

## **Executive Briefing Note for EPAP**

The Enhanced Production Audit Program (EPAP) is a new measurement and reporting compliance assurance program being introduced by the ERCB. It replaces the current audit program and introduces a new audit methodology for assuring compliance.

### **Background**

ERCB audits, conducted over many years, suggest that the state of compliance with ERCB measurement and reporting requirements varies considerably from Operator to Operator and from facility to facility.

The ERCB developed EPAP to

1. raise the level of assurance over compliance with ERCB measurement and reporting requirements, and
2. raise the level of compliance with ERCB measurement and reporting requirements.

### **New Requirements**

This section highlights new ERCB requirements from the new directive: *Operator Declaration Regarding Measurement and Reporting Requirements*.

#### ***Declaration***

EPAP requires that Operators annually declare as to the state of their infrastructure designed to ensure compliance with ERCB measure and reporting requirements. Operators are not being asked to declare that they are fully compliant; only the extent to which they have controls in place that are intended to ensure compliance.

To make this declaration, Operators will be expected to document and evaluate their existing controls – so they can declare with a reasonable level of assurance – and strengthen controls where they believe they are deficient.

#### ***Evaluations of Controls***

EPAP also requires Operators to annually conduct sufficient evaluations of their controls to continue to assure themselves, and the ERCB, that their controls are effective. Where an Operator deems that controls are not effective, the ERCB expects the Operator to develop and implement an action plan to remediate the deficiencies.

#### ***Compliance Assessment***

Each month the ERCB will distribute a Compliance Assessment report to Operators detailing, by facility, the issues that are of concern to the ERCB. The report does not directly identify noncompliances, but instead lists conditions in the data available to the ERCB that suggest there is risk of noncompliance that the Operator would do well to investigate.

If a noncompliance is discovered, EPAP requires Operators to remediate the situation by changing the business process and or the control over that process.

## Implementing & Operating EPAP

1. First conduct an assessment of the state of business processes and controls that affect measurement and reporting.
2. Where deficiencies were identified by the assessment that create a risk of noncompliance with ERCB measurement and reporting requirements, Operators ,must
  - a. strengthen business processes, and
  - b. strengthen controls.
3. Annually conduct evaluations of controls to
  - a. Identify business process deficiencies; if any.
  - b. Identify control deficiencies; if any.
  - c. Provide a reasonable level of assurance over the state of compliance.

At the majority of Operators that report to the Registry, senior executives are likely to have personal knowledge of the state of compliance due to the small number of operated facilities. For these Operators, a less formal evaluation of controls will be required and the annual effort will consist primarily of remediating deficiencies and submitting the declaration.

### EPAP Schedule

EPAP provides for a phase-in first year during which Operators may submit a Trial Declaration to test their processes and receive valuable feedback from the ERCB. Deficiencies in Declarations submitted during this period will not be enforced.

Phase	Planned Schedule
Implementation Phase	January 2010 – December 2011
Trial declaration period	January 2010 – December 2010
First declaration period	January 2011– December 2011
Ongoing operation	From January 2011

Ideally, Operators will

1. conduct the assessment as soon as possible and act on the findings during 2010,
2. communicate their preferred declaration month to the ERCB during 2010,
3. conduct evaluations of controls on a trial basis in the first half of 2010, and
4. submit a trial declaration to the ERCB for comment before December 2010.

### For more information

The related Bulletin 2009-17 can be found on the ERCB website at [www.ercb.ca](http://www.ercb.ca). To display the bulletin directly, [click here](#). This web page also provides links to download the EPAP directive and the Operator's Handbook.

Further details can be found at the EPAP website that is listed under Projects & Issues at [www.ercb.ca](http://www.ercb.ca). To reach the EPAP website directly, [click here](#).

To contact the EPAP project team, send an e-mail to [epap@ercb.ca](mailto:epap@ercb.ca).