canada's jurisdiction to be constructed, operated, and abandoned in a safe and secure manner that protects people, property, and the environment.

Section 103 of the *Canadian Energy Regulator Act* (S.C. 2019, c.28, s.10) authorizes Inspection Officers to conduct audits of regulated companies. The purpose of these audits is to assess compliance with the *Canadian Energy Regulator Act* and its associated Regulations.

The purpose of operational audits is to ensure that regulated companies have established and implemented both a management system and its associated programs, as specified in the *Canadian Energy Regulator Onshore Pipeline Regulations* (SOR/99-294) (**OPR**).

The CER conducted a: Contaminated Sites operational audit of **Error! Reference source not found.**(**ISH**) between 27 July 2021 and 28 October 2021

1.2 Description of Audit Topic

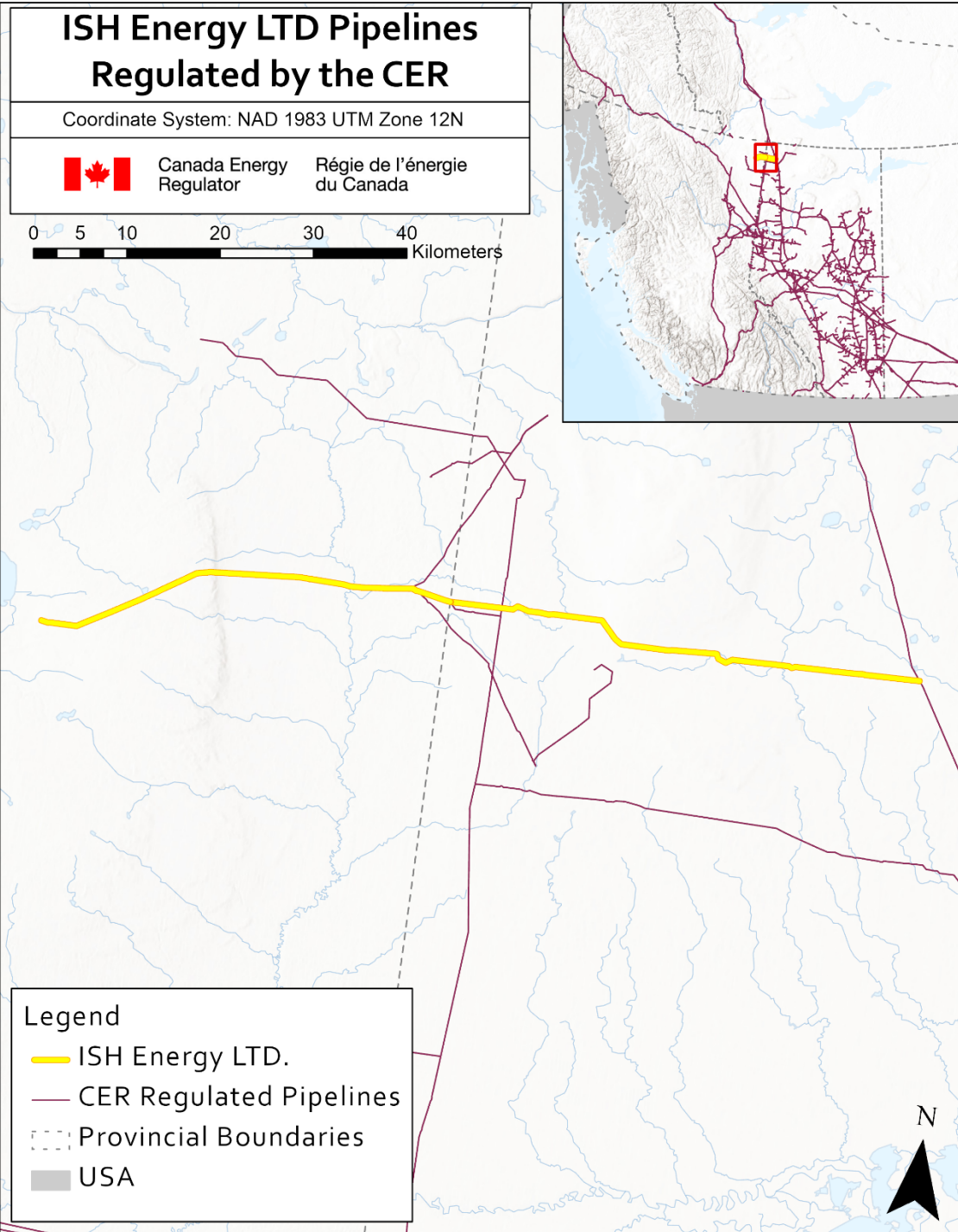
While the OPR does not have a specific requirement for contaminated sites, the CER expects the company's Environmental Protection Program to proactively manage contaminated and suspected contaminated sites. The protection of ecological and human health must be maintained throughout a facility's lifecycle, so the appropriate management of contaminated and potentially contaminated sites is a critical activity.

1.3 Company Overview

ISH Energy Ltd. (**ISH**) is a private Oil & Gas exploration and production company operating in Saskatchewan, Alberta, and British Columbia. ISH is the operator of the CER regulated Desan Pipeline under the Certificate of Public Convenience and Necessity OC-39. ISH is an upstream operator with assets located in southwest Saskatchewan, Alberta, and northeast British Columbia. These assets include approximately 3,000 wells and 1,250 km of gathering system pipelines, along with the CER regulated Desan Pipeline which consists of a 98 km 6" diameter pipeline traveling from the Desan field in northeast BC to a tie-in location on the Enbridge Operated line 21 which is located between Norman Wells NWT and northwestern Alberta. The line transports crude oil and natural gas condensate from its Desan field in British Columbia, to an interconnection with the Enbridge Pipeline (NW) Ltd. Pipeline system located in Alberta. The Desan Pipeline was constructed during the winter of 1995/96 and was commissioned in April 1996. The line is built through a boreal forest environment typified by muskeg lowlands and surface drainage crossings. Access along the route is restricted to winter frozen ground conditions (surface vehicles with developed winter roads) or helicopter.

ISH has 27 employees between its head office in Calgary and its field locations. In addition to this, ISH uses approximately 35 contract operators, of which four of the contract operators maintain and operate the CER regulated Desan pipeline under direction from ISH operations management.

The map below depicts ISH's CER regulated assets.



