

Indigenous Services Canada
PRELIMINARY ACTION PLAN
 Office of the Auditor General Performance Audit of Housing in First Nations Communities

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	Indicator of Achievement (For Committee Use Only)
1	<p>Indigenous Services Canada and the Canada Mortgage and Housing Corporation, in collaboration with First Nations, should develop and implement a strategy to close the housing gap by 2030 that outlines how they will coordinate their efforts, identifies needs and required funding, and establishes measurable targets for tracking progress.</p>	<p>Recommendation accepted.</p> <p>In alignment with the United Nations Declaration on the Rights of Indigenous Peoples, ISC will engage with First Nation partners before committing to any new actions.</p> <p>The National First Nations Housing and Related Infrastructure Strategy is a co-developed, distinctions-based housing strategy that lays the groundwork to support First Nations self-determination and transition the care, control, management and service delivery of housing to First Nations. Indigenous Services Canada will continue to support the Strategy and to advance First Nations' self-determined housing needs.</p> <p>By March 31, 2027, as part of the implementation of the National First Nations Housing and Related Infrastructure Strategy, ISC will engage partners on establishing measurable targets and tracking progress, aligned to available funding.</p> <p>By March 31, 2025, ISC and CMHC will establish an Assistant Deputy Minister-level committee and refresh the ISC/CMHC Memorandum of Understanding for information sharing, policy responses, and program delivery.</p>	<p>An implementation of the National First Nations Housing and Related Infrastructure Strategy where performance is measured against targets that are meaningful for First Nations and that advance the overall well-being for their communities.</p>	<p>FY 2026-2027</p>	<p>1.1 ISC will continue to work with its Joint Working Group partners to identify actions to advance the implementation of the National First Nations Housing and Related Infrastructure Strategy, including engaging partners on establishing measurable targets and tracking progress, aligned to available funding. (March 31, 2027)</p> <p>1.2 ISC and CMHC have established and will continue to enhance an Assistant Deputy Minister-level committee with the mandate to share information, policy responses, and program delivery. (March 31, 2025)</p> <p>1.3 ISC and CMHC will refresh the ISC/CMHC Memorandum of Understanding for information sharing, policy responses, and program delivery (March 31, 2025)</p>	<p>Regional Operations, Indigenous Services Canada</p>	

