

NEWS RELEASE

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Weaknesses in management of Manitoba's Quarry Rehabilitation Program

WINNIPEG – Deputy Auditor General Tyson Shtykalo says weak oversight and poor internal controls resulted in mismanagement of Manitoba's Quarry Rehabilitation Program. The details are contained in a new report, *Quarry Rehabilitation Program Investigation*, released today.

The report is the result of a request from the Minister of Finance to look at the program, which was suspended in 2018 after financial irregularities were discovered. The audit request was made to the Auditor General in 2019 under Section 16 of *The Auditor General Act*. In addition to this report, Shtykalo issued a forensic findings document which contained confidential information that may be used for legal purposes and thereby did not publicly release it.

The audit found the Quarry Rehabilitation Program did not have a sufficient risk management strategy in place, including guidance on identifying and prioritizing depleted sites to rehabilitate. "A database ranking potential projects in order of risk, including both safety and environmental risks, should be used to prioritize selection of rehabilitation projects," Shtykalo said.

The audit also found weak controls over levy collection and royalty revenue, and many administrative deficiencies including not following best practices for tendering work. "During our review of Department emails and other project files we found no evidence of tendered projects from 2005 onwards," Shtykalo said.

The Quarry Rehabilitation Program collects levies from operators of aggregate quarries and sets them aside in a Quarry Rehabilitation Reserve Account. The program receives applications for rehabilitation of depleted pits and quarries from landowners, approves the application, and makes payments to contractors out of the reserve account once the work has been completed.

The report contains 15 recommendations. **To view the report, please visit**
<http://www.oag.mb.ca/reports>

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