

**ACTION PLAN IMPLEMENTATION STATUS UPDATE
REPORT TO THE AUDIT COMMITTEE
AS OF MARCH 31, 2013**

LED

Audit of Environmental and Contaminated Sites Management (South of 60)

APPROVAL DATE: 06-22-2012

PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
1. The Audit and Evaluation Sector recommends the Assistant Deputy Minister, Lands and Economic Development should establish a more rigorous and comprehensive governance and accountability framework that supports an integrated approach to environmental strategy, planning, budgeting, communication, performance measurement, and reporting. The framework should include a horizontal environmental oversight committee at the DG level to regularly review and discussing environmental objectives and performance – Sub-working groups should be established to address key issues – as well as a defined position on the roles, responsibilities/accountabilities for the clean-up of uncapped oil and gas wells on reserves.	<p>In December 2011, the AANDC Executive Operations Committee approved a proposal to develop a departmental Environmental Management System (EMS). Development and implementation of the EMS will improve governance and accountability by modernizing the department's environmental policy framework. It will integrate environmental strategy, planning, reporting, budgeting, communication and performance into the department's Expenditure Management System (RPP, DPR) and Management, Resources and Results Structure (MRRS).</p> <p>Development and implementation of the EMS will follow a phased approach beginning in fiscal year 2012-2013:</p> <ul style="list-style-type: none"> Phase 1 "Planning/Environmental Review" – Develop EMS 	<p>October 2014</p> <p>March 2013</p>	

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	<p>engagement framework and DG-level steering committee terms of reference; define environmental aspects; conduct gap analysis; and outline scope of EMS.</p> <ul style="list-style-type: none"> • Phase 2 "Policy Modernization and Systems Integration" – Modernize existing policies, procedures and tools; integrate environmental consideration into existing departmental systems. • Phase 3 "Implementation and Operation" – Develop training, communication and awareness materials and deliver to all staff with environment management responsibilities. <p>The Department (LED and IOGC) plans to take the following steps as part of developing a strategy to address roles, responsibilities/accountabilities and budget source and level</p>	<p>March 2014</p> <p>October 2014</p>	

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	<p>funding for the clean-up of uncapped oil and gas wells on-reserve:</p> <ol style="list-style-type: none"> 1. Undertake a historical review, location and determine the ownership of uncapped oil and gas wells on-reserve 2. Develop a Risk Management Strategy to deal with any identified abandoned wells and/or third party owned wells 3. Enter abandoned and third party owned wells that have impacts on human health and safety into the Integrated Environmental Management System (IEMS) contaminated sites data base, for monitoring purposes. 4. Determine required funding levels and sources for future environmental management and make recommendations to Senior Management on plan of action. 	<p>March 2013</p> <p>March 2013</p> <p>March 2014</p> <p>March 2014</p>	

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areas where new regulations may be developed to close gaps.	development process and modernization of AANDC's environmental policy framework. A preliminary assessment of internal resource requirements will be undertaken when options to close the regulatory gap are presented to senior management.	October 2012	
3. The Audit and Evaluation Sector recommends the Assistant Deputy Minister, Lands and Economic Development should develop a Contaminated Sites Management Program Liability Estimation Guide/Standard that is consistent with public sector accounting standards and TBS requirements and implement a communications and training strategy to ensure regional environmental officers understand the distinction between cost estimates and liability estimates and have the skills and capacity to correctly	The Lands and Environmental Management Branch will be developing a Contaminated Sites Management Program (CSMP) Liability Estimation Guide/Standard. The CFO sector will provide financial expertise in the development of the guide as required. The Lands and Environmental Management Branch will be preparing a communications and training strategy to ensure the regional environmental officers understand their roles and responsibilities related to environmental liabilities and have	March 2013	Status: Underway Update / Rationale As of 31/03/2013: A cost-estimation guide, similar to the one developed for Northern Affairs (NAO), has been drafted and will be updated and enhanced on a yearly basis. The first version was finalized by March 31, 2013. The CSMP-South of 60 program will also start to incorporate similar reporting requirements used by NAO for major projects, such as detailed work plans. These plans will assist in determining more accurate liabilities per activity for each

