

Chapter 28

**Follow-up of Previous
Recommendations on Health
and Safety Regulatory Programs**

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Follow-up of Previous Recommendations on Health and Safety Regulatory Programs

Main Points

28.1 This chapter presents our follow-up of three previously reported audits of federal health and safety regulatory programs. The Animal and Plant Health segment is a further follow-up to that reported in Chapter 28 of our 1998 Report.

28.2 Since our 1996 audit on animal and plant health, a number of initiatives have been undertaken within the Canadian Food Inspection Agency to address our recommendations concerning the assessment of risk and alternative service delivery; however, work remains to be done. Because many of our recommendations were long-term in nature, we did not yet expect their implementation to be complete. Progress is satisfactory, except in several specific areas.

28.3 Transport Canada has made satisfactory progress in the areas of risk analysis and audit and inspection. However, it has still not conducted or planned any formal review of the quality of Civil Aviation Daily Occurrence Reporting System (CADORS) data or any other safety performance data regularly supplied to it by NAV CANADA. The Department also has not yet established a formal process to reconcile the data it receives from NAV CANADA with the data from the Transportation Safety Board's incident-reporting system to ensure completeness.

28.4 The National Energy Board has made a good effort to meet its commitments and implement the recommendations. Progress has been slower than anticipated in some areas but is on track for full implementation in the near future. The Board has taken the tasks seriously and assigned senior staff to ensure successful completion.

Introduction

28.5 It is our policy to make recommendations in all of our audits that are oriented toward correcting problems and improving the management of government. We encourage management of the entities that we audit to respond to us in writing, stating whether they agree with our recommendations, and indicating the corrective action they plan to implement. We, in turn, publish their responses in our report to inform Parliament and the public.

28.6 Approximately two years after the initial audit, we return to determine what action has been taken by the entity toward implementing corrective action. This work forms the basis of our follow-up report.

28.7 Apart from a few unique situations, a follow-up is not a second audit of the same issues. Rather it is a report on what management tells us, or can demonstrate to us, about the progress it has made toward meeting our recommendations since our initial report on the subject. We do not exhaustively seek or examine additional evidence to support or refute what management has told us, but we do review its claims for reasonableness and report to Parliament accordingly.

28.8 This chapter presents our follow-up of three previously reported audits of federal health and safety regulatory programs. The Animal and Plant Health segment is a further follow-up to that reported in Chapter 28 of our 1998 Report. The remainder of our follow-up report is in Chapter 33 of this report.

Agriculture and Agri-Food Canada — Animal and Plant Health: Inspection and Regulation — 1996, Chapter 9

Assistant Auditor General: Doug Timmins

Principal: Neil Maxwell

Background

28.9 In our 1996 Report, we made a number of observations and recommendations on the animal and plant health programs of Agriculture and Agri-Food Canada. They focussed on program delivery and design, performance measurement, and cost recovery, avoidance and reduction initiatives.

28.10 In 1997, the animal and plant health programs, along with the food and fish inspection activities of Agriculture and Agri-Food Canada, Health Canada and Fisheries and Oceans, were consolidated into the Canadian Food Inspection Agency.

28.11 In our 1998 follow-up, we reported on the status of our 1996 recommendations.

Scope

28.12 Our 2000 follow-up work was conducted as part of the Office's examination of federal health and safety regulatory programs (see Chapter 24 of this Report). We focussed on two issues from our 1996 audit and 1998 follow-up that are examined in Chapter 24 — assessment of risk and alternative service delivery. We interviewed officials from the Canadian Food Inspection Agency and Health Canada and reviewed supporting documentation provided to us.

Conclusion

28.13 Since our 1996 Report, a number of initiatives have been undertaken to address our recommendations concerning the assessment of risk and alternative service delivery; however, work remains

to be done. Because many of our recommendations were long-term in nature, we did not yet expect their implementation to be complete. Progress is satisfactory, except in several specific areas.

Observations

Assessment of risk

28.14 In our 1996 chapter, we noted that a risk assessment process had been developed; however, it focussed on imports, not on domestic health threats, regulated diseases, weeds and toxic substances. We recommended several improvements in both information gathering and assessment of information. We also recommended more effective use of risk assessments in determining program-wide priorities and allocating resources to higher-risk areas.

28.15 In this follow-up, we found that the Agency has improved its information gathering by enhancing surveillance activities and incorporating the resulting information into the risk assessment process. The Agency has broadened its risk assessment focus beyond imports and conducts a large number of animal and plant health risk assessments annually.

