



Indigenous and Northern Affairs Canada

Internal Audit Report

Audit of the Emergency Management Assistance Program

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Audit and Assurance Services Branch

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AANAC-INAC



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ACRONYMS

EMAP	Emergency Management Assistance Program
EMD	Emergency Management Directorate
HQ	Headquarters
INAC	Indigenous and Northern Affairs Canada
NEMP	National Emergency Management Plan
RO	Regional Operations
T&C	Terms and Conditions

EXECUTIVE SUMMARY

Background

The Emergency Management Assistance Program (EMAP) supports the legislative responsibilities placed on ministers to "identify risks that are within or related to their area of responsibility, to develop appropriate emergency management plans in respect of those risks, to maintain, test and implement the plans, and to conduct exercises and training in relation to the plans."¹ INAC's role is to support the efforts of the primary provincial or territorial emergency management organizations in addressing emergency situations on-reserve that cannot be addressed by local communities on their own.

To ensure that First Nation communities have access to emergency assistance services which are comparable to those available to other Canadians, INAC enters into collaborative agreements with provincial and territorial governments for the provision of emergency services and provides funding to cover eligible costs. Where provincial or territorial supports are not available, INAC establishes alternative arrangements to meet the needs of First Nation communities.

EMAP's base funding increased to \$67.2 million in 2015-16, from \$22.2 million in 2012-13, the time of the last internal audit. Within the 2015-16 funding base, \$16.5 million was allocated to fire suppression agreements with certain provinces. In addition to base funding, Budget 2014 invested \$40 million over five years for First Nation structural mitigation projects. INAC also obtained additional funding from the Treasury Board reserve to cover extraordinary emergency response and recovery expenditures (\$39.8 million in 2014-15 and \$46.2 million in 2015-16).

Audit Objectives and Scope

The objectives of the audit were to assess the adequacy and effectiveness of management controls supporting the implementation of the Department's responsibilities related to emergency management assistance, as well as the control processes for administering emergency management assistance transfer payments to help ensure compliance with relevant authorities and policy requirements.

The scope of the audit included coverage of headquarters (HQ) program controls and controls in three regions: Ontario, Saskatchewan, and British Columbia. All INAC regions were engaged during the planning phase of the audit in order to gain an understanding of the diversity and consistencies in regional practices.

The audit covered the period from April 1, 2014 to June 30, 2016, and included program governance, program design and implementation, the four pillars of emergency management and financial management and controls. Through the review of select files, the audit assessed the appropriateness of the design of financial management controls for administering emergency management expenditure claims. However, we did not assess enough project files to conclude on the effectiveness of transactional controls.

¹ *Emergency Management Act* (2007), Section 6(1); *Indian Act* (R.S.C., 1985, c. I-5); *Department of Indian Affairs and Northern Development Act*. R.S.C. 1985 c. I-6

Statement of Conformance

The EMAP audit conforms to the *Internal Auditing Standards for the Government of Canada*, as supported by the results of the quality assurance and improvement program.

Positive observations

Supported by an appropriate governance framework and senior management commitment, INAC continues to make improvements to the design and implementation of EMAP.

Emergency Management Directorate (EMD) and regional Emergency Management Coordinators provide effective communication and coordination support to regional staff during emergencies. INAC regional offices have developed draft regional emergency management plans and have staff who respond effectively to emergencies affecting First Nation communities.

Since the last internal audit, INAC is increasing its focus and investment in negotiating service agreements with provincial emergency management organizations and other service providers. The department is also increasing investments in First Nation non-structural mitigation and preparedness projects. First Nation communities stand to benefit in the form of reduced impacts of future emergency events.

Regional emergency management personnel demonstrated awareness of the importance of having structural mitigation projects managed by specialists from the capital infrastructure teams in order to ensure effective and efficient project delivery. In several projects sampled, the Capital Infrastructure Directorate deployed a well-established capital project management framework that included controls that are appropriate for managing such infrastructure projects.

Conclusion

The audit found that, while most of the elements that would be expected of an Emergency Management Assistance program are in place, opportunities to improve exist in the following areas. Some key documents like the NEMP (2011), the draft Emergency Management Plan and the draft EMAP Program Control Framework should be finalized and approved. The Department does not yet have access to a national all-hazards risk assessment to support its regional and overall program planning or its investments in First Nations mitigation and preparedness activities. Also, service agreements are at varied stages, with most provinces having entered into some form of agreement with INAC and/or operating in good faith in accordance with terms of agreements that are in abeyance. Additional attention is required to ensure that performance information is synthesized, analyzed and available to inform program decisions. For emergency preparedness, there is opportunity to be more proactive in the proposal solicitation process to ensure that communities with greatest needs are aware of the program and access funding. For the emergency response claims processes, centralized capacity and a risk-based claims processing approach are required to ensure that all reimbursement claims are reviewed and challenged with appropriate rigour, timeliness and efficiency. The audit resulted in five recommendations.

Recommendations

The audit team identified areas where the EMAP could be strengthened, resulting in five recommendations, as follows:

1. The Senior Assistant Deputy Minister, Regional Operations, should ensure that the draft *Emergency Management Plan* and draft *EMAP Program Control Framework* are finalized and approved.
2. The Senior Assistant Deputy Minister, Regional Operations, should ensure that a risk-based, all-hazards approach to the EMAP is adopted.
3. The Senior Assistant Deputy Minister, Regional Operations, should ensure that performance results for the EMAP performance indicators are reported at least annually to Senior Management and Regional Directors General.
4. The Senior Assistant Deputy Minister, Regional Operations, should intensify proactive measures to promote and encourage preparedness and non-structural mitigation with communities facing elevated emergency-related hazards and risks.
5. The Senior Assistant Deputy Minister, Regional Operations, should develop and implement a robust control framework and appropriate centralized capacity to ensure that response and recovery claims are thoroughly assessed for eligibility and validity, including appropriateness in light of event-specific context and conditions.

Management response

Management is in agreement with the findings, has accepted the recommendations included in the report, and has developed a management action plan to address them. The management action plan has been integrated in this report.

1. BACKGROUND

Key Definitions

Emergency management: The management of emergencies concerning all-hazards, including all activities and risk management measures related to mitigation and prevention, preparedness, response and recovery.

Mitigation/prevention: Actions taken to eliminate or reduce the risks of disasters in order to protect lives, property, the environment, and reduce economic disruption. Mitigation/prevention includes structural mitigative measures (e.g. construction of floodways and dykes) and non-structural mitigative measures (e.g. building codes, land-use planning, and insurance incentives). Mitigation and prevention may be considered independently or one may include the other.

Preparedness: Actions taken to be ready to respond to a disaster and manage its consequences through measures taken prior to an event, for example, emergency response plans, mutual assistance agreements, resource inventories and training, equipment and exercise programs.

Response: Actions taken during or immediately before or after a disaster to manage its consequences through, for example, emergency public communication, search and rescue, emergency medical assistance and evacuation to minimize suffering and losses associated with disasters.

Recovery: Actions taken to repair or restore conditions to an acceptable level through measures taken after a disaster, for example, return of evacuees, trauma counseling, reconstruction, economic impact studies and financial assistance. There is a strong relationship between long-term sustainable recovery and mitigation and prevention of future disasters. Recovery efforts should be conducted with a view towards disaster risk reduction.

INAC Emergency Management Assistance Program

The Audit and Assurance Services Branch of Indigenous and Northern Affairs Canada (hereon referred to as “INAC” or “the Department”) identified an audit of EMAP through the 2016-17 to 2018-19 Risk-Based Audit Plan, approved by the Deputy Minister in March 2016. The audit was identified as a high priority in consideration of the importance of the program, the extent of change experienced in recent years and the inherent risk profile of the program. Moreover, emergency management programming is very challenging from a funding perspective due to complex funding criteria and the involvement of multiple parties (federal/provincial/territorial organizations, First Nations, third parties such as the Red Cross, etc.). Since the completion of the last internal audit on EMAP in 2013, significant responsibilities have been transferred to the Program in 2014.

