Aboriginal Affairs and Northern Development Canada

Internal Audit Report

Audit of Métis and Non-Status Indian Relations and Métis Rights Management Program – specifically with regard to registries

Prepared by:

Audit and Assurance Services Branch

Project No. 13-14

September 2015

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ACRONYMS

AANDC	Aboriginal Affairs and Northern Development Canada
CSA	Canadian Standards Association
FICP	Federal Interlocutor's Contribution Program
MMF	Manitoba Metis Federation
MNA	Métis Nation of Alberta
MNBC	Métis Nation of British Columbia
MNC	Métis National Council
MNO	Métis Nation of Ontario
MNS	Métis Nation - Saskatchewan
MNSI	Métis and Non-Status Indians
OFI	Office of the Federal Interlocutor
PAA	Program Alignment Architecture
PSD	Policy and Strategic Direction Sector
SCC	Supreme Court of Canada

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EXECUTIVE SUMMARY

Background

In September 2003, the Supreme Court of Canada (SCC) ruled in R. v. Powley that the Métis community of Sault St. Marie and its environs had an Aboriginal right to hunt for food. This decision created a new test for establishing Métis Aboriginal rights protected by section 35 of the *Constitution Act, 1982* and set parameters who might exercise these rights. The SCC identified three (3) factors to determine who is a Métis for the purpose of exercising such rights.

For that purpose an individual must:

1. Identify as a Métis person;

2. Be a member of a present-day Métis community; and,

3. Have ties to a historic Métis community (which is a mixed-ancestry of Indian-European or Inuit-European people who formed a distinctive collective social identity, lived together in the same geographic area and shared a common way of life).

The Court expressed the urgency that membership requirements in Métis communities become more standardized so legitimate rights holders can be identified.

In response to the Powley decision in 2003, Aboriginal Affairs and Northern Development Canada (AANDC or the Department) commenced funding to specific Métis Aboriginal Representative Organizations in 2004 for the development and maintenance of "*objectively verifiable membership systems*" for Métis people.

The primary purpose of the more standardized membership systems is so legitimate Métis rights holders can be identified. These systems were developed and are owned and maintained in five (5) provinces by various Métis organizations: British Columbia (Métis Nation of British Columbia - MNBC), Alberta (Métis Nation of Alberta - MNA), Saskatchewan (Métis Nation Saskatchewan- MNS), Manitoba (Manitoba Metis Federation - MMF), and Ontario (Métis Nation of Ontario - MNO). As of March 2014, approximately $51M has been funded on the development and maintenance of the registration systems.

Audit Objective and Scope

The objective of this audit was to provide assurance to senior management on the adequacy and effectiveness of the governance structure and oversight mechanisms in place relative to funding provided for the development and maintenance of the Métis registration systems.

The scope of the audit focused on AANDC's governance structures and oversight mechanisms, including the establishment of expected outcomes, relative to the development and maintenance of the Métis registration systems to meet the needs of relevant stakeholders and to ensure consistency among the various registration systems. This included how AANDC is

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exercising its oversight of the funds disbursed for the registration systems towards the expected outcome of *objectively verifiable membership systems.*

The audit scope covered the period between April 1, 2012 and July 31, 2014 and included an assessment of the oversight in place relative to each of the five (5) organizations for which the funds have been disbursed to, for the development and maintenance of the Métis registration systems.

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

During the audit fieldwork, the audit team observed that in 2012/13 and 2013/14, a well-established process was in place and consistently applied to review annual workplans to support the development of funding agreements and to review and analyze financial and non-financial information received by the recipients managing the Métis registration systems.

Conclusion

The audit found that the Department has established formal processes that are being consistently followed to ensure appropriate due diligence is conducted prior to the finalization of funding agreements for Métis registration systems; and ongoing monitoring to assess compliance to the Terms and Conditions of the agreements. While some monitoring is being performed, it is challenging to assess the progress and status of the registration systems, as limited strategic direction and long-term objectives have been established for the spending of funds relative to the registration systems. With the adoption and application of the Canadian Standards Association (CSA) standard to the Métis registration systems, requirements have been established for the operational elements of the registration systems; however, we have identified an opportunity for the Department to work with its partners and stakeholders to establish long-term vision/objectives, appropriate departmental governance and measurable outcomes for funding disbursed for the Métis registration systems.

