

Minister of Employment,  
Workforce Development  
and Labour



Ministre de l'Emploi,  
du Développement de la main-d'œuvre  
et du Travail

APR - 4 2019

Ottawa, Canada K1A 0J9

The Honourable Kevin Sorenson, M.P.  
Chair, Standing Committee on Public Accounts  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Mr. Sorenson:

Pursuant to Standing Order 109 of the House of Commons, I am pleased to respond on behalf of the Government of Canada to the recommendations made by the Standing Committee on Public Accounts in its report entitled Report 6, Employment Training for Indigenous People – Employment and Social Development Canada, of the 2018 Spring Reports of the Auditor General of Canada, tabled in the House of Commons on December 6, 2018.

The Government appreciates and values the work undertaken by the Committee in conducting a review of the 2018 Report of the Auditor General. The Government accepts these recommendations and ESDC has already taken steps to bring forward meaningful changes to enhance skills training programs for Indigenous peoples, working closely with Indigenous partners.

The enclosed response addresses the Standing Committee's recommendations and outlines progress the Department has made in implementing the recommendations of the Auditor General to improve the management and delivery of Indigenous labour market programs.

The Government of Canada has emphasized the importance of renewing a nation-to-nation relationship between Canada and Indigenous communities based on rights, respect, co-operation and partnership. In this context, the Government has made significant commitments to improve the socio-economic conditions of Indigenous Peoples and their communities for a better future and quality of life. A key component of this effort includes ensuring that Indigenous people have the skills and training required to participate and thrive in a rapidly evolving labour market.

I am committed to ensuring the Aboriginal Skills and Employment Training Strategy and its successor, the Indigenous Skills and Employment Training program, and the Skills and Partnership Fund provide access to a full suite of skills development and job training to support Indigenous Peoples to improve their skills, get good jobs, and meet community labour needs and priorities as we work together to reduce the skills and employment gaps.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'P. Hajdu', written over a white background.

Patricia A. Hajdu  
Minister of Employment, Workforce Development and Labour

**Government Response to the House of Commons Standing Committee on Public Accounts  
Report 6, Employment Training for Indigenous People – Employment and Social  
Development Canada, of the 2018 Spring Reports of the Auditor General**

**Introduction**

Under the leadership of Prime Minister Justin Trudeau, the Government has been clear and consistent in its commitment to reconciliation through furthering a renewed, nation-to-nation, government-to-government, and Inuit-Crown relationship based on the recognition of rights, respect, co-operation, and partnership. However, in the past, a pan-Indigenous approach to skills training by the Government has too often resulted in the imposition of one-size-fits-all solutions designed in isolation from Indigenous Peoples their communities.

ESDC has worked together with Indigenous partners, funding them to develop and deliver Indigenous labour market programming to support their communities. Under the Aboriginal Skills and Employment Training Strategy, Indigenous organizations design and deliver programming based on the needs and priorities of Indigenous peoples.

The 2015 Aboriginal Skills and Employment Training Strategy and the Skills and Partnership Fund's evaluation demonstrated positive labour market outcomes of program participants, such as increased earnings and employment.

But better is always possible. ESDC is actively working with Indigenous partners to implement a new Indigenous Skills and Employment Training program beginning in April 2019. The new Program includes improvements that are driven by an extensive engagement with Indigenous partners and leadership.

Guided by the principles of respect, cooperation and partnership, ESDC is confident that Budget 2018 investments in the new Indigenous Skills and Employment Training Program will support Indigenous partners to deliver the training Indigenous people need for long-term success.

The enclosed response addresses the Standing Committee's recommendations, reporting on progress the Department has made in implementing the recommendations of the Auditor General to improve the management and delivery of Indigenous labour market programs.

Responding to the Standing Committee on Public Accounts

**Recommendation 1**

**That by 30 June 2019, Employment and Social Development Canada present the House of Commons Standing Committee on Public Accounts a detailed report on its Performance Measurement Strategy for the new Indigenous Skills and Employment Training (ISET) program and the Skills and Partnership Fund (SPF), including a list of the chosen performance indicators and their targets; this list should include metrics on employment advancement.**

### **Response**

Established in July 2016, the Treasury Board Secretariat's 'Policy on Results' requires that departments establish, implement and maintain Performance Information Profiles for programs (formerly Performance Measurement Strategies) that must include, among other things, outcomes of the program, valid indicators and targets.