The federal government’s overall approach to emergency management recognizes the

increased potential for various types of catastrophes as a result of accumulating risks associated with such factors as critical infrastructure dependencies and interdependencies, climate change, environmental change, animal and human diseases, the global movement of people, goods and information, and terrorism. Under the leadership of Public Safety Canada, the federal government has given high priority to emergency management in recent years, as evidenced by the:

- promulgation of the *Emergency Management Act* in 2007;
- joint development by federal-provincial-territorial ministers responsible for emergency management of an *Emergency Management Framework for Canada* and a *National Emergency Response System* in 2011; and
- issuance of a *Federal Policy for Emergency Management* and a *Federal Emergency Response Plan* in 2011, along with related guidance on emergency management planning and risk assessment.

All of these documents describe Canada's approach to emergency management as characterized by:

- an all-hazards, risk-based approach to address both natural and human-induced emergency situations;
- four interdependent pillars (mitigation/prevention, preparedness, response and recovery);
- shared responsibilities among federal, provincial and territorial governments and their partners, including individual citizens and communities; and
- recognition that most emergencies in Canada are local in nature and managed by municipalities or at the provincial or territorial level.

INAC's emergency management assistance to First Nations is not addressed specifically in any of the legislation, policies and plans mentioned above. Rather, the Minister of Indigenous and Northern Affairs Canada has accepted responsibility for providing emergency management support to on-reserve First Nation communities on the basis that:

- the responsibility of all federal ministers under the 2007 *Emergency Management Act* is "...to identify risks that are within or related to their area of responsibility, to develop appropriate emergency management plans in respect of those risks, to maintain, test and implement the plans, and to conduct exercises and training in relation to the plans"; and
- the legislative authority of the Government of Canada for "Indians, and Lands reserved for Indians" under the *Constitution Act, 1867*, is an authority that is delegated to the Minister under the *Indian Act* and the *Department of Indian Affairs and Northern Development Act*.

The Deputy Minister of INAC approved the National Emergency Management Plan (NEMP) in 2011, with the stated purpose of providing "...a national framework for the roles and responsibilities of emergency management: mitigation, preparedness, and response and recovery activities in First Nation communities across Canada." The NEMP (2011) is comprehensive and aligned with the *Emergency Management Act* and with direction issued by Public Safety Canada in its role as the lead federal department for emergency management.

In recent years, First Nation communities have been significantly affected by natural disasters,

including major floods, forest fires and tornados. This pattern reflects the increased frequency and intensity of emergencies throughout Canada. First Nation communities, however, are often more vulnerable to natural hazards due to their geographic remoteness, challenging socio-economic conditions, low population density and associated capacity gaps.

Since November 2004, INAC has had the authority for the delivery of emergency management assistance through transfer payment arrangements with First Nations, various levels of government, and non-governmental organizations (Table 1). As part of a more comprehensive approach to emergency management on reserve, the Government of Canada introduced a single window to secure funding for First Nation emergency costs. As of April 1, 2014, INAC assumed responsibility for costs of on-reserve emergency events that previously may have been eligible for reimbursement under Public Safety Canada's *Disaster Financial Assistance Arrangements*. The single window approach provides First Nations, provinces and territories with improved access to emergency funding when required.

The Department has exercised its authorities and responsibilities by promoting and funding emergency preparedness and non-structural mitigation efforts within First Nation communities, emergency response and evacuation during disasters and remediation of infrastructure and housing after emergencies. INAC also has specific Treasury Board authority for forest fire suppression activities and provides financial assistance for search and recovery activities based on compassionate grounds.

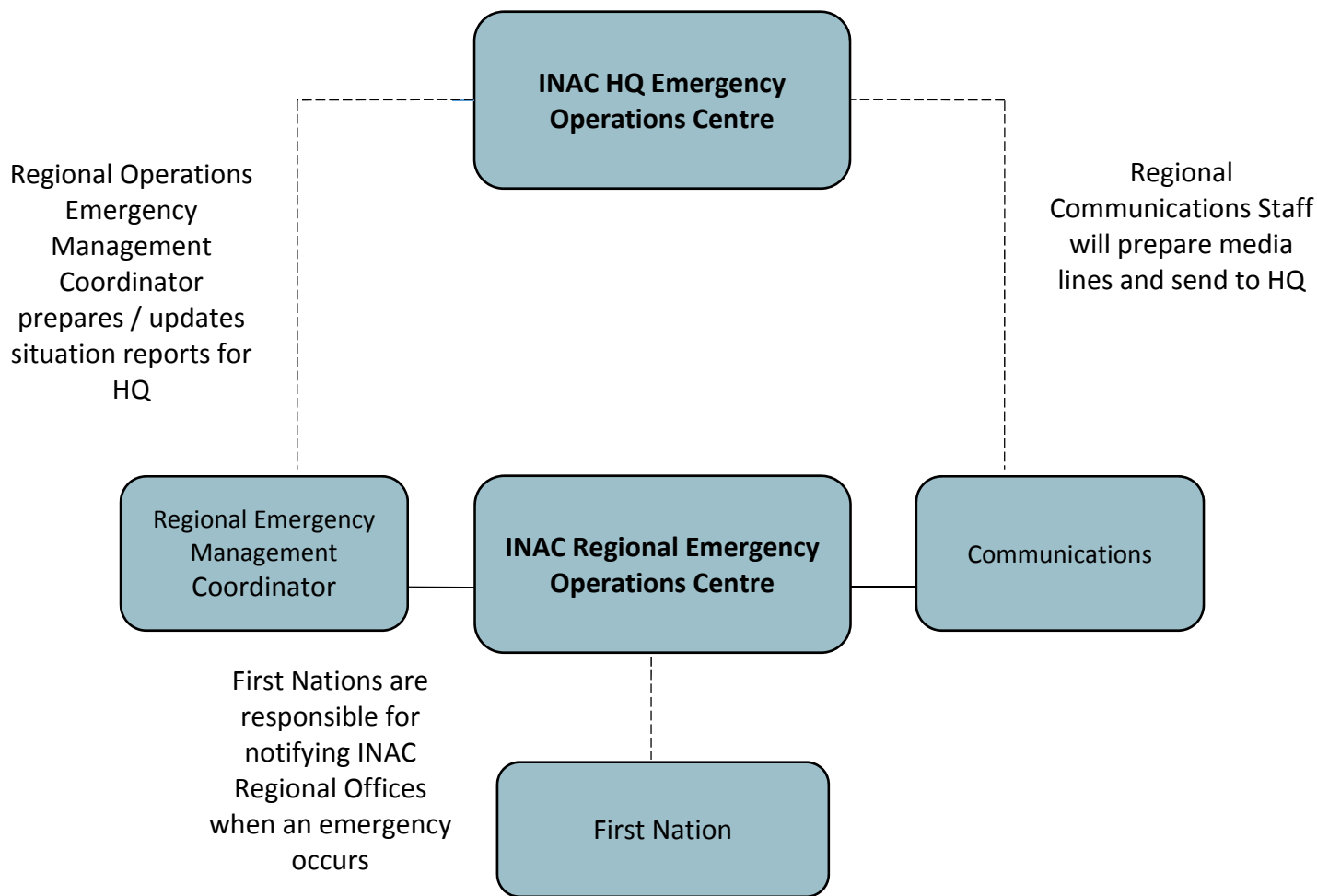
INAC's Emergency Management Directorate (EMD), within the Regional Operations Sector (RO), manages all of the Department's emergency management funding with the exception of the structural mitigation component, which is delivered through INAC's Capital Facilities and Maintenance Program. The EMAP provides funding to First Nations for non-structural mitigation and preparedness activities through calls for proposals and reimburses provincial and territorial governments, First Nation and non-government organizations for eligible costs incurred in the delivery of emergency management services. The budget for EMAP for 2014-15 was \$67.2 million and actual spending on the Program for 2014-15 was \$108 million. The budget for 2015-16 was \$70.2 million and actual expenditures were \$114 million according to information provided by Management. Program spending was significantly above budget in both of these years due to emergency response and recovery costs from extraordinary disasters exceeding the budget for these pillars of emergency management.

