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CANADA

2025 REPORTS OF THE AUDITOR GENERAL OF CANADA: *FOLLOW-UP ON PROGRAMS FOR FIRST NATIONS*

**Report of the Standing Committee on Indigenous and
Northern Affairs**

Terry Sheehan, Chair

**FEBRUARY 2026
45th PARLIAMENT, 1st SESSION**

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Chair**

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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has the honour to present its

SECOND REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied the 2025 Reports of the Auditor General of Canada: Follow-Up on Programs for First Nations and has agreed to report the following:

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LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That Indigenous Services Canada implement all recommendations made in the six previous audits reviewed by the Office of the Auditor General of Canada in its 2025 audit titled *Follow-up on Programs for First Nations* by no later than December 31, 2027.

8

Recommendation 2

That as part of its action plan to address the Office of the Auditor General of Canada's recommendations in the 2025 audit titled *Follow-up on Programs for First Nations*, Indigenous Services Canada include mechanisms to measure progress including annual public reporting.

8

Recommendation 3

That Indigenous Services Canada work with First Nations, Inuit and Métis to develop a clear and measurable plan to address the four barriers to progress identified in the 2025 audit titled *Follow-up on Programs for First Nations*, namely:

- **Lack of sustained management attention;**
- **Lack of clarity around service levels;**
- **Insufficient support to bolster First Nations capacity to deliver programs;**
- **Passive and siloed approach to supporting First Nations; and**
- **That Indigenous Services Canada and the Treasury Board of Canada Secretariat work to streamline application processes and prioritize**

needs-based, stable, multi-year funding, with capacity supports (technical, financial, and governance), targeted to communities least able to navigate federal red tape; and

- **That Indigenous Services Canada report annually on progress as part of its departmental results reports beginning with fiscal year 2025–2026. 9**

Recommendation 4

That the Government of Canada reintroduce legislation on drinking water for First Nations by Spring 2026, including a legislated sustainable operations, maintenance, and capacity development funding model which reflects system age, condition, and true costs. 15

Recommendation 5

That Indigenous Services Canada report annually on the development of multilateral emergency management service agreements with First Nations, provincial and territorial governments as part of its departmental results reports beginning with fiscal year 2025–2026. 18



2025 REPORTS OF THE AUDITOR GENERAL OF CANADA: *FOLLOW-UP ON PROGRAMS FOR FIRST NATIONS*

INTRODUCTION

The Office of the Auditor General of Canada (OAG) serves Parliament by providing information and advice on government programs and activities gathered through audits. Karen Hogan currently serves as the Auditor General of Canada. On 21 October 2025, the OAG released a performance audit titled *Follow-up on Programs for First Nations* (the 2025 audit) which assessed progress on recommendations in six prior audits undertaken between 2015 and 2022, concerning programs for First Nations and in some cases, Inuit.¹ These prior audits include:

- [Access to Health Services for Remote First Nations Communities](#), 2015;
- [Oral Health Programs for First Nations and Inuit](#), 2017;
- [Socio-economic Gaps on First Nations Reserves](#), 2018;
- [Access to Safe Drinking Water in First Nations Communities](#), 2021;
- [Health Resources for Indigenous Communities](#), 2021; and
- [Emergency Management in First Nations Communities](#), 2022.

The House of Commons Standing Committee on Indigenous and Northern Affairs (the committee) has recently studied several of the topics covered in the 2025 audit, including First Nations' access to health care and emergency management. On 27 October 2025, the committee adopted the following motion:

Given that the concerning report recently released by the Auditor General of Canada entitled, 2025 Reports of the Auditor General of Canada: Follow-Up on Programs for First Nations, that found that during a period in which spending at Indigenous Services Canada increased by 84%, the

¹ Office of the Auditor General of Canada, [*Follow-up on Programs for First Nations*](#), 2025 Report of the Auditor General of Canada to the Parliament of Canada.



department unsatisfactorily addressed over half of the recommendations they agreed to, and given that Indigenous Services Canada had not made satisfactory progress in implementing the Auditor General’s recommendations on drinking water conditions, had not made satisfactory progress in addressing emergency preparedness on First Nations reserves, and did not assess whether remote First Nations, and Inuit communities have access to essential health services, among other concerns, the Auditor General and Minister of Indigenous Services be invited by the committee to address the concerns raised in the Report, provided that both witnesses testify at the same meeting, with the Auditor General scheduled for the first hour, followed by the Minister of Indigenous Services for the second hour, and that the meeting take place no later than on Monday, November 3, 2025; that the meeting be televised; and that the committee report its findings to the House and that, pursuant to Standing Order 109, the committee request that the government table a comprehensive response.²

The committee held one meeting as part of its study and heard from seven witnesses, including the Honourable Mandy Gull-Masty, Minister of Indigenous Services; federal officials from Indigenous Services Canada (ISC); Karen Hogan, Auditor General of Canada; and staff from the OAG. The committee wishes to thank all witnesses who participated in this study. This report presents the committee’s findings and recommendations and is organized by theme based on the 2025 audit. Given the large number of recommendations reviewed in the 2025 audit, this report focuses on those discussed by witnesses who appeared before the committee. The first section focuses on measuring progress on programs for First Nations. The following sections discuss health, clean drinking water and emergency management in First Nations communities.