The map is a graphical representation intended for general informational purposes only. Map produced by the CER, November, 2021, Last updated on Sep 17

2.0 Objectives and Scope

The objective of this audit is to:

- verify that ISH has a contaminated site management program as a component of its Environmental Protection Program that meets the requirements of the OPR. As part of assessing this objective, the auditors evaluated if the company has the necessary processes, procedures, and work instructions in place to fulfil the requirements of section 6.

The following are scope limitations to this audit. First, this audit does not serve as a certificate or approval of any specific remediation activities. Although sampling of site-specific activities was completed, this audit is not a comprehensive assessment of all site-specific remediation activities. Second this audit does not address emergency management and/or incident response practices that would either prevent the creation of a contaminated site or minimize the magnitude of a contaminated site.

The table below outlines the scope selected for this audit.

Audit Scope	Details
Audit Topic	Contaminated Sites
Lifecycle Phases	<input checked="" type="checkbox"/> Construction <input checked="" type="checkbox"/> Operations <input checked="" type="checkbox"/> Abandonment
Section 55 Programs	<input type="checkbox"/> Emergency Management <input type="checkbox"/> Integrity Management <input type="checkbox"/> Safety Management <input type="checkbox"/> Security Management <input checked="" type="checkbox"/> Environmental Protection <input type="checkbox"/> Damage Prevention
Time Frame	Not Applicable

3.0 Methodology

The CER Auditors (**auditors**) conducted a sampling of ISH's management system processes, procedures, work instructions, and environmental program documentation related to contaminated sites. However, the auditors did not review and assess all management system documentation, nor did they review all environmental protection documentation. The auditors did review a sampling of records and documents.

The auditors assessed compliance through:

- Document reviews;
- Record sampling; and
- Interviews.

The list of documents reviewed, records sampled, and the list of interviewees are retained on file with the CER.

An audit notification letter was sent to ISH on 9 July 2021 advising ISH of the CER’s plans to conduct an operational audit. The Lead Auditor provided the audit protocol and initial information request to ISH on 27 July 2021 and followed up on 8 September 2021 with a meeting with ISH staff to discuss the plans and schedule for the audit. Document review began on 13 September 2021 and interviews were conducted between 11 October 2021 and 15 October 2021.

In accordance with the established CER audit process, the Lead Auditor shared a pre-closeout summary of the audit results on 28 October 2021. At that time, ISH was given five business days to provide any additional documents or records to help resolve the identified gaps in information or compliance. As ISH did not provide any additional information, the pre-closeout meeting became the final close out meeting.

This audit was conducted during the Covid pandemic. All interactions between ISH and audit staff were virtual (i.e., internet-based communications). No face-to-face contact between the auditors and Auditee occurred, and no field inspections were conducted.

4.0 Summary of Findings

The Lead Auditor has assigned a finding to each audit protocol. A finding can be either:

- No Issues Identified – No non-compliances were identified during the audit, based on the information provided by ISH, and reviewed by the Auditor within the context of the audit scope; or
- Non-Compliant – ISH has not demonstrated that it has met the legal requirements. A Corrective and Preventive Action (CAPA) Plan shall be developed and implemented to resolve the deficiency.

Note that all findings are specific to the information assessed at the time of the audit, as related to the audit scope.

The table below summarizes the finding results. See [Appendix 1: Audit Assessment](#) for more information.

Table 1: Summary of Findings

Audit Protocol (AP) Number	OPR Regulatory Reference	Topic	Finding Status	Finding Summary
AP-01	6.4(c)	Annual Documented Evaluation of Need	Non-compliant	ISH did not supply an annual evaluation of need related to the environmental management program. ISH is relying on informal discussion during meetings to ensure adequate resources have been allocated.

Audit Protocol (AP) Number	OPR Regulatory Reference	Topic	Finding Status	Finding Summary
AP-02	6.5(1)(a)	Setting Objectives and Specific Targets	Non-compliant	ISH did provide a 2021 document of Goals Objectives and Targets. ISH did not have goals, objectives, or targets that referenced contaminated sites or remediation in general. The auditors identified that ISH did not have a process for the setting of objectives and specific targets and for ensuring their annual review.
AP-03	6.5(1)(b)	Performance Measures	Non-compliant	ISH presented 30 key performance indicators, of which two were related to contaminated sites. The indicators were random and not aligned with or able to be used as measures in meeting the goals, objectives, or targets.
AP-04	6.5(1)(c)	Identifying and Analyzing all Hazards and Potential Hazards	Non-compliant	ISH did not provide a process that could identify contaminated sites as part of identifying hazards and potential hazards.
AP-05	6.5(1)(d)	Hazard Identification	Non-compliant	ISH did not provide an inventory of hazards and potential hazards. Including hazards that could result in contaminated sites.

Audit Protocol (AP) Number	OPR Regulatory Reference	Topic	Finding Status	Finding Summary
AP-06	6.5(1)(e)	Risk Assessment	Non-compliant	ISH provided a document described as a process for conducting an environmental impact risk assessment with a risk matrix. However, ISH could not provide evidence that this process is used to provide information to ISH staff on how to mitigate environmental risks.
AP-07	6.5(1)(f)	Controls	Non-compliant	ISH did not provide a documented process for implementing controls that could be used to manage and mitigate contaminated sites.
AP-08	6.5(1)(h)	Legal List	Non-compliant	The legal list that ISH provided was a list of Acts and Regulations by title only. The CER expectation is that a legal list be maintained at the applicable clause level.
AP-09	6.5(1)(j)	Training, Competence and Evaluation	Non-compliant	ISH provided a training matrix that was outdated. ISH did not provide a written process that meets the requirements of the OPR.
AP-10	6.5(1)(m)	Communication	Non-compliant	ISH provided a document that described some actions related to communication. However, ISH did not provide a documented process for internal and external communication.

Audit Protocol (AP) Number	OPR Regulatory Reference	Topic	Finding Status	Finding Summary
AP-11	6.5(1)(q)	Operational Control	Non-compliant	ISH provided an orientation booklet that contractors are required to read and sign. The booklet dealt with safety and did not reference environment or contaminated sites. ISH did not provide a process for coordinating and controlling the activities of employees and contractors working on behalf of ISH.
AP-12	6.5(1)(r)	Internal Reporting of Hazards, Potential Hazards, Incidents and Near-misses	Non-compliant	ISH provided its corporate Environmental, Health and Safety Manual section on incident reporting and investigation. The document does not provide information on environmental incidents that lead to contaminated sites, or how to identify or report them. In addition, the document does not meet the requirements of a written process.
AP-13	6.5(1)(u)	Inspection and Monitoring	Non-compliant	ISH provided their Field Inspection and Action Plan Program, and a document titled the Corrective Action Process. ISH did not provide a documented process for inspecting and monitoring the companies activities including activities related to identifying or managing contaminated sites.