Within INAC, the Director of EMD is responsible for the development, implementation and maintenance of the NEMP (2011). The Director is situated within the Sector Operations Branch of the RO Sector at HQ and has a complement of 10 full-time staff working on operations, planning and policy development. In regions, Regional Director Generals are responsible for the implementation of EMAP with the support of full-time Emergency Management Coordinators. INAC HQ and regional Emergency Management staff work closely together to ensure the timely flow of information to all stakeholders during emergency events and otherwise. EMD is responsible for ensuring that senior management is kept informed of any potential or actual emergencies threatening First Nation communities through the preparation of various briefing reports, notifications, and summaries as events develop.

Regions are responsible for reporting any emergencies to INAC's Emergency Operations Centre located within EMD at HQ (Figure 1). During emergency events, the INAC HQ Emergency Operations Centre is responsible for activating the NEMP (2011), thereby coordinating and monitoring emergency management activities impacting First Nation communities from a national perspective and for responding to queries from senior officials within the Department, including the offices of the Minister and Deputy Minister. The INAC HQ

Emergency Operations Centre is also responsible for coordinating activities with INAC Regional Emergency Operations Centers. The NEMP (2011) states that Regional Emergency Management Operations Centres should ideally mirror the HQ organization but on a smaller scale due to limited staff. In the three regions visited, the Regional Emergency Operations Centres were informally designated spaces within the INAC regional offices.

Figure 1: INAC Governance Structure for Emergency Management



Regional Emergency Management Coordinators are responsible for notifying the INAC HQ Emergency Operations Centre of emergency activities or events on a timely basis and establishing and maintaining reporting relationships with:

- First Nation communities;
- provincial and territorial emergency management organizations;
- non-government organizations such as the Red Cross and the Salvation Army;
- private sector representatives;
- Indigenous organizations;
- volunteer organizations; and
- local governments and municipalities.

Table 1: EMAP Grant and Contribution (Vote 10) Funding (\$)²

Actuals	2013-14	2014-15	2015-16
Atlantic	4,741,572	3,978,131	1,318,397
Quebec	3,131,509	1,556,660	1,742,084
Ontario	17,323,470	32,688,134	39,185,753
Manitoba	27,775,047	34,842,230	16,504,857
Saskatchewan	15,463,834	22,524,973	34,410,547
Alberta	5,110,870	7,059,257	13,785,330
British Columbia	2,985,762	2,337,028	4,254,539
Yukon	572,195	90,083	112,260
Northwest Territories	0	0	73,531
Nunavut	0	0	0
HQ	25,400	222,714	595,020
Total	77,129,659	105,299,210	111,982,318

2. AUDIT OBJECTIVES AND SCOPE

2.1 Audit Objectives

The objectives of the audit were to assess the adequacy and effectiveness of management controls supporting the implementation of the Department's responsibilities related to emergency management assistance, as well as the control processes for administering emergency management assistance transfer payments to help ensure compliance with relevant authorities and policy requirements.

2.2 Audit Scope

The scope of the audit covered the period from April 1, 2014 to June 30, 2016, and included an assessment of:

- INAC's emergency management governance and program management regime and its support of the Department's responsibility for the four pillars of emergency management, in parallel with relevant Canadian government plans and policies;
- The design of INAC's management controls for structural and non-structural mitigation activities;
- INAC's national and regional emergency management preparedness activities and financial and other support provided to First Nations in ensuring preparedness; and
- INAC'S processes and authorities for approving and administering funding for response and recovery activities.

² Actual results based on INAC financial records and validated by the Program.

The audit did not include reviews or evaluations of evacuations during specific emergency events, nor did it include infrastructure project audits for specific structural mitigation projects. It did, however, include a review of select responses to emergencies to evaluate availability and access to resources during response activities. The audit also included a review of the design of controls for processing emergency response claims for evacuations and limited testing to ascertain that these controls are practiced.

The scope of the audit included coverage of HQ program controls and controls in three regions: Ontario, Saskatchewan and British Columbia. Headquarters and every INAC region were engaged during the planning phase of the audit in order to gain an understanding of the diversity and consistencies in regional practices. Three regions were selected for fieldwork based on risk and previous audit coverage. Subsequent follow-up was undertaken with headquarters based on findings of regional fieldwork.

Audit findings are arranged under the following four broad thematic areas:

1. Program Governance;
2. Program Design and Management;
3. Four Pillars of Emergency Management; and
4. Financial Management and Controls.

3. APPROACH AND METHODOLOGY

The audit of the EMAP was planned and conducted in accordance with the *Internal Auditing Standards for the Government of Canada* as set out in the *Treasury Board Policy on Internal Audit*. Sufficient and appropriate audit procedures have been conducted and evidence gathered to support the audit conclusions provided and contained in this report.

During the planning phase, Program related documents were reviewed and preliminary interviews were conducted with Program officials, a selection of regional management and staff with emergency management responsibilities. This assisted us with gaining an understanding of the Program and how it has evolved since the previous audit. A risk assessment was conducted to identify and assess the most significant risks to the EMAP, and for each of the highest risks, the audit team identified expected mitigating controls and possible control gaps.

Audit criteria were developed to cover areas of highest risk. The criteria served as the basis for developing the detailed audit program for the conduct phase of the audit. Audit criteria were drawn from applicable legislation, *An Emergency Management Framework for Canada* (Second Edition, January 2011), the *Federal Policy on Emergency Management* (2011), the *Federal Emergency Response Plan* (2011), and Treasury Board Program Authority #330 (Contributions for Emergency Management Assistance for Activities on Reserve). Audit criteria were also drawn from Canadian best practices for emergency management, including the Canadian Standards Association Standard Z1600/14 – *Emergency Management and Business Continuity Program*. A detailed listing of criteria is provided in Appendix A.

The principal audit techniques employed included:

- interviews with key individuals with responsibility for the EMAP at HQ and a selection of three regional offices;

- analysis and evaluation of EMAP documentation in EMD and in a selection of regional offices related to areas of the Program's planning, design, costing, implementation, reporting, financial management, and operating procedures and guidelines;
- review of a mix of response and recovery claim files from all three regions visited;
- review of a mix of preparedness and mitigation project files from all three regions visited; and
- examination of INAC actions before, during and following selected emergency events in First Nation communities, including review of operational responses and administration of financial transactions in three INAC regions (Ontario, Saskatchewan and British Columbia).

A judgemental sample of 19 EMAP projects from the 2015-16 fiscal year were reviewed to gain an understanding of practices employed by HQ and the regions in administering emergency mitigation, preparedness, response and recovery claims. To ensure adequate breadth of sampling, the following factors were considered in the selection of recipient files:

- The dollar value of recipient reimbursements;
- The type of recipient being reimbursed (e.g. First Nation, municipality, non-profit organization, provincial agency, etc.);
- The emergency management pillar to which the claims relate; and
- The region responsible for making the reimbursements.

4. CONCLUSION

The audit found that, while most of the elements that would be expected of an Emergency Management Assistance program are in place, opportunities to improve exist in the following areas. Some key documents like the NEMP (2011), the draft Emergency Management Plan and the draft EMAP Program Control Framework should be finalized and approved. The Department does not yet have access to a national all-hazards risk assessment to support its regional and overall program planning or its investments in First Nations mitigation and preparedness activities. Also, service agreements are at varied stages, with most provinces having entered into some form of agreement with INAC and/or operating in good faith in accordance with terms of agreements that are in abeyance. Additional attention is required to ensure that performance information is synthesized, analyzed and available to inform program decisions. For emergency preparedness, there is opportunity to be more proactive in the proposal solicitation process to ensure that communities with greatest needs are aware of the program and access funding. For the emergency response claims processes, centralized capacity and a risk-based claims processing approach are required to ensure that all reimbursement claims are reviewed and challenged with appropriate rigour, timeliness and efficiency. The audit resulted in five recommendations.