MEASURING PROGRESS ON PROGRAMS FOR FIRST NATIONS

Auditor General Karen Hogan explained that the 2025 audit examined progress on previous OAG recommendations concerning programs that are important to the health and well-being of First Nations communities in areas such as health, emergency management and clean drinking water.³ Minister Gull-Masty accepted the findings of the audit, acknowledging that additional work is needed and that the OAG’s

2 House of Commons, Standing Committee on Indigenous and Northern Affairs (INAN), *Minutes*, 27 October 2025.

3 INAN, *Evidence*, 10 December 2025, 1740 (Karen Hogan, Auditor General of Canada, Office of the Auditor General of Canada).

recommendations, combined with feedback from Indigenous communities, will guide ongoing work to improve service delivery for First Nations.⁴

The OAG used the binary of satisfactory or unsatisfactory to determine whether meaningful progress had taken place in response to its recommendations.⁵ Satisfactory progress does not mean that the issues that gave rise to the recommendations have been fully resolved, but rather that ISC “[took] actions needed to address the issues identified in the recommendations.”⁶ Unsatisfactory progress on the implementation of a recommendation did not mean that no actions were taken to address it, but rather that the outcome of the recommendation was not achieved.⁷ Auditor General Karen Hogan provided an example of how the OAG measured unsatisfactory progress:

[I]f we made a recommendation to consult with groups or communities and then implement something. While the consultation may have happened, the action of implementing something did not. We would have deemed that to be unsatisfactory, because, in the end, that was the outcome the recommendation was meant to achieve.⁸

Ultimately, Auditor General Karen Hogan argued that while spending for access to health services, emergency management and First Nations water had nearly doubled in the last five years, ISC made unsatisfactory progress in implementing most of the OAG’s recommendations on these three topics.⁹ The six performance audits made 34 recommendations in total; of those, 16 were deemed as satisfactory (47%) and 18, as unsatisfactory (53%).¹⁰ Minister Gull-Masty described her assessment of the 2025 audit’s findings: “The Auditor General’s message to us was direct—there is progress since the earlier audits, and there was an additional message that was very clear to us, but there are places where our progress must go faster, be clearer and be more accountable.”¹¹ With respect to funding, Minister Gull-Masty also explained that while expenditures have increased, there are First Nations who “have suffered from chronic underfunding

4 INAN, *Evidence*, 10 December 2025, 1635, 1640 (Hon. Mandy Gull-Masty, Minister of Indigenous Services).

5 INAN, *Evidence*, 10 December 2025, 1745 (Karen Hogan); Office of the Auditor General of Canada, *Follow-up on Programs for First Nations, 2025 Reports of the Auditor General of Canada*, pp. 3–4.

6 Office of the Auditor General of Canada, *Follow-up on Programs for First Nations, 2025 Reports of the Auditor General of Canada*, p. 1.

7 INAN, *Evidence*, 10 December 2025, 1745 (Karen Hogan); Office of the Auditor General of Canada, *Follow-up on Programs for First Nations, 2025 Reports of the Auditor General of Canada*, pp. 3–4.

8 INAN, *Evidence*, 10 December 2025, 1745 (Karen Hogan).

9 *Ibid.*, 1740.

10 Office of the Auditor General of Canada, *Follow-up on Programs for First Nations, 2025 Reports of the Auditor General of Canada*, pp. 14–28.