<p>2</p>	<p>Indigenous Services Canada and the Canada Mortgage and Housing Corporation should work with First Nations to better understand the extent of mould in housing in First Nations communities and use this information to support First Nations to reduce mould in housing.</p>	<p>Recommendation accepted.</p> <p>In alignment with the United Declaration on the Rights of Indigenous Peoples, ISC supports housing projects identified and prioritized by First Nations. First Nations may prioritize projects to address mould which is an eligible expense under existing ISC programming. While ISC recognizes that mould can have serious impacts on health, the Department respects First Nations' management over their housing affairs and will continue to support First Nation led decisions that address mould remediation in conjunction with other First Nations' self-determined priorities.</p> <p>ISC employs, and funds First Nations organizations to employ, Environmental Public Health Officers (EPHOs), who, when requested, conduct health inspections and provide fulsome reports on housing conditions. Given that ISC cannot inspect homes without the permission of homeowners, a comprehensive analysis of the extent of mould in housing cannot be undertaken in every home.</p> <p>With the support of EPHO resources, ISC will, in consultation with First Nations partners:</p> <ul style="list-style-type: none"> • share information with First Nations communities on available applicable resources for housing such as CMHC's On Reserve Renovations Programs and the Rehabilitation Renovation Assistance Program (RRAP) programs within existing authorities for mould remediation through housing renovation programs; • share information and support shared understanding on how to address indoor air quality and concerns surrounding mould in housing in First Nations communities; and, • discuss how to build First Nations' capacity in mould prevention and assessment of mould in on-reserve 	<p>First Nations have enhanced capacity to identify and address mould on reserve</p>	<p>March 31, 2026</p>	<p>2.1 In addition to sharing annual housing inspection data, including mould and risk factors for poor indoor air quality, with the leadership of affected First Nations communities, ISC and CMHC will share with national and regional First Nations organizations the analysis of this data. (March 31, 2026)</p> <p>2.2 In addition to providing advice and guidance to occupants of homes and the leadership of affected First Nations communities, ISC and CMHC will share with national and regional First Nations organizations information on how to address indoor air quality and concerns related to mould in housing. (March 31, 2026)</p>	<p>First Nations and Inuit Health Branch, Indigenous Services Canada</p>	
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3	Indigenous Services Canada and Canada Mortgage and Housing Corporation should work with First Nations communities with the poorest housing conditions to ensure that they receive the support they need to improve housing conditions.	<p>Recommendation partially accepted.</p> <p>The Department agrees that funding should be proportionate with need. However, given the diversity and scale of needs, supports to all First Nations should be predicated on factors that consider housing conditions as well as other factors (e.g., community well-being index, population, remoteness, supply chain and labour market availability), which are, and will continue to be, considered in ISC's funding methodologies.</p> <p>ISC's regional offices work, and will continue to work, closely with First Nation communities to provide supports to address First Nation housing plans and priorities, commensurate with available funding.</p> <p>In some regions, ISC has established funding frameworks with First Nation partners or approved funding proposals for the remainder of the Budget 2022 funding envelope (i.e., through March 31, 2027). While the Department can discuss regional funding methodologies with partners, it will ultimately respect the decisions made to date by First Nation partners and their representative institutions.</p>	Dedicated First Nation housing funding is allocated based on community well-being factors, including housing need	FY 2026-2027	3.1 ISC will conduct an analysis of communities based on funding received to identify gaps in accessing funds for these communities and develop a plan to address them (March 31, 2026)	Regional Operations, Indigenous Services Canada	
4	Indigenous Services Canada and Canada Mortgage and Housing Corporation should, in collaboration with First Nations communities, identify the First Nations communities most in need of capacity funding and ensure they receive the funding to have sustained capacity to manage housing.	<p>Recommendation accepted.</p> <p>Recognizing the critical work of housing managers on-reserve, Budget 2022 dedicated \$223 million over five years, to support this priority, including \$157 million for a Housing Management Subsidy.</p> <p>In 2022, ISC engaged First Nation partners to develop an allocation methodology for the Housing Management Subsidy, which aims to address the most significant challenges communities face. This is further reinforced by regional flexibility to adjust funding amounts, depending on communities' needs and other preferences.</p>	First Nations communities, particularly those most in need of capacity funding, receive available funding to support in-community housing management	FY 2026-2027	<p>4.1 ISC will continue to work with First Nations to support access to available housing capacity funding. (March 31, 2027)</p> <p>4.2 ISC will support First Nation organizations to provide technical services, and develop training, certification and other tools and resources to First Nations, in support of housing management capacity-building. (March 31, 2027)</p> <p>4.3 For 2023-2024, ISC modified its Community Infrastructure and Housing Annual Report (data collection instrument) to capture data on whether a First Nation has employed a housing manager. ISC will examine the results of the annual report to determine associated impacts. (March 31, 2027)</p>	Regional Operations, Indigenous Services Canada	

		<p>By March 31, 2027, ISC will:</p> <ul style="list-style-type: none"> • track progress on housing management capacity and, with partners, determine if adjustments to the allocation methodology are needed; • collaborate with First Nation housing organizations to support effective housing management; and, • ensure that funding is flowed in a timely manner so that First Nations partners can utilize the funding during their construction season. <p>In some regions, ISC has developed capacity enhancement funding frameworks for the remainder of the Budget 2022 funding envelope (i.e., through March 31, 2027) with First Nation partners. While the Department can discuss funding methodologies with partners, it will ultimately respect the decisions made to date by First Nation partners and their representative institutions.</p>					
5	<p>Indigenous Services Canada and Canada Mortgage and Housing Corporation, in collaboration with First Nations, should review the structure and delivery of their housing programs to streamline the application process to simplify and facilitate access to funding.</p>	<p>Recommendation accepted.</p> <p>The department acknowledges that the success of a First Nation's housing program relies on skilled housing managers who can not only navigate applications to various federal housing programs but also develop long-term planning and housing strategies for their communities.</p> <p>Based on available funding, Indigenous Services Canada will continue to subsidize housing manager positions and continue to support First Nations organizations, such as the First Nations Housing Professional Association (FNHPA), which has developed a rigorous training program and provides certification for housing managers.</p> <p>While the Department and Corporation collaborate and share information, a formal mechanism will be established to ensure that programming, approaches and communications are aligned to the greatest</p>	<p>A streamlined process to access First Nation housing program funding</p>	<p>FY 2027-2028</p>	<p>5.1 ISC and CMHC have established and will continue to enhance an Assistant Deputy Minister-level committee with the mandate to share information, policy responses, and program delivery. (March 31, 2025)</p> <p>5.2 ISC and CMHC will refresh the ISC/CMHC Memorandum of Understanding for information sharing, policy responses, and program delivery (March 31, 2025)</p> <p>5.3 As part of the ISC/CMHC Memorandum of Understanding, ISC and CMHC will develop a data sharing strategy to simplify processes for First Nations seeking to access housing funding (March 31, 2025)</p>	<p>Regional Operations, Indigenous Services Canada</p>	