28.16 The Agency is making satisfactory progress toward addressing our 1996 audit concerns, with the following exceptions:

- Little progress has yet been made in assessing the risks of weeds and toxic substances; however, plans exist to address these issues in the near future.

- The Agency has attempted to develop a risk-based resourcing process,

Progress is satisfactory, except in several specific areas.

but so far without success. This issue is discussed further in our audit of food inspection at the Canadian Food Inspection Agency (see Chapter 25 of this Report). We did note, however, a number of cases within the animal and plant health programs where the Agency has reallocated resources based on risk.

Alternative service delivery

28.17 Our 1996 Report noted that the increasing use of alternative service delivery mechanisms meant that systems to monitor and control these activities would become more important.

28.18 Our 1998 follow-up concluded that because monitoring and control activities were relatively new, their success was not yet known.

28.19 In this follow-up, we examined five major areas where alternative service delivery mechanisms are in place. We concluded that satisfactory progress in establishing monitoring and control activities is being made in four of the five areas.

28.20 Considerable attention has been paid to monitoring and controlling

compliance in the areas of greenhouse certification, nursery certification, accreditation of the Canadian Seeds Institute, and accreditation of external laboratories. Frameworks are in place that define the responsibilities of Agency staff and outside parties. They describe the methods to be used by regional staff to monitor and control activities of outside parties, and by headquarters staff to manage and control the national programs. The key monitoring and control activities set out in the frameworks are taking place.

28.21 In the area of accreditation of veterinarians, we found deficiencies in mechanisms at the national level. A framework is in place, but key monitoring and control mechanisms are still being implemented.

28.22 Alternative service delivery mechanisms are relatively new. Effective controls for these mechanisms are needed — controls that strike a balance between too little and too much control. For this reason, we believe that the Agency's senior management needs to regularly review monitoring and control activities.

In the area of accreditation of veterinarians, we found deficiencies in monitoring and control mechanisms at the national level.

Transport Canada — The Commercialization of the Air Navigation System — 1997, Chapter 19

Assistant Auditor General: David Rattray
Principal: Hugh McRoberts

Transport Canada has made satisfactory progress in the areas of risk analysis and audit and inspection, but not in review of quality of safety data and assurance of completeness of data.

Background

28.23 In November 1996, Transport Canada transferred the assets and operation of the Air Navigation System to NAV CANADA, a not-for-profit corporation created for that purpose. The Department retained its responsibility for regulating and overseeing the safety of air navigation services in Canada.

28.24 In 1997 we audited the Commercialization of the Air Navigation System (ANS) and reported our observations and recommendations in our October 1997 Report, Chapter 19. This year we conducted a follow-up as part of the audit of the Federal Health and Safety Regulatory Programs to determine the progress made by the Department since our last audit. Our follow-up dealt specifically with the Regulation of Safety.

Scope

28.25 The scope of our review was restricted to identifying and analyzing the changes that have occurred since the end of our 1997 audit. We limited our work to reviewing documents, including management's representations, and discussing them with management. While we assessed the materials for reasonableness and consistency, we did not seek independent corroborative evidence to verify the information in those documents.

Conclusion

28.26 The Department has made satisfactory progress in the areas of risk analysis and audit and inspection. However, it has still not conducted or

planned any formal review of the quality of Civil Aviation Daily Occurrence Reporting System (CADORS) data or any other safety performance data regularly supplied to it by NAV CANADA. The Department also has not yet established a formal process to reconcile the data it receives from NAV CANADA with the data from the Transportation Safety Board's incident-reporting system to ensure completeness.

Observations

Need for risk analysis

28.27 In 1997 we highlighted the need for systematic and quantitative analysis of risks as well as the importance of methodology and staff training.

28.28 Overall, the Department has made satisfactory progress in this area. It has established a policy (TP 13095) for the systematic management of risk that prescribes the application of "Q850", the Canadian Standards Association (CSA) decision-making process, as a standard methodology. About 85 percent of the Air Navigation Services and Airspace inspectors have been trained in the Q850 methodology. The Air Navigation Services and Airspace Branch has stated that close to 100 percent of its inspectors will have taken this training by the end of fiscal year 2000-01. The Department's Manual of Aeronautical Studies (TP 13011) requires that Q850 be applied in the conduct of the Department's aeronautical safety studies.

Standards for air traffic control

28.29 In 1997 we observed that automated systems for air traffic control

did not appear to be subject to any regulation.