11 INAN, *Evidence*, 10 December 2025, 1635 (Hon. Mandy Gull-Masty).



that couldn't meet their needs. We've seen this in a number of areas, in specific spaces and territories.”¹²

The 2025 audit identified four barriers that “impeded significant improvements in ISC’s programs and services for First Nations people.”¹³ Auditor General Karen Hogan explained that these barriers are longstanding, arguing that “[t]he public service has to do a better job in working with [F]irst [N]ations to make meaningful progress on these long-standing issues, which have spanned successive governments and impacted multiple generations. In my view, this will require a different approach and mindset.”¹⁴

One of the barriers was a lack of sustained management attention to ensure the completion of the OAG’s recommendations. Auditor General Karen Hogan said that

There is a flurry of activity after our reports—a lot of commitments and action plans—and then we see it dissipate over time. However, we do see examples, such as in B.C. [British Columbia] —and, in fact, I think there was even one in Yukon—where that sustained focus actually saw services transition to [F]irst [N]ations communities. That would really be the definition of success in dealing with a recommendation.¹⁵

Another barrier identified in the 2025 audit includes the lack of clarity around service levels for some of ISC’s programs for First Nations. Auditor General Karen Hogan provided further details about this barrier:

First, the required level of service has to be clearly defined. In this case, there's really a commitment to the communities to understand what they can expect to receive. Then, it's much clearer for the government when it comes time to establish the necessary level of funding. The lack of clear definitions in many areas is one of the elements. I see that as a major trend. We've been mentioning that for years, but it hasn't been resolved yet.¹⁶

The third barrier is insufficient support to bolster First Nations capacity to deliver programs and services in their communities. Concerning this barrier, Auditor General Karen Hogan explained that “It isn't just a matter of providing a service, but of truly making the community more autonomous by giving it the necessary support to have the capacity and skills within the community. However, we often don't see that response or

12 Ibid., 1700.

13 Office of the Auditor General of Canada, *Follow-up on Programs for First Nations, 2025 Reports of the Auditor General of Canada*, p. 4.

14 INAN, *Evidence*, 10 December 2025, 1740 (Karen Hogan).

15 Ibid., 1750.

16 Ibid., 1800.

that approach.”¹⁷ Minister Gull-Masty stated that the department works with First Nations communities on capacity development to ensure that programs meet the self-determined needs of communities.¹⁸

The fourth barrier identified by the OAG is the passive and siloed approach to supporting First Nations. The 2025 audit found that application-based support models tend to favour First Nations with greater administrative capacities, thus reinforcing existing disparities. Additionally, the audit found that the federal government’s proposal-based approach created an administrative burden for communities, as they had to navigate through a complex environment of application and reporting requirements.¹⁹ Auditor General Karen Hogan described this barrier in more detail:

I would point to one of our barriers, the siloed and passive approach, as being probably the biggest one that I think needs to change. Currently, it is the requirement of all communities to know that a program exists and to have the capacity to apply for it or fill out the paperwork to get access to it, but then it's very granular. If it's drinking water, it's this program. With regard to drinking water, there are many programs that you might have to apply to individually. Then there's emergency management, etc. If it's about infrastructure, that's a different program from one about access to services. That passive and siloed approach needs to change. Communities that need help need to be met where they are to help them change, and right now the department waits for them to come to the department.²⁰

Using First Nations housing as an example, Auditor General Karen Hogan also suggested that small First Nations with significant housing need received a fraction of available federal funding due to a lack of capacity to complete funding applications.²¹

In response to these findings, the committee heard that ISC has made internal changes to its service delivery approach, including reorganizing its sectors, operations and programs to be more streamlined as well as offering a “one-window service” with a view to provide improved services to First Nations individuals and communities.²² Minister

17 Ibid.

18 INAN, *Evidence*, 10 December 2025, 1700 (Hon. Mandy Gull-Masty).

19 Office of the Auditor General of Canada, *Follow-up on Programs for First Nations, 2025 Reports of the Auditor General of Canada*, p. 4–6.

20 INAN, *Evidence*, 10 December 2025, 1750 (Karen Hogan).

21 Ibid., 1755.

22 INAN, *Evidence*, 10 December 2025, 1650 (Gina Wilson, Deputy Minister, Department of Indigenous Services).



Gull-Masty also noted that all cabinet ministers have been issued a directive to take a government-wide approach on Indigenous issues.²³

Overall, in response to the 2025 audit's findings, Minister Gull-Masty indicated her department's intention to present an action plan in spring 2026 shaped by input from First Nations communities.²⁴ Minister Gull-Masty explained the importance of working with First Nations communities on the implementation of the OAG's recommendations:

When we prepared our action plan, we had the opportunity to work with the communities affected by the recommendations. We know that a recommendation can be acted upon very differently from one part of the country to another. We also know that we really need to work on things that are not reflected in the recommendations, such as language and proximity barriers. Those barriers are not clearly identified. In our action plan, we're adding a response that will reflect that whole reality.²⁵

The committee acknowledges the work of the OAG and its recommendations to improve programs and services to First Nations communities. The committee recognizes that ISC intends to develop an action plan to guide its implementation of the OAG's recommendations. The committee agrees that monitoring ISC's work is important to ensure the department's programs and services meet the needs of First Nations and Inuit communities. The committee therefore recommends:

Recommendation 1

That Indigenous Services Canada implement all recommendations made in the six previous audits reviewed by the Office of the Auditor General of Canada in its 2025 audit titled *Follow-up on Programs for First Nations* by no later than December 31, 2027.