Recommendations

The audit team identified areas where governance and strategic direction over funding provided for the Métis registration systems should be improved, resulting in three (3) recommendations as follows:

1. The Senior Assistant Deputy Minister, Policy and Strategic Direction Sector should renew and formalize the mandate of the Métis and Non-Status Indian Relations Directorate by establishing formal objectives, an appropriate departmental governance structure and related performance measures. Once established, workplans should be established within

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the Directorate to engage and empower staff to assist in the achievement of the Directorate's mandate and the overall objectives of the Department.

2. The Senior Assistant Deputy Minister, Policy and Strategic Direction Sector should work with key stakeholders to define and formalize the long-term objectives and expected outcomes for funding provided for the Métis registration systems. Once established, individual workplans and related reporting should include measurable goals that align to the expected outcomes. Monitoring by the Policy and Strategic Direction Sector's Métis and Non-Status Indian Relations Directorate should evaluate the progress against expected outcomes.

3. The Senior Assistant Deputy Minister, Policy and Strategic Direction should work with Métis organizations and other key stakeholders associated with the registration systems (e.g. the Provinces, Other Government Departments) to ensure the most appropriate oversight mechanisms are in place for funding provided for the Métis registration systems to improve the overall effectiveness of the system.

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.

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1.   BACKGROUND

This audit of MNSI Relations and Métis Rights Management Program – specifically with regard to registries was included in the Aboriginal Affairs and Northern Development Canada's 2014-2015 to 2016-2017 Risk Based Audit Plan, approved by the Deputy Minister on February 6, 2014. This audit was deemed a high priority for reasons related to recent court decisions, renewal of authorities and the significant level of funding.

Métis and Non-Status Indians

The Métis are one of three (3) recognized Aboriginal peoples in Canada, along with First Nations and Inuit. The Government of Canada does not define who is a Métis. In 2002, the Métis National Council (MNC) adopted the following definition of Métis:

> "Métis" means a person who self-identifies as Métis, is distinct from other Aboriginal peoples, is of historic Métis Nation Ancestry and who is accepted by the Métis Nation."

According to the 2011 National Household Survey, 418,380 Canadians self-identified as Métis.

In September 2003, the Supreme Court of Canada (SCC) ruled in *R. v. Powley* that the Métis community of Sault St. Marie and its environs had an Aboriginal right to hunt for food. This decision created a new test for establishing Métis Aboriginal rights protected by section 35 of the *Constitution Act, 1982* and set parameters who might exercise these rights. The SCC identified three (3) factors to determine who is a Métis for the purpose of exercising such rights.

For that purpose an individual must:

1. Identify as a Métis person;

2. Be a member of a present-day Métis community; and

3. Have ties to a historic Métis community (which is a mixed-ancestry of Indian-European or Inuit-European people who formed a distinctive collective social identity, lived together in the same geographic area and shared a common way of life).

The Court expressed the urgency that membership requirements in Métis communities become more standardized so legitimate rights holders can be identified.

Non-Status Indians are considered people who identify themselves as Indians but are not entitled to registration under the *Indian Act*.

The Métis Registration Systems

In response to the Powley decision in 2003, AANDC commenced funding to specific Métis Aboriginal Representative Organizations in 2004 specifically for the development, ownership and maintenance of "*objectively verifiable membership systems*" for Métis people. The primary purpose of the more standardized membership systems is so legitimate Métis rights holders can

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be identified. These systems were developed and are being maintained in five (5) provinces: British Columbia (MNBC), Alberta (MNA), Saskatchewan (MNS), Manitoba (MMF), and Ontario (MNO).As of March 2014, approximately $51M has been spent on the development and maintenance of the registration systems. The following table represents the level of funding provided by AANDC to the five (5) Métis organizations for the registration systems, since 2004:

Fiscal Year	Funding Provided by AANDC
2004-2005	$5,675,000
2005-2006	$5,175,000
2006-2007	$6,175,616
2007-2008	$4,583,990
2008-2009	$4,925,817
2009-2010	$5,350,175
2010-2011	$4,638,267
2011-2012	$5,314,671
2012-2013	$4,209,411
2013-2014	$5,016,331
TOTAL	**$51,064,828**

As of July 2014, approximately 63,648 Métis membership cards had been issued across the five (5) jurisdictions. It should be noted that the registry system for MNS is currently non-operational and the Métis organization did not receive funding from AANDC for the 2014-2015 fiscal year for the maintenance of the registry system.

To date, the principal users of the registration systems are the Métis organizations themselves and their provincial partners – who leverage the membership information for various provincial programs such as wildlife management and those related to health and education.

