



2025 REPORT OF THE AUDITOR GENERAL OF CANADA
TO THE PARLIAMENT OF CANADA

Follow-up on Programs for First Nations



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

**INDEPENDENT
AUDITOR'S REPORT**

Performance audit reports

This report presents the results of a performance audit conducted by the Office of the Auditor General of Canada (OAG) under the authority of the Auditor General Act.

A performance audit is an independent, objective, and systematic assessment of how well government is managing its activities, responsibilities, and resources. Audit topics are selected on the basis of their significance. While the OAG may comment on policy implementation in a performance audit, it does not comment on the merits of a policy.

Performance audits are planned, performed, and reported in accordance with professional auditing standards and OAG policies. They are conducted by qualified auditors who

- establish audit objectives and criteria for the assessment of performance
- gather the evidence necessary to assess performance against the criteria
- report both positive and negative findings
- conclude against the established audit objectives
- make recommendations for improvement when there are significant differences between criteria and assessed performance

Performance audits contribute to a public service that is ethical and effective and a government that is accountable to Parliament and Canadians.

This publication is available on our website at www.oag-bvg.gc.ca.

Cette publication est également offerte en français.

© His Majesty the King in Right of Canada, as represented by the Auditor General of Canada, 2025.

Cat. No. FA1-27/2025-1-7E-PDF

ISBN 978-0-660-78920-0

ISSN 2561-343X

Cover photo: FatCamera/Gettyimages.ca

At a Glance



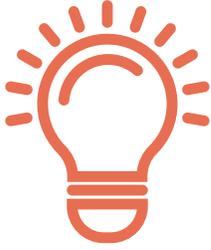
Overall message

This report follows up on Indigenous Services Canada's progress in implementing recommendations made in 6 audits completed from 2015 to 2022. The 6 audits covered a range of programs important to the health and well-being of First Nations communities, including programs providing access to primary health care, emergency management services, and safe drinking water. Overall, we found that the department had made unsatisfactory progress in implementing the actions to address 53% (18 of 34) of the recommendations. Despite an 84% increase in the department's spending on programs since the 2019–20 fiscal year, significant challenges remained in improving services and program outcomes for First Nations communities. For instance, as early as 2005, we identified concerns with drinking water quality in First Nations communities. Although the number of drinking water advisories has diminished since our [2021 audit of access to safe drinking water in First Nations communities](#), we are greatly concerned that 9 long-term advisories have remained in effect for a decade or longer.

In our [2013 report on emergency management on reserves](#) and again in our [2022 report on emergency management in First Nations communities](#), we recommended that the department establish agreements to ensure that all First Nations communities across the country have access to emergency services. Timely, coordinated responses to events such as wildfires and floods are essential to mitigate disruption to peoples' lives and damage to critical infrastructure. In this follow-up audit, however, we found that fewer agreements were in place than in 2022.

The department agreed to address our 34 past recommendations when they were issued. Many align with commitments the government made in response to the 2015 Truth and Reconciliation Commission of Canada: Calls to Action and the 2019 Calls for Justice included in the Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls and with commitments in the 2023 United Nations Declaration on the Rights of Indigenous Peoples Act Action Plan. In this audit, we identified 4 barriers that hindered the implementation of our recommendations. Unless significant progress is made in addressing these barriers, the federal government may struggle to improve services and program outcomes and to advance reconciliation.

Key facts and findings



- During our 2021 audit, on November 1, 2020, 60 long-term drinking water advisories were in effect in First Nations communities, despite federal commitments to eliminate them by that year. As of April 1, 2025, there were 35 such advisories.
- The department has established First Nations emergency evacuation service standards only with Ontario.
- The department made satisfactory progress in implementing all 3 of the recommendations in our [2018 report on socio-economic gaps on First Nations reserves](#), including improving the way education data was collected, used, and shared.
- Since 2016, the department has not assessed whether remote First Nations communities have access to essential health services comparable to other communities in similar locations.
- The department expanded the pool of eligible health care professionals to include paramedics and nurse practitioners and offered financial incentives to attract and retain staff. Despite these efforts, the department was unable to meet its target staff complement in First Nations communities.
- The department has not assessed the impact of its oral health programs or updated the process for making changes to the list of services covered by the Non-Insured Health Benefits Program.

Table of Contents

Introduction	1
Background	1
Focus of the audit	3
Findings	4
Barriers to progress	4
Continued challenges with access to health services	6
Gaps in assessing the impact of oral health programs	8
Improved measurement and reporting on socio-economic gaps and education	8
Long-standing issues prevented access to safe drinking water	9
Critical gaps persist in emergency management amid growing threats	11
Conclusion	13
Progress in Implementing Past Recommendations	14
Indigenous Services Canada’s Response	29
About the Audit	31
Appendix—Text Descriptions of Exhibits	35