Audit Protocol (AP) Number	OPR Regulatory Reference	Topic	Finding Status	Finding Summary
AP-14	6.5(1)(x)	Conducting Annual Management Review	Non-compliant	ISH did provide a document titled the Management Review Standard that listed some activities but did not describe a process. ISH did not provide a documented process for conducting an annual management review.
AP-15	6.6(1)(c)	Correcting Deficiencies	Non-compliant	The ISH Accountable Officer report did not address all requirements of this paragraph of the OPR such as the actions taken during the year to correct any identified deficiencies. Also, the annual report used vague language such as “ <i>should</i> ” throughout the report which does not specifically require anyone, or any group, to address the issues identified.

5.0 Next Steps

ISH is required to resolve all non-compliant findings through the implementation of a **CAPA** plan. The next steps of the audit process are as follows:

- Within 30 calendar days of receiving the final audit report, ISH shall file with the CER, a CAPA Plan that details how the non-compliant findings will be resolved.
- The CER will monitor and assess the implementation of the CAPA Plan to confirm that it is completed:
 - on a timely basis;
 - in a safe and secure manner that protects people, property, and the environment.
- Once implementation is completed, the CER will issue an audit close out letter.

6.0 Conclusion

In summary, the CER conducted an operational audit of ISH Energy Ltd related to: Contaminated **Sites**. Out of a total of 15 audit protocols, all were deemed non-compliant. ISH did not demonstrate that it has processes, procedures, work instructions, and activities in place to identify or manage contaminated sites. The auditee's management system requires significant work to meet the OPR requirements.

ISH Energy Ltd. is expected to resolve these deficiencies through the implementation of a CAPA Plan. The CER will monitor and assess the implementation of this CAPA Plan and issue an audit close-out letter upon its completion.

Appendix 1: Audit Assessment

AP-01 Annual Documented Evaluation of Need

Finding Status	Non-compliant
OPR Regulatory Requirement	6.4(c) The company must have a documented organizational structure that enables it to demonstrate, based on an annual documented evaluation of need, that the human resources allocated to establishing, implementing and maintaining the management system are sufficient to meet the requirements of the management system and to meet the company's obligations under these Regulations.
Expected Outcome	<ul style="list-style-type: none">- The company has completed an annual documented evaluation of need.- The annual documented evaluation of need discusses the amount of human resources allocated to establishing, implementing and maintaining the management system.- The annual documented evaluation of need meets the company's obligations with respect to these Regulations.
Relevant Information Provided by ISH	The following key documents and records are related to this finding: <ul style="list-style-type: none">- Consolidated Management System V2.1 – 11 May 2020- Management Review Standard Version 5 – 5 June 2017- Annual Review of Human Resource Allocation – 8 May 2020- September 2021 Organization Chart
Finding Summary	ISH did not supply an annual evaluation of need related to the environmental management program. ISH is relying on informal discussion during meetings to ensure adequate resources have been allocated.

Detailed Assessment

ISH did not provide a documented annual evaluation of need.

ISH provided a guidance document, the Annual Review of Human Resource Allocation. The Annual Review of Human Resource Allocation process is used to ensure that sufficient human resources are being appointed to properly implement and maintain the ISH Consolidated Management System including:

- Integrity Management Program;
- Operations and Maintenance Manual;
- Emergency Procedures Manual;
- Environmental Management;
- Security Management Program;
- Health, Safety, and Environmental Manual; and
- Damage Prevention Program.

According to the ISH Consolidated Management System document, “ISH’s management commitment ensures adequate resources are provided to the responsible groups and Field Operations, to enable the development, implementation, and maintenance of the Consolidated Management System and its relevant Protection Programs.” However, during interviews ISH indicated that since the publication of the document it has moved to a more informal annual review. Currently, discussions and decisions regarding resources and needs are informally held monthly at the safety meetings, the weekly production meetings, and during the annual corporate Environment Health Safety meeting.

AP-02 Setting Objectives and Specific Targets

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(a) A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for setting the objectives and specific targets that are required to achieve the goals established under subsection 6.3(1) and for ensuring their annual review
Expected Outcome	<ul style="list-style-type: none"> - The company has a compliant process that is established and implemented. - The company has set objectives and targets that are required to achieve the goals established under subsection 6.3(1). - All objectives are relevant to the company's management system when considering the scope of the process and their application to section 55 programs. - An annual review of the objectives and targets is performed by the company. - The review determines if the objectives were achieved or if corrective or preventive actions are needed.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - ISH Consolidated Management System V2.1 – 11 May 2020 - Environmental, Health, Safety, Integrity and Security Policy from the ISH Consolidate Management System - Desan Pipeline environmental Management & Standards Manual March 2016 - Goals, Targets and Objectives Setting Process, 2 February 2015 - 2021 ISH Desan Pipeline Goals, Objectives, & Targets - Consolidated Management System and Protection Programs 2020 Annual Report, 20 April 2021
Finding Summary	ISH did provide a 2021 document of Goals, Objectives, and Targets. None of ISH's goals objectives or targets referenced contaminated sites or remediation in general. The auditors identified that ISH did not have a process for the setting of objectives, specific targets, and for ensuring their annual review.

Detailed Assessment

ISH did not present a compliant process for setting objectives and specific targets. ISH did present various documents that referred to a process however the auditors assessed the documents and found that none of these documents either alone or collectively met the requirements of a compliant process (see below for process requirements).

ISH did provide the 2021 Goals Objectives and Targets for the company, which included one (1) environmental goal, two (2) environmental objectives, and two (2) environmental targets. They are as follows:

- **Goal** – ISH's goal is to have "zero" environmental releases (i.e. spills, ruptures, etc.) that may have a negative effect on the environment in addition to protecting and preserving the environment where ISH operates.

- **Objectives** – Keep product in the pipeline and evaluate the success of the Environmental Program (i.e. Desan Pipeline Environmental Management and Standards Manual).
- **Targets** – Zero spills, reduction in Key Performance Indicators (**KPIs**), and KPIs 100% complete.

ISH's internal document, the 2020 ISH Annual Management Review (Final 2020 ISH Annual Report NEB OPR Management System 4.20.2021) noted the Goals, Objectives, and Target Setting process document was previously identified as a process which needs improvement.