Canadian Standards Association

In 2008, the Office of the Federal Interlocutor (OFI) hired the Institute on Governance, an independent third party, to review the integrity of the new processes put in place for membership identification systems and to evaluate the progress achieved, as well as to provide recommendations for areas of improvement. The review highlighted that the systems evaluated would benefit from common approaches, terminology, and a basis by which they can be objectively verified.

A contract with the Canadian Standards Association (CSA) was the next stage in the development of objectively verifiable Métis identification systems, and was designed to assist the Government of Canada in working with the Métis National Council (MNC) and its affiliates – the affiliates being the holders of the Métis registries and recipients of funds to support same.

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The CSA contract provided funding to oversee the process of developing the standards. AANDC also provided funding to the MNC for the coordination of the logistics, such as the travel of Committee members and organizing meetings for discussion with the various stakeholders.

As part of the CSA standard development process, a Métis Membership Standards Committee was established to develop the Standard. The committee was comprised of the MNC, its five provincial affiliates, CSA, subject matter experts, and an AANDC representative.

CSA Z710:2014 "Métis Nation Registry Operations" (the Standard) was approved by vote on December 9, 2014. The Standard was published in March, 2015. Once published, each Métis organization has the ability to choose whether or not to adopt the Standard; however, AANDC has informed the MNC and affiliates that future funding support for the registries is contingent on acceptance of the Standard.

Métis and Non-Status Indian Relations and Métis Rights Management

Prior to 2012, Métis and Non-Status Indian Organizational Capacity Development and Métis Rights Management programs were run as part of OFI's Strategic Outcome within AANDC. As of September 4, 2012 and as per the Department's 2013-14 revised Program Alignment Architecture, the portion of the Office of the Federal Interlocutor which deals with Métis and Non-Status Indians was transferred to the Department's Policy and Strategic Direction (PSD) Sector. The new sub-program Métis and Non-Status Indian (MNSI) Relations and Métis Rights Management (the Directorate) falls under the "Government" Strategic Outcome's Co-operative Relationships Program. It combines the Métis and Non-Status Indian Organizational Capacity Development and Métis Rights Management programs. Spending for these programs in fiscal year 2013-14 was $19.1 million.

The MNSI Relations Directorate, within AANDC's PSD Sector, is responsible for working with AROs which represent Métis, Non-Indian Status and other off-reserve Aboriginal populations. This Directorate works to maintain and strengthen the Crown's relationship with the MNC and the Congress of Aboriginal Peoples. The Directorate is also responsible for leading the federal participation in self-government tripartite processes with the provinces, Métis, and other off-reserve Aboriginal organizations. Additionally, the Directorate maintains a research network with universities across the country to help support policy development, analysis, and advice.

2.   AUDIT OBJECTIVE AND SCOPE

2.1   Audit Objective

The objective of this audit was to provide assurance to senior management on the adequacy and effectiveness of the governance structure and oversight mechanisms in place relative to funding provided for the development and maintenance of the Métis registration systems.

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2.2   Audit Scope

The scope of the audit focused on AANDC's governance structures and oversight mechanisms, including the establishment of expected outcomes, relative to the development and maintenance of the Métis registration systems to meet the needs of relevant stakeholders and to ensure consistency among the various registration systems. This included how AANDC is exercising its oversight of the funds disbursed for the registration systems towards expected outcome of *objectively verifiable membership systems*.

The audit scope covered the period between April 1, 2012 and July 31, 2014 and included an assessment of the oversight in place relative to each of the five (5) organizations for which the funds have been disbursed to, for the development and maintenance of the Métis registration systems.

The scope of the audit did not include an assessment of how the Métis registration systems are being managed by the individual Métis organizations nor did it include an Information Technology audit of the registration systems. Additionally, representatives from the Métis organizations were not contacted during the course of the audit.

3.   APPROACH AND METHODOLOGY

The audit was conducted in accordance with the requirements of the Treasury Board Secretariat *Policy on Internal Audit* and followed the Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing* and the *Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing*.

The audit team examined sufficient, relevant evidence and obtained sufficient information to provide the appropriate level of assurance in support of the audit conclusion.

In order to address the audit criteria as established in Appendix A, the principal audit techniques were:

- Interviews with key PSD Sector officials with responsibility related to the governance and oversight of funds provided for the Métis registration systems;

- Interviews with provincial stakeholders in Manitoba, Saskatchewan, Alberta and British Columbia;

- A review of relevant documentation related to the oversight as well as funding of the Métis registration systems;

- Walk-throughs of key processes within PSD, including the process in place to review annual workplans to support the development of the funding agreements as well as the process to analyse financial and non-financial reporting received by the recipients managing the Métis registration systems;

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- Testing of the funding agreements in place for the five (5) Métis organizations for 2012-2013, 2013-20145, and 2014-2015, including evidence of review of the workplans and financial and non-financial analyses performed, where applicable.