Introduction

Background

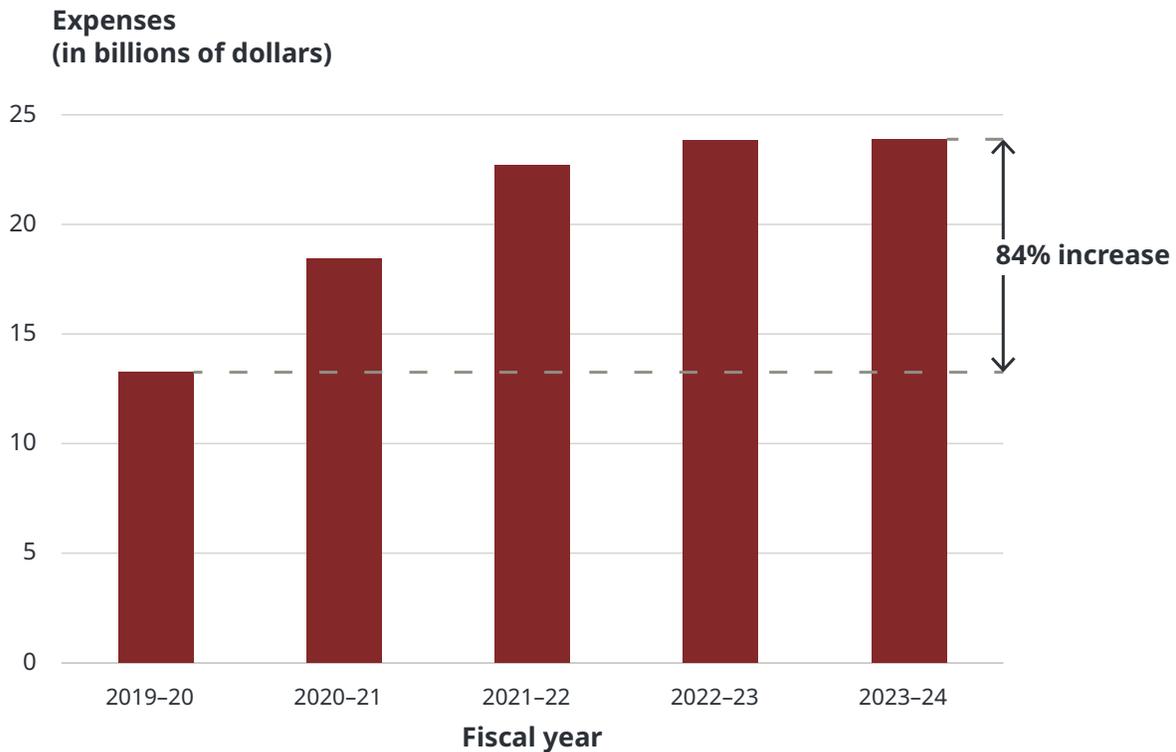
Context

1. First Nations people face significant challenges compared with other Canadians. According to Statistics Canada, these challenges include lower life expectancy and educational levels, poor quality housing, and higher rates of unemployment. These disparities underscore the need for increased efforts to improve the lives of those living in First Nations communities and to advance reconciliation with Indigenous peoples.
2. This follow-up report examined whether Indigenous Services Canada made satisfactory progress in implementing the actions needed to address the recommendations from 6 previous audit reports completed by the Office of the Auditor General of Canada between 2015 and 2022 (see [Scope and approach](#) at the end of this report). The department agreed to implement all of our recommendations. These reports covered a range of programs important to the health and well-being of First Nations communities, including programs providing access to primary and oral health care, personal protective equipment, safe drinking water, emergency management services, and information to address socio-economic gaps.
3. Indigenous Services Canada was created in 2017 following the dissolution of Indigenous and Northern Affairs Canada. With this creation, the First Nations and Inuit Health Branch moved from Health Canada to Indigenous Services Canada.
4. Indigenous Services Canada is responsible for providing First Nations communities with support for a range of services, including primary health care, drinking water, education, infrastructure, and emergency management. First Nations are responsible for managing many of these services. Indigenous Services Canada is also responsible for the gradual transfer of its responsibilities to Indigenous organizations, to directly deliver services to their communities.
5. The federal government has increased spending on programs to support Indigenous peoples in recent years. Indigenous Services Canada's expenses for programs for Indigenous

Indigenous Services
Canada

peoples have increased by about 84% from about \$13 billion in the 2019–20 fiscal year to almost \$24 billion in the 2023–24 fiscal year ([Exhibit 1](#)).

Exhibit 1—Indigenous Services Canada’s expenditures, 2019–20 to 2023–24



Source: Based on the audited consolidated financial statements of the Government of Canada

[Read the Exhibit 1 text description](#)

Reconciliation

6. The Truth and Reconciliation Commission of Canada, the National Inquiry into Missing and Murdered Indigenous Women and Girls, and the United Nations Declaration on the Rights of Indigenous Peoples Act Action Plan call for transformative action to address injustices faced by Indigenous peoples in Canada. Together, they form a road map for reconciliation between Indigenous peoples and other Canadians.

7. The Truth and Reconciliation Commission of Canada was established in 2008 as part of the Indian Residential Schools Settlement Agreement to document the history and impact of the Indian residential school system on Indigenous peoples. In 2015, the

commission issued its final report with 94 Calls to Action. The Calls to Action urge all levels of government to close the socio-economic gaps between Indigenous and non-Indigenous communities, in areas such as health, child welfare, and education.

8. In 2016, the federal government launched the National Inquiry into Missing and Murdered Indigenous Women and Girls to examine the systemic causes of violence experienced by Indigenous women, girls, and two-spirit, lesbian, gay, bisexual, transgender, queer, questioning, intersex, and asexual plus people. In 2019, the inquiry released its final report, which included 231 Calls for Justice. The Calls for Justice focused on a range of issues, including access to legal protections, access to culturally appropriate health and wellness services, and safe and appropriate housing. The federal government committed to taking action to respond to the Calls to Action and the Calls for Justice.

9. In 2021, Parliament passed the United Nations Declaration on the Rights of Indigenous Peoples Act, establishing a legal framework and timeline to bring Canadian law into alignment with the United Nations Declaration on the Rights of Indigenous Peoples. In 2023, the federal government released the United Nations Declaration on the Rights of Indigenous Peoples Act Action Plan, which outlines the federal government's commitments to address inequities.

10. Many of the recommendations included in the 6 audit reports that we examined align with the federal government's commitments to address the Calls to Action and the Calls for Justice and with commitments in the Action Plan.

Focus of the audit

11. This follow-up report focused on whether Indigenous Services Canada made satisfactory progress in implementing the recommendations included in 6 previous audit reports of the Office of the Auditor General of Canada issued between 2015 and 2022. The purpose of our recommendations was to improve the programs and services in First Nations communities and, in turn, the lives of First Nations people.

12. We assessed progress in implementing past recommendations as satisfactory if the department had taken actions needed to address the issues identified in the recommendations, given the significance and complexity of the issues and the time that has elapsed since the recommendations were made. Satisfactory implementation does not mean that the issues that gave rise to the recommendations had been

fully resolved. Unsatisfactory progress does not mean that no actions were taken to address the issues that gave rise to the recommendations.

