

Report on Recommendations 6 and 8 of the House of Commons Standing Committee on Public Accounts' *Report 6, Employment Training for Indigenous People*

Following the 2018 Office of the Auditor General of Canada report on Indigenous Labour Market Programs, ESDC has committed to provide the House of Commons Standing Committee on Public Accounts reports on concrete measures taken to reduce the administrative burden in the new Indigenous Skills and Employment Training (ISET) agreements (Recommendation 6) and on the elements of risk and mitigation strategies associated with the management of sub-agreements (Recommendation 8).

The Department has made continuous efforts through the Program Delivery Improvement Working Group, composed of Departmental staff and Agreement Holders, to streamline its administrative requirements and ensure that changes are reflected in the new program. This will support Indigenous partners in their efforts to improve the delivery of services and shift the emphasis of administrative reporting towards monitoring outcomes. For example, the mid-year dialogue process is now focused on working together for the achievement of concrete outcomes, as opposed to the fulfillment of reporting requirements. Further changes include a simplified contracting clause, a flat rate for administrative costs, simplified requirements for the Annual Operating Plan, and the introduction of the Capacity Assessment model. Combined, these measures will decrease the time and resources required for Agreement Holders to meet their obligations to ESDC, allowing them to focus on the work of providing skills and employment training to their beneficiaries. A comprehensive description of administrative changes can be found in **Annex A: Administrative Burden – Impact Assessment**.

In response to Recommendation 8, ISET's program contribution agreement clearly outlines the primary responsibility of recipients to manage and provide oversight on sub-agreements, however the new Capacity Assessment Process takes into consideration a number of factors which are used to collaboratively assess the capacity of Indigenous organizations to manage and monitor their sub-agreements. The management and monitoring of sub-agreements is explicitly assessed within the *Planning, Financial Management, and Delivering Results* sections of the Joint Capacity Assessment Tool, and all ISET Agreement Holders' reporting and payment schedules are determined by their Capacity Assessment outcomes (**Annex B: Joint Capacity Assessment Guide**). By integrating the management of sub-agreement holders into the Capacity Assessments of ISET Agreement Holders, ESDC ensures that monitoring, mitigation, and capacity development activities are better targeted towards organizations that would most benefit. This approach further allows for the development of mitigation strategies that are tailored to the contexts of each Agreement Holder and the unique relationships with their sub-agreement holders through the implementation of Capacity Building Plans.

For further information, see clauses 17.0, 20.0, and sub-clauses 25.2, 25.3, 25.4, and 25.5 of the ISET program template agreement (**Annex C: First Nations Distinction Funding Agreement**) as well the Capacity Assessment Tool (**Annex D: Joint Capacity Assessment Tool**) utilized by Service Canada and Indigenous Organizations to conduct Capacity Assessments.

OAG Audit -- Employment Training for Indigenous People

Administrative Burden – Impact Assessment

1. Background

The OAG published an audit in May 2018 on ESDC's Indigenous Labour Market Programs. As a result of the audit, the OAG recognized that changes had been made to reduce administrative burden for agreement holders (AHs). Specifically, **recommendation 6 states:** "Employment and Social Development Canada, in collaboration with Indigenous organizations, should assess how the changes it has made to reporting requirements have affected the agreement holders' administrative burden and the Department's ability to manage the programs. It should also make any required adjustments."

Departmental Response to this element of the Audit:

ESDC has taken concrete steps in consultation with Indigenous organizations to reduce administrative burden. The Department will continue this collaborative effort and will assess the impact of previous changes in order to further improve the delivery of the programs.

As part of the co-development of the new Indigenous Skills, Employment and Training Program (ISETP), ESDC consulted with Indigenous partners during the development of program processes and tools with a focus on further changes to reporting requirements streamlining activity and financial reporting.

2. Changes to the Aboriginal Skills and Employment Training Strategy (ASETS) made prior to fiscal year 2018/2019

In June 2016, the Department established the Program Delivery Improvement Working Group (comprised of ASETS organizations' representatives, regional Service Canada representatives, and NHQ representatives) to develop an action plan with the goal of simplifying administrative processes for Agreement Holders. The working group developed the following recommendations, which were implemented for amended agreements in 2017-18:

- the requirement to obtain three bids for a contract was removed from the contribution agreement;
- the Annual Operating Plan (AOP), which outlines planned project activities and forms part of the contribution agreement, was simplified by requesting only an overview of the planned activities and expenditures;
- the Department no longer approved changes made to the AOP. Instead, agreement holders were free to make changes to the AOP, and would then share these revisions with the Department. The Department would simply confirm that the changes were eligible;

.../2

- the AOP no longer required approval from Canada. A collaborative review process was undertaken between the agreement holder and Canada;
- the Mid-Year Dialogue and the Annual Report were eliminated and replaced by a simplified quarterly Activity Report; and,
- board decisions and minutes were no longer required by the Department.

3. Changes made for fiscal year 2018/2019

Additionally, further changes were made in 2018/19 based on further feedback received from agreement holders:

- travel rates allowed for more flexibility to be reimbursed on a per diem basis; and,
- a pilot initiative was implemented with the participation of 24 ASETS agreement holders to test the effectiveness of a flat rate to cover administration costs.

4. Process to Seek Feedback from Agreement Holders and Program Delivery Staff on Administrative Process Changes

A questionnaire was sent to ASETS agreement holders and to regional service delivery staff to seek feedback on impacts the changes had. The questionnaire included five questions on changes made, and a sixth question for any further suggestions. 36 agreement holders (out of a total of 82 agreement holders) and 14 staff responded to the questionnaire.

5. Summary of Feedback Received and Recommendations for Future Implementation

Overall, the changes introduced received a majority of positive responses, though a sizeable minority of neutral and negative responses was also included. Based on the feedback, some respondents indicated some dissatisfaction with the loss of the mid-year dialogue. A number of the neutral or negative responses were related to new processes (e.g. problems using the new template, still wanting to report on changes to the Annual Operating Plan).

The feedback received has informed the design and application of new tools and processes for the implementation of ISETP.

Tally of Responses for each Administrative Change

- a) **The simplification of the AOP template:** Positive – 27; Neutral – 13; Negative – 9
- The Department received 27 positive responses when questioned on the impacts of the simplified AOP template. The responses were measured, though, as organizations indicated that while the template was more streamlined and ease-of-use was improved, it did not result in significant savings of time or in reduced administrative burden. Negative responses received mostly centred on the ease-of-use of the template as well. The following quotes illustrate this:

“Loves the simplified AOP. The style and ease of it. Still doing all the detail for administration.” *“The Agreement Holder appreciated the streamlining in the fact the*

financial information was incorporated into the AOP instead of two separate documents as in the past with the AOP and the AEP. However, the internal work still has to be done in order to populate the AOP and actual time saving was determined to be minimal.” The majority of negative responses were from staff and often had to do with technical difficulties in using the new form: *“AH has had difficulty using the Excel format so additional assistance is required by SC to input information.”*

Recommendation: It was recommended that this change be kept for ISETP. Regarding the technical concerns expressed, the AOP template will be further revised in order to make it easier to use.

Current status update (since the negotiations for ISETP agreements have commenced): ISETP agreement holders may also use their own template in place of the Department’s AOP template. This will reduce burden for organizations that already have planning documents that include all of the information required by the department.

- b) **The Department no longer approves the AOP** : Positive – 31; Neutral – 16; Negative – 1
Positive responses were generally not very detailed and simply mentioned that there were savings in time. With regards to neutral responses, there was often either an impression that approval was still required (*“While the Department is no longer “required” to approve the AOP, the fact that there is a signature line for the Department implies that it is still “approved”.*’) or the AH continues to verify with the Department (*“This has not changed...as she will continue to submit her AOP to the SDO to review before she submits a final version. This is to ensure that she has completed it correctly.”*).

Recommendation: It was recommended that this change be kept for ISETP as it increases the flexibility of organizations to manage their contribution agreements.

Current status update: The annual planning process under the new ISET program, has moved away from the administrative burdensome submission and review of expenditures and supporting invoices, to placing the focus on setting out the key activities and programs that will achieve anticipated milestones and longer-term results. It is upon this basis that approval will be sought so that advance payments are provided based on the overall capacity of the organization.

- c) **Departmental approval no longer required for changes to the AOP:** Positive – 29; Neutral – 17; Negative – 1
In addition to savings in time, positive responses also focussed on increased flexibility to react to the labour market and overall more efficient management: *“...allowed more flexibility to the Agreement Holder to update activities in a timely manner, resulting in a more efficient management of the project.”* *“This improvement has provided added flexibility for the agreement holder to respond quickly to partnership opportunities and changes in the local labour market as they arise...”* Although responding neutral to the question, one response was positive in a way that demonstrates the importance of a good, collaborative working relationship between the AH and the departmental

representative: *"No big impact for <organization> - whenever changes happen to the AOP, we contact our Senior Development Officer to let her know, even if it is not required to do so; the relationship between <organization> and Service Canada is a very good one so there is communication that exists on a regular basis."*

Recommendation: It was recommended that this change be kept for ISETP.

Current status update: Agreement holders are free to make any revisions to the AOP without the formal approval of Service Canada. Agreement holders would generally share revisions with Service Canada for information purposes.

d) **A simplified quarterly Activity Report has replaced Mid-Year Dialogue and Annual**

Report: Positive – 34; Neutral – 6; Negative – 18

This change elicited the greatest number of negative responses. Although a majority of respondents felt that the new process saved time and was less burdensome, many (including some of those who responded overall in favour of the change) regret the loss of the mid-year dialogue. The following is typical of the negative feedback: *"We miss having the Mid-Year Dialogue. It was an excellent touchpoint and opportunity to meet with our SDO and have the whole staff speak to their experience and ideas for the new year."* This is the one change that the Department may want to reconsider.

Recommendation: Although it was recommended that the simplified quarterly activity report be retained for ISETP, it was also recommended to either reinstate the mid-year dialogue or provide a similar alternative.

Current status update: The mid-year dialogue has been reinstated for ISETP in order to promote on-going communication and collaboration between the agreement holder and Service Canada. Overall, as a result of a new joint capacity assessment process implemented for ISETS, which establishes reporting and monitoring schedules, the frequency of monitoring has been reduced in that semi-annual and annual reporting are options.

e) **Board decisions and minutes no longer required by Department:** Positive – 31; Neutral – 16; Negative – 1

Positive responses generally centred on timesaving with regard to not having to redact minutes (AH) or having to wait for the submission of minutes before processing a claim (staff), with a number of staff responses even questioning why minutes were required in the first place. Neutral responses indicated that minutes are produced and available regardless.

Recommendation: It is recommended that this change be kept for ISETP.

Current status update: This change has been retained for ISETP.

6. Flat Rate Pilot

The goal of this initiative was to evaluate the effectiveness of using a flat rate for administration costs in reducing the reporting requirements for ASETS agreement holders (AAHs). After reviewing flat rate models used by other programs and other departments, it was decided to implement a model which required as little change as possible on the part of the AH. Ultimately, the flat rate was a funding 'cap' dictated by the amount for administration costs identified in the AH's Annual Operational Plan (AOP). Hence, there was no change in funding amount, eligibility criteria, or claiming an amount for administration; the only change was that no supporting documentation was required for administration costs, and Service Canada (SC) staff would not be monitoring administration costs.

Twenty-four AAHs volunteered to participate, and were requested to complete (for the first or second quarter and for the third quarter) a questionnaire twice during the 2018/2019 extension year. Service Canada staff responsible for the management of these agreements were also requested to complete the questionnaire.

Number of agreement holders who have responded (out of 24): 18 in total with six having completed the questionnaire twice as requested.

Observations: Although the questionnaire consisted of 15 questions (including questions regarding changes in amount of contact with the Department, level of effort for reporting, changes in financial processes, and management of sub-agreements), below are the tallies for the responses to the first and second questions, which essentially represent the main reasons (ease of process and savings in time) for the flat rate.

The reception for the initiative ranged from neutral to positive with the majority of respondents indicating little or no impact on lessening the time required to prepare financial claims. Many of these responses were due to the organization already having an efficient reporting system in place and the change only had a minor impact on time. Although the majority of respondents have indicated little to no impact, a sizeable minority have claimed a positive impact.

1. **Did the use of a flat rate noticeably simplify financial administration (for AH)? Did it require less time to process financial claims (for staff):** Positive – 15; Neutral – 18; Negative – 1
2. **Does it require less time now to prepare financial claims (for AH)? Has your financial claim review process changed at all (for staff):** Positive – 14; Neutral – 19; Negative – 0

Recommendation: Overall, based on these results and on the feedback received, it has been demonstrated that the flat rate had a positive impact with regards to the reduction of administrative burden and should be considered in the new ISET Program.

Current status update: The use of the flat rate for administration costs is being introduced for the new ISET agreements as it supports streamlined reporting on financial expenditures, and reduces the amount of repetitive reporting for reoccurring and fixed administrative costs.

7. Ongoing Efforts for the Indigenous Skills, Employment and Training Program

Due to the feedback received on the administrative changes made for ASETS, the mid-year dialogue is being reinstated for ISET. A flat rate for administration costs is now to be used for all ISET agreements. Unless otherwise negotiated, the maximum amount is 15%. In order to provide spending flexibility, this percentage applies to the entire project budget and not to the annual allocation.

Agreement holders continue to be engaged through the co-development and implementation of the new ISET program and opportunities will be explored to continuously seek areas for improvement.

