



Canada's Application of Strategic Environmental Assessment: An Audit

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International Experience and Perspectives in SEA

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The Commissioner of the Environment and Sustainable Development
Office of the Auditor General of Canada





Presentation Overview

- Organizational Introduction
 - Office of the Auditor General of Canada (OAG)
 - Commissioner of the Environment and Sustainable Development (CESD)
- Strategic Environmental Assessment Audit
 - Audit Context and Methodology
 - Audit Results – Observations, Recommendations, Conclusions and Audit Impact

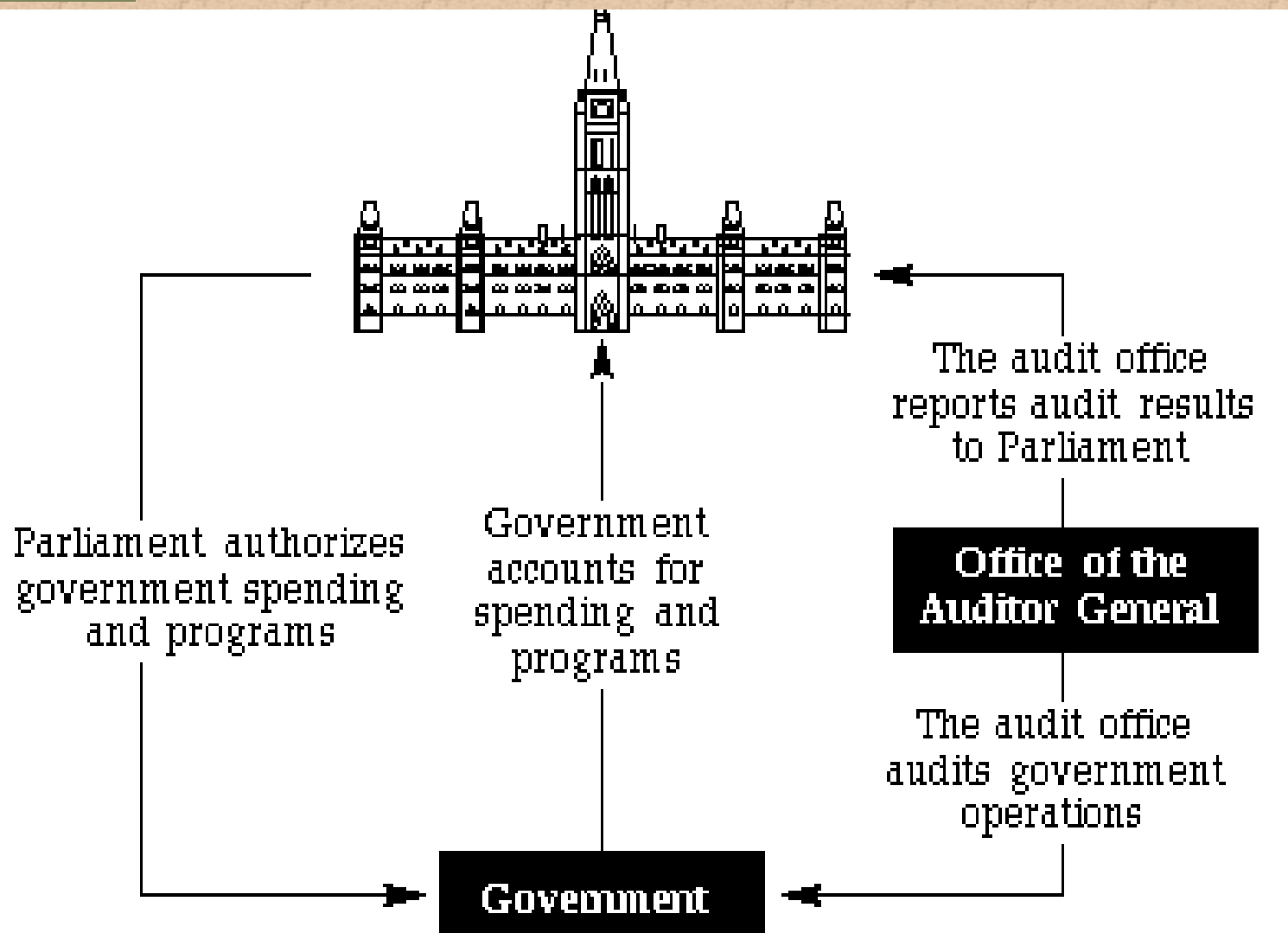


Office of the Auditor General of Canada

- Organization was founded in 1878
- Role of the Auditor General is to aid in accountability
 - The Auditor General aids accountability by conducting independent audits of federal government operations
 - These audits provide members of Parliament with objective information to help them examine the government's activities and hold it to account
- Member of the International Association of Supreme Audit Institutions (INTOSAI)



Office of the Auditor General of Canada





Objectivity and Independence are Key

We:

- Operate independent of the government
- Report directly to Parliament
- Are neutral and objective
- Are not a party to policy development or international negotiations



Commissioner's Roles and Responsibilities

- The Commissioner is part of the Office of the Auditor General of Canada and is the environmental watchdog of the federal government
 - Investigates environmental and sustainable development issues of concern to Canadians
 - Monitors the federal government's progress to achieve the goals in its sustainable development strategies
 - Guardian of a public petitions process
 - Reports publicly each year to Parliament
- Support Canada's Parliament to hold the federal government accountable to fulfill its sustainable development commitments



How We Achieve Our Objectives

We:

- Audit federal action on issues of concern
- Monitor implementation of government's sustainable development strategies
- Publish public petitions and ministerial responses

We also:

- Help build government capacity
- Report studies of emerging issues
- Chair the INTOSAI Environmental Working Group



Our Work To Date

- Audits of:
 - Ozone protection, hazardous waste, environmental assessment, toxic substances, climate change, smog, federal / provincial agreements, contaminated sites, sustainable development strategies and commitments
- Studies of:
