

**ACTION PLAN IMPLEMENTATION STATUS UPDATE
REPORT TO THE AUDIT COMMITTEE
AS OF DECEMBER 31, 2013**

LED			
<i>Audit of Environmental and Contaminated Sites Management (South of 60)</i>			
APPROVAL DATE: 06-22-2012			
PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
<p>1. The Audit and Evaluation Sector recommends the Assistant Deputy Minister, Lands and Economic Development should establish a more rigorous and comprehensive governance and accountability framework that supports an integrated approach to environmental strategy, planning, budgeting, communication, performance measurement, and reporting. The framework should include a horizontal environmental oversight committee at the DG level to regularly review and discussing environmental objectives and performance – Sub-working groups should be established to address key issues – as well as a defined position on the roles, responsibilities/accountabilities for the clean-up of uncapped oil and gas wells on reserves.</p>	<p>In December 2011, the AANDC Executive Operations Committee approved a proposal to develop a departmental Environmental Management System (EMS). Development and implementation of the EMS will improve governance and accountability by modernizing the department's environmental policy framework. It will integrate environmental strategy, planning, reporting, budgeting, communication and performance into the department's Expenditure Management System (RPP, DPR) and Management, Resources and Results Structure (MRRS).</p>	October 2014	
	<p>Development and implementation of the EMS will follow a phased approach beginning in fiscal year 2012-2013:</p> <ul style="list-style-type: none"> Phase 1 "Planning/Environmental 	March 2013	

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	<p>Review" – Develop EMS engagement framework and DG-level steering committee terms of reference; define environmental aspects; conduct gap analysis; and outline scope of EMS.</p> <ul style="list-style-type: none"> • Phase 2 "Policy Modernization and Systems Integration" – Modernize existing policies, procedures and tools; integrate environmental consideration into existing departmental systems. • Phase 3 "Implementation and Operation" – Develop training, communication and awareness materials and deliver to all staff with environment management responsibilities. <p>The Department (LED and IOGC) plans to take the following steps as part of developing a strategy to address roles, responsibilities/ accountabilities and budget</p>	<p>March 2014</p> <p>October 2014</p>	

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	<p>source and level funding for the clean-up of uncapped oil and gas wells on-reserve:</p> <ol style="list-style-type: none"> 1. Undertake a historical review, location and determine the ownership of uncapped oil and gas wells on-reserve 2. Develop a Risk Management Strategy to deal with any identified abandoned wells and/or third party owned wells 3. Enter abandoned and third party owned wells that have impacts on human health and safety into the Integrated Environmental Management System (IEMS) contaminated sites data base, for monitoring purposes. 4. Determine required funding levels and sources for future environmental management and make recommendations to Senior Management on plan of action. 	<p>March 2013</p> <p>March 2013</p> <p>March 2014</p> <p>March 2014</p>	

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areas where new regulations may be developed to close gaps.	development process and modernization of AANDC's environmental policy framework. A preliminary assessment of internal resource requirements will be undertaken when options to close the regulatory gap are presented to senior management.	October 2012	<i>environment policy framework by issuing and communicating the Environmental Liabilities Control Framework for AANDC-owned Real Property and the Reporting Standard on Real Property.</i> AES: Implementation ongoing. The recommendation will be closed upon completion and approval of the options analysis.
3. The Audit and Evaluation Sector recommends the Assistant Deputy Minister, Lands and Economic Development should develop a Contaminated Sites Management Program Liability Estimation Guide/Standard that is consistent with public sector accounting standards and TBS requirements and implement a communications and training strategy to ensure regional environmental officers understand the distinction between cost estimates and liability estimates and have the skills and capacity to correctly	The Lands and Environmental Management Branch will be developing a Contaminated Sites Management Program (CSMP) Liability Estimation Guide/Standard. The CFO sector will provide financial expertise in the development of the guide as required. The Lands and Environmental Management Branch will be preparing a communications and training strategy to ensure the regional environmental officers understand their roles and responsibilities related to environmental liabilities and have	March 2013	Status: Underway Update/Rationale: As of 31/12/2013: The CSMP Liability Estimation Guide/Standard was completed in March 2013 and provided to CFO for review. Since that time, new Treasury Board liability reporting requirements were introduced. LED is currently working to update the CSMP Liability Estimation Guide to incorporate these changes. Liability Estimation training will be available to both Finance and Environmental personnel through the "Estimating Remediation Liability for Federal Contaminated Sites" workshop being offered through the Real Property Institute of Canada. Status : Request to Close – CFO portion Completed Update/Rationale:

