REGIONAL OPERATIONS

AUDIT OF ON-RESERVE HOUSING (09090) APPROVAL DATE: 24/09/10

PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE	
1. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships Sector should assess and determine the most appropriate means to fund on-reserve housing.	 To support key Departmental objectives of devolution and empowerment for First Nations, ESDPP recommends that communities party to the 1996 housing policy continue to receive block funding. The 220 communities who remain part of the targeted subsidy program will continue to receive project-specific funding. Regional Operations (RO) will assess the housing program for compliance with the new standardized departmental approach to First Nation funding agreements, specifically the new Transfer Payment Policy which takes into account First Nations' capacity in terms of the community development continuum. 	Complete Q4, 2011-12	 A) Status: no change in status Update/Rationale: As of 30/09/2011: No change is required to the current housing funding structure. B) Status: completed, request to close. Update/Rationale: As of 30/09/2011: AANDC's Capital and Facilities and Maintenance Program, of which housing funding is a part, has been assessed for compliance with the new Policy on Transfer Payments. First Nations recipients have been assessed for capacity and risk using the General Assessment, and funding relationships have been tailored to the results. AES: Close – Fully Implemented 	
2. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships Sector should identify and implement a methodology for allocating housing funds that reflects housing needs at both the regional and First Nation community level.	 In response to the new Transfer Payment Policy, ESDPP, in collaboration with the CFO, RO and Regional Offices will explore options to enhance the methodology and process for allocating CFM Program funding (core and non- core) from HQ to regions. ESDPP, in partnership with RO, will participate in a minor capital working group with Regions to review minor 	Q3, 2011-12	 A) Status: completed, request to close. Update/Rationale: As of 30/09/2011: Risk-based funding has been adopted as a result of the new Policy on Transfer Payments, based on the finding of the General Assessment. Though the Management Control Framework, communities with low risk are also subject to less reporting and inspection. 	

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	capital processes and develop strengthened procedures for managing minor capital funding.	Q3, 2011-12	 B) Status: on-going Update/Rationale: As of 30/09/2011: A review of major capital funding has been completed and work is currently underway on O&M processes, both of which were identified as higher priorities. It is projected that a review of minor capital processes will be undertaken in 2012-13. AES: Substantially implemented – the Recommendation will be closed once the review of minor capital processes is completed.
3. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships Sector, in collaboration with the Senior Assistant Deputy Minister, Regional Operations Sector, should conduct a review of the performance indicators and related information to be collected for on- reserve housing to ensure that they are aligned with the department's housing program design, and that they can demonstrate achievement of expected outcomes.	- ESDPP, with the support of RO, will ensure Key Performance Indicators (KPIs) for housing align more closely with the program design and INAC's roles and responsibilities.	Q1, 2011-12	Status: Completed Update/Rationale: As of 31/03/2011: AES: Close – Fully Implemented
4. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships Sector, in collaboration with the Senior Assistant	- ESDPP, in partnership with RO, is working to implement the Performance Management Strategy and Risk Management Framework, which detail	Q2, 2011-12	A) Status: completed, request to close. Update/Rationale: As of 30/09/2011:

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Deputy Minister, Regional Operations Sector, should develop and implement a risk management framework specific to on-reserve housing, including a formal monitoring or compliance audit / housing	oversight and quality assurance functions for Headquarters and Regions for the CFM Program. - ESDPP, in partnership with RO, will		The Performance Management Strategy and Risk Management Framework for the CFMP, which includes on-reserve housing have been fully implemented.
inspections process.	work with CFO to develop mechanisms to improve the monitoring of minor capital and operations and maintenance expenditures relevant to housing that are realistic, efficient and based on program	Q2, 2011-12	 B) Status: on-going, expected completion date Q4, 2011-2012. Update/Rationale: As of 30/09/2011:
	 For First Nations in BC Region under the housing subsidy program, the submission of inspection reports from a building inspector confirming that homes have been built or renovated to code will continue to be a requirement for First Nations to remain eligible for future INAC funding. 	Complete	 Three performance indicators for housing have been developed, with targets for 2015, which will be closely monitored. Regional and community oversight visits are being conducted to assess the management of the CFMP. C) Status: no change in completed status. Update/Rationale: As of 30/09/2011: BC Region requires First Nations to submit inspection reports confirming code compliance as a requirement for future funding. AES: Substantially Implemented. This recommendation will be closed once the

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5. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships Sector should ensure that comprehensive national guidelines for the management of the housing component of the CFM Program are developed and disseminated.	 The housing portion of the CFMP includes minor capital funding for First Nations covered by the 1996 Housing Policy and Direct Proposal driven housing subsidies for First Nations that did not adopt the 1996 Policy. A practical guidelines document on key housing policy and implementation issues will be developed and disseminated. In addition to the CFMP, Ministerial Loan Guarantees (MLGs) are an essential component in facilitating the building of social housing (CMHC Section 95) on reserve. Given their importance and the need for consistency in implementation, priority was given to the revision and clarification of MLG 	Q2, 2011-12 Complete	 A) Status: on-going, expected completion date Q4, 2011-2012. Update/Rationale: As of 30/09/2011: A summary document is being developed in consultation with the Assembly of First Nations on the roles and responsibilities of key housing players. A toolkit has been produced that includes an overview of all the tools and resources relevant to First Nations housing. B) Status: no change in completed status. Update/Rationale: As of 30/09/2011: The National MLG Manual has been completed and distributed to Regions. Regions have received guidelines and training on using the new GLMM
	policy and the development of the National MLG Manual.		AES: Implementation is on-going. Recommendation will be closed once guidelines for housing component of CFMP are completed and communicated across the Department.

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6. The Senior Assistant Deputy Minister, Regional Operations Sector, in collaboration with the Assistant Deputy Minister, Education and Social Development Programs and Partnerships Sector, should ensure that the risk that First Nations' housing does not transfer to individual homeowners as required for Market Based Housing projects, is appropriately managed.	 INAC has already taken significant measures to mitigate this risk by conducting workshops in Regions and with First Nations on how to successfully implement the Conversion to Market Based Housing element of CEAP. This included providing template samples of transfer documents for use by First Nations. RO staff actively monitors issues linked 	Q3, 2010-11 Q4, 2010-11	Status: Completed Update/Rationale: As of 31/03/2011: Monitoring conducted but no Regions have identified need for a risk management plan.	
	to the market based housing element. - ESDPP and RO will continue to monitor and develop a risk management plan as required.	Q3, 2010-11	AES: Close – Fully Implemented	
7. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships Sector, in collaboration with the Senior Assistant Deputy Minister, Regional Operations Sector, should ensure that the development of project assessment and funding decision methodologies reflects regional requirements in the design of future programs/initiatives similar to housing funded by CEAP.	- INAC's new Management Control Framework (MCF) clarifies roles, responsibilities and approval processes in parallel with CEAP implementation. RO continues to work with Regions to fully implement the MCF and will communicate feedback from Regions to ESDPP for consideration in future revisions.	Q4, 2010-11	Status: Completed Update/Rationale: As of 31/03/2011: New MCF to be provided to Ops Committee scheduled for, April 2011.	

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	- ESDPP and RO are documenting lessons learned from CEAP projects in order to be fully prepared if new project based funding program opportunities occur.	Q4, 2010-11	AES: Closed with confirmation of date and approval of Operations Committee.