Annex B

**Indigenous Skills and Employment
Training Program (ISETP)
Joint Capacity Assessment Guide**

January 2019

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1.0 Background

The Treasury Board Secretariat Policy and Directive on Transfer Payments (2008) requires that all federal departments apply a more recipient-specific, risk-based approach to managing transfer payments.

As a result of this requirement, Service Canada (SC) developed the Risk Assessment, Management and Mitigation (RAMM) in 2009.

With the creation of the Indigenous Skills and Employment Training program (ISETP), SC is taking a different approach on how risks will be managed. SC is shifting from only considering potential risks, to supporting organizations through a collaborative capacity assessment process. This process has been developed in collaboration with Indigenous organizations, as well as internally with SC delivery staff.

2.0 Introduction

2.1 What is the purpose of the Capacity Assessment Guide?

This guide is an accompaniment to the Capacity Assessment Tool and provides an overview of the capacity assessment process and guidance on the completion of each section of the tool. In addition, more generally, the goal of this guide is to assist the Department and Indigenous organizations in assessing organizational capacity elements, and identifying those areas that could be strengthened in order to support the management of the funding agreement.

3.0 Roles and Responsibilities - Capacity Assessment

3.1 Preparation and Scheduling a Meeting with the Organization

WHO	WHAT
SC	1 Review observations and comments in the agreement file and the CSGC from previous year(s) that could help with the assessment.
	2 Review current information provided and sources of information : all notes to file, e-mails exchanged between SC and the indigenous organization, and supporting documents in CSGC to prepare for the discussion.. This will avoid unnecessary requests for information that may already be on file.
	3 SC organizes and prepares information before the meeting with the Indigenous organization.
	4 SC schedules a meeting with the Indigenous organization.

3.2 Discussion and Documentation

An initial assessment is undertaken to support elements of the funding agreement between the organization and SC. They will work in collaboration to facilitate a transparent, consistent, and equitable assessment process.

WHO

WHAT

SC together with representative(s) from the Indigenous organization	<ol style="list-style-type: none"> 1. The assessment process is collaborative and decisions are taken by consensus using the Capacity Assessment Tool. 2. This step involves the complete documentation and/or confirmation of information to the considerations on the Capacity Assessment Tool. This will ensure that all parties are aware of the information captured and, it can be referred to when updating future templates, along with the identification, if any, of areas which could benefit from capacity development or capacity building. The resulting draft summary of the preparatory Capacity Assessment discussion should contain observations and the reasons for supporting the assessment decision.
SC	<ol style="list-style-type: none"> 3. SC uploads a PDF and an electronic (Word) copy of the Capacity Assessment Tool in Supporting Documents in the CSGC.
SC	<ol style="list-style-type: none"> 4. The PDF copy of the Capacity Assessment Tool is shared with the Indigenous organization to validate the observations and justifications rationale and the information captured during the discussion

3.3 Review of Initial Assessment/Capacity Development Plan (CDP)

The review process is an opportunity to encourage and apply consistency, and if necessary, seek additional information to support the assessment.

WHO

WHAT

SC and SC Regional Director together with representative(s) from the Indigenous organization	1 A meeting is arranged by SC to be held together with the Indigenous organization, and the SC Regional Director(s) to discuss the assessment/CDP. <i>The summary of the preparatory capacity discussion reflective of the views of both parties is reviewed. A consensus approach amongst all parties will be used to finalize all capacity reviews. All parties can reconvene to further discuss the assessment and agree to a reassessment within a defined period (for example 6 months or a year).</i>
	2 During the meeting, SC documents the date of the meeting, attendees and takes notes of the conversation. These are to be uploaded in Notes to file in the CSGC.
SC and SC Regional Director	3 SC records the date of the decision and name of the Regional Director(s) on the reviewed Capacity Assessment.
SC	4 SC uploads the PDF and a Word copy of the (potentially revised or updated) Capacity Assessment Tool in Supporting Documents in the CSGC.

3.4 Results of Review

WHO

WHAT

SC and Indigenous Organization representatives	
	<ol style="list-style-type: none"> 1. The results of the Capacity Assessment are shared by SC with the Indigenous organization's representatives that were part of the assessment and the review of the assessment. 2. The subsequent placement of the organization on the ISET program Organizational Capacity Continuum (Annex D) is used to determine the payment frequency and reporting requirements within the funding agreement. Details on the categories of the Continuum and the corresponding payments, monitoring, and reporting are outlined further in the Organizational Capacity Continuum. As described in the funding agreement; should the Indigenous organization's capacity change significantly, the corresponding payment frequency and reporting requirements aligns with Organizational Capacity Continuum following the result of the re-assessment process. No amendment to the Annual Operating Plan (AOP) or funding agreement is required to be made as a result of a reassessment, <i>unless there are changes to the activities and/or to the level of funding</i> (e.g. addition of Capital Assets), in which case, a revision to the AOP and a minor or major amendment may be required.

Note: Refer to Annex D: ISET Organizational Capacity Continuum for more details on payment frequency and reporting requirements.

3.5 Capacity Reassessment

The purpose of any reassessment or update to the Capacity Assessment Tool is to ensure that information is up to date and that changes in capacity are accurate, and appropriately reflected and addressed if necessary.

As per the agreement, an Indigenous organization's capacity is, at a minimum, to be reassessed in the 4th and 8th years to capture any changes (positive or negative).

The request to reassess can be made by the Indigenous organization, or at the initiative of SC when there are factual and objective reasons to believe significant changes may have happened with respect to the four capacity factors. E.g., leadership changes, staff changes, new economic opportunities, etc.

The reassessment could result in the organization moving up or down in the Capacity Continuum, thus changing the requirements of the funding agreement. SC commits to providing appropriate support when and as needed by the Indigenous organization.

Reassessments will be reviewed through the same process as described in processes 1 - 4 to ensure that Indigenous organizations are continuously engaged as part of the assessment process

Once initiated, reassessments should be concluded within a two-week timeframe.

3.6 Capacity Development Plan (CDP)

If the assessment of an Indigenous organization has identified opportunities to enhance or build its capacity, the Indigenous organization may establish a CDP outlining activities (and/or funding) designed to strengthen capacity. Expenses to implement this plan are eligible under ISET program funding agreement so long as they relate to the delivery of the program.

Indigenous Organizations are not required to develop a CDP. However, over time, discussions may result in either the desire to create a plan or the need to re-assess capacity of the organization (e.g., a major change has taken place within the organization causing the need for enhancements).

The CDP can be reviewed by the Indigenous organizations and SC as part of the year-end discussions, and when needed.

4.0 Capacity Assessment Tool

The Capacity Assessment Tool is the template which guides the assessment discussion, and in which the detailed information/responses and results are recorded. It consists of the organization information and assessment questions.

4.1 Purpose

The Capacity Assessment Tool provides organizations with a set of criteria to assess their capacity, and to identify key areas that may need strengthening. The tool is divided into six sections:

- Factors
- Assessment Rationale
- Considerations
- Capacity Assessment Category
- Overall Assessment Rationale
- Capacity Development Plan (optional)

4.2 Description of the Tool

4.2.1 Factors and Considerations

The factors are the four elements to be considered for the capacity assessment:

- Governance/Leadership
- Planning/Management
- Financial Management
- Delivering Results

Considerations in the tool are expressed as questions and provide suggestions on elements to take into account when assessing each factor. Answers are to be documented so that all parties are aware of the information captured and it can be referred to when updating future templates.

4.2.1.1 Governance

Governance is the ability to demonstrate leadership in the management of the organization.

The objective of this section is to assess the clarity of the organization's purpose and stability by reviewing its guiding principles, structure, and oversight mechanisms.

Considerations:

1. Organizational Structure

- How long has the organization been in operation (for example, 1 to 5, 6 to 10 years)?
- How is the organization managed (for example, council, board of directors, other governance structure)?
- Is the organization associated with another government (for example, municipality or Indigenous)?

2. Partnerships and accountability

- Does the organization publish an annual report, including service and program outcomes, financial statements, etc.?
- Does the organization have established partnerships to support their service delivery?

3. Policies and Procedures

- Are there established policies and procedures that are used to support service delivery (e.g. HR policies, service standards)?
- Are there established planning cycles supported by operational and budget plans?

Examples of Sources of Information / Evidence:

- Corporations Canada data base or provincial/territorial equivalent
- Observations during field visits
- Overall fulfillment of existing agreements
- Copies of annual reports or other accountability documents
- Public information;
- Organization websites (e.g. posting of accountability documents)
- Organization has not filed an annual return or other filing as required by applicable legislation or regulation.
- Vision, mission, and/or values statements.

Examples of Best Practices

- Level of services available through the agreement, within available funds, and the policies which govern their delivery
- Administrative policies to guide sensitive matters (staffing, contracting, travel expenditures)

- Formal process for the change of any policy within the organization (i.e. governing authority)'s authority
- Experienced and knowledgeable staff supporting program and administrative functions
- Conflict of interest guidelines applicable to those in governance and administrative functions

4.2.1.2 Planning

Planning is the ability of an organization to demonstrate long-term sustainability through careful planning of its operations, administration, and management.

Considerations:

1. *Strategic, Operational and Budget Plans*

- Are there plans and strategies in place, such as strategic, operational and budget plans to manage potential impacts on funded programs?
- How will these plans guide the long-term skills development and employment training services provided?
- What are the expected outcomes and targeted results of the planned activities?
- What is the organization's vision and long term plans?
- Are foreseeable emergencies and service disruptions considered in these plans?

2. *Human Resource Planning*

- Does the organization have procedures in place for the recruitment, staffing, and retention of employees?
- Are structures in place to train and support staff?

3. *Community Involvement*

- Has the organization engaged people in the community or service area in the planning and design of services? If applicable, have partners (such as sub-agreement holders or other entities) been informed and involved during the planning process to ensure program delivery coverage, quality services, and that results are communicated to the community?

Examples of Sources of Evidence:

- Copy of plan shared with the ESDC.
- Reference made to plan during field trips / site visits or by the funded organization during presentations to the department.
- Plans posted on organization website.
- The organization should reference its operational plan and budget for purposes such as setting agreement cash flow.

Examples of Best Practices:

- Established multi-year direction based upon the mission / mandate, vision and values of the organization.
- A business plan that expresses outcomes to be achieved, performance measurement and accountability.
- An operational plan that sets context and priorities for shorter term plans throughout the organization.
- Operational Plan and Budget sets out the services to be delivered by each organizational unit

4.2.1.3 Financial Management

Financial Management is the ability to demonstrate accountability, effective use of resources and adapt to new opportunities or changes.

Considerations:

1. Financial Certification

- Has the organization obtained financial certification by First Nations Financial Management Board (FNFMB), International Standards Organization (ISO) or another entity? (As applicable to Indigenous organizations that have already received a certification. This is not a requirement of Service Canada but may be for other funding partners).

2. Financial Controls, Records, and Reporting

- Has the organization implemented financial operations policies and procedures?
- Is there a separate project structure for the ISET program within (the Chart of Accounts) in the accounting system?
- How often does the organization reconcile its bank statements and has it implemented separate tracking of program funding (Income and Expenditures)?
- Who is responsible for preparing the bank reconciliation? Does this individual have access to the cash account (e.g. can they affect the cash account in the accounting system)?
- Does the AH use a separate ledger to track program costs?
 - a. What system/tools are used for this purpose?
- Based on the organization's policies and delegation of authority, how are financial transactions managed (for example, requisition of cheques, direct deposit, etc.)?
- Do the procurement or purchasing policies in place apply to funding received through the contribution agreement, including a competitive/tendering process for the purchase of a good or service and a threshold for going to tender to purchase a good or a service?

- As part of its internal control framework, is the organization able to extract a general ledger at the transaction level and reconcile with financial accounts? (for example, being able to provide transaction level information related specifically to project expenditures).
- Does the organization engage a Certified Professional Accountant (CPA) to prepare its annual financial audit?

3. Finance Functions

- Has the organization recruited staff with professional designations, e.g., a CFO, an accountant, bookkeeper, a certification from the Aboriginal Financial Officers Association, etc.?
- Does the organization conduct monitoring, review, and reconcile sub-agreement holders' claims/expenditures to determine the eligibility of expenditures?
- Are sub-agreements (if applicable) monitored by the organization for compliance consistent with the terms of the contribution agreement? Are structures in place to ensure that the expenditure of funds redistributed to sub-agreement holders or services providers meet the terms and conditions of the program?
- Have there been any issues found (and addressed) based on financial monitors in the last 2 years that may have an impact on service delivery or financial management?

4. Segregation of Duties

- How does the organization determine and address segregation of duties, i.e., financial system requirements and policies at staff level? Have there been any issues with following this approach?

Examples of Sources of Evidence:

- Observations during field visits.
- Financial staff titles, certifications and descriptions (e.g. CPA, CGA, and CAFM) included in organization's work plans, cash flows, and budget notes.
- Financial certification (FNFMB, ISO, AFOA Canada etc.).
- Annual audited financial statement or annual return (e.g. Interim and Final financial reports).
- Annual Audit Review process.

Examples of Best Practice:

- The organization maintains a balance between revenues and expenditures such that it is well positioned to meet its financial obligations in the short and long-term for purposes of delivering public services.
- The organization has the capacity to recruit, train and retain appropriate personnel to support the finance function.

4.2.1.4 Delivering Results

Delivering Results is the ability to provide quality services that meet the needs of clients and the community on a sustained basis.

