



Aboriginal Affairs and Northern Development Canada

Internal Audit Report

Audit of Indian Registration (Qalipu Phase II)

Prepared by

Audit and Assurance Services Branch

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ACRONYMS

AANDC	Aboriginal Affairs and Northern Development Canada
EC	Enrolment Committee
FNI	Federation of Newfoundland Indians
HQ	Headquarters
IC	Implementation Committee
IRS	Indian Registration System
NPU	National Processing Unit
QA	Quality Assurance
RIA	Resolution and Individual Affairs
WPU	Winnipeg Processing Unit

EXECUTIVE SUMMARY

Background

The *Audit of Indian Registration (Qalipu Phase II)* was included in the 2014-2015 to 2016-2017 Risk-Based Audit Plan, approved by Aboriginal Affairs and Northern Development Canada's (AANDC) Deputy Minister on February 6, 2014. The audit was requested by the Assistant Deputy Minister Resolution and Individual Affairs Sector to provide assurance that adequate checks and balances had been built into the process for assessing applications. Furthermore, the audit was identified as a priority because the effective and successful implementation of the Qalipu Enrolment Process is key to ensuring the Department meets its obligations under the Agreement between the Crown and the Federation of Newfoundland Indians (FNI) regarding the recognition of founding members for the Qalipu Mi'kmaq First Nation Band.

In June 2008, the Agreement for Recognition of the Qalipu Mi'kmaq First Nation Band ("the Agreement") was signed by the Minister of Aboriginal Affairs and Northern Development (then the Minister of Indian and Northern Affairs) and the President of the FNI. The Agreement principally identified the process for the creation of a Band (for the Mi'kmaq communities of Newfoundland) under the *Indian Act* and the enrolment of its Founding Members. By November 30, 2009, following the conclusion of the first stage of the enrolment process, approximately 26,000 membership applications had been received. By November 30, 2012, the number of applications for Band membership had grown to 100,558.

The significant increase in the number of applications and the fact that these applications could not have been considered prior to the end of the enrolment process led Canada and the FNI to agree to discuss next steps regarding the consideration of applicants and the appropriate implementation of the 2008 Agreement. On July 4, 2013, a supplemental agreement was announced that clarified the process for enrolment in the Qalipu Mi'kmaq First Nation Band and resolved issues that emerged from the implementation of the 2008 Agreement. Specifically, the *Supplemental Agreement*:

- extended the timelines for review of the applications, ensuring all previously unprocessed applications can be reviewed;
- ensured that all applications received during all phases of the enrolment process, except those previously rejected, will be assessed or reassessed;
- provided that all those individuals whose applications would be assessed or reassessed are to be sent written notification and given an opportunity to provide additional documentation, if necessary;
- provided clarity regarding the assessment of an applicant's self-identification as a member of the Mi'kmaq Group of Indians of Newfoundland; and,
- provided guidance related to an individual's acceptance by the Mi'kmaq communities of Newfoundland, particularly as it relates to individuals not residing in the communities of the Mi'kmaq Group of Indians of Newfoundland.

All applications to become Founding Members of the Qalipu Mi'kmaq First Nation Band are currently being processed by the Winnipeg Processing Unit (WPU) in Winnipeg, and the National Processing Unit (NPU) located at 200 Montcalm, Gatineau. File processing by the WPU and NPU consists of performing an initial file review and providing a preliminary analysis to facilitate the Enrolment Committee (EC) decision making process. Applications that were previously received by the FNI's head offices in Corner Brook, Newfoundland were transported to the WPU for scanning and subsequent processing to be conducted in two phases. Phase I, which is now complete, was designed to assess the validity of the applications. Phase II, which began in November 2013, was designed to assess the eligibility of the applicant to become a Founding Member based on the following three criteria: i) self-identification, ii) ancestry, and iii) group acceptance.