5. FINDINGS AND RECOMMENDATIONS

Based on the evidence gathered through a combination of documentation review, interviews and analysis, each audit criteria (detailed in Appendix A) was assessed by the audit team and a conclusion for each audit criterion was determined. For instances where there was a difference between the audit criteria and the observed practice, the risk of the gap was evaluated and used to develop conclusions and corresponding recommendations for consideration by management.

5.1 Program Governance

5.1.1 Legislative Responsibilities of the Minister

The Minister of Indigenous and Northern Affairs Canada has delegated authority for emergency management under the Indian Act and the Department of Indian Affairs and Northern Development Act.

In Canada, the provinces and territories are responsible for emergency management within their respective jurisdictions; however, the *Constitution Act 1867* prescribed the legislative authority of the Government of Canada for "Indians, and Lands reserved for the Indians." This authority is delegated to the Minister of Indigenous and Northern Affairs Canada under the *Indian Act* and the *Department of Indian Affairs and Northern Development Act*.

All federal Ministers are responsible under the 2007 *Emergency Management Act* "to identify risks that are within or related to their area of responsibility, to develop appropriate emergency management plans in respect of those risks, to maintain, test and implement the plans, and to conduct exercises and training in relation to the plans." The Minister of Indigenous and Northern Affairs Canada has accepted responsibility for supporting on-reserve First Nation communities in the four pillars of emergency management: mitigation/prevention, preparedness, response and recovery.

Treasury Board Program Authority #330 sets out the EMAP terms and conditions (T&C) of contributions for emergency management assistance for activities on reserve. It recognizes that emergency management responsibilities are shared by federal, provincial, territorial, and municipal governments as well as First Nations and their partners.

5.1.2 Roles and Responsibilities

INAC's NEMP (2011), the draft Emergency Management Plan and draft EMAP Program Control Framework establish governance and management arrangements and provide a comprehensive national framework for the EMAP. The draft documents need to be finalized and approved to formalize operational objectives, strategies and plans.

INAC developed its NEMP (2011), providing key information on authorities, objectives, risks, roles, responsibilities, governance structure and financial management. The NEMP (2011) is comprehensive and aligned with the *Emergency Management Act* and with direction issued by Public Safety Canada in its role as the federal lead department for emergency management.

A redrafting of the NEMP (2011) was undertaken in 2014 (renamed the draft *Emergency Management Plan*) when additional responsibilities were transferred to the Department. The

emergency management governance structure set out in the draft is consistent with that of the Government of Canada's *Emergency Response Plan*.

The draft *Emergency Management Plan* sets out an INAC emergency management governance structure that is consistent with the *Federal Emergency Response Plan* in the NEMP (2011). Draft regional emergency management plans describe their respective governance structures with similar detail, linking to various provincial and non-governmental organizations. A draft *EMAP Program Control Framework*, developed by EMD, summarizes the structures and processes used to effectively deliver and report on the EMAP. It also offers guidelines regarding the general roles and responsibilities of INAC staff as it relates to the delivery of EMAP. It includes information on roles and responsibilities, the funding process, and program planning and reporting requirements. However, the draft *Emergency Management Plan* and the draft *EMAP Program Control Framework* need to be approved to formalize operational objectives, strategies and plans.

Regional capacity to respond to their roles and responsibilities is highly dependent on both the number and significance of the emergencies they face and the existence of formal agreements with the provinces and territories. The audit found that, in regions that do not have service agreements with provinces and territories, there is misalignment between resource levels and capacities and workloads for claims processing responsibilities. This issue is expanded upon in greater detail in section 5.4.2 of this report.

5.1.3 Objectives

The NEMP (2011) establishes broad based objectives and governance and management arrangements and provides a comprehensive national framework for the EMAP.

The NEMP (2011) identifies that the EMAP objectives are to:

- protect the health and safety of First Nation communities and individuals;
- meet INAC's obligations under the *Emergency Management Act*;
- protect property and infrastructure, First Nations lands, assets, and the environment;
- mitigate the risks of emergencies in First Nation communities through proactive measures;
- ensure a coordinated national approach to emergency management in First Nation communities;
- enhance the capacity of First Nation communities to effectively address emergency situations;
- reduce economic and social losses for First Nation communities; and
- provide guidance for INAC's emergency management planning and operations in the North.

These objectives are not outlined in the current draft *Emergency Management Plan* but are implicit in the roles and responsibilities set out within it. The draft *Emergency Management Plan* should include updated objectives prior to being approved. Regional emergency management plans were consistent with the objectives set out in the NEMP (2011).

Recommendation:

1. The Senior Assistant Deputy Minister, Regional Operations, should ensure that the draft *Emergency Management Plan* and draft *EMAP Program Control Framework* are finalized and approved.

5.1.4 Risks and Hazards

While INAC has made progress in funding and promoting all-hazards risk assessments in First Nations, it does not yet have access to a national all-hazards risk assessment to support its overall program planning and its investments in First Nations mitigation and preparedness activities.

Canada's approach to emergency management is characterized by an all-hazards, risk-based approach to address both natural and human-induced emergency situations. Under the 2007 *Emergency Management Act*, all federal Ministers are responsible for identifying "risks that are within or related to their area of responsibility, as the basis for preparing, maintaining, testing and implementing emergency management plans in respect of those risks." Public Safety Canada issued methodology guidelines in 2011-12 to assist federal government institutions "in fulfilling their legislative responsibility to conduct mandate-specific risk assessments as the basis for EM planning."

We found that most INAC risk identification and assessment activities under the EMAP are short-term, and tend to focus on upcoming floods, fires and other recurring natural disasters. The Department is funding the development of emergency management plans for First Nation communities, and many of these plans include robust all-hazards risk assessments. It is up to each community to complete their respective plan. The Government of Canada can only encourage, fund and participate in their development. While plans are being developed by First Nations, the hazard assessments are not rolled up and aggregated at a regional or national level by INAC.

An aggregation of hazard information (combining INAC, Public Safety Canada, provincial and First Nations efforts) would inform INAC mitigation and preparedness activities, support departmental funding requests, raise awareness of the potential impact of emergencies beyond natural disasters, and inform short, medium and long-term planning. This would also consider the types of emergencies that have not occurred or that might increase in frequency and severity in the future.

INAC started consistently collecting incident data on emergencies on April 1, 2009. This includes information on the total number of emergencies, evacuations and evacuees by year. Information is also available on the types of emergencies (flooding, fires, weather, loss of essential services, environmental contamination etc.) We understand that the program is informally drawing on this data to make targeted improvements to the program. This data could be further leveraged to glean trends and other analytical information.

Recommendation:

2. The Senior Assistant Deputy Minister, Regional Operations, should ensure that a risk-based, all-hazards approach to the EMAP is adopted.

5.2 Program Design and Implementation

5.2.1 Senior Management Involvement

INAC senior management provides leadership and assumes overall responsibility and accountability for the EMAP.

The Deputy Minister issued the NEMP in 2011, with the stated purpose of providing "a national framework for the roles and responsibilities of emergency management: mitigation, preparedness, and response and recovery activities in First Nation communities across Canada." With the transfer of emergency management responsibilities to INAC, senior managers have been engaged in reviewing the EMAP to improve its effectiveness across all four pillars of emergency management, to ensure its long-term sustainability, and to develop guiding principles to support negotiations for comprehensive emergency management service agreements with the provinces.