28.30 This situation has not materially changed as the Department has not developed domestic standards for automated systems. The Department has indicated that it has taken some initiatives but has not achieved the desired progress. It is awaiting direction from the International Civil Aviation Organization (ICAO), whose progress in this area has been very slow, according to the Department, because of difficulty in international harmonization. The Department believes that ICAO and its member states have not supported the safety case for including automated Air Traffic Management (ATM) systems in the international standards. A technical specialist of the Air Navigation Services and Airspace Branch participates in the Radio Technical Commission for the Aeronautics (RTCA) Special Committee 189, Air Traffic Services Safety and Interoperability Requirements. The committee works jointly with the European Organization for Civil Aviation Equipment (EUROCAE) Working Group (WG-53) to define safety objectives and interoperability requirements for the Air Traffic Services (ATS) aircraft interface.

Reporting on performance of the ANS

28.31 In 1997 we stated that the requirement that NAV CANADA report in accordance with the CADORS manual should provide for the timely reporting of key data. We also stated that the Department needed to establish a means whereby it could gain assurance that the CADORS reports it receives from NAV CANADA are complete. We observed that the Department had neither planned nor conducted any audits to verify the quality of the data supplied by NAV CANADA.

28.32 The Department has stated that it continues to obtain key safety data from NAV CANADA regularly, in accordance with the requirements of the CADORS

manual, and that it now receives CADORS reports from NAV CANADA in a timely manner. The Department also continues informally to compare the reports it receives from NAV CANADA with data from the incident-reporting system operated by the Transportation Safety Board (TSB) of Canada; however, it has still not established a proper reconciliation process. In addition, the Department has not conducted or planned any formal review of the quality of CADORS data or any other safety performance data regularly supplied to it by NAV CANADA. The Department has informed us that “indirect verification” of the data quality is accomplished through regulatory inspections, audits and investigations.

28.33 The incident rate for losses of separation (the spacing required between aircraft) is a primary indicator of safety performance for an air navigation service provider. To be useful for both management and accountability purposes, it is critical that these data be both timely and correct. We would expect that by now the Department would have established a basis for reconciliation of the CADORS reports with the Transportation Safety Board system. Further, because of the importance of these data, we would expect that the Department’s audit regime for NAV CANADA would include tests of the completeness and accuracy of CADORS reports by reference to primary sources (radar and voice tapes). In one other jurisdiction where such tests have been carried out, officials have found that self-reporting systems tend to understate the occurrence of incidents.

Audit and inspections of safety

28.34 In 1997 we observed that the Department had only limited audit plans to conduct site manual validations. It had also not yet done any safety audits of NAV CANADA and had not conducted audits or inspections of NAV CANADA’s operations.

Transport Canada has not developed domestic standards for automated systems.

**Aeronautical studies
are conducted for all
proposed changes to
the levels of service in
air navigation.**

28.35 The Department started its first audit and inspection activities in August 1997. To date, the Air Navigation Services and Airspace Branch has completed over 150 audits and inspections, identifying 130 findings and observations. The Department also plans a comprehensive audit of NAV CANADA's Safety Management System, to be completed by the end of calendar year 2000. Future audit and inspection activities will be carried out in accordance with the Air Navigation Services and Airspace Branch's policy on frequency of inspections based on triggers and risk.

Safe delivery of air navigation services

28.36 In 1997 we observed that the Department had some distance to go before it had in place a fully functioning regulatory regime for NAV CANADA. We noted that there were important matters of risk, data, and audit and inspection that must be resolved before the regime could be said to be fully operating. We also noted that significant progress was needed in implementing the key elements of the performance-based regulatory regime. Until this was achieved, the Department would not be in a position to have full assurance on NAV CANADA's operational compliance with the requirements of the Canadian Aviation Regulations and ICAO standards.

28.37 The Department has stated that it is moving to develop additional regulations and standards covering simultaneous instrument runway operations, which will also apply to air carriers and aerodrome operators. It is also developing standards for safety management systems of all service

providers and making significant additions to section 801.

28.38 The Department believes that substantial progress has been made in developing a comprehensive manual of policies and procedures for the program, improving data capture and analysis, establishing an effective joint Transport Canada/NAV CANADA Safety Oversight Committee and related working groups, conducting numerous aeronautical studies and taking action in response to emerging issues.

28.39 The Department has stated that NAV CANADA has fully complied to date with the regulatory requirements governing the establishment of a safety management program. Under a formal agreement between NAV CANADA and the Department (the safety charter), aeronautical studies are conducted for all proposed changes to the levels of service in air navigation.

