SPECIAL EXAMINATION AUDIT APPROACH FOR ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

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| **Systems and practices** | **Audit criteria and sources** | **Suggested audit questions** | **Suggested information** | **Suggested audit steps** |
| Please consult the internal specialist for the environment and sustainable development to obtain help in developing systems and practices, criteria, audit questions, and audit steps pertaining to the specific environment and sustainable development risks included in the scope of the special examination.  During the planning phase, the special examination team should inquire about the Crown corporation’s awareness of the United Nations’ Sustainable Development Goals (SDGs). | | | | |
| Environment and sustainable development management framework | The corporation defines and implements a framework to manage environment and sustainable development issues.  Sources:   * ISO 14001—Environmental Management Systems, International Organization for Standardization, 2015 * Improving Environmental Performance and Compliance: 10 Elements of Effective Environmental Management Systems, Commission for Environmental Cooperation, 2000 * Meeting the Expectations of Canadians: Review of the Governance Framework for Canada’s Crown Corporations, Treasury Board of Canada Secretariat, 2005 * Transforming our world: the 2030 Agenda for Sustainable Development, United Nations, 2015 * ISO 26000—Guidance on Social Responsibility, International Organization for Standardization, 2010 * The Ten Principles of the United Nations Global Compact | Q1. Has the corporation put in place a framework or system to manage environmental and sustainable development issues? | * Environmental management system * Corporate social responsibility document * Environment, social, and governance document * Alignment or mapping of Crown corporation activities and SDG targets * Board meeting minutes * Management meeting minutes | 1a-Review the environmental management system, corporate social responsibility, and environment, social, and governance documents to determine whether they include the following elements:   * policy statement * list of legal requirements * measurable environment and sustainable development objectives and targets |
| Q2. Are appropriate roles, responsibilities, authorities, accountabilities, and resources for the environment and sustainable development management framework established and approved? | 2a-Review the environmental management system, corporate social responsibility, and environment, social, and governance documents to confirm that roles, responsibilities, authorities, accountabilities, and resources have been established and approved. |
| Q3. Is the corporation aware of the SDGs? | 3a-Confirm awareness of the SDGs. |
| Q4. Is the corporation contributing to any SDGs or SDG targets? | 4a-Review the SDG alignment or mapping document to confirm which SDG targets have been identified and which activities contribute to the implementation of the SDG targets. |
| Environment and sustainable development risk assessment | The corporation assesses its environment and sustainable development risks, opportunities, and liabilities.  Sources:   * ISO 14001—Environmental Management Systems, International Organization for Standardization * Improving Environmental Performance and Compliance: 10 Elements of Effective Environmental Management Systems, Commission for Environmental Cooperation, 2000 * Transforming our world: the 2030 Agenda for Sustainable Development, United Nations, 2015 * ISO 26000—Guidance on Social Responsibility, International Organization for Standardization, 2010 * The Ten Principles of the United Nations Global Compact | Q1. Does the corporation have a process to identify and assess environment and sustainable development risks? | * Corporate risk profile * Environment and sustainable development risk profile * Risk management committee minutes (if applicable) * Periodic risk assessment reports * Board meeting minutes and documents | 1a-Confirm that environment and sustainable development risk identification and assessment processes are in place.  1b-Confirm that the board approves the corporation’s risk assessment. |
| Q2. Does the corporation review environment and sustainable development risks periodically? | 2a-Confirm that environment and sustainable development risks are reviewed periodically.  2b-Confirm that the board is informed of emerging environment and sustainable development risks and approves changes. |
| Management of environment and sustainable development risks | The corporation manages environment and sustainable development risks to reduce or eliminate potential environment and sustainable development effects and liabilities and to comply with requirements.  Sources:   * ISO 14001—Environmental Management Systems, International Organization for Standardization * Improving Environmental Performance and Compliance: 10 Elements of Effective Environmental Management Systems, Commission for Environmental Cooperation, 2000 * Transforming our world: the 2030 Agenda for Sustainable Development, United Nations, 2015 * ISO 26000—Guidance on Social Responsibility, International Organization for Standardization, 2010 * The Ten Principles of the United Nations Global Compact | Q1. Does the corporation have risk management controls in place? | * Risk management report * Risk monitoring reports * Enterprise risk management steering committee minutes * Board meeting minutes and documents | 1a-Confirm that risk management procedures are in place for identified environment and sustainable development risks and are updated regularly.  1b-Confirm that risk owners have been designated.  1c-Confirm that the board approves the risk management controls. |
| Q2. Does the corporation have emergency preparedness and response procedures in place? | 2a-Confirm that risk management includes emergency preparedness and response procedures. |
| Environment and sustainable development performance measurement and reporting process | The corporation monitors and reports to the board and the public on its environment and sustainable development performance to ensure that results are disclosed and transparent.  Sources:   * ISO 14001—Environmental Management Systems, International Organization for Standardization, 2015 * Improving Environmental Performance and Compliance: 10 Elements of Effective Environmental Management Systems, Commission for Environmental Cooperation, 2000 * Transforming our world: the 2030 Agenda for Sustainable Development, United Nations, 2015 * ISO 26000—Guidance on Social Responsibility, International Organization for Standardization, 2010 * The Ten Principles of the United Nations Global Compact * Sustainability Reporting Standards, Global Reporting Initiative, 2016 | Q1. Does the corporation have an environment and sustainable development performance measurement process in place? | * Performance measurement and reporting process description * Corporate plan * Annual report * Environment and sustainable development report * Sustainability report * Board meeting minutes * Senior management committee minutes | 1a-Determine whether the performance measurement process includes the following elements:   * monitoring plan * measurable environment and sustainable development objectives and targets * appropriate roles, responsibilities, and resources |
| Q2. Does the corporation have a process in place to report environment and sustainable development performance to the board, management, and the public? | 2a-Review the annual report, environment and sustainable development report, sustainability report, or any key documentation to determine whether the corporation is reporting environment and sustainable development performance.  2b-Confirm that the corporation’s reports contain clear, credible, and balanced performance information. |
| Q3. Does the corporation use performance information for decision making by both management and the board? | 3a-Confirm that management and the board are informed of environment and sustainable development performance on a regular basis and take corrective actions when needed. |
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