

# Audit of the Assisted Living Program

Internal Audit Report

Prepared by: Audit and Assurance Services Branch

September 2023



Indigenous Services  
Canada

Services aux  
Autochtones Canada

Canada

# Table of Contents

<b>ACRONYMS .....</b>	<b>II</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>III</b>
<b>1. CONTEXT .....</b>	<b>1</b>
<b>2. ABOUT THE AUDIT.....</b>	<b>2</b>
2.1 <i>Why it is important.....</i>	2
2.2 <i>Audit Objective.....</i>	2
2.3 <i>Audit Scope.....</i>	3
2.4 <i>Audit Approach and Methodology.....</i>	3
<b>3. KEY FINDINGS AND RECOMMENDATIONS.....</b>	<b>4</b>
3.1 <i>Assisted Living Funding Process and Approaches .....</i>	4
3.2 <i>Outreach and Awareness Activities.....</i>	10
<b>4. CONCLUSION .....</b>	<b>12</b>
<b>5. MANAGEMENT ACTION PLAN.....</b>	<b>14</b>
<b>ANNEX A: AUDIT CRITERIA.....</b>	<b>19</b>

## Acronyms

BMR	Budget Management Regime
DCI	Data Collection Instrument
ESDPP	Education and Social Development Programs and Partnerships
FSR	Financial Situation Report
HQ	Headquarters
NFR 10-year Grant	New Fiscal Relationship 10-year Grant
TB	Treasury Board

## Executive Summary

The Assisted Living Program provides financial support to assist eligible individuals with access to in-home care, adult foster care, and institutional care. The Education and Social Development Programs and Partnerships (ESDPP) Sector encompasses multiple programs, including the Assisted Living Program, which had vote-10 expenditures of approximately \$156M in fiscal year 2021-22.

The objective of this audit, which examined the Assisted Living Program of Indigenous Services Canada, was to provide assurance that the Department is allocating assisted living program funds based on needs and that outreach to First Nations regarding services available under the Assisted Living Program were being performed effectively. Appropriate forecasting of demand and sufficient funding is essential to ensuring that the program is able to meet its obligations as outlined in the program's Terms and Conditions.

The audit found that while the Assisted Living Program has defined service areas with clear criteria for eligibility, there is a risk of not being able to deliver the full breadth of services to all that may need it due to the current forecasting and allocation methods. The data currently available to the program, via the established Data Collection Instruments, does not provide the necessary information to help forecast demand and the program understands that there may be a level of unmet demand that can not be determined using the existing data.

Funding is determined throughout the Department through departmental main estimates, then allocated to the regions, and then from the regions to the funding recipients. The audit found that funding allocated is not always sufficient to meet demand, even with limitations in outreach that may have increased interest in the program. The approaches/formulas used to forecast funding are relatively old and do not incorporate any predictive analysis using relevant data from communities as this data is not currently available. Although the current funding models are not needs-based and may not result in sufficient funding, the program has managed to ensure that funding shortfalls that come up frequently are addressed as quickly as possible.

Client outreach and ensuring awareness of the program's services on the ground was also examined in this audit and the audit noted that the program has made efforts to perform outreach activities; however, there is an opportunity to improve the consistency of outreach activities and standardize the outreach process through defined roles and responsibilities.

The audit has resulted in the following recommendations:

1. The Assistant Deputy Minister of Education and Social Development Programs and Partnerships, in consultation with relevant stakeholders, should leverage the ongoing Engagement for a Holistic Continuum of Long Term and Continuing Care to improve the alignment of the Assisted Living Program funding approach with client needs. Implementing this new approach should involve identifying relevant data sets, both currently available and any new data requirements, to improve the forecasting and predictive capabilities of the model.

2. The Assistant Deputy Minister of Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister of Regional Operations and the Associate Assistant Deputy Minister of Regional Operations, should establish a framework that includes clearly defined outreach roles and responsibilities and associated guidance to help ensure that outreach activities are carried out effectively and that material disseminated to First Nation communities is accessible, complete, and accurate to ensure all those that need the services of the program are aware and able to access it.

## Statement of conformance

The audit conforms with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and the Government of Canada's *Policy on Internal Audit*, as supported by the results of the Quality Assurance and Improvement Program.

## Management's Response

Management is in agreement with the findings, has accepted the recommendations included in the report and has developed a management action plan to address them. The management action plan has been integrated into this report.

