Indigenous and Northern Affairs Canada

Internal Audit Report

Audit of the Elementary and Secondary Education Program

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Audit and Assurance Services Branch

May 2017

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ACRONYMS

EPP	Education Partnerships Program
ESDPP	Education and Social Development Programs and Partnerships
FNIYES	First Nations and Inuit Youth Employment Strategy
FNSSP	First Nation Student Success Program
HCSE	High Cost Special Education
HQ	Headquarters
INAC	Indigenous and Northern Affairs Canada

EXECUTIVE SUMMARY

Background

The Audit of the Elementary and Secondary Education Program (the Program) was included in Indigenous and Northern Affairs Canada's (INAC or the Department) 2016-2017 to 2018-2019 Risk-Based Audit Plan, approved by the Deputy Minister on March 4, 2016. The audit was identified as a priority on the basis of the Program's importance to the achievement of strategic objectives and is financially significant.

The Program is included in the Department's broader Education Program. It is managed and coordinated at the national level by the Education and Social Development Programs and Partnerships (ESDPP) sector and delivered at the regional level.

Budget 2016 included a significant investment of $8.4 billion over five years, beginning in 2016-2017, for various programs including education, infrastructure and training, to contribute to a better quality of life for Indigenous peoples and a stronger, more unified, and prosperous Canada. This budget also included a significant additional investment in elementary and secondary education on reserve, totaling $2.6 billion over five years starting in 2016-2017.

Audit Objective and Scope

The objective of the audit was to assess the adequacy and effectiveness of the Elementary and Secondary Education Program's management control framework and the compliance of regional program implementation processes with National Program Guidelines and applicable policies and directives.

The scope of the audit included an assessment of the management practices and controls related to program design, implementation, monitoring and reporting, and included an assessment of compliance with relevant guidelines, policies and directives for five of seven elementary and secondary education sub-programs.

This audit considered funding activities from April 1, 2015 to October 30, 2016.

The audit team conducted fieldwork primarily at INAC Headquarters (HQ) and in three regional offices (Atlantic, Ontario and Manitoba). A review of the regional management control framework was conducted for each region to determine differences in implementation.

This audit did not consider issues related to block funding. In addition, due to current changes being made to the performance measurement framework, performance measurement was not examined as part of this audit.

Statement of Conformance

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*, as supported by the results of the quality assurance and improvement program.

Conclusion

The audit found that the management control framework generally supports the achievement of Program objectives, and regional implementation of Program procedures is largely compliant with relevant policies and directives. However, opportunities for improvement were identified in the areas of governance, communication and operations to further support the achievement of Program objectives, increase efficiency, maintain corporate knowledge and strengthen Program delivery.

Recommendations

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

1. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister, Regional Operations, and the Assistant Deputy Minister, Northern Affairs Organization, as applicable, should formally define and communicate descriptions of the roles, responsibilities and accountabilities for all stakeholders involved in implementing the Elementary and Secondary Education Program, both at Headquarters and within regions.

2. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister, Regional Operations, and the Assistant Deputy Minister, Northern Affairs Organization, as applicable, should review the existing proposal-based Elementary and Secondary Education Programs to identify opportunities for converting to other funding methods, such as core funding, to better enable Program delivery.

3. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister, Regional Operations, and the Assistant Deputy Minister, Northern Affairs Organization, as applicable, should formalize the documenting and disseminating of all scheduled internal calls and meetings and implement a process, which coordinates information sharing between Headquarters and regions in order to facilitate effective communication across the Program.

4. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister, Regional Operations, and the Assistant Deputy Minister, Northern Affairs Organization, as applicable, should formalize and communicate common education program processes and templates for control activities specific to education for implementation across regions, factoring in existing best practices, which may be leveraged.

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.

BACKGROUND

The Audit of the Elementary and Secondary Education Program (the Program) was included in Indigenous and Northern Affairs Canada's (INAC or the Department) 2016-2017 to 2018-2019 Risk-Based Audit Plan, approved by the Deputy Minister on March 4, 2016. The audit was identified as a priority on the basis of the Program's importance to the achievement of strategic objectives and is financially significant.

