2008

Status Report

of the Commissioner of the Environment and Sustainable Development to the House of Commons

MARCH

The Commissioner's Perspective—2008

Main Points—Chapters 1 to 14

Appendices

Office of the Auditor General of Canada

The March 2008 Status Report of the Commissioner of the Environment and Sustainable Development comprises The Commissioner's Perspective—2008, Main Points—Chapters 1 to 14, Appendices, and 14 chapters. The main table of contents for the Report is found at the end of this publication.

The Report is available on our website at www.oag-bvg.gc.ca.

For copies of the Report or other Office of the Auditor General publications, contact

Office of the Auditor General of Canada
240 Sparks Street, Stop 10-1
Ottawa, Ontario
K1A 0G6

Telephone: 613-952-0213, ext. 5000, or 1-888-761-5953
Fax: 613-943-5485
Hearing impaired only TTY: 613-954-8042
Email: distribution@oag-bvg.gc.ca

Ce document est également publié en français.

Cat. No. FA1-4/2008-0E
ISBN 978-0-662-47844-7

Commissioner of the Environment and Sustainable Development of Canada
Commissaire à l'environnement et au développement durable du Canada
Office of the Auditor General of Canada • Bureau du vérificateur général du Canada

To the Honourable Speaker of the House of Commons:

On behalf of the Auditor General of Canada, I have the honour to transmit herewith my Report to the House of Commons for 2008, which is to be laid before the House in accordance with the provisions of section 23(3) of the *Auditor General Act*.

Ron Thompson, FCA
Interim Commissioner of the Environment
and Sustainable Development

OTTAWA, 6 March 2008

To the reader:

I welcome your comments and suggestions on this Report and other issues related to the environment and sustainable development. I can be reached at the following address:

Ron Thompson
Interim Commissioner of the Environment and Sustainable Development
240 Sparks Street
Ottawa, Ontario
K1A 0G6

For general questions or comments, please contact Communications at 613-995-3708 or 1-888-761-5953 (toll free).

Table of Contents

The Commissioner's Perspective—2008

Main Points—Chapters 1 to 14

Appendices

The Commissioner's Perspective—2008

The Commissioner's Perspective—2008

© Photo: Courette/Ottawa

Ron Thompson, FCA
Interim Commissioner of the Environment and Sustainable Development

Introduction

Over the past decade, commissioners of the Environment and Sustainable Development have reported on more than 70 audits and studies to Parliament. These reports have examined how well government departments and agencies have managed environment and sustainable development issues.

For this report, we have done something a bit different. We have followed up on selected recommendations and findings from prior reports to determine if satisfactory progress has been made in addressing them. In doing so, we consider the time elapsed since our original report and the complexity and degree of difficulty of remedial action by government.

Status reports focus attention on significant recommendations and findings until they have been addressed and resolved. As such, they provide relevant information to Parliament for use by various standing committees in holding departments and agencies to account for actions taken and planned.

What do we cover in this report?

The recommendations and findings that we selected for follow up are those that we consider to be significant and relevant to parliamentary oversight and scrutiny, both today and in the coming years. They cover a broad range of topics, including chemicals management, the protection of species at risk and their habitats, the control of aquatic invasive species such as zebra mussels, the restoration of heavily polluted areas of concern in the Great Lakes, the use of management tools designed to get departments and agencies to anticipate and minimize future environmental problems, and actions taken in response to environmental petitions.

The recommendations and findings included in this Status Report were addressed to a number of government administrations over the past decade or so and were included in commissioners' reports to a number of parliaments over that time. With few exceptions, the government agreed with our recommendations and made commitments to take action.

What did we find?

We found mixed progress by departments and agencies in addressing and resolving the recommendations and findings included in this Status Report. Of the fourteen chapters in the report, five show satisfactory progress and nine show unsatisfactory progress. Where satisfactory progress was made, four success factors were present—realistic objectives, strong commitment at senior levels, clear direction, and adequate resources. Where progress was unsatisfactory, some or all of these factors were absent.

We report satisfactory progress in addressing recommendations and findings in our three chapters on chemicals management, our chapter on insurance for nuclear operators, and our chapter on military dumpsites. In each of these five chapters, the success factors were present. For example, Chapter 3 notes that in dealing with abandoned mines in the North, the government identified the major ones, created a central management capability to work with individual departments and agencies, established a clear work plan with timelines, and provided significant funding.

Unfortunately, we report unsatisfactory progress in addressing recommendations and findings on the other topics covered in this Status Report. In each case, we observed lack of commitment at senior levels, and often inadequate funding. Our chapters dealing with protection of species at risk and their habitat, control of aquatic invasive species, and the restoration of heavily polluted areas of concern in the Great Lakes provide ample evidence of this.

Of particular concern is the poor performance by departments and agencies in conducting strategic environmental assessments when developing policy and program proposals. These assessments are required when proposals that are submitted to Cabinet have an environmental impact. Public reporting is required whenever assessments are done. This is similar to the situation we found last October when examining sustainable development strategies where performance was also poor. Once again, the lack of commitment at senior levels is a root cause of these problems. Strategic environmental assessments and sustainable development strategies need to be revitalized on a priority basis in order to help the government address environmental issues of the past, avoid similar issues in the future, and achieve sustainable development over the longer term.

What needs to change?

The many environmental challenges faced by the government cannot all be addressed at the same time with the same intensity. In addition to the topics covered in this Status Report, the government is facing other environmental challenges—including climate change, the theme of the Commissioner's 2006 Report. It will be important for the government to develop clear and realistic overall objectives that are specific and measurable, with targets and milestones, in order to ensure that its many environmental challenges are addressed in a practical and coordinated manner by departments and agencies. Once an overall plan is in place, it needs to be brought to life by establishing clear and realistic department objectives, strong commitment at senior levels, clear direction, and adequate funding.

But as important as it is to address environmental challenges that exist today, it is equally important to anticipate new challenges and new opportunities that may arise tomorrow. Doing this would help the government get ahead of the curve and develop policies and programs to mitigate the challenges and exploit the opportunities. Strategic environmental assessments and sustainable development strategies are management tools put in place to get departments and agencies to do this. Unfortunately, both tools are broken; they need to be fixed.

Conclusion

We hope that this Status Report provides relevant information to Parliament for use by its standing committees in holding departments and agencies to account for the quality of their management of environment and sustainable development issues. As always, we would be pleased to help these committees in any way we can as they carry out this important work on behalf of all Canadians.