 - Arctic issues, international agreements, leading business practices, greening government operations, green accounting, performance measurement and reporting
- Petitions: over 150 submitted by Canadians
- Hearings before Parliamentary Committees



CESD 2004, Chapter 4

Audit Context

- Issue is important to Parliamentarians – the status and lack of progress in implementing SEA raised in numerous parliamentary hearings (e.g., House of Commons Standing Commitment on Environment and Sustainable Development)
- Audits in 1998 and 2000 identified problems with the implementation of the Cabinet directive



CESD 2004, Chapter 4

Audit Focus – SEA Cabinet Directive

Ministers expect a strategic environmental assessment of a policy, plan, or program proposal to be conducted when:

- The proposal is submitted to an individual Minister or Cabinet for approval; and
- Implementation of the proposal may result in important environmental effects, either positive or negative.
- Directive versions: 1990, 1999, 2004 (current version issued during the course of the audit)



CESD 2004, Chapter 4

About the Audit

- Objectives:
 - To determine whether the federal government is applying the directive (i.e., SEA)
 - Are departments prepared to address SEA?
 - Are departments managing key aspects of the SEA process?
 - Are departments conducting SEAs?
 - Are roles and responsibilities defined and followed by central organizations?
 - To assess progress made by three departments towards specific SEA commitments within their sustainable development strategies



CESD 2004, Chapter 4

About the Audit (continued)

- **Scope and Approach**
 - 12 line departments and agencies (application of tiered approach)
 - 12 organizations – Are they prepared?
 - 6 organizations – Are they managing key aspects?
 - 3 organizations – Are they conducting SEAs?
 - 4 central organizations (Privy Council Office, Treasury Board Secretariat, Canadian Centre for Management Development – Canada School of Public Service and Canadian Environmental Assessment Agency)
 - Used questionnaire, document review, and departmental/agency interviews



CESD 2004, Chapter 4 Observations

- Directive's application is far from complete – performance gaps exist
 - Some departments are lacking management system elements
 - Step taken to implement are mixed
 - Gaps in coverage in applying the directive
 - Completeness of assessments varies
- Meeting SDS Commitments – mixed results
- Best practices identified
 - Overall management system performance
 - Specifics: accountabilities, documented guidance, online guidance, tracking systems



CESD 2004, Chapter 4 Observations (continued . . .)

