

**IMPLEMENTATION STATUS UPDATE  
REPORT TO THE AUDIT AND EVALUATION COMMITTEE (AEC) OF JUNE 27, 2008**

PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
<b>SUMMATIVE EVALUATION OF THE FIRST NATIONS WATER MANAGEMENT STRATEGY (200613) AEC APPROVAL DATE: 19/12/2007</b>			
<b>SOCIO-ECONOMIC POLICY AND REGIONAL OPERATIONS (HEADQUARTERS) – COMMUNITY DEVELOPMENT</b>			
1. The Department should continue to provide assistance to First Nations for the building, operation, and maintenance of their water and wastewater systems as well as for the training of system operators. The Department should commit to address, in the short term, the remaining major risk issues with water systems.	Minister Prentice committed to reducing the number of high-risk drinking water systems to 49 by March 31, 2008 in March 2007.	01/04/2008	<b>Status: Pending Implementation</b>  <b>Update/Rationale: As of 31/03/2008</b>  INAC is implementing the First Nations Water and Wastewater Action Plan (FNWWAP) announced April 15, 2008 which provides \$330 million over two years to continue assisting First Nations in delivering water and wastewater services.  INAC continues to publish progress reports on the targets set in 2006. As of December 2007, there were 85 high-risk community drinking water systems; down from 97 high-risk systems as of the March 2007 progress report. As of December 2007, 116 First Nations communities have water issues that need to be addressed.
	The funding for the First Nations Water Management Strategy and the Plan of Action for Drinking Water in First Nations Communities expires March 31, 2008. INAC has renewed targeted water and wastewater support activities for two additional years. Once an engineering assessment of water and wastewater systems and needs in First Nations communities provides accurate information on the issues that remain, INAC will prepare a strategy to begin April, 2010, to support First Nations communities in bringing remaining systems to the standards outlined in the Protocol for Safe Drinking Water in First Nations Communities.  During the next two years, work with First Nations to address issues will continue, with health and safety risks being addressed on a priority basis.	01/04/2010	Remedial plans have been developed for each of these communities, and currently vary in implementation from design phase to nearly completed. Currently, INAC plans to incorporate future measures to assist First Nations in addressing water and wastewater needs as of April 1, 2010.
2. Monitoring and reporting practices should be enhanced to ensure that	a) The Protocol for Safe Drinking		<b>Status: Pending Implementation</b>  <b>Update/Rationale:</b>

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<p>the First Nations and INAC have reliable information about drinking-water and wastewater systems in First Nations communities. In particular, INAC should:</p> <p>a) ensure that all funded systems undergo complete annual on-site inspections according to the "Guide for Annual Inspections of First Nations Drinking Water Systems" in the Protocol for Safe Drinking Water in First Nations Communities;</p>	<p>Water in First Nations Communities requires annual inspections of water systems by a qualified person from outside the operating First Nations. INAC will continue to provide funding for these annual inspections and ensure that they are completed. INAC will improve the inspection process, automating the data collection by creating an inspection form that can be automatically uploaded into the Integrated Capital Management System (ICMS) database. ICMS is web-accessible, which will make it easier for inspectors to upload the information directly into a central INAC database and for First Nations to access the resulting information. Additionally, by centralizing all the data, it will be easier for headquarters to monitor compliance and ensure that the inspection requirements have been met by the regional offices.</p>	01/04/2008	<p><b>Complete.</b> INAC continues to provide funding and monitor for completion of annual inspections as required by the <i>Protocol for Safe Drinking Water in First Nations Communities</i>.</p> <p>Work is underway to create an inspection form that can be automatically uploaded into the Integrated Capital Management System (ICMS) database. Roll-out of the automated inspection form in ICMS is planned for June 2008.</p>
<p>b) report more clearly on the extent to which systems meet established design, construction and water-quality standards; and</p>	<p>b) With the introduction in 2006 of the Protocol, INAC introduced clear, measurable standards for design, construction, operation, maintenance, and monitoring of drinking water systems. INAC is developing a wastewater systems protocol. This is being reviewed with stakeholders and INAC plans to introduce the new wastewater protocol April 1, 2008. It would be added to funding agreement requirements beginning in fiscal year 2009/10. A key performance indicator on compliance with the drinking water/wastewater protocol</p>	01/04/2008 and 01/04/2009	<p>The draft wastewater systems protocol is being reviewed with stakeholders and implementation is planned for summer 2008.</p>