Recommendation 2

That as part of its action plan to address the Office of the Auditor General of Canada's recommendations in the 2025 audit titled *Follow-up on Programs for First Nations*, Indigenous Services Canada include mechanisms to measure progress including annual public reporting.

23 INAN, *Evidence*, 10 December 2025, 1650 (Hon. Mandy Gull-Masty).

24 *Ibid.*, 1635.

25 *Ibid.*, 1655.

The committee recognizes the significance of the four barriers to progress identified in the 2025 audit and their potential effects on ISC's efforts to improve programming. For this reason, the committee recommends:

Recommendation 3

That Indigenous Services Canada work with First Nations, Inuit and Métis to develop a clear and measurable plan to address the four barriers to progress identified in the 2025 audit titled *Follow-up on Programs for First Nations*, namely:

- **Lack of sustained management attention;**
- **Lack of clarity around service levels;**
- **Insufficient support to bolster First Nations capacity to deliver programs;**
- **Passive and siloed approach to supporting First Nations; and**
- **That Indigenous Services Canada and the Treasury Board of Canada Secretariat work to streamline application processes and prioritize needs-based, stable, multi-year funding, with capacity supports (technical, financial, and governance), targeted to communities least able to navigate federal red tape; and**
- **That Indigenous Services Canada report annually on progress as part of its departmental results reports beginning with fiscal year 2025–2026.**

FIRST NATIONS AND INUIT HEALTH

The OAG published three audits about First Nations and Inuit health that are considered in the 2025 audit. In total, the OAG found that satisfactory progress was made on only nine of the 19 recommendations contained in these audits. Auditor General Karen Hogan told the committee that in some instances, studies and assessments were done to determine changes required to implement audit recommendations, but the changes themselves were never made.²⁶

ISC delivers health care services to First Nations, notably by employing primary health care workers to work in remote or isolated First Nations communities. ISC also provides

26 INAN, *Evidence*, 10 December 2025, 1750 (Karen Hogan).



funding to First Nations communities and health authorities who employ their own health workers and provide health care services themselves.

In its 2021 audit, the OAG recommended that ISC work with remote and isolated First Nations communities to review nursing and paramedic supports to communities in order to identify best practices, and to address ongoing paramedic and nursing shortages.²⁷ Auditor General Karen Hogan highlighted that there was satisfactory progress from ISC in hiring nurses and finding ways to improve the retention of health professionals in remote communities, including by offering financial incentives and addressing security concerns in nursing stations.²⁸ The 2025 audit points out that:

Despite these efforts, the department was unable to meet its target staff complement of 223 health care professionals. The average monthly vacancy rate was 21% (46 of 223) from 2023–24 to 2024–25. A number of factors contributed to this shortfall, including the national nursing shortage, the challenging nature of the work, the diverse skill set required to work in remote or isolated communities, and inadequate housing.²⁹

Appearing before the committee, Minister Gull-Masty emphasized recent departmental initiatives. She stated that ISC hired over 100 frontline nurses, often in remote and isolated communities.³⁰ Additionally, ISC expanded services in Indigenous communities, including through additional paramedics, licensed practical nurses and nurse practitioners.³¹ Minister Gull-Masty also told the committee that ISC has improved the way health professionals are hired and retained in communities.³² The Minister also remarked that the federal government provided funding for the construction of a virtual health centre that will link 90 Indigenous communities in Saskatchewan to health services.³³

While provinces and territories provide personal protective equipment to health care workers, ISC maintains a stockpile of personal protective equipment to use during public

27 Office of the Auditor General of Canada, [Report 11—Health Resources for Indigenous Communities—Indigenous Services Canada](#), 2021 Reports of the Auditor General of Canada to the Parliament of Canada, para. 11.61.

28 INAN, [Evidence](#), 10 December 2025, 1750 (Karen Hogan); Office of the Auditor General of Canada, [Follow-up on Programs for First Nations](#), 2025 Reports of the Auditor General of Canada to the Parliament of Canada, p. 20.

29 Office of the Auditor General of Canada, [Follow-up on Programs for First Nations](#), 2025 Reports of the Auditor General of Canada to the Parliament of Canada, p. 18.