The auditors noted that many of the documents ISH presented for the audit were five or more years old and had not been reviewed. While not a focus of this audit, the auditors did request ISH's document control procedure. The procedure has a written requirement of regular review but no specific time frame is mentioned. It is the auditor's opinion that "regular reviews" would be taking place on a more timely cycle than what was observed with many of the ISH documents.

The auditors identified that ISH did not have a compliant process for the setting of objectives, specific targets, and for ensuring their annual review. While ISH was able to provide it's GOTs for 2021, there is no documentation to demonstrate how ISH identified that these were the appropriate GOTs for the company this year. ISH will need to provide a CAPA that satisfies the OPR requirement related to this non-compliance.

Guidance on the requirements of a compliant process.

A compliant process requires all of the following components to meet the CER's requirements:

- A documented series of interrelated actions that take place in an established order and are directed toward a specific result;
- Describes the purpose, scope, objective, and specific results that the process is intended to achieve.
- Describes the series of interacting actions or steps that take place in an established order;
- Defines the roles, responsibilities and authorities of staff to ensure the process is appropriately applied;
- Where required, references other relevant processes, procedures, and work instructions; and
- Describes how it is integrated with each OPR section 55 program.

For additional information as to what the CER expects for a compliant process, please refer to definitions section of this audit guidance [document](#) found on the CER's website.

AP-03 Performance Measures

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(b) A company shall, as part of its management system and the programs referred to in section 55, develop performance measures for evaluating the company's success in achieving its goals, objectives and targets.
Expected Outcome	<ul style="list-style-type: none"> - The company has developed performance measures that are relevant to its documented goals, objectives, and targets. - The following two items will be confirmed in connection with the company's annual report per paragraph 6.6(1)(b): <ul style="list-style-type: none"> o The performance measures support the ability to assess the achievement of the company's goals, objectives, and targets. o The company applies the performance measures to assess its success in achieving its goals, objectives and targets.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - Key Performance Indicator Process – 19 May 2015 V1 - 2021 KPI Tracking Document Desan Pipeline
Finding Summary	ISH presented 30 KPI's, of which 2 were related to contaminated sites. The indicators were random and not aligned with or able to be used as measures in meeting the goals, objectives, or targets.

Detailed Assessment

ISH refers to its performance measures as **KPIs** in its documentation. ISH presented the auditors with a tracking spreadsheet titled Desan Pipeline-Key Performance Indicators - 2021. This spreadsheet includes over 30 different KPIs for the company of which eight are environment related and two specific KPIs that would identify contaminated sites created by spills. ISH also provided a Key Performance Indicator Process document. According to the Key Performance Indicator Process document, annually ISH is to review its KPI data to determine what information will be collected to meet the GOTs setting process. The KPI data is expected to be:

- Useful to the organization;
- Easily collectable; and
- Repeatable.

After a review of the 30 KPIs, eight of which are for environment, there are two that are somewhat related to contaminated sites. One is the tracking of the number of spills and the second is the numbers of pipeline spills.

Several of the eight KPIs for environment are different than the ones listed in the Key Performance Indicator Process document discussed above. No documentation was provided that states how these environmental KPIs were selected for 2021, and why there are differences between what is in the Key Performance Indicator Process document and the 2021 Desan Pipeline Key Performance Indicators spreadsheet. This spreadsheet is updated quarterly, it is presented to management on a quarterly basis, and to the Accountable Officer on an annual basis.

The auditors are of the opinion that these KPIs do not provide ISH with useable data to determine if contaminated sites are becoming an issue for the company or not, and if ISH is effectively meeting its goals. From the documentation provided, there was no indication that ISH's KPIs were used to assess its success in achieving its GOTs.

ISH needs to consistently identify performance measures that it will use to evaluate its GOTs and demonstrate that the performance measures do support ISH's ability to assess the achievement of its GOTs.

AP-04 Identifying and Analyzing all Hazards and Potential Hazards--

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(c) A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for identifying and analyzing all hazards and potential hazards.
Expected Outcome	<ul style="list-style-type: none"> - The company has a compliant process that is established and implemented. - The methods for identification of hazards and potential hazards are appropriate for the nature, scope, scale, and complexity of the company's operations, activities and section 55 programs. - The identification of hazards and potential hazards must include the full life cycle of the pipeline. - The company has comprehensively identified and analyzed all relevant hazards and potential hazards. - The hazards and potential hazards have been identified for the company's scope of operations through the lifecycle of the pipelines. - The identified hazards and potential hazards have been analyzed for the type and severity of their consequences.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - ISH Consolidated Management System - Corporate Environment, Health and Safety Manual (EHS Manual Rev. 6.0 20181217) - Environmental Management and Standards Manual, March 2016 - Desan Pipeline Environmental Risk Assessment, 1 December 2017
Finding Summary	ISH did not provide a process that could identify contaminated sites as part of identifying and analyzing all hazards and potential hazards.

Detailed Assessment

ISH provided the auditors with the Hazard identification, Risk Evaluation and Control section of the ISH Consolidated Management System. This section outlines ISH's intent and processes in place for identifying and analyzing all hazards through the lifecycle of activities including normal and abnormal operating conditions.

With regards to the environmental protection program, the Corporate Environment, Health and Safety Manual (**EHS Manual**) Hazard identification and Assessment is referenced by ISH, and it states that all tasks require review of hazards in one form or another. The document provides three different tools for hazard assessment:

- Task hazard assessment is used for routine tasks;
- Field Level Hazard Assessments are used for non-routine tasks; and
- Permits are used for task specific hazards and to review hazards of third parties.

Environmental Aspects and Impacts of the Desan Pipeline Environmental Management & Standards Manual outlines the methods used by ISH for identifying and analyzing environmental hazards. Note, for environment, ISH uses the term aspects instead of hazards. The manual describes how to determine the aspects of activities, products and services that can have a significant impact on the environment and rank them according to total risk.

The documentation meets some of the requirements of a process by describing roles, responsibilities and has defined steps on how hazards are identified and documented. However, the documented (aspects) hazards are generic. ISH could not provide evidence that the process has been established or implemented and used within the company. It is also noted that potential hazards are not included in the company documentation.

AP-05 Hazard Identification

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(d) A company shall, as part of its management system and the programs referred to in section 55, establish and maintain an inventory of the identified hazards and potential hazards.
Expected Outcome	<ul style="list-style-type: none"> - The company has a compliant inventory that is established and maintained. - The inventory includes hazards and potential hazards associated within the company scope of operations and activities through the lifecycle of the pipelines. - Hazards and potential hazards are identified across all section 55 programs. - The inventory has been maintained, it is current, and is up-to-date including changes made to company operations and activities. - The inventory is being used as part of the risk evaluation and controls processes.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - Desan Pipeline Environmental Risk Assessment, 1 December 2017
Finding Summary	ISH did not provide an inventory of hazards and potential hazards.