Considerations:

1. Service / Program Delivery

- How much experience does the organization have in delivering skills training and /or employment programs (e.g. 10 years +)?
- Have past agreements consistently demonstrated good results?
- How much experience does the organization have in delivering other federal programs or services? (e.g. 10 years +)
- Does the organization have indicators to monitor and evaluate the effectiveness of services and programs delivered? Are the results published or shared?
- Are service evaluations, client feedback, and data collected used to inform decisions on revisions to programs and services?
- Are interviews performed with program participants or with employers to determine if programs or services are easy to access and effective?

2. Staff Capacity

- Does the organization have the capacity and flexibility to meet the needs of clients if there are changes, such as increase service volumes if demand grows?

3. Management of Sub-Agreements

- Does the organization have experience in managing sub-agreement holders?
- How does the organization intend to monitor and manage these sub-agreements to effectively increase or improve their capacity to deliver?

Examples of Sources of Evidence

- Observations during field visits
- Program Compliance / Performance Reviews
- Program /Activity reporting
- Other analysis as required by program.

Examples of Best Practices

- Organizations use flexibility as available under their funding agreement to tailor policies and plans to the specific needs of their client population.
- Human resource strategies are in place to hire, train and retain the staff required to maintain services and their continuous improvement.
- The organization and the department receive periodic program reports that allow it to monitor progress in comparison to the operational plan and budget.
- Systems are in place to share such information with the client population in a way that is meaningful to them (e.g. through annual reports).

4.3 Assessment Rationale

Based on the information and answers documented in the Considerations section, the Assessment Rationale identifies and justifies the capacity level (i.e. Optimal and Enhancement Capacity, and Capacity Building).

4.4 Capacity Development Plan / Activities

If the assessment has identified opportunities to enhance or build its capacity, the Indigenous organization supported by SC may decide to establish a Capacity Development Plan (CDP) to outline initiatives and activities to strengthen its capacity. These activities are outlined by the organization and can include training, mentoring, and hiring of expertise. Indigenous organizations are not required to develop a CDP, though they may choose to.. Expenses to implement this plan may be eligible under the ISET program funding agreement so long as they are related to the management and delivery of the program.

The CDP tool offers a non-exhaustive list of activity options from which to choose, delete or add to, based on the specific needs. The activities become the basis for the CDP. Once an activity is identified, the detail on how the activity will be implemented and carried out is then added to the tool. This, then, becomes the CDP.

4.5 Capacity Assessment Category and Descriptor

The capacity assessment category identifies the overall capacity level of the organization. The capacity levels are as follows:

- **Optimal Capacity:**
 - The organization demonstrates an effective organization of its operations and sound practices on the majority of the aspects of its capacity relating to the management of or delivery of the program;
 - Overall, the organization has the following:
 - governance (considering variances in the size and range of services provided);
 - planning in place to manage potential impacts on services from foreseeable emergencies/service disruptions.
 - financial controls; and
 - Services are being delivered and results achieved.
- **Capacity Enhancements:**
 - The organization is pursuing certain improvements to aspects of its -management of or delivery of program and services capacity
 - Overall, the organization demonstrates the capacity in each of the four elements assessed, similar to optimal capacity. Where additional needs or gaps have been identified, there may be opportunities for further enhancement which would result in the ability to provide increased/improved services, additional staff capacity, increased reporting of accurate results and improvements in service delivery to the service population.
- **Capacity Building**
 - The organization is pursuing significant improvements to different aspects of its management of or delivery of programs and services capacity, or there is an identified need to build capacity to deliver the project successfully
 - Capacity building would address gaps identified that have a direct impact on the ability of the services to be provided and for results to be achieved. Capacity building activities may be identified in order to increase operational, financial, reporting and delivery functions.

4.6 Overall Assessment Rationale

The Overall Assessment Rationale is based on the assessment of all four factors. There is no set standard to weigh the different considerations of each organization, as the circumstances of each service delivery structure is unique.

When determining an organization's Overall capacity assessment category. It is important to note if areas of improvement were identified. Are these improvements essential to service delivery requirements, or are they areas that could simply be enhanced and would not impact on achieving the objectives of the program.

Annex A: Example Capacity Development Plan

CAPACITY DEVELOPMENT PLAN/ ACTIVITIES

JOINT CAPACITY ASSESSMENT TOOL INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM

Capacity Assessment Plan/Activities (optional)	
FACTORS	CAPACITY DEVELOPMENT PLAN/ACTIVITIES
GOVERNANCE/LEADERSHIP	<p>Capacity Enhancement or Capacity Building:</p> <ul style="list-style-type: none"> • Encourage membership in organizations such as the Aboriginal Financial Officer Association (AFOA) Canada that would provide guidance to the organizations in areas such as: <ul style="list-style-type: none"> ○ Certified Indigenous Leadership (CIL) ○ Certified Aboriginal Professional Administrator (CAPA). <p>Activities: Select board members will take courses from recognised entities.</p> <p>Timelines: Short term/Long term.</p> <p>Funds: Anticipated amount that will be required for training/workshop.</p> <p>Comments:</p>

Annex B: References

1. **First Nation Financial Management Board (FNFMB):** The First Nations Financial Management Board (FMB) supports First Nations across Canada to build good governance and finance practices.

Link: <https://fnfmb.com/en>

2. **Aboriginal Financial Officers Association Canada (AFOA)**

AFOA Canada (formerly Aboriginal Financial Officers Association of Canada) was founded as a not-for-profit association in 1999 to help Indigenous people better manage and govern their communities and organizations through a focus on enhancing finance and management practices and skills.

Link: <http://www.afoa.ca/>

3. **Policy Transfer Payment**

Link: <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=13525>

4. **Directive on Transfer Payment**

Link: <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14208>

5. **Verify organization corporate status for:**

Federal:

Link: https://www.ic.gc.ca/app/scr/cc/CorporationsCanada/fdriCrpSrch.html?locale=en_CA

Provincial and territorial registrar websites:

Link: <https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04578.html>

Annex C: Definitions

Capacity:

Capacity is defined as the ability of an organization to fulfill its mission through effective leadership and governance, sound management, and the alignment of measurable outcomes with strategies, services, resources, and partners.


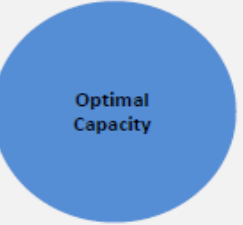
Capacity Development:

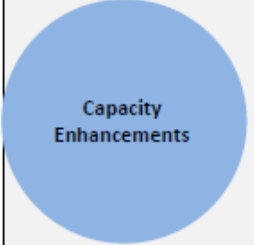
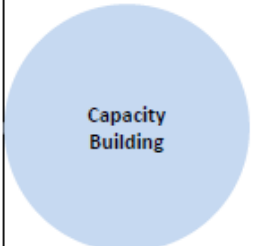
Capacity development is about developing the skills, knowledge, and the capacity of an organization to respond to challenges and provide effective and efficient services. During capacity development, Service Canada plays a supporting role bringing together its commitments and strengths.

Capacity Assessment Process:

Capacity Assessment is a joint process to understand an Indigenous organization's ability to deliver services through sound management, strong governance, and a focus on client service needs and results. It is a process that aims to guide and support an organization's efforts to increase its effectiveness (skills, resources, knowledge etc.) to achieve its objectives over the long term. It encourages continuous dialogue and a shared understanding between the Indigenous organization and SC.

Annex D: ISET Organizational Capacity Continuum

	Initial Assessment	Payment Frequency & Basis of Payment**	Financial Monitoring	Dialogue and Collaboration	Results Assessment
 <p>Modern Treaty Holders/Self-Governments</p> <p>Applies to Modern Treaty Holders with a Self-Government Agreement (SGA) only.*</p>	<p>Operational Plan and Budget submitted every 3 years.</p>	<p>Annually</p> <p>Pre-determined annual amount based on Annual Operational Plan (AOP) and cash-flow.</p>	<p>No financial monitoring for Modern Treaty Holders with a Self-Government Agreement (SGA).</p>	<p>Mid-year discussion</p>	<p>Results data is uploaded quarterly and reviewed during year-end results discussion.</p> <p><i>Where possible, an agreement holder's reporting to stakeholders, and other public information about the services delivered will be used to assess results.</i></p>
 <p>Optimal Capacity</p>	<p>Operational Plan and Budget submitted every year.</p> <p>Assess governance, planning, financial management, and delivering results using:</p> <ul style="list-style-type: none"> • Governance structure and membership • Operational Plan and Budget • Financial standards • Activity results (if available) • Monitoring results (if available) 	<p>Annually</p> <p>Pre-determined annual amount</p> <p>Initial payment with 5% holdback based on AOP and cash-flow.</p> <ul style="list-style-type: none"> • Hold-back payment linked to annual report. 	<p>1 onsite financial monitor, every two years.</p>	<p>Mid-year discussion</p> <p>Activities, opportunities, and challenges.</p>	<p>Results data is uploaded quarterly and reviewed during year-end results discussion, which includes budget and activities.</p> <p><i>Where possible, an agreement holder's reporting to stakeholders, and other public information about the services delivered will be used to assess results.</i></p> <p>Organizational Capacity is re-assessed at a minimum in year 4 and 8 or periodically on the request of the agreement holder or the Department.</p>

 <p>Capacity Enhancements</p>	<p>Operational Plan and Budget submitted every year.</p> <p>Assess governance, planning, financial management, and delivering results using:</p> <ul style="list-style-type: none"> • Governance structure and membership • Operational Plan and Budget • Financial standards • Activity results (if available) • Monitoring results (if available) <p>Some elements could be enhanced and could be outlined in an optional CDP.</p>	<p>Semi-annually</p> <p>Pre-determined annual amount</p> <p>2 payments with 7.5% hold-back based on AOP cash-flow.</p> <ul style="list-style-type: none"> • 2nd payment linked to submission of mid-year activity report. • Hold-back payment linked to annual report. 	<p>1 onsite financial monitor per year as a minimum, and linked to the enhancement activities identified in the CDP.</p>	<p>Mid-year discussion</p> <p>Activities, opportunities, and challenges.</p>	<p>Results data is uploaded and reviewed quarterly.</p> <p>Year-end results discussion includes budget and activities.</p> <p><i>Where possible, an agreement holder's reporting to stakeholders, and other public information about the services delivered will be used to assess results.</i></p> <p>Organizational Capacity is reassessed at a minimum in year 4 and 8 or periodically on the request of the agreement holder or the Department.</p>
 <p>Capacity Building</p>	<p>Operational Plan and Budget submitted every year.</p> <p>Assess governance, planning, financial management, and delivering results using:</p> <ul style="list-style-type: none"> • Governance structure and membership • Operational Plan and Budget 	<p>Quarterly</p> <p>Achievement of pre-determined milestones (as defined in the AOP)</p> <p>4 payments with 10% holdback based on AOP and cash-flow, linked to predetermined milestones (submission of activity reports).</p> <ul style="list-style-type: none"> • First 2 payments are 	<p>1 onsite financial monitor per year as a minimum, and linked to the building activities identified in the CDP.</p>	<p>On-going discussion (minimum 2/year)</p> <p>Activities, opportunities, and challenges.</p>	<p>Results data is uploaded and reviewed quarterly.</p> <p>1 combined onsite activity & results monitor per year.</p> <p><i>Where possible, an agreement holder's reporting to stakeholders, and other public information about the services delivered will be used to assess results.</i></p>

	<ul style="list-style-type: none"> Financial standards Activity results (if available) Monitoring results (if available) <p>Key elements require improvement and could be outlined in an optional CDP.</p>	<p>advanced (Q1 and Q2).</p> <ul style="list-style-type: none"> 3rd payment is linked to submission of an activity report for Q1. 4th payment is linked to submission of an activity report for Q2. Hold-back payment linked to annual report. 			<p>Organizational Capacity is re-assessed at a minimum in year 4 and 8 or periodically on the request of the agreement holder or the Department.</p>

Recipient Audits: All organizations, with the exception of Modern Treaty Holders/Self-Governments, may be subject to a recipient audit.

CDP: A **Capacity Development Plan** outlines actions that could be undertaken to enhance or build capacity in the four areas below:

- Governance
- Planning
- Financial Management
- Delivering Results

* For **Modern Treaty Holders** without a Self-Government Agreement, a capacity assessment will be performed

** For advance payments such as predetermined amounts, a forecast of project expenditures is required.

Annex E: Contact



Please address all questions to:

NC-ABORIGINAL_PROG-PROG_AUTOCHTONE-GD@hrdc-drhc.net



AGREEMENT #:
AMENDMENT #:

INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM

FIRST NATIONS DISTINCTION FUNDING AGREEMENT

BETWEEN

Her Majesty the Queen in Right of Canada

(hereinafter referred to as “Canada”),

**as represented by the Minister of Employment and Social Development Canada
and the Canada Employment Insurance Commission**

AND

[legal name of recipient organization]

(hereinafter referred to as the “Recipient”)

Hereinafter collectively referred to as the “Parties”

ARTICLES OF AGREEMENT

WHEREAS the Parties share the vision that this Agreement will:

- Support capacity-building by the Recipient to empower the Recipient to plan and invest in activities covered under this Agreement based on the Recipient's priorities;
- Be founded on a mutual accountability relationship whereby the Recipient is primarily accountable to its community while the Government of Canada and Recipients are mutually accountable for the commitments they make to one another in pursuit of achieving the goals of this Agreement; and,
- Work toward reducing the employment, skills and earning gaps between the Recipient's Indigenous eligible clientele and non-Indigenous Canadians.