## 1. Context

The Assisted Living Program provides financial support to assist eligible individuals with access to in-home care, adult foster care, and institutional care. For all three, eligible individuals must be ordinarily resident on reserve or Status Indians in Yukon, have been formally assessed by a health professional and identified as persons in need of services, in a manner consistent with that of the province or territory the individual resides within, and have no means to procure these services themselves. The purpose of the financial support is to help provide non-medical social support services to seniors, adults with chronic illnesses, and children and adults with mental or physical disabilities so that they can maintain their independence and achieve a greater level of autonomy. In the case of facility based care, clients can receive a maximum of 150 minutes daily of medical care and nursing supervision. The Assisted Living Program is a component of Canada's social safety net meant to align with similar provincial and territorial programs.

The Assisted Living Program strives to achieve the following outcomes:

1. Capacity exists in First Nations communities to deliver eligible assisted living services;
2. Barriers to access to social support services on reserve are addressed and overcome;
3. In-home care, adult foster care and institutional care social supports are accessible to eligible low-income individuals; and
4. The Assisted Living Program clients have the ability to maintain functional independence within their home communities.

Based on Grants and Contributions Information Management System data, assisted living expenditures as they relate to Vote 10 – Grants and Contributions funding, have increased annually. The following table outlines prior year expenditures.

2019-20 Expenditures	2020-21 Expenditures	2021-22 Expenditures
\$129M	\$146M	\$156M

### Departmental Roles and Responsibilities

The Education and Social Development Programs and Partnerships (ESDPP) Sector encompasses multiple programs, including the Assisted Living Program. ESDPP Headquarters (HQ) is responsible for overseeing and leading the design and providing operational policy advice for the Assisted Living Program. Specifically, ESDPP HQ is responsible for seeking funding from Treasury Board (TB), for providing guidance around funding allocation decisions, providing interpretation advice on program eligibility based on the Terms and Conditions, and for developing national operational guidelines.

Regional offices are responsible for disseminating funding to First Nations, provinces and Yukon Territory, based on amounts received from ESDPP HQ and for liaising with First Nations and

service providers who deliver the program regarding updates to program information, oversight and monitoring on the collection of Data Collection Instruments (DCIs).

## Assisted Living Funding Agreement Types

Funding from the Department to funding recipients for the Assisted Living Program flows through several different funding agreement types: set, fixed, flexible, block and the New Fiscal Relationship 10-year Grant (NFR 10-year Grant). A very small portion of funding can also flow as individual grant. It is to be noted that the Department collects data via the same DCI for contribution agreements for set, fixed, flexible and block funding approaches while a separate DCI is used by funding recipients who receive NFR 10-year Grant funding.

The table below outlines the total funding by funding agreement types for each year in-scope.

Table 1: Funding by Funding Agreement Types

Fiscal Year	Funding Agreement Types			Total
	Contribution (Set, Fixed, Flexible) & Individual Grant	Contribution (Block)	NFR 10-year Grant	
2019-2020	\$84,948,763	\$21,622,749	\$22,244,896	\$128,816,408
2020-2021	\$97,161,305	\$21,860,895	\$27,167,063	\$146,189,263
2021-2022	\$104,318,676	\$22,243,005	\$29,768,084	\$156,329,765

## 2. About the Audit

The Audit of Assisted Living Program was included in the Indigenous Services Canada 2022-2023 to 2023-2024 Risk-Based Audit Plan, which was presented to the Audit Committee and approved by the Deputy Minister in June 2022.

### 2.1 Why it is important

The audit was identified as a priority because the Department has identified several risks for health and social services; consequently, it is important to ensure the sustainability of funding strategies to meet the evolving needs of Indigenous communities and people under the Assisted Living Program.

### 2.2 Audit Objective

The audit objective was to provide assurance that the Department is allocating Assisted Living Program funds based on needs and that outreach to First Nations regarding services available under the Assisted Living Program were being performed effectively.

## 2.3 Audit Scope

The scope of the audit covered the processes and activities of Indigenous Services Canada within the Assisted Living Program, both at Headquarters and in the regions, that support the delivery of the program to meet program client assessed needs (within the scope of eligible expenditures listed in the program Terms and Conditions), as they pertain to funding allocation, and outreach and awareness activities. The audit covered the period from April 1, 2018, to March 31, 2022, in order to include program processes and activities in place both prior to and during the COVID-19 pandemic.

The audit did not examine recipient needs outside the program's responsibility. The audit did not cover processes and activities in place within funding recipient organizations, including First Nations, First Nations organizations, Tribal Councils, provincial, territorial, and municipal governments, non-governmental organizations, businesses, and health and social care facilities. The audit also did not consider funding that self-government or modern treaty agreement holders receive as part of their agreements, via Crown-Indigenous Relations and Northern Affairs Canada, to deliver the assisted living program.