Main Points—Chapters 1 to 14

Chemicals Management

Substances Assessed under the *Canadian Environmental Protection Act, 1999*

Chapter 1 Main Points

What we examined

About 23,000 chemical substances used commercially in Canada were included in an inventory published in 1994, the Domestic Substances List. Under the *Canadian Environmental Protection Act, 1999* (CEPA, 1999), Environment Canada and Health Canada are responsible for identifying which of these substances present an unacceptable risk to human health and the environment. Once identified as toxic, a substance is controlled according to the degree of risk it presents. By 1995, the government had listed 69 substances or groups of substances that it had determined were priorities for assessment.

In 2002, we reported that Environment Canada and Health Canada were taking too long to complete the assessments and publish decisions on all 69 substances so controls could be put in place for managing their risks when necessary.

For this status report, we examined the progress made by Environment Canada and Health Canada in managing risk assessments under CEPA, 1999, including the status of the 69 priority substances. We also looked at the departments' initiative for addressing new risk assessment priorities out of the 23,000 substances on the Domestic Substances List.

Why it's important

Chemical substances enter our air, water, land, and food from many sources. Because Canadians cannot always tell which chemical substances they may come in contact with, they rely on government to ensure that chemicals in the Canadian market present no unacceptable risks to their health and the environment.

What we found

- The federal government has made satisfactory progress since 2002 in managing risk assessments of chemical substances that could be toxic.
- In September 2006, as a result of an initial review of the Domestic Substances List, Environment Canada and Health Canada identified 4,300 substances that needed further assessment. To complete the assessments by 2020, the departments have adjusted the risk assessment process based on lessons learned from previous evaluations, set clear objectives and timelines, and identified

priorities, and they are taking steps to ensure that they will have enough resources to do the work.

- The risk assessments of priority substances that were underway in 2002 have been completed for the most part. However, the assessments of three of those substances have yet to be finalized—even though the departments have evidence that two of them are likely toxic and present risks to human health and the environment. Until the government concludes whether the outstanding chemical substances are toxic, no measures under CEPA, 1999 can be put in place to control the risks they may represent.

The departments have responded. Environment Canada and Health Canada have accepted our recommendation. Their detailed responses follow the recommendation in the chapter.

Chemicals Management
Pesticide Safety and Accessibility

Chapter 2 Main Points

What we examined

Health Canada's Pest Management Regulatory Agency is the federal agency responsible for regulating pesticides in Canada. The Agency's primary objective is to prevent unacceptable risks to people and the environment from the use of pesticides. It does this by evaluating proposed new pesticides and registering the acceptable ones for use in Canada, re-evaluating older pesticides against current health and environmental standards, and setting the maximum levels of residues of active ingredients allowable on foods. The Canadian Food Inspection Agency also plays a role by testing whether the residues of active ingredients used in pesticides are within allowable limits in fresh fruits and vegetables that are imported or intended for export or inter-provincial trade.

This audit examined the progress made by the federal government in selected aspects of managing the safety and accessibility of pesticides since our 2003 audit. We looked at the Pest Management Regulatory Agency's application of its own procedures for evaluating and registering new pesticides, the application of its own procedures for re-evaluating older registered pesticides, and the time it takes to get new, possibly safer pesticides on the market for use.

We also looked at the progress made by the Canadian Food Inspection Agency in increasing the scope of its program that tests for residues of active ingredients in fresh fruits and vegetables.

Why it's important

Many pesticides are designed to be toxic to pests. They play an important role in maintaining Canada's food supply by protecting food crops. Canadians also use pesticides to control weeds on lawns, insects in gardens and homes, and parasites on pets. There are approximately 5,000 pesticides currently registered for use in Canada. When used improperly, pesticides can have serious consequences for human health and the environment, which can range from respiratory tract problems to cancer or the death of fish or birds.

What we found

- Since our 2003 audit, the federal government has made satisfactory progress in selected aspects of managing the safety and accessibility of pesticides. We concluded that based on our sample of newly registered pesticides, the Pest Management Regulatory Agency has applied its procedures for evaluating new pesticides consistently, completely, and with adequate documentation. It ensures that companies applying to register a new pesticide submit all the information needed, at the required standard of quality, to assess the risks associated with the pesticide. It has shortened the time it takes to evaluate new pesticides while still following all the steps in its evaluation process. The Agency has taken action to give Canadian growers access to new, more effective, and possibly safer pesticides—particularly minor-use pesticides (those used in small quantities or on crops where few pest control options exist), which manufacturers tend not to register in Canada because of low potential sales volumes.
- The Pest Management Regulatory Agency is consistently applying its procedures to re-evaluate older pesticides that were registered before new standards were put in place in 1995. Although it has completed a number of re-evaluations since our last audit, many more await completion and the Agency's target continues to change. In addition, the Agency never developed a detailed action plan to help meet its timelines.
- The Canadian Food Inspection Agency has increased the number of active ingredients it analyzes in its program that tests for residues in fresh fruits and vegetables. The Agency now has more information on the active ingredients that are not included in its residue testing program. It is in the early stages of assessing which of these active ingredients are priorities for attention, based on their toxicity and the potential for human exposure to them.

Chemicals Management
Federal Contaminated Sites

Chapter 3 Main Points

What we examined

As of October 2007, the federal government had identified about 17,800 sites under its responsibility that it knows or suspects are contaminated by substances, including petroleum products, heavy metals, and chemicals. The known sites have been contaminated by the federal government's regular operations, by tenants on its lands, and by others, during decades of use in the absence of today's environmental standards. The federal government has also assumed responsibility for contaminated sites such as abandoned mines North of 60°.

In 2002 we reported that 13 years after it began to tackle contaminated sites, the federal government did not know how many sites it had, the health and environmental risks they represented, or the likely cost of cleaning them up. Nor was it providing central leadership and an action plan for dealing with the higher-risk sites.

For this status report, we looked at the progress made since 2002 by four departments in dealing with contaminated sites under their responsibility, which together account for approximately 89 percent of the federal government's known and suspected contaminated sites. We also looked at whether stronger central leadership has been provided to deal with (including assessing, risk managing, or cleaning up) priority sites.

Why it's important

Unless they are managed properly, contaminated sites can negatively impact surrounding water, soil, and air, threatening human health and the environment. They also take valuable land out of productive use and can jeopardize the way of life of those who live off the land.

What we found

- The government has made satisfactory progress in managing its contaminated sites. The government initially allocated approximately $1.5 billion over five years as a first instalment of its $3.5 billion budgetary announcement to manage priority contaminated sites. It has also developed the Federal Contaminated Sites Action Plan with the objectives of effectively eliminating the financial liability associated with its contaminated sites by 2020 and reducing the risks to human health and the environment. It has determined that

contaminated sites under its responsibility represent a liability of about $3.1 billion (this excludes approximately $2.9 billion to decommission nuclear facilities).