WHEREAS pursuant to the above, the Recipient will provide the activities of this Agreement for the benefit of its eligible clientele;

WHEREAS pursuant to the above, Canada wishes to provide funding to the Recipient in accordance with the Terms and Conditions of this Agreement to support the provision of eligible activities; and,

WHEREAS the Recipient and Canada intend that nothing in this Agreement will have the effect of, or be interpreted as, limiting or expanding any fiduciary relationship between Canada and First Nation people.

NOW THEREFORE the Parties agree as follows:

PART 1 – FOUNDING COMPONENTS OF AGREEMENT

1.0 Purpose of this Agreement

The purpose of this Agreement is to outline the terms under which Canada will provide funding to the Recipient to carry out the programs, services and activities to its eligible clientele described in the specific program Schedules that form part of this Agreement.

2.0 Definitions

2.1 For the purpose of this Agreement and in addition to other definitions included elsewhere in this Agreement:

“Administrative Costs” means the expenditures incurred by the Recipient in the course of its regular operations that, though indirectly related to the delivery of programs, enable the Recipient to manage the delivery of programs successfully.

“Advance Period” means the intervals upon which Canada's contribution is made, in accordance with Section 11 of this Agreement.

“Agreement” means these Articles of Agreement, the specific program Schedules, and any amendments that may be made by the Parties thereto.

“Agreement Period” means the period as listed in the “Effective Date and Duration” in Section 3.0 of this Agreement.

“Canada's Access Coordinator” means Service Canada's Regional coordinator(s) authorized to submit and manage access requests for Systems and Services Administered by Canada.

“Capital Asset” means any single item, or a collection of items which form one identifiable functional unit, that has a purchase or lease value more than \$5,000.00 (excluding GST/HST), but does not include land or buildings purchased or leased by the Recipient in connection with the implementation of this Agreement.

“Data Gateway” means the secure systems link maintained by Canada through which the Recipient will upload client data files and information.

“Eligible Expenditures” means the expenditures comply with the corresponding Terms and Conditions as set out in the specific program Schedules that form part of this Agreement.

“Fiscal Year” means the period commencing on April 1 in one calendar year and ending on March 31 in the next calendar year.

“Minister” means the Minister of Employment and Social Development Canada.

“Sub-Agreement” means an agreement between the Recipient and an organization other than the Recipient, under which the Recipient further distributes the funds received under this Agreement, and delegates all or part of their responsibilities relating to the delivery of the eligible activities under this Agreement.

“**Sub-Agreement Holder**” means an organization other than the Recipient, pursuant to a Sub-Agreement, to whom funding provided to the Recipient under this Agreement is further distributed, and to whom all or part of the Recipient’s responsibilities to deliver the eligible activities under this Agreement are delegated, to enable the organization to carry out a Sub-Agreement.

“**Vendor**” means any legal entity, other than Canada, the Recipient or a Sub-Agreement Holder, who supplies a product or a service under this Agreement.

2.2 Unless otherwise specified in this Agreement, words importing the singular include the plural and vice-versa and words importing gender include all genders.

2.3 The title of clauses and headings in this Agreement are for ease of reference only, do not form part of this Agreement and are not to be taken into account in the construction or interpretation of any provision.

3.0 Effective Date and Duration

This Agreement will come into effect on April 1, 2019 and will expire on March 31, 2029 unless this Agreement is terminated on a prior date in accordance with the terms of this Agreement, or extended by an Amendment. All Schedules of this Agreement correspond to the same effective start date and end date of this Agreement, unless otherwise stated in the specific Schedule.

4.0 Mutual Accountability and Relationship

4.1 The Recipient and Canada will maintain a system of mutual accountability and transparency that is based on recognition of Indigenous rights, respect, co-operation, and partnership.

4.2 The Recipient and Canada will work in a spirit of partnership to pursue the goals of this Agreement, but they are not an agent, delegate or contractor of the other, and do not act on behalf of the other. The Recipient will act for and on behalf of its eligible clientele and will be primarily accountable to them in delivering the activities in accordance with this Agreement. Canada will provide funding to the Recipient and undertake the other responsibilities set out for it herein. Both Canada and the Recipient will be accountable to each other for their respective obligations set out in this Agreement.

5.0 Non-Derogation

5.1 Nothing in this Agreement shall be construed to diminish, abrogate, derogate from, or prejudice any treaty or Indigenous rights of the Recipient and nothing in this Agreement will:

- (a) Prejudice whatsoever any application, negotiation or settlement with respect to land claim or land entitlement between Canada and the Recipient;
- (b) Prejudice whatsoever the implementation of any inherent right to self-government or prejudice in any way negotiations with respect to self-government involving the Recipient; and,
- (c) Be construed as modifying any existing treaty.

5.2 Nothing in this Agreement shall be construed to create a treaty within the meaning of the *Constitution Act, 1982*.

6.0 Annual Operational Plan

6.1 No later than 30 days before the beginning of each Fiscal Year during the Agreement Period, the Recipient will prepare and provide Canada with an Annual Operational Plan for the forthcoming year in question, which will set out:

- (a) The Recipient’s priorities and objectives, and how they will contribute to achieving the objectives of the programs described in the Schedules of this Agreement;
- (b) The planned activities;
- (c) The planned budget and expenditures;
- (d) The cash flow forecast;
- (e) The performance measurement activities planned; and,
- (f) Any other information relevant to meeting the objectives of the programs described in the Schedules of this Agreement.

6.2 The Annual Operational Plan is communicated to Canada, which may request clarifications and additional information on the plan within 30 days of receipt, to ensure the eligibility of planned activities in accordance with this Agreement.

6.3 Canada will have 30 days from receipt of the Annual Operational Plan to determine if the plan complies with Section 6.1. During this 30 day period, Canada can request additional information from the Recipient about the plan. Upon receipt of this information from the Recipient, the 30 day period restarts. In the absence of any requests by Canada within the 30 day period, either after receipt of the Annual Operational Plan or after the receipt of information from the Recipient, whichever is applicable, Canada is deemed to have declared itself satisfied that the Recipient complies with provision 6.1.

7.0 Activity and Cash Flow Reporting

7.1 Within 60 days following each Advance Period in which the Recipient received an advance, the Recipient will submit to Canada an Activity Report that includes:

- (a) For Recipients assessed as Capacity Building: A summary of completed activities for the Advance Period aligned with the milestones set out in the Annual Operational Plan; or for Recipients assessed as Capacity Enhancement or Optimal Capacity: A summary of achievements during the Advance Period;
- (b) A statement signed by the designated official certifying that all information contained in the Activity Report is accurate and that all expenditures claimed are in accordance with this Agreement; and,
- (c) No in-year activity and cash flow reporting is required of Optimal Capacity organizations.

7.2 The Recipient will include with each Activity Report a revised, updated forecast of its monthly cash flow requirements that takes into account actual expenditures to date and revised estimated monthly eligible expenditures for the balance of the Fiscal Year.

7.3 Canada will advise the Recipient if clarification and additional information is needed.

7.4 Canada will process the next advance payment following the receipt of the Activity Report or receipt of the clarification and additional information requested under Section 7.3, whichever is later. This does not apply to Recipients that have demonstrated Optimal Capacity, pursuant to Section 10.0.

PART 2 – FUNDING AND FINANCIAL CONDITIONS

8.0 Canada's Funding

Subject to the Terms and Conditions of this Agreement and its Schedules, in each Fiscal Year of the Agreement Period, Canada agrees to contribute to the Recipient's eligible expenditures incurred in the Fiscal Year up to the amount set out in the respective Schedule.

9.0 Eligible Expenditures

9.1 In accordance with the Terms and Conditions of the Programs provided in the Schedules of this Agreement, the Recipient may only be reimbursed for expended funding where:

- (a) The expenditure is directly related to the carrying out of the Recipient's responsibilities under this Agreement;
- (b) The Recipient ensures value for money by negotiating the price and other Terms and Conditions for the expenditure; and,
- (c) The expenditure is incurred during the Agreement Period.

9.2 Additional details regarding Eligible Expenditures may be found within the specific Schedules that form part of this Agreement.

10.0 Management Capacity Assessment of the Recipient

10.1 In collaboration with the Recipient, Canada will perform prior to, or at the start of this Agreement and periodically thereafter, an assessment of the Recipient's capacity to manage this Agreement and achieve results.

10.2 Periodical reassessments of the Recipient capacity shall be conducted:

- (a) As may be provided in the Schedules to this Agreement;
- (b) At the request of the Recipient; and,
- (c) At the initiative of Canada where Canada is of the opinion that changes have taken place that may have affected the management capacity of the Recipient. These reasons must be fact based and objective.

10.3 The capacity of the Recipient is assessed on:

- (a) The procedures and practices put in place by the Recipient with respect to its governance;
- (b) Its planning activities and practices;
- (c) Its financial management systems and practices; and,
- (d) Its ability to achieve results.

10.4 Pursuant to 10.3, the Capacity Assessment of the Recipient can lead to one of three findings:

- (a) Capacity Building where the Recipient is pursuing significant improvements to different aspects of its management capacity;
- (b) Capacity Enhancements where the Recipient is pursuing certain improvements to aspects of its management capacity; or,
- (c) Optimal Capacity where the Recipient demonstrates an effective organization of its operations and sound practices on the majority of the aspects of its capacity.

11.0 Advances

11.1 Pursuant to Section 6.0, Canada will provide advances of its contribution based upon planned expenditures, as periodically updated by the Recipient, and accepted by Canada pursuant to Section 6.3 and based upon the management Capacity Assessment of the Recipient as described in Section 10.4.

11.2 Canada may withhold payment, or portion of, any advance pending the completion of its financial and activity monitoring of the Recipient's books and records conducted by Canada under Section 17.0. Canada may also withhold an advance, in whole or in part, when the reporting requirements in Section 7.0 are not adhered to.

11.3 Where the management capacity of the Recipient is assessed as Capacity Building, advances by Canada of the contribution provided in the appropriate Schedule to this Agreement are made at quarterly intervals:

- (a) For the first and second quarter of each Fiscal Year, on the submission of the Annual Operational Plan provided for in Section 6.0 by the Recipient pursuant to Section 6.3 and its acceptance by Canada;
- (b) For the third quarter of each Fiscal Year, upon acceptance by Canada, on the submission of the reporting required under Section 7.0 for the first quarter outlining the milestones achieved by the Recipient;
- (c) For the fourth quarter of each Fiscal Year, upon the acceptance by Canada, on the submission of the reporting required under Section 7.0 for the second quarter outlining the milestones achieved by the Recipient; and
- (d) For each Fiscal Year, 10% of the annual contribution by Canada is withheld from each fourth quarter advance pending the submission by the Recipient of an Annual Report outlining milestones achieved for that year and its acceptance by Canada.

11.4 Where the management capacity of the Recipient is assessed as Capacity Enhancements, an advance by Canada of the contribution provided in the appropriate Schedule to this Agreement is made at semi-annual intervals:

- (a) For the first half of each Fiscal Year, on the submission of the Annual Operational Plan provided under Section 6.0 by the Recipient pursuant to Section 6.3 and its acceptance by Canada;
- (b) For the second half of each Fiscal Year, on the submission of the reporting required under Section 7.0 outlining progress achieved by the Recipient for the first period of the Fiscal Year; and,
- (c) For each Fiscal Year, 7.5% of the annual contribution by Canada is withheld from each second advance pending the submission by the Recipient of an Annual Report outlining the progress achieved for that year and its acceptance by Canada.

11.5 Where the management capacity of the Recipient is assessed as Optimal Capacity, an advance by Canada of the contribution provided in the appropriate Schedule to this Agreement is made at an annual interval on the submission of the Annual Operational Plan provided under Section 6.0 by the Recipient and its acceptance by Canada pursuant to Section 6.3:

- (a) For each Fiscal Year, 5% of the annual contribution by Canada is withheld from the annual advance pending the submission by the Recipient of an Annual Report outlining the progress achieved for that year and its acceptance by Canada.

12.0 Basis of Payment

- 12.1 Where the management capacity of the Recipient is assessed as Capacity Building, the basis of payment is the Recipient's achievement of pre-determined milestones as outlined in the Annual Operational Plan.
- 12.2 Where the management capacity of the Recipient is assessed as Capacity Enhancements or as Optimal Capacity, the basis of payment is a pre-determined annual amount based on the Recipients Annual Operational Plan.
- 12.3 Advances provided during a Fiscal Year are reconciled with the Annual Operational Plan provided for in Section 6.0 and the milestones and progress achieved outlined in the Annual Report provided under applicable Schedule to this Agreement.

13.0 Unexpended Funds

- 13.1 If at the end of a Fiscal Year, other than the final Fiscal Year of this Agreement, the Recipient has not expended all funding advanced for that Fiscal Year, the Recipient may retain the unspent amount for expenditures in a subsequent Fiscal Year subject to the terms of this Agreement.
- 13.2 If more than 20% of the annual funding allocation has not been expended by the Recipient over two (2) Fiscal Years, then such excess funding may be redirected to another Recipient within the same First Nation network as the Recipient in consultation with the First Nation network coordinating mechanism. If this occurs, this Agreement will be amended to reflect the change and agreed to, in writing, by both Parties.
- 13.3 If upon expiry, termination or cancellation of this Agreement, the Recipient has not expended all allocated funding, the Recipient must repay the unspent amount to Canada within one hundred and twenty (120) days of the expiry of this Agreement.