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calculate these figures.	the skills and capacity to correctly calculate environmental site liabilities. The CFO sector will provide assistance with the development of the training as required.		<p>project/site.</p> <p>The Lands and Environmental Management Branch continues to work with the CFO sector on a communications and training strategy to ensure the regional environmental officers understand their roles and responsibilities related to environmental liabilities and have the skills and capacity to correctly calculate environmental site liabilities.</p> <p>AES: Significantly implemented. The recommendation will be closed upon implementation of the communication and training strategy.</p>
4. The Audit and Evaluation Sector recommends the Assistant Deputy Minister, Lands and Economic Development should develop a requirement within FNITP for a First Nation to submit an environmental mitigation status report at project	For Contaminated Sites, First Nations report to regions through Data Collection Instruments (DCI) reporting requirements on a quarterly basis or at 6 month intervals and at the end of the fiscal year reporting. The DCI is only a FNITP requirement; the more important deliverable for Contaminated Sites is the report, which comes through on	March 2013	

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<p>close-out in order to receive current and future project funding, similar to hold-backs on reports for financial statements.</p>	<p>the Funding Amendment as the approved scope of work. However, if DCI's and appropriate documents are not submitted then funding will be held back.</p> <p>There are currently no DCI's for mitigation reports related to Environmental Assessments. It is up to the department to ensure that an environmental assessment is completed as per the requirements of the <i>Canadian Environmental Assessment Act</i>. The department is also responsible for ensuring mitigation measures are identified within the EA report and included in the Terms & Conditions of approvals (e.g. project funding agreements, and land permits). Parliament is currently reviewing Bill C-38 an omnibus bill entitled the "<i>Jobs, Growth and Long-Term Prosperity Act</i>", which was introduced in the House of Commons on April 26, 2012. The Responsible Resource Development initiative under Bill C-38 includes specific legislative changes to the <i>Canadian Environmental</i></p>		<p>Status: Underway</p> <p>Update / Rationale As of 31/03/2013:</p> <p>For Contaminated Sites, most regions use Data Collection Instruments (DCI) reporting requirements on a quarterly basis or at 6 months and then for the end of the fiscal year reports. The DCI is only a FNITP requirement; the more important deliverable is the report which comes through on the Funding Amendment as the approved scope of work. However, if DCIs and appropriate documents are not submitted then funding will be held back. There are currently no DCIs for mitigation reports related to Environmental Assessments. Some regions are working on Monitoring of Environmental Compliance reports that have been developed within the last 6 months. CFO, TPCOE will work with LED to understand their requirement and recommend the best approach and who should be involved to achieve their objective(s) for this action.</p> <p>AES: Implementation ongoing.</p>

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	<p><i>Assessment Act.</i> This could change the approach required for assessing environmental impacts of projects and activities on reserve. LED is leading a Task Team to create a new regime to ensure mitigation of environmental impacts will occur.</p> <p>Monitoring and enforcing the Terms and Conditions of an approval is up to the departmental authority responsible for the approval (e.g. Lands/Aboriginal Business Development Program/IOGC/etc.). Projects often involve one time funding, which will make a FNITP tracking approach difficult. The department is exploring options for managing information in relation to mitigation measures in order to satisfy the reporting requirement identified in the <i>Canadian Environmental Assessment Act 2012</i> coming into effect. The enforcement of</p>		

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	<p>mitigation measures is often difficult due to the limitations within the <i>Indian Act</i>. Serious violations may be subject to environmental legislative penalties found under other federal legislation such as <i>Species at Risk Act (SARA)</i>, <i>Canadian Environmental Protection Act (CEPA)</i>, and <i>Fisheries Act</i>.</p> <p>CFO, TPCOE will work with LED to understand recommend the best approach and who should be involved to achieve their objective(s) for this action.</p>		
5. The Audit and Evaluation Sector recommends the Assistant Deputy Minister, Lands and Economic Development should define a departmental position on the enforcement of lease, permit and other environmental regulatory requirements, identify mechanisms to enforce these	Through the EMS process, the department will scope out its environmental responsibilities with respect to leases, permits and regulatory requirements and will modernize its environmental policy framework accordingly. Further instruction on applying corrective measures to ensure lease and permit provisions are followed may	October 2013	