The Program is included in the Department's broader Education Program. It is managed and coordinated at the national level by the Education and Social Development Programs and Partnerships (ESDPP) sector and delivered at the regional level. The Program highlights the federal role in on-reserve elementary and secondary education. Through the Program, salaries for on-reserve school teachers and other instructional services are funded and support is provided to eligible students living on-reserve with elementary and secondary education programs comparable to those that are required in provincial schools by statutes, regulations or policies. For students who live on-reserve but attend provincially-operated schools located off-reserve, and private schools on or off-reserve, INAC provides funding for the tuition. INAC funding also covers student support services, such as transportation, and access to resources for learners with identified special education needs.

By providing funding support to Indigenous people and organizations designated by Indigenous people (such as tribal councils and Indigenous education organizations), or through direct service delivery in seven federally-operated schools, INAC works to promote Indigenous education, towards the strategic goals of greater self-sufficiency, improved life chances, and increased labour force participation.

The Program includes several sub-programs, each funding different types of expenditures. These sub-programs include:

- Core instructional and student support services ("core");
- High-Cost Special Education Program (HCSE);
- New Paths for Education Program ("New Paths");
- First Nation Student Success Program (FNSSP);
- Education Partnerships Program (EPP);
- First Nations and Inuit cultural education centres; and
- First Nations and Inuit Youth Employment Strategy (FNIYES).

Budget 2016 included a significant investment of $8.4 billion over five years, beginning in 2016-2017, for various programs including education, infrastructure and training, to contribute to a better quality of life for Indigenous peoples and a stronger, more unified, and prosperous Canada. Budget 2016 included a significant additional investment in elementary and secondary education on reserve, totaling $2.6 billion over five years starting in 2016-2017. This includes funding to address immediate needs, to keep pace with the growth of costs over the medium term and to support the transformation of the current on-reserve education systems through a respectful process of consultation and partnership with Indigenous communities. Funding will

also cover support for First Nations language and culture, students with special needs, literacy and numeracy, and support for innovation, research, and measurement.

2. AUDIT OBJECTIVE AND SCOPE

2.1 Audit Objective

The objective of the audit was to assess the adequacy and effectiveness of the Elementary and Secondary Education Program's management control framework and the compliance of regional program implementation processes with National Program Guidelines and applicable policies and directives.

2.2 Audit Scope

The scope of the audit included an assessment of the management practices and controls related to program design, implementation, monitoring and reporting, and included an assessment of compliance with relevant guidelines, policies and directives for the following elementary and secondary education programs:

- Core instructional and student support services ("core");
- High-Cost Special Education Program (HCSE);
- New Paths for Education Program ("New Paths");
- First Nation Student Success Program (FNSSP); and
- Education Partnerships Program (EPP).

This audit considered funding activities from April 1, 2015 to October 30, 2016.

The audit team conducted fieldwork primarily at INAC Headquarters (HQ) and in three regional offices (Atlantic, Ontario and Manitoba). A review of regional management control framework was conducted for all regions to determine differences in implementation.

This audit did not consider issues related to block funding. In addition, due to current changes being made to the performance measurement framework, performance measurement was not examined as part of this audit.

3. APPROACH AND METHODOLOGY

The Audit of Elementary and Secondary Education Program was planned and conducted in accordance with the requirements of the Treasury Board *Policy on Internal Audit* and followed the Institute of Internal Auditors' *International Professional Practices Framework.*

The approach used to address the audit objective included the development of audit criteria, against which observations and conclusions were drawn. The audit criteria developed for this audit are included in Appendix A. Relevant policies and directives referenced throughout the audit process are listed in Appendix B.

The audit team examined sufficient, reliable and relevant evidence to provide a reasonable level of assurance in support of the audit conclusion. The principle audit techniques used included:

- *Interviews and walkthroughs with key individuals across the organization*: Individuals selected to participate in interviews and walkthroughs represented regional and sector activity, and had responsibilities relating to core funding, financial controls, compliance, and/or the in-scope programs;

- *Document review:* Process documentation, governance documentation, communication tools and mechanisms, and documentation concerning Program policies and procedures were reviewed to gain an understanding of Program governance, the structure and implementation procedures;

- *Design testing:* Proposal tools and guidelines and evaluation processes were observed to validate the approach and findings and to determine design effectiveness across regions for the in-scope proposal-based programs and core funding;

- *Operating effectiveness testing:* A sample of proposals was selected for core funding and each of the in-scope proposal-based programs to validate approach and findings and to assess whether the controls identified in interviews and walkthroughs were implemented and operating as designed; and

- *Analysis:* Interviews, document review, design testing and operating testing results were compared to determine differences in regional approaches, identify challenges and opportunities to improve the adequacy of the management control framework in supporting the achievement of Program objectives.

