



Fall 2019

Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada

Independent Reviewer's Report

REPORT 1

Review of the 2018 Progress Report on the Federal Sustainable Development Strategy



Office of the
Auditor General
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Review of the 2018 Progress Report on the Federal Sustainable Development Strategy

1.1 As required by the *Auditor General Act*, we reviewed the 2018 Progress Report on the 2016 to 2019 Federal Sustainable Development Strategy to assess the **fairness** of the information it contained. The information we reviewed included the targets, key priorities, short-term milestones, and indicators that were contained in the progress report and related to the strategy's 13 goals.

1.2 We found that the information in the progress report, prepared by Environment and Climate Change Canada, was fairly presented except for information relating to 3 of the strategy's goals:

- **Effective action on climate change.** The progress report stated that current and planned actions under the Pan-Canadian Framework on Clean Growth and Climate Change would enable Canada to meet or exceed its 2030 target for reducing greenhouse gas emissions. We found that this statement was not supported by the projections in the progress report or by other documentation.
- **Sustainably managed lands and forests.** We found that Environment and Climate Change Canada reported 3 different values for the percentage of protected lands and inland waters. We also found that the department did not report on progress on building networks of protected areas.
- **Sustainable food.** We found that the information presented in the progress report on the targets, key priorities, and indicators of the 2016–2019 Federal Sustainable Development Strategy was incomplete.

More information on these findings is in **Appendix 1—Basis for Qualified Conclusion**.

1.3 For the remaining goals in the 2016–2019 Federal Sustainable Development Strategy, we found that some information in the progress report was incomplete or unclear. For example, some targets, key priorities, milestones, and indicators were only partly reported on, while some were not reported on at all. However, those misstatements we identified were not, in our view, material to the results reported by the department.

1.4 More details about the review objective, scope, approach, and criteria are in **Appendix 2—About the Review**.

1.5 We concluded that except for the effects of the matters described in Appendix 1, nothing from our review led us to conclude that the information contained in the 2018 Progress Report on the 2016 to 2019 Federal Sustainable Development Strategy was not fair.

Fairness—Being free from material misstatement.

Appendix 1—Basis for Qualified Conclusion

1.6 We found that certain information in the 2018 Progress Report on the 2016 to 2019 Federal Sustainable Development Strategy was not fairly presented for 3 of the strategy’s goals.

Goal: Effective action on climate change

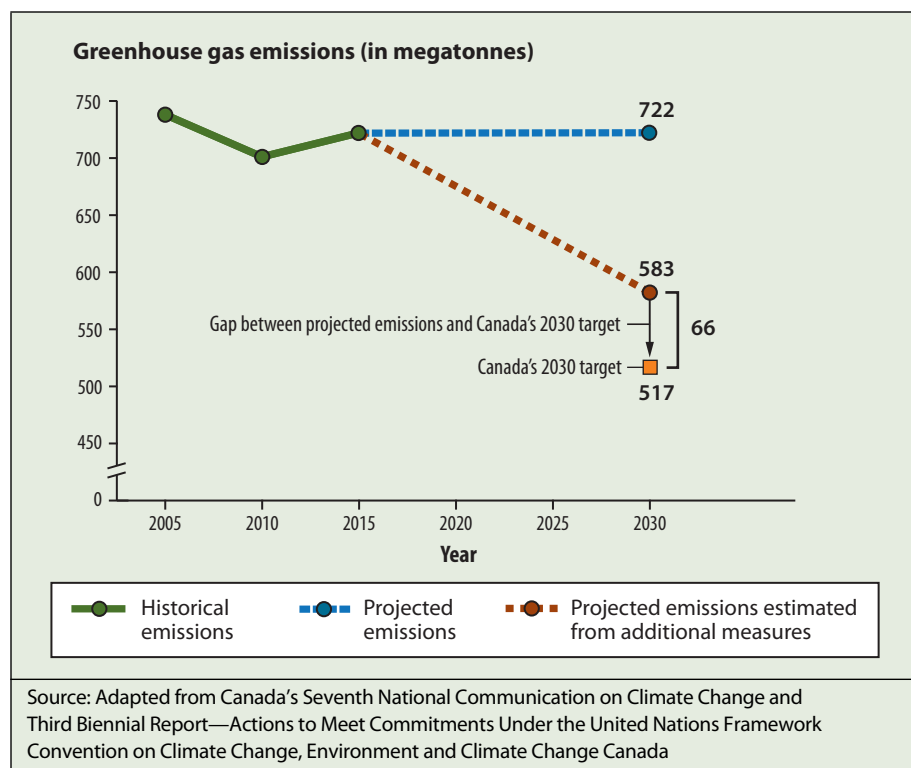
1.7 We found that the projected 2030 greenhouse gas (GHG) emission values presented in the progress report did not support Environment and Climate Change Canada’s statement on progress against the target of reducing emissions by 30% below 2005 levels by 2030.