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requirements, and provide adequate levels of training and staffing to enable the Department to fulfill its enforcement roles and responsibilities.	<p>be developed through directives or procedures. An analysis of training requirements associated with the above will be undertaken.</p> <p>A revised action plan, with milestones leading up to the planned implementation date of October 2013, will be presented to Audit Committee once it has been reviewed and approved by the national EMS working group.</p>		
6. The Audit and Evaluation Sector recommends the Assistant Deputy Minister, Lands and Economic Development should conduct a needs assessment exercise to determine the environmental management training needs of First Nations (inclusive of FNLMA and non-FNLMA First Nations) and align budget to identified needs.	<p>LEMB and Community Opportunities Branch will work jointly to develop a needs assessment strategy for environmental management, monitoring and compliance of FNLM and non-FNLM First Nations under a departmental Environmental Management System in order to align identified budget needs.</p> <p>Currently, training in relation to environmental management is</p>	March 2013	<p>Status: No Action</p> <p>Update / Rationale As of 31/03/2013:</p> <p>To date, no comprehensive assessment of all FN environmental management training needs has been undertaken. Also, with the exception of RLEMP and FNLM communities, there is no core funding arrangement to support FNs with environmental management capacity.</p> <p>Status: Request to Close (Completed)</p>

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	<p>provided to First Nations participating under the Reserve Land and Environment Management Program. Two environmental courses are provided by the University of Saskatchewan and environmental components in relation to specific land management instruments are included in the technical training delivered by the National Aboriginal Lands Managers Association. Training support provided by external service providers such as the National Aboriginal Lands Managers Association and the University of Saskatchewan will be reviewed and adjusted based on evolving needs of First Nation communities.</p> <p>As part of the new FNLM funding formula, each First Nation is funded at least \$200,000/year plus an additional \$75,000/year</p>		<p>Update / Rationale As of 31/03/2013:</p> <p><u>FNLM</u> A component of the Operational Funding Formula is a contribution towards transitional and environmental activities in the amount of \$150,000 per First Nation Land Management (FNLM) First Nation. In the 2012-2013 fiscal year, 17 developmental First Nations received approximately \$1.2 Million in transitional and environmental funding. This contribution addresses the requirements under the Framework Agreement in terms of providing financial resources for the purpose of training and the development of a core body of land laws including environmental protection.</p> <p>In fiscal year 2012-2013 the Lands Advisory Board and Resource Centre (LAB-RC) received \$3,583,337 to continue political and technical support to First Nations in their transition from the Indian</p>

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	<p>for two years to develop and manage their land/environment. In addition, FNLM funds the Lands Advisory Board Resource Centre, who, in addition to other responsibilities, is funded to provide capacity training and assistance to FNLM First Nations. This Board is responsible to undertake training and assistance for First Nations in the FNLM Regime. This training includes specialized courses on decision-making, governance and control over reserve lands and resources required under a Land Code. This on-line training is expected to be launched FY 2012-13.</p> <p>LEAF's current funding allocation provides a base amount (\$25K) and the remaining balance to each region is based on population. It funds projects based on the eligibility criteria such as awareness sessions on</p>		<p>Act to managing reserve lands and resources under FNLM. Of this total funding, approximately \$1.7 Million funded LAB-RC activities that assisted FNLM developmental and operational First Nations, as needed, in developing and implementing modern land management systems, including environmental assessments and protection regimes.</p> <p>Status: Underway</p>

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	<p>environmental regulatory compliance, pollution prevention and environmental management of land and community assets. The new strategic direction of LEAF to align with the development of the EMS will provide the same base amount of funding and as of April 2012, projects will be funded based on incentives that are top priorities in both the OAG and the Environmental Tracker. This re-focus will link LEAF and EMS, and will provide awareness sessions on an on-going basis.</p>		<p>Update / Rationale As of 31/03/2013:</p> <p>FNs can submit applications for LEAF funding to support environmental management initiatives, including the support of environmental compliance, pollution prevention and transfer of traditional ecological knowledge. The LEAF program has put a specific focus on solid waste management, one of the top priorities of the Fall 2009 OAG Report. This also aligns well with the proposed EMS. More than 50% of the LEAF 2012-2013 projects have been on solid waste.</p> <p>AES: Implementation on-going.</p>