ESDC recognizes the importance of measuring and understanding the impact the programs have on Canadians. A Performance Measurement Strategy has been in place for the Aboriginal Skills and Employment Training Strategy and the Skills and Partnership Fund since 2010-11. As part of this Performance Measurement Strategy, ESDC monitored and reported on progress made in terms of the number of clients served, clients employed and clients who returned to school.

As part of the ongoing implementation of the new Indigenous Skills and Employment Training Program announced in Budget 2018, the Department is working with Indigenous partners to finalize a performance measurement strategy that reflects the goals of the new Program and the Skills and Partnership Fund. This will include the identification of strengthened indicators and defined targets that are important to both Indigenous communities and ESDC.

The Government of Canada agrees with the recommendation. ESDC will present the House of Commons Standing Committee on Public Accounts with a report detailing the performance measurement strategy for the new Indigenous Skills and Employment Training program and the Skills and Partnership Fund by June 30, 2019.

### **Recommendation 2**

**That Employment and Social Development Canada present the House of Commons Standing Committee on Public Accounts Committee: 1) a report on the selected data for the programs' evaluations; 2) a progress report on the analysis of program outcomes and possible improvements to program and service delivery; and 3) a final report on this analysis. Deadline: 1) 30 June 2019; 2) 31 December 2019; 3) 30 September 2020**

### **Response**

Past evaluations have demonstrated the effectiveness of ESDC's Indigenous labour market programming in achieving real outcomes for Indigenous participants, including increased earnings, a greater incidence of employment, and decreased use of Employment Insurance benefits and provincial/territorial Social Assistance.

As part of the Department's regular examination of its labour market programming, the Department is conducting an evaluation of the Aboriginal Skills and Employment Training Strategy and the Skills and Partnership Fund that will be completed in 2020.

The Department is currently developing a methodology report to support the evaluation. This methodology report will detail the specific data available and the methods used to assess the programs' incremental impacts and outcomes for participating Indigenous clients. The evaluation will report on outcomes and incremental impacts for participants and will suggest possible improvements to program and service delivery, where appropriate.

The Government of Canada agrees with the recommendation. ESDC will present the House of Commons Standing Committee on Public Accounts with the Aboriginal Skills and Employment Training Strategy and the Skills and Partnership Fund Evaluation methodology report by June 30, 2019; and the final evaluation report by June 30, 2020.

### **Recommendation 3**

**That by 31 May 2019, Employment and Social Development Canada present the House of Commons Standing Committee on Public Accounts a report on the formula used for allocating all funding for the new Indigenous Skills and Employment Training Program among the various communities and regions of Canada.**

### **Response**

The Government heard from Indigenous partners regarding the importance of a distinctions-based approach that recognizes the unique needs of First Nations, Inuit, Métis and Urban / Non-affiliated Indigenous peoples. Budget 2018 announced the new Indigenous Skills and Employment Training Program will provide separate distinctions-based funding streams.

ESDC is working with Indigenous partners to seek their recommended approach to allocating new funds, taking into consideration factors they deem important which includes current employment rates, the employment gap between Indigenous and non-Indigenous populations, population density in service areas and population growth. A commitment was also made that there will be no reductions to current funding levels for service delivery.

The Government of Canada agrees with the recommendation. ESDC will present the Committee with a report on the methodology used for allocating funding for the new Indigenous Skills and Employment Training Program based on recommendations from Indigenous partners by May 31, 2019.