Interviews with INAC senior managers at HQ and in the regions visited highlighted that they are knowledgeable and actively engaged in the EMAP, and that they understand the importance of strong relationships with First Nations, provinces, and other partners and stakeholders, including other federal departments such as Health Canada and Public Safety Canada. Regional staff noted that they have direct access to HQ personnel, who are responsive to their queries.

5.2.2 HQ Program Implementation

EMD and regional Emergency Management Coordinators provide effective communication and coordination support to regional staff during emergencies.

The EMAP staff provides regional managers and their teams with coordination and communication support during emergencies. For example, the HQ Emergency Operations Centre works with regional Emergency Management Coordinators to coordinate and monitor emergency management activities impacting First Nation communities from a national perspective and serves as a hub for the flow of emergency-related information to and from HQ and regional offices. Regional staff provides the same support within their respective regions and to HQ. In addition, annual emergency management workshops and monthly conference calls provide an appropriate forum to discuss Emergency Management related issues.

5.2.3 Regional Program Implementation

Emergency management is a shared responsibility in Canada, starting with individual citizens who are expected to prepare for disasters and to contribute to the resilience of their communities. Provincial and territorial governments have responsibility within their respective jurisdictions, while the federal government exercises leadership at the national level and in relation to Federal Reserve lands and other exclusive fields of jurisdiction.

INAC depends on provincial governments and other response organizations for the delivery of emergency response and recovery services. Service agreements are at varied stages, with most provinces having entered into some form of arrangement with INAC and/or operating under good faith in accordance with terms of agreements that are in abeyance.

INAC's regional emergency response and recovery programming is designed on the principle that the Department will have negotiated service agreements in place with provincial and territorial emergency management organizations to respond to emergencies in First Nation communities. The purpose of these collaborative agreements is to ensure that First Nation communities have access to comparable emergency assistance services available to other non-indigenous communities in their respective provinces. At the time of the audit, INAC had agreements in place covering all four emergency management pillars with Alberta, Saskatchewan, Prince Edward Island, the Yukon and Northwest Territories.

Where agreements have not been established with a provincial or territorial emergency response organization, or where such agreements are in abeyance, the Department actively pursues informal or alternative arrangements (e.g. Canadian Red Cross for some response and evacuation supports in Manitoba, Ontario First Nations Technical Services Corporation for planning and training supports provided to Ontario First Nations, and various towns and municipalities for hosting evacuees in Ontario).

Regional emergency management plans are in various stages of completion. Regions have demonstrated a capacity to respond during emergency situations, but resourcing remains an issue.

The NEMP (2011) and the draft *Emergency Management Plan* both establish that regions are responsible for developing, exercising, implementing and maintaining regional emergency management plans. Regional emergency management plans in all regions have been drafted based on the national models of 2011 and 2014. Plans in the three regions visited are more recent (British Columbia 2012, Saskatchewan 2013 and Ontario 2015). All the regional plans provide information on regional emergency management governance structures, including coordination with provincial and other third party partners.

The regional plans follow the national model and add additional information on their high level risks and links to provincial governance and coordination structures and response organizations. The regional plans are still under development and will need to be updated once the draft *Emergency Management Plan* is finalized and approved.

5.2.4 Program Review and Improvement

INAC senior management conducts periodic reviews of EMAP based on the results of audits, evaluations and management reviews.

INAC has reviewed the EMAP several times in recent years, including program evaluations in 2010 and 2012, a performance review focused on the 2011-12 Manitoba floods, a *Management Practices Review (MPR) of the Manitoba Region* in 2015, a *MPR of the Saskatchewan Region* in 2016 and internal audits in 2013 (EMAP) and 2015 (Operation Return Home Project). In addition, the Office of the Auditor General of Canada conducted a performance audit in 2013.

EMD is responding to these reviews and audits by taking such actions as clarifying EMAP roles and responsibilities, seeking more stable program funding, developing a draft *Program Control Framework*, clarifying roles and responsibilities in the Department's draft *Emergency Management Plan*, pursuing service agreements with provinces and territories, and implementing a performance measurement strategy. Regions are also taking measures to advance in some of the above areas. Regions and HQ would benefit from more formal horizontal operational planning to guide, coordinate and track improvement efforts.

5.2.5 Performance Measurement

INAC collects performance information to support program design and management decisions. Additional attention is required to ensure that performance information is synthesized, analyzed and available to inform program decisions.

EMAP’s Performance Measurement Strategy was approved in 2014 and addresses all four pillars of emergency management. Performance indicators and targets are established for outputs, immediate outcomes and intermediate outcomes. The Performance Measurement Strategy is comprehensive, well aligned to the program mandate and objectives. It is based on a strong logic model, and includes practical and measurable indicators.

EMD is gathering most of the data necessary to enable measurement of results on performance indicators (Table 2). While data is compiled by EMD for many of the performance indicators, there has been limited reporting outside of the program on results achieved.

Based on the results of our audit, we noted that significant progress has been made toward achievement of the performance targets. Some indicators are at risk of not being achieved despite demonstrated commitment by the program and regions. The program has indicated that it will be reconsidering targets for several measures to ensure they are reasonable and achievable (e.g. INAC can only encourage and fund First Nations to complete hazard assessments and exercise their plans).

Table 2 – Achievement of Selected Performance Indicators

Performance Indicator	2013-14	2015-16	Target
% of First Nations covered by enhanced service agreements	n/a	22%	70%
% who have completed all hazard assessments	6.8%	33%	70%
% provided with preparedness training	13.2%	47%	70%
% who have actioned or exercised emergency plans	6.2%	36%	75%
% of preparedness funding allocated towards non-structural mitigation	n/a	21%	10%
% of preparedness funding allocated to emergency management planning	n/a	24%	15%
% of eligible response and recovery costs funded	100%	100%	100%
% of evacuees that have returned to their community within three months	73%	100%	90%

Recommendation:

3. The Senior Assistant Deputy Minister, Regional Operations, should ensure that performance results for the EMAP performance indicators are reported at least annually to Senior Management and Regional Directors General.

5.3 Four Pillars of Emergency Management

Regional and HQ operational planning for EMAP should be based on all four pillars of emergency management. As noted above, we found limited operational or work planning in regions visited. This appears symptomatic of constrained regional capacity, an engrained pattern of reacting to issues as they arise and struggling to catch up on program demands. The

amount of programming attention and funding directed to each pillar varied from region to region and from year to year, influenced by such factors as the frequency and type of emergencies affecting First Nation communities, the extent of recovery activities underway, experience, knowledge and aptitudes of regional staff, and variations in A-base funding for mitigation and preparedness projects.

5.3.1 Mitigation and Prevention

The NEMP (2011) assigns responsibility to INAC regions to work with First Nation communities and provincial emergency management organizations to "take steps to mitigate potential emergencies (e.g. flood dykes, risk based construction of capital projects built out of harm's way, flood berms)." The 2011 *Emergency Management Framework for Canada* (signed by federal-provincial-territorial ministers responsible for emergency management) points to the strong relationship between long-term sustainable recovery and mitigation and prevention of future disasters: "Forward-looking recovery measures allow communities not only to recover from recent disaster events, but also to build back better in order to help overcome past vulnerabilities."

INAC is enhancing its focus and investment in non-structural mitigation. Processes for selecting projects are generally adequate with some opportunities for strengthening.

EMAP funds both non-structural and structural mitigation projects. Funds for non-structural mitigation are pooled with emergency preparedness funding and funding for service agreements with provinces and territories. In total, INAC has earmarked \$19.1 million annually for non-structural mitigation, preparedness and service agreements.

In 2015-16, \$8.5 million was spent on non-structural mitigation and preparedness projects. Regions manage the call for proposal process for these projects and recommend projects for approval to HQ. We reviewed these regional calls for proposal processes and a small sample of projects in each of the three regions visited and found that they aligned to the above criteria. Projects focused on such areas as flood hazard assessment, mitigation studies, wildfire risk assessments, tsunami warning systems and plans, training of First Nations emergency management officials, and flood plain mapping, among others.