Detailed Assessment

ISH presented the company Aspect Impact Assessment Desan Pipeline, updated 1 December 2017 as an inventory of hazards specific to the environmental program. This document is an environmental risk assessment document looking at severity and probability of an aspect occurring and provides high level controls. The document did not refer to contaminated sites as a hazard.

A compliant hazard inventory needs to be updated and maintained on a regular basis and include hazards and potential hazards for all OPR section 55 programs. The documentation provided appears to indicate that ISH's inventory has not been updated since 2017, almost four years ago.

The hazard inventory is used to maintain and update the rest of the management system including risk assessment, training requirements, and inspections to name a few. However, through documentation review and interviews it is not evident that the ISH inventory is being used as part of the risk evaluation and controls processes on an ongoing regular basis.

AP-06 Risk Assessment

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(e) A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for evaluating the risks associated with the identified hazards and potential hazards, including the risks related to normal and abnormal operating conditions.
Expected Outcome	<ul style="list-style-type: none"> - The company has a compliant process for evaluating risks that is established and implemented. - The method(s) for risk evaluation confirm that the risks associated with the identified hazards (related to normal and abnormal operating conditions) are based on referenced regulatory standards and are appropriate for the nature, scope, scale, and complexity of the company's operations, activities, and are connected to the purposes and intended outcomes of the section 55 programs. - Risks are evaluated for all hazards and potential hazards and includes normal and abnormal conditions. - Risk levels are monitored on a periodic basis and as-needed, and re-evaluated for changing circumstances. - Risk tolerance/acceptance criteria is determined for all hazards and potential hazards.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - Environmental Aspects and Impacts of the Desan Pipeline Environmental management & Standards Manual. - Risk assessment with the risk matrix outlined in section 5.6 Risk Matrix. - Assessment Desan Pipeline
Finding Summary	ISH provided a document described as a process for conducting an environmental impact risk assessment. However, ISH could not provide evidence that this document is established and implemented to and provides information to ISH on how to mitigate environmental risks.

Detailed Assessment

ISH presented the Environmental Aspects and Impacts of the Desan Pipeline Environmental Management & Standards Manual which outlines the risk assessment process that was used to evaluate environmental risks. The process illustrates how to conduct an environmental aspect impact risk assessment with the risk matrix.

The risk matrix is also included in the Corporate EHS manual and in the Aspect Impact Assessment Desan Pipeline, 1 December 2017 document. Risk evaluations were conducted using the Risk Matrix outlined in the Corporate EHS Manual and the Desan Pipeline Environmental management & Standards Manual. Risk tolerance and acceptance is outlined using the Risk Matrix in the Corporate EHS Manual and the Desan Pipeline Environmental Management & Standards Manual.

During interviews ISH staff indicated that, by activity, it is discussing hazards and risk during its weekly Operations meetings and its monthly safety meetings. A review of some of the minutes from these meetings indicates these discussions do take, place but are nonstructured and done, or at least recorded, in a high-level manner.

ISH is not maintaining and updating a hazard identification process, nor does the risk assessment process refer to the hazard inventory. The documentation does not present a process of identifying or risk assessing an aspect or hazard that could lead to a contaminated site. As discussed in previous Audit Protocols, the company is required to have a compliant process for evaluating risks that is established and implemented which the auditors did not identify. In addition to the above, the updated process will need to address risks related to both normal and abnormal operating conditions.

AP-07 Controls

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(f) A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for developing and implementing controls to prevent, manage and mitigate the identified hazards, potential hazards and risks and for communicating those controls to anyone who is exposed to the risks.
Expected Outcome	<ul style="list-style-type: none"> - The company has a compliant process for developing and implementing controls. - The method(s) for developing controls are appropriate for the nature, scope, scale, and complexity of the company's operations and activities and section 55 programs. - Controls are developed and implemented. - Controls are adequate to prevent, manage and mitigate the identified hazards and risks. - Controls monitored on a periodic basis and as-needed and re-evaluated for changing circumstances. - Controls are communicated to those exposed to the risks.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - ISH Corporate Health and Safety Manual - Training Orientation and Worker Proficiency Standard - Aspect Impact Assessment Desan Pipeline – updated 1 December 2017
Finding Summary	ISH did not provide a documented process that could be used to manage and mitigate the controls related to contaminated sites.

Detailed Assessment

ISH pointed to the Hazard Controls in the Corporate EHS Manual as an outline of the process for developing and implementing controls to prevent, manage, and mitigate the identified hazards, potential hazards, the risks, and for communicating those controls to anyone who is exposed. The document provides a description of the standard types of controls and the hierarchy of those types of controls. The manual provides further information on the effectiveness of controls, and goes on to indicate that, as part of regular review of hazard assessments and environmental impacts, controls will be reviewed to determine if they are effective. ISH did not provide any evidence of these were being carried out.

ISH indicated the Corporate Health and Safety Manual held the requirements for communicating the controls to anyone who is exposed to the risk. After a review of the manual, the auditors failed to identify any evidence that communicating controls to external parties was taking place. While it is likely that it is being done by undocumented activity, it was not being done by following a documented process. No reference to environmental or contaminated site communication was presented.

The auditors failed to see where ISH was monitoring its controls on a periodic basis and re-evaluating them as required. Some of the documents reviewed where controls are identified were close to four years old with no indication that they had been reviewed or updated in that timeframe.

After reviewing the documentation for this Audit Protocol question, the auditors did not identify a process as required by this paragraph of the OPR.

ISH presented their Aspect Impact Assessment Desan Pipeline – updated 1 December 2017, as the list of specific controls to mitigate environmental impacts. Some of the contaminated site examples included waste management, storage, and spill prevention. This document did not describe a process.

ISH failed to demonstrate that it met the requirements for this Audit Protocol question. ISH will need to establish and implement a process as required by the OPR.

AP-08 Legal List

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(h) A company shall, as part of its management system and the programs referred to in section 55, establish and maintain a list of those legal requirements.
Expected Outcome	<ul style="list-style-type: none"> - The company has established and maintained a list of legal requirements. - The list has been communicated to appropriate personnel. - The list has been maintained and is up-to-date based on the company scope of operations, its activities, including new and existing legal requirements. - The list includes all legal requirements for all section 55 programs. - The legal list has been developed to the clause level of the applicable regulation and standards.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - Regulation and Standard Review Process, 10 May 2020 - The 2019 Desan NEB Pipeline Annual Review of Regulations and Standard - Records Management User Guide V4.1 - 2020 ISH Annual Report NEB OPR Management System
Finding Summary	The legal list that ISH provided was a list of Acts and Regulations by title only. The CER expectation is that a legal list to be maintained at the applicable clause level.