Once the files are pre-analyzed by the WPU or the NPU, they are referred to the (EC for review and rendering of decisions. The EC is comprised of two representatives appointed by the Government of Canada, two representatives appointed by the FNI and an independent Chair, jointly appointed by the Government of Canada and the FNI. As per the *Supplemental Agreement*, all enrolment applications are to be reviewed and a decision of their eligibility should be issued by August 31, 2015. Apart from the EC, another key stakeholder in the processing of applications is the Implementation Committee (IC), comprised of representatives from both Canada and the FNI, which oversees and coordinates the implementation of the agreement.

Audit Objective and Scope

The objective of this audit was to provide assurance to senior management that the controls in place for the processing and assessment of applications related to Phase II of the Qalipu Mi'kmaq First Nation Band enrolment process are sufficient to ensure the accuracy of eligibility assessments and the integrity of information captured in the Indian Registration System (IRS) as it relates to Qalipu Phase II.

The scope of the audit included the Phase II A and B processes and controls designed to assess the eligibility of applicants to become Founding Members of the Qalipu Mi'kmaq First Nation Band and to ensure the integrity of information captured in the IRS related to Qalipu Phase II.

Audit fieldwork testing was conducted at Headquarters (HQ) and the WPU and covered the period from November 2013 to January 2015.

Statement of Conformance

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

Observed Strengths

Areas where significant progress and strengths were identified during the audit are as follows:

Application Processing

- The processing of applications in the WPU is performed efficiently. The teams are structured under team leads to ensure work is continuously performed and progress constantly monitored.
- The progress observed for pre-analysis (processing at WPU) for all applications was in line with the direction given by the IC and the EC.

Quality Assurance

- Comprehensive quality assurance (QA) processes (i.e., established procedures by which a sample of processed files is reviewed for accuracy) are in place to ensure appropriate and consistent pre-analysis (processing at WPU) of the applications. Based on the samples selected and tested, the controls were found to be designed and operating effectively.

Tools

- A number of tools and processes have been developed for the processing of Qalipu applications that have appeared to be effective, user friendly and have facilitated efficient processing. These tools and processes can be leveraged going forward on projects of a similar nature.

Training

- Comprehensive training has been provided to all individuals involved in application processing to facilitate efficient and effective assessment of applications.

Communication and Governance

- The transfer of information from the IC to the EC and to the processing officers has been effective as evidenced by the fact that the work performed by processing officers is in line with the established procedures and guidelines.
- There is an effective escalation process in place to highlight feedback and concerns raised by the EC/WPU as a result of the assessment of applications at IC meetings.
- Management has implemented lessons learned from prior experiences and recommendations from prior audits to improve the ongoing processing of Qalipu applications.

Conclusion

In general, the Qalipu application processing controls were found to be designed and operating effectively. In relation to targeted completion dates, progress has been made but there continue to be risks associated with timely completion of the Qalipu Enrolment process. Based on current progress, it is unlikely that the deadline of August 31, 2015 as stipulated in the *Supplemental Agreement* can be met as a result of:

- the current capacity of the EC to render decisions on the remaining files within the currently defined timeframe;
- files being set aside (approximately 500 as of January 31, 2015) for further processing, which include files relating to adopted individuals and files where further EC/IC clarification is required; and
- some IC decisions regarding processing that are yet to be made or implemented (i.e., QA process for the EC, and the process for entering decisions in the IRS).

Management is aware of these risks and has already identified, in partnership with the FNI, a number of options to mitigate these risks and address the concerns relating to the impending deadline as stipulated in the *Supplemental Agreement*.

Recommendations

The audit team identified areas where management control practices and processes could be improved, resulting in the following recommendations.

1. The Assistant Deputy Minister of the Resolution and Individual Affairs Sector, in partnership with the FNI, should ensure that a solution is agreed upon as soon as possible and implemented in a timely manner to address the risk relating to compliance with the impending deadline. Furthermore, decisions that have already been made at the Implementation Committee level in relation to the Enrolment Committee quality assurance process and the process for entering enrolment decisions into the Indian Registration System should be formalized and implemented.
2. The Assistant Deputy Minister of the Resolution and Individual Affairs Sector, in partnership with the FNI, should ensure that a formally documented project plan is implemented and used to effectively monitor and track the Qalipu Enrolment process. This will allow for proactive management of activities and delays to be dealt with in a timely manner. Furthermore, the existing progress reports should be revised to provide more clarity on the partially assessed applications as well as to track the extent of progress against the overall plan.
3. The Assistant Deputy Minister of the Resolution and Individual Affairs Sector should ensure that all decision documents for Qalipu Founding Members are stored in such a way that the enrolment decisions are protected from loss or damage in the event of a disaster such as fire or flood affecting the Winnipeg Processing Unit. Alternatively, management should consider maintaining a copy off-site for any records that are not saved electronically.