### **Recommendation 4**

**That Employment and Social Development Canada present the House of Commons Standing Committee on Public Accounts with: 1) an overview addressing all instances of duplication in and between federal and provincial/territorial Indigenous labour market programs; and 2) a report including a plan detailing how to eliminate this duplication. Deadline: 1) 31 January 2019; 2) 31 May 2019.**

### **Response**

ESDC has completed a review of existing federal and provincial/territorial Indigenous labour market programs. Analysis indicates that over half of provinces/territories currently deliver skills training targeted to Indigenous clients. It is important to note the Aboriginal Skills and Employment Training Strategy and the new Indigenous Skills and Employment Training program is unique as it is fully designed and delivered by Indigenous partners to respond to the contexts and realities of Indigenous communities, unlike other programming available to Indigenous Peoples. Among those jurisdictions with targeted training, not all have points of service available in remote communities, while half of the Indigenous population in Canada lives outside of urban areas. A program such as the Aboriginal Skills and Employment Training Strategy, delivered by Indigenous organizations with points of service across Canada, including

in remote communities, does not duplicate mainstream programs, but rather ensures greater availability of training for Indigenous populations in rural and remote areas who can often have significant barriers to program access.

ESDC is working with provinces and territories to maximize the use of resources and to ensure Indigenous Peoples benefit from a full suite of supports that would allow them to obtain and maintain jobs following their training. This work will continue to support program complementarity through coordination efforts with provinces/territories, including information sharing, identification of gaps and priorities, and areas for potential collaboration.

Continued collaboration is supported by annual bilateral meetings with provincial/territorial governments. These discussions focus on how our respective federal and provincial/territorial programs can work together in a coordinated approach, aligning initiatives, and developing common strategies so that services are maximized for all Canadians, including Indigenous peoples.

ESDC will present the House of Commons Standing Committee on Public Accounts with an overview of federal, provincial/territorial Indigenous labour market programs, including any instances of duplication, and a report on mechanisms of coordination to ensure effective delivery by May 31, 2019.

#### **Recommendation 5**

**That Employment and Social Development Canada present the House of Commons Standing Committee on Public Accounts with: 1) a progress report on the preliminary results of linking the Job Bank with Indigenous organizations by 30 June 2019; 2) a report listing the organizations involved in the labour market information pilot project as of 15 June 2019 and the date on which these organizations will join the pilot project by 30 June 2019; and 3) a report on the results of the survey and skills inventory by 30 April 2020 and the three subsequent years.**

#### **Response**

The Department has improved its sharing of labour market information (LMI) with Indigenous partners by leveraging data from the Job Bank to support training and job placements. Discussions are underway with Indigenous partners to determine their needs and establish a strategy to make Job Bank information available to service delivery organizations.

ESDC is also conducting an on-reserve LMI survey and skills inventory pilot project to collect community-level data in First Nations communities, ensuring relevant community-level analysis to support local program development and delivery. The initial pilot testing is being implemented with four First Nations organizations, representing 23 First Nations communities, in three provinces (British Columbia, Newfoundland and Labrador, and Ontario).

ESDC is required to provide progress reports on the activities of the on-reserve LMI Survey Pilot in 2019-2020, and a final report that outlines lessons learned and plans to further integrate this approach. ESDC proposes providing these progress and final reports to the Committee instead of annual reports, as there will be more robust data then. This will avoid compromising the

quality of the reporting by allowing sufficient time for a more comprehensive analysis of the data.

The Government of Canada agrees with the recommendation. ESDC will present the Committee with 1) a progress report on linking Job Bank with Indigenous organizations by 30 June 2019; 2) a report listing the organizations involved in pilot project by 30 June 2019; and, 3) a report on the results of the survey and skills inventory pilot by 30 April 2020, and a final report upon completion of the pilot by November 2022.

### **Recommendation 6**

**That, by 30 April 2019, Employment and Social Development Canada presents the House of Commons Standing Committee on Public Accounts with a report on the concrete measures taken to reduce administrative burden in the new Indigenous Skills and Employment Training Program agreements.**

### **Response**

As a result of discussions with Indigenous partners on the administrative reporting required by ESDC, the Department has taken immediate steps to improve and streamline its requirements. For example, a pilot project was launched in 2018-2019 that tested a flat rate for administration costs, and the analysis based upon the feedback received has resulted in changes to administrative reporting in the new Indigenous Skills and Employment Training program.

The design and structure of the new Indigenous Skills and Employment Training program reflect a more streamlined administrative process. The new Program contribution agreement reduces reporting and provides for increased flexibility, while ensuring financial monitoring and controls are in place. The reduction in administrative requirements from the former program will support Indigenous partners in focusing efforts on the delivery of services and shift to an emphasis on measuring results.