The audit included a selection of regional offices that were scoped in based on the following criteria:

- Funding allocations and expenditures (a region was a greater candidate for selection where the total amount of funding allocations and expenditures was high);
- First Nations funding agreement types (contribution: set, fixed, flexible, and block funding approaches; and NFR 10-year Grant); and
- Types of funding recipients (First Nations, Provinces, and Crown-Indigenous Relations and Northern Affairs Canada Yukon region).

Based on the application of the above criteria, the regions selected for inclusion in the scope of the conduct phase were Manitoba, Ontario, British Columbia, and Saskatchewan. These four regions represent 62% of the total Vote 10 Assisted Living expenditures and 85% of the total NFR 10-year Grant (Vote 10) Assisted Living expenditures for the 2021-22 fiscal year. The Ontario Region was selected in order to assess the audit criteria for regions where an agreement is in place to have the provincial government deliver the in-home care Assisted Living Program component as the primary funding recipient.

## 2.4 Audit Approach and Methodology

The audit was conducted in accordance with the requirements of the Treasury Board Secretariat *Policy on Internal Audit* and followed the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, the audit reviewed the Treasury Board Secretariat *Policy on Transfer Payments* as well as the *Directive on Transfer Payments*. The audit examined sufficient, relevant evidence and obtained sufficient information to provide a reasonable level of assurance in support of the audit conclusion.



The audit was performed from May 2022 to May 2023 and consisted of three phases: planning, conduct and reporting. The main audit techniques used included:

- Interviews with key stakeholders involved in program design and delivery;
- Walkthrough of the processes using data to inform program management and decision making related to funding allocation methodologies, data such as information collected on DCIs, inputs to regional funding allocation formulas, data used to inform supplemental funding requests, as well as data used to inform program decision-making as well as outreach (awareness) activities;
- Review of relevant documentation, including policies, operational procedures and guidelines to support regions and funding recipients; and
- Testing of a sample of DCIs to review the timeliness and accuracy of data.

The approach used to address the audit objective included the development of audit criteria, against which observations and conclusions were drawn. The audit criteria can be found in Annex A.

## 3. Key Findings and Recommendations

### 3.1 Assisted Living Funding Process and Approaches

#### Background

As per the program Terms and Conditions, the amount of assisted living funding is based on historical budgets adjusted for changes directly attributable to an increase or decrease in eligible individuals, eligible activities or eligible rates. Where the Department has entered into agreements with provinces, such as the case with Ontario and Alberta, the amount of funding is based upon the terms and conditions set out in the provincial agreements. The maximum amount of assisted living funding for a funding recipient with respect to any client is the actual cost of expenditures associated with in-home care, adult foster care, and institutional care services that are consistent with applicable provincial and territorial programming.

The following is an overview of how assisted living funding is allocated throughout the Department.

- **Departmental funding allocation:** On an annual basis, the Department is appropriated assisted living program funding through the main estimates. The amount of the funding appropriated is based on the historical budget plus an annual program budget increment, or escalator, of approximately 2%. In instances where assisted living funding pressures are being experienced, the Department may submit an off-cycle program integrity funding request to TB for approval. Funding requested through program integrity is not guaranteed. Prior to 2018, program funding pressures were offset by internal budget reallocations; however subsequent to a Canadian Human Rights Tribunal ruling, the Department was required to cease the reallocation of funds between social programs.

- **Regional funding allocation:** As per the Budget Management Regime (BMR) requirements, assisted living funding appropriated to the Department is allocated by ESDPP HQ to the regions as per the program’s resource and business plans established as part of annual departmental strategic planning exercises. Regional funding pressures may be offset by the Financial Situation Report (FSR) process throughout the year.
- **Recipient funding allocation:** There are multiple ways that the regions allocate funding to funding recipients, including through contribution funding using set, fixed, flexible and block funding approaches, and the NFR 10-year Grant. The recipient allocation methodology for each funding approach is described in the BMR.

To ensure that the program has access to required funding levels so that assisted living services provided to eligible individuals are comparable to those services provided by provincial and territorial programs, the audit expected that the determinations of program funding allocation amounts are reflective of the funding recipient needs informed by sufficient, relevant, and reliable data on both client<sup>1</sup> and individual<sup>2</sup> demand.

## Risk

There was a risk that Assisted Living Program funding allocation from TB to the program, from the program to the regions and from regions to funding recipients is not based on need. This may result in funding recipients not having sufficient funding to address client assessed needs.

## Finding

### *Client needs used to inform funding allocations*

The audit found that the current approach to funding allocation is not based on client needs.

The following sub-sections elaborate on the impact of the lack of data for each key funding allocation decision.