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

The *Audit of Indian Registration (Qalipu Phase II)* was included in the 2014-2015 to 2016-2017 Risk-Based Audit Plan, approved by Aboriginal Affairs and Northern Development Canada's Deputy Minister on February 6, 2014. The audit was requested by the Assistant Deputy Minister Resolution and Individual Affairs Sector to provide assurance that adequate checks and balances had been built into the process for assessing applications. Furthermore, the audit was identified as a priority because the effective and successful implementation of the Qalipu Enrolment process is key to ensuring the Department meets its obligations under the Agreement between the Crown and the FNI regarding the recognition of Founding Members for the Qalipu Mi'kmaq First Nation Band.

Qalipu Mi'kmaq First Nation Band

In 1989, the FNI, representing approximately 7,800 members from the nine Mi'kmaq communities across Newfoundland, along with Chiefs of six affiliated groups, began a Federal Court Action seeking eligibility for registration under the *Indian Act*.

Official negotiations between the FNI and the Government of Canada for the creation of a Band with no reserve land took place between 2004 and 2006. In June 2008, the Agreement for Recognition of the Qalipu Mi'kmaq First Nation Band was signed by the Minister of Aboriginal Affairs and Northern Development (then the Minister of Indian and Northern Affairs) and the President of the FNI. The Agreement principally identified the process for the creation of a Band (for the Mi'kmaq communities of Newfoundland) under the *Indian Act* and the enrolment of its Founding Members. By November 30, 2009, following the conclusion of the first stage of the enrolment process, approximately 26,000 membership applications had been received. By November 30, 2012, the number of applications for Band membership had grown to 100,558.

The significant increase in the number of applications, and the fact that all applications could not have been considered prior to the end of the enrolment process, led Canada and the FNI to agree to discuss next steps regarding the consideration of applicants and the appropriate implementation of the 2008 Agreement. On July 4, 2013, a *Supplemental Agreement* was announced that clarified the process for enrolment in the Qalipu Mi'kmaq First Nation Band and resolved issues that emerged from the implementation of the 2008 Agreement. Specifically, the *Supplemental Agreement*:

- extended the timelines for review of the applications, ensuring all previously unprocessed applications can be reviewed;
- ensured that all applications received during all phases of the enrolment process, except those previously rejected, will be assessed or reassessed;
- provided that all those individuals whose applications would be assessed or reassessed are to be sent written notification and given an opportunity to provide additional documentation, if necessary;

- provided clarity regarding the assessment of an applicant's self-identification as a member of the Mi'kmaq Group of Indians of Newfoundland; and,
- provided guidance related to an individual's acceptance by the Mi'kmaq communities of Newfoundland, particularly as it relates to individuals not residing in the communities of the Mi'kmaq Group of Indians of Newfoundland.

All applications to become Founding Members of the Qalipu Mi'kmaq First Nation Band are being processed by the WPU and the NPU, which include several entitlement officers physically located both in Winnipeg and Gatineau. Applications that were previously received by the FNI's head offices in Corner Brook, Newfoundland were securely transported to the WPU, for scanning and subsequent processing to be conducted in two phases. Phase I, which is now complete, was designed to assess the validity of the applications. Phase II, which began in November 2013, was designed to assess the eligibility of the applicant to become a Founding Member based on the following three criteria: i) self-identification, ii) ancestry, and iii) group acceptance.

Phase II has been divided into two sub-phases: Phase II A and II B. Phase II A included the review of approximately 24,000 applicants that were originally accepted as Founding Members of the Qalipu Mi'kmaq First Nation Band and were granted Indian Status.