30 INAN, [Evidence](#), 10 December 2025, 1635 (Hon. Mandy Gull-Masty).

31 Ibid.

32 Ibid.

33 Ibid.

health emergencies in First Nations communities.³⁴ In its 2021 audit, the OAG recommended that ISC review its personal protective equipment stockpile to ensure that its records are accurate and that it is sufficient to face the COVID-19 pandemic and future public health emergencies.³⁵ The 2025 audit noted that progress on this recommendation was satisfactory.³⁶ Minister Gull-Masty told the committee that ISC replies to 100% of personal protective equipment requests for health services in communities.³⁷ The 2025 audit remarks that ISC adopted a new system—the Warehouse Management System—to manage its stockpile of personal protective equipment.³⁸

ISC supports oral health services to First Nations and Inuit communities through two main programs: the Non-Insured Health Benefits (NIHB) program and the Community Oral Health Services program.³⁹ The NIHB program provides coverage for a range of necessary health goods and services that are not provided in private insurance plans or provincial and territorial health or social programs.⁴⁰ The Community Oral Health Services program provides oral health services to First Nations and Inuit communities, including clinical care, emergency services and preventive services.⁴¹

A 2017 audit made recommendations to improve the delivery of oral health services for First Nations and Inuit, including by finalizing and implementing a strategic approach to oral health. The 2025 audit states that most of the recommendations pertaining to oral health from the 2017 audit had unsatisfactory progress. Notably, it points out that:

Indigenous Services Canada did not know how much of an oral health gap there was to close between First Nations and Inuit populations and other Canadians. As a result, the department did not know which oral health services were needed most, where they

34 Office of the Auditor General of Canada, *Report 11—Health Resources for Indigenous Communities—Indigenous Services Canada*, 2021 Reports of the Auditor General of Canada to the Parliament of Canada, paras. 11.3 and 11.5.

35 Ibid., para. 11.46.

36 Office of the Auditor General of Canada, *Follow-up on Programs for First Nations*, 2025 Reports of the Auditor General of Canada to the Parliament of Canada, p. 20.

37 INAN, *Evidence*, 10 December 2025, 1640 (Hon. Mandy Gull-Masty).

38 Office of the Auditor General of Canada, *Follow-up on Programs for First Nations*, 2025 Reports of the Auditor General of Canada to the Parliament of Canada, p. 20.

39 Ibid., p. 8.

40 Office of the Auditor General of Canada, *Report 4—Oral Health Programs for First Nations and Inuit—Health Canada*, 2017 Fall Reports of the Auditor General of Canada to the Parliament of Canada, para. 4.3.

41 Office of the Auditor General of Canada, *Follow-up on Programs for First Nations*, 2025 Reports of the Auditor General of Canada to the Parliament of Canada, p. 8.



were needed, and the number and type of oral health professionals needed to deliver the services.⁴²

Minister Gull-Masty told the committee that ISC has improved the delivery of dental care services, including “2.8 million dental claims provided for [F]irst [N]ations and Inuit last year.”⁴³

ACCESS TO CLEAN DRINKING WATER IN FIRST NATIONS COMMUNITIES

Safe drinking water is essential to the health and well-being of all Canadians. Today, some First Nations lack access to clean drinking water. First Nations communities manage water and wastewater systems on reserves, including their day-to-day operations. ISC provides advice and funding for public water and wastewater systems on First Nations reserves. Public water systems serve five or more households or serve public facilities such as schools or community centres. Other water systems, such as wells and cisterns serving individual households, do not receive funding from ISC and are the responsibility of the resident.⁴⁴

Drinking water advisories are issued when water may be unsafe to use or drink. Drinking water advisories are considered short-term if they are in effect for under a year and long-term if they are in effect for over a year. The committee heard that drinking water advisories can be caused by multiple factors, including a faulty water treatment plant or the absence of an operator.⁴⁵ Water treatment plants need a primary and a secondary operator, which can make them vulnerable to staff turnover, retirements and vacancies.⁴⁶

42 Ibid., p. 22.

43 INAN, [Evidence](#), 10 December 2025, 1635 (Hon. Mandy Gull-Masty).

44 Office of the Auditor General of Canada, [Access to Safe Drinking Water in First Nations Communities—Indigenous Services Canada](#), Report 3 in *2021 Reports of the Auditor General of Canada to the Parliament of Canada*, para. 3.11.