### *Determination of departmental funding allocation*

As noted previously, the annual amount of assisted living funding allocated to the Department through the main estimates is based on the prior year budget plus an annual adjustment of approximately 2%. The audit observed that the program has identified a number of drivers that could increase the cost of eligible expenditures, including growth in on-reserve populations, increase of on-reserve life-expectancy, and steady increase to health and social support service provider costs. The audit also observed that over the past several years, there has been a consistent trend of budget shortfalls. Table 2 shows a breakdown of the funding shortfalls by fiscal year. From 2014-15 to 2021-22, there has been approximately \$232M in total budget shortfall with an annual shortage of 23% over the period.

---

<sup>1</sup> As per the Assisted Living National Program Guidelines, a “client” is the ultimate beneficiary of assisted living services.

<sup>2</sup> As per the Assisted Living National Program Guidelines, an “individual” is an individual that has not yet been determined as eligible for the services.

Table 2: Vote 10 Expenditures for the Assisted Living Program

Fiscal Year	Budget Allocations Approved Amount (Beginning of fiscal year)	Actual Expenses (End of fiscal year)	Funding Shortfall
2014-2015	\$85,661,340	\$99,203,316	\$13,541,976
2015-2016	\$85,438,859	\$104,270,595	\$18,831,736
2016-2017	\$85,152,970	\$109,990,377	\$24,837,407
2017-2018	\$82,716,207	\$114,010,356	\$31,294,149
2018-2019	\$93,492,234	\$122,711,230	\$29,218,996
2019-2020	\$95,677,345	\$128,816,408	\$33,139,063
2020-2021	\$99,600,000	\$146,189,263	\$46,589,263
2021-2022	\$121,038,537	\$156,329,765	\$35,291,228
<b>TOTAL</b>	<b>\$748,777,492</b>	<b>\$981,521,310</b>	<b>\$232,743,818</b>

The noted funding shortfalls have been partially offset by approved program integrity budget requests, including \$35M, \$38.8M, and \$35M contributions in fiscal years 2019-20, 2020-21, and 2021-22, respectively. However, analyses performed by the program indicated that there remains a gap and additional funding will be required to bridge the widening gap with provincial and Yukon comparability.

The audit observed that the program is exploring different approaches to funding due to the recognition that the Assisted Living Program may not be meeting demand for services, identified in the terms and conditions of the program, under the current model. However, the audit observed that current data on client and individual demand is not sufficient to effectively forecast expected demand, which could impact the accuracy of future funding forecast models assuming new data points are not introduced and/or collected.

### *Regional funding allocation*

As noted previously, through an annual departmental strategic planning exercise, ESDPP HQ requires regions to prepare annual resource plans that forecast expenditures for the upcoming fiscal year. Resource plans are also updated during the budget's fiscal year to inform additional program integrity requests, and to support ongoing program and departmental financial management discussions and decisions.

Resource plan methodologies vary across the examined regions and within the assisted living services components. As shown in the table below, forecasting models for in-home care, institutional care, and adult foster care for the in-scope regions follow different methodologies.

Table 3: Forecasting Models for Assisted Living Components by Region

Region	In-Home Care	Institutional Care/Adult Foster Care
British Columbia	Fixed formula + contingency	Existing clients projected expenditures + pending applications; Invoices received from each facility
Manitoba	Fixed formula	Invoices received from each facility  Fixed formula (for off-reserve institutional care only)
Ontario	Target amounts provided by the Province	Historical needs
Saskatchewan	Fixed formula	Invoices received to date

While funding allocated to each region was consistent with amounts requested in the forecasts, the audit observed that the regions in scope did not have sufficient client and individual demand data to inform their forecasting, which in turn impacts the accuracy of funding forecasted through their resource plans. As an example, the audit observed that forecast models used by in-scope regions to develop resource plans did not have data inputs accounting for increasing service demand (e.g. population growth, increase in life-expectancy) nor increasing costs of health and social support service provider.

Additionally, the historical data used to inform forecasts is based on actual costs expended which may not represent the complete view of client and individual demand. To recognize the need to consider the unmet demand of assisted living services, in fiscal year 2021-22 ESDPP HQ provided an updated methodology through a call letter to regions with a request to support a needs-based funding allocation. This methodology highlighted the importance of getting a sense of unmet needs based on past communications from communities or methods of comparison with comparable communities on or off reserve and including them in the estimated costs. As such, regions would require data on client and individual needs as well as data on other expected program cost drivers to accurately reflect full view of client and individual demand.

Furthermore, regional funding pressures may be identified via the FSR process and should additional funds be available, the program will provide the region with the requested funding. Regions prepare FSRs multiple times a year in order to identify additional funding needs of recipients. The audit observed that the in-scope regions had requested additional funding (i.e. top-ups), which are not guaranteed, 35 times from April 1, 2018 to March 31, 2022. For 2020-21 and 2021-22 top-up funding included some additional funding related to the ongoing engagement and the Supportive Care Initiative. It should be noted that in some instances the original amount requested may not be provided due to limitations in funding and regions make subsequent requests later in the year to fill the gap in funding.