14.0 Funding Repayment

- 14.1 In the event payments made to the Recipient exceed the amount to which the Recipient is entitled under this Agreement, the amount of the excess is a debt owing to Canada and shall be repaid to Canada upon receipt of notice to do so and within the period specified in the notice. Without limiting the generality of the foregoing, amounts to which the Recipient is not entitled include:
- (a) The amount of any expenditures paid for with the contribution which are disallowed or determined to be ineligible; and,
 - (b) Any amount paid in error or any amount paid in excess of the amount of the expenditure actually incurred.
- 14.2 Interest shall be charged on any debts in accordance with the *Interest and Administrative Charges Regulations* and shall constitute a debt due to the Crown.

15.0 Preservation and Disposition of Capital Assets

- 15.1 During the Agreement Period, the Recipient agrees not to dispose of any Capital Assets purchased by the Recipient with the funding provided by Canada under this Agreement without the prior written authorization of Canada.
- 15.2 At the end of the Agreement Period, or upon termination of this Agreement, if earlier, Canada will provide direction to the Recipient with regards to the preservation or disposition of any Capital Asset purchased by the Recipient with funding provided under this Agreement.

16.0 Agreement Records

- 16.1 The Recipient shall keep proper books and records, in accordance with generally accepted accounting principles, of all expenditures and revenues relating to the activities of this Agreement, including:
- (a) Agreement-related contracts and agreements;
 - (b) All invoices, receipts, vouchers, electronic payment requisitions and records relating to Eligible Expenditures;
 - (c) Bank records including bank statements and cancelled cheques; and,
 - (d) Agreement-related activity, progress and evaluation reports and reports of Agreement reviews or audits carried out for, by, or on behalf of the Recipient.
- 16.2 The Recipient shall retain the books and records referred to in Section 16.1 for a period of six (6) years following the Agreement Period.



16.3 Where the Recipient enters into a Sub-Agreement with respect to any of its obligations under this Agreement, it shall maintain financial and non-financial records for each program, service or activity for the fulfillment of all of its obligations under Sections 16.1 and 16.2 of this Agreement.

17.0 Financial and Activity Monitoring

The Recipient shall grant representatives of Canada access to all information related to the activities performed, and expenditures incurred, either directly by the Recipient or indirectly through a Sub-Agreement Holder, for the entire funding allocated to the Recipient under this Agreement. This access shall be exercised periodically, with prior notice from Canada to the Recipient, throughout the Agreement Period, and for a period of six (6) year thereafter, for the purpose of conducting monitoring reviews of this Agreement.

18.0 Interest Earned on Advances

The amount of interest earned on any advances may be retained by the Recipient provided it is used by the Recipient during the Agreement Period to pursue activities consistent with the objectives of this Agreement. If there is any unspent interest at the end of the Agreement Period, the amount of such interest shall be deemed part of Canada's contribution to which the Recipient is not entitled for the purpose of Section 14.0 of this Agreement.

19.0 Other Sources of Funding

The Recipient shall identify additional sources of funding received and used towards the costs of the activities that support the programs described in the Schedules of this Agreement. This information shall be provided to Canada in accordance with the Recipient's Capacity Assessment and corresponding reporting regime.

20.0 Canada's Right to Audit and Access to Records

During the Agreement Period, and for a period of six (6) years thereafter, the Recipient shall, upon request, grant representatives of Canada access to the books and records referred to in this Agreement for audit purposes. Audits may be made to verify compliance with the Terms and Conditions of this Agreement and to verify expenses claimed by the Recipient as Eligible Expenditures, including all financial and non-financial records from Sub-Agreement Holders or other delegated responsibilities holders.

21.0 Inquiry by the Auditor General of Canada

If, during the Agreement Period or within a period of six(6) years thereafter, the Auditor General of Canada requests, in relation to an inquiry conducted under subsection 7.1(1) of the *Auditor General Act* (R.S.C., 1985, c. A-17), the Recipient to produce records, documents or other information pertaining to the use of the funding provided under this Agreement, the Recipient shall provide those records, documents or other information within such period of time as may be reasonably requested in writing by the Auditor General of Canada.

22.0 Disclosure of Information by the Government of Canada

22.1 The Government of Canada may make public, after informing the Recipient:

- (a) The name of the Recipient;
- (b) The amount of funding provided under this Agreement; and,
- (c) The general nature of each initiative described in this Agreement or appropriate Schedule.

22.2 Section 22.1 does not limit the rights or obligations that the Government of Canada has to disclose information.

23.0 Publicity about Funding

23.1 Either the Government of Canada or the Recipient may propose to the other Party a joint public announcement or the development of joint communication materials that recognize the Government of Canada's funding for an initiative under this Agreement. Communication materials may include public events, media releases, interviews, speeches, publications, signage, websites, advertising and promotional materials.

23.2 The Party making the proposal will provide time for the other Party to respond in writing before the communications release or event. The Party receiving the proposal will respond as soon as reasonably possible to facilitate attendance and to allow for the timely production and distribution of the communication material.

PART 3 – CONTRACTING

24.0 Contracting for Goods and Services

- 24.1 The Recipient shall use a competitive process when contracting for goods and services valued at \$25,000 or more (excluding GST/HST) in relation to the administration of activities funded under this Agreement. The Recipient shall select the bid or proposal from the Vendor offering the best value for money, and the Recipient must not divide a requirement for goods and services into a number of smaller contracts.
- 24.2 The Recipient must inform Canada of any exception to the requirement to use a competitive process under Section 24.1 by including this information in their Annual Report. A rationale needs to be provided by the Recipient to Canada as to why a competitive process could not be used.

25.0 Sub-Agreements and Delegating

- 25.1 The Recipient may establish their own service delivery structure to accomplish the objectives of this Agreement by sub-contracting their responsibilities for the delivery of some of its activities under this Agreement to Sub-Agreement Holders.
- 25.2 The Recipient is fully accountable to Canada for the effective management and monitoring of all Sub-Agreement activities, results and information collection requirements relating to this Agreement.
- 25.3 The Recipient shall put into place a process for ensuring that proposals for Sub-Agreements to be funded by the Recipient with Canada's contribution are assessed and selected in an open, impartial and fair manner.
- 25.4 The Recipient shall put into place written operational policies and procedures relating to its monitoring of the Sub-Agreements, and will provide a copy of those policies and procedures to Canada upon request.
- 25.5 The Recipient shall ensure that there is a written agreement between it and the Sub-Agreement Holder that sets out the Terms and Conditions under which the Recipient is providing funding to the Sub-Agreement Holder. The Agreement with the Sub-Agreement Holder will include the necessary obligations to allow the Recipient to fully report and to provide Canada with information Canada may request under the terms of this Agreement.

PART 4 – SERVICE STANDARDS AND COLLECTION OF INFORMATION

26.0 Transparency and Fairness

- 26.1 Where this Agreement involves the provision of assistance to the individuals selected to participate in the activities of this Agreement (hereinafter "Participants"), the Recipient shall:
- (a) Implement measures to ensure that individuals are selected in a fair and equitable manner;
 - (b) Make readily available to the public information about this Agreement and the Recipient's policies and procedures relating to the selection of Participants;
 - (c) Establish and maintain an impartial dispute resolution mechanism whereby individuals whose applications for participation are refused by the Recipient and who are dissatisfied with the decision, may have the decision reviewed; and,
 - (d) Provide for appropriate redress for the individuals referred to in Section 26.1(c) based upon the outcome of the dispute resolution process.
- 26.2 The Recipient will keep and maintain records of disputes referred to in Section 26.1 and will share them with Canada for review upon request.

27.0 Collection and Protection of Information

- 27.1 The Recipient shall obtain the written consent of the Participant to collect, use and disclose the information outlined in the Schedules of this Agreement; and inform the Participant that the information, when provided to Canada, is administered in accordance with the *Privacy Act* (R.S.C., 1985, c. P-21), the *Department of Employment and Social Development Canada Act* (S.C. 2005, c. 34) and *Access to Information Act* (R.S.C., 1985, c. A-1).
- 27.2 Prior to collecting the information stipulated in Section 27.1 from the Participant, the Recipient will inform the Participant that Canada needs the information to;
- (a) Measure the results of this Agreement and evaluate this Agreement's success;
 - (b) Evaluate the success of the Program in achieving its objectives; and,
 - (c) Meet its obligation of accountability by reporting on the results of the Program and its

success in achieving its objectives.

- 27.3 If any of the information referred to in Section 27.1 is required by the Recipient for the purpose of providing assistance to the Participant in carrying out this Agreement, the purposes for which the Recipient intends to use the information shall be shared with the Participant.
- 27.4 All Participant information referred to in Section 27.1 shall be treated as confidential, and the Recipient will take all security measures reasonably necessary for the protection of such information against unauthorized release or disclosure, including those set out in any instructions issued by Canada.
- 27.5 The Recipient shall immediately and independently inform and furnish Canada's Access Coordinator with the full details of any known or possible breach of the safeguard requirements in this Agreement, or of any incident that may have resulted in misuse and unauthorized access, disclosure, modification, disposal or destruction of Personal Information.
- 27.6 The Recipient shall not release or disclose Participant information referred to in Section 27.1 to any other person or body for any purpose without the consent of the Participant, unless that person or body is authorized by law to require the Recipient to release or disclose such information.
- 27.7 Representatives of Canada may monitor compliance with the information security requirements of Section 27.6 during on-site visits and monitoring.
- 27.8 Upon expiry of the Agreement Period or upon termination of this Agreement, if earlier, the Recipient shall destroy the information referred to in Section 27.1 in accordance with instructions issued by Canada, unless the Recipient satisfies Canada that the retention of the information beyond the Agreement Period or termination of this Agreement, if earlier, is required in order to provide on-going or future employment assistance to the Participants.

28.0 Agreements between the Recipient and Participants

When the Recipient, in carrying out this Agreement, provides financial assistance to a Participant with funds provided under this Agreement, the Recipient shall ensure that there is a written agreement between it and the Participant that sets out the Terms and Conditions under which the Recipient is providing the financial assistance to the Participant.

29.0 Data Collection System

- 29.1 Canada is responsible for establishing a secure and encrypted network connectivity that allows Recipients to access the systems and services administered by Canada.
- 29.2 As of the date of this Agreement comes into effect, the Recipient will:
- (a) Collect or compile, and keep regularly updated, the Personal Information, as set out in the appropriate Schedule, about each member of its eligible clientele to whom the Recipient or a Sub-Agreement Holder, as the case may be, has provided assistance under this Agreement; and,
 - (b) Provide that information to Canada in accordance with Section 27.2 of this Agreement for use by Canada in assessing and evaluating both the Program and the Recipient's activities.
- 29.3 The Personal Information referred to in the appropriate Schedules of this Agreement will be provided to Canada through quarterly uploads of data files, in a format specified by Canada, to Canada's data system using a secure systems link maintained by Canada known as the "Data Gateway".
- 29.4 The Recipient is responsible for:
- (a) Managing, supporting and maintaining its own technological environment including its network, routers, and workstations;
 - (b) Appointing a System Access Coordinator who will liaise with authorized users, employees, agents and contractors of the Recipient and communicating with Canada's Access Coordinator on all matters involving access to systems and services administered by Canada; and,
 - (c) Ensuring that authorized users are advised of, and abide by, their obligations, roles and responsibilities and use Personal Information only for the purposes of sharing under this Agreement.

30.0 Security Requirements for Accessing Systems and Services Administered by Canada

- 30.1 The Recipient acknowledges and agrees that access to systems and services administered by Canada is governed by Canada's Treasury Board Secretariat's *Policy on Government Security* and its *Policy on Departmental Information Technology Security Management*, as amended from time to time.
- 30.2 To be granted access to the systems and services administered by Canada all subscribers must undergo a personnel security screening process and obtain a valid Reliability Status as per the Systems Support Operational Guide, as amended. Canada will perform the required security screening process for subscribers and has the discretion to refuse a personnel security screening of any subscriber provided by the Recipient.
- 30.3 All requests for the issuance, modification, suspension, or cancellation will be submitted, processed and managed in accordance with this Agreement and the security policies applicable to this Agreement.

PART 5 – GENERAL

31.0 Funding Subject to Appropriations and Departmental Funding Authorities

- 31.1 Canada's contribution for each Fiscal Year of the Agreement Period is subject to:
- (a) The appropriation of funds by Parliament for the Fiscal Year in which the contribution is to be paid; and,
 - (b) The amount of funding available to the Program in each or any given Fiscal Year.
- 31.2 Canada may, upon not less than ninety (90) days notice, reduce its funding under this Agreement or terminate this Agreement, if:
- (a) The Program named in a Schedule of this Agreement is cancelled;
 - (b) The level of funding for a Schedule of this Agreement, for any Fiscal Year in which payment is to be made under this Agreement, is reduced as a result of a governmental or departmental spending decision; or,
 - (c) Parliament reduces the overall level of funding for the programs of Employment and Social Development Canada for any Fiscal Year in which payment is to be made under this Agreement.
- 31.3 If Canada gives notice of its intention to reduce the funding provided to the Recipient, and where, as a result of the reduction in funding, the Recipient is of the opinion that it will be unable to complete the activities of this Agreement or will be unable to complete the activities of this Agreement in the manner desired by the Recipient, the Recipient will notify Canada as soon as possible after receiving notice of the funding reduction and may, upon not less than thirty (30) days written notice to Canada, terminate this Agreement.