45 INAN, [Evidence](#), 10 December 2025, 1745 (Karen Hogan).

46 INAN, [Evidence](#), 10 December 2025, 1750 (Glenn Wheeler, Principal, Office of the Auditor General of Canada).

Access to safe drinking water in First Nations communities has been a longstanding concern for the OAG, who audited the issue in 2005, 2011 and 2021.⁴⁷ The OAG's 2021 audit, titled [Access to Safe Drinking Water in First Nations Communities](#), recommended that ISC work with First Nations to eliminate all long-term drinking water advisories, while also preventing the occurrence of new advisories. The 2025 audit rated progress on this recommendation as unsatisfactory. The 2025 audit notes that while ISC developed an action plan to address the issues highlighted in 2021, there are still 35 long-term drinking water advisories, including nine that have been in place for more than a decade.⁴⁸ Auditor General Karen Hogan acknowledged that:

There was a big reduction in long-term drinking water advisories, but in my opinion, one is too many, especially if it has been a community that has had it for multiple decades. Drinking water is a basic necessity, and I will always say that it has been unsatisfactory until all of those long-term drinking water advisories have been lifted.⁴⁹

Moreover, she pointed out that in many cases, some short-term drinking water advisories were lifted right before they turned to long-term drinking water advisories; then, a new drinking water advisory was issued a few days after in the same community. As such, according to Auditor General Karen Hogan, the figures “[underestimate] some of the communities that have had a long-term impact, really, by having these drinking water advisories.”⁵⁰ She further noted that the federal government had committed to lifting all long-term drinking water advisories on public water systems by 31 March 2021, but had missed its own deadline to complete this work.⁵¹

ISC provides funding for the operations and maintenance of First Nations water infrastructure on reserve. In 2021, the OAG found that ISC had not updated its operations and maintenance funding formula for First Nations water systems in three decades.⁵² The 2021 audit recommended that ISC work with First Nations to revise the

47 Office of the Auditor General of Canada, [Drinking Water in First Nations Communities](#), Chapter 5 in *2005 Report of the Commissioner of the Environment and Sustainable Development*; Office of the Auditor General of Canada, [Programs for First Nations on Reserves](#), Chapter 4 in *2011 Status Report of the Auditor General of Canada*; Office of the Auditor General of Canada, [Access to Safe Drinking Water in First Nations Communities—Indigenous Services Canada](#), Report 3 in *2021 Reports of the Auditor General of Canada to the Parliament of Canada*.

48 Office of the Auditor General of Canada, [Follow-up on Programs for First Nations](#), 2025 Reports of the Auditor General of Canada to the Parliament of Canada, p. 10.

49 INAN, [Evidence](#), 10 December 2025, 1745 (Karen Hogan).

50 Ibid.

51 Ibid., 1800; Office of the Auditor General of Canada, [Follow-up on Programs for First Nations](#), 2025 Reports of the Auditor General of Canada to the Parliament of Canada, para. 35.

52 INAN, [Evidence](#), 10 December 2025, 1755 (Karen Hogan).



policy to ensure it provides First Nations with sufficient funding for the operation and maintenance of drinking water infrastructure. The 2025 audit found progress on this recommendation to be unsatisfactory. The OAG noted that the funding formula was updated since 2021 to cover 100% of the calculated costs for operations and maintenance for public drinking water systems.⁵³ Auditor General Karen Hogan explained that:

When we finished our audit on safe drinking water, I believe the funding system had not been updated in three decades. They updated it following our report, but for three decades, it didn't reflect the fact that it costs more to repair and maintain treatment systems and that the wages of operators assigned to treatment systems have gone up. The cost is just different in the north when it comes to communities that are much more remote than others. The fact that the system hadn't really been adjusted was the basis for our conclusion.⁵⁴

Glenn Wheeler, Principal, Office of the Auditor General, explained that the updated formula does not take into consideration the state and age of drinking water systems even though older water systems require more operation and maintenance funding to keep them running.⁵⁵ The Auditor General reiterated that the overall approach to supporting drinking water in First Nations communities must change to address the four barriers to progress identified in the 2025 audit, including, for example, requiring First Nations to apply for multiple funding initiatives.⁵⁶

Minister Gull-Masty told the committee that ISC has made progress since 2015 in ensuring First Nations have access to clean and safe drinking water. She described federal investments in First Nations water and wastewater infrastructure, as well as operations and maintenance, including progress on lifting 149 long-term drinking water advisories.⁵⁷ Relying on 2023–2024 data, the Minister also stated that 97.5% of public water systems on reserve produced water meeting the *Guidelines for Canadian Drinking Water Quality*.⁵⁸

Minister Gull-Masty acknowledged that “there's still work left to do. In every community with a long-term drinking water advisory, there is a plan in place, and there is work

53 INAN, *Evidence*, 10 December 2025, 1745 (Glenn Wheeler); Office of the Auditor General of Canada, *Follow-up on Programs for First Nations*, 2025 Reports of the Auditor General of Canada to the Parliament of Canada, p. 25.

