

Fall 2022 Report of the Auditor General of Canada  
Arctic Waters Surveillance

**MANAGEMENT ACTION PLAN – DEPARTMENT OF NATIONAL DEFENCE AND THE CANADIAN ARMED FORCES**

| Para      | OAG Recommendation   | Departmental Response   | Description of Final Expected Outcome/Result  | Expected Final Completion Date | Key Interim Milestones (Description / Dates)  | Responsible Organization / Point of Contact |
|-----------|--|---|---|--------------------------------|---|---|
| Para 6.36 | <p>National Defence, Transport Canada, Fisheries and Oceans Canada, and the Canadian Coast Guard, working together, should take concrete actions to address the long-standing gaps in Arctic maritime domain awareness, particularly the following:</p> <ul style="list-style-type: none"> <li>the inability to track vessels continuously and to identify non-emitting vessels</li> <li>the barriers that prevent efficiently sharing and integrating relevant information about vessel traffic in Arctic waters</li> </ul> | <p><u>Response of each entity:</u> Agreed. National Defence, Transport Canada, and Fisheries and Oceans Canada and the Canadian Coast Guard will continue taking steps to reduce gaps in Arctic maritime domain awareness and limitations of existing surveillance capabilities, including that of small vessels, and barriers to information sharing.</p> <p>We will take a risk-based approach to maritime domain awareness in the Arctic as we do for the east and west coasts, Great Lakes, and St. Lawrence Seaway. As part of the Marine Security Operation Centre Information Sharing Protocol and third-party review, we will incorporate measures to identify gaps in monitoring, assessing, and reporting on maritime domain awareness and way forward on operational flexibility, options, and tools. Legislative, regulatory, and other impediments will also be considered in renewal efforts. The Interdepartmental Marine Security Working Group’s Maritime Domain Awareness and Arctic Maritime</p> | <p>Reduced gaps in Arctic maritime domain awareness and streamlining the process of sharing and integrating relevant information about vessel traffic in Arctic waters.</p> | <p>31 December 2025</p>        | <p><b>Key Interim Milestone A:</b><br/>The Marine Security Operation Centres (MSOC) National Managers’ Committee is working toward a review of the extant Information Sharing Memorandum of Understanding (MoU) with an aim to develop a revised agreement that takes into account all concerns. Presently, the partners are developing joint information sharing requirements. This will be informed by the completion of an information sharing survey and a Critical Information Matrix. These products will be used to lay the foundation for a review of the extant MSOC Information Sharing MoU. The MSOC National Managers’ Committee have until Dec 2022 to initiate the Information Sharing MoU review. This revised MoU will be in place by 31 December 2023.</p> <p><b>Date of Completion:</b><br/>31 December 2023</p> <p><b>Key Interim Milestone B:</b><br/>MSOC Assistant Deputy Ministers have directed that an independent third party review of MSOC to examine the management and decision-making processes of the MSOC Program be conducted. Building upon past reviews and evaluations, this comprehensive review and renewal project will develop options and provide recommendations that will improve the overall long-term efficacy of the MSOCs. Specifically, the comprehensive review and renewal project will concentrate its efforts analyzing current MSOC</p> | <p>Royal Canadian Navy (RCN)</p>            |

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|      |                    | <p>Security implementation strategies will further focus our collective efforts for the development of a risk management approach that defines significant risks and corresponding mitigation measures. We will prepare action plans that clearly identify our respective responsibilities in this regard.</p> |  |                                | <p>functions and outputs with the aim of identifying existing and potential gaps that impact MSOCs in providing Maritime Domain Awareness. It will also identify potential activities that could further strengthen and support the MSOC mission in the years to come. The comprehensive review and recommendations will be used to renew the MSOC program. Date of completion for the review will be 31 December 2023.</p> <p><b>Date of completion:</b><br/>31 December 2023</p> <p><b><u>Key Interim Milestone C:</u></b><br/>The Royal Canadian Navy (RCN) is procuring additional capability for increased Arctic Surveillance. RCN has recently taken delivery of the 3rd Arctic Offshore Patrol Ship (AOPS) with expectation to have the 6th and final platform delivered by 2025. With each additional AOPS added to the fleet, the RCN is improving its capacity for a more robust and thorough surveillance of the Arctic waters for increasingly longer periods during the navigable arctic season. Ancillary to this is the ongoing process of certifying AOPS for flight operations with Royal Canadian Air Force (RCAF) Cyclone helicopters which, when completed, will greatly increase the surveillance footprint for any AOPS sailing in Arctic waters and carrying an air crew and Cyclone Helicopter.</p> <p><b>Date of completion:</b><br/>30 June 2025</p> |   |