1.8 The progress report stated, “Current and planned actions under the Pan-Canadian Framework, adopted in December 2016, will enable Canada to meet or exceed the 2030 target.” We found that this statement was not fairly presented, because it was not supported by the projections in the progress report or by other documentation.

1.9 The progress report also stated, “Taking into account policies and measures, both implemented and announced, Canada’s GHG emissions in 2030 are expected to be 583 Mt/CO₂ eq. [megatonnes of carbon dioxide equivalent]” This information is consistent with other public information from Environment and Climate Change Canada.

1.10 According to other public documents from Environment and Climate Change Canada, Canada’s 2030 emission target is approximately 517 megatonnes of greenhouse gases. This left a 66-megatonne gap between Canada’s 2030 emission target and the reported projected emissions (Exhibit 1.1).

Exhibit 1.1 Environment and Climate Change Canada did not report on the gap between Canada’s 2030 target and Canada’s projected greenhouse gas emissions in the progress report



1.11 In addition, the documentation provided to us by the department to support its statement did not demonstrate that the government's current and planned actions under the Pan-Canadian Framework on Clean Growth and Climate Change would enable Canada to meet its 2030 target for emission reductions.

1.12 Canada's international and domestic reports, including the Seventh National Communication on Climate Change and Third Biennial Report—Actions to Meet Commitments Under the United Nations Framework Convention on Climate Change in 2017, indicate that additional measures would have to be developed and implemented for Canada to meet the target.

1.13 **Recommendation.** Environment and Climate Change Canada should ensure that its statements on progress against Canada's greenhouse gas emission targets are directly supported by information in its progress reports on the Federal Sustainable Development Strategy.

The department's response. Agreed. Environment and Climate Change Canada will ensure that statements on progress against Canada's greenhouse gas emission targets included in the progress reports on the Federal Sustainable Development Strategy are supported by information in these progress reports. This includes references to the authoritative emission projection information found in other official Government of Canada documents that track Canada's progress toward its 2030 target (for example, Canada's biennial report to the United Nations Framework Convention on Climate Change and Canada's Greenhouse Gas and Air Pollutant Emissions Projections).

Goal: Sustainably managed lands and forests

1.14 We could not determine whether progress against the following target was fairly presented: "By 2020, at least 17% of terrestrial areas and inland water are conserved through networks of protected areas and other effective area-based conservation measures." This was because the department had reported 3 different 2015 values for the percentage of protected lands and inland waters.

1.15 The 2016–2019 Federal Sustainable Development Strategy stated a value of 10.6% in 2015 for protected terrestrial areas. One section of the progress report stated a value of 10.5% in 2015, while another section of the same report stated a value of 10.3% for 2015. This difference in reporting of 0.3% of Canada's terrestrial areas amounts to nearly 30,000 square kilometres, an area larger than the Banff, Jasper, Yoho, and Kootenay national parks combined.

1.16 We also found that in the progress report, the department did not report on networks of protected areas, though these were part of the target.

Goal: Sustainable food

1.17 We found that information on targets, key priorities, and indicators under the goal of sustainable food was incomplete.

1.18 We found that in the progress report, the department reported against the target for sustainable aquaculture, but the text referred to matters that were not covered by the target. The text referred only to inspected aquaculture operators' compliance with regulations, which was not mentioned in the target. Furthermore, the reported progress did not mention sustainable use of aquatic resources or conserving biodiversity, 2 of the essential points of the target. The text also referred to funding renewal for the Sustainable Aquaculture Program, which related to the science-based regime mentioned in the target, but it did not state the progress of the program.

1.19 We found that the progress report did not address the following key priorities:

- the United Nations Convention to Combat Desertification
- making Canada's resource sectors, including agriculture and aquaculture, world leaders in the use and development of clean and sustainable technology
- strategies to reduce methane emissions from agriculture and waste management, including food waste

1.20 We also found that the progress report did not report on 2 of the 4 indicators set out to measure progress in the 2016–2019 Federal Sustainable Development Strategy:

- environmental farm planning on agricultural land
- Environmental Sustainability of Canadian Agriculture: Agri-Environmental Indicator Report Series—Report #4

1.21 **Recommendation.** Environment and Climate Change Canada should ensure that it provides complete information in its reports on progress against the targets and priorities in the Federal Sustainable Development Strategy.

The department's response. Agreed. Environment and Climate Change Canada will provide complete information in its reports on progress against the targets and priorities set out in the Federal Sustainable Development Strategy.