Table 4: Top-Ups Requested by Region by Fiscal Year

Region	Top-Ups Requested by Region by Fiscal Year								
	Number of Requests 2018-19	Top-up Amount 2018-19	Number of Requests 2019-20	Top-up Amount 2019-20	Number of Requests 2020-21	Top-up Amount 2020-21	Number of Requests 2021-22	Top-up Amount 2021-22	Total
SK	1	\$11,321,717	-	-	2	\$15,977,278	5	\$21,780,568	8
MB	2	\$8,730,141	1	\$125,231	4	\$8,796,092	6	\$15,375,476	13
ON	1	\$119,504	-	-	-	-	6	\$9,131,095	7
BC	1	\$155,910	-	-	1	\$3,766,743	5	\$4,826,435	7
<b>Total</b>	<b>5</b>	<b>\$20,327,272</b>	<b>1</b>	<b>\$125,231</b>	<b>7</b>	<b>\$28,540,113</b>	<b>22</b>	<b>\$51,113,574</b>	<b>35</b>

The audit observed that in-scope regions used client data from invoices received for institutional care or directly from recipients related to a required need to inform funding pressures and requests for additional funds for single and block funding agreements as they relate to institutional care, adult foster care and in-home care, in the event actual expenditures surpass forecasted expenditures. Similar to the annual regional forecasting models, FSRs do not capture the full breadth of services that may be required, as data on unmet needs is not considered.

### *Recipient funding allocation*

As noted previously, there are several funding approaches that may be used by the regions to deliver the Assisted Living Program to funding recipients including contribution, individual grant, and through the NFR 10-year Grant. The BMR describes the recipient allocation methodology for each funding approach.

### **Block funding**

Block contribution funding provided to a recipient is allocated by applying the funding of the previous year plus the annual escalator. The funding level is determined based on the first year the funding recipient enters into block and it is not rebased every year. The amount allocated to block funded recipients is based on the region's block contribution funding adjustment formula.

The audit observed that data on client and individual assisted living needs is not used to determine funding for block recipients, including the initial funding level nor in subsequent years.

### ***Non-block (set, fixed or flexible contribution or individual grant)***

Non-block funding provided to a recipient is based on several data points related to recipient demand, including:

- Actual expenditures from previous three fiscal years;
- Projection of number of assisted living service clients to be served by a funding recipient in the coming fiscal year based on best available data; and
- Any unmet service needs identified in previous fiscal year.

While the in-scope regions had relevant data on actual expenditures from the previous three fiscal years for assisted living services, the audit observed that limited data was available to inform the projection of the number of assisted living service clients for the upcoming fiscal year as well as data on the unmet service needs in the previous fiscal year. As an example, the data inputs to the fixed funding formulas for in-home care are based on either a fixed cost amount per capita or a per capita percentage of total on-reserve population. The in-scope regions noted that these are legacy formulas that have been used for approximately 20 years. These formulas do not factor in changes to the health of the populations, actual costs of client needs, additional or unmet client needs or inflation.

In addition to the initial funding allocations provided to funding recipients, supplementary funding that may be required by regions throughout the year is identified through FSRs as well as through meetings with ESDPP HQ. The FSR process at the regional level was described in the previous section.

### ***NFR 10-year Grant***

The audit examined the impact of the NFR 10-year grant on the funding challenges faced by the Assisted Living Program and found that Year 1 funding for the NFR 10-year grant, which is key to determining the on-going funding levels through the NFR 10-year grant, was not calculated using needs based approach; however historical funding data and collaboration between region and funding recipients the approach used to determine the Year 1 funding for the Assisted Living Program. Funding is provided to a recipient based on the previous year's amount with an annual funding escalator, which was recently introduced. Under the NFR 10-year Grant, First Nations can decide how much funding to allocate to the Assisted Living Program, assuming the responsibility for how funding for the program is determined for their clients. While the NFR 10-year Grant could offer flexibility in funding allocation to First Nations, determination of the initial amount is still hindered by gaps in the data need, both met and unmet.

### ***Relevant and reliable data***

As noted in the previous subsections, there is no evidence that the assisted living funding allocated throughout the Department sufficiently reflects demand, and there is outstanding unmet needs that are currently unable to be determined. While it seems from documents and interviews with program representatives that there is a recognized desire to move towards a needs-based funding approach, the audit observed that current data collection methods may fall short of

providing the program the relevant and sufficient data to support funding determinations in line with needs. For example, the current design of the DCI includes data fields to support the measurement of the program's key performance indicators. However, data fields within the DCI do not provide sufficient and relevant data to support accurate projections of recipient demand, which may hinder efforts to move towards a needs-based approach.