The *Supplemental Agreement* established an opportunity to provide additional documentation prior to the processing of their application, which was permitted between November 2013 and February 2014. During that time, the WPU received more than 1.5 million pieces of documentation. Prior to commencing the assessment of these applications (referred to as Phase II B), each piece of information was scanned by the WPU. Once the files are pre-analyzed by the WPU they are referred to the EC for review and rendering of decisions. The EC is comprised of two representatives appointed by the Government of Canada, two representatives appointed by the FNI and an independent Chair, jointly appointed by the Government of Canada and the FNI. As per the *Supplemental Agreement*, all enrolment applications are to be reviewed and a decision of their eligibility should be issued by August 31, 2015. Apart from the EC, another key stakeholder in the processing of applications is the IC, which oversees and coordinates the implementation of the agreement and advises the parties on issues relating to the establishment of the Qalipu Mi'kmaq First Nation Band.

2. AUDIT OBJECTIVE AND SCOPE

2.1 Audit Objective

The objective of this audit was to provide assurance to senior management that the controls in place for the assessment and processing of applications in Phase II of the Qalipu Mi'kmaq First Nation Band enrolment process are sufficient to ensure the accuracy of eligibility assessments and the integrity of information captured in the IRS as it relates to Qalipu Phase II.

2.2 Audit Scope

The scope of the audit included the Phase II A and B processes and controls designed to assess the eligibility of applicants to become Founding Members of the Qalipu Mi'kmaq First Nation Band and to ensure the integrity of information captured in the IRS related to Qalipu Phase II. The audit scope also included a follow-up on recommendations related to Qalipu Phase I resulting from the previously conducted Audit of the Indian Registration System.

Audit fieldwork/testing was conducted at HQ and the WPU and covered Phase II of the Qalipu enrolment process for the period from November 2013 to January 2015.

The audit did not include an assessment of Indian registration processes outside of those directly related to the Qalipu Enrolment Process, such as regional and band office registration activities and card issuance processes. The audit also did not include an examination of the new Secure Integrated Registration and Certification Unit, which will see the reorganization of the Individual Affairs Branch and the combination of registration and card issuance processes into a single window approach as this will be subject to a separate audit during the 2015-2016 fiscal year.

The scope of the audit did not include an assessment of the appropriateness of decisions rendered on individual assessments, but rather included an assessment of the process used to render the decisions. Also, while the intent was to assess the integrity of the final decision in IRS, this was not possible as decision entry into IRS had not yet commenced.

3. APPROACH AND METHODOLOGY

The audit was conducted in accordance with the requirements of the Treasury Board *Policy on Internal Audit* and followed the *Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing* as well as the *Internal Auditing Standards for the Government of Canada*. The audit examined sufficient, relevant evidence and obtained sufficient information to provide a reasonable level of assurance in support of the audit conclusion.

The methodology used for this audit included performing various audit procedures necessary to address the audit objectives. The audit approach included but was not limited to:

- interviews with key stakeholders at HQ and the WPU;
- reviews of relevant documentation related to Qalipu Phase II registration;
- walkthroughs of Qalipu Phase II registration processes and the Indian Registration System processes at HQ and at WPU; and
- testing of a sample of manual and automated controls based on the sampling methodology outlined in the work plan.

In order to develop a sampling methodology that addressed the audit criteria as identified in Appendix A, a sample of users and records were selected for testing. The following outlines the approach used to select samples.

Site Visits

Based on the objective to assess adequacy and effectiveness of the process and IT application controls in place, site visits to the following locations took place:

- AANDC HQ, located in the National Capital Region;
- The Winnipeg Processing Unit, located in Winnipeg, Manitoba; and,
- The National Processing Unit, located at 200 Montcalm, Gatineau, Quebec.

Selection of Sample Size

A further element of the approach was the determination of the samples to be tested at the WPU specifically in relation to processing officers and application files.

In relation to WPU personnel who are processing Qalipu applications a sample of five processing officers was selected to determine whether staff involved in processing Qalipu application forms have the appropriate security clearance, have approvals for access to the IRS and were trained and their errors, as recorded in the QA reports, have been resolved.