13. This follow-up report is important because it provides parliamentarians and Canadians with an assessment of progress made by Indigenous Services Canada in implementing the actions needed to address our recommendations and improving the lives of First Nations people. Implementing our recommendations will also contribute to reconciliation with Indigenous peoples.

14. More details about the audit objective, scope, approach, and criteria are in [About the Audit](#) at the end of this report. Additional information about our recommendations is in [Progress in Implementing Past Recommendations](#), and the department's complete response is in [Indigenous Services Canada's Response](#).

Findings

Barriers to progress

15. As a result of our audit findings in [paragraphs 22 to 49](#) of this follow-up report, as well as decades of audit reports on Indigenous matters, we identified 4 barriers that, in our opinion, led to our observations and hindered the implementation of the actions needed to address our recommendations. It is noteworthy that we identified several of these barriers as early as in 2006. These barriers impeded significant improvements in Indigenous Services Canada's programs and services for First Nations people.

16. **Lack of sustained management attention.** Achieving substantive improvements in Indigenous Services Canada's programs and services requires sustained management attention. The continued focus, leadership, and commitment of management are essential for successfully implementing our recommendations and enhancing the effectiveness of programs and services. For example, in 2015, we reported that the sustained commitment of leaders was critical to establishing the First Nations Health Authority in British Columbia. Without this sustained effort, there is a risk that the momentum of initiatives will dissipate over time. For example, we found that the department took initial actions to address several of our recommendations on access to primary health care services by completing studies and assessments but did not follow through on next steps to improve services. In addition, we found that despite our successive audits over the past 2 decades of the access to safe drinking water in First Nations communities, about one quarter

of long-term drinking water advisories had been in effect for a decade or longer. Addressing the remaining advisories will require continued management attention.

17. **Lack of clarity around service levels.** Defined service levels represent a clear commitment by the government to deliver specific services, ensuring accountability and the identification of the funding needed. However, some Indigenous Services Canada programs to support First Nations communities do not have clearly defined service levels. For instance, the department has defined service levels for First Nations communities with only 1 province for evacuations during emergencies, and it has not defined service levels for comparable access to health care. In some cases, First Nations have taken the federal government to court to address inadequate service levels. In these situations, court decisions have influenced program changes.

18. A legislative base for programs may clarify roles and responsibilities, and other program elements, including service levels. For example, in both our [2005 report on drinking water in First Nations communities](#) and our [2021 report on access to safe drinking water in First Nations communities](#), we recommended that the department work with First Nations to develop and implement a regulatory regime to ensure the safety of drinking water in First Nations communities. Despite efforts over the past 2 decades, this critical gap remains. In addition, in our [2024 report on the First Nations and Inuit Policing Program](#), we noted that First Nations advocated for legislation that would deem First Nations policing services as essential services like policing services in municipalities, provinces, and territories in Canada.

19. **Insufficient support to bolster First Nations capacity to deliver programs.** Increasing First Nations' capacity to deliver programs and services within their communities is critical to improving outcomes for First Nations people and supporting reconciliation. Our audit reports on access to safe drinking water, emergency management, and housing highlighted the need for enhanced federal support to increase skills and expertise in First Nations communities to operate drinking water systems, manage emergencies, and oversee housing. Capacity challenges in some First Nations communities may also delay the transfer of services from the department to First Nations or limit First Nations' ability to engage in self-government negotiations.

20. **Passive and siloed approach to supporting First Nations.** First Nations in Canada are diverse—some are located in remote areas with limited economic opportunities, while others are urban and more economically self-sufficient. This diversity may result in unequal capacity across communities to access federal programs.

Application-based support models tend to favour communities with greater administrative capacity, unintentionally reinforcing existing disparities. For example, in our [2024 report on housing in First Nations communities](#), we found that the federal government's proposal-based approach did not ensure that the First Nations most in need received their adequate share of funding. As well, we found that a significant challenge for First Nations communities in general was navigating the different application and reporting requirements of the many federal housing programs that provided funding to First Nations. This complex environment made it difficult for First Nations to know about the housing programs available to them and determine which ones would best meet their needs. It also created an administrative burden, as communities often had to apply to several programs to get the funding they needed.

21. In our view, unless significant progress is made to address these barriers, the department may struggle to implement our recommendations, to transfer programs and services to First Nations, and to meet its commitments regarding reconciliation. See [Indigenous Services Canada's Response](#).

Continued challenges with access to health services

Context

22. Many First Nations individuals living in remote communities experience poorer health outcomes compared with other Canadians and face unique challenges in accessing provincial health services.

23. Indigenous Services Canada delivers primary health care services in 50 nursing stations in remote or isolated First Nations communities located in Ontario, Manitoba, Alberta, and Quebec. It employs primary health care workers to provide health care services in these communities. They respond to urgent needs and medical emergencies, such as accidents, heart attacks, and strokes, as well as non-urgent care when patients seek treatment for non-life-threatening health concerns. Most primary health care workers are nurses who work in small teams to provide front-line services from nursing stations. Some primary health care services are not offered in these First Nations communities. In these situations, the department provides coverage for medical transportation so that First Nations individuals can access medical appointments and other health services outside of their communities.

24. Indigenous Services Canada also maintains a stockpile of personal protective equipment (PPE) and hand sanitizer. The department is responsible for providing PPE to health care workers and those who support the delivery of health care services in First Nations communities in the event of a public health emergency.