- The four departments we audited are putting significant effort into managing their contaminated sites. They have remediated about 340 sites, and about 480 others are undergoing remediation. All four departments developed management plans. These plans include some time-bound commitments for dealing with their contaminated sites in order to meet the program's objective of reducing the risk they pose to human health and the environment. During our audit, the Treasury Board of Canada Secretariat issued additional guidance to departments to help ensure that their planned actions are aligned with and will contribute to the federal objective of effectively eliminating the financial liability for known sites by 2020.
- The government found that approximately 66 percent of known contaminated sites under federal responsibility are contaminated by petroleum products. Regulations requiring federal departments to keep an inventory of their petroleum storage tanks were put in place in 1997 but had significant gaps and were not always followed. New regulations requiring departments to take action on their petroleum storage tanks were proposed in 2007—four years later than promised. Although the proposed Regulations will require tanks found to be leaking to be withdrawn from service immediately, their full effect will not come into force up to four years after the Regulations are put in place. Tanks considered to be at high risk of leaking could remain in service until then.

Ecosystems
Federal Protected Areas for Wildlife

Chapter 4 Main Points

What we examined

Environment Canada is responsible for managing 51 national wildlife areas and 92 migratory bird sanctuaries. These sites are established under legislation to protect significant habitat for wildlife, including species at risk and migratory birds. These federal protected areas for wildlife were the focus of our audit.

In 2001, we found that Environment Canada lacked up-to-date management plans and species inventories for its protected areas in the Great Lakes and St. Lawrence River basin. Further, we were concerned about inadequate enforcement of regulations pertaining to those protected areas. We recommended that the Department assess the state of its protected areas in the basin, prepare a strategy for managing them, and report regularly on their condition and management. Environment Canada agreed with our recommendations and committed to take appropriate action, contingent on available resources.

In our follow-up work for this chapter, we examined Environment Canada's progress in implementing our recommendations. Although our 2001 audit focused on the Great Lakes and St. Lawrence River basin, the Department manages its activities on a national basis and therefore our follow-up audit examined its management of protected areas from a national perspective.

Why it's important

The federal government has frequently asserted that sound management of Canada's natural resources and biodiversity is critical to ensuring our social, economic, and environmental well-being. However, according to Environment Canada, the wildlife habitat that contributes to Canada's natural heritage is being lost. Habitat loss and degradation is now the single greatest threat to plants and animals in Canada.

The protection and conservation of habitat is critical to Canada's efforts to conserve biodiversity. Environment Canada's protected areas network is intended to provide a safe haven for birds, a home for species at risk, and protection for wetlands that are vital to maintaining water quality and quantity. If Canada's biodiversity is

to be safeguarded, the network's ecological integrity must be actively protected against the increasing threats of human disturbance, development pressures, invasive species, pollution, and climate change.

What we found

- Environment Canada has made unsatisfactory progress in responding to our recommendations on national wildlife areas and migratory bird sanctuaries. These areas are at risk.
- Environment Canada has identified specific threats to each of its protected areas, but the Department has not assessed whether conditions are improving or deteriorating at the sites, nor used the information collected to address threats on a priority basis.
- Environment Canada has developed a national strategy to guide the management of sites in its protected areas network, but the strategy is not being fully implemented. For example, most protected areas still lack up-to-date management plans.
- Environment Canada has not established explicit performance expectations against which progress can be assessed, and does not comprehensively monitor or regularly report on the condition and management of its network of protected areas.
- According to its own analyses, Environment Canada has allocated insufficient human and financial resources to address urgent needs or activities related to the maintenance of sites and enforcement of regulations in protected areas.

The Department has responded. The Department agrees with the recommendation. Its detailed response follows the recommendation in the chapter.

Ecosystems
Protection of Species at Risk

Chapter 5 Main Points

What we examined

As of June 2007, there were 389 species in Canada listed as at risk on Schedule 1 of the *2002 Species at Risk Act*. Under the Act, the Minister of the Environment and the Minister of Fisheries and Oceans are responsible for preparing recovery strategies, action plans, and management plans for species at risk for which they are the competent minister.

In 2001, we found that there was a need for better baseline information to enable the government to effectively manage species at risk. We recommended that Environment Canada, Fisheries and Oceans Canada and Parks Canada develop a comprehensive inventory of species at risk under their jurisdiction and ensure that recovery strategies for these species be developed and implemented. The three organizations agreed with our recommendations.

Although our 2001 audit focused on activities in the Great Lakes—St. Lawrence River Basin, the three organizations manage their activities on a national basis and therefore, for this Status Report we examined progress made on our recommendation by the responsible departments from a national perspective. We also examined compliance with sections of the 2002 *Species at Risk Act,* which came into force after our last audit but which relate to our recommendations. These sections of the Act have specific and prescriptive requirements regarding recovery strategies.

Why it's important

Apart from its intrinsic value as part of Canada's natural heritage, Canada's biodiversity, including wild species of plants and animals, represents a vast storehouse of biological resources. The plants, mammals, and aquatic species found in ecosystems are interdependent and therefore maintaining ecological diversity is important to maintaining the health and integrity of the environment. Although it may go unnoticed by most people, the loss of one or two key species can have ripple effects across an ecosystem with potentially significant effects on our quality of life. According to various scientific sources, human activities in the twenty-first century have greatly increased the rate at which species are disappearing.

What we found

- Environment Canada and Fisheries and Oceans Canada have made unsatisfactory progress in responding to our 2001 recommendation relating to the development of a comprehensive inventory of species at risk, while Parks Canada has made satisfactory progress on this recommendation.
- The three organizations have made unsatisfactory progress in responding to our 2001 recommendation relating to the development of recovery strategies and have not complied with specific deadline requirements established by the *Species at Risk Act*. As of June 2007, recovery strategies should have been completed for 228 species at risk, but recovery strategies completed at that date address only 55 of those species.
- Departments and organizations are also required under the Act to identify to the extent possible, critical habitat necessary for the survival or recovery of species at risk. As of June 2007, critical habitat had been identified for 16 of the 228 species at risk for which recovery strategies were due.
- Despite the progress noted at Parks Canada, the federal government as a whole has made unsatisfactory progress in responding to our 2001 recommendations relating to the development of a comprehensive inventory of species at risk and of recovery strategies. While work is under way to develop appropriate data sharing agreements with third parties, such as provincial and territorial governments, and non-governmental organizations such as Nature Serve, inventory data collections vary across Canada. Ongoing improvements to data quality and data consistency are needed.