32.0 Exceptional Circumstances

If exceptional circumstances occur during the Agreement Period that were not reasonably foreseeable at the date this Agreement came into effect and which have a significant impact on Recipient's ability to carry out this Agreement, the Recipient may request changes to the affected activities. If Canada agrees to change, including the level of funding provided in a Schedule to this Agreement, that change will be made by way of an Amendment to this Agreement and its Schedule as required.

33.0 Relationship Between the Parties and Non-Liability of Canada

The management and supervision of this Agreement are the sole and absolute responsibility of the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract on behalf of Canada and Canada will not be liable for any loan, capital lease or other long-term obligation that the Recipient enters into in relation to carrying out its responsibilities under this Agreement. The Parties hereto declare that nothing in this Agreement shall be construed as creating an employer-employee, or agency relationship between them and the Recipient will not represent itself as an agent or employee of Canada.

34.0 Indemnification

The Recipient shall, both during and following the Agreement Period, indemnify and save Canada from and against all claims, losses, damages, costs, expenses and other actions made, sustained, brought, threatened to be brought or prosecuted, in any manner based upon, occasioned by or attributable to any injury or death of a person, or loss or damage to property caused or alleged to be caused by any wilful or negligent act, omission or delay on the part of the Recipient or its employees or agents, and participating employers or Participants, if any, in

connection with anything purported to be or required to be provided by or done by the Recipient pursuant to this Agreement or done otherwise in connection with the implementation of this Agreement.

35.0 Insurance

The Recipient will arrange and maintain, during the Agreement Period, appropriate comprehensive general liability insurance coverage to cover claims for bodily injury or property damage resulting from anything done or omitted by the Recipient or its employees, agents or Participants, if any, in carrying out the activities of this Agreement.

36.0 Amendment

36.1 This Agreement may be amended by mutual agreement of the Parties. Any amendment to this Agreement shall be in writing and signed by the Parties.

36.2 Canada may amend this Agreement, including the level of funding, to reflect the establishment of a new service delivery arrangement for eligible clientele previously served by the Recipient.

37.0 Termination

37.1 Termination for Default

(1) The following constitute Events of Default:

- (a) The Recipient becomes bankrupt, has a receiving order made against it, makes an assignment for the benefit of creditors, takes the benefit of a statute relating to bankrupt or insolvent debtors or an order is made or resolution passed for the winding up of the Recipient;
- (b) The Recipient ceases to operate;
- (c) Any Party to this Agreement is in breach of the performance of, or compliance with, any provision of this Agreement;
- (d) The Recipient, in support of its application for Canada's contribution or in connection with this Agreement, has made materially false or misleading representations, statements or declarations, or provided materially false or misleading information to Canada; or,

(2) Any Party may, in addition to any remedies otherwise available, immediately terminate this Agreement by written notice, if:

- (a) An Event of Default specified in Sections (37.1)(1)(a), (b), or (d) occurs, or,
- (b) An Event of Default specified in Sections (37.1)(1)(c) occurs and has not been remedied within thirty (30) days of receipt of written notice of default, or a plan satisfactory to remedy such Event of Default has not been put into place within such time period.

Upon providing such notice of termination, Canada shall have no obligation to make any further contribution to the Recipient.

37.2 Obligations Relating to Termination

(1) In the event of a termination notice under Section 37.0,

- (a) The Recipient will make no further commitments in relation to this Agreement and will cancel or otherwise reduce, to the extent possible, the amount of any outstanding commitments in relation thereto; and,
- (b) All Eligible Expenditures incurred by the Recipient up to the date of termination will be paid by Canada, including the Recipient's costs of, and incidental to, the cancellation of obligations incurred by it as a consequence of the termination of this Agreement, saving and excepting costs of, and incidental to, cancellation or termination for cause under Section 37.1(1)(d); provided always that payment and reimbursement under this Section will only be made to the extent that it is established to the satisfaction of Canada that the costs mentioned herein were actually incurred by the Recipient and the same are reasonable and properly attributable to the termination of this Agreement.

(2) The Recipient shall negotiate all contracts related to this Agreement, including employment contracts with staff, on terms that will enable the Recipient to cancel the contracts upon conditions and terms that will minimize to the extent possible their cancellation costs in the event of a termination of this Agreement. The Recipient shall cooperate with Canada and do everything reasonably within its power to minimize and reduce the amount of Canada's obligations under Section 37.1(1)(b) in the event of a termination of this Agreement.

38.0 Dispute Resolution

In the event of a dispute arising under the terms of this Agreement, the Parties agree to make a good faith attempt to settle the dispute. In the event that the Parties are unable to resolve the dispute through negotiation, they agree to give good faith consideration to resorting to other alternate dispute resolution processes to resolve the dispute. However, the Parties agree that nothing contained in this Section will affect, alter or modify the rights of either Party to terminate this Agreement.

39.0 Assignment

39.1 The Parties may sub-contract or delegate any functions or activities under this Agreement but will not assign any of their responsibilities under this Agreement.

39.2 This Agreement is binding upon the Parties and their respective administrators, successors and assignees.

40.0 Applicable Law

40.1 This Agreement shall be governed by and construed in accordance with the applicable laws of the province or territory where the activities of this Agreement will be performed or, if this Agreement is to be carried out in more than one province or territory, of the province or territory where the Recipient has its main place of business.

40.2 The Recipient shall carry out this Agreement in compliance with all applicable federal, provincial and municipal laws, by-laws and regulations, including any environmental legislation and legislation related to protection of information and privacy. The Recipient will obtain, prior to the commencement of this Agreement, all permits, licenses, consents and other authorizations that are necessary to the carrying out of the activities of this Agreement.

41.0 Conflict of Interest Provisions Regarding Federal Officials

41.1 No current or former public servant or public office holder to whom the *Conflict of Interest Act* (S.C. 2006, c. 9, s. 2), the Policy on Conflict of Interest and Post-Employment or the Values and Ethics Code for the Public Sector applies shall derive a direct benefit from this Agreement unless the provision or receipt of such benefit is in compliance with the said legislation or codes.

41.2 No member of the Senate or the House of Commons shall be a party to this Agreement or to any benefit from it that is not otherwise available to the general public.

42.0 Proactive Disclosure

The Recipient acknowledges that the name of the Recipient, the amount of the contribution and the general nature of this Agreement may be made publically available by Canada in accordance with the Government of Canada's commitment to proactively disclose the awarding of grants and contributions.

43.0 Access to Information

The Recipient acknowledges that Canada is subject to the *Access to Information Act* (R.S.C. 1985, Chapter A-1), and information obtained by Canada pertaining to this Agreement may be disclosed by Canada to the public upon request under the aforementioned *Act*.

44.0 Intellectual Property

44.1 The Recipient owns any intellectual property resulting from the activities undertaken with Canada's funding.

44.2 Canada may request a licence to make its own use of such intellectual property, including the right to translate and transform it into alternate formats. The Recipient will not unreasonably withhold such licence.

45.0 Environmental Protection:

The Recipient will:

- (a) Maintain and implement any and all environmental protection measures prescribed by Canada for ensuring that the harm to the environment resulting directly from implementing this Agreement, if any, will remain minimal; and
- (b) Ensure that all environmental protection measures, standards, and rules relating directly to implementing this Agreement, and established by competent authorities are respected.



46.0 Notices

Any notices to be given and all reports, information, correspondence and other documents to be provided by either Party under this Agreement will be given or provided by personal delivery, mail, courier service, fax or email at the postal address, fax number or email address, as the case may be, of the receiving Party as shown in the appropriate Schedule. If there is any change to the postal address, fax number or email address or contact person of a Party, the Party concerned will notify the other in writing of the change as soon as possible.

47.0 Lobbyists

The Recipient declares that any person who has been lobbying on its behalf to obtain the contribution that is the subject of this Agreement was in compliance with the provisions of the *Lobbying Act* [R.S.C.1985 c. 44 (4th Supp.)], as amended from time to time, at the time the lobbying occurred and that any such person to whom the aforementioned Act applies has received, or will receive, no payment, directly or indirectly, from the Recipient that is in whole or in part contingent on obtaining this Agreement.

48.0 Official Languages Act

Where this Agreement may be delivered to members of both official language communities, the Recipient will:

- (a) Make Agreement-related documentation and announcements (for the public and prospective Participants, if any) in both official languages;
- (b) Actively offer and provide in both official languages any Agreement-related services to members of the public eligible for the Recipient's services;
- (c) Encourage members of both official language communities to participate in this Agreement and its activities; and,
- (d) Organize activities and provide its services, where appropriate, in such a manner as to address the needs of both official language communities.

49.0 Unincorporated Association

If the Recipient is in an unincorporated association, it is understood and agreed by the persons signing this Agreement on behalf of the Recipient that, in addition to signing this Agreement in their representative capacities on behalf of the members of the Recipient, they are personally, jointly and severally liable for the obligation of the Recipient under the Agreement, as well as to pay any debt that may become owing to Canada by the Recipient under this Agreement.

50.0 Severability

If any provision of this Agreement is held void or unenforceable by a court or tribunal of competent jurisdiction or pursuant to the dispute resolution process specified in this Agreement, the remainder of this Agreement shall be unaffected and each remaining provision of this Agreement shall be valid and be enforceable to the fullest extent permissible by law.

51.0 Warranty of Authority

The Recipient warrants that any representative who signs this Agreement on behalf of the Recipient has the authority to sign the Agreement and agrees to provide Canada with such evidence of that authorisation as Canada may reasonably require.

52.0 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original but both of which taken together shall constitute one and the same Agreement. The exchange of copies of this Agreement and of signature pages by facsimile or electronic transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or electronic transmission shall be deemed to be their original signatures for all purposes.



AND SIGNED ON BEHALF OF THE RECIPIENT THIS ___ DAY OF _____, 2019 BY ITS DULY AUTHORIZED OFFICERS

per: _____

(signature)

(name and title of authorized signatory)

per: _____

(signature)

(name and title of authorized signatory)

SIGNED ON BEHALF OF CANADA THIS ___ DAY OF _____, 2019 BY THE MINISTER OF EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA AND THE CANADA EMPLOYMENT INSURANCE COMMISSION

per: _____

(signature)

(name and title of signatory on behalf of Minister and the Commission)

SCHEDULE A – CONSOLIDATED REVENUE FUNDING FOR THE INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM

1.0 Authority

Funding is provided under the Indigenous Skills and Employment Training (ISET) Program, which is established by the Minister of Employment and Social Development Canada pursuant to Section 7 of the *Department of Employment and Social Development Act* (S.C. 2005, Chapter 34).

2.0 Purpose and Objective

2.1 The First Nation Labour Market Strategy, under the ISET Program, will “help close the employment and earning gaps between Indigenous and non-Indigenous people,” with “a stronger focus on training for higher quality, better paying jobs rather than rapid re-employment,” as well as assisting “clients to gain greater skills and find jobs that will support their long-term career success,” as stated in Budget 2018.

2.2 The objectives of the First Nation Labour Market Strategy are:

- (a) to support First Nations in developing employment skills by pursuing training for employment and long-term careers, and by recognizing their unique needs, with the ultimate objective of closing the employment, earning, and skills gaps between First Nations and non-Indigenous people; and,
- (b) to support and enhance capacity of First Nations service delivery organizations and structures to customize culturally-appropriate services to support their clients throughout the employment continuum by developing and improving skills and employment training.

3.0 Effective Date and Duration

This Schedule will come into effect on April 1, 2019 and will expire on March 31, 2029 unless this Agreement is terminated on a prior date in accordance with the terms of this Agreement, or extended by Amendment.

4.0 Funding Amounts

4.1 The total amount of Canada’s contribution towards the Eligible Expenditures of this Agreement is \$ _____.

4.2 The maximum amount payable by Canada in each Fiscal Year of the Agreement Period on account of the contribution is as follows, unless otherwise authorized in writing by Canada:

Fiscal Year	Consolidated Revenue Fund
2019-2020	
2020-2021	
2021-2022	
2022-2023	
2023-2024	
2024-2025	
2025-2026	
2026-2027	
2027-2028	
2028-2029	

5.0 Program Budget

5.1 The Recipient’s Capacity Assessment results form part of this Schedule, as well as the Recipient’s corresponding Annual Operational Plan, activity and cash flow reports, and Annual Report for each Fiscal Year for which funding is received under this Agreement.

5.2 Pursuant to Section 10.2 of this Agreement, periodical reassessments of the Recipient’s management capacity will be conducted, at a minimum, during the fourth and the eighth year of this Schedule.

Flat Rate for Administrative Costs

- 5.3 Canada will provide payment to the Recipient for “Administrative Costs” up to 15% as set out in the Program Budget. The usage of this payment is exempt from the reporting requirements stipulated in this Agreement.

6.0 Basic Services for all Indigenous Clientele

In addition to delivering the activities described in each specific program plan to its eligible clientele, the Recipient agrees to provide, where practicable and upon request, the following services free of charge to all Indigenous clientele who come to their service centres seeking assistance:

- (a) A preliminary interview to discuss the needs of clients;
- (b) If the needs of clients surpass the services offered by the point of service, the clients, as appropriate, are to be referred to another community agency, Service Canada, or other Indigenous service provider to obtain the service or services needed by the clients that have been identified through their preliminary interview;
- (c) As appropriate, the sharing of relevant information and materials related to the programs included in this Agreement; and,
- (d) If, at the point of service, there are computers with internet connection for use by the clients, the Recipient will permit the clients seeking assistance to use the computers to research additional materials to those referred to in (c) if requested.