In relation to application files, the following 27 samples were selected for testing during the fieldwork phase:

- Files where EC decisions were rendered – A sample of 8 files was selected.
- Files previously registered in Phase I – A sample of 5 files was selected.
- Files where processing had not yet commenced – A sample of 5 files was selected (to observe processing while on-site).
- Files for applicants not alive on Recognition Order Date – A sample of 2 files was selected
- Files where the self-identification criteria have been met – A sample of 7 files was selected.

For all sampled files, the following testing was performed:

- the unique identification number was traced to the box number containing the original application documents,
- the corresponding physical application documents were traced to the IRS,
- the key criteria for validity, eligibility and self-identification were applied in conformance with the agreed process for assessing applications, and
- the decisions rendered (where applicable) by the EC were consistent with the pre-analysis by the WPU.

4. CONCLUSION

In general, the Qalipu application processing controls were found to be designed and operating effectively. Additionally, significant progress and/or strengths were identified during the course of this audit in areas such as training, tools, QA at the processing units, communications and governance. In relation to targeted completion dates, progress has been made but there continue to be risks associated with timely completion of the Qalipu Enrolment process. Based on current progress, it is unlikely that the deadline as stipulated in the *Supplemental Agreement* of August 31, 2015 can be met as a result of:

- the current capacity of the EC to render decisions on the remaining volume of files within the currently defined timeframe;
- files being set aside (approximately 500 as of January 31, 2015) for further processing, which include files relating to adopted individuals and files where further EC/IC clarification is required; and
- some IC decisions that are yet to be made or implemented (i.e., QA process for the EC, and the process for entering decisions in the IRS).

Management is aware of these risks and has already identified, in partnership with the FNI, a number of options to mitigate these risks and address the concerns relating to the impending deadline date as stipulated in the *Supplemental Agreement*.

5. FINDINGS AND RECOMMENDATIONS

Based on a combination of the evidence gathered through the examination of documentation, analysis and interviews, each audit criterion was assessed by the audit team and a conclusion for each audit criterion was determined. Where differences between the audit criteria and the observed practice were found, the risk of the gap was evaluated and used to develop a conclusion and to document recommendations for improvement initiatives.

5.1 Targeted Completion

The *Supplemental Agreement* requires that the Qalipu Enrolment process be completed by August 31, 2015. During the audit, it was noted that based on the volume of applications assessed to date and the current rate of processing, all Qalipu applications will not be assessed within the targeted completion date of August 31, 2015. We identified two major causes that would prevent this from taking place.

- i. We were informed that the current rate of decisions being rendered by the EC was approximately 2,000 files per month at the time of our testing (January 2015). At that time, there were close to 17,000 decisions that had been rendered, meaning that approximately 77,000 applications still need to be assessed and decisions rendered thereon by August 31, 2015. It was further noted that the EC will be required to build some family trees (for the ancestry criteria assessment) for an as yet undetermined number of applications, thereby adding additional processing time during the assessment.

We were informed that RIA management, in partnership with the FNI, has already prepared several options to address the concerns relating to the impending deadline date as stipulated in the *Supplemental Agreement* and that a decision on next steps is pending.

- ii. Pursuant to the implementation strategy, the following files were intentionally set aside (i.e. no processing is continuing at the moment) for future processing:
 - Files where self-identification criteria are met – These files are to be retained in a separate secure electronic storage folder (referred to internally as a “bin”) for the next stage of processing (Group Acceptance and Ancestry).
 - Files related to applications for adopted individuals – These files are to be set aside in a separate “bin” until the procedures for addressing these files are defined and implemented.
 - Files where EC or IC clarification is required – These are files to be set aside in a separate “bin” for further evaluation due to reasons such as unclear documentation, unique cases based on documentation not seen to date, etc.

As noted earlier, this presents a risk that, given the volume of applicants, the assessment and rendering of decisions for these remaining applications may not be completed within the currently defined timeframe.

Recommendation

See recommendation in Section 5.2 below.