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calculate these figures.	the skills and capacity to correctly calculate environmental site liabilities. The CFO sector will provide assistance with the development of the training as required.		<p>As of 31/12/2013:</p> <p><i>CAMM – LED has developed the guide/standard and the CFO sector will continue to provide financial expertise in any further refinements of the guide as required.</i></p> <p><i>CAMM – LED will be preparing a communications and training strategy to ensure the regional environmental officers understand their roles and responsibilities and that they have the skills and capacity to correctly calculate environmental site liabilities. The CFO Sector will provide assistance with the development of the training as required.</i></p> <p><i>CAMM – An assessment of Environmental Liabilities internal controls has recently been completed and LED has drafted a preliminary response. The training strategy and guide will need to consider these findings.</i></p> <p>AES: Implementation ongoing. The recommendation will be closed upon completion of the communication and training strategies.</p>
4. The Audit and Evaluation Sector recommends the Assistant Deputy Minister, Lands and Economic Development should develop a requirement within	For Contaminated Sites, First Nations report to regions through Data Collection Instruments (DCI) reporting requirements on a quarterly basis or at 6 month intervals and at the end of the fiscal year	March 2013	<p>Status: Completed- request to close.</p> <p>Update/Rationale: As of 30/06/2013:</p>

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FNITP for a First Nation to submit an environmental mitigation status report at project close-out in order to receive current and future project funding, similar to hold-backs on reports for financial statements.	<p>reporting. The DCI is only a FNITP requirement; the more important deliverable for Contaminated Sites is the report, which comes through on the Funding Amendment as the approved scope of work. However, if DCI's and appropriate documents are not submitted then funding will be held back.</p> <p>There are currently no DCI's for mitigation reports related to Environmental Assessments. It is up to the department to ensure that an environmental assessment is completed as per the requirements of the <i>Canadian Environmental Assessment Act</i>. The department is also responsible for ensuring mitigation measures are identified within the EA report and included in the Terms & Conditions of approvals (e.g. project funding agreements, and land permits). Parliament is currently reviewing Bill C-38 an omnibus bill entitled the "<i>Jobs, Growth and Long-Term Prosperity Act</i>", which was introduced in the House of Commons on April 26, 2012. The Responsible</p>		<p>For Contaminated Sites, First Nations report to regions through Data Collection Instruments (DCI) requirements on a quarterly basis or at 6 months intervals and at the end of the fiscal year. The DCI is only a First Nation and Inuit Transfer Payment (FNITP) requirement; the more important deliverable for Contaminated Sites is the report which comes from the funding amendment based on the approved Scope of Work. However, if DCI's and appropriate documents are not submitted then funding will be held back.</p> <p>In addition, the department completed an analysis of the impacts of the changes to the <i>Canadian Environmental Assessment Act, 2012</i> on program areas. In response to these changes the department identified the Integrated Environmental Management System (IEMS) as the preferred option for tracking environmental reviews as required under section 67 of the <i>Canadian Environmental Assessment Act, 2012</i> and any associated mitigation measures in relation to projects covered by the new Act. The system will identify any mitigation measures that will inform the department's determination on the significance of environmental effects associated with the physical activities. Additionally, Environment Officers are required</p>

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	<p>Resource Development initiative under Bill C-38 includes specific legislative changes to the <i>Canadian Environmental Assessment Act</i>. This could change the approach required for assessing environmental impacts of projects and activities on reserve. LED is leading a Task Team to create a new regime to ensure mitigation of environmental impacts will occur.</p> <p>Monitoring and enforcing the Terms and Conditions of an approval is up to the departmental authority responsible for the approval (e.g. Lands/Aboriginal Business Development Program/IOGC/ etc.). Projects often involve one time funding, which will make a FNITP tracking approach difficult. The department is exploring options for managing information in relation to mitigation measures in order to satisfy the reporting requirement identified in the <i>Canadian Environmental</i></p>		<p>to incorporate them into the terms and conditions of their authorizations including funding. LED has worked with the Federal Lands Working Group comprised of all federal lands departments to ensure a consistent federal reporting process, CFO on the information and technology management requirements including DCI's and finally, the Corporate Secretary Branch to deal with access to information and privacy matters on the Environmental Management Approach (EMA) file.</p> <p>AES: Fully Implemented. The recommendation will be closed. Closed.</p>

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	<p><i>Assessment Act 2012</i> coming into effect. The enforcement of mitigation measures is often difficult due to the limitations within the <i>Indian Act</i>. Serious violations may be subject to environmental legislative penalties found under other federal legislation such as <i>Species at Risk Act</i> (SARA), <i>Canadian Environmental Protection Act</i> (CEPA), and <i>Fisheries Act</i>.</p> <p>CFO, TPCOE will work with LED to understand recommend the best approach and who should be involved to achieve their objective(s) for this action.</p>		
5. The Audit and Evaluation Sector recommends the Assistant Deputy Minister, Lands and Economic Development should define a departmental position on the enforcement of lease, permit and other environmental	Through the EMS process, the department will scope out its environmental responsibilities with respect to leases, permits and regulatory requirements and will modernize its environmental policy framework accordingly. Further instruction on applying corrective	October 2013	<p>Status: Completed – Request to Close</p> <p>Update/Rationale: As of 31/12/2013:</p> <p>After the introduction of the <i>Canadian Environment Assessment Act, 2012 (CEAA 2012)</i>, AANDC began scoping out implications of <i>CEAA 2012</i> on the Department. As a result of these efforts, a New</p>