4. CONCLUSION

The audit found that the management control framework generally supports the achievement of Program objectives, and regional implementation of Program procedures is largely compliant with relevant policies and directives. However, opportunities for improvement were identified in the areas of governance, communication and operations to further support the achievement of Program objectives, increase efficiency, maintain corporate knowledge and strengthen Program delivery.

5. FINDINGS AND RECOMMENDATIONS

In determining the scope of this audit, governance, communication and operations were identified as the three key lines of enquiry. These lines of enquiry were evaluated by the audit criteria through a combination of documentation review, design and operating effectiveness testing, interview procedures and analysis. Where a significant difference between the audit criteria and observed practices was found, the associated risk was evaluated to develop a conclusion and to document recommendations for improvement.

5.1 Governance

5.1.1 Understanding of roles, responsibilities and accountabilities

The Program operates within a complex organizational structure where the Education Branch of the ESDPP sector must collaborate and coordinate with other Sectors and Programs, including the Regional Operations Sector, whose operations have an impact on the delivery of the Program. The competing priorities and complexities in communication and decision-making represent a challenge for program delivery. Furthermore, the division of responsibilities between ESDPP's Program, Policy and Partnerships directorates requires additional collaboration and coordination to achieve Program objectives.

Regional offices are responsible for the implementation of various programs that involve their region. Therefore, collaboration and coordination is required between sectors to determine the adequate prioritization of each program in each of the regions. Some of the Elementary and Secondary Education sub-programs allow regional interpretation of the National Program Guidelines ("the Guidelines") to address regional capacity limitations, unique needs of the Indigenous communities or the complexities of local operations, including the political environment. Additionally, the Program, Policy and Partnerships directorates within the Education Branch have some overlap in responsibilities. There is a need for more clarity in decision-making authorities to reduce the occurrence of delays to important decisions as it was noted that this posed a challenge to the three directorates in working towards common goals.

Limited documentation and formalization of Program roles and responsibilities exists, including limited and inconsistent understanding among regional stakeholders of how to interact with stakeholders outside of the Program who have an impact on the Program's delivery.

One example at the regional level included the interaction between the Program and Funding Services who are responsible for facilitating the drafting and signing of amendments to funding agreements with Indigenous communities and implementing *Financial Administration Act* controls for federal funding allocation and distribution. Program stakeholders within regions noted a lack of clarity in the division of roles and responsibilities, which can create delays in the distribution of funding, disruptions to the continuity of operations and have an impact on capacity.

Program governance documentation and guidance is limited to the National Program Guidelines and Budget Management Regime. These documents outline eligible expenditures for each of the sub-programs, but do not define INAC internal processes, procedures or relevant roles, responsibilities and accountabilities.

The organizational and Program complexities, as well as limited overall Program governance documentation beyond the Guidelines, were noted as contributing factors to a limited and conflicting understanding of the roles, responsibilities and accountabilities of stakeholders involved in implementing the Program.

Recommendation:

1. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister, Regional Operations, and the Assistant Deputy Minister, Northern Affairs Organization, as applicable, should formally define and communicate descriptions of the roles, responsibilities and accountabilities for all stakeholders involved in implementing the Elementary and Secondary Education Program, both at Headquarters and within regions.

5.1.2 Streamlining and improving funding structure and processes

The Program funding structure is comprised of several sub-programs, each with their own complexities and each serving as a funding vehicle for different types of expenditures related to the Program objectives. This funding structure is complex, with new programs and functional funding areas being added to existing programs when new funding becomes available or when a new funding area is identified. This was especially evident in fiscal 2016-2017 with the influx of new funding announced in Budget 2016 to the Program.

The delivery of the Program is dependent on the effective implementation of each of its sub-programs. Descriptions of each of the in-scope sub-programs can be found in Appendix C.

Of the five sub-programs in scope, four are proposal-based programs. Core-based funding comprises the majority of funding provided through the Program; however, it was observed that proposal-based programs require significantly more effort and capacity to deliver.

The proposal-based programs have a significant impact on the capacity of regional offices and Indigenous communities in terms of the administrative efforts required to prepare proposals, manage relevant issues and questions, evaluate proposals, and prepare final reports.