Detailed Assessment

ISH provided its Regulation and Standard Review process document for this Audit Protocol question. This document is to provide the process for monitoring changes to legislation, acts, regulations, and standards that are applicable to ISH operations.

ISH presented an excel spreadsheet to the auditors that included the titles of applicable acts and regulations, including the Canada Labour Code, damage prevention regulations, and the OPR with the last update occurring in 2019. However, this list is not broken down to the applicable clause or requirements level.

The following is provided as the CER's definition of a Legal List:

"A documented compilation of required items. The list must be demonstrable as a stand-alone product; that is, without the need for additional supporting material, but the content must be integrated into the company's management system and management system processes and maintained so that it is up to date. The legal list has been developed to the clause level of the applicable regulation and standards."

ISH failed to demonstrate that it met the requirements for this Audit Protocol question for an established and maintained legal list. ISH will need to develop and maintain a list of its legal requirements to the appropriate clause or requirements level.

AP-09 Training, Competence and Evaluation

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(j) A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for developing competency requirements and training programs that provide employees and other persons working with or on behalf of the company with the training that will enable them to perform their duties in a manner that is safe, ensures the safety and security of the pipeline and protects the environment.
Expected Outcome	<ul style="list-style-type: none"> - The company has a compliant process for developing competency requirements and training programs. - The company has defined what competency requirements are required. - Training programs are traceable and trackable to the defined competency requirements and effective at achieving the desired competencies. - Employees and those working on behalf of the company are competent to carry out their assigned work. - Provide persons working with or on behalf of the company with adequate training applicable to section 55 programs and the management system.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - Operator Training and Awareness of the Desan Pipeline Environmental Management & Standards Manual. - Education and Environmental Training - Training Orientation and Worker Proficiency Standard Date, 28 December 2016 - The Training Matrix updated February 2016 - Employee Training records April 2018
Finding Summary	ISH provided some training that was outdated. ISH did not provide a written process that meets the requirements of the OPR.

Detailed Assessment

ISH's Operator Training and Awareness of the Desan Pipeline Environmental Management & Standards Manual states that "The purpose of environmental training and awareness is to educate operators and contract personnel in the identification and understanding of company environment protection policies, objectives, and standards that are required to complete job responsibilities related to the operation of Desan Pipeline".

The Education and Environmental Training document states that "ISH has established an internal operator training and proficiency program that includes the Desan Pipeline specific programs. The plant operators, assistant foreman, foreman and other designated workers must be proficient in the Desan Pipeline Environmental Program upon appointment of position and subsequently have refresher training annually."

The training and proficiency program for the environmental program requires a review of environmental training (EHS Manual Training, 13 July 2015, PowerPoint slides), a review of the manual, and a thorough understanding of the employee's responsibilities.

Through interviews, the audit team was informed senior operators, assistant foremen and foremen verify if new employees and contract staff are proficient at tasks by regularly reviewing the employee training checklist to ensure that the staff is up to date. Copies of the training and orientation are updated routinely by the foremen.

Through a review of records and the training matrix, auditors found the records were last updated April 2018 and the training matrix was developed February 2016. A large portion of the training in the matrix had a three-year recertification noted, but the records don't indicate recertification had taken place. No reference to training or competency requirements for identifying or managing contaminated sites.

After reviewing the documentation for this Audit Protocol question, the auditors did not identify a process as required by this paragraph of the OPR. The requirements for a process were provided in greater detail in Audit Protocol question-02 above.

AP-10 Communication

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(m) A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for the internal and external communication of information relating to safety, security and protection of the environment.
Expected Outcome	<ul style="list-style-type: none"> - The company has a compliant process that is established and implemented. - The methods for both internal communication and external communication are defined. - The company is communicating internally and externally related to safety, security and protection of the environment. - Internal and external communication is occurring and it is adequate for the management system and section 55 program implementation.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - Communication Strategy document, 9 May 2020 - 3 monthly safety meetings (16 May 2021, 10 July 2021, 13 June 2021) <p>Desan Pipeline Environmental Management and Standards Manual</p>
Finding Summary	ISH did provide a document that described some actions related to communication. However, ISH did not provide a documented process for internal and external communication.

Detailed Assessment

ISH presented the Desan Pipeline Environmental Management and Standards Manual, as part of the communication requirements for this Audit Protocol question. The manual contains three bullets related to communication:

- Communication of the environmental program to stakeholders and interested parties
- Complaints related to environmental issues; and
- Media relations.

The Communication Strategy document states that it is to identify internal and external methods to communicate and provide clear, informative, and engaging two-way communications between staff internally and between ISH and its external stakeholders. This is done to ensure workers, the public, and the environment are protected while ensuring regulatory requirements are met. Internal communication is provided as a list of different types of meetings i.e., tailgate meetings and Environment, Health, Safety and Security meetings. For external communication a high-level list of groups and organizations that would need to be communicated with or who would be required to provide some level of communication for various ISH activities was provided:

- Indigenous peoples;
- Damage Prevention Program;
- Industry;
- Emergency communications;
- Media; and
- Regulatory.

After reviewing the documentation, the ISH communications process is missing some necessary components. Such as who writes the communication, when is it distributed, and how the communication is distributed.

ISH will need to review them when it develops its CAPA for this Audit Protocol question.

AP-11 Operational Control

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(q) A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for coordinating and controlling the operational activities of employees and other people working with or on behalf of the company so that each person is aware of the activities of others and has the information that will enable them to perform their duties in a manner that is safe, ensures the safety and security of the pipeline and protects the environment.
Expected Outcome	<ul style="list-style-type: none"> - The company has a compliant process that is established and implemented. - The methods for coordinating and controlling operational activities are defined. - Employees and other people working with or on behalf of the company are aware of the activities of others. - Employees' operational activities are planned, coordinated, controlled, and managed. - People working for or on behalf of the company: <ul style="list-style-type: none"> o are pre-qualified for their assigned duties to ensure safety, the security of the pipeline and to protect the environment; o are assigned work plans that have been reviewed by the company and are assessed for the interoperation with the work to be performed by other people working on behalf of the company; and o have adequate oversight performed by company representatives for their assigned tasks to ensure safety, security of the pipeline and the protection of the environment.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - Safe Work Permits, monthly Safety Meetings, and ISH Orientation Booklets - Public awareness program - The ISH Orientation Booklet Revision 5, November 2017
Finding Summary	ISH provided an orientation booklet that contractors are required to read and sign. The booklet contains information on safety and did not reference environment issues or contaminated sites. ISH did not provide a process for coordinating and controlling the activities of employees and contractors working on behalf of ISH.