		<p>extent possible to facilitate First Nations access to funding.</p> <p>By September 30, 2024:</p> <ul style="list-style-type: none"> ISC and CMHC will establish an Assistant Deputy Minister-level committee and refresh the ISC/CMHC Memorandum of Understanding for information sharing, policy responses, and program delivery. 					
6	<p>Indigenous Services Canada and Canada Mortgage and Housing Corporation should obtain assurance that all federally funded housing in First Nations communities meets the National Building Code of Canada or a stricter code. If building code deficiencies are identified, the department and the corporation should support First Nations to address them.</p>	<p>Recommendation accepted.</p> <p>ISC recognizes that building codes help protect the health and safety of occupants, while assisting with the longevity of built homes. It is important to note that First Nation communities manage community-level housing and are the authority having jurisdiction over building code compliance. Further, building code compliance is a preexisting condition of funding under ISC's housing program.</p> <p>It should be noted that the audit period (2018-19 to 2022-23) ran concurrent to a global pandemic, which had an impact on communities' ability to have homes inspected which may have resulted in inspection delays.</p> <p>ISC's housing programming currently includes a requirement for building code compliance and ISC remains committed to working with First Nations in the management of their housing affairs.</p> <p>By March 31, 2027, ISC will:</p> <ul style="list-style-type: none"> as part of systems improvement processes, will explore how to better track and monitor compliance through established reporting processes, so as not to increase administrative burden on First Nations; and, support First Nation organizations that provide technical services and provide resources to support First Nations in ensuring compliance. 	<p>Building code compliance is tracked through existing data management systems</p>	<p>FY 2026-2027</p>	<p>6.1 ISC will explore how to better track and monitor compliance through established reporting processes, so as not to increase administrative burden on First Nations (March 31, 2027)</p> <p>6.2 ISC will support First Nation organizations to provide technical services, and develop training, certification and other tools and resources to First Nations, in support of housing management capacity-building. (March 31, 2027)</p>	<p>Regional Operations, Indigenous Services Canada</p>	

7	<p>Indigenous Services Canada, in collaboration with First Nations, should finalize the overarching policy framework for the transfer of departmental responsibilities to First Nations to ensure that a consistent approach is applied to the transfer of housing.</p>	<p>Recommendation accepted.</p> <p>The Department of Indigenous Services Act (2019) commits to “give effect to the gradual transfer to Indigenous organizations of departmental responsibilities with respect to the development and provision of those services.”</p> <p>As stated in the action plan on the United Nations Declaration on the Rights of Indigenous Peoples Act, ISC is committed to “[engaging] with partners on the co-development of a Service Transfer Policy Framework. The purpose of the Framework would be to jointly advance the transfer of responsibility for the design, delivery and management of services from Indigenous Services Canada to Indigenous partners.</p>	<p>An overarching policy framework for the transfer of departmental responsibilities to First Nations</p>	<p>FY 2027-2028</p>	<p>7.1 ISC will advance institution and capacity development in support of service transfer, in partnership with First Nations-led organizations, to advance self-determined service delivery models that will address the needs and priorities identified by member communities. All models are opt-in and First Nations-led. This may include the development of policy reforms that aim to increase the options available to First Nations for funding infrastructure on reserves including human capacity considerations (March 31, 2028)</p> <p>7.2 ISC is finalizing a strategy that will make use of existing resources to engage First Nations on a policy framework and is working towards launching an engagement process. (Fall 2024)</p>	<p>Strategic Policy and Partnerships, Indigenous Services Canada</p>	
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