4.   CONCLUSION

The audit found that the Department has established formal processes that are being consistently followed to ensure appropriate due diligence is conducted prior to the finalization of funding agreements for Métis registration systems; and ongoing monitoring to assess compliance to the Terms and Conditions of the agreements. While some monitoring is being performed, it is challenging to assess the progress and status of the registration systems, as limited strategic direction and long-term objectives have been established for the spending of funds relative to the registration systems. With the adoption and application of the Canadian Standards Association (CSA) standards to the Métis registration systems, requirements have been established for the operational elements of the registration systems; however, we have identified an opportunity for the Department to work with its partners and stakeholders to establish long-term vision/objectives, appropriate departmental governance and measurable outcomes for funding disbursed for the Métis registration systems.

5.   FINDINGS AND RECOMMENDATIONS

Based on 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 was determined. Where a significant difference between the audit criterion and the observed practice was found, the risk of the gap was evaluated and used to develop a conclusion and to document recommendations for improvement initiatives.

Observations below included both best practices considered to be adequate as well as those requiring improvement. Recommendations for corrective actions accompany areas identified for improvement.

5.1   The Mandate and Governance of MNSI Relations and Métis Rights Management

While it was part of OFI, the objective of the MNSI Relations and Métis Rights Management program was to "help build capacity, and to maintain a relationship based on trust and respect between Métis and Non-Status Indian people and the Government of Canada". This was achieved by: "maintaining political relationships with their representative organizations; acting as the point of contact within the federal government; acting as an advocate for their issues within Cabinet; entering into contribution agreements to help build organizational and institutional capacity; and, building stronger linkages with provincial governments" – as outlined in the Federal Interlocutor's Contribution Program (FICP) program Terms and Conditions dating

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back to 2008. At the time, OFI resources were dedicated to maintain strong relationships with the Métis organizations and provincial partners, with a focus on playing an advocacy role for MNSIs.

Once OFI was amalgamated with PSD Branch (as part of the MNSI Relations Directorate or the "Directorate"), the Program Terms and Conditions were updated (as of December 14, 2012) and continued to focus on this advocacy role. Specifically, "…the role has evolved from being the point of first contact between MNSIs and the federal government (the bilateral political relationship with the Métis National Council and the Congress of Aboriginal Peoples) and the advocate in Cabinet for consideration of MNSI issues and concerns (1985) for the purposes of working towards achieving practical ways of improving MNSI socio-economic conditions to also be….." The program funding that support this mandate included the FICP and Basic Operational Capacity. Although Terms and Conditions of the Program continue to reference an advocacy role, the mandate for the Program has evolved to one of non-advocacy (i.e. acting as a neutral party relative to the interests of MNSIs) and capacity development.

With this change in mandate and in parallel with cuts to resources available, the Program has limited engagement with stakeholders, specifically with the Métis organizations and provincial partners. Proactive engagement with all stakeholders, including MNSI organizations, provincial governments and other government departments is critical to sustain cooperative relationships with these partner organizations to support the needs of MNSIs. In the past departmental representatives would periodically visit each Métis organization which would allow them to gain an appreciation of their current status and challenges and needs. This would also allow the opportunity for the Directorate to assess the processes and infrastructure supporting each registry. With uncertainty relative to the change in mandate and associated prioritization of activities, the Directorate's primary role has become one of oversight and management of funding agreements and has impacted staff members' level of engagement. Provincial representatives have confirmed that the Department has limited engagement with provincial stakeholders. A change in role has taken place; however, a governance structure to manage this change and to ensure the effectiveness of this new mandate has not been put in place.

Without a formal governance structure in place that establishes strategic direction for the oversight of Métis relations, including funding provided for the Métis registry systems, and that methodically manages change with both internal and external stakeholders, there is a risk that the Department is not proactively managing Métis rights and the associated risks to the Crown, including the status of the Métis registration systems. Well-developed Métis registry systems, recording valid and useful data will help MNSI Directorate and the Department, identify legitimate Métis rights holders.

Recommendation:

1. The Senior Assistant Deputy Minister, Policy and Strategic Direction Sector should renew and formalize the mandate of the Métis and Non-Status Indian Relations Directorate and establish formal objectives, an appropriate departmental governance

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structure and related performance measures. Once established, workplans should be established within the Directorate to engage and empower staff to assist in the achievement of the Directorate's mandate and the overall objectives of the Department.