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| Para 6.66 | To address delays in the delivery of equipment to replace and improve the key federal capabilities used for maritime surveillance in the Canadian Arctic and the risk that several types of equipment may cease operating before being replaced, National Defence, Transport Canada, Fisheries and Oceans Canada, the Canadian Coast Guard, and Public Services and Procurement Canada should | <u>Response of each entity:</u> Agreed. National Defence, Transport Canada, Fisheries and Oceans Canada and the Canadian Coast Guard, and Public Services and Procurement Canada agree that it is important to acquire equipment in a timely manner and manage capability risks associated with Arctic water surveillance.   | The continuous assessment and exploring of options to minimize project delays while navigating the challenges in advancing one of the largest, most complex capital equipment project programs across all of Government, including those specific projects used for maritime surveillance. | 31 March 2024                  |   | Assistant Deputy Minister (Materiel) / Strategic Joint Staff (SJS) |
|           | <ul style="list-style-type: none"> <li>identify options and take action to acquire equipment in a timely manner</li> </ul>  | <u>National Defence:</u> National Defence will continue to engage with partners and central agencies as part of ongoing efforts to ensure continuous capability sustainment including, but not limited to, the timely acquisition of equipment. Our management action plans developed in response to the 2021 audit on the National Shipbuilding Strategy identify a number of efforts currently underway to address the risks associated with surveillance vessels. |  | 31 March 2024                  | <p><b>Key Interim Milestone A:</b><br/>Ongoing, purposeful conversations and reporting of acquisition projects used for maritime surveillance to the Senior Review Boards (SRB) and as required, to the Program Management Boards (PMB).</p> <p><b>Date of Completion:</b><br/>31 March 2024</p> <p><b>Key Interim Milestone B:</b><br/>The advancement of a strategic initiative around overall improved scheduling outcomes, improved contractual</p> | ADM(Mat)   |

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|      |   |  |   |                                | <p>language around scheduling and earned value management, will be incorporated into procurement templates as well as probabilistic scheduling techniques to better incorporate risk into the development of project schedules, including those applicable to maritime surveillance.</p> <p>In addition to the above, the review of major procurements by the appropriate inter-departmental Defence Procurement Strategy (DPS) committees established at the Deputy Minister (DM), Assistant Deputy Minister (ADM), Director General (DG) and Director levels of core departments and Central Agency members, will enable Canadian Armed Forces (CAF) capabilities through:</p> <ul style="list-style-type: none"> <li>• Whole-of-government, collaborative decision-making on Defence and Canadian Coast Guard major procurements;</li> <li>• Early identification of issues, regular monitoring and timely escalation for decisive resolution; and</li> <li>• Consultation of implicated departments while ensuring consensus of the best procurement approach.</li> </ul> <p><b>Date of Completion:</b><br/>31 March 2024</p> |   |
|      | <ul style="list-style-type: none"> <li>• develop and approve contingency plans to address the risk of having reduced surveillance capabilities in the event that key</li> </ul> | National Defence’s cyclical planning and approval of operational plans will include risks associated with reduced surveillance capabilities of Arctic waters in the event that existing key satellites, ships, or aircraft are no longer operable or replaced. | This part of the MAP will be considered closed when:<br>a. Risk assessment has been included in mission authorities, Arctic Strategic Effects |                                | <ol style="list-style-type: none"> <li>1. Strategic Joint Staff will include a risk assessment and planning assumptions in appropriate cyclical mission authority reviews (e.g., Op LIMPID), Arctic Strategic Effects Framework, and directives.</li> <li>2. Planning guidance developed by the Strategic Joint Staff for Force Employers to develop subordinate plans, as part</li> </ol>  | SJS   |

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|      | satellites, ships, or aircraft cease to operate before they are replaced | Operational plans will be adjusted to integrate interim capability as these capabilities evolve. | Framework, directives as applicable and b. Planning guidance is disseminated for operational plan development/updates. |                                | of routine operational planning review/development and updating following new guidance.<br><br><b>Date of Completion</b><br>31 December 2023 |   |