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c) collect data that support basic cost-effectiveness measurement, e.g., cost per connection and cost per person served for capital expenditures and for operations and maintenance	<p>will be added to ICMS to ensure that compliance is measured and tracked. INAC will report annually to Parliament on the water and wastewater situation in First Nations communities and will include reporting on compliance with the standards of the Protocol.</p> <p>c) INAC will ensure that feasibility studies for new systems, reviewed by HQ, assess the cost per connection and determine the most suitable cost-effective option, including consideration of individual systems. Through the new Integrated Capital Management System (ICMS) water database, INAC will track the costs of system construction, upgrade, operations and maintenance funding provided, number of connections and people served by the system. In the context of the department's Smart Reporting Initiative, INAC intends to work with First Nations communities to improve broadband connectivity to enable reporting through ICMS to reduce the reporting burden.</p>	31/03/2009	<p><b>Complete.</b> INAC will continue to report annually to Parliament on the water and wastewater situation in First Nations communities.</p> <p>Revisions being drafted to the Corporate Systems Manual to incorporate small systems will require the most cost effective option suitable for the community be chosen when approving funding of new systems. Policy changes should be published during summer 2008 and a new Decentralized System Protocol by December 2008.</p> <p>Development of additional tracking reports for ICMS is underway.</p> <p>Connectivity projects are being added as an eligible category for which First Nations can apply for funding under the First Nations Infrastructure Fund for projects in Fiscal Year 2009-2010.</p>
<p>3) INAC should</p> <p>a) revise its funding agreements with First Nations to ensure that funds awarded for operation and maintenance are used for that purpose; and</p>	<p>a) INAC will explore options to ensure that funding agreements with First Nations allow for an assessment of water and wastewater O&amp;M funding in the year-end financial audit. Measures to assist First Nations communities in addressing any</p>		<p><b>Status: Implemented</b></p> <p><b>Update/Rationale: As of 31/03/2008</b></p> <p><b>Complete.</b> Options for improving accountability for tracking funding are being explored. A working group will be formed during summer 2008 to advance this work.</p>

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b) Take measures to ensure that the Maintenance Management Plans and Emergency Response Plans required under the Protocol are in place.	<p>deficiencies in compliance will be developed in collaboration with Audit and Assurance Services Branch.</p> <p>b) The <i>Protocol for Safe Drinking Water in First Nations Communities</i> requires Maintenance Management Plans and Emergency Response Plans be implemented. Compliance with the Protocol is part of INAC's funding agreements with First Nations communities. As part of INAC's commitment to measure compliance with the Protocol, implementation of these plans will be tracked and measures will be taken to address any shortfalls.</p>	Compliance measures will be developed for implementation as of 01/04/2010. Steps to ensure compliance with the Protocol will continue on an ongoing basis.	<b>Complete.</b> Implementation of plans is being tracked through Asset Condition Reporting System and Integration Capital Management System.
4) INAC must significantly improve operator training and certification by substantially upgrading the Circuit Rider Training Program or by implementing a superior alternative.	INAC will expand the Circuit Rider Training Program to allow all regions to hire more (CRTP) circuit riders, to improve remuneration and working conditions for circuit riders, to expand the role of circuit riders in mentoring and assisting system operators, and to offer these expanded CRTP services to all First Nations communities, to take effect April 1, 2008. Additional funding would also be directed to training operators for certification exams.	Implementation will begin 01/04/2008	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale: As of 31/03/2008</b></p> <p>The First Nations Water and Wastewater Action Plan announced April 15, 2008, doubles the funding for the Circuit Rider Training Program. The enhanced program is being rolled out, beginning in April 2008. INAC will continue to train more water operators and will nearly double the number of trainers in the CRTP. INAC is also examining remuneration, working conditions, expanding the role of circuit riders and availability of the program. The enhancements are expected to be fully in place by March 31, 2009.</p>
5) The Department must address gaps in program design with a view to providing support for alternative cost-effective solutions such as wells and septic tanks.	A detailed engineering assessment of the water and wastewater systems in every	Policy on small systems and	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale: As of 31/03/2008</b></p> <p>INAC is working with Public Works and Government</p>

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	<p>First Nations community, to be conducted over an 18 month period, will identify the needs of each community and provide a reliable basis for decisions on future investments.</p> <p>A Protocol to establish standards for wells, septic systems, cisterns and other small system elements is being prepared. The preliminary protocol will be implemented beginning April 1, 2008 and will be finalised by September 30, 2008.</p> <p>INAC will work with Health Canada and other federal partners and with First Nations communities to implement the policy on funding the most cost-effective systems appropriate to community needs and to implement the new protocol on small systems.</p>	<p>protocol developed 30/09/2008</p> <p>Engineering assessment complete by 30/09/2009</p> <p>Implementation of the policy for small systems will be phased in beginning 01/04/2008</p>	<p>Services Canada (PWGSC) to tender a contract for the national engineering assessment.</p> <p>A preliminary draft of a Decentralized Systems Protocol is under review (June 2008) by technical experts at INAC and Health Canada.</p> <p>Policy changes are expected to be published during summer 2008 and a new Decentralized System Protocol by December 2008, following additional engagement with federal partners and First Nations Communities.</p>
6) Future policy development should consider the implementation of a regulatory framework that would separate INAC's roles as funding agency and de facto regulator. The option of having a separate federal department/agency or the provinces/territories or other entity (such as a First Nations organization/institution or aggregation), other than INAC, to enforce regulations for water and wastewater on-reserve should be explored.	INAC will develop a proposal for a regulatory framework in accordance with the Government of Canada's commitment in Budget 2007 to introduce an accountable, transparent and enforceable regulatory regime, for safe drinking water on reserve, comparable to off-reserve communities.	Consultations on legislation will take place in 2008.	<p><b>Status: No Action</b></p> <p><b>Update/Rationale: As of 31/03/2008</b></p> <p>Engagement with First Nations and provincial and territorial governments on the development of a regulatory regime to oversee water quality on reserve will begin in the fall of 2008, in support of the Government of Canada's commitment to introduce an accountable, transparent and enforceable regulatory regime, for safe drinking water on reserve, comparable to off-reserve communities.</p> <p><b>AES Comment: To continue to monitor</b></p>