5.2 Strategic Direction and Monitoring of the Métis Registration Systems

At the outset of AANDC distributing funds to the Métis organizations to establish and maintain the registration systems, limited strategic direction was provided by the Department for the achievement of *objectively verifiable registration systems.* Approximately $51M has been spent since 2004 on the development and implementation of five (5) registration systems which are at various stages of maturity.

As funds are being distributed to the Métis organizations, mechanisms are in place to approve funding based on the establishment and evaluation of annual workplans and on monitoring activities taking place to ensure activities undertaken and funds spent are in line with the commitments outlined at the beginning of the year. The audit found a well-established, documented and consistently applied process for the approval of annual workplans, approval of funding agreements and monitoring for compliance. Although these oversight and monitoring processes are in place, the extent of monitoring of the activities relative to the Métis registration systems is limited, as the overall status and progress of the registry systems cannot be assessed without the establishment of measurable outcomes.

As noted above, with the application of the CSA Standards, requirements have been established for the administration and operation of the registries. The Standard was published in March, 2015 and there is an expectation by the Department that each registration system will work towards meeting the Standard, which will be reflected in associated funding agreements for future years. While the adoption of the Standard will allow a level of standardization across jurisdictions, this does not necessarily reflect the vision behind funding provided for the registration systems.

Without the establishment of a strategic direction and associated measureable objectives for the Métis registration systems, departmental spending and the results reported by the Métis organizations cannot be fully evaluated. Further, it becomes challenging for the Department to evaluate the overall effectiveness of funding against Departmental objectives.

Recommendation:

2. The Senior Assistant Deputy Minister, Policy and Strategic Direction Sector should work with key stakeholders to define and formalize the long-term objectives and expected outcomes for funding provided for the Métis registration systems. Once established, individual workplans and related reporting should include measurable goals that align to the expected outcomes. Monitoring by the Policy and Strategic Direction Sector's Métis

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and Non-Status Indian Relations Directorate should evaluate the progress against expected outcomes.

5.3   Governance over the Registration Systems

AANDC has been funding five (5) Métis organizations towards the development and maintenance of a Métis registration system in their respective province. As these organizations are inherently not independent (as they represent the interests of their members), several issues have been identified that could have a negative impact on achieving "*objectively verifiable membership systems*" for identifying all applicable Métis harvesters and members.

As an example, it was expressed by a provincial representative that in Manitoba, while the Manitoba Métis Federation (MMF) was being funded and managing the provincial registry, members of the Union nationale Métisse Saint-Joseph du Manitoba group have not registered as they do not want to be associated with the MMF. It was estimated that as a result of these challenges, only about 60% of the current Métis population would register under the registry system of the MMF.

Additionally, due to the known issues that exist within the Metis Nation of Saskatchewan (MNS), AANDC funding was halted during the 2014/2015 fiscal year and as a result, the registry system that is owned by the MNS is currently non-operational. Concerns currently exist around the safeguarding of the current information within the system and the associated historical records that support existing member eligibility.

Five (5) registries being owned and managed by five (5) organizations inherently impact the level of consistency that will be achieved across the jurisdictions although differences across jurisdictions may necessitate the tracking of specific, regional information. The introduction of the CSA Standards is expected to standardize some of the operational elements of the registration systems.

Recommendation:

3. The Senior Assistant Deputy Minister, Policy and Strategic Direction Sector should work with Métis organizations and other key stakeholders associated with the registration systems (e.g. the Provinces, Other Government Departments) to ensure the most appropriate oversight mechanisms are in place for funding provided for the Métis registration systems to improve the overall effectiveness of the system.

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6. MANAGEMENT ACTION PLAN

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
1. The Senior Assistant Deputy Minister, Policy and Strategic Direction Sector should renew and formalize the mandate of the Métis and Non-Status Indian Relations Directorate by establishing formal objectives, an appropriate departmental governance structure and related performance measures. Once established, workplans should be established within the Directorate to engage and empower staff to assist in the achievement of the Directorate's mandate and the overall objectives of the Department.	The Senior Assistant Deputy Minister, Policy and Strategic Direction Sector, will work with Aboriginal and External Relations Branch to renew and formalize the mandate of the Metis and Non-Status Indian Relations Directorate. This will be supported by a strategic and operational (business) planning process to be developed by Métis and Non-status Indian Relations Directorate. Formal objectives, an appropriate departmental governance structure, and related performance measures will be established and reflected in Performance Agreements to engage and empower staff to assist in the achievement of the Directorate's mandate and the overall objectives of the Department.	SADM, PSD	2015-16 Q3 Update: July 2016: Revised expected completion date: Q2 2016-17