Findings

25. In this follow-up report, we found that Indigenous Services Canada made unsatisfactory progress in implementing 5 of the 11 recommendations we made in our 2015 audit report on access to health services for remote First Nations communities (see **Progress in Implementing Past Recommendations**). The department took initial actions to address several of our recommendations on access to primary health care services by completing studies and assessments but did not follow through on next steps to improve services. For example, we found that since 2016, the department had not assessed whether communities had access to essential and comparable services as other provincial residents living in similar geographic locations. In contrast, the department made satisfactory progress in ensuring that its nurses working in remote First Nations communities completed the mandatory training courses specified by the department. We found that the department met its 80% target for the completion of mandatory training courses from 2023–24 to 2024–25 for its existing workforce. Since 2020, Indigenous Services Canada also required its employees to complete 2 days of cultural competency training.

26. We found that Indigenous Services Canada had satisfactorily implemented the 2 recommendations from our 2021 audit report on health resources for Indigenous communities (see **Progress in Implementing Past Recommendations**). This audit examined whether Indigenous Services Canada provided sufficient PPE, nurses, and paramedics to Indigenous communities and organizations to protect Indigenous peoples against COVID-19. We found that the department improved its management of its stockpile and was working toward a PPE procurement approach to account for increased demand during a public health emergency.

27. In our 2021 audit report, we also recommended that the department consider approaches to address nursing shortages. We found that the department had taken important steps to increase the number of nurses working in nursing stations in remote and isolated communities by expanding the types of primary health care professionals working in First Nations communities to include paramedics and nurse practitioners. The department also offered financial incentives to attract and retain staff. Despite these efforts, the average monthly vacancy rate was 21% (46 of 223) from 2023–24 to 2024–25. A number of factors contributed to this

shortfall, including the national nursing shortage, the challenging nature of the work, the diverse skill set required to work in remote or isolated communities, and inadequate housing.

Gaps in assessing the impact of oral health programs

Context

28. Indigenous Services Canada provides oral health services to Inuit and First Nations people. The Non-Insured Health Benefits Program provides First Nations clients both on and off reserve and Inuit clients with coverage for a range of health benefits not covered by other insurance plans or social programs. The program covers medically necessary goods and services, including dental and vision care, as well as prescription drugs. Indigenous Services Canada also provides oral health services to First Nations and Inuit communities through its Community Oral Health Services program. The services provided through this program include clinical care, and emergency and preventive services.

Findings

29. We found that Indigenous Services Canada had made unsatisfactory progress in implementing the actions needed to address 5 of the 6 recommendations we made in our 2017 audit report on oral health programs for First Nations and Inuit (see [Progress in Implementing Past Recommendations](#)). For example, we found that the department had not assessed the impact of its programs on the oral health of Inuit and First Nations people or updated the process for making changes to the list of oral health services covered by the Non-Insured Health Benefits Program.

30. This is important because poor oral health can adversely impact both overall well-being and quality of life. Access to oral health services, including preventive services, is vital to good oral health.

Improved measurement and reporting on socio-economic gaps and education

Context

31. First Nations people have significantly lower socio-economic well-being than other Canadians. Socio-economic well-being can be measured by tracking indicators, such as education, income, and

health. Closing socio-economic gaps involves improving the social well-being and economic prosperity of First Nations communities. To close socio-economic gaps, federal decision makers and First Nations need information about the socio-economic indicators that is reliable, relevant, and up to date.

32. Indigenous Services Canada is responsible for working with First Nations to develop strategies to eliminate gaps between people living in First Nations communities and other Canadians and for preparing and publishing annual reports on socio-economic gaps and measures taken by the department to reduce those gaps.

Findings

33. We found that the department made satisfactory progress in implementing the actions needed to address all 3 of our recommendations from our 2018 report on socio-economic gaps on First Nations reserves (see **Progress in Implementing Past Recommendations**). We found that the department made improvements to its reporting on socio-economic gaps, as well as to the way education data was collected, used, shared, and reported on.

34. The actions taken by the department to address our recommendations are important because Indigenous Services Canada needs information on socio-economic well-being to know whether its programs and services are working and what needs to be modified to improve the lives of people living in First Nations communities.

Long-standing issues prevented access to safe drinking water

Context

35. Access to safe drinking water is a long-standing issue in many First Nations communities. In 2015, the federal government committed to eliminating all long-term drinking water advisories on public water systems in First Nations communities by March 31, 2021.

36. A drinking water advisory is considered long-term when it has been in place for more than a year. This generally happens when a water system is not functioning well, preventing the system from treating water to the required quality. Reasons include equipment malfunction or operational issues, such as the lack of a qualified

water system operator. While a drinking water advisory is in effect, residents must either use bottled water, boil water, or otherwise ensure that their drinking water is purified.

37. First Nations are the owners and operators of community infrastructure in First Nations communities, including water infrastructure. In general, the Chiefs and Councils in First Nations communities issue and lift drinking water advisories. Environmental public health officers provide information on drinking water quality and recommend actions to Chiefs and Councils to help inform their decisions. Environmental public health officers are either employed by Indigenous Services Canada or First Nations organizations, such as tribal councils.

Findings

38. We issued our [2005 report on drinking water in First Nations communities](#), our [2011 report on programs for First Nations on reserves](#), and our [2021 report on access to safe drinking water in First Nations communities](#) and provided recommendations to Indigenous Services Canada to resolve the issue of First Nations access to safe drinking water. Twenty years after we first examined the issue, many First Nations communities are still without reliable access to safe drinking water.