HQ has appropriate review processes in place to review and approve project proposals, ensuring conformance to eligibility requirements and alignment with funding criteria. Some regions would benefit from a more consistent national call for proposal process that includes more proactive engagement with First Nations who are known to be exposed to elevated hazards and/or who have constrained capacity.

New investments in structural mitigation are being rolled out as anticipated. Processes for selecting projects are generally adequate with some opportunities for strengthening.

Budget 2014 committed an additional \$40 million over five years for on-reserve structural mitigation projects, starting in 2015-16 (\$3M in 2015-16, \$5M in 2016-17, \$8M in 2017-18, and \$12M in each of 2018-19 and 2019-20). The three most significant structural mitigation projects supported in 2015-16 were in Saskatchewan, Manitoba and British Columbia, dealing with community drainage, a permanent dike and a spillway structure, respectively. Four additional projects were funded thus far in 2016-17.

A Structural Mitigation Ranking Tool is employed to support structural project funding decisions and allocations in light of the many competing projects. The tool considers qualitative and

quantitative measures and facilitates comparison of projects. The tool will be of increasing value as funding for structural mitigation projects peaks at \$12 million for each of 2018-19 and 2019-20 and proposal volumes increase. While the tool provides opportunity to regional staff to provide a balanced and qualitative assessment of projects, it opens up the potential for individual bias. Some of the risk of individual bias is mitigated by having HQ staff review regional project assessments and make project approval decisions. Notwithstanding, consideration should be given to employing consensus meetings with regions and headquarters to enhance rigour and transparency in project selection, and ensure that the most investment-worthy projects are approved.

5.3.2 Preparedness

Preparedness includes actions taken to be ready to respond to a disaster and manage its consequences through measures taken prior to an event, for example, emergency response plans, mutual assistance agreements, resource inventories and training, equipment and exercise programs. One of the eight objectives of the NEMP (2011) is to “enhance the capacity of First Nation communities to effectively address emergency situations.” In the regions visited, we found that investments in preparedness were aligned to this objective.

INAC is focussing increased attention on emergency preparedness programming in First Nation communities and progress is being made in improving the thoroughness of emergency management plans and strengthening emergency preparedness. There is an opportunity to be more proactive in the proposal solicitation process to ensure that communities with greatest needs (e.g. communities with high exposure to hazards and/or constrained capacity) are aware of the program and access funding.

All INAC regions visited have supports in place for First Nations who wish to update their emergency management plans and strengthen their emergency preparedness. Regional approaches for providing these supports vary, and are influenced by the capacity of the INAC regional staff, the existence of agreements with provincial emergency management organizations and other support organizations (e.g. Red Cross, Tribal Councils, service organizations, etc.) and the needs of First Nation communities. The approaches employed by the three regions visited included: outsourcing training and planning supports to a technical services corporation (Ontario), a responsive call for proposals to First Nations (British Columbia) and an annual provincial forum where every First Nation discusses and works on their plans (Saskatchewan).

Where centralized delivery of emergency planning and preparedness services was available to First Nations, we found higher rates of communities having completed all-hazard risk assessments and/or emergency management plans (89% in Ontario and 100% in Saskatchewan). For Ontario, this represented a significant increase over the approximately 20% completion rate before the contract was put in place seven years earlier.

We found that INAC regions did not always receive copies of First Nations' emergency management plans as there is no requirement for them to be submitted. Further, these plans will be required if INAC is to perform regional or national analysis of their currency, quality and attention to all significant hazards and risks.

First Nations report to the regions on the extent to which they have received emergency management training and have tested their emergency management plans through table-top or actual emergency exercises. Occasionally, EMAP or contracted personnel participate in the testing of the emergency plans.

As previously noted, all-hazard risk assessments are not conducted at the regional or national levels. While the preparedness projects reviewed all met the eligibility requirements of the program and responded to identified needs, proposal solicitation and funding decisions could have been improved through linkage to regional and/or national all-hazards risk assessments. For example, in some regions, very few preparedness and non-structural project proposals were submitted by First Nations, despite the fact that many communities are known to face elevated emergency-related hazards and risks.

Recommendation

4. The Senior Assistant Deputy Minister, Regional Operations, should intensify proactive measures to promote and encourage preparedness and non-structural mitigation with communities facing elevated emergency-related hazards and risks.

5.3.3 Response

The response pillar of emergency management consists of actions taken during or immediately before or after a disaster to manage its consequences through, for example, emergency public communication, search and rescue, emergency medical assistance and evacuation to minimize suffering and losses associated with disasters.

In collaboration with their provincial counterparts, INAC regional staff responds effectively to emergencies affecting First Nation communities.

According to the draft *Emergency Management Plan*, the responsibility for identifying and initiating a response to an emergency rests with the local First Nation communities and the appropriate provincial emergency management organizations, while the role of INAC (when necessary) is to “provide logistics coordination support in response to a provincial request”, including providing “linkages to other departments and various suppliers so the requested resources are provided to the designated emergency hazard area.”

We conducted a walk-through in each of the regions visited to assess how they responded to a variety of emergencies in First Nation communities. In every case, we found that regional staff members worked capably, effectively, and in close collaboration with other partners. The roles of regional staff in the response were often more involved than the roles described in the NEMP (2011), generally due to the absence of a service agreement with the province. For example, in one province, regional employees negotiated service and funding agreements with municipalities identified by the province as potential host communities for evacuated First Nation residents. Regional employees were subsequently deployed as liaison officers to these host communities, where they served as facilitators between the evacuees and the responding organizations, provided interpretation services, kept INAC senior management updated, and pre-approved expenditures.

Standard operating procedures for emergency response situations are in place.

Standard operating procedures are important tools for achieving a uniform emergency response by employees across an organization. INAC has standard operating procedures for administering emergency management response claims. This includes the EMAP T&C, claim eligibility guidelines and a claims review process. The regional emergency management manuals and field books provide explicit direction on provincial emergency management

procedures, key contacts, local emergency plans, links to emergency social services, templates for reporting to senior management, and guidelines for eligible costs.

EMD has an ambitious policy improvement initiative underway whereby it has identified a number of policy and procedure requirements and leads a national policy working group to develop and review new program-level policies. To date, this working group has developed and received approval for a policy on emergency recovery assistance and are working on policies in such areas as: "building back better" infrastructure, emergency social supports for evacuees, insurance and personal losses, damages to host communities and processing large scale disaster claims.

While the audit found that post-emergency after-action reports were completed for a number of emergencies, not all emergencies have had an after-action/lessons learned report, and recommendations were not tracked at the regional or national level to provide guidance for senior management.

After-action reports are an important tool for INAC to learn from their own and others' experiences, successes and failures in managing emergencies. The NEMP (2011) established expectations of when and how regions are to prepare after-action reports and provide them to EMD.

In the regions we visited, lessons learned and after-action reporting processes varied. Some regional staff believe that primary responsibility for after-action reporting lies with First Nations and provincial response organizations, while others saw INAC as having a leadership role in this area. Without rigorous and consistent after-action reporting, INAC may be missing opportunities to improve emergency preparedness, response and recovery activities. Additionally, horizontal sharing of lessons learned across regions could help to improve EMAP program activities nationally.

5.3.4 Recovery

In the absence of service agreements with some provinces, INAC does not have permanent capacity to support First Nation communities in recovering from emergency events and returning their members home after an evacuation. EMD has been proactive in identifying policy and procedure requirements and establishing alternative arrangements.

The *Emergency Management Framework for Canada* defines recovery as actions taken to repair or restore conditions to an acceptable level through measures taken after a disaster, for example, return of evacuees, trauma counseling, reconstruction, economic impact studies and financial assistance. The NEMP (2011) identifies returning a First Nation community "to a state of normalcy which existed prior to the emergency" as a priority and further states that recovery focuses on "the repatriation or restoration of conditions to an acceptable level." Similarly, EMAP T&C define recovery as "the remediation of the community, their infrastructure and houses to the pre-disaster condition as rapidly as possible." The EMAP T&C speak to the potential to prevent or mitigate future disasters by the choices taken during the recovery phase and provide guidance on how such decisions may be made and documented.

