

# Report 8

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

## Review of the 2021 Progress Report on the Federal Sustainable Development Strategy



### Independent Auditor's Report | 2022



Office of the Auditor General of Canada

Bureau du vérificateur général du Canada

This publication is available on our website at [www.oag-bvg.gc.ca](http://www.oag-bvg.gc.ca).

*Cette publication est également offerte en français.*

© His Majesty the King in Right of Canada, as represented by the Auditor General of Canada, 2022.

Cat. No. FA1-26/2022-1-8E-PDF

ISBN 978-0-660-45330-9

ISSN 2561-1801

Cover photo: Jakob Berg/Shutterstock.com

# Table of Contents

Review of the 2021 Progress Report on the Federal Sustainable Development Strategy	1
Basis for Qualified Conclusion	2
About the Review	5

# Review of the 2021 Progress Report on the Federal Sustainable Development Strategy

8.1 As required by the *Auditor General Act*, we reviewed the 2021 Progress Report on the 2019 to 2022 Federal Sustainable Development Strategy, prepared by Environment and Climate Change Canada. The purpose of our review was to assess the fairness of the information contained in the progress report. We focused on indicators used to track progress against targets, contextual indicators, short-term milestones, and key priorities contained in the progress report and related to the federal strategy’s 13 goals ([Exhibit 8.1](#)).

**Exhibit 8.1—Progress reporting categories that we reviewed in the 2021 Progress Report on the 2019 to 2022 Federal Sustainable Development Strategy**

<p><b>Indicators used to track progress against targets</b></p>	<p><b>What they do:</b> Measure what the strategy aims to achieve for each of the 32 targets associated with the strategy’s 13 goals.</p> <p><b>Where they appear:</b> 2021 Progress Report, “Progress” and “Meeting the Targets” subsections associated with each goal</p>
<p><b>Contextual indicators</b></p>	<p><b>What they do:</b> Provide a wider context for targets, thus broadening the strategy’s performance measurement approach.</p> <p><b>Where they appear:</b> 2021 Progress Report, Annex II, Tracking Progress Through Indicators in the 2019 to 2022 Federal Sustainable Development Strategy</p>
<p><b>Short-term milestones</b></p>	<p><b>What they do:</b> Help the federal government stay on track toward achieving the targets and goals of the 2019–22 strategy.</p> <p><b>Where they appear:</b> 2021 Progress Report, “Milestones” subsection associated with each goal</p>
<p><b>Key priorities</b></p>	<p><b>What they do:</b> Illustrate how the government will achieve its targets and goals.</p> <p><b>Where they appear:</b> 2021 Progress Report, Annex III, Update on Key Priorities in the 2019 to 2022 Federal Sustainable Development Strategy, and in departmental sustainable development strategies and other departmental reports</p>

8.2 In our review, we assessed fairness by verifying that progress reporting was free from material misstatements. We performed the review by determining whether information provided in each category of progress reporting was complete, clear, accurate, timely, and free from omissions.

8.3 Based on the procedures performed and evidence obtained, except for the effects of the matters described in the Basis for Qualified Conclusion section below, nothing has come to our attention that causes us to believe that Environment and Climate Change Canada's 2021 Progress Report on the 2019 to 2022 Federal Sustainable Development Strategy does not present fairly, in all significant respects, information on progress in the reporting categories that we reviewed.

8.4 We initially reviewed the 2021 Progress Report on the 2019 to 2022 Federal Sustainable Development Strategy that was issued in December 2021. We informed Environment and Climate Change Canada about some inaccuracies in the report. The department then made appropriate corrections and issued an updated report in July 2022. Our conclusion on the fairness of the information contained in the progress report was based on this updated version. During our assessment, we uncovered other reporting issues that we have communicated to Environment and Climate Change Canada.

8.5 More details about this review's objective, scope, approach, and criteria are found in [About the Review](#).

## Basis for Qualified Conclusion

8.6 In Environment and Climate Change Canada's 2021 Progress Report on the 2019 to 2022 Federal Sustainable Development Strategy, we found that progress reporting information for 5 of the 8 targets under the goal of greening government was incomplete and untimely ([Exhibit 8.2](#)). The progress information for these targets was incomplete either because only a small number of the 26 departments in fact did report their progress or because they presented no results at all. The justification provided in the progress report for the absence of results is that those would only be available in 2023 or 2025, beyond the reporting period subject to this 2021 progress report. However, the progress report also points out that progress information for each of these targets was intended to be available yearly.

8.7 In addition to these completeness and timeliness issues, we noted an inconsistency. Four targets mentioned that only "partial data" was available for them. However, information found elsewhere in the report on these same targets stated that there was "no new data," wording that we find to be misleading.