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Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
2. The Senior Assistant Deputy Minister, Policy and Strategic Direction Sector should work with key stakeholders to define and formalize the long-term objectives and expected outcomes for funding provided for the Métis registration systems. Once established, individual workplans and related reporting should include measurable goals that align to the expected outcomes. Monitoring by the Policy and Strategic Direction Sector's Métis and Non-Status Indian Relations Directorate should evaluate the progress against expected outcomes.	Led by Senior Assistant Deputy Minister, Policy and Strategic Direction Sector, the Aboriginal and External Relations Branch will work with key stakeholders to refine the Performance Measurement Strategy for Sub-Program 1.2. 4 and recommend any needed adjustments to the Program Alignment Architecture and Performance Measurement Framework. Doing so will formalize the long-term objectives and expected outcomes for funding provided for the Metis registration systems. In the interim, existing processes will continue to be applied (the Draft Audit Report identified that a well-established process was in place and consistently applied) to ensure that individual workplans and related reporting include measureable goals that align to the Program's expected outcomes, and to monitor to evaluate progress against expected outcomes.	SADM, PSD	2015-16 Q4 <u>Update: July 2016:</u> Revised completion date: Q3 2016-17
3. The Senior Assistant Deputy Minister, Policy and Strategic Direction should work with Métis organizations and other key stakeholders associated with the registration systems (e.g. the Provinces, Other Government Departments) to ensure the most appropriate oversight mechanisms are in place for funding provided for the Métis registration systems to	Led by Senior Assistant Deputy Minister, Policy and Strategic Direction Sector, the Aboriginal and External Relations Branchy will work with Metis organizations and other key stakeholders to refine the Performance Measurement Strategy for Sub-Program 1.2.4 and recommend any needed adjustments to the Program Alignment	SADM, PSD	2015-16 Q4 Update : July

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Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
improve the overall effectiveness of the system.	Architecture and Performance Measurement Framework. Doing so will ensure the most appropriate oversight mechanisms are in place for funding provided for the Metis registration systems to improve the overall effectiveness of the system. One element of this work will be the Department's planned 2015-16 audits of the Metis registration systems.		2016: Revised completion date: Q4 2016-17

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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 as follows:

Audit Criteria
1.0 A formal governance structure with assigned roles, responsibilities and accountabilities has been established for the management and monitoring of the Métis registration systems.

1.1	AANDC roles, responsibilities and accountabilities for the management and monitoring of the Métis registration systems have been established and documented.
1.2	Program policies and procedures have been developed based on approved terms and conditions and provide program officers the information required to operate within approved terms and conditions.
1.3	Formal risk management activities are undertaken to manage the risk associated with the Métis registration systems.

2.0 AANDC has formally established expected outcomes for the Métis registration systems that include short, medium and long-term objectives.	
2.1	Program terms and conditions have established expected outcomes (medium and long-term) and associated performance indicators for the Métis registration systems in terms of functionality and consistency across jurisdictions and take into consideration the needs of users of the registries.
2.2	Program terms and conditions provide sufficient guidance to ensure consistency in the application of the Powley test across jurisdictions.
2.3	Short-term goals established in individual annual workplans associated with funding are aligned and support the long-term program objectives.

3.0 Formal mechanisms are in place within AANDC to monitor the progress of individual registries against expected outcomes.	
3.1	Reporting requirements have been established for the contribution agreements for the funding of Métis registration systems that provides the information to AANDC to measure progress towards achievement of objectives.
3.2	Ongoing monitoring activities are being undertaken by Program Officers to ensure achievement of annual objectives and are used for their intended purposes.
3.3	Monitoring of registry activity is ongoing to ensure that the Powley test is being applied consistently, *objectively verifiable evidence* is being retained to support registration decisions, that the individual registries are consistent with expectations and that they meet the needs of relevant stakeholders who leverage the registries.

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Appendix B: Applicable Legislation, Regulations and Policies

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

1. Constitution Act, 1982
2. Treasury Board of Canada Policy on Transfer Payments
3. Federal Interlocutor's Contribution Program – Transfer Payment Program Terms and Conditions
4. Office of the Federal Interlocutor Contribution Agreements Policy and Procedures Manual

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