In recent years, changes in available funding from year to year have resulted in the addition of proposal-based programs to distribute funding, rather than re-evaluating whether the expenditures should be incorporated into core-based funding. However, the expenditures funded by some of the proposal-based programs could be considered similar to core and are required by schools to deliver their programming. For example, the HCSE program requires proposals each year for students with identified high-cost special education needs regardless of the likelihood that these needs follow a student for their lifetime and rarely, if ever, change from year to year. Additionally, in many regions, allocations within the New Paths program are determined prior to the receipt of a proposal and during evaluation, proposals are rarely rejected. The opportunity exists to migrate higher-effort proposal-based funding into the more streamlined core-based funding process.

Additional challenges exist with the FNSSP and EPP programs related to the funding decisions occurring at HQ. While regional offices facilitate the relationships with Indigenous communities and provide HQ with the initial recommendations, funding decisions and communications thereof are facilitated by HQ. Interviews noted that regional teams did not always have the complete information necessary to communicate funding decisions when they were not aligned with their initial recommendation. An opportunity exists to leverage the experience and

relationships that regional offices have built with Indigenous communities and the insight they have into the community programs to facilitate the delivery of FNSSP and EPP funding decisions.

The current funding structure does not enable an efficient delivery of the Program, as the Department's fiscal year and the school year are different. With the fiscal year ending on March 31st, funding for schools for the last three months of the school year cannot be distributed without creating workarounds to the existing funding mechanisms. Some workarounds have been identified in regions; the opportunity exists to share these practices and build toward national implementation.

Recommendation:

2. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister, Regional Operations, and the Assistant Deputy Minister, Northern Affairs Organization, as applicable, should review the existing proposal-based Elementary and Secondary Education Programs to identify opportunities for converting to other funding methods, such as core funding, to better enable Program delivery.

5.2 Communication

Good governance facilitates communication between HQ and regional offices, and creates a cohesive approach to program implementation and strengthening relationships with Indigenous communities.

The communication mechanisms currently in place include scheduled teleconference calls between HQ and regional offices across different levels of seniority. A call with Director-level resources occurs weekly; a Program-wide call occurs bi-weekly; and a Program meeting for the team at HQ occurs weekly, to keep the Education team informed and provide the opportunity to communicate challenges. The effectiveness of these communication channels is dependent on attendance and participation.

Documentation of communication between HQ and regional offices is not consistent; for example, there were limited minutes of some teleconference calls distributed to regional offices. This presents challenges for regional offices to disseminate among employees what was discussed, track follow-ups, or allow those who were unable to attend to catch-up. An opportunity exists to strengthen communication, understanding of Program operations, and the unified HQ-regional approach to relationship-building with Indigenous communities.

There was also limited guidance or tracking tools available to Program staff to document relationship management. Relationship management tools can further support regional offices to expand relationship-building beyond one or two key individuals and allow all Program stakeholders to be informed of previous interactions and unify all stakeholders with one common relationship management approach.

Although communication channels between HQ and regions are good and well established, there is an opportunity to improve the communication of proposal funding decisions to

Indigenous communities, as mentioned in section 5.1.2, especially related to EPP and FNSSP as decisions are made at HQ, but communication is facilitated, for the most part, by regional offices.

One of the regions included in the scope facilitates an annual education program information session. This is seen as helping to strengthen relationships and foster relationship-building by generating more face-to-face interaction with recipients. It also includes access to experts in the field of education and to panel discussions. This opportunity further supports achievement of Program objectives through helping to facilitate and generate improved capacity for the implementation of the elementary and secondary education programs.

For regions that have a large number of remote and rural communities with limited or no connectivity, strong relationships are more difficult to maintain. A flexible relationship management approach could help building and maintaining relationships with different types of recipient communities.

Recommendation:

3. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister, Regional Operations, and the Assistant Deputy Minister, Northern Affairs Organization, as applicable, should formalize the documenting and disseminating of all scheduled internal calls and meetings and implement a process, which coordinates information sharing between Headquarters and regions in order to facilitate effective communication across the Program.

