

INNOVATION, SCIENCE AND ECONOMIC DEVELOPMENT CANADA DETAILED ACTION PLAN

To the recommendations of the OAG Audit of Sustainable Development Technology Canada

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization Point of Contact (Name, Position, Tel #)	Indicator of Achievement (For Committee Use Only)
33	Innovation, Science and Economic Development Canada should adjust its subsequent contributions to Sustainable Development Technology Canada to offset for any amounts owing to the Crown.	Agreed. The Department will ensure that future contribution payments to the Foundation are adjusted to offset amounts owing to the Crown. To enhance transparency, going forward, the Foundation will be asked to report on a regular basis whether any amounts are owing to the Crown, including in each of its annual corporate plans, and to indicate any such amounts. This will ensure consistent communication to the Department	<p>On a quarterly basis, the ISED Program will review SDTC's Quarterly Report, which will contain evidence to identify and track overpayments. This includes:</p> <ul style="list-style-type: none"> • Confirmation by SDTC that contracts executed use standard recovery provisions. • Confirmation that recovery has been pursued for any projects with an overpayment and an update on the outcome. 	December 31, 2024: Ongoing until transition of SDTC programming to the National Research Council (NRC).	<p>October 2023 to June 2024: SDTC informed of requirements.</p> <p>June 4, 2024: Business processes to meet the requirement and associated reporting measures were established.</p> <p>July 2024: Amendments to SDTC's contribution agreement, including modified requirements on declaring amounts owed to the Crown, to be executed.</p> <p>Q2 of FY 2024-25, and each quarter thereafter: First</p>	Patrick Hum Director General 613-899-1657	

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		from one corporate plan to the next.	<ul style="list-style-type: none"> Report of each recipient, with the details and actions taken for recovery. <p>ISED Program will account for amounts that are owed by SDTC to the Crown (disclosed to ISED on a quarterly basis, and annually through SDTC's Corporate Plan) in advance payments made to SDTC.</p>		quarterly report to be submitted by SDTC to in Q2 of 2024-25 and in each subsequent quarter until transition to NRC.		
75	Innovation, Science and Economic Development Canada should regularly monitor and audit Sustainable Development Technology Canada to assess whether the foundation complied with	Agreed. While Sustainable Development Technology Canada operates at arm's length and is responsible for selecting and monitoring ultimate recipients, the Foundation is accountable to Innovation, Science and Economic	<p>On a quarterly basis, the ISED Program will review SDTC's activities and reporting to confirm compliance with contribution agreements. ISED will verify the following:</p> <ul style="list-style-type: none"> Evidence of compliance of new projects with the 	<p>December 31, 2024: Ongoing until transition of SDTC programming to the NRC.</p> <p>Q2 of 2024-25: In August 2024, SDTC submits amended by-laws to ISED for review.</p>	<p>October 2023 to June 2024: SDTC informed of requirements</p> <p>June 4, 2024: Business processes to meet the requirement and associated reporting measures were established.</p>	Patrick Hum Director General 613-899-1657	

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	contribution agreements.	Development Canada for financial management and performance of the activities and objectives set out in its contribution agreement. Innovation, Science and Economic Development Canada is in the process of enhancing its reporting requirements with regard to the contribution agreement. Augmented oversight measures, including on conflict of interest, governance and funding, and strengthened audit protocols, have been defined and are being	<p>Contribution Agreement, including compliance of project recommendations and approval.</p> <ul style="list-style-type: none"> • Training records to ensure that staff are up to date on protocols. • Confirmation that claim & closeout checklists were completed for all funded projects. • Evidence that SDTC has reviewed its project portfolio to reconfirm eligibility of funded projects. • Report showing a cumulative list of all projects requiring a recovery. 		<p>July 2024: Amendments to SDTC's contribution agreement including requirements to submit internal audit reports to the Minister, to be executed.</p> <p>Q2 of FY 2024-25, and each quarter thereafter: First quarterly report to be submitted by SDTC to ISED in Q2 of 2024-25, and in each subsequent quarter until transition to NRC.</p>		