The Government of Canada agrees with the recommendation. ESDC will present the Committee a report on measures taken to reduce administrative burden under the Indigenous Skills and Employment Training program by April 30, 2019.

### **Recommendation 7**

**That Employment and Social Development Canada present the House of Commons Standing Committee on Public Accounts with: 1) its update on the monitoring strategies as part of the risk management framework model renewal by 30 June 2019; 2) a report explaining the length of time to complete the first report on the new Indigenous Skills and Employment Training Program monitoring results by 30 June 2019; and 3) if these explanations are deemed satisfactory, the first report on the new Indigenous Skills and Employment Training Program monitoring results by 30 September 2021. Otherwise, the Committee reserves the right to request this report at an earlier date.**

### **Response**

As part of the design and structure of the Indigenous Skills and Employment Training program, an updated monitoring approach will be implemented when the Program is launched in April

2019. This approach is being developed together with Indigenous partners and will be informed by the organizational capacity of the partners. The new monitoring strategies will include focus on program results and on identifying additional supports that may be needed to assist the organizations in achieving program objectives.

To leverage monitoring data collected through the Program, the Department will work with Indigenous partners to develop an approach for annual reviews. The first review of the new Indigenous Skills and Employment Training program will be conducted in 2019-2020, and will inform potential program and service delivery improvements. The first year's monitoring results will not be available until the 2020-2021 fiscal year.

The Government of Canada agrees with the recommendation. ESDC will provide an update on the monitoring strategies as part of the revised risk management/capacity assessment tool implemented for the ISET program by June 30, 2019. ESDC will also provide a report on the results of monitoring activities to inform any potential program and service delivery improvements by December 2020.

#### **Recommendation 8**

**That by 31 March 2019 Employment and Social Development Canada presents the House of Commons Standing Committee on Public Accounts with a report on the elements of risk and mitigation strategies associated with the management of sub-agreements.**

#### **Response**

It is a priority to support Indigenous partners in maintaining and enhancing their capacity to manage the agreements, including sub-agreements. The analysis of the elements of risk and the mitigation strategies with relation to the management of sub-agreements has been integrated into the design and structure of the new Indigenous Skills and Employment Training (ISET) program. The new ISET program contribution agreement clearly outlines the primary responsibility of contribution recipients to manage and provide oversight on sub-agreements.

As part of a new collaborative assessment process, elements of risk associated with sub-agreements have been addressed in relation to financial management and delivering results. This will identify any potential issues related to the management of sub-agreements and the corresponding mitigation activities.

The Government of Canada agrees with the recommendation. ESDC will present the Committee with the revised agreement template and elements to be considered in the capacity assessment process related to the management of sub-agreements by April 30, 2019.

#### **Recommendation 9**

**By 30 June 2019, Employment and Social Development Canada present the House of Commons Standing Committee on Public Accounts with a report on the mandatory and optional training delivered to Indigenous training program officers.**

### **Response**

On September 26, 2016, ESDC implemented a Portfolio Wide Grants and Contributions Training Policy. The objective of the policy is to ensure that all Grants and Contributions officers have the knowledge, skills and competencies to effectively and efficiently deliver these programs. A core mandatory learning curriculum, which includes comprehensive modules on monitoring, has been developed for program officers.

The collaborative approach embedded in the new program redefines how ESDC interacts with Indigenous partners on several fronts, including management and monitoring of agreements. In anticipation of the Indigenous Skills and Employment Training program launch, ESDC is developing an integrated training curriculum to support and prepare program officers for the transition. In addition to training, ESDC is developing an operational guide for program officers to ensure consistent program delivery. ESDC will include Indigenous partners in finalizing training materials and in joint training sessions with ESDC staff.

Furthermore, in response to the Truth and Reconciliation Commission Call to Action #57 and the Government of Canada's commitment to a renewed relationship with Indigenous peoples, ESDC has made mandatory Indigenous awareness training to help its employees increase their cultural competency and awareness about First Nations, Métis and Inuit in Canada and the Government of Canada's roles and responsibilities.

The Government of Canada agrees with the recommendation. ESDC will present the Committee with a report on training activities provided to program officers that support the delivery of ESDC's Indigenous labour market programming by June 30, 2019., in jobs that make the best use of their skills.