28.40 The Department believes that almost four years after the commercialization of the Air Navigation System, the air navigation safety net is stronger than ever. The Department believes that by separating its former roles of both a safety regulator and service provider, it can now better concentrate on its role as a regulator. Accordingly, NAV CANADA (the service provider) can focus its efforts on providing air navigation services under its own safety management system while providing key safety performance information to Transport Canada. The Department has stated that the requirement for NAV CANADA to maintain a significant level of insurance coverage worldwide adds another level of safety assurance through the underwriters' role in managing risk.

National Energy Board — 1998, Chapter 13

Assistant Auditor General: Ronald C. Thompson
Principal: Roger Simpson

Background

28.41 The National Energy Board (the Board) has the responsibility to regulate Canadian pipelines and electrical transmission lines that cross provincial or international borders. Most of its activities deal with international and interprovincial oil and gas pipelines and exports.

28.42 In our September 1998 Report, we noted that:

- the Board had changed its operation significantly but not its enabling legislation;
- the Canadian pipeline system was aging, thus posing potential threats to public safety and the environment;
- the Board's environmental inspection program contained shortfalls;
- the Board's cost recovery philosophy and methods were in need of renewal; and
- the Board's results-based management process needed improvement.

Scope

28.43 Our 1998 Report, Chapter 13 contained seven recommendations. This follow-up provides further information on the actions taken by the Board to address our recommendations, and on any further work still to be done. We have reviewed the information provided by the Board and discussed it with senior Board staff, but we have not audited the information.

Conclusion

28.44 The Board has made a good effort to meet its commitments and

implement the recommendations. Progress has been slower than anticipated in some areas but is on track for full implementation of recommendations in the near future. The Board has taken the tasks seriously and assigned senior staff to ensure successful completion.

Observations

28.45 Exhibit 28.1 lists the 1998 recommendations and the actions taken, expected results or benefits to be achieved, and whether or not the implementation process is complete. Where recommendations have been completed to our satisfaction, we have made no further comments. Where items are still in progress, we have added relevant comments.

Incidents database

28.46 In 1998 we recommended that the National Energy Board improve its incident database. Since then, the Board has made some progress in meeting its goal to complete this by December 1999; however, there was some slippage due to Year 2000 priorities and the need for an industry-wide common data dictionary, which is being developed by a third party. The data dictionary will not be ready until mid-2003.

28.47 The Board's incident database should be able to adopt the common data dictionary when it is ready. The Board intends to play a role in the dictionary's development. This would ensure that the Board's needs are addressed fully and that evolving results can be incorporated along the way. The second part of the recommendation on management of information has been completed.

An improved incident database will support pipeline safety and safety initiatives.

Exhibit 28.1 (continued)