5.2 Pending Decisions

During the audit, we noted that there were two IC oversight decisions that affected the progress of the Qalipu assessments that were made but were not yet formalized, such as those relating to the QA process on EC decisions. If left unimplemented, this contributes to the risk that the assessment of the applications will not be completed within the defined timeframe in the *Supplemental Agreement*. Specifically:

- The decision to implement a QA process to ensure that decisions are rendered consistently by all EC members was made by the IC. We have noted that the work to design this process has been started by the FNI and that a first draft has been tabled; however, this process is yet to be formalized and implemented.
- While it has been determined that selected staff in the WPU will be entering EC rendered decisions into the IRS, this process has yet to be confirmed, formalized and implemented along with the process to perform QA to ensure that the decisions entered into the IRS reflect the decisions in the signed EC batch lists and the electronic version of the batch list, which will be used to generate letters to applicants.
- While options have been prepared by RIA management to complete processing within a specified period of time, a decision has yet to be made on which option to take.

Recommendation

1. The Assistant Deputy Minister of the Resolution and Individual Affairs Sector, in partnership with the FNI, should ensure that a solution is agreed upon as soon as possible and implemented in a timely manner to address the risk relating to compliance with the impending deadline. Furthermore, decisions that have already been made at the Implementation Committee level in relation to the Enrolment Committee quality assurance process and the process for entering enrolment decisions into the Indian Registration System should be formalized and implemented.

5.3 Monitoring and Tracking

During the audit, we noted that there is no formally documented monitoring mechanism (e.g. documented project plan) in place that provides an overview of the entire Qalipu Enrolment process to manage the end-to-end timelines. It was noted, however, that monitoring is ongoing and a document exists that lists certain activities and their status. Although a high level work plan has been developed, the lack of a detailed project plan poses a risk to comprehensive project management with respect to timelines, expected duration of activities and proactive management of anticipated bottlenecks and unexpected events. Further, in the event of slippage of individual tasks, there is a risk that timely management intervention may not occur.

Management has indicated that they are aware of the need for a formally documented detailed project plan and will develop one once a decision on the solution for timely completion (see 5.1 and 5.2) is made. We further noted that while a monthly progress report is prepared and submitted to Senior Management, the information in the report relating to partially assessed

applications is incomplete as it does not indicate the outstanding level of effort on these applications or the deadline as stipulated in the *Supplemental Agreement* and the extent of progress against the overall plan. We have been informed that the template for the report was originally created to address specific information needs of Senior Management and has been revised several times and that future versions of the report are expected to contain more information that will allow for an assessment of progress against targets.

Recommendation

2. The Assistant Deputy Minister of the Resolution and Individual Affairs Sector, in partnership with the FNI, should ensure that a formally documented project plan is implemented and used to effectively monitor and track the Qalipu Enrolment process. This will allow for proactive management of activities and delays to be dealt with in a timely manner. Furthermore, the existing progress reports should be revised to provide more clarity on the partially assessed applications as well as to track the extent of progress against the overall plan.

5.4 Storage of Enrolment Committee Decisions for Phase II A

We found that the “decision lists” on which the EC documented the decisions rendered for Phase II A applications are stored in a locked cabinet that is not rated as fire-proof. Further, we noted that there were no electronic or physical back-up copies of the supporting documentation kept for the decisions (i.e., the only copy was stored on-site in the locked cabinet). This means that in the event of a fire, the supporting documentation for the decisions on these applications could be lost.

Recommendation

3. The Assistant Deputy Minister of the Resolution and Individual Affairs Sector should ensure that all decision documents for Qalipu Founding Members are stored in such a way that the enrolment decisions are protected from loss or damage in the event of a disaster such as fire or flood affecting the Winnipeg Processing Unit. Alternatively, management should consider maintaining a copy off-site for any records that are not saved electronically.

5.5 Follow-up on Recommendations from the Audit of the Indian Registration System (IRS)

An *Audit of the IRS* was conducted in 2013-2014. We reviewed the recommendation from that audit that pertained to the Qalipu Enrolment process and noted that, while previously known weaknesses have been addressed and improvements have been made, there continues to be one issue that remained unresolved at the conclusion of our audit. Below is a summary of the actions taken to address the recommendation pertaining to the Qalipu Enrolment process as noted in the *Audit of the IRS*.