Ecosystems
Control of Aquatic Invasive Species

Chapter 6 Main Points

What we examined

Aquatic invasive species include any aquatic organism whose introduction or spread can threaten the environment, the economy, or society, including human health. In its 1995 Canadian Biodiversity Strategy, the federal government committed to prevent, control, or eradicate invasive species that threaten Canada's ecosystems and economy, including aquatic invasive species.

In 2002, we audited the federal government's management of invasive species. We recommended that Fisheries and Oceans Canada, which is responsible for protecting fish and fish habitat in Canada, develop and implement a means to identify and assess the risks posed by aquatic invasive species and use it as a tool for setting priorities and objectives for prevention, eradication, or control of those risks. We also recommended that it put in place a monitoring and reporting system to track the effectiveness of actions taken toward its aquatic invasive species objectives and report annually on progress. The Department agreed with our recommendations and provided an expected completion date of fall 2003 for addressing them.

Since ship ballast water is a very important pathway for the introduction of aquatic invasive species and since Transport Canada is responsible for regulating and controlling ballast water on commercial ships in Canada, we recommended that Transport Canada define best management practices for ship ballast water and establish regulations requiring the application of those practices. We also recommended that it develop and implement a means to monitor, maintain records, and report annually on compliance. The Department accepted our recommendations and committed to regulating and monitoring ballast water accordingly.

This year, we carried out a follow-up audit to determine whether the two departments made satisfactory progress in response to our recommendations.

Why it's important

Aquatic invasive species can fundamentally change the environment they occupy and, by extension, affect its economic value in terms of beneficial uses. For example, invasive species can change a clear, open waterway into a weed-bed, or a sandy beach into a shell-encrusted hazard. Such changes have ripple effects that can disrupt or destroy the native ecology and existing recreational and commercial uses along with it.

Aside from its intrinsic value as part of Canada's natural heritage and beauty, biodiversity in the form of plant and animal life is the source of many "ecological goods and services" and, in that regard, it holds tremendous potential value. Experts have concluded that aquatic invasive species are second only to habitat destruction as a leading cause of biodiversity loss, including local extinctions of species. Studies to date indicate that they cause billions of dollars of damage to Canada's economy every year. For example, one study in 2006 estimated that damages caused by six aquatic invasive species alone cost more than $343 million a year. Currently, approximately 185 alien species have invaded the Great Lakes.

When the habitat of a commercially valuable species is destroyed or if an invader crowds it out by occupying its space or eating its food, the livelihoods of those relying on it are at risk. Sea lampreys, for example, have had a serious negative impact on the Great Lakes fishery. Their aggressive behaviour contributed significantly to the collapse of fish species such as trout, walleye, and sturgeon. Perhaps the most infamous aquatic invasive species in Canada is the zebra mussel, which is widely known to have caused biodiversity loss as well as direct economic costs to industry. For example, in 2002, Ontario Power Generation estimated that, as a direct result of the presence of zebra mussels, operating costs increased by $500,000 and $1 million per year at its Darlington and Pickering nuclear stations.

What we found

- Fisheries and Oceans Canada has made unsatisfactory progress in implementing our 2002 recommendations. While the Department has identified some aquatic invasive species that pose major risks to Canada and put in place biological risk assessment guidelines, the rate at which new alien species are becoming established is exceeding the rate at which the Department is assessing risks. The Department has failed to assess economic and social risks, and priorities and objectives for prevention, control, or eradication of risks posed by aquatic invasive species have not been set.

- In addition, Fisheries and Oceans Canada does not have plans or mechanisms in place for early detection of, or rapid response to, aquatic invasive species and is therefore unprepared to prevent, control, or eradicate potential new aquatic invasive species. It has not monitored or reported how effective its efforts have been at preventing, controlling, or eradicating the aquatic invasive species it has identified.
- Transport Canada has made satisfactory progress in implementing one of our 2002 recommendations. Mandatory regulations for the control and management of ballast water came into force through the *Canada Shipping Act* in 2006. These regulations constitute a major step forward in addressing the issue of aquatic invasive species. Ships entering Canadian waters are now required by law to take steps to manage ballast water to reduce the likelihood of introducing aquatic invasive species.
- Transport Canada has made unsatisfactory progress on our 2002 recommendation related to monitoring and reporting on compliance. While Transport Canada has developed the tools it needs and is gathering information on compliance with its regulations for ships entering the Great Lakes, gaps remain in the Department's compliance monitoring and reporting at the national level.
- We found that risks posed by aquatic invasive species have not been adequately assessed or effectively managed. The federal government is not yet in a position to prevent, control, or eradicate invasive species that pose the greatest threat to Canada's aquatic ecosystems and economy. Much remains to be done to meet commitments made in the federal government's 1995 Canadian Biodiversity Strategy.

Fisheries and Oceans Canada and Transport Canada have responded. Fisheries and Oceans Canada and Transport Canada agree with our recommendations. Their responses follow the related recommendations throughout the chapter.

Ecosystems

Areas of Concern in the Great Lakes Basin

Chapter 7 Main Points

What we examined

In 1987, changes to the Canada–United States Great Lakes Water Quality Agreement committed both nations to develop and implement action plans for cleaning up areas in the Great Lakes basin where the natural environment had been severely degraded. These areas were designated as areas of concern. There are currently 15 in Canada.

The federal government has overarching responsibility for the restoration of areas of concern in Canada, with Environment Canada as the lead department. Remedial action plans developed in cooperation with provinces and municipalities, First Nations communities, and non-government organizations guide restoration and protection efforts at each area of concern. When beneficial uses such as swimming and fishing are no longer impaired and the area has been restored, its designation as an area of concern is removed—known as "delisting."

In 2001, we reported that Environment Canada had not set clear priorities for remedial action. We found gaps in management and governance, and goals to restore and delist areas of concern had not been met. It was not clear how or when the government planned to see areas of concern restored and delisted. We recommended that Environment Canada clarify its role and responsibilities and those of its partners, and that it develop and implement plans for delisting areas of concern, with particular attention to remediating contaminated sediment and addressing the issue of overloaded municipal sewage systems. The Department agreed with our recommendations and committed to developing and implementing action plans.

For this status report, we examined Environment Canada's progress on these issues since our last audit. We examined whether the Department has clarified the roles and responsibilities of all partners; developed and implemented plans for delisting areas of concern, monitored and reported progress toward implementing action plans as the Great Lakes Water Quality Agreement requires; and ensured that the plans are periodically adjusted, as necessary. We also examined the extent to which the actions taken have achieved the government's

objectives and led to the restoration of environmental quality of areas of concern.