5.3   Operations

Compliance with the National Program Guidelines was supported by management control frameworks as demonstrated through walkthroughs for identification of control activities with Program Officers. However, limited process documentation existed for two of the three regions visited, and in the third region documentation had recently been developed, but was not fully implemented. Each region had a unique approach to program implementation, including the execution of proposal approvals, proposal evaluations, *Financial Administration Act* controls, and their funding allocation methodologies. Without documented common procedures, each region has placed reliance on the knowledge and experience of Program Officers. This represents a risk of losing corporate knowledge and continuity in relationships. Each region, however, expressed interest in formalizing and documenting their processes. There is an opportunity for HQ to provide guidance and templates that would be useful for implementation to aid regional offices in documenting processes as well as facilitate some consistency in implementation.

Several efficiencies and best practices were identified in the regions visited, which could benefit other regional offices, including:

- A formula-based approach to HCSE to reduce administrative capacity dedicated to proposals. This approach further supports Program objectives as high-cost special

education needs generally follow a student through their lifetime without annual changes to needs.

- Limiting the calls for proposals to one per program to reduce administrative capacity dedicated to proposals, even with an additional funding stream introduced under New Paths. The initial New Paths proposals were re-assessed under the new stream; however, foresight was provided to the recipient communities to allow them to prepare one proposal to fit multiple funding streams.

- Process documentation and evaluation templates have been developed in one of the regions visited to aid individuals who are new to the Program. This documentation has also facilitated a thorough understanding of the programs and procedures, as well as demonstrating compliance through supporting tools and templates.

- An education information session is held annually by regions with Indigenous communities, which provides an increase in face-to-face interactions and also provides an opportunity for training and education expert panel discussions at the session.

Limited sharing of best practices occurs across regions, especially related to program implementation approach, design and documentation of processes, tools and templates. Regional collaboration normally focuses on issues that require urgent attention rather than facilitated working groups.

Recommendation:

4. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister, Regional Operations, and the Assistant Deputy Minister, Northern Affairs Organization, as applicable, should formalize and communicate common education program processes and templates for control activities specific to education for implementation across regions, factoring-in existing best practices, which may be leveraged.

6. MANAGEMENT ACTION PLAN

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
1. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister, Regional Operations and the Assistant Deputy Minister, Northern Affairs Organization, as applicable, should formally define and communicate descriptions of the roles, responsibilities and accountabilities for all stakeholders involved in implementing the Elementary and Secondary Education Program, both at HQ and within regions	The Chief Financial Results and Delivery Officer (CFRDO) is currently reviewing the departmental Management Control Framework (MCF) and discussions are taking place among all sectors and regions (through the DG Gs&Cs Oversight Committee) regarding the governance of each identified management control (responsibility/ accountability). Once this review is completed, sectors will develop their Program Control Frameworks (PCF). ESDPP will develop its Program Control Framework based on the updated departmental MCF. Further reinforcing roles, responsibilities and accountabilities for all stakeholders ESDPP will implement a new governance structure for the sector.	Assistant Deputy Minister, Education and Social Development Programs and Partnerships with Senior Assistant Deputy Minister, Regional Operations and Assistant Deputy Minister of Northern Affairs Organization	To be completed by the end of fiscal year 2017-2018 May 2017 <u>Completed</u>
2. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister, Regional Operations and the Assistant Deputy Minister, Northern Affairs Organization, as applicable, should review the existing proposal-based Elementary and Secondary Education Programs to identify opportunities for converting to other funding methods, such as core funding, to better enable Program delivery.	There is a joint AFN-INAC Funding Mechanisms Task Team that is mandated to provide a national forum for jointly discussing and elaborating options for regionally-based fiscal frameworks and funding mechanisms for First Nations K-12 education that would replace current INAC funding methodologies. The joint AFN-INAC Funding Mechanisms Task Team will make recommendations to the Department for consideration.	Assistant Deputy Minister, Education and Social Development Programs and Partnerships with Senior Assistant Deputy Minister, Regional Operations and Assistant Deputy Minister of Northern Affairs Organization	December 2017

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
3. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister, Regional Operations and the Assistant Deputy Minister, Northern Affairs Organization, as applicable, should formalize the documenting and disseminating of all scheduled internal calls and meetings and implement a process which coordinates information sharing between HQ and regions in order to facilitate effective communication across the Program.	All minutes for internal calls and meetings will be distributed within two weeks after the meeting has taken place.