Additionally, the audit observed that current processes to ensure the timeliness and reliability of data collected from recipients could be strengthened. For example, it was observed that there were instances where a completed DCI that was accepted by a region contained missing fields or were incomplete. While challenges related to reliability and timeliness of data does not currently impact funding determinations due to the reasons previously noted, a strategy to move towards a needs-based funding approach should include considerations to mitigate future issues/risks related to reliability and timeliness gaps of data used to make key program decisions.

Overall, there is an opportunity to re-assess the current funding approach of the Assisted Living program and ensure better alignment with needs of clients through improved data strategy. The current engagement underway that examines the approach to the delivery of services and the program's awareness of the challenges associated with the current approach are positive signs that there is willingness to capitalize on this opportunity for improvement.

## Recommendation

1. The Assistant Deputy Minister of Education and Social Development Programs and Partnerships, in consultation with relevant stakeholders, should leverage the ongoing Engagement for a Holistic Continuum of Long Term and Continuing Care to improve the alignment of the Assisted Living Program funding approach with client needs. Implementing this new approach should involve identifying relevant data sets, both currently available and any new data requirements, to improve the forecasting and predictive capabilities of the model.

## 3.2 Outreach and Awareness Activities

### Background

Ongoing program outreach activities aim to effectively disseminate pertinent information to program stakeholders on its purpose, various forms of assistance and services available, terms and conditions, and the eligibility and assessment criteria. Outreach program material may also include information about how to apply for funding (where applicable), the funding approval process, appeal processes, requirement for an agreement, and how monitoring of fulfilment of funding terms and conditions will be performed. Effective and appropriate communication of this pertinent program information helps promote a consistent understanding of the program across stakeholder groups. Additionally, performing outreach and awareness activities can create additional channels to allow program officials to gather pertinent information about First Nation communities' assisted living needs and demand.

The audit expected the program to have outreach processes in place to ensure First Nations communities are made aware of available assisted living services and are provided with pertinent program information. Specifically, the audit expected that the outreach processes include:

- Clearly defined roles and responsibilities to guide, direct, perform and monitor outreach and awareness activities across HQ and the regions; and
- Procedures to develop, maintain, and disseminate outreach and awareness material.

## Risk

There was a risk that the Department's assisted living outreach activities do not result in First Nation communities being sufficiently aware of assisted living services and other key program information. The deficiency in available funding may also impact the level of outreach. Consequently, this could result in First Nation client needs for assisted living not being assessed and clients not requesting/receiving services they may need.

## Finding

### *Roles and responsibilities*

Having clearly defined roles and responsibilities for performing outreach will help ensure that outreach program activities are completed, and that pertinent information is disseminated to First Nations communities. Furthermore, mechanisms to oversee the execution of outreach activities will help ensure that outreach is carried out consistently across the regions and that the program information shared with First Nations communities is accessible, complete, accurate, and sufficient.

As per the Program Control Framework, ESDPP HQ is responsible for providing leadership over the outreach activities. Furthermore, the Program Control Framework states that if deemed to be more effective, program officials may assign outreach functions to be performed at the regional level. ESDPP HQ is responsible for coordinating the development of outreach material and for disseminating the material to the regions. The regions are responsible for further disseminating this material to First Nations.

While some roles and responsibilities were defined in the Program Control Framework, the audit identified opportunities for improvement. For example, the audit did not identify a role and responsibility for establishing national guidance to help direct, guide, and set the frequency upon which outreach activities should be performed. There was also a lack of clarity on the conditions under which program officials would assign outreach functions to be performed at the regional level. Furthermore, an oversight responsibility to monitor the execution of outreach activities was not defined. Effective oversight will help ensure quality, accessibility and consistency of material disseminated to First Nations communities and will also ensure that the outreach activities are carried out appropriately.



## Communication

The audit found that each in-scope region has developed outreach materials that communicate the components, eligibility requirements, eligible expenditures, reporting requirements, and National Program Guidelines of the Assisted Living Program. Moreover, the regions are readily available to First Nations to answer questions and provide information as needed.

While information on assisted living program services and eligibility has been developed (e.g., National Program Guidelines), formalized and consistent top-down procedures are not in place to ensure that the regions regularly and proactively communicate material to First Nations communities. This is necessary to guarantee that they are aware of the full extent of assisted living services and eligibility requirements. There are gaps in the consistency of approach to conducting outreach activities across regions due to lack of clear national guidance surrounding an overarching outreach mandate and unclear roles and responsibilities related to outreach and awareness activities. Consequently, First Nations may not receive the necessary information and support from the program to be fully aware of and benefit from the services and funding offered by the Assisted Living Program.

