



Energy

October 2017

Summary

Department

There are no new recommendations to the Department of Energy in this report.

Alberta Energy Regulator

There are no new recommendations to the Alberta Energy Regulator in this report.

Outstanding Recommendations

Department

The following recommendations are outstanding and not yet ready for follow-up audits:

Evaluate and report on royalty reduction program objectives—February 2016, no. 1, p. 18

We recommend that the Department of Energy annually evaluate and report whether the department's royalty reduction programs achieve their objectives.

Improve controls over access to key business systems—October 2016, no. 16, p. 99

We recommend that the Department of Energy document conflicting roles within its key business systems and ensure appropriate controls are in place where conflicting roles are identified.

Alberta Energy Regulator

The following recommendations are outstanding and not yet ready for follow-up audits:

Systems to regulate pipeline safety and reliability in Alberta: Formalize training program for core pipeline staff—March 2015, no. 5, p. 46

We recommend that the Alberta Energy Regulator complete a skills gap analysis and formalize a training program for its core pipeline staff.

Systems to regulate pipeline safety and reliability in Alberta: Identify performance measures and targets—March 2015, no. 6, p. 51

We recommend that the Alberta Energy Regulator identify suitable performance measures and targets for pipeline operations, assess the results obtained against those measures and targets, and use what it learns to continue improving pipeline performance.

Management has identified these recommendations as implemented—to be confirmed with follow-up audits:

Systems to regulate pipeline safety and reliability in Alberta: Use risk management activities to make informed decisions—March 2015, no. 4, p. 46

We recommend that the Alberta Energy Regulator use its risk management activities to make informed decisions on allocating resources and determine the nature and extent of activities to oversee pipelines.

Systems to regulate pipeline safety and reliability in Alberta: Review pipeline incident factors—March 2015, no. 7, p. 53

We recommend that the Alberta Energy Regulator:

- expand its analysis of pipeline incident contributing factors beyond the primary causes
- promptly share lessons learned from its investigations with industry and operators

Systems to regulate pipeline safety and reliability in Alberta: Assess current pipeline information—March 2015, no. 8, p. 56

We recommend that the Alberta Energy Regulator complete an assessment of its current pipeline information needs to support effective decision making, and determine the type and extent of data it should collect from pipeline operators, through a proactive, risk-based submission process.

Systems to regulate pipeline safety and reliability in Alberta: Implement risk-based compliance process—March 2015, no. 9, p. 59

We recommend that the Alberta Energy Regulator implement a cost effective risk-based compliance process to evaluate the adequacy and effectiveness of pipeline operators' integrity management programs, and safety and loss management systems.

Systems to ensure sufficient financial security for land disturbances from mining: Improve program monitoring—July 2015, no. 3, p. 31

We recommend that the Alberta Energy Regulator, as part of its enterprise risk assessment process, develop and execute on a risk-based plan for its Mine Financial Security Program monitoring activities to ensure it is carrying out the appropriate amount of verification.