**Exhibit 8.2—Results for 5 targets under the goal of greening government were incomplete or not reported in a timely fashion**

2019–22 Federal Sustainable Development Strategy targets	Update cycles, as indicated in the 2021 Progress Report	Our assessment of results reported in the 2021 Progress Report
Divert at least 75% (by weight) of non-hazardous operational waste from landfills by 2030.	Every year	<p>Progress reported: 59% of non-hazardous operational waste diverted from landfills.</p> <p>Incomplete because the result reported was based on partial data (only 4 out of 26 departments and agencies reported progress).</p> <p>Not timely because no new data was available this year, when reporting was not yet mandatory. First full publication of data expected in late 2023.</p>
Divert at least 75% (by weight) of plastic waste from landfills by 2030.	Every year	<p>Progress reported: 40% of plastic waste diverted from landfills.</p> <p>Incomplete because the result reported was based on partial data (only 2 out of 26 departments and agencies reported progress).</p> <p>Not timely because no new data was available this year, when reporting was not yet mandatory. First full publication of data expected in late 2023.</p>
Divert at least 90% (by weight) of all construction and demolition waste from landfills (striving to achieve 100% by 2030).	Every year	<p>Progress reported: 79% of all construction and demolition waste diverted from landfills.</p> <p>Incomplete because the result reported was based on partial data (only 1 out of 26 departments and agencies reported progress).</p> <p>Not timely because no new data was available this year, when reporting was not yet mandatory. First full publication of data expected in late 2023.</p>

2019–22 Federal Sustainable Development Strategy targets	Update cycles, as indicated in the 2021 Progress Report	Our assessment of results reported in the 2021 Progress Report
<p>By 2030, 75% of domestic office lease transactions must be carbon neutral in situations where the federal government represents 75% or greater of the occupied space (square metres), where market conditions permit, and where a competitive environment exists.</p>	<p>Every year</p>	<p>Not timely because the result reported indicated that no data was available. First full publication of data expected in late 2025.</p>
<p>By 2022, departments have developed measures to reduce climate change risks to assets, services, and operations.</p> <p>Stated target 100%.</p>	<p>Every year</p>	<p>Incomplete because the result reported was based on partial data. The document reported progress by repeating the target and mentioning that “a number of departments” (fewer than the total number of departments involved) have met it by the end of the 2019–20 fiscal year.</p> <p>Not timely because no new data was available this year, when reporting was not yet mandatory. First full publication of data is expected in late 2023.</p>

## 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 2021 Progress Report on the 2019 to 2022 Federal Sustainable Development Strategy, prepared by Environment and Climate Change Canada.

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.

Our 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.

### Review objective

The objective of this review was to assess the fairness of the information in the 2021 Progress Report on the 2019 to 2022 Federal Sustainable Development Strategy.

### Scope and approach

Under the *Federal Sustainable Development Act*, 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 2021 Progress Report on the 2019 to 2022 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 federal government's progress in implementing the Federal Sustainable Development Strategy.

We defined fairness as meaning that the information was free from material misstatements. For our review, we considered misstatements, such as incompleteness, lack of clarity and timeliness, inaccuracies, and omissions. We deemed them 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 extensive than for an audit. Consequently, the level of assurance obtained in this review is substantially lower than the assurance obtained in an audit.



## Criterion

Criterion	Sources
<p>We used the following criterion to assess the fairness of the information in the 2021 Progress Report on the 2019 to 2022 Federal Sustainable Development Strategy:</p>	
<p>Environment and Climate Change Canada applies its established criteria as set out for the progress report when reporting on the federal government’s progress in implementing and meeting the targets of the federal strategy.</p>	<ul style="list-style-type: none"> <li>• <i>Federal Sustainable Development Act</i></li> <li>• <i>Auditor General Act</i></li> <li>• <i>Achieving a Sustainable Future: A Federal Sustainable Development Strategy for Canada 2019–2022</i>, Environment and Climate Change Canada</li> <li>• <i>Federal Sustainable Development Strategy 2019–2022 Management Framework</i>, Environment and Climate Change Canada</li> <li>• <i>Guidance for Working-Level Review of the 2021 Progress Report on the 2019–2022 Federal Sustainable Development Strategy</i>, Environment and Climate Change Canada</li> </ul>

## Period covered by the review

The review covered the period addressed in the 2021 Progress Report on the 2019 to 2022 Federal Sustainable Development Strategy, which was from 19 June 2019 to 1 August 2021.

## Date of the report

We obtained sufficient and appropriate evidence on which to base our conclusion on 16 August 2022 in Ottawa, Canada.

## Review team

This review was completed by a multidisciplinary team from across the Office of the Auditor General of Canada led by David Normand, Principal. The principal has overall responsibility for review quality, including conducting the review in accordance with professional standards, applicable legal and regulatory requirements, and the office’s policies and system of quality management.