54 INAN, *Evidence*, 10 December 2025, 1755 (Karen Hogan).

55 INAN, *Evidence*, 10 December 2025, 1745, 1750 (Glenn Wheeler).

56 INAN, *Evidence*, 10 December 2025, 1800 (Karen Hogan).

57 INAN, *Evidence*, 10 December 2025, 1640 (Hon. Mandy Gull-Masty).

58 Ibid.

under way with the community to work towards lifting it.”⁵⁹ ISC’s written response to the 2025 audit asserts that the audit “do[es] not fully capture the significant progress made by First Nations, with ISC’s support.”⁶⁰

Currently there is no legislative or regulatory framework to ensure access to safe drinking water in First Nations communities. In 2005 and 2021, the OAG recommended that the federal government work with First Nations to develop a regulatory regime to ensure drinking water safety in First Nations communities. In the 44th Parliament, the Honourable Patty Hajdu, then Minister of Indigenous Services and Minister responsible for the Federal Economic Development Agency for Northern Ontario, introduced Bill C-61, An Act respecting water, source water, drinking water, wastewater and related infrastructure on First Nation lands.⁶¹ The committee studied Bill C-61 over the course of 18 meetings and heard from 94 witnesses.⁶² The committee reported Bill C-61 to the House of Commons with amendments on 2 December 2024.⁶³ Bill C-61 died on the *Order Paper* following the prorogation of Parliament in January 2025. ISC’s written response to the 2025 audit notes that the department intends to introduce legislation for clean drinking water in First Nations communities in fall 2025.⁶⁴ In her appearance before the committee, Minister Gull-Masty pushed this date to spring 2026.⁶⁵

In light of the OAG’s report and the testimony it heard, the committee recommends:

Recommendation 4

That the Government of Canada reintroduce legislation on drinking water for First Nations by Spring 2026, including a legislated sustainable operations, maintenance, and capacity development funding model which reflects system age, condition, and true costs.

59 Ibid.

60 Office of the Auditor General of Canada, *Follow-up on Programs for First Nations*, 2025 Reports of the Auditor General of Canada to the Parliament of Canada, p. 29.

61 [Bill C-61, An Act respecting water, source water, drinking water, wastewater and related infrastructure on First Nation lands](#), 44th Parliament, 1st Session.

62 INAN, [Bill-61, An Act respecting water, source water, drinking water, wastewater and related infrastructure on First Nation lands](#).

63 INAN, [Bill C-61, An Act respecting water, source water, drinking water, wastewater and related infrastructure on First Nation lands](#), Nineteenth report, 2 December 2024.

64 Office of the Auditor General of Canada, *Follow-up on Programs for First Nations*, 2025 Reports of the Auditor General of Canada to the Parliament of Canada, p. 29.

65 INAN, [Evidence](#), 10 December 2025, 1640 (Hon. Mandy Gull-Masty).



EMERGENCY MANAGEMENT IN FIRST NATIONS COMMUNITIES

Emergencies like wildfires, severe weather and floods are happening more frequently and with greater intensity across Canada. The 2025 audit notes that these emergency events “disproportionately affect First Nations communities because of their relative remoteness, climate risk, and socio-economic circumstances.”⁶⁶ ISC negotiates emergency management service agreements (EMSAs) with provinces or other providers to ensure First Nations receive emergency management services in their communities.

In previous audits on emergency management in First Nations communities from 2013 and 2022, the OAG recommended that the department develop EMSAs to ensure all First Nations have access to emergency services.⁶⁷ The committee heard that EMSAs are critical for coordinated and timely emergency responses that minimize infrastructure damage and disruptions to the lives of individuals.⁶⁸ The 2025 audit found that as of 1 April 2025, there were fewer EMSAs relative to 2022. As of 1 April 2025, there were four EMSAs compared to six in 2022.⁶⁹

ISC signs bilateral EMSAs with provincial and territorial governments as well as third party providers. Minister Gull-Masty noted that there are currently eight bilateral EMSAs and seven wildfire agreements in place.⁷⁰ She further described the department’s work since the 2022 audit on emergency management in First Nations communities, including the creation of an action plan to address the OAG’s recommendations.

Minister Gull-Masty noted that the department is on track to meet the action plan timelines including for the “development of new multilateral agreements in collaboration with [F]irst [N]ations and provinces.”⁷¹ ISC has indicated its intention to move towards multilateral EMSAs that involve First Nations communities along with

66 Office of the Auditor General of Canada, *Follow-up on Programs for First Nations, 2025 Reports of the Auditor General of Canada*, p. 11–12.