Office of the Auditor General Recommendations/National Energy Board Responses	Action Taken by the National Energy Board	Status	Key Expected/Anticipated Benefits by the National Energy Board
<p>13.58 The National Energy Board should:</p> <ul style="list-style-type: none"> • use a rigorous risk assessment methodology to determine the level of safety and environmental inspections and audits needed to fulfil its legislative responsibilities, and allocate its resources accordingly; and • formalize its environmental inspection procedures and strengthen its documentation practices. <p><i>National Energy Board response:</i></p> <p><i>The Board accepts the recommendation and, as noted in the chapter, has a project under way to develop a risk assessment tool to assist in the allocation of resources to safety and environmental audits. The project will be completed by 30 November 1998. The Board will review all of its environmental and safety audit procedures and ensure that they are complete and in place by 31 December 1998. Adherence to procedures will be an emphasis of management. The Board will increase the resources allocated to its safety and environmental auditing program to replenish those resources lost through attrition or those resources diverted to handle the extremely high applications workload experienced in the past few years.</i></p>	<p>A prototype Risk Prioritization Methodology was developed by 30 November 1998. The methodology was modified, using a semi-quantitative approach, and completed by 30 April 1999. A risk-based priority listing of all Board-regulated above-ground facilities was completed in September 1999.</p> <p>The Board will develop a risk prioritization model for pipeline integrity and for related environmental audit issues to be completed in 2000-01.</p> <p>The Board has reviewed and approved 13 safety and environmental procedures during 1999 and 2000. Additional procedures for pipeline crossing and emergency response will be developed.</p> <p>Team leaders are accountable for adherence to procedures that are reflected in the procedures and FOCUS process, a performance evaluation and development tool.</p> <p>The Board has increased the resources allocated to its safety and environmental audit program by hiring additional specialists.</p>	<p>In progress</p>	<p>Provide systematic assessment of safety and environment risks to better focus the inspection and audit efforts.</p> <p>Provide capability to focus on risk areas identified for audits.</p> <p>Document procedures to establish minimum requirements for audits and inspections.</p>
<p>13.70 The National Energy Board should ensure that its human resource management activities are clearly linked to its vision of the future and that its related projects are carried out in accordance with a systematic plan and in response to its operational needs.</p> <p><i>National Energy Board response:</i></p> <p><i>The Board accepts the recommendation. In the fall of 1998, the Board will develop clearer context, strategies and expectations for performance. This will provide the environment within which human resource management activities can be more clearly linked to the Board's vision of the future and enable the development of a systematic human resource strategic plan. A human resource strategic plan will be in place by 1 April 1999.</i></p>	<p>In November 1998, the Board developed a three-year strategic plan on which the 1999-2000 Report on Plans and Priorities was based. For 1999-2000, the FOCUS on Performance and Development, a performance evaluation and development tool, was linked to corporate goals through Business Unit and Teamwork plans.</p> <p>A human resource strategic plan was approved in July 1999. The purpose of the plan is to create the conditions required for the Board to attract and retain staff with the skills and orientation to meet the needs of the organization in the future. The Board is implementing initiatives arising from the human resource strategic plan.</p>	<p>Completed</p>	<p>Improve personal and organizational performance and help focus on results by better understanding of goals, strategies and expectations for performance.</p> <p>Create conditions required to attract and retain staff to meet the needs of the organization in the future.</p>

Office of the Auditor General Recommendations/National Energy Board Responses	Action Taken by the National Energy Board	Status	Key Expected/Anticipated Benefits by the National Energy Board
<p>13.78 The National Energy Board should:</p> <ul style="list-style-type: none"> recover its future costs in a more equitable and acceptable manner, to be developed in consultation with the regulated industry; and develop a cost accounting system so it can identify the costs of processing applications and of other activities, for cost recovery and management purposes. <p><i>National Energy Board response:</i></p> <p><i>The Board accepts the recommendations, and has already started negotiations with the cost recovery community for a complete review of all aspects of the cost recovery regulations. A recommendation for a new, more equitable methodology will be made by the second quarter of 1999–2000. Also, a review of the financial planning and reporting processes and a redesign of the management information systems are targeted for completion by the end of the fiscal year 1999–2000.</i></p>	<p>Recovery of Costs from the Regulated Industry</p> <p>The Board and the Cost Recovery Liaison Committee (CRLC), representing the regulated industry, reached consensus that the industry is essentially satisfied with the current regulations and would prefer to make only moderate changes to address specific concerns. Those changes addressing the specific concerns are being prepared for formal submission to central agencies.</p> <p>Cost Accounting System</p> <p>The Board reviewed its financial planning and reporting process by June 1999. The redesign of the management information system will be implemented for 2000–01.</p> <p>The planned management information system will provide costs by corporate goals and related key activities through coding of operations and maintenance costs incurred. Cost of personnel by goals and activities will be accomplished by using Time Reporting System hours multiplied by average hourly rates for the teams. The results require significant manual calculation. Corporate Services will be reporting results quarterly starting June 2000.</p>	<p>Completed</p> <p>Completed</p>	<p>Reach and confirm consensus with industry on acceptable cost recovery of Board’s future costs.</p> <p>Provide costing information by corporate goals and related key activities.</p>
<p>13.98 As it continues its efforts to manage for results, the National Energy Board should:</p> <ul style="list-style-type: none"> improve the clarity of its expectations; monitor its performance regularly and make adjustments as needed; state clearly the results it has achieved and at what cost; and designate a co-ordinator for each business unit to monitor key performance indicators. <p><i>National Energy Board response:</i></p> <p><i>The Board accepts the recommendations. It recently hired a team leader for planning and reporting, who has started a review of financial planning and reporting processes and is designing a training program for users of the management information systems. A new individual performance management process called “FOCUS” was introduced in April 1998, and a strategic planning process will be started in September 1998. These are seen as critical first steps to both increase the individual’s and the organization’s performance and improve the processes to report on that performance.</i></p>	<p>The Board has made progress in its 1998–99 and 1999–00 Report on Plans and Priorities. Each of the corporate goals is supported by objectives. Work on establishing stronger links with the objectives and measurements is continuing.</p> <p>The Board is continuing the development of various performance indicators. It expects the indicators developed will assist it to make adjustments as needed.</p> <p>The Board decided to report costs of corporate goals and key activities.</p> <p>The ExTeam approved the proposal of setting up a Results, Planning & Reporting Working Group in its 16 October 1999 meeting. The group is headed by a representative of the Planning and Reporting Team with representation from each business unit. Its roles include the establishment of performance indicators.</p> <p>The Business Unit Leader is responsible for its business unit performance indicators. The Chief Operating Officer, assisted by the Corporate Services Planning Team, is the Board’s Performance Report Coordinator.</p>	<p>Completed</p> <p>In progress</p> <p>Completed</p> <p>Completed</p>	<p>Provide useful performance reports for accountability purposes.</p> <p>Adjust and focus the Board’s efforts and resources to areas of need.</p> <p>Improve accountability by reporting cost of corporate goals and related key activities.</p> <p>Improve the processes to report on performance.</p>