Detailed Assessment

ISH presented the ISH Orientation Booklet Revision 5 as the process in place which allows ISH to coordinate and control the operational activities of employees and other people working with or on behalf of the company. This booklet provides company orientation information on everything from Personal Protective Equipment, driving safety, to various corporate policies. As part of reviewing this booklet is a sign-off to show that the person understands their responsibilities to safety. The booklet had no reference to identifying or managing contaminated sites.

It does not appear to the auditors that ISH has established a baseline level of control over its contractors. The orientation booklet allows contractors to use their own hazard assessment and / or Field Level Hazard Assessment (**FLHA**) instead of using the ISH version. However, there does not appear to be an evaluation of the contractor's hazard assessment or FLHA documentation to ensure it meets at a minimum the ISH version of this requirement. It is unknown if the contractor versions of these documents would ensure that all ISH staff and its contractors are coordinated and controlled for their operational activities on a daily or project specific basis. After reviewing the ISH Orientation Booklet, the auditors were not able to determine if ISH maintains appropriate oversight to ensure safety, security of the pipeline, and protection of the environment. While it does appear, some activities do have oversight, it is not readily apparent if this oversight applies to all necessary activities that ensure the safety, security of the pipeline, and the protection of the environment.

After reviewing the documentation for this Audit Protocol question, the auditors did not identify a process in the orientation booklet as required by this paragraph of the OPR. The requirements for a process were provided in greater detail in Audit Protocol question-02 above.

AP-12 Internal Reporting of Hazards, Potential Hazards, Incidents and Near-misses

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(r) A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for the internal reporting of hazards, potential hazards, incidents and near-misses and for taking corrective and preventive actions, including the steps to manage imminent hazards.
Expected Outcome	<ul style="list-style-type: none"> - The company has a compliant process that is established and implemented. - The company has defined its methods for internal reporting of hazards, potential hazards, incidents and near-misses. - Hazards and potential hazards are being reported as required by the company's process. - Incidents and near-misses are being reported as required by the company's process. - The company has defined how it will manage imminent hazards. - The company is performing incident and near-miss investigations. - The company's investigation methodologies are consistent and appropriate for the scope and scale of the actual and potential consequences of the incidents or near misses to be investigated. - The company has defined the methods for taking corrective and preventive actions. - The company can demonstrate through records that all corrective and preventative actions can be tracked to closure.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - EHSP5F – Pipeline Reporting - Corporate Environmental, Health and Safety Manual, December 2018 - EHS Procedure – Accident Incident Reporting NEB Pipeline, December 2018 - EHS Investigation Procedure, December 2018
Finding Summary	ISH provided its corporate Environmental, Health and Safety Manual section on incident reporting and investigation. The document does not provide information on environmental incidents that lead to contaminated sites either to identify or on how to report them. In addition, the document does not meet the requirements of a written process.

Detailed Assessment

ISH presented the Corporate Environmental, Health and Safety Manual section on incident and accident reporting and investigation to the auditors as one of its key documents related to incidents. The document states reporting, documentation of incidents, and accidents is essential as the documentation is necessary for completing investigations, insurance reports, compiling statistics, and to comply with regulatory reporting. The manual goes on to say that the statistics collected are used to help identify potential companywide hazards, additional or new training needs, problems with procedures or work instructions, failure in communication, and the need for personal protective equipment.

The EHS Procedure – Accident Incident Reporting NEB Pipeline, provides the company's definitions for a close call, accident, and an incident. However, it does not define or provide guidance on what an environmental incident or accident would look like.

During interviews with ISH staff, they indicated that near miss (close call) reporting has only recently started at the company.

The ISH EHS Investigation Procedure states the purpose of an investigation is to identify the factors that contributed to the event and the causes behind those factors. The document also states that personnel investigating incidents must have some type of training in incident investigations. However, during interviews ISH staff stated that they do not follow or use any specific incident investigation techniques that are common in the industry.

The documented procedure provides definitions for incident terminology such as immediate cause and root cause, however the document does not provide a repeatable process or work instruction that would allow it to be used to obtain repeatable results. The procedure does require incident follow-up and ensuring that any action items are tracked until they can be closed out.

In reviewing several incident investigation reports, the auditors noted that not all investigations included a root cause analysis, and some reports were missing sections, or they had not been filled out completely.

In none of the documentation provided nor in the interviews conducted was ISH able to demonstrate how it would address imminent hazards. As managing imminent hazards is one of the requirements of this OPR paragraph, ISH will need to demonstrate how it will address this issue in its CAPA documentation.

After reviewing the documentation for this Audit Protocol question, the auditors did not identify a process as required by this paragraph of the OPR. The requirements for a process were provided in greater detail in Audit Protocol question-02 above

AP-13 Inspection and Monitoring

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(u) A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for inspecting and monitoring the company's activities and facilities to evaluate the adequacy and effectiveness of the programs referred to in section 55 and for taking corrective and preventive actions if deficiencies are identified.
Expected Outcome	<ul style="list-style-type: none"> - The company has a compliant process that is established and implemented. - The company has developed methods for inspecting and monitoring their activities and facilities. - The company has developed methods to evaluate the adequacy and effectiveness of the programs referred to in section 55. - The company has developed methods for taking corrective and preventive actions when deficiencies are identified. - The company is completing inspections and monitoring activities as per the company's process. - The company retains records of inspections, monitoring activities, and corrective and preventive actions implemented by the company.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> • Safety Program, • Environmental Management Program, and • Damage Prevention Program <ul style="list-style-type: none"> - Desan 2020 In Well Inspections – 9 March 2020 - Desan b-81-K 2020 Inspections – 9 March 2020 - Desan c-84-K gas run inspection – 9 March 2020 - Crossing Inspections 2006 – CNRL Crossing c-71-C 94-P-8 - 2006 – Devon Crossing – b-80-C 94-P-8 - Flight inspections Feb 2021 - ERP Desan CER Regulated Full Scale Exercise plan 2021 R1 - Corrective Action Process, June 2017 - Field Inspection and Action Plan Program, March 2017 - Desan Pipeline Compliance Checklist, December 2016
Finding Summary	ISH provided their Field Inspection and Action Plan Program, and a document titled the Corrective Action Process. ISH did not provide a documented process for inspecting and monitoring the companies activities including activities related to identifying or managing contaminated sites.