7.0 Reporting on Results

Annual Reports

- 7.1 No later than 120 days following the end of each Fiscal Year during the Agreement Period, the Recipient will prepare and provide for acceptance by Canada, an Annual Report on:
- (a) The overall success achieved in implementing its Annual Operational Plan, including the activities and expenditures for the Fiscal Year;
 - (b) Audited financial statements;
 - (c) The overall success achieved in meeting its milestones;
 - (d) The challenges, and lessons learned during the year in implementing its activities; and,
 - (e) Its partnering activities.
- 7.2 The Annual Report submitted pursuant to Section 7.1 of this Schedule, could consist of the Recipient’s overall governance and organizational reporting, if appropriate.
- 7.3 The Recipient shall make copies of its Annual Report available to the public electronically and at its offices and at such other locations as will provide convenient access to the Annual Report by the communities served by the Recipient and to whom the Recipient is accountable.
- 7.4 The audited financial statement will be signed by the designated official certifying that all information contained in the Annual Report is accurate and are in accordance with this Agreement.

Data Gateway Reporting

- 7.5 Pursuant to Section 29.2 of this Agreement, the Recipient will provide to Canada, about each client who is participating in ISET Program, the data elements described in Annex A, as amended by mutual consent of the signatories from time to time.

SCHEDULE B – EMPLOYMENT INSURANCE PART II FUNDING FOR THE INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM

1.0 Authority

Funding is provided under the authority of Section 63 of the *Employment Insurance Act* (S.C. 1996, Chapter 23) (*EI Act*). Section 63 authorizes the Canada Employment Insurance Commission to enter into agreements with any government in Canada or any other public or private organization to provide for the payment of contributions for all or a portion of:

- (a) Any costs of benefits or measures that are similar to the employment benefit and support measures established by the Commission and that are consistent with the purpose and guidelines of Part II of the *EI Act* that are provided by the government, government agency or organization; and,
- (b) Any administration costs that the government, government agency or organization incurs in providing the benefits and measures.

2.0 Purpose/Objective

Contributions under Section 63 of the *EI Act* support the purpose of Part II of the *EI Act*, which is to help maintain a sustainable Employment Insurance system through the establishment of employment benefit and support measures. Benefits and measures established by provinces, territories and by Indigenous organizations must be similar to the employment benefit and support measures to be eligible for funding. The similar benefits and measures are designed to:

- (a) Better coordinate federal, provincial/territorial and Indigenous labour market programs and reducing overlap and duplication;
- (b) Improve service to clients; and,
- (c) Better meet the needs of regional and local labour markets.

3.0 Effective Date and Duration

This Schedule will come into effect on April 1, 2019 and will expire on March 31, 2029 unless this Agreement is terminated on a prior date in accordance with the terms of this Agreement, or extended by Amendment.

4.0 Funding Amounts

4.1 The total amount of Canada’s contribution towards the Eligible Expenditures of this Agreement is \$ _____.

4.2 The maximum amount payable by Canada in each Fiscal Year of the Agreement Period on account of the contribution is as follows, unless otherwise authorized in writing by Canada:

Fiscal Year	Employment Insurance Part II
2019-2020	
2020-2021	
2021-2022	
2022-2023	
2023-2024	
2024-2025	
2025-2026	
2026-2027	
2027-2028	
2028-2029	

4.3 The Recipient acknowledges the limitations imposed by Section 63 of the *EI Act* on the purposes and types of programs for which contributions under Section 63 may be made and agrees that the contribution by Canada may only be used to defray the Recipient’s EI-related Eligible Expenditures.

4.4 The balance of any unexpended contribution under Section 63 of the *EI Act* that is retained and carried forward under this Section may only be used by the Recipient for EI-related Eligible Expenditures.

5.0 Program Budget

- 5.1 The Recipient's Capacity Assessment results form part of this Schedule, as well as the Recipient's corresponding Annual Operational Plan, activity and cash flow reports, and Annual Report for each Fiscal Year for which funding is received under this Agreement.
- 5.2 Pursuant to Section 10.2 of this Agreement, periodical reassessments of the Recipient's management capacity will be conducted, at a minimum, during the fourth and the eighth year of this Schedule.

Flat Rate for Administrative Costs

- 5.3 Canada will provide payment to the Recipient for "Administrative Costs" up to 15% as set out in the Program Budget. The usage of this payment is exempt from the reporting requirements stipulated in this Agreement.

6.0 Basic Services for all Indigenous Clientele

In addition to delivering the activities described in each specific program plan to its Eligible clientele, the Recipient agrees to provide, where practicable and upon request, the following services free of charge to all Indigenous clientele who come to their service centres seeking assistance:

- (a) A preliminary interview to discuss the needs of the client;
- (b) If the needs of the clients surpass the services offered by the point of service, the client, as appropriate, are to be referred to another community agency, Service Canada, or other Indigenous service provider to obtain the service or services needed by the clients that have been identified through their preliminary interview;
- (c) As appropriate, the sharing of relevant information and materials related to the programs included in this Agreement; and,
- (d) If, at the point of service, there are computers with internet connection for use by the clients, the Recipient will permit the clients seeking assistance to use the computers to research additional materials to those referred to in (c) if requested.

7.0 Reporting on Results

Annual Reports

- 7.1 No later than 120 days following the end of each Fiscal Year during the Agreement Period, the Recipient will prepare and provide for acceptance by Canada, an Annual Report on:
- (a) The overall progress achieved in implementing its Annual Operational Plan, including the activities and expenditures for the Fiscal Year;
 - (b) Audited financial statements;
 - (c) The overall progress achieved in meeting its milestones;
 - (d) The successes, challenges, and lessons learned during the year in implementing its activities; and,
 - (e) Its partnering activities.
- 7.2 The Annual Report submitted pursuant to Section 7.1 of this Schedule, could consist of the Recipient's overall governance and organizational reporting, if appropriate.
- 7.3 The Recipient will make copies of its Annual Report available to the public electronically and at its offices and at such other locations as will provide convenient access to the Annual Report by the communities served by the Recipient and to whom the Recipient is accountable
- 7.4 The audited financial statement will be signed by the designated official certifying that all information contained in the Annual Report is accurate and are in accordance with this Agreement.

Data Gateway Reporting

- 7.5 The Recipient pursuant to Section 29.2 of this Agreement will provide to Canada, about each client who is participating in the ISET Program, the data elements described in Annex A, as amended by mutual consent of the signatories from time to time.
- 7.6 The Recipient will also provide to Canada the following Personal Information under its control about each EI client receiving assistance from the Recipient, as the case may be, under a program of the Recipient that is similar to Canada's Skills Development Benefit , Self-employment Benefit or Job Creation Partnerships Benefit for the purposes of assisting Canada in verifying client eligibility for, or entitlement to, insurance benefits under Part I of the *EI Act*, and ensuring for purposes of Section 25 of the *EI Act* that EI clients who are active EI claimants continue to receive the insurance benefits to which they are entitled while participating in the program: name, social insurance number, project type, training ID, start week(s)/date(s) of intervention, end week(s)/date(s) of intervention, project responsibility centre code, project number, apprentice indicator, intervention break start week/date, agreement number, institution code (if available), no claim report code, rate (*EI Act* Part II), date of birth, name of intervention in which individual is involved, date of withdrawal from intervention, date terminated from intervention, reason for withdrawal from intervention, and reason for termination from employment/intervention.
- 7.7 Canada will provide to the Recipient the following Personal Information under its control for the purpose of assisting the Recipient in determining if the individual qualifies as an EI client who is eligible for assistance under the Recipient's programs that are similar to Canada's Employment Benefits and Support Measures with EI funds provided to the Recipient: name, social insurance number, address, postal code, telephone number, date of birth, responsible Service Canada Centres— if available, gender, language (French or English), and EI client status.
- 7.8 Canada will also provide the Recipient with the following information in respect of an individual who has been determined to be an EI client for the purpose of assisting the Recipient in determining the nature and level of financial assistance to be provided to the EI client under the Recipient's programs: name, social insurance number, address, postal code, telephone number, date of birth, responsible Service Canada Centres – if available, gender, language (French or English), EI client status, number of previous claims in the last five years (60 months), disqualified, disqualification, type of EI benefit (claim type, e.g. regular, etc.), benefit period commencement, last week processed, week of renewal, *EI Act* Part I expected end date and benefit rate, federal tax and provincial/territorial tax deducted, number of eligible weeks, number of weeks paid, apprenticeship status, details on allocation (start / end / weekly earnings / total earnings) and intervention measures status.

Information Exchange

- 7.9 Personal Information referred to in this Schedule may be provided by Canada to the Recipient by giving the Recipient access to data systems administered by Canada through a web-based application known as "EIBIS/LMDA Access".
- 7.10 Similarly, Personal Information referred to in this Schedule may be provided by the Recipient to Canada by giving the Recipient access to data systems administered by Canada through a web-based application known as "EIBIS/LMDA Access".

Designation of Recipient as Referral Authority

- 7.11 To better coordinate the provision of assistance by the Recipient to participants in its programs who are active EI claimants with the payment of insurance benefits to those claimants by virtue of Section 25 of the *EI Act*, Canada, as represented by the Canada Employment Insurance Commission, hereby designates the Recipient as an authority for the purposes of Section 25 of the *EI Act* to refer participants in the Recipient's activities who are active EI claimants to:
- (a) Courses or programs of instruction or training which the claimant is attending at his or her own expense or under ISET Program benefits; or,
 - (b) Any other employment activity for which assistance has been provided for the claimant under labour market programs described in the Annual Operational Plan which are similar to the Employment Benefit established by the Commission under the Act.

- 7.12 The Recipient will give notice to Canada of its intention to designate a referral authority for the purposes of Section 25 of Canada's *EI Act* in order that Canada may make the necessary administrative arrangements with the referral authority to ensure timely and proper payment of insurance benefits to the referred active EI claimants under Section 25 of the Act.
- 7.13 Pursuant to Section 7.11 of this Schedule, when making referrals, the Recipient will comply with such policies regarding the referral of claimants for the purposes of Section 25 of the *EI Act* that Canada, as represented by the Canada Employment Insurance Commission, may issue from time to time.
- 7.14 The designation of the Recipient under this Section will terminate automatically on expiry of the Agreement Period. The Commission may also revoke the designation at any time for cause.

8.0 Definitions

"Active EI Claimant" means an individual for whom an employment insurance benefit period is established under the *Employment Insurance Act*.

"EI Client" means an unemployed person who, when requesting assistance under a program described in the Recipient's annual operational plans that is similar to Canada's Targeted Wage Subsidies Benefit, Job Creation Partnerships Benefit, Skills Development Benefit or Self-employment Benefit established by Canada under Part II of the *EI Act*, is:

- (a) An active EI claimant;
- (b) A former EI claimant whose benefit period under the *Employment Insurance Act* has ended within the previous 36 months; or,
- (c) A former EI claimant for whom a benefit period has been established in the previous 60 months and who:
 - (i) Was paid special benefits under the *Employment Insurance Act* during the benefit period;
 - (ii) Subsequently withdrew from active participation in the labour force to care for one or more of their new-born children or one or more children placed with them for the purpose of adoption; and,
 - (iii) Is seeking to re-enter the labour force.

"EI-Related Eligible Expenditures" means:

- (a) The portion of the Recipient's eligible expenditures related to administering the programs described in its annual operational plans that are similar to Canada's Targeted Wage Subsidies Benefit, Job Creation Partnerships Benefit, Skills Development Benefit, Self-employment Benefit or Employment Assistance Services Support Measure established by Canada under Part II of the *Employment Insurance Act*, that is reasonably attributable to providing services to EI clients, and
- (b) The Recipient's eligible expenditures related to providing financial assistance in support of EI clients under the programs described in its annual operational plans that are similar to Canada's Targeted Wage Subsidies Benefit, Job Creation Partnerships Benefit, Skills Development Benefit and Self-employment Benefit established by Canada under Part II of the *Employment Insurance Act*.

"Employment Insurance Act" means the *Employment Insurance Act*, Statutes of Canada 1996, chapter 23.

SCHEDULE C – CONSOLIDATED REVENUE FUNDING FOR FIRST NATION AND INUIT CHILD CARE INITIATIVE

1.0 Authority

Funding is provided under the First Nation and Inuit Child Care Initiative, which is established by the Minister of Employment and Social Development Canada (“the Minister”) pursuant to Section 7 of the *Department of Employment and Social Development Act (S.C. 2005, Chapter 34)*.

2.0 Objective

The objective of this Initiative is to increase access and quality of Early Learning and Child Care services and supports for Indigenous children and families.

3.0 Effective Date and Duration

This Schedule will come into effect on April 1, 2019 and will expire on March 31, 2021 unless this Agreement is terminated on a prior date in accordance with the terms of this Agreement, or extended by Amendment.

4.0 Funding Amounts

4.1 The total amount of Canada’s contribution towards the Eligible Expenditures of this Agreement is \$ _____.

4.2 The maximum amount payable by Canada in each Fiscal Year of the Agreement Period on account of the contribution is as follows, unless otherwise authorized in writing by Canada:

Fiscal Year	Consolidated Revenue Fund
2019-2020	
2020-2021	
Future Years	To Be Determined

5.0 Program Budget

5.1 The Recipient’s Capacity Assessment results form part of this Schedule, as well as the Recipient’s corresponding Annual Operational Plan, activity and cash flow reports, and Annual Report for each Fiscal Year for which funding is received under this Agreement.