When updates are made to National Program Guidelines and Terms and Conditions, those changes are communicated from ESDPP HQ to regions and subsequently, from regions to First Nations. The audit noted that regions communicate those updates to First Nations via presentations and/or emails. However, since there is currently no process to ensure alignment between existing outreach material and any updates made at HQ, there is a risk that some information contained in outreach materials may not be relevant.

## Recommendation

2. The Assistant Deputy Minister of ESDPP in collaboration with the Senior Assistant Deputy Minister of Regional Operations and the Associate Assistant Deputy Minister of Regional Offices should establish a framework that includes clearly defined outreach roles and responsibilities and associated guidance to help ensure that outreach activities are carried out effectively and that material disseminated to First Nation communities is accessible, complete, and accurate.

## 4. Conclusion

The Assisted Living program provides important services to vulnerable Indigenous Canadians and ensuring the program has clear guidelines and that sufficient funding is available is key to the success of the program and client outcomes.

Overall, the audit found that the Assisted Living Program has defined service areas with clear eligibility requirements and although funding shortfall occur frequently, the program has been able to provide regions with top-up funding to ensure the continued delivery of services. However, it is not guaranteed that additional top-up funding will always be available, and cash management situations may impact the funding of other services to Indigenous communities. At the time of the

audit, a needs-based funding approach could not be demonstrated and sufficient and relevant data was not available to help forecast current and unmet demand.

The program has taken steps to re-evaluate itself, including a First Nations and Inuit-led initiative called the Engagement for a Holistic Continuum of Long Term and Continuing Care. This initiative may be leveraged to re-examine the current funding approach and move it towards a more needs-based model and improve outreach activities, which require standardization.

## 5. Management Action Plan

In the course of performing separate audits of the Assisted Living Program and the First Nations and Inuit Home and Community Care Program, it was identified that both programs are linked with the broader Long Term and Continuing Care (LTCC) engagement and framework development. Despite the distinct nature of each audit, the recommendations derived were found to be mutually relevant, primarily because they align with the overarching findings and objectives of the LTCC engagement. Consequently, a shared management action plan has been adopted for both programs. This approach ensures a cohesive and efficient response to the recommendations, fostering the co-development of policy options within a distinctions-based LTCC framework. Therefore, readers will notice recommendations from one program's audit reflected in the management action plan of the other, and vice versa, emphasizing a unified strategy to enhance LTCC-related services.

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
<p><i>Assisted Living Program Audit Recommendation #1:</i></p> <p>The Assistant Deputy Minister of Education and Social Development Programs and Partnerships, in consultation with relevant stakeholders, should leverage the ongoing Engagement for a Holistic Continuum of Long Term and Continuing Care to improve the alignment of the Assisted Living Program funding approach with client needs. Implementing this new approach should involve identifying relevant data sets, both currently available and any new data requirements, to improve the forecasting and predictive capabilities of the model.</p>	<p>The Assistant Deputy Minister of Education and Social Development Programs and Partnerships (ESDPP), along with the Senior Assistant Deputy Minister and the Assistant Deputy Minister of the First Nations and Inuit Health Branch (FNIHB) agree with this recommendation.</p> <p>Long Term and Continuing Care (LTCC) engagement activities with First Nations and Inuit partners concluded in Fall 2022 and the co-development of policy options on a distinctions-based LTCC framework started in Spring 2023 with results to be presented in Winter 2024. It is expected that new data requirements will be required to address the resulting LTCC framework.</p> <p>ISC is committed to co-developing the</p>	<p>ADM, ESDPP</p> <p>SADM, FNIHB</p> <p>ADM, FNIHB</p>	<p>June 2024 – Research on existing data in preparation for First Nations and Inuit partners discussions</p> <p>August 2025 – finalized data requirements.</p> <p>Full implementation March 31, 2026</p>

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
<p><i>First Nations and Inuit Home and Community Care Audit Recommendation #2:</i></p> <p>The Senior Assistant Deputy Minister of the First Nations and Inuit Health Branch, in collaboration with the Assistant Deputy Minister of Regional Operations of the First Nations and Inuit Health Branch, should ensure the data needs of the program are clearly identified and aligned with results and decision making requirements prior to the implementation of recommendations for the ongoing Engagement for a Holistic Continuum of Long Term and Continuing Care. This will allow the program to participate more meaningfully when discussing the data requirements and approaches to obtaining the required data. Additionally, there should be an oversight mechanisms to periodically validate data reliability and ensure measures to mitigate risk to data quality are working effectively with improvements being made as needed.</p>	<p>implementation of the LTCC framework with First Nation and Inuit partners. To address this recommendation specifically, ESDPP and FNIHB will:</p> <ul style="list-style-type: none"> <li>• Do research on existing data in preparation for First Nations and Inuit partners discussions (Fall 2023-Spring 2024);</li> <li>• Hold discussions with the First Nation and Inuit partners to determine the approach to an overall data strategy to respond to the LTCC data requirements. These discussions will be respectful of an Indigenous-led approach for data that aligns with the principles of service transfer including Indigenous ownership, control, access and possession (OCAP) for how data and information should be collected, protected, used and shared, to support the requirements for results reporting and decision making for both ISC and Indigenous service operators (Spring 2024-Summer 2025);</li> <li>• Seek support for Government and Indigenous research and data analysis that is culturally appropriate to support home care, assisted living and long-term care activities (Spring 2024-Summer 2025); and</li> <li>• Finalize the implementation of the data implementation strategy, which includes new data collected for better forecasting, predictability and</li> </ul>		