EMD statistics show that, since April 2011, 58,264 individuals living on First Nation reserves have been evacuated from their homes due to emergency events, while 3,807 remained evacuated as of May 20, 2016. INAC has no permanent capacity to support First Nations in

recovering from emergency events and returning their members home after an evacuation. INAC's program analysis indicates that, in some cases, the costs of accommodation, per diems, etc. is higher than the repairs required. Temporary dedicated capacity has been established to support significant recovery situations in Manitoba and Ontario.

As noted earlier, EMD has been very proactive in identifying policy and procedure requirements and is working on getting these in place. As an example, it recently obtained approval of its INAC operational *Policy for Emergency Recovery Assistance*, whose purpose is "to provide a clear process and identify the requirements for eligible First Nations to receive Recovery Assistance through INAC's Emergency Management Assistance Program". The EMAP has also drafted a policy relating to "building back better" infrastructure, whose purpose is to "clearly stipulate under what conditions INAC's emergency recovery assistance funding is eligible to be used towards building back housing and infrastructure on reserve beyond pre-existing conditions." Once implemented, the policy on building back better should lead to more effective long-term decision making on the use of public funds in reconstruction and structural mitigation activities.

As an illustration of the need for a longer-term view on reconstruction efforts, one project file we reviewed incorporated the concept of "building back better" in relation to a community exposed to repeated floods. This First Nation community experienced three flooding incidents over a 10-year period, each of which damaged the same 36 homes and required long-term evacuation of residents. Since 2011-12, the community spent approximately \$3 million on repairing the 36 flood-affected homes without fully resolving the issues related to the flooding, while a further \$2.8 million was spent on temporary accommodations and services for the evacuees in 2015-16 alone.

INAC is currently implementing a comprehensive solution to this challenge, whereby the 36 affected homes, each with a basement, are being replaced by 52 modular duplex units that will not have basements. There are several notable advantages to this solution, including: improving the community's resiliency against future groundwater flooding events by eliminating the use of sub-grade basements; optimizing the value for money equation since the cost of replacing the damaged homes with new modular ones without basements is only marginally higher than repairing existing homes that have a shorter expected useful life; and enhancing the community's social cohesion by addressing pre-existing over-crowding within the homes (decreasing the housing density from 12.6 persons per affected home to 4.3 persons).

This large capital project is being managed by the Capital Infrastructure Directorate, with support of HQ, and employs a well-established capital project management framework. While we did not assess enough project files to conclude on the effectiveness of these controls, our review of the design of these controls indicates that they are appropriate for managing recovery projects of this nature. During our regional visits, we were consistently advised by Capital Management Officers that they felt they were involved early enough in recovery projects that required infrastructure solutions, as there was strong awareness among emergency management personnel of when capital infrastructure specialists should be consulted during emergency events.

5.4 Financial Management and Controls

5.4.1 EMAP Terms and Conditions

The EMAP T&C are regularly reviewed and updated.

In February 2013, the EMAP T&C were updated to increase the maximum amount payable to any recipient from \$5 million to \$10 million in a single fiscal year (to \$20 million in the case of a provincial or territorial governmental or emergency management organization that has a national mandate and may operate across multiple provincial and territorial jurisdictions). The previous audit found that the EMAP T&C were ambiguous about whether capital projects for recovery and mitigation are eligible expenditures. In July 2015, the EMAP T&C were updated to clarify that structural activities such as new construction (as opposed to restoration activities) are specifically excluded from EMAP and must be undertaken under other appropriate departmental authorities, including, but not limited to, the capital infrastructure authority.

The EMAP T&C were also updated to improve clarity about eligible and ineligible costs (e.g. travel, accommodation and meal costs for evacuees). Emergency Management Coordinators interviewed in the region consistently expressed their satisfaction with the recent improvements to the EMAP T&C.

5.4.2 Emergency Management Claims Processing

INAC regional offices lack the capacity and skill sets to effectively and efficiently manage emergency response claims processes. Moreover, the nature and irregularity of major disasters makes it impractical for regions to maintain permanent capacity for claims management.

INAC regional offices are responsible for reviewing emergency response and recovery claims and recommending approval to regional and EMD management. Based on review of the administration of a sample of claims files, the audit found that, despite the best intentions and reasonable efforts of regional staff, the timeliness and rigour of claims review is generally inadequate. For example, regional staff proactively challenge claimants over questionable reimbursements, but they lack the time and requisite skill sets to challenge claimants at an appropriate level.

In one region, we observed disputed reimbursement claims that have been outstanding for several years. In another region, we saw opportunity for better negotiation of hotel room nights for recurring, pre-emptive flood evacuations. In this instance, hotel room nights were being procured at nightly rates ranging from \$102 to \$270.

During our interviews in the regions, emergency management staff consistently stated that they were well supported by their EMD colleagues at HQ. Given the unique nature of some reimbursement claims, regional staff routinely consult with HQ on the eligibility and appropriateness of claims. As a best practice, EMAP program staff would benefit from a repository of decisions and interpretations on expenditure eligibility. This would be particularly useful for claims processing personnel who are new to their roles or on temporary assignment. We understand that the program is compiling such a list with the intention of making it available to regional and HQ staff.

Most evident during our file review in the regions, was the inability of regions to handle claims

from major disasters in an effective and timely manner. Emergency response claims for the evacuation of residents, for example, can include volumes of receipts for items of personal consumption such as accommodations, food, beverages, clothing, transportation, fuel and household items. They are frequently submitted to the regional offices in a disorganized fashion, lacking classification, rationale and substantiation.

Improvements are required at the front end of the claims process to ensure that claimants have adequate information, tools, and skills to prepare compliant expenditure claims. Examples of enhancements that would improve effectiveness and efficiency of the process include user-friendly claim forms with built-in integrity checks and guidelines on expenditure eligibility and appropriateness (e.g. reasonability thresholds for accommodation and food costs and examples of acceptable rational statements for exceptionally high claim amounts). Also, advance meetings with recipient clerical staff to explain the forms, evidence requirements and claims processes could improve their understanding of expenditure eligibility and appropriateness, improve efficiency of claim review, and ultimately, timeliness of payments. If standard claim forms were used, a complementary spreadsheet (i.e. integrity checker tool) could be designed to automate and facilitate INAC's analysis of claims.

Improving negotiations with suppliers where needs are reasonably foreseeable could improve the Department's ability to contain costs during response events. For example, having materials, agreements and processes available in advance to facilitate rapid call for proposal processes with hotels and other service providers could minimize the risk of excessive charges or downstream disputes. This is particularly relevant in regions that face recurring evacuations due to flooding and forest fires.

When considering the volume and complexity of emergency response and recovery reimbursement claims and the irregularity and unpredictability of major disasters, it is neither reasonable to expect existing regional staff to manage these claims, nor cost-effective to establish regional capacity to manage these claims. Rather, centralized capacity and a risk-based claims processing approach are required to ensure that all reimbursement claims are reviewed and challenged with appropriate rigour. Should the Department opt to manage processing and payment of major disaster claims with centralized capacity, careful consideration should also be given to transferring small claims, so as to avoid inefficient dual streams of processing and ensure appropriate rigour on all high risk claims (i.e. the audit found that risk and complexity may be high on small claims as well).

Recommendation:

5. The Senior Assistant Deputy Minister, Regional Operations, should develop and implement a robust control framework and appropriate centralized capacity to ensure that response and recovery claims are thoroughly assessed for eligibility and validity, including appropriateness in light of event-specific context and conditions.