Why it's important

The Great Lakes Basin is ecologically important, and its environmental quality is vital to millions of Canadians. It is home to about one third of Canada's population. It contains 8 of Canada's 20 largest cities and provides drinking water for over eight million residents of Ontario. The Basin plays a vital role in the physical, social, and economic life of Canada, supporting almost 40 percent of Canada's gross domestic product, 25 percent of its agricultural production, and more than 50 percent of its manufacturing activity. It also supports rich biological diversity and significant fisheries. Because they hold approximately 20 percent of the Earth's surface fresh water, the Great Lakes also have international significance.

As indicated in the Great Lakes Water Quality Agreement, population growth and economic development in the Great Lakes Basin during the twentieth century have degraded the environmental quality of the region, threatening its economy and the quality of life of the people who live there. For over 20 years, Canada and the United States have been committed to restoring beneficial uses in areas of concern in the Great Lakes.

What we found

- Environment Canada has made unsatisfactory progress on the issues we raised in our 2001 audit. The Department has not ensured that criteria for delisting are specified for each Canadian area of concern. While the Department has recently clarified some responsibilities, it has still not clearly specified who is responsible for carrying out all the required remedial actions, who will pay for those efforts, and within what timelines the actions will be taken. Finally, it has not adequately assessed the extent to which each impairment in each Canadian area of concern has been restored and it has not reported progress to the International Joint Commission as it is required to do under the Great Lakes Water Quality Agreement.
- After more than 20 years, only 2 of Canada's original 17 areas of concern have been delisted—the latest in 2003. Priority actions have been completed for one other area, which is now recognized by the government as an "area in recovery." The majority of impairments to beneficial uses that were originally identified in areas of concern still exist today.
- Two principal sources of contamination continue to impede the government's progress on delisting areas of concern—contaminated sediments, which Environment Canada estimates would cost a total

of $150 million to clean up, and overloaded municipal wastewater systems, which it estimates would cost a total of $2.4 billion to fix. Solving these problems is critical to restoring most areas of concern.

The Department has responded. Environment Canada agrees with our recommendations. Its responses are included with the related recommendations throughout the chapter.

Management Tools and Government Commitments

International Environmental Agreements

Chapter 8 Main Points

What we examined

Canada has signed more than 100 international environmental agreements over the years, the Kyoto Protocol among them, committing it to act on crucial issues such as ocean pollution, fishery conservation, and the protection of endangered species.

In 2004, we reported that lead departments for the agreements we looked at had varying degrees of knowledge about whether they were achieving the objectives of the agreements. Some departments did not always know the environmental results they were achieving under the agreements or, in some cases, the results they were supposed to achieve. Nor were all the departments reporting on the results they had achieved. In 2005, we reported that the government still had no action plan for meeting its 2002 World Summit on Sustainable Development (WSSD) commitments.

For this status report, we examined the federal government's management of information on international environmental agreements to assess the progress it has made since 2004. We examined 20 international environmental agreements in four departments—Environment Canada, Fisheries and Oceans Canada, Transport Canada, and Foreign Affairs and International Trade Canada. We assessed the availability and fairness of the information they had about the agreements' objectives, the means they have established to meet the objectives, their current targets, and their reporting on progress. We also examined how the government plans and reports on progress made against its WSSD commitments.

We did not look at the extent to which the agreements were successful but rather at whether enough information is available for parliamentarians and other interested Canadians to judge whether Canada is meeting its environmental commitments to the international community.

Why it's important

Given the increasing global awareness of risks to the environment caused by human activities, Canada's international reputation depends in part on the credibility it achieves by keeping its international environmental commitments and on its ability to demonstrate the environmental results that it is achieving under the agreements. As one of the world's largest countries, rich in natural resources, Canada also has much to gain from the success of its international environmental agreements—and a corresponding obligation.

What we found

- The government has made unsatisfactory progress toward providing a complete and understandable picture of the results expected from Canada's international environmental agreements. While Environment Canada, Fisheries and Oceans Canada, Transport Canada, and Foreign Affairs and International Trade Canada generally make information available on Canada's obligations under the agreements, they provide less information on the programs and means in place to meet the obligations. In addition, the departments do not generally make complete and understandable information available on the results the government both expected to achieve and has achieved toward fulfilling obligations under the agreements.
- The government has made unsatisfactory progress in planning, monitoring, and reporting the extent to which Canada is meeting its commitments from the World Summit on Sustainable Development in 2002. While it has followed the United Nations Commission on Sustainable Development approach to monitoring and reporting, it still has no longer-term plan for ensuring that it will be in a position to report significant progress on its commitments, while taking into account the review timetable established by the UN.

The departments have responded. The departments agree with our recommendation. Their detailed responses follow the recommendation in the chapter.

Management Tools and Government Commitments

Strategic Environmental Assessment

Chapter 9 Main Points

What we examined

Strategic environmental assessment (SEA) has been required of federal departments and agencies for the past 17 years. It is the federal government's main tool for considering the impact that proposed policies, plans, and programs could have on the environment. A Cabinet directive in 1990 made SEA a requirement for proposals submitted to a minister or to Cabinet for approval when important environmental effects are likely. In 2004, Cabinet made public reporting mandatory whenever a detailed environmental assessment is completed.

Three times previously since 1998, we examined how departments and agencies comply with the Cabinet directive and we have reported weaknesses. This time we examined progress made by selected departments and agencies in implementing strategic environmental assessment since 2004, when we reported that most organizations we examined had not made serious efforts to apply the directive. We said that this was due in large part to insufficient senior management commitment to the directive, lack of central ownership, and no assignment of responsibility and authority to ensure the quality and consistency of the assessment process.

Our audit work for this status report focused on 15 departments and agencies covered in our 2004 audit. We looked at whether selected federal organizations have improved their management and application of SEA and whether they are reporting publicly on their detailed strategic environmental assessments, as required. We also examined whether there has been progress in ensuring accountability for compliance with the Cabinet directive. We looked at whether the Canadian Environmental Assessment Agency provides adequate guidance and support to departments and agencies. We also looked at selected courses offered by the Canada School of Public Service to determine whether they now cover strategic environmental assessment.

Why it's important

Identifying the potential environmental impacts of government policies, plans, or programs before they are implemented allows decision makers to anticipate, prevent, or mitigate potential negative environmental consequences and to enhance any environmental benefits. Our past

reports have highlighted problems such as the high cleanup costs and environmental damage at abandoned mines in the North and the decline of the Atlantic fisheries, which illustrate possible consequences of inadequate environmental foresight.