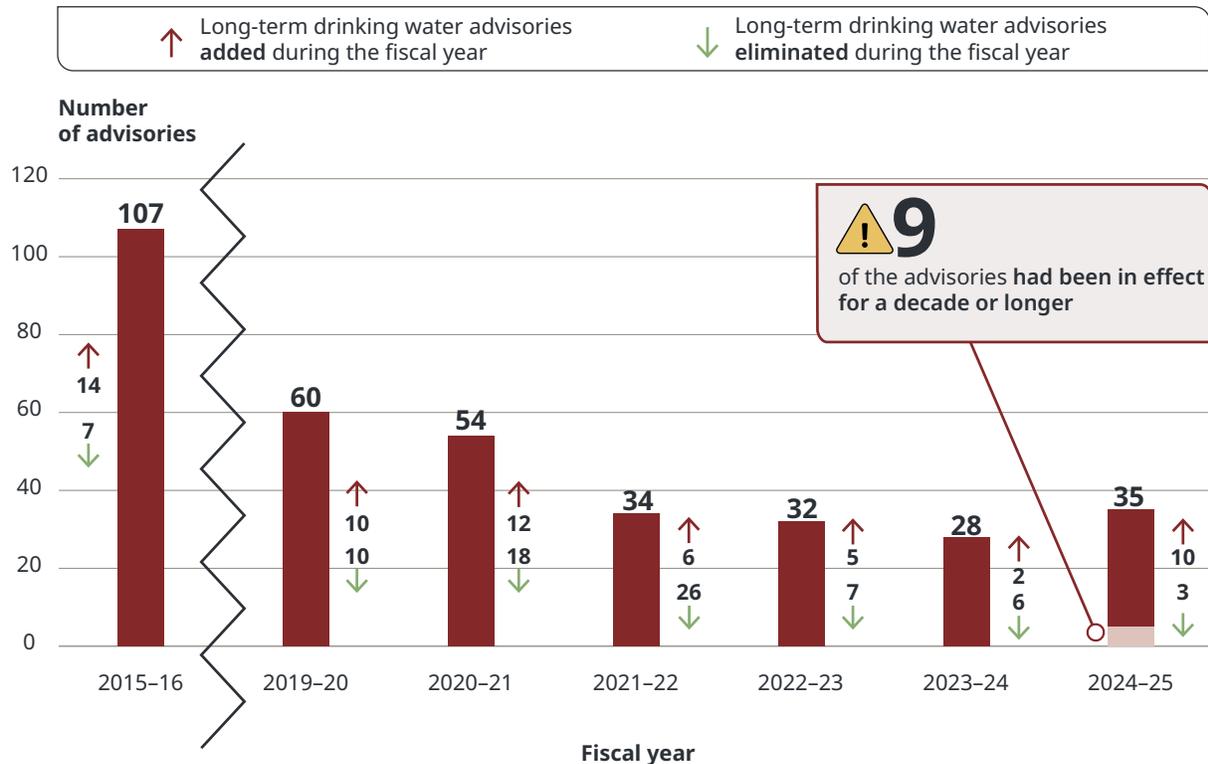
39. Although an action plan was developed, we found that the department had not made satisfactory progress in implementing any of our 5 recommendations to ensure that First Nations communities had ongoing access to safe drinking water (see [Progress in Implementing Past Recommendations](#)).

40. In our 2021 audit, we reported that on November 1, 2020, 60 long-term advisories were in effect. As of April 1, 2025, we found that the number had decreased to 35 long-term drinking water advisories ([Exhibit 2](#)). Although there were fewer long-term drinking water advisories than in 2021, we are concerned that many people living in First Nations communities continue to not have access to safe drinking water. We found that about one quarter of these advisories (9 of 35) had been in effect for a decade or longer.

41. In both our 2005 and 2021 audit reports, we recommended that the federal government work with First Nations to develop and implement a regulatory regime to ensure the safety of drinking water in First Nations communities. Despite efforts over the past 2 decades, including developing the Safe Drinking Water for First Nations Act, which was repealed in 2022, this critical gap remains. Most recently, in December 2023, Bill C-61: An Act respecting water, source water, drinking water, wastewater and related infrastructure on First Nation lands (short title: First Nations Clean Water Act) was introduced. However, the prorogation of

Parliament in January 2025 ended progress on all proposed legislation, including Bill C-61. This prorogation was outside of Indigenous Services Canada’s control. First Nations communities do not have legally enforceable safe drinking water protections similar to what is in place in provinces and territories.

Exhibit 2—Long-term drinking water advisories have decreased, but about a quarter in 2024–25 had been in effect for a decade or more



Source: Based on data provided by Indigenous Services Canada

[Read the Exhibit 2 text description](#)

Critical gaps persist in emergency management amid growing threats

Context

42. Emergencies such as floods, wildfires, landslides, and severe weather events are happening more often and with greater intensity throughout Canada. These emergencies disproportionately affect First Nations communities because of their relative remoteness,

climate risk, and socio-economic circumstances. Over the last 2 fiscal years (2023–24 to 2024–25), First Nations communities experienced more than 560 emergencies involving about 150 evacuations.

43. First Nations communities are responsible for using local resources to prepare for and respond to emergencies. The Chief and Council may declare a state of emergency if the situation is beyond the community's capacity to respond. The Chief and Council can ask for help from the federal government, provincial governments, and non-governmental organizations.

44. Indigenous Services Canada is responsible for ensuring that First Nations communities receive emergency management services, including emergency planning, flooding prevention (such as sandbagging), and wildfire suppression. During an emergency, the department is also responsible for providing advice and support as requested by the affected First Nation and province.

45. The department does not provide direct emergency response services to First Nations communities. The department negotiates emergency management service agreements with provinces or other service providers to provide emergency services in First Nations communities.

Findings

46. We found that, although the department developed an action plan with timelines in response to our recommendations, it did not make satisfactory progress in implementing 3 of the 7 recommendations from our 2022 audit report on emergency management in First Nations communities (see [Progress in Implementing Past Recommendations](#)).

47. In both our 2013 and 2022 audit reports, we recommended that the department establish emergency management service agreements and wildfire agreements to ensure that all First Nations communities across the country have access to emergency services. We found that the department had not made satisfactory progress in establishing these agreements, despite agreeing to address this. We found that as at April 1, 2025, there were fewer agreements in place than in 2022—4 emergency service agreements (compared with 6 in 2022) and 5 wildfire agreements (compared with 6 in 2022) between Indigenous Services Canada and the provinces.