Recommendation – 2013 Audit of IRA	Follow-up - 2015
<p>1. The Assistant Deputy Minister of Resolution and Individual Affairs should ensure that:</p> <ul style="list-style-type: none"> • an effective monitoring procedure is established to ensure the segregation of duties between Indian Registration Officers entering data into IRS and those performing quality checks on the data entered. Monitoring should also be implemented over the final Enrolment Committee decision to ensure that the decision on each Qalipu application is correctly captured in the IRS. • lessons learned from the Qalipu application process are logged and assimilated into future registration projects; for example, when shipping application files, manifests should be created with unique identifiers so that transported applications can be accurately and completely reconciled. • registration applications are stored in accordance with AANDC's <i>Standards on Protecting and Handling Information</i>, and logical access to scanned data is restricted in accordance with the least privilege principle. 	<ul style="list-style-type: none"> • We noted that there is segregation of duties between the processing staff and QA staff. At the time of testing, the monitoring of the final EC decision, which is the last step in the process, was not yet implemented. This is discussed above in Section 5.2. Not yet resolved. • We noted that lessons learned from the Qalipu application process can be used in future registration. For example, the processing checklist concept can be used in future registration projects. We also noted a list/log of questions sent by the WPU to the EC and IC for advice or actions that represents a lesson learned from the previous <i>Audit of the IRS</i>. • We noted that logical access to the IRS as well as to the scanned applications and physical documents stored on-site was restricted and that the storage of information is in accordance with the AANDC's <i>Standards on Protecting and Handling Information</i> and in accordance with the least privilege principle.

Recommendation

See Recommendation in Section 5.2 above.

6 MANAGEMENT ACTION PLAN

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
<p>1. The Assistant Deputy Minister of the Resolution and Individual Affairs Sector, in partnership with the FNI, should ensure that a solution is agreed upon as soon as possible and implemented in a timely manner to address the risk relating to compliance with the impending deadline. Furthermore, decisions that have already been made at the Implementation Committee level in relation to the Enrolment Committee quality assurance process and the process for entering enrolment decisions into the Indian Registration System should be formalized and implemented.</p>	<p>On April 2, 2015, the Government of Canada and the Federation of Newfoundland Indians jointly agreed to double the number of members to the Qalipu Mi'kmaq Enrolment Committee. The new the Enrolment Committee members will review the files in accordance with the 2008 Agreement and the 2013 Supplemental Agreement, in the same manner as the existing members. The additional four members will continue to offer equal representation from the Mi'kmaq and the Government of Canada.</p> <p>The parties have also agreed to extend the deadline for the Enrolment Committee to review the 94,000 eligible applications for enrolment in the Qalipu Mi'kmaq First Nation. The new deadline for the Enrolment Committee to review applications is June 30, 2016. The new date by which appeals are to be decided is January 31, 2017.</p>	<p>Assistant Deputy Minister, Resolution and Individual Affairs Sector</p> <p>Director General, Individual Affairs Branch</p>	<p>Completed – April 2, 2015</p>

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
	<p>The Individual Affairs Branch of the RIA Sector Management, in partnership with the FNI, have developed an action plan to implement these decisions and monitor the activities' progression within the established targets. RIA's Management will monitor the implementation of the action plan closely and will report bi-monthly to FNI and AANDC Senior Management.</p> <p>Regarding the quality assurance process, in June 2014, the Implementation Committee requested that such a process be put in place. A process was developed by the FNI and Resolution and Individual Affairs (RIA) Sector in early 2015. The process is currently being piloted to ensure effectiveness before its official launch. The Implementation Committee receives monthly reports on the quality assurance being performed on the Enrolment Committee's decisions.</p>	<p>Assistant Deputy Minister Resolution and Individual Affairs Sector Director General Individual Affairs Branch</p>	<p>May 2015</p> <p>June 2015</p>