What we found

- Progress in addressing our 2004 audit observations and recommendations has been unsatisfactory. Despite improvements evident in some areas, we found weaknesses in accountability and transparency—areas fundamental to good management. We could not find evidence that a mechanism exists to hold departments and agencies to account when they do not appropriately apply the directive. Nor did we find evidence that the Privy Council Office challenged departments and agencies on their application of the directive when they have submitted proposals to Cabinet.
- Most of the departments we examined are not preparing public statements of their detailed environmental assessments, as required by the Cabinet directive. When public statements are released, they are generally difficult to locate and often do not contain sufficient information to assure stakeholders and the public that environmental factors have been integrated into the decision-making process—the stated objective of the requirement.
- Of the departments we re-examined that had rated poorly in our last audit, the Canadian International Development Agency and Fisheries and Oceans Canada have made satisfactory progress in developing and implementing SEA management systems. Health Canada's progress has been unsatisfactory.
- We observed deficiencies in completing and tracking strategic environmental assessments in many of the 12 departments whose management systems we examined in 2004. We found that many of these organizations do not consistently apply even the necessary first step of the SEA process. We also found proposals that did not have a detailed SEA, despite the potential for important environmental effects. Furthermore, only 3 of the 12 organizations are complying fully with the public reporting requirement of the directive.
- Training and guidance on SEA has increased and is accessible in courses delivered by the Canada School of Public Service and the Canadian Environmental Assessment Agency. In addition, the three organizations we examined in detail, the Canadian International Development Agency, Fisheries and Oceans Canada, and Health Canada, also provide their employees with training and guidance.

Management Tools and Government Commitments

Greening of Government Operations

Chapter 10 Main Points

What we examined

In its document *A Guide to Green Government*, published in 1995, the federal government provided guidance to departments preparing their first sustainable development strategies as they began to green their operations, policies, and programs. The Guide also incorporated the then recently developed Greening of Government Operations initiative.

We have since audited various aspects of the effort to green government operations and have found little progress to report. Most recently, in our 2005 chapter on green procurement, we said that central guidance and direction to departments on green procurement was inadequate, that Public Works and Government Services Canada had underused its potential to advance green procurement through standing offers used in purchasing, and that sustainable development strategies were not being used effectively as a tool to increase green procurement. We have also previously reported on the extent of government-wide guidance for departments preparing sustainable development strategies, such as in our 2005 chapter on sustainable development strategies, which described efforts to provide government-wide guidance including greening government operations.

Given this past work, for this status report we examined the progress made by the government in providing greening government operations guidance to departments preparing sustainable development strategies as well as the progress made by Public Works and Government Services Canada in greening commodity management.

Why it's important

As one of Canada's largest employers, purchasers, and landowners, the federal government has committed itself to being a leader in promoting environmental and sustainable development practices in Canada. It can significantly reduce the environmental impact of its operations by purchasing goods that are energy-efficient, or that are produced without using or releasing toxic substances, or that can be recycled. Its spending on green products and services can also stimulate innovation and increase their availability. Recently, as part of the latest round of sustainable development strategies, the government identified its

vehicle fleets, green procurement, and energy use in buildings as its three priority areas for greening operations.

What we found

- The government's progress toward providing departments preparing sustainable development strategies with guidance on greening their operations is unsatisfactory. The government-wide targets it produced for departments to use in preparing their strategies were non-specific, reiterated previous objectives, or were open to interpretation, and departments were not required to use them. As a result, departments did not incorporate the targets consistently in their strategies and the government is therefore not in a position to know what progress it is making in greening its operations.
- The government has placed a lot of emphasis on its new commodity management approach to procurement. Given the time elapsed since this new approach was put in place, we found that Public Works and Government Services Canada is making satisfactory progress in greening the commodities we examined, with the exception of its slow progress in developing the integrated comprehensive commodity management plans required by its Commodity Management Framework. In the absence of such integrated comprehensive plans, the Department cannot demonstrate whether it is achieving the optimal balance between greening and the other factors that must be considered in procurement, such as fairness to suppliers and cost savings.

Public Works and Government Services Canada (PWGSC) has responded. PWGSC has agreed with our recommendations and is taking action to address the concerns raised in the chapter. Its detailed response follows each recommendation throughout the chapter.

Previous Audits of Responses to Environmental Petitions

Insurance for Nuclear Operators

Chapter 11 Main Points

What we examined

We sought to determine whether Natural Resources Canada had made satisfactory progress in addressing a recommendation from our 2005 audit of the response to a petition submitted in 2003 on the issue of insurance for nuclear operators. In that response, the Minister agreed to bring forward revisions to the *Nuclear Liability Act* that would update insurance requirements. In 2005, we recommended that Natural Resources Canada begin preparatory work on revisions to the *Nuclear Liability Act* and submit policy proposals to the Minister by late 2005. The Department agreed to implement the recommendation.

Why it's important

The *Nuclear Liability Act* came into force in 1976. It requires that funds be available to compensate people who may have suffered injury or damage as a result of a nuclear incident at an installation, such as a nuclear power generating plant. The *Nuclear Liability Act* holds that the nuclear operator is exclusively liable for any damage arising from radioactive releases. However, the Act limits an operator's liability to a maximum of $75 million. Our 2005 audit of the petition response on this issue found that this amount remained at a level established over 30 years ago and was considerably lower than the coverage in 12 other major industrialized nations.

What we found

Progress is satisfactory. This follow-up audit found that Natural Resources Canada has drafted legislation that was introduced in Parliament in October 2007 as Bill C-5. Among other things, the proposed legislation updates the mandatory insurance requirements for nuclear operators.

Previous Audits of Responses to Environmental Petitions

Listing of Species at Risk

Chapter 12 Main Points

What we examined

We sought to determine whether Environment Canada had made satisfactory progress in addressing a significant observation made in our 2005 audit of the response to a petition submitted in 2002 on developing guidelines for listing species at risk. In the response, the Minister of the Environment agreed to develop such guidelines. Our 2005 audit noted that the Department planned to have these guidelines in place by 2006.

Why it's important

The *Species at Risk Act* is one of the legal cornerstones for the protection of wildlife in Canada, helping to conserve and protect species and ultimately biodiversity. Under the Act, the Committee on the Status of Endangered Wildlife in Canada (COSEWIC) assesses the status of species and advises on whether the species should be added to the List of Wildlife Species at Risk. A species not listed does not benefit from the provisions of the Act. Currently, there are no public guidelines available for the government and the Minister to use when deciding not to list a species that the Committee has assessed as being at risk. Final guidelines would help confirm that the government's decision-making process on the protection of species at risk is consistent, systematic, and transparent.

What we found

Progress is unsatisfactory. Environment Canada has not yet finalized its guidelines for dealing with cases in which the Minister recommends not adding to the List of Wildlife Species at Risk a species assessed by COSEWIC as being at risk. Although the Department has drafted guidelines, they are not publicly available, have changed over time, and are not applied consistently or systematically. In the meantime, 20 species that COSEWIC has assessed as at risk have not been listed due to socio-economic reasons and a requirement for additional consultation with the Nunavut Wildlife Management Board.