48. We found that 4 of the 5 wildfire agreements that were in place did not include all First Nations communities in the relevant province. Consequently, communities that were not included in these agreements might not have had access to such services as wildfire suppression. Agreements are intended to clarify roles and responsibilities, support preparedness training and capacity

building, and ensure that First Nations receive coordinated emergency response and recovery services. The lack of service agreements across all jurisdictions increases the risk that some First Nations communities will not receive emergency services when they are most needed.

49. In 2022, we found that the department and the Province of Ontario had standards for services to First Nations evacuees, including security services, food, child and family services, mental health and health care, emergency clothing, and transportation. We found that since our 2022 audit, the department had not established any new evacuation standards. Without standards, there is a risk that First Nations will continue to face uncertainty and inconsistency in the level and quality of emergency services provided to their communities.

Conclusion

50. We concluded that Indigenous Services Canada made unsatisfactory progress in implementing the recommendations included in selected performance audit reports of the Office of the Auditor General of Canada.

Progress in Implementing Past Recommendations

We assessed Indigenous Services Canada’s progress in implementing past recommendations as follows:

- **Satisfactory**—Progress is satisfactory if the department has taken actions needed to address the issues identified in the recommendations, given the significance and complexity of the issues and the time that has elapsed since the recommendations were made. Satisfactory implementation does not mean that the issues that gave rise to the recommendations had been fully resolved.
- **Unsatisfactory**—Unsatisfactory progress does not mean that no actions were taken to address the issues that gave rise to the recommendations.

Note: Indigenous Services Canada was created in 2017 following the dissolution of Indigenous and Northern Affairs Canada. With this creation, the First Nations and Inuit Health Branch moved from Health Canada to Indigenous Services Canada.

Access to Health Services for Remote First Nations Communities (2015)

Recommendation	Key findings	Progress
<p>4.27 Indigenous Services Canada (formerly Health Canada) should ensure that its nurses working in remote First Nations communities successfully complete the mandatory training courses specified by the Department.</p>	<p>In 2023, Indigenous Services Canada updated its policy on mandatory training for health care workers providing primary care in First Nations communities. The policy details the mandatory training courses required for each health care worker based on their scope of practice and their role.</p> <p>Overall, the department met its 80% target for the completion of mandatory training courses from 2023–24 to 2024–25 for its existing workforce.</p> <p>In 2020, the department developed an Indigenous Cultural Competency Learning Policy requiring its employees to complete 2 days of cultural competency training per year. The department required employees to incorporate this training in their annual learning plans. However, overall completion rates were not available for 2023–24 or 2024–25.</p>	<p>Satisfactory</p>

Recommendation	Key findings	Progress
<p>4.37 Indigenous Services Canada (formerly Health Canada) should ensure that its nurses are provided with appropriate supporting mechanisms that allow them to provide essential health services that are outside their legislated scope of practice.</p>	<p>Indigenous Services Canada determined that its nurses should not operate outside of their legislated scope of practice.</p> <p>The department took a number of actions to ensure that its nurses were supported to work within their scope of practice, by:</p> <ul style="list-style-type: none"> • developing more than 100 Clinical Practice Guidelines. These guidelines required nurses to consult with physicians or nurse practitioners for advice regarding specific medical issues. • creating new policies and procedures for the management of controlled substances and prescription drugs. These policies and procedures defined the activities that nurses working at First Nations health facilities were authorized to conduct. • expanding the staff available in nursing stations to include nurse practitioners, who have an expanded scope of practice and are able to approve the actions of nurses. 	Satisfactory
<p>4.53 Indigenous Services Canada (formerly Health Canada) should work with First Nations communities to ensure that nursing stations are inspected on a regular basis and that deficiencies related to health and safety requirements or building codes are addressed in a timely manner.</p>	<p>Indigenous Services Canada's Framework for Planning and Managing Capital Contributions requires nursing stations to be inspected on a 3-year cycle.</p> <p>Seventy-one percent (35 of 49) of the nursing stations where the department provides primary health care services were inspected between 2021–22 and 2023–24 (the information for 2024–25 is not currently available). Note that 1 of the nursing stations was built recently and was not part of the 3-year inspection cycle yet.</p> <p>The department did not consistently track health and safety or building code deficiencies identified in the inspections or whether these deficiencies were addressed.</p>	Unsatisfactory

Recommendation	Key findings	Progress
<p>4.56 Indigenous Services Canada (formerly Health Canada) should work with First Nations communities to ensure that new nursing stations are built according to applicable building codes.</p>	<p>Indigenous Services Canada's Health Infrastructure and Capital Protocol required First Nations to provide the department with a copy of the consultant attestation that the work was constructed in accordance with applicable building, fire, and plumbing codes.</p> <p>Since the 2015 audit, 6 nursing stations were built. For 5 of these nursing stations, the department obtained the required attestations indicating that the nursing stations were compliant with applicable building codes. We note that for 1 of these nursing stations, the attestation was provided several years after the nursing station was built.</p>	Satisfactory
<p>4.64 Indigenous Services Canada (formerly Health Canada) should work with First Nations communities to ensure that nursing stations are capable of providing Indigenous Services Canada's (formerly Health Canada's) essential health services.</p>	<p>From 2017 to 2020, each nursing station where Indigenous Services Canada provided primary health care services underwent self-assessments to determine whether the nursing station could provide the essential health services identified by the department. These self-assessments found issues related to inadequate staffing levels, limited access to physicians, outdated or broken equipment, and a lack of maintenance of facilities.</p> <p>In 2021, the department stopped conducting these self-assessments. The department plans to replace them with third-party accreditation. As of April 1, 2025, 1 of the 50 nursing stations where the department provides primary health care services had been accredited.</p>	Unsatisfactory