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
	<p>Regarding the process for entering the decisions into the Indian Registration System, in July 2014, the Implementation Committee addressed this issue and decided that all Enrolment Committee decisions – including those of non-eligibility – would be entered into the Indian Registration System. To implement this process, Resolution and Individual Affairs Sector Management will undertake consultations with the Indian Registrar during spring 2015 to ensure appropriate tracking mechanisms and compliance with the delegation of authority under the <i>Indian Act</i>. In the meantime, all decisions made by the Enrolment Committee, although not yet entered in the Indian Registrations System, are documented and stored electronically in CIDM. Future decisions rendered by the Enrolment Committee will also be saved in the same manner following each Enrolment Committee meeting.</p>		June 2015

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
	<p>Enrolment Committee meeting.</p> <p>Since February 2015, these progress reports have included the partially assessed applications. The Winnipeg Processing Unit also maintains a daily record of the progression of files and is reporting to senior management on a weekly basis.</p> <p>The processing projections have been revised to reflect the recent decision regarding the deadline extension and the number of Enrolment Committee members and, starting May 2015, the reports will reflect progress based on the updated targets.</p>		<p>May 2015</p>

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
<p>3. The Assistant Deputy Minister of the Resolution and Individual Affairs Sector should ensure that all decision documents for Qalipu Founding Members are stored in such a way that the enrolment decisions are protected from loss or damage in the event of a disaster such as fire or flood affecting the Winnipeg Processing Unit. Alternatively, management should consider maintaining a copy off-site for any records that are not saved electronically.</p>	<p>All decision documents are physically secured in locked cabinets according to Departmental requirements for Protected B information. Documents are stored in an access-controlled workplace to which only a limited number of security-cleared Departmental employees have access.</p> <p>As of March 2015, all decisions generated thus far by the Enrolment Committee have been scanned and saved electronically in the departmental records management system (CIDM). Future decisions rendered by the Enrolment Committee will also be saved in the same manner following each meeting.</p>	<p>Assistant Deputy Minister, Resolution and Individual Affairs Sector</p>	<p>Completed – April 2015</p>

APPENDIX A: AUDIT CRITERIA

To ensure an appropriate level of assurance to meet the audit objectives, the following criteria were developed to address the objectives.

<i>Qalipu Phase II Enrolment Processes</i>	
Criteria #1:	The application processing centre (i.e. WPU) is capable of managing a high volume of Qalipu applications (including backlog).
Criteria #2:	Effective management of information and supporting documentation for the assessment of applications at the WPU.
Criteria #3:	Alignment between legislation and policies to the processes and technology supporting Qalipu application assessment.
Criteria #4:	Continuous improvement of processes throughout the Qalipu Phase II roll-out to leverage lessons learned and adapt to demands.
Criteria #5:	Ability to track applications and respond to applicant's inquiries using the Call Centre.
Criteria #6:	The process for assessing whether an applicant is accepted as a Qalipu Founding Member has been designed effectively to ensure assessments are made appropriately.
Criteria #7:	The administration of sufficient and adequate (ethical, awareness of false documents/information) training for individuals involved in the Qalipu assessment process.
Criteria #8:	Applicants being processed as part of Phase II have met the eligibility criteria through the submission of appropriate documentation.
Criteria #9:	The EC decision is entered accurately in IRS.
Criteria #10:	Establishment of communication protocols to ensure consistency and alignment of thought processes and escalation of risks on Qalipu assessments.

APPENDIX B: RELEVANT POLICIES/DIRECTIVES

The following authoritative sources (i.e. policies/directives) were examined and used as a basis for this audit:

1. *Agreement for the Recognition of the Qalipu Mi'kmaq First Nation Band*
2. *The Supplemental Agreement*
3. Implementation Committee Terms of Reference
4. Directives of the Implementation Committee to the Enrolment Committee
5. Process documentation, procedures, flowcharts and job aides
6. Training documentation
7. RCMP definition for the storage of data
8. Directive for releasing applicant information
9. Security Clearances: Staff involved in processing applications
10. Minutes of Implementation Committee meetings
11. Progress reports