Appendix 2—About the Review

This independent limited assurance report was prepared by the Office of the Auditor General of Canada on our assessment of the fairness of the information in the 2018 Progress Report on the 2016 to 2019 Federal Sustainable Development Strategy.

All work in this review was performed to a meaningful level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3000—Attestation Engagements Other Than Audits or Reviews of Historical Financial Information.

The Office applies the Canadian Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the review work, we have complied with the independence and other ethical requirements of the relevant rules of professional conduct applicable to the practice of public accounting in Canada, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Although every effort was made to obtain management's confirmation that the audit report is factually accurate, we obtained only partial confirmation. Environment and Climate Change Canada disagreed with the 0.3% difference in reporting that we refer to in paragraph 1.15.

Review objective

The objective of this review was to assess the fairness of the information in the 2018 Progress Report on the 2016 to 2019 Federal Sustainable Development Strategy.

Scope and approach

Under the *Federal Sustainable Development Act*, the Sustainable Development Office of Environment and Climate Change Canada is required to report at least once every 3 years on the progress of the federal government in implementing the Federal Sustainable Development Strategy.

Our responsibility was to examine the 2018 Progress Report on the 2016 to 2019 Federal Sustainable Development Strategy and to assess the fairness of the information contained in the report, with respect to the progress of the federal government in implementing the Federal Sustainable Development Strategy and meeting its targets. This responsibility did not extend to assessing or commenting on the progress of the federal government in implementing the Federal Sustainable Development Strategy. Our review did not include the information referenced by web links included in the report, nor the online updates to the Federal Sustainable Development Strategy in spring and fall 2017.

We defined fairness as meaning that the information was free from material misstatement. For our review, we considered misstatements, including omissions and inaccuracies, material if they could reasonably be expected to influence relevant decisions that intended users might base on the progress report.

The procedures performed in a review engagement vary in nature and timing from an audit, and are less in extent than for an audit. Consequently, the level of assurance obtained in this review is substantially lower than the assurance obtained in an audit.

Criteria

Criteria	Sources
To assess the fairness of the information in the 2018 Progress Report on the 2016 to 2019 Federal Sustainable Development Strategy, we used the following criteria:	
Environment and Climate Change Canada applied its established criteria as set out for the 2018 progress report when reporting the federal government’s progress in implementing and meeting the targets of the 2016–2019 Federal Sustainable Development Strategy.	<ul style="list-style-type: none"> • <i>Auditor General Act</i> • Canadian Standard on Assurance Engagements 3000—Attestation Engagements Other Than Audits or Reviews of Historical Financial Information
The 2018 progress report is free from material misstatements.	<ul style="list-style-type: none"> • <i>Auditor General Act</i> • Canadian Standard on Assurance Engagements 3000—Attestation Engagements Other Than Audits or Reviews of Historical Financial Information

Period covered by the review

The review covered the period addressed in the 2018 Progress Report on the 2016 to 2019 Federal Sustainable Development Strategy, which was from 6 October 2016 to 1 October 2018.

Date of the report

We obtained sufficient and appropriate evidence on which to base our conclusion on 6 September 2019 in Ottawa, Canada.

Review team

Principal: Heather Miller

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List of Recommendations

The following table lists the recommendations and responses found in this report. The paragraph number preceding the recommendation indicates the location of the recommendation in the report, and the numbers in parentheses indicate the location of the related discussion.

Recommendation	Response
<p>Goal: Effective action on climate change</p>	
<p>1.13 Environment and Climate Change Canada should ensure that its statements on progress against Canada’s greenhouse gas emission targets are directly supported by information in its progress reports on the Federal Sustainable Development Strategy. (1.7–1.12)</p>	<p>The department’s response. Agreed. Environment and Climate Change Canada will ensure that statements on progress against Canada’s greenhouse gas emission targets included in the progress reports on the Federal Sustainable Development Strategy are supported by information in these progress reports. This includes references to the authoritative emission projection information found in other official Government of Canada documents that track Canada’s progress toward its 2030 target (for example, Canada’s biennial report to the United Nations Framework Convention on Climate Change and Canada’s Greenhouse Gas and Air Pollutant Emissions Projections).</p>
<p>Goal: Sustainable food</p>	
<p>1.21 Environment and Climate Change Canada should ensure that it provides complete information in its reports on progress against the targets and priorities in the Federal Sustainable Development Strategy. (1.17–1.20)</p>	<p>The department’s response. Agreed. Environment and Climate Change Canada will provide complete information in its reports on progress against the targets and priorities set out in the Federal Sustainable Development Strategy.</p>

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1. Review of the 2018 Progress Report on the Federal Sustainable Development Strategy
2. Departmental Progress in Implementing Sustainable Development Strategies
3. Environmental Petitions Annual Report