Recommendation	Key findings	Progress
<p>4.65 Indigenous Services Canada (formerly Health Canada) should work with First Nations communities to communicate what services each nursing station provides.</p>	<p>According to Indigenous Services Canada, each of the nursing stations where the department provides primary health care services was required to provide the same essential services. However, operational issues such as staffing levels, security concerns, natural disasters, and infrastructure issues can cause nursing stations to close or operate with reduced services.</p> <p>In 2023, the department finalized its policy on the reduction or suspension of health services due to safety or security.</p> <p>No Indigenous Services Canada region had established the required standard operating procedures to implement the 2023 policy. In the event of an emergency nursing station closure, the absence of these procedures could result in health care personnel lacking clear guidance on required actions and First Nations leadership not being promptly informed of service disruptions.</p>	<p>Unsatisfactory</p>
<p>4.81 Indigenous Services Canada (formerly Health Canada) should work with First Nations communities . . . to facilitate the registration of First Nations individuals.</p>	<p>Indigenous Services Canada developed many communication products to inform First Nations about the registration process.</p>	<p>Satisfactory</p>
<p>4.91 Indigenous Services Canada (formerly Health Canada) should maintain sufficient documentation to comply with the Treasury Board's 2009 Directive on Recordkeeping and to demonstrate that medical transportation benefits are administered according to Health Canada's 2005 Medical Transportation Policy Framework.</p>	<p>Since the 2015 audit, Indigenous Services Canada updated the information needed from First Nations to access medical transportation benefits. The department also developed policies and guidelines that include requirements for the collection, storage, and disposal of information pertaining to medical transportation benefits.</p> <p>However, the department did not maintain sufficient documentation to demonstrate that it was in compliance with its policies and guidelines for medical transportation benefits.</p>	<p>Unsatisfactory</p>

Recommendation	Key findings	Progress
<p>4.107 When allocating nursing staff levels and other support, Indigenous Services Canada (formerly Health Canada) should work with First Nations communities and take into account their health needs.</p>	<p>Although Indigenous Services Canada had not worked with First Nations to assess the health needs of communities, it increased the number of health care professionals and expanded the skill mix available to include nurse practitioners, licensed practical nurses, and paramedics.</p> <p>Despite these efforts, the department was unable to meet its target staff complement of 223 health care professionals. The average monthly vacancy rate was 21% (46 of 223) from 2023–24 to 2024–25. A number of factors contributed to this shortfall, including the national nursing shortage, the challenging nature of the work, the diverse skill set required to work in remote or isolated communities, and inadequate housing.</p>	Satisfactory
<p>4.116 Indigenous Services Canada (formerly Health Canada) should work with First Nations communities, provinces, and health service providers to ensure that First Nations individuals living in remote communities have comparable access to clinical and client care services as other provincial residents living in similar geographic locations.</p>	<p>In 2016, Indigenous Services Canada compared the service levels between remote and isolated First Nations communities and similarly situated non-First Nations communities. This study defined 11 aspects of health care service delivery and found that many of these aspects were similar in First Nations and non-First Nations communities.</p> <p>Since 2016, the department has not conducted a similar assessment.</p> <p>According to the department, accreditation standards are the department's new mechanism for ensuring comparable access. As of April 1, 2025, 1 of the 50 communities where the department provides primary health care services had been accredited.</p>	Unsatisfactory

Recommendation	Key findings	Progress
<p>4.131 Working with First Nations organizations and communities, and the provinces, Indigenous Services Canada (formerly Health Canada) should play a key role in establishing effective coordinating mechanisms with a mandate to respond to priority health issues and related interjurisdictional challenges.</p>	<p>Since before 2015, Indigenous Services Canada has been working with First Nations to develop health transformation agreements. These agreements support the development of First Nations-led health organizations and interjurisdictional partnerships between these organizations and federal and provincial governments. Health transformation is a multi-stage and multi-year process that involves the development of memorandums of understanding, agreements in principle, and framework agreements. As of April 1, 2025, the department signed 5 memorandums of understanding and 2 agreements in principle for health transformation with 5 First Nations organizations. However, no framework agreements had been signed.</p> <p>The department participated in federal/provincial/First Nations committees and working groups to discuss interjurisdictional issues, such as nurse licensing. The department's regional offices also engaged with provinces and First Nations to discuss interjurisdictional issues, such as medical transportation in remote communities.</p>	<p>Satisfactory</p>

Health Resources for Indigenous Communities (2021)

Recommendation	Key findings	Progress
<p>11.46 Indigenous Services Canada should review the management of its personal protective equipment stockpile to ensure that it has accurate records and the right amount of stock to respond to the current pandemic and future public health emergencies faced by Indigenous communities and organizations.</p>	<p>Indigenous Services Canada had adopted a new system, the Warehouse Management System, to manage its personal protective equipment (PPE) stockpile. This system included controls to ensure accurate records.</p> <p>The department was working toward a procurement approach to address increased demand for PPE during a public health emergency.</p>	Satisfactory
<p>11.61 Indigenous Services Canada should work with the 51 remote or isolated First Nations communities to consider other approaches to address the ongoing shortage of nurses in these communities and to review the nursing and paramedic support provided to all Indigenous communities to identify best practices.</p>	<p>Indigenous Services Canada expanded the skill mix available in First Nations communities to include nurses (nurse practitioners, registered nurses, and licensed practical nurses) as well as paramedics. To help attract and retain health care professionals, the department offered financial incentives, such as retention allowances, and addressed security concerns at nursing stations. It also relied on contract professionals to fill vacancies.</p> <p>In 2021, the department received additional funding to address staffing gaps for health care providers for a period of 5 years.</p> <p>Given the national nursing shortage, the challenging nature of the work, the diverse skill set required to work in remote or isolated communities, and inadequate housing, the department was unable to meet its target complement of 223 health care professionals. From 2023–24 to 2024–25, the average monthly vacancy rate was 21% (46 of 223).</p>	Satisfactory

Oral Health Programs for First Nations and Inuit (2017)