ESDPP will include Regions in all of the committees and working groups through the implementation of its new governance structure. | Assistant Deputy Minister, Education and Social Development Programs and Partnerships

with

Senior Assistant Deputy Minister, Regional Operations

and

Assistant Deputy Minister of Northern Affairs Organization | April 2017 <u>Completed</u>

May 2017 <u>Completed</u> |
| 4. The Assistant Deputy Minister, Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister, Regional Operations and the Assistant Deputy Minister, Northern Affairs Organization, as applicable, should formalize and communicate common education program processes and templates for control activities specific to education for implementation across regions, factoring-in existing best practices which may be leveraged. | As above ESDPP will develop its Program Control Framework based on the updated departmental MCF.

The implementation of a new ESDPP governance structure that will include regions will formalize communication of processes.

ESDPP will implement the ESDPP Funding Approach Management Regime which documents the program officials' decisions relating to funding approaches for the sector's programs. (This will create a harmonized format which includes the Treasury Board Secretariat, CFRDO, and Program direction on the use of funding approaches.) | Assistant Deputy Minister, Education and Social Development Programs and Partnerships

with

Senior Assistant Deputy Minister, Regional Operations

and

Assistant Deputy Minister of Northern Affairs Organization | Ongoing – to be completed by the end of fiscal year 2017-2018

May 2017 <u>Completed</u>

May 2017 <u>Completed</u> |

APPENDIX A: AUDIT CRITERIA

The following audit criteria were developed to ensure an appropriate level of assurance in meeting the audit objective.

Governance	
1.1	Oversight and monitoring procedures are designed and implemented to ensure compliance of the Program with the management control framework and awareness of variations in implementation across the country.
1.2	Program roles, responsibilities and authorities are clearly defined at HQ and within the regions with a demonstrated understanding of accountabilities between stakeholder groups.
Communication	
2.1	Communication between stakeholder groups is appropriate to support Program objectives.
Operations	
3.1	Program guidelines and procedures are compliant with applicable Government of Canada policies and directives.
3.2	Regional procedures and management regimes are designed to ensure compliance with National Program Guidelines.
3.3	Implementation of the Program is compliance with the regionally developed management control frameworks and regimes.

APPENDIX B: RELEVANT POLICIES AND GUIDELINES

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

- Treasury Board Policy on Transfer Payments
- *Financial Administration Act*
- ESDPP National Program Guidelines

APPENDIX C: PROGRAM DESCRIPTIONS

Core instructional services provides funding for basic organizational capacity to support core operations, such as paying education staff, classroom and school supplies, operating and maintaining schools, guidance and counselling and tuition fees at Indigenous elementary and secondary schools. Core funding allocations are determined based on the nominal roll through a funding formula which is executed by the regional offices.

The **New Paths for Education** program is a regionally-managed proposal-based program that requires recipient communities to prepare and submit proposals in order to receive funding. The program objectives support expenditures such as: First Nation Management and Governance Capacity, School Effectiveness (including Language and Culture), Parental and Community Engagement, Teacher Recruitment and Retention and Information and Communications Technology. Funding amounts are determined on a case-by-case basis and limited by total funding available for the proposals received by each region.

The **High Cost Special Education** program is a regionally managed proposal-based program for high-cost special education students assessed with moderate to profound learning disabilities. Activities funded under the program include identification of students with high-cost special education needs, identification of the category or categories of exceptionality that applies to each student, preparation of an Individual Education Plan for each student and procurement or delivery of the types of services recommended in the student's education plan funding. Funding is based on an annual funding request, whether in the form of a proposal, work plan or application.

The **First Nations Student Success Program (FNSSP)** is a nationally-managed proposal-based program that aims to increase student achievement levels in three priority areas: literacy, mathematics (numeracy) and student retention. The activities funded through this program are required to include student success plans for improving student achievement levels in literacy, mathematics and student retention, student learning assessments and performance measurement systems for schools to monitor and report on how students are doing. Funding for this program is merit-based. Proposals are assessed at a national level by a national selection committee.

The **Education Partnerships Program (EPP)** aims to advance First Nation student achievement in First Nation and provincial schools while promoting collaboration between First Nations, provinces, INAC and other stakeholders. EPP supports two categories of partnership development: partnership establishment (such as the negotiation and drafting of tripartite education Memoranda of Understanding) and partnership advancement. This program is a National, proposal-based program for which funding allocation decisions are based on merit as demonstrated in the submitted proposals and evaluated by a national selection committee.