67 Ibid., p. 12; Office of the Auditor General of Canada, *Emergency Management in First Nations Communities—Indigenous Services Canada*, Report 8 in *2022 Reports 5 to 8 of the Auditor General of Canada*; Office of the Auditor General of Canada, *Emergency Management on Reserves*, Chapter 6 in *2013 Fall Report of the Auditor General of Canada*.

68 INAN, *Evidence*, 10 December 2025, 1740 (Karen Hogan).

69 Office of the Auditor General of Canada, *Follow-up on Programs for First Nations, 2025 Reports of the Auditor General of Canada*, p. 12.

70 INAN, *Evidence*, 10 December 2025, 1640 (Hon. Mandy Gull-Masty).

71 Ibid.

federal, provincial and/or territorial governments.⁷² Minister Gull-Masty emphasized the need for agreements to be based on the realities of First Nations communities and their relationships with the provincial government. She further stated that agreements must include clearly defined roles, processes and follow-up mechanisms when emergencies occur.⁷³ Minister Gull-Masty also said that the department continues to work with Indigenous communities to incorporate Indigenous knowledge into emergency management initiatives.⁷⁴

The committee has recently studied emergency management in First Nations communities. In 2018 and 2023, the committee issued reports on emergency management with recommendations that the department work on multilateral agreements for emergency management in First Nations communities. In a 2018 report titled *From the Ashes: Reimagining Fire Safety and Emergency Management in Indigenous Communities*, the committee recommended that ISC work through trilateral agreements with First Nations, provinces and territories as equal partners to clarify roles and responsibilities with respect to emergency management in First Nations communities.⁷⁵ In its 2023 report, titled *Arctic Security and Sovereignty, and the Emergency Preparedness of Indigenous Communities*, the committee expanded upon its 2018 recommendation to specify that the Government of Canada should prioritize work on multilateral EMSAs that support the transfer of services to First Nations communities.⁷⁶ The Government Response to the committee's 2023 report described ongoing work to develop multilateral agreements, while acknowledging that additional work is needed to ensure First Nations "are full and equal partners in a fully comprehensive approach to emergency management, including supports for First Nations-led approaches."⁷⁷

The committee recognizes that EMSAs play a critical role in supporting emergency management in First Nations communities. Based on its prior work, as well as its study

72 Government of Canada, *Emergency management service agreements*.

73 INAN, *Evidence*, 10 December 2025, 1650 (Hon. Mandy Gull-Masty).

74 Ibid., 1640.

75 INAN, *From the Ashes: Reimagining Fire Safety and Emergency Management in Indigenous Communities*, Fifteenth report, June 2018, p. 3.

76 INAN, *Arctic Security and Sovereignty, and the Emergency Preparedness of Indigenous Communities*, Tenth report, June 2023, p. 19.

77 The Honourable Patricia Hajdu, P.C., M.P., Minister of Indigenous Services, *Government Response to the Tenth Report of the House of Commons Standing Committee on Indigenous and Northern Affairs entitled "Arctic Security and Sovereignty, and the Emergency Preparedness of Indigenous Communities,"* 19 October 2023, p. 6.



on the 2025 audit, the committee observes that monitoring the development of multilateral EMSAs is important. For this reason, the committee recommends:

Recommendation 5

That Indigenous Services Canada report annually on the development of multilateral emergency management service agreements with First Nations, provincial and territorial governments as part of its departmental results reports beginning with fiscal year 2025–2026.

CONCLUSION

The findings and recommendations of the 2025 audit entitled *Follow-up on Programs for First Nations* concern federal programs and services critical to First Nations health and wellbeing. The committee agrees that the findings of the 2025 audit show that ISC has made some progress in these areas. However, more work is needed to remove barriers to action and improve services to First Nations communities. The committee hopes that its recommendations in this report support improved access to services for First Nations communities to meet their needs in areas such as health, emergency management and clean drinking water.

APPENDIX A: LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
<p>Department of Indigenous Services</p> <p>Hon. Mandy Gull-Masty, P.C., M.P., Minister of Indigenous Services</p> <p>Paula Hadden-Jokiel, Assistant Deputy Minister, Regional Operations Sector</p> <p>Candice St-Aubin, Senior Assistant Deputy Minister, Health and Social</p> <p>Jennifer Wheatley, Assistant Deputy Minister, First Nations and Inuit Health Branch</p> <p>Gina Wilson, Deputy Minister</p>	2025/12/10	16
<p>Office of the Auditor General</p> <p>Karen Hogan, Auditor General of Canada</p> <p>Glenn Wheeler, Principal</p>	2025/12/10	16

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 16 and 17](#)) is tabled.

Respectfully submitted,

Terry Sheehan
Chair