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		<p>implemented based on risks identified in the Raymond Chabot Grant Thornton report commissioned by the Minister. When fully implemented, these measures will also address the risks identified in this report. In addition, the departmental approach for the management of transfer payments, including audit and oversight, is being carefully reviewed.</p>	<ul style="list-style-type: none"> • Relevant internal audit reports, including compliance audit results, provided by SDTC. • Evidence of alignment of amended by-laws with the <i>SDTC Act</i> 				
76	<p>Innovation, Science and Economic Development Canada should clarify the role of the department official attending meetings of Sustainable Development Technology</p>	<p>Agreed. Innovation, Science and Economic Development Canada is defining with precision the role of the “liaison officer” in the contribution agreement with Sustainable</p>	<p>The Liaison officer role is clearly defined and understood by all parties to be as follows:</p> <p>The Liaison Officer serves as a main point of contact in the Government of</p>	<p>December 31, 2024: Liaison officer function will be performed by a senior government official until transition of programming to the NRC.</p>	<p>June 4, 2024: Letters on liaison officer role issued to liaison officer and Chair of SDTC’s Board of Directors.</p> <p>July 2024: Amendments to SDTC’s contribution agreement including</p>	<p>Patrick Hum Director General 613-899-1657</p>	

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	Canada's board of directors and should communicate this to the foundation.	Development Technology Canada. This role will be held by a departmental official who will serve as a point of contact with the Foundation, but will have no role in governance. The functions of the "liaison officer" will be strictly limited, and formal steps will be taken to clarify that this officer has no role in decision making, which rests with the Board at all times, as per its governance model.	Canada who will support exchanges of information between the Foundation and ISED on matters related to the clean technology sector, relevant government policy, and SDTC's activities, priorities and plans.		defined role and responsibilities of the liaison officer to be executed.		
79	Innovation, Science and Economic Development Canada should ensure that it assesses, challenges, and monitors conflict of	Agreed. Innovation, Science and Economic Development Canada agrees and is implementing more rigorous and consistent tracking	On a quarterly basis, the ISED Program will review SDTC's COI management process, using quarterly reports	December 31, 2024: Ongoing until transition of programming to the NRC.	October 2023 to June 2024: SDTC informed of requirements. June 4, 2024: Business processes to meet the	Patrick Hum Director General 613-899-1657	

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	interest at Sustainable Development Technology Canada.	<p>mechanisms to provide better visibility into conflicts of interest as they apply to the Foundation.</p> <p>Innovation, Science and Economic Development Canada is introducing amendments to Sustainable Development Technology Canada's (SDTC's) contribution agreement to strengthen and clarify the standards for the disclosure, documentation and management of conflict of interest which are to be reflected in SDTC's conflict of interest policy and practices.</p>	<p>to assess whether relevant policies and procedures were applied, including the following:</p> <ul style="list-style-type: none"> • Training records for relevant staff. • Code of Ethics sign-off by Expert Reviewers, Board members and employees. • Evidence for the publication of the Code of Practice and COI Policies on SDTC's website. • Disclosure of conflicts of interest and related decisions to ISED. • Meeting minutes documenting of COI disclosures, adjudications and 		<p>requirement and associated reporting measures were established.</p> <p>November 2023: SDTC's revised COI Policies are published online and will be updated as required.</p> <p>July 2024: Amendments to SDTC's contribution agreement, including amendments related to submission of internal audit reports to the Minister, to be executed.</p> <p>Q2 of FY 2024-25, and each quarter thereafter: First quarterly report to be submitted by SDTC to ISED in Q2 of 2024-25 and in each subsequent</p>		

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		<p>The conflict of interest policy, implemented and administered by SDTC, is now being reviewed and updated on an annual basis to ensure it is up to date and compliant with the contribution agreement.</p> <p>In response to the Fact Finding Exercise conducted by Raymond Chabot Grant Thornton in September 2023, the department has already put in place active reporting requirements to track conflicts of interests, whether perceived or real, for SDTC employees,</p>	<p>recusals at Board of Director and Board Committee meetings.</p>		<p>quarter until transition to NRC.</p> <p>June 2024 and ongoing until transition to NRC: Minutes and records of decision of Board of Director and Board Committee meetings submitted by SDTC following each meeting.</p>		

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		external consultants, senior management and the board.					