The National Energy Board reported that it has reviewed and approved 13 safety and environmental procedures to date and will develop additional ones dealing with pipeline crossing and emergency response.

Risk assessment

28.48 Another recommendation in 1998 called for the Board to develop rigorous risk assessment methodology to improve the safety and environmental inspections and audits. The Board accepted the recommendation and committed to a completion date of 31 December 1998. While it has made significant progress toward meeting this goal, it is not yet complete. The Board has completed work on above-ground facilities and is actively working on below-ground facilities, with an expected completion date of October 2000. Risk prioritization methodologies can be applied to above- and below-ground facilities.

28.49 The second part of the recommendation called for the Board to formalize its environmental inspection procedures and improve documentation. The Board reported that it has reviewed and approved 13 safety and environmental procedures to date and will develop additional ones dealing with pipeline crossing and emergency response. The Board has hired additional safety and environmental specialists.

28.50 The Board revised its related regulations (Onshore Pipeline Regulations) (OPR-99) in 1999 to make them less prescriptive and more goal-oriented. Goal-oriented regulation involves, among other things, requiring pipeline companies to adopt and record stringent maintenance procedures and to keep detailed records of what they do. With changes in technology, coupled with detailed maintenance, potential problem areas can be identified in time, and preventive measures taken to replace worn-out or other defective items.

28.51 The Board believes that the revised regulations will provide for additional flexibility and efficiency, timely adoption of improved operational and safety techniques, and increased emphasis on risk assessment and

management systems. The regulations increased the focus on operations and maintenance activities and added a requirement for the regulated companies to conduct audits and inspections of their activities to ensure compliance.

28.52 The risks associated with each system or pipeline are unique. The new regulations require the companies to identify and address the specific risks of the systems. The adequacy and effectiveness of the methods employed by companies will be assessed through the Board audits. Because the new regulations are less prescriptive for how the company is to operate a safe pipeline, this may increase the related risks. The Board ensures that pipelines are safe by approving the construction and including conditions as required, reviewing safety and other manuals and programs, conducting inspections and audits, investigating incidents, making recommendations accordingly and following up on these conditions and recommendations.

28.53 While the Board continues to improve its systems and practices to perform these activities, we noted that it has not assessed the health and safety risks in making the regulations less prescriptive and whether these risks are adequately addressed and resources are used cost effectively.

Human resource management

28.54 The Board developed a three-year strategic plan that formed the foundation for human resource changes. Although the Board has met the milestones set out in its response to the original recommendation, it still has several related projects in progress. Some of these projects will help to complete the intent of the recommendation.

Cost recovery

28.55 After discussions with its stakeholders, the Board decided to make

no major changes to the current regulations.

Performance reporting

28.56 The Board has made good progress and completed most of its commitments to the 1998 recommendation. It continues to fine-tune its measures for performance indicators.

28.57 The Board currently collects incident-related data from the companies it regulates. Under the revised regulations,

it has undertaken to develop more useful key performance indicators for safety and environment performance. It is anticipated that the data will be collected directly from pipeline companies and a set of policies and procedures will be developed to that effect. It is expected that the performance measures will focus more on outcomes and impacts than activities. The plan is to complete this project during 2000-01. It will be important to limit the number of indicators and to differentiate between external reporting needs and internal performance monitoring.

The National Energy Board plans to complete the performance indicators project during 2000-01, focussing more on outcomes and impacts than activities.