



JUN 15 2020

The Honourable Dean Allison
Chair, Standing Committee on Public Accounts
House of Commons
Ottawa ON K1A 0A6

Dear Mr. Allison:

Thank you for your letter of May 5, 2020, which sought further clarification for the Standing Committee on Public Accounts on some questions related to the Indigenous Skills and Employment Training Program and Skills and Partnership Fund pursuant to the Committee's report, entitled *Report 6, Employment Training for Indigenous People – Employment and Social Development Canada of the 2018 Spring Report of the Auditor General of Canada*.

I am pleased that the responses previously provided by Employment and Social Development Canada to the Committee addressed many of the Committee's recommendations. I am happy to provide clarification on the Committee's questions related to performance measurement, monitoring and the use of Capacity Assessments. Responses are below:

- 1) *Has the updated performance measurement strategy for the Indigenous Skills and Employment Training Program and the Skills and Partnership Fund been formally implemented and is it currently being used by the department? If so, has the department observed any improvements in performance management as a result of the new strategy?*

The Department has implemented the updated performance measurement strategies for the Indigenous Skills and Employment Training (ISET) Program and the Skills and Partnership Fund (SPF). These strategies are being used by the Department to collect data on the programs and results, ensuring continued monitoring to capture results of collective efforts to improve outcomes for Indigenous peoples, and supporting program improvement where required. The Department has implemented a strong data management system for Indigenous Labour Market Programs to ensure that performance data is collected and performance monitored and reported on an ongoing basis.

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The new ISET Program has just completed its first full year of operation and program data is normally received by the Department until June 2020. While we anticipate there may be some delays for organizations due to constraints presented by COVID-19, program data will be analyzed and provided to Indigenous service providers to jointly assess results and areas of focus for the coming year, including identifying potential programming and service delivery improvements. Service Canada officials are working diligently with Indigenous partners to understand challenges and constraints within the context of COVID-19 and will support any changes needed to adapt training plans and work with clients going forward.

Projects supported under the SPF are entering their last year and officials are working closely with organizations to review results and assess performance.

We continue to work with Indigenous partners delivering the ISET program to enhance the approach to performance measurement to ensure that Indigenous perspectives are integrated into the performance strategy and are responsive to the Department and Indigenous partners. For example, we are exploring how to include qualitative information to capture a more comprehensive and holistic picture of the impact and results of programs based on feedback from our Indigenous partners.

An approach to future SPF projects will be informed by observations of the Auditor General and recommendations of the Committee.

2) *Has the “comprehensive” Indigenous Skills and Employment Training Program Monitoring Strategy been finalized and implemented?*

The Department is finalizing the implementation of the monitoring approach in collaboration with Indigenous service providers, internal experts, and Indigenous leadership. The objective of this new monitoring approach, aligns with the overall approach to managing the agreement cycle annually with the common goal of increasing Indigenous service providers’ capacity in administering labour market programs, demonstrating accountability, and supporting ongoing improvements in the quality of programs and services delivered through the ISET Program.

Monitoring and reporting activities took place in 2019-2020, as part of the first year of the ISET agreement management cycle. Specific monitoring activities are set out for each Indigenous service provider in accordance with their Capacity Assessment and as prescribed in the ISET Program contribution agreement. Monitoring information is captured in a continuous manner

over the course of the annual agreement management cycle. Reviews of preliminary ISET Program monitoring results were performed at mid-year 2019-2020. Year-end reports for all agreement holders will be reviewed when they are all received, normally anticipated between July and September.

In the 2020-2021 agreement management cycle, the context of COVID-19 has shifted monitoring to virtual off-site monitors. The Agreements allow for administrative flexibilities for reporting and the agreement management cycle overall, including the adjustment of annual plan activities, to adjust for unanticipated and extraordinary circumstances. Employment and Social Development Canada (ESDC) will review 2020-2021 monitoring information as it becomes available.

The results of the ongoing monitoring activities will support adjustments (as required) to the ISET Program and the Monitoring Strategy.

- 3) *What has the department learned since integrating Capacity Assessments into Indigenous Skills and Employment Training agreements? Has this initiative helped better manage risk and possible mitigation strategies regarding sub-agreements?*

To initiate the transition to the ISET Program implementation in the Spring of 2019, an organizational Capacity Assessment was conducted jointly by ESDC/Service Canada and each Indigenous service provider. This introduced an important shift in approach from the Risk Assessment, Management and Mitigation (RAMM) to assessing project related risk, including risk pertaining to managing sub-agreements. (It should be noted that organizations can be reassessed at the request of either ESDC/Service Canada or the organization and that any new Indigenous organization seeking to deliver the ISET program must first participate in this Capacity Assessment process).

In the Summer of 2019, the Department conducted an analysis of the transition from the Aboriginal Skills and Employment Training Strategy to the ISET program. This analysis demonstrated that the Capacity Assessment process introduced a more accurate way of assessing risk under the ISET program from the previous RAMM approach, which weighted risk on expenditures and project duration rather than outcome. Further Capacity Assessment analysis indicated that the ISET network is operating well with no significant risks identified in any of the four areas assessed (Governance/leadership, Planning/management, Financial management and Delivering results) in any of the three levels of Capacity (Optimal, Enhancements and Capacity building).

All organizations have strengths to build on, and all have areas for further development, with opportunities to develop and share best practices and continuous improvement, which will result for many organizations in eventual program devolution. ESDC continues to support opportunities for sharing experiences and best practices among Indigenous service providers, within their distinctions and across. As an example, in October 2019, ESDC gathered Indigenous service delivery partners and ESDC/SC staff at the National Workshop entitled “Supporting ISET Program Success - Continuing the Dialogue on Data and Performance.”

In relation to mitigation strategies regarding sub-agreements, the ISET Program contribution agreements set out explicitly that the responsibility lies with the Indigenous Service provider to manage sub-agreements they enter into (Clause 25.0), and that they shall have written operational policies and procedures in place for monitoring. However, it should be noted that the management of sub-agreements is factored into the joint Capacity Assessment process. As mentioned earlier, the capacity assessment outcomes inform the reporting frequency and monitoring activities to be carried out by ESDC/SC.

Overall, the changes undertaken in the implementation of the new ISET Program have strengthened the department’s relationship with Indigenous organizations and improved attention to performance.

I trust that these answers address the questions of the Committee.

Yours sincerely,



Graham Flack
Deputy Minister
Employment and Social Development Canada