- Main factors contributing to performance gap:
 - Insufficient senior management commitment
 - Lack of central ownership and support
 - Limited integration into decision-making and assessment of effects
 - Transparency is generally absent
 - Directive guidance is incomplete
 - More training capacity is needed



CESD 2004, Chapter 4

Overall Government Response

- Departments have generally agreed with our recommendations
- Departments have set out actions they are taking or intending to take to address our recommendations



CESD 2004, Chapter 4

Recommendation 4.47

- **Recommendation**
 - Directive compliance by departments
- **Response**
 - Deputy heads are required to ensure that the directive is implemented and that management systems consistent with our recommendation are put in place
 - Timeframe: by December 2005



CESD 2004, Chapter 4

Recommendation 4.55

- **Recommendation**
 - Responsibilities and authorities assigned and fulfilled for compliance monitoring, quality control, and continuous improvement
- **Response**
 - Departments and agencies are accountable for the quality of their analyses
 - Canadian Environmental Assessment Agency will provide support to the central agencies in their challenge functions and to individual departments
 - Expert organizations should be consulted in conducting assessments and the National Science Advisor will be consulted to assist in securing necessary expertise
 - Timeframe: Immediately



CESD 2004, Chapter 4

Recommendation 4.66

- **Recommendation**
 - Evaluation of directive completed by 2008 – status of implementation by departments and agencies; status of response to our report; and impact of assessments on policies, programs, and plans
- **Response**
 - Privy Council Office, in collaboration with federal departments and agencies, will ensure that an evaluation is completed by 2008
 - The results will be made public and will inform decisions about the form and structure of the directive
 - Timeframe: Terms of Reference by January 2007; Interim Report by October 2008; Final Report and Public Release by December 2008



CESD 2004, Chapter 4

Recommendation 4.72

- **Recommendation**
 - Accessible registry of public statements on strategic environmental assessments
- **Response**
 - Federal departments and agencies, under the leadership of Canadian Environmental Assessment Agency, will work over the coming year to ensure that public statements of environmental effects are easily and centrally accessible
 - Effectiveness of the requirement will be assessed as part of the evaluation to be completed by 2008
 - Timeframe: Guidance on public statements by November 2004; Draft report on options for access to public statements by March 2005; Implementation of options by September 2005; Evaluation of public statement requirement by December 2008



CESD 2004, Chapter 4

Recommendation 4.86

- **Recommendation**
 - Assess how directive could reference directive in school courses; policy courses should reference the directive
- **Response**
 - Canada School of Public Service will assess how the directive can be referenced or otherwise dealt with in 11 identified courses
 - Changes will be made to either content and/or materials to ensure the directive is referenced or dealt with
 - Timeframe: March 2005



CESD 2004, Chapter 4

Conclusions

- 14 years since directive issued, still gaps in application
- Number of departments have not put into place basic management systems needed to comply with directive
- Limited number of SEAs conducted – completeness of assessments varies
- No organization tasked with central authority for overall monitoring of compliance and assessment of quality



CESD 2004, Chapter 4

Conclusions (continued . . .)

- Application of directive does not provide assurance that environmental issues are being systematically assessed to ensure that ministers and Cabinet have sufficient information to make informed decisions
- Performance in implementing directive is adversely affected by the key factors identified



CESD 2004, Chapter 4

Conclusions (continued . . .)

- Audit has helped move the yardstick further in terms of applying SEA
- Progress in some departments and agencies since the 1999 directive came into force:
 - Firm senior management commitment
 - Development and implementation of necessary management systems
 - Good practices that could inform other departments and agencies in improving practices and systems



CESD 2004, Chapter 4

Audit Impact

- Improvements in individual departments through the:
 - Announcement of the audit
 - Course of the audit
 - Post-tabling phase of the audit
- Firm commitments with specific timeframes were made in response to our recommendations
- Issue raised on a regular basis through various parliamentary committee hearings



How to Contact Us

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- Fax: (613) 941 – 8286
- Visit: <http://www.oag-bvg.gc.ca/>



Questions?