Detailed Assessment

ISH presented their Field Inspection and Action Plan Program, and a document called Corrective Action Process which outlines how ISH will inspect and monitor its activities and facilities. The process was written to address the OPR requirements. During interviews with ISH staff, it was stated that this process is set at a high level and may need some updating. The company also included The Desan Pipeline Compliance Checklist, which was last updated in December 2016.

The company provided records of inspections including fly overs. The documented inspections were done by check list and included checks on areas that would identify releases that could lead to contamination. Other inspection documents provided include Operating Infrastructure Inspections from March 2020. In these inspection documents all training has been checked off as compliant, yet when the auditors reviewed the training material in Audit Protocol question 09 above, gaps were identified in the training program.

ISH presented its Desan Sales Pipeline Compliance Checklist as an example of the various activities such as inspections, audits, meetings, etc. that it carries out on a monthly, quarterly, or annual basis. However, after review, the document appears to have been last updated in 2016 and it is unknown if ISH is still following all the activities as laid out in this checklist.

ISH did not provide an up to date and adequate documented process for inspecting and monitoring the company's activities and facilities to evaluate the adequacy and effectiveness of the programs referred to in section 55 and for taking corrective and preventive actions if deficiencies are identified.

AP-14 Conducting Annual Management Review

Finding Status	Non-compliant
OPR Regulatory Requirement	6.5(1)(x) A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for conducting an annual management review of the management system and each program referred to in section 55 and for ensuring continual improvement in meeting the company's obligations under these Regulations.
Expected Outcome	<ul style="list-style-type: none"> • The company has a compliant process that is established and implemented. • The company's methods for conducting the management review are defined. • The company has defined methods for reviewing the management system and each section 55 program. • The company has maintained records to demonstrate the achievement of meeting obligations under these Regulations is continually improved; • The company has identified, developed, and implemented corrective actions as part of it continual improvement.
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - Management Review Standard, June 2017 - Desan Pipeline Consolidated Management System and Protection Programs 2020 Annual Report
Finding Summary	ISH did provide a document titled the Management Review Standard that listed some activities but did not describe a process. ISH did not provide a documented process for conducting an annual management review.

Detailed Assessment

ISH's Management Review Standard includes requirements for senior management to review the six OPR section 55 protection programs annually to ensure:

- ISH is meeting required standards;
- Protection programs are implemented, suitable, effective, and adequate for the intended purpose; and
- Improvements are made when required.

The Accountable Officer is to ensure the Operations' Group has completed the annual review along with reviewing their findings and if necessary, addressing any short comings.

The Desan Pipeline Consolidated Management System and Protection Programs 2020 Annual Report provides specific information on each of the protection programs, which includes the environment program, and the management system in general. The report did identify gaps for each of the protection programs and the overall management system. However, the report did not provide any information on the corrective actions that would need to be implemented to address these deficiencies. Also, the report used vague wording such as "*should*" throughout the document. This implies there is an option to carry out the work or not, which is not appropriate when the deficiency is contrary to the requirements of the OPR. The report also indicated that all related documents have been updated to reflect the name change of the CER which took place in 2019, however the auditors found numerous instances throughout most of the documentation reviewed that still used the National Energy Board or NEB, instead of the updated Canada Energy Regulatory or CER.

The above documentation does not provide for a compliant process for conducting an annual management review of the management system and each program referred to in section 55 of the OPR. As with other process deficiencies discussed in other Audit Protocol questions.

ISH will need to update its documentation to ensure that it meets the requirements of a process as explained in Audit Protocol 02 above. ISH will also need to take steps to update its annual management review process to ensure it not only reviews the management system and each OPR section 55 program, but that it also ensures continual improvement in meeting the company's obligations under these Regulations.

AP-15 Correcting Deficiencies

Finding Status	Non-compliant
OPR Regulatory Requirement	6.6(1)(c) A company shall complete an annual report for the previous calendar year, signed by the accountable officer, that describes the actions taken during that year to correct any deficiencies identified by the quality assurance program established under paragraph 6.5(1)(w).
Expected Outcome	<ul style="list-style-type: none"> - The company has completed an annual report for the previous calendar year that is signed by the accountable officer. - The annual report discusses the actions taken to correct identified deficiencies. - The discussion of quality assurance of the management system is based on the program established and implemented in accordance with the requirements of the OPR section 6.5(1)(w).
Relevant Information Provided by ISH	<p>The following key documents and records are related to this finding:</p> <ul style="list-style-type: none"> - Management Review Standard, June 2017 - Management Review for 2020
Finding Summary	The ISH Accountable Officer report did not address all requirements of this paragraph of the OPR such as the actions taken during the year to correct any identified deficiencies. Also, the annual report used vague language such as “ <i>should</i> ” throughout the report which does not specifically require anyone, or any group, to address the issues identified.

Detailed Assessment

ISH’s Management Review Standard requires an annual report to be developed for the previous calendar year by the Operations’ Group and to be signed by the Accountable Officer. As part of the annual report the following topics may be covered in the report:

- Gaps in any of the programs that the Operations’ Group has identified;
- Newly identified risks;
- Gaps in workers’ training;
- Achievement of goals;
- Incident/ accident program trends;
- Crossing concerns;
- Capabilities for emergency response;
- In-line inspection findings;
- Management of Change; and
- A summary of the Operations’ Group key activities.

The auditors did verify that ISH submitted an Accountable Officer notification to the CER for the 2020 calendar year indicating it had completed its Accountable Officer report. In review of this report, the auditors noted that while ISH had identified various deficiencies in its management system, such as a lack of approved GOT’s for the year, the report failed to describe any actions taken during the year to correct the identified deficiencies. The report did highlight that some activities were not completed due to the challenges brought on by the COVID pandemic.

The ISH Accountable Officer report did not address all requirements of this paragraph of the OPR such as the actions taken during the year to correct any identified deficiencies. Also, the annual report used vague language such as “should” throughout the report which does not specifically require anyone, or any group, to address the issues identified.

Appendix 2: Terms and Abbreviations

Term/Abbreviation	Definition
CAPA	Corrective and Preventative Action Plan
EHS	Environment, Health, and Safety
FLHA	Field Level Hazard Assessment
GOTs	Goals, Objectives, and Targets
KPI	Key Performance Indicator