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
	<p>decision making. (Fall 2025-Winter 2026)</p> <p>The data strategy including the new data collected will be reviewed annually to ensure it relevancy and quality for reporting on results.</p>		
<p><i>Assisted Living Program Audit Recommendation #2:</i></p> <p>The Assistant Deputy Minister of Education and Social Development Programs and Partnerships, in collaboration with the Senior Assistant Deputy Minister of Regional Operations and the Associate Assistant Deputy Minister of Regional Operations, should establish a framework that includes clearly defined outreach roles and responsibilities and associated guidance to help ensure that outreach activities are carried out effectively and that material disseminated to First Nation communities is accessible, complete, and accurate to ensure all</p>	<p>The Assistant Deputy Minister of Education and Social Development Programs and Partnerships (ESDPP), and the Senior Assistant Deputy Minister of Regional Operations (RO) agree with this recommendation.</p> <p>It is anticipated that the new outreach framework will clarify roles and responsibilities including timeframes and methods for disseminating changes to First Nation partners. ESDPP will work with colleagues from the Regional Operations Sector to develop the new outreach framework document to provide consistency and clarity to First Nations.</p> <p>The new outreach framework document will be reviewed yearly with regions to</p>	<p>ADM, ESDPP</p> <p>SADM, RO</p>	<p>March 31, 2024</p>

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
those that need the services of the program are aware and able to access it.	<p>ensure it is kept up to date.</p> <p>Note: ESDPP will also collaborate with FNIHB Home and Community Care (HCC) on communication roles and responsibilities and will align messaging to First Nations as appropriate.</p>		
<p><i>First Nations and Inuit Home and Community Care Program Audit Recommendation #1:</i></p> <p>The Senior Assistant Deputy Minister of the First Nations and Inuit Health Branch, in collaboration with the Assistant Deputy Minister of Regional Operations of the First Nations and Inuit Health Branch, should ensure key program operational documents are reviewed, updated and approved at the appropriate level. Also, rationales for funding decisions should be documented and potentially shared with regions for increased transparency.</p>	<p>The Senior Assistant Deputy Minister and the Assistant Deputy Minister of the First Nations and Inuit Health Branch (FNIHB) agree with this recommendation. In alignment with this recommendation:</p> <ol style="list-style-type: none"> <li>1. FNIHB in conjunction with the First Nation and Inuit partners and in collaboration with ESDPP's Assisted Living team will review and revise key operational documents as needed to address this recommendation. Some examples of key operational documents are: Resource Planning Guides, Framework Guides, Implementation Guides, Program Plans and Workplans (March 31, 2025).</li> <li>2. First Nations and Inuit Home and Community Care (FNIHCC) program will review and update its funding decisions process to ensure that the rationale for funding decisions are documented and shared with regions as relevant to increase transparency (April 2024).</li> </ol> <p>Note: FNIHB will also collaborate with</p>	<p>SADM, FNIHB</p> <p>ADM, FNIHB</p>	<p>Documentation of funding decisions rationales – April 2024</p> <p>Updated Key operational documents - March 31, 2025 and ongoing</p>

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
	ESDPP Assisted Living on this recommendation as appropriate.		

## Annex A: Audit Criteria

To ensure an appropriate level of assurance to meet the audit objectives, the following audit criteria were developed to address the objectives.

Audit Criteria	
<b>1. Allocation of funding is based on the needs of clients and is supported by timely and accurate data</b>	
1.1	DCIs are designed to collect sufficient data on needs of clients
1.2	Data contained in the DCIs is accurate and available to the Assisted Living Program in a timely manner
1.3	The Assisted Living Program utilizes the client data to determine funding allocation
<b>2. A process is in place to ensure First Nations communities are made aware of the available assisted living services</b>	
2.1	Outreach information highlighting the available assisted living services and eligibility requirements is developed and communicated on an on-going basis to First Nations.