Recommendation	Key findings	Progress
<p>4.30 Indigenous Services Canada (formerly Health Canada) should finalize and implement a strategic approach to oral health for Inuit and First Nations people, along with a detailed action plan with specific timelines, and monitor implementation.</p>	<p>Indigenous Services Canada’s strategic approach was finalized in 2020, a decade after the initial draft.</p> <p>The department’s strategic approach set out a 5-year review cycle. As of April 1, 2025, the Community Oral Health Services program had drafted its own update, but the Non-Insured Health Benefits Program had no plans to contribute to it.</p> <p>The department’s 2020 action plan to implement the strategic approach lacked details and timelines.</p>	<p>Unsatisfactory</p>
<p>4.37 Indigenous Services Canada (formerly Health Canada) should develop a concrete plan to determine how much of a difference its oral health services are making on the oral health of Inuit and First Nations people. This plan should use all the relevant information the Department collects, and should include a collaboration among all of Indigenous Services Canada’s (formerly Health Canada’s) programs involved in oral health.</p>	<p>Although Indigenous Services Canada took initial steps to improve data analysis for each of its 2 oral health programs, the department did not develop a concrete and collaborative plan to assess the overall impact of its services on the oral health of Inuit and First Nations people.</p>	<p>Unsatisfactory</p>
<p>4.47 Indigenous Services Canada (formerly Health Canada) should improve its analysis of data, including the information that is collected and recorded in its dental database, so that its information on the Children’s Oral Health Initiative is accurate and comprehensive enough to contribute to the Department’s overall management of its oral health programs.</p>	<p>The Community Oral Health Services program (formerly the Children’s Oral Health Initiative) took some actions to improve its analysis of data, such as hiring a dental public health specialist and updating its dental screening form to collect additional information.</p> <p>However, in 2017, Indigenous Services Canada’s National Oral Health Advisory Committee cautioned that regional training on data collection was required to improve the accuracy and completeness of the program data.</p> <p>As of April 1, 2025, only 1 of 6 Indigenous Services Canada regions completed this training.</p>	<p>Unsatisfactory</p>

Recommendation	Key findings	Progress
<p>4.63 Indigenous Services Canada's (formerly Health Canada's) process for making changes to its list of oral health services covered by the Non-Insured Health Benefits Program should</p> <ul style="list-style-type: none"> • include which elements should be considered, • include requirements to document when and how decisions are made, • specify who has final approval for all such decisions, and • include quickly updating providers and clients on changes. 	<p>Although Indigenous Services Canada updated its process to specify who has final approval for making changes to its list of oral health services covered by the Non-Insured Health Benefits Program, the department did not modify the process to include:</p> <ul style="list-style-type: none"> • which elements should be considered • requirements to document when and how decisions are made • the time frame for updating providers and clients on changes 	Unsatisfactory
<p>4.72 To improve its program management for the Non-Insured Health Benefits Program dental benefit, Indigenous Services Canada (formerly Health Canada) should</p> <ul style="list-style-type: none"> • clarify what its service standard for pre-approvals is measuring; • clarify the service standard for complex appeals; and • improve its data entry, so that it has accurate and reliable information in its appeal database. 	<p>Indigenous Services Canada made changes to improve the management of the Non-Insured Health Benefits Program dental benefit by:</p> <ul style="list-style-type: none"> • clarifying what its service standard for pre-approvals is measuring • eliminating the concept of a "complex" appeal <p>The department also improved the reliability of its appeals data by discontinuing the separate database that it had been using and by integrating the information into the Non-Insured Health Benefits Program dental benefit processing system. This processing system had controls to address the risk of data entry errors.</p>	Satisfactory
<p>4.85 Indigenous Services Canada (formerly Health Canada) should implement strategies to ensure that it has the human resources it needs to deliver oral health programs and related services to First Nations and Inuit populations over the long term. These strategies could incorporate the use of a variety of professionals and adopt practices from other regions, where applicable.</p>	<p>Indigenous Services Canada did not know how much of an oral health gap there was to close between First Nations and Inuit populations and other Canadians. As a result, the department did not know which oral health services were needed most, where they were needed, and the number and type of oral health professionals needed to deliver the services.</p>	Unsatisfactory

Socio-economic Gaps on First Nations Reserves (2018)

Recommendation	Key findings	Progress
<p>5.37 Through engagement with First Nations and other partners, Indigenous Services Canada should use relevant data to comprehensively measure and report on the overall socio-economic well-being of First Nations people on reserves compared with that of other Canadians. The Department should also measure and report on those additional aspects of socio-economic well-being that First Nations have identified as unique priorities, such as language and culture, which might not be directly comparable with other Canadians.</p>	<p>Indigenous Services Canada is working with First Nations to establish a framework to measure and report on socio-economic gaps between First Nations and other Canadians.</p> <p>The department reported annually on the socio-economic gaps between First Nations individuals and other Canadians as required under the 2019 Department of Indigenous Services Act. These reports included some information on language and culture that are unique to First Nations.</p>	Satisfactory
<p>5.83 Through engagement with First Nations and other partners, Indigenous Services Canada should collect, use, and share data with First Nations appropriately to improve education results of First Nations people on reserves.</p>	<p>In 2019, Indigenous Services Canada developed a national education framework, which included a set of mandatory national indicators. Although the department did not develop this framework with First Nations, the department worked with interested First Nations to develop regional education agreements. Nine regional education agreements were established, representing 191 First Nations and about 25,000 students. These agreements provided First Nations with the opportunity to develop additional indicators specific to their circumstances.</p> <p>The department developed a new education funding formula based on the corresponding provincial formula. This formula includes additional funding to account for remoteness and language.</p> <p>The department provided First Nations with access to its education information systems.</p>	Satisfactory
<p>5.98 Indigenous Services Canada's reporting on First Nations' education results should be complete and accurate.</p>	<p>Indigenous Services Canada adjusted its graduation rate methodology to be more complete and accurate. The new methodology tracks cohorts of students over time, whereas the 2018 methodology did not.</p>	Satisfactory

Access to Safe Drinking Water in First Nations Communities (2021)

Recommendation	Key findings	Progress
<p>3.40 Indigenous Services Canada should work with First Nations communities to strengthen efforts to eliminate all long-term drinking water advisories and prevent new ones from occurring.</p