Environment Canada has responded. Environment Canada agrees with our recommendation. The Department's detailed response follows the recommendation in the chapter.

Previous Audits of Responses to Environmental Petitions

Military Dumpsites

Chapter 13 Main Points

What we examined

We sought to determine whether National Defence had made satisfactory progress in addressing key observations from our 2004 audit concerning military dumpsites off Canada's Atlantic coast. In 2004, we noted that the federal government was taking action to identify and assess the risks of these sites in accordance with its response to a petition in 2002. National Defence indicated that it was on target to complete work by 2006 on the Underwater Unexploded Explosive Ordnance (UXO) Project and by 2008 on the Warfare Agent Disposal Project. We made no recommendation in 2004 because it was too early to determine whether the Department would meet the timelines set.

Why it's important

A legacy of chemical, biological, and unexploded explosive ordnance remains from various military activities over the past century at land-based sites across Canada and off its coasts. Historically, these sites have posed only a small risk to Canadians because of their remote locations. Since the end of World War II, however, the sites have faced encroachment from offshore petroleum activities, human interaction, and ocean trawling. Encounters with unexploded explosive ordnance have caused injuries and a number of fatalities since 1940.

What we found

Progress is satisfactory. National Defence has made satisfactory progress in carrying out its commitments to identify and assess the risks of unexploded explosive ordnance and/or chemical and biological warfare agents in ocean-based dumpsites. However, we noted that the identification and risk assessment of these sites are only the first steps in a long-term management approach that will now include almost 700 ocean-based sites and more than 700 land-based sites containing unexploded explosive ordnance.

National Defence has responded. The Department agrees with our recommendation regarding the development of a consistent methodology for charting underwater unexploded explosive ordnance sites on nautical charts and has begun to address it.

Previous Audits of Responses to Environmental Petitions

Genetically Engineered Fish

Chapter 14 Main Points

What we examined

We sought to determine whether Fisheries and Oceans Canada had made satisfactory progress in addressing a recommendation from our 2004 audit, which found that the Department had made little progress on developing regulations and a policy framework covering genetically engineered fish. These were commitments made in response to a petition in 2001. In its response to our audit, Fisheries and Oceans Canada agreed to develop a regulatory approach and a new policy by 2005.

Why it's important

Research on genetically engineered (GE) fish and other aquatic organisms began in the early 1980s and has increased rapidly around the world. GE fish are being developed for use in medical applications, to detect pollution, and as aquarium pets. The aquaculture industry is developing GE fish that grow faster than wild fish and that better tolerate cold temperatures. There are concerns about the potential ecological impacts of an accidental release of GE fish into natural ecosystems. For example, faster-growing GE fish may out-compete wild fish for food and territory. Canada's current regulations in this area have weaknesses.

What we found

Progress is unsatisfactory. Since the establishment of the Federal Biotechnology Regulatory Framework in 1993, Fisheries and Oceans Canada has frequently committed to developing regulations covering transgenic aquatic organisms, including genetically engineered fish. Although it has been working on this matter since 1993, Fisheries and Oceans Canada has not made satisfactory progress toward completing the regulations.

Fisheries and Oceans Canada has responded. Fisheries and Oceans Canada has accepted our recommendation. The Department has decided that the *Canadian Environmental Protection Act, 1999* (CEPA, 1999) provides the regulatory framework for GE fish. It is participating in a CEPA, 1999 regulatory review that may address the issues raised in this audit.

Appendices

Appendix A *Auditor General Act*—Excerpts

An Act respecting the Office of the Auditor General of Canada and sustainable development monitoring and reporting

INTERPRETATION

Definitions

2. In this Act,

"appropriate Minister"

"appropriate Minister" has the meaning assigned by section 2 of the *Financial Administration Act*;

. . .

"category I department"

"category I department" means

(a) any department named in Schedule I to the *Financial Administration Act*,

(b) any department in respect of which a direction has been made under subsection 24(3), and

(c) any department, set out in the schedule;

"Commissioner"

"Commissioner" means the Commissioner of the Environment and Sustainable Development appointed under subsection 15.1(1);

. . .

"sustainable development"

"sustainable development" means development that meets the needs of the present without compromising the ability of future generations to meet their own needs;

"sustainable development strategy"

"sustainable development strategy", with respect to a category I department, means the department's objectives, and plans of action, to further sustainable development.

DUTIES

Examination

5. The Auditor General is the auditor of the accounts of Canada, including those relating to the Consolidated Revenue Fund and as such shall make such examinations and inquiries as he considers necessary to enable him to report as required by this Act;

Annual and additional reports to the House of Commons

7. (1) The Auditor General shall report annually to the House of Commons and may make, in addition to any special report made under subsection 8(1) or 19(2) and the Commissioner's report under subsection 23(2), not more than three additional reports in any year to the House of Commons

(a) on the work of his office; and,

(b) on whether, in carrying on the work of his office, he received all the information and explanations he required.

Idem

(2) Each report of the Auditor General under subsection (1) shall call attention to any thing that he considers to be of significance and of a nature that should be brought to the attention of the House of Commons, including any cases in which he has observed that

(a) accounts have not been faithfully and properly maintained or public money has not been fully accounted for or paid, where so required by law, into the Consolidated Revenue Fund;

(b) essential records have not been maintained or the rules and procedures applied have been insufficient to safeguard and control public property, to secure an effective check on the assessment, collection and proper allocation of the revenue and to ensure that expenditures have been made only as authorized;

(c) money has been expended other than for purposes for which it was appropriated by Parliament;

(d) money has been expended without due regard to economy or efficiency;

(e) satisfactory procedures have not been established to measure and report the effectiveness of programs, where such procedures could appropriately and reasonably be implemented; or

(f) money has been expended without due regard to the environmental effects of those expenditures in the context of sustainable development.

STAFF OF THE AUDITOR GENERAL

Appointment of Commissioner

15.1 (1) The Auditor General shall, in accordance with the *Public Service Employment Act*, appoint a senior officer to be called the Commissioner of the Environment and Sustainable Development who shall report directly to the Auditor General.

Commissioner's duties

(2) The Commissioner shall assist the Auditor General in performing the duties of the Auditor General set out in this Act that relate to the environment and sustainable development.