5.2 Pursuant to Section 10.2 of this Agreement, periodical reassessments of the Recipient’s capacity will be conducted, at a minimum, during the fourth and the eighth year of this Schedule.

Flat Rate for Administrative Costs

5.3 Canada will provide payment to the Recipient for “Administrative Costs” up to 15% as set out in the Program Budget. The usage of this payment is exempt from the reporting requirements stipulated in this Agreement.

6.0 Reporting on Results

Annual Reports

6.1 No later than 120 days following the end of each Fiscal Year during the Agreement Period, the Recipient will prepare and provide for acceptance by Canada, an Annual Report on:

- (a) The overall progress achieved in implementing its Annual Operational Plan, including the activities and expenditures for the Fiscal Year;
- (b) Audited financial statements;
- (c) The overall progress achieved in meeting its milestones;
- (d) The successes, challenges, and lessons learned during the year in implementing its activities; and,
- (e) Its partnering activities.

6.2 The Annual Report submitted pursuant to Section 7.1 of this Schedule, could consist of the Recipient’s overall governance and organizational reporting, if appropriate.

- 6.3 The Recipient will make copies of its Annual Report available to the public electronically and at its offices and at such other locations as will provide convenient access to the Annual Report by the communities served by the Recipient's activities and to whom the Recipient is accountable.
- 6.4 The statement will be signed by the designated official certifying that all information contained in the Annual Report is accurate and are in accordance with this Agreement.

Results Reporting

- 6.5 Reporting provided by Recipient to Canada – to be determined

ANNEX A – Personal Information to be Provided by the Recipient to Canada

The Recipient pursuant to Section 23 of this Agreement will provide to Canada the following Personal Information under its control about each client who is participating in ISET program for the purpose of assisting Canada in monitoring, assessing and evaluating the effectiveness of the assistance provided by Canada under ISET program:

- Social insurance number
- Last Name
- Initial
- First name
- Date of birth
- Gender
- Indigenous group
- Marital status
- Number of dependents of the client
- Language(s) spoken
- Disability
- Street address
- City
- Province
- Postal code
- Agreement number
- Highest level of education at intake
- Barriers to employment
- Social assistance recipient
- Employment Insurance claimant
- Client status at intake
- Employed client details at intake
- Action plan start date
- Intervention start date
- Intervention code
- Intervention related National Occupational Classification
- Intervention outcome
- Intervention end date
- Action plan result date
- Action plan result
- Details on employed Result
- Details on return to school result
- Highest level of education on exit

ANNEX B – Description of Eligible Clientele

**JOINT CAPACITY ASSESSMENT TOOL
INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM**

Organization and Program Information	
Organization Name:	
Program (s):	
Project Number (s):	

Capacity Assessment Status	Date	Service Canada Staff	Organization representative (s)
Initial Discussion	Click cell for date		
Review	Click cell for date		
Assessment Result	Click cell for date		

JOINT CAPACITY ASSESSMENT TOOL
INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM

The questions below serve as a guide to assess and determine the management capacity of an organization. Recognizing that organizations range in size and structure and serve different communities, certain questions may not apply in all cases, and other elements may be considered to determine capacity.

FACTORS	ASSESSMENT RATIONALE	CONSIDERATIONS
<p>GOVERNANCE/LEADERSHIP</p> <p>Ability to demonstrate leadership in the management of the organization and support in developing its capacity.</p>	<p><i>Supporting Information</i></p> <p>Click here to enter text.</p>	<p>1. Organizational Structure</p> <ul style="list-style-type: none"> • How long has the organization been in operation? • How is the organization managed (for example, council, board of directors, other governance structure)? • Is the organization associated with another government (for example, municipality or Indigenous)? <p>2. Partnerships and accountability</p> <ul style="list-style-type: none"> • Does the organization publish an annual report, including service and program outcomes, financial statements, etc.? • Does the organization have established partnerships to support their service delivery? <p>3. Policies and Procedures</p> <ul style="list-style-type: none"> • Are there established policies and procedures that are used to support service delivery (e.g. HR policies, service standards)? • Are there established planning cycles supported by operational and budget plans?
	<p>Governance/Leadership Assessment</p> <p>Click here to enter observations and rationale</p>	

**JOINT CAPACITY ASSESSMENT TOOL
INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM**

FACTORS	ASSESSMENT RATIONALE	CONSIDERATIONS
<p>PLANNING/MANAGEMENT</p> <p>Ability to demonstrate long-term sustainability through careful planning of its operations, administration, and management.</p>	<p><i>Supporting Information</i></p> <p>Click here to enter text.</p>	<p>1. Strategic, Operational and Budget Plans</p> <ul style="list-style-type: none"> • Are there plans and strategies in place, such as strategic, operational and budget plans to manage potential impacts on funded programs? • Will these plans guide the long-term skills development and employment training services provided? • What are the expected outcomes and targeted results of the planned activities? • What is the organization’s vision and long term plans? • Are foreseeable emergencies and service disruptions considered in these plans?
		<p>2. Human Resources Planning</p> <ul style="list-style-type: none"> • Does the organization have procedures in place for the recruitment, staffing, and retention of employees? • Are structures in place to train and support staff?
		<p>3. Community Involvement</p> <ul style="list-style-type: none"> • Have you engaged people in the community or service area in the planning and design of your service? If applicable, have stakeholders such as sub-agreement holders or other entities) been consulted during the planning process to ensure program delivery coverage, quality services, and that results are communicated to the community?
<p>Planning/Management Assessment</p> <p>Click here to enter observations and rationale</p>		
<p>FINANCIAL MANAGEMENT</p> <p>Ability to demonstrate accountability, effective use of resources and adapt to</p>	<p><i>Supporting Information</i></p> <p>Click here to enter text.</p>	<p>1. Financial Certification</p> <ul style="list-style-type: none"> • Has the organization obtained financial certification by First Nations Financial Management Board (FNFM), International Standards Organization (ISO) or another entity?

**JOINT CAPACITY ASSESSMENT TOOL
INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM**

FACTORS	ASSESSMENT RATIONALE	CONSIDERATIONS
<p>new opportunities or changes.</p>		<p><i>2. Financial controls, records, and reporting</i></p> <ul style="list-style-type: none"> • Has the organization implemented financial operations policies and procedures? • Is there a separate project structure, and ledger to track program costs within the accounting system for the ISET program? • How often does the organization reconcile its banking statements and has it implemented separate tracking of program funding? • Does the individual responsible for preparing the bank reconciliation have access to the cash account? • Do the procurement or purchasing policies in place apply to funding received through the contribution agreement, including a competitive/tendering process for the purchase of a good or service and a threshold for going to tender to purchase a good or a service? • As part of its internal control framework, is the organization able to extract a general ledger at the transaction level and reconciliation with financial accounts? (for example, being able to provide transaction level information related specifically to project expenditures). • Does the organization engage a Certified Professional Account (CPA) to prepare its annual financial audit?

**JOINT CAPACITY ASSESSMENT TOOL
INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM**

FACTORS	ASSESSMENT RATIONALE	CONSIDERATIONS
		<p>3. Finance functions</p> <ul style="list-style-type: none"> • Has the organization recruited staff with professional designations, e.g., a CFO, an accountant, bookkeeper, a certification from the Aboriginal Financial Officers Association, etc.? • Does the organization conduct monitoring, review and reconcile sub-agreement holders' claims/expenditures to determine that the expenditures are eligible? • Are sub-agreements (if applicable), monitored for compliance with all stated conditions in the agreement? Are structures in place to ensure that the expenditure of funds redistributed to sub-agreement holders or services providers meet the terms and conditions of the program? • Have there been any issues found (and addressed) based on financial monitors in the last 2 years that may have an impact on service delivery or financial management? <p>4. Segregation of Duties</p> <ul style="list-style-type: none"> • How does the organization determine and address segregation of duties, i.e., financial system requirements and policies at staff level? • Have there been any issues with following this approach?
	<p>Financial Management Assessment Click here to enter observations and rationale</p>	

**JOINT CAPACITY ASSESSMENT TOOL
INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM**

FACTORS	ASSESSMENT RATIONALE	CONSIDERATIONS
<p>DELIVERING RESULTS</p> <p>Ability to provide quality services that meet the needs of clients and the community on a sustained basis.</p>	<p><i>Supporting Information</i></p> <p>Click here to enter text.</p>	<p>1. Service / Program Delivery</p> <ul style="list-style-type: none"> • How many years of experience does the organization have in delivering skills and employment programs (e.g. 10 years +)? • Have past agreements consistently demonstrated results? • How many years of experience does the organization have in delivering other federal programs or services? (E.g. 10 years +)? • Does the organization have indicators to monitor and evaluate the effectiveness of services and programs delivered? Are the results published or shared? • Are service evaluations, client feedback, and data collected used to inform decisions on revisions to programs and services? • Are interviews performed with program participants or with employers to determine if programs or services are easy to access and effective?
		<p>2. Staff Capacity</p> <ul style="list-style-type: none"> • Does the organization have the capacity and flexibility to meet the needs of clients if they change, such as increase service volumes if demand grows?
		<p>3. Management of Sub-Agreements</p> <ul style="list-style-type: none"> • Does the organization have experience in managing sub- agreement holders? • Does the organization intend to monitor and manage these sub-agreements to effectively increase or improve their capacity to deliver?
	<p>Delivering Results Assessment</p> <p>Click here to enter observations and rationale</p>	

**JOINT CAPACITY ASSESSMENT TOOL
INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM**

Global Assessment Rationale:

- Based on the assessment, please describe the overall assessment rationale.
- There is no set standard to weigh the different considerations of each organization, as the circumstances of each service delivery structure is unique.
- When determining an organization’s overall capacity assessment category, it is important to note if areas of improvement were identified. Are these improvements essential to service delivery requirements, or are they areas that could simply be enhanced and would not impact on achieving the objectives of the program?

Capacity Assessment Category	Overall Assessment Rationale

**JOINT CAPACITY ASSESSMENT TOOL
INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM**

Capacity Development Plan/Activities (optional)

FACTORS	ACTIVITIES
GOVERNANCE/LEADERSHIP	<p><i>The following are examples only. Please choose, remove, or add activities.</i></p> <p><i>Optimal Capacity</i></p> <ul style="list-style-type: none"> • Maintain dialogue and support as required, initiated by the organization. <p><i>Capacity Enhancement or Capacity Building:</i></p> <ul style="list-style-type: none"> • Support the development of approaches that demonstrate accountability of program funding and delivery to the public. • Support capacity building for business continuity (no service disruption) by promoting relationships and partnerships with other organizations (i.e. more experienced AH, other service delivery organizations). • Encourage membership in organizations such as the Aboriginal Financial Officer Association (AFOA) Canada that would provide guidance to AH in areas such as: <ul style="list-style-type: none"> ○ Certified Indigenous Leadership (CIL) ○ Certified Aboriginal Professional Administrator (CAPA).
PLANNING/MANAGEMENT	<p><i>The following are examples only. Please choose, remove, or add activities.</i></p> <p><i>Optimal Capacity:</i></p> <ul style="list-style-type: none"> • Maintain dialogue and support as required, initiated by the organization. • Work in collaboration with Indigenous organizations, if required, to discuss or review their Strategic, Operational and Budget Plans. <p><i>Capacity Enhancement or Capacity building:</i></p> <ul style="list-style-type: none"> • Promote relationships with other Indigenous communities to ensure that Indigenous organizations benefits from best practices • Work in collaboration with Indigenous organizations to provide guidance on Strategic, Operational and Budget Plans, and practices to increase transparency with community. • Implement a staffing/HR plan to meet program delivery objectives. • Develop an engagement plan to ensure stakeholders are involved in program development and delivery.

**JOINT CAPACITY ASSESSMENT TOOL
INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM**

Capacity Development Plan/Activities (optional)

FACTORS	ACTIVITIES
FINANCIAL MANAGEMENT	<p><i>The following are examples only. Please choose, remove, or add activities.</i></p> <p><i>Optimal Capacity:</i></p> <ul style="list-style-type: none"> • Maintain dialogue and support as required, initiated by the organization. <p><i>Capacity Enhancement or Capacity Building:</i></p> <ul style="list-style-type: none"> • Encourage membership with organizations such as FNFMP, AFOA or ISO to: <ul style="list-style-type: none"> - provide guidance to Indigenous organizations on how to obtain an organizational financial certification and/or obtain a Certified Aboriginal Financial Manager (CAFM) designation - provide professional development training to staff to enhance their financial management abilities • Support Indigenous organizations in establishing relationships with other Indigenous organizations to promote financial management, accounting, reporting best practices and monitoring challenges in their fiscal relations and accountability requirements. • Use of professional financial services, as required, through an advisory organization or contractual arrangement. • If requested, departmental staff may provide support/information to Indigenous organizations.
DELIVERING RESULTS	<p><i>The following are examples only. Please choose, remove, or add activities.</i></p> <p><i>Optimal Capacity:</i></p> <ul style="list-style-type: none"> • Maintain dialogue and support as required, initiated by the organization. • Assist Indigenous organizations in maintaining capacity and support them to enhance their competency and skills in project management and delivery. <p><i>Capacity Enhancement or Capacity Building :</i></p> <ul style="list-style-type: none"> • Establish shorter-term targets to improve results • Assess if other supports or infrastructure are required to increase the capacity to deliver results. • Partner with other service delivery organizations to enhance delivery expertise. • Provide support in the analysis of data to identify issues and opportunities for improvement. • Share best practices and tools to enhance ability to measure results.