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regulatory requirements, identify mechanisms to enforce these requirements, and provide adequate levels of training and staffing to enable the Department to fulfill its enforcement roles and responsibilities.	<p>measures to ensure lease and permit provisions are followed may be developed through directives or procedures. An analysis of training requirements associated with the above will be undertaken.</p> <p>A revised action plan, with milestones leading up to the planned implementation date of October 2013, will be presented to Audit Committee once it has been reviewed and approved by the national EMS working group.</p>		<p>Environmental Review Process has been developed, procedures have been defined and scope of the approach has been determined. Under this new process, a significant proportion of projects involving leases, permits, and regulatory permits are risk assessed and environmentally reviewed factoring in the <i>Species at Risk Act</i>, <i>Canada Environmental Protection Act</i> and the <i>Fisheries Act</i>, and other appropriate federal legislation.</p> <p>As cited above, the scope of AANDC's approach has been defined, which has informed development of options to support an Environmental Management System and ongoing efforts to review and maintain policies. For example, environmental clauses have been added or revised to the new draft Additions to Reserve policy, the new Locatee Lease policy, and the new commercial lease precedent. Other land management instruments requiring environmental conditions will be considered as part of regular business.</p> <p>Training requirements have been analyzed and a number of tools have been developed, approved at Operations Committee and implemented to assist departmental staff and First Nations to understand the changes.</p> <p>When the Action Plan for the Audit of Environmental and Contaminated Sites Management (South of 60) was first presented, the Department had contemplated returning to the Committee with a fast-</p>

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			<p>tracked Action Plan that would see earlier milestones identified leading up to the implementation date of October 2013. As the scope and implications of <i>CEAA 2012</i> for AANDC were clarified, efforts were diverted to respond to the implementation of this legislation and opportunities to fast track the Environmental Management System did not materialize. Four presentations were made at ADM Operations Committee (June 2012 – October 2013) to update progress, obtain direction and seek approval on the development of the Environmental Review Process.</p> <p>AES: Implemented. The recommendation will be closed.</p>
<p>6. The Audit and Evaluation Sector recommends the Assistant Deputy Minister, Lands and Economic Development should conduct a needs assessment exercise to determine the environmental management training needs of First Nations (inclusive of FNLMA and non-FNLMA First Nations) and align budget to identified needs.</p>	<p>LEMB and Community Opportunities Branch will work jointly to develop a needs assessment strategy for environmental management, monitoring and compliance of FNLMA and non-FNLMA First Nations under a departmental Environmental Management System in order to align identified budget needs.</p> <p>Currently, training in relation to</p>	March 2013	<p>Status: No Longer Relevant</p> <p>Update/Rationale: As of 30/09/2013:</p> <p>We are requesting to close this recommendation as it is no longer relevant for a number of reasons. First, efforts in Quarter 2 have focused on finalizing the scope of the Environmental Management System (EMS), a system to coordinate environmental management within the Department. Part of this effort has included examining EMS models from other federal departments and</p>

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	<p>environmental management is provided to First Nations participating under the Reserve Land and Environment Management Program. Two environmental courses are provided by the University of Saskatchewan and environmental components in relation to specific land management instruments are included in the technical training delivered by the National Aboriginal Lands Managers Association. Training support provided by external service providers such as the National Aboriginal Lands Managers Association and the University of Saskatchewan will be reviewed and adjusted based on evolving needs of First Nation communities.</p> <p>As part of the new FNLM funding formula, each First Nation is funded at least \$200,000/year</p>		<p>identifying best practices. Findings do not support undertaking external needs assessments, but rather support examining the environmental aspects of the organization itself. Additionally, success factors from other federal departments suggest a phased approach with a narrowed scope of implementation. In short, progress on the development of the EMS based on success factors no longer favours a needs assessment. In fact, efforts to conduct such an assessment may shift attention away from critical areas where EMS implementation should commence within a phased approach. As part of the work in developing the EMS, research and assessment on existing data, provincial legislation and regulations, federal regulations, compliance and monitoring was completed with regions in Quarter 2. Furthermore, a Gap Analysis was conducted, which highlighted the Departmental needs to address all its environmental aspects. Findings suggest prioritizing efforts on the development of a waste management strategy on reserve.</p> <p>AES: The recommendation is no longer relevant and will be closed.</p>

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	<p>plus an additional \$75,000/year for two years to develop and manage their land/environment. In addition, FNLM funds the Lands Advisory Board Resource Centre, who, in addition to other responsibilities, is funded to provide capacity training and assistance to FNLM First Nations. This Board is responsible to undertake training and assistance for First Nations in the FNLM Regime. This training includes specialized courses on decision-making, governance and control over reserve lands and resources required under a Land Code. This on-line training is expected to be launched FY 2012-13.</p> <p>LEAF's current funding allocation provides a base amount (\$25K) and the remaining balance to each region is based on population. It funds projects based on the eligibility criteria</p>		

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	<p>such as awareness sessions on environmental regulatory compliance, pollution prevention and environmental management of land and community assets. The new strategic direction of LEAF to align with the development of the EMS will provide the same base amount of funding and as of April 2012, projects will be funded based on incentives that are top priorities in both the OAG and the Environmental Tracker. This re-focus will link LEAF and EMS, and will provide awareness sessions on an on-going basis.</p>		