6. Management Action Plan

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
<p>1. The Senior Assistant Deputy Minister, Regional Operations should ensure that the Draft Emergency Management Plan and Draft Emergency Management Program Control Framework are finalized and approved.</p>	<p>The draft <i>Emergency Management Plan</i> and draft <i>Program Control Framework</i> will be finalized and approved.</p>	<p>Senior Assistant Deputy Minister, Regional Operations</p>	<p><i>Emergency Management Plan:</i> March 2017</p> <p>Program Control Framework: June 2017</p> <p>Implementation underway</p>
<p>2. The Senior Assistant Deputy Minister, Regional Operations should ensure that a risk-based, all-hazards approach to the EMAP is adopted.</p>	<p>Data will be leveraged from regional, provincial/territorial, and federal levels to permit a risk-based, all-hazards approach.</p>	<p>Senior Assistant Deputy Minister, Regional Operations</p>	<p>June 2017</p> <p>Implementation underway</p>
<p>3. The Senior Assistant Deputy Minister, Regional Operations should ensure that performance results for the EMAP program performance indicators are reported at least annually to Senior Management and Regional Directors General.</p>	<p>The EMAP program will share performance indicators with senior management through its Performance Measurement Strategy. EMAP will share performance results directly to senior management during regular Operations Committee presentations.</p>	<p>Senior Assistant Deputy Minister, Regional Operations</p>	<p>Annually as of March 2017</p> <p>Implementation underway</p>

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
<p>4. The Senior Assistant Deputy Minister, Regional Operations should intensify proactive measures to promote and encourage preparedness and non-structural mitigation with communities facing elevated emergency-related hazards and risks.</p>	<p>The EMAP program will further intensify the proactive nature of the proposal solicitation process for its non-structural mitigation and preparedness funding stream to ensure that communities of greatest need have access to program funding. Data will be leveraged from regional, provincial/territorial, and federal levels to permit a risk-based, all-hazards approach.</p>	<p>Senior Assistant Deputy Minister, Regional Operations</p>	<p>January 2017 Implementation underway</p>
<p>5. The Senior Assistant Deputy Minister, Regional Operations should develop and implement a robust control framework and appropriate centralized capacity to ensure that response and recovery claims are thoroughly assessed for eligibility and validity, including appropriateness in light of event-specific context and conditions.</p>	<p>A draft Program Control Framework has been created and will be finalized and approved. The Control Framework will describe a risk-based financial approach for processing claims that will ensure their accuracy and appropriateness while providing consistency and transparency for final determination on eligibility.</p>	<p>Senior Assistant Deputy Minister, Regional Operations</p>	<p>Program Control Framework: June 2017 Implementation underway</p>

Appendix A: Audit Criteria

To ensure an appropriate level of assurance to meet the audit objective, the following criteria were developed to address the objective as follows:

Audit Criteria and Control Objectives	
1. INAC has clear and coherent objectives, accountabilities and responsibilities for its on reserve emergency management obligations.	
1.1	INAC's EMAP complies with applicable federal legislation, plans and policies.
1.2	INAC has appropriate governance structures to support its emergency management activities, including interoperability with government-wide emergency management governance structures.
1.3	INAC establishes clear EMAP objectives and performance measures.
1.4	INAC establishes clear roles and responsibilities for EMAP and these are coherent with program objectives.
2. INAC's senior management provides adequate support and oversight for its on reserve emergency management activities and support programs	
2.1	INAC senior management provides leadership and assumes overall responsibility and accountability for emergency management on reserve.
2.2	INAC senior management has reviewed and approved emergency management and EMAP objectives and plans.
2.3	INAC conducts a periodic management review of EMAP, based on program results, audits, evaluations and after action reports. Management assesses appropriateness of resources and opportunities for continuous improvement of the program.
2.4	INAC receives appropriate information from the collection, analysis and reporting of emergency management performance measurement information to support decision-making.
3. INAC establishes national and regional plans to guide it's on reserve emergency management activities and support programs	
3.1	INAC has performed thorough analysis of trends in the nature, frequency and severity of emergencies, including analysis of corresponding response costs, to inform its plans.
3.2	INAC establishes, communicates and monitors performance of its program-level and regional emergency management plans which address significant risks and conforms to requirements of the <i>Emergency Management Act</i> and Public Safety Canada guidance.
4. INAC's EMAP is supported by defensible cost estimates that align to objectives, priorities and plans	
4.1	INAC's EMAP funding supports to First Nations and other support organizations are aligned to program plans and areas of highest risk.
4.2	INAC has developed a fully-costed estimate of EMAP to inform and support its funding request(s).
4.3	INAC performs analysis of historical EMAP costs and trends in the nature, frequency and severity of emergencies to support its budget estimates and funding requests.
5. Emergency management planning and preparedness supports and resources are provided to First Nations on a risk-informed basis, including supports provided through arrangements with provinces and third parties	
5.1	Emergency Management program risks and the threat environments of First Nations are identified and assessed, including consideration of all hazards, historical trends, anticipated changes in the risk environment, and potential impacts.
5.2	INAC HQ and Regions provide appropriate supports and funding to First Nations in respect of emergency management planning and preparedness, which are considerate of program risks and the threat environment of First Nations (e.g. plans, arrangements, emergency equipment, evacuation, water, shelter, etc.).

5.3	INAC supports and participates in emergency management training, testing, and exercises.
6. Controls for approving, funding and monitoring emergency management structural mitigation projects support the effective and efficient administration of expenditures	
6.1	Management controls, accountabilities and responsibilities for emergency management project approval, funding and monitoring are clear and support an integrative approach.
6.2	Emergency management structural mitigation projects leverage opportunities to strengthen mitigation during recovery projects and information from nonstructural mitigation activities.
6.3	Timely and defensible funding decisions are taken for emergency management structural mitigation projects.
6.4	Emergency management structural mitigation projects are monitored and corrective actions are taken.
7. Controls for approving, funding and monitoring non-structural mitigation projects support the effective and efficient administration of expenditures	
7.1	Management controls, accountabilities and responsibilities for project approval, funding and monitoring are clear and support a risk-based approach at the national, regional and First Nations levels.
7.2	Vulnerable First Nation communities are identified and supported in their application for non-structural mitigation funds.
7.3	Timely and defensible funding decisions are taken for emergency management non-structural mitigation projects.
7.4	Emergency management non-structural mitigation projects are monitored and corrective actions are taken
8. Controls for approving, funding and monitoring emergency management recovery projects support the effective and efficient administration of expenditures	
8.1	INAC has directives, processes and guidelines in place for approving, funding and monitoring emergency management recovery projects.
8.2	Timely and defensible funding decisions are taken for emergency management recovery projects.
8.3	Emergency management recovery projects are monitored and corrective actions are taken.
8.4	INAC has controls in place to verify expenditures in a timely manner (occurrence and eligibility) and to recover unspent or ineligible funds.
9. INAC's EMAP response claim processing controls are appropriately designed to support timely and accurate processing and conformance with expenditure eligibility rules	
9.1	INAC has directives, processes and guidelines in place for establishing and communicating emergency response expenditure eligibility rules, consistent with program authorities.
9.2	INAC has controls in place to verify expenditures in a timely manner (occurrence and eligibility) and to recover unspent or ineligible funds.

Appendix B: Relevant Policies, Directives and Guidelines

Below is a list of documentation that was referenced in the development of this report. It should be noted that this list is not exhaustive.

- *Emergency Management Act (2007)*
- *Department of Indian and Northern Affairs Act (1985)*
- *Emergency Management Framework for Canada (2011)*
- *National Emergency Response System (2011)*
- *Federal Policy for Emergency Management*
- *Federal Emergency Response Plan (2011)*
- *Canadian Standards Association Standard Z1600/14 – Emergency Management and Business Continuity Program (2014)*
- *National Emergency Management Plan (2011)*
- *Treasury Board Authority 330 – Contributions for Emergency Management Assistance for Activities on Reserve (2013)*
- *TBS Policy on Transfer Payments (2014)*