SUSTAINABLE DEVELOPMENT

Purpose

21.1 The purpose of the Commissioner is to provide sustainable development monitoring and reporting on the progress of category I departments towards sustainable development, which is a continually evolving concept based on the integration of social, economic and environmental concerns, and which may be achieved by, among other things,

(a) the integration of the environment and the economy;

(b) protecting the health of Canadians;

(c) protecting ecosystems;

(d) meeting international obligations;

(e) promoting equity;

(f) an integrated approach to planning and making decisions that takes into account the environmental and natural resource costs of different economic options and the economic costs of different environmental and natural resource options;

(g) preventing pollution; and

(h) respect for nature and the needs of future generations.

Petitions received

22. (1) Where the Auditor General receives a petition in writing from a resident of Canada about an environmental matter in the context of sustainable development that is the responsibility of a category I department, the Auditor General shall make a record of the petition and forward the petition within fifteen days after the day on which it is received to the appropriate Minister for the department.

Acknowledgement to be sent

(2) Within fifteen days after the day on which the Minister receives the petition from the Auditor General, the Minister shall send to the person who made the petition an acknowledgement of receipt of the petition and shall send a copy of the acknowledgement to the Auditor General.

Minister to respond

(3) The Minister shall consider the petition and send to the person who made it a reply that responds to it, and shall send a copy of the reply to the Auditor General, within

(a) one hundred and twenty days after the day on which the Minister receives the petition from the Auditor General; or

(b) any longer time, where the Minister personally, within those one hundred and twenty days, notifies the person who made the petition that it is not possible to reply within those one hundred and twenty days and sends a copy of that notification to the Auditor General.

Multiple petitioners

(4) Where the petition is from more that one person, it is sufficient for the Minister to send the acknowledgement and reply, and the notification, if any, to one or more of the petitioners rather than to all of them.

Duty to monitor

23. (1) The Commissioner shall make any examinations and inquiries that the Commissioner considers necessary in order to monitor

(a) the extent to which category I departments have met the objectives, and implemented the plans, set out in their sustainable development strategies laid before the House of Commons under section 24; and

(b) the replies by Ministers required by subsection 22(3).

Commissioner's report

(2) The Commissioner shall, on behalf of the Auditor General, report annually to the House of Commons concerning anything that the Commissioner considers should be brought to the attention of that House in relation to environmental and other aspects of sustainable development, including

(a) the extent to which category I departments have met the objectives, and implemented the plans, set out in their sustainable development strategies laid before that House under section 24;

(b) the number of petitions recorded as required by subsection 22(1), the subject-matter of the petitions and their status; and

(c) the exercising of the authority of the Governor in Council under any of subsections 24(3)to (5).

Submission and tabling of report

(3) The report required by subsection (2) shall be submitted to the Speaker of the House of Commons and shall be laid before that House by the Speaker on any of the next fifteen days on which that House is sitting after the Speaker receives it.

Strategies to be tabled

24. (1) The appropriate Minister for each category I department shall cause the department to prepare a sustainable development strategy for the department and shall cause the strategy to be laid before the House of Commons

(a) within two years after this subsection comes into force; or

(b) in the case of a department that becomes a category I department on a day after this subsection comes into force, before the earlier of the second anniversary of that day and a day fixed by the Governor in Council pursuant to subsection (4).

Updated strategies to be tabled

(2) The appropriate Minister for the category I department shall cause the department's sustainable development strategy to be updated at least every three years and shall cause each updated strategy to be laid before the House of Commons on any of the next fifteen days on which that House is sitting after the strategy is updated.

Governor in Council direction

(3) The Governor in Council may, on the recommendation of the appropriate Minister for a department not named in Schedule I to the *Financial Administration Act*, direct that the requirements of subsections (1) and (2) apply in respect of the department.

Date fixed by Governor in Council

(4) On the recommendation of the appropriate Minister for a department that becomes a category I department after this subsection comes into force, the Governor in Council may, for the purpose of subsection (1), fix the day before which the sustainable development strategy of the department shall be laid before the House of Commons.

Regulations

(5) The Governor in Council may, on the recommendation of the Minister of the Environment, make regulations prescribing the form in which sustainable development strategies are to be prepared and the information required to be contained in them.

SCHEDULE
(Section 2)

Atlantic Canada Opportunities Agency

Agence de promotion économique du Canada atlantique

Canada Revenue Agency

Agence du revenu du Canada

Canadian International Development Agency

Agence canadienne de développement international

Economic Development Agency of Canada for the Regions of Quebec

Agence de développement économique du Canada pour les régions du Québec

Parks Canada Agency

Agence Parcs Canada

Appendix B Report on the audit of the President of the Treasury Board's report *Tabling of Crown Corporations' Reports in Parliament*

Tabling in Parliament for parent Crown corporations: Annual reports and summaries of corporate plans and budgets

Section 152 of the *Financial Administration Act (the Act)* requires the President of the Treasury Board to lay before each House of Parliament, no later than 31 December of each year, a report on the timing of tabling, by appropriate ministers, of annual reports and summaries of corporate plans and of budgets of Crown corporations. The Act also requires the Auditor General to audit the accuracy of the report on the timing of tabling and to present the results in her annual report to the House of Commons.

The President of the Treasury Board's report on the timing of tabling was included in the *2007 Annual Report to Parliament—Crown Corporations and Other Corporate Interests of Canada*, which was tabled on 16 January 2008.

At the time that our October 2007 Report was going to print, we were unable to include the results of the above-noted audit because the President of the Treasury Board's report had not yet been finalized. Our Auditor's report was subsequently appended to the President's report and is reproduced in this report to Parliament.

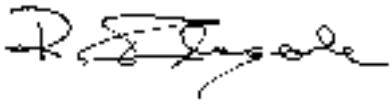
AUDITOR'S REPORT

To the House of Commons

As required by subsection 152(2) of the *Financial Administration Act*, I have audited, for the year ended 31 July 2007, the information presented in the report *Tabling of Crown Corporations' Reports in Parliament* included in the *2007 Annual Report to Parliament—Crown Corporations and Other Corporate Interests of Canada*. The reports are the responsibility of the President of the Treasury Board. My responsibility is to express an opinion on the information included in the report, as required by section 152, based on my audit.

I conducted my audit in accordance with the standards for assurance engagements established by the Canadian Institute of Chartered Accountants. Those standards require that I plan and perform an audit to obtain reasonable assurance as to whether the information disclosed in the report is free of significant misstatement. My audit included examining, on a test basis, evidence supporting the dates and other disclosures provided in the report.

In my opinion, the information presented in the report *Tabling of Crown Corporations' Reports in Parliament* is accurate, in all significant respects, in accordance with its section Deadlines for Tabling in Parliament and Results Achieved.



Richard Flageole, FCA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
23 November 2007

Status Report of the Commissioner of the Environment and Sustainable Development to the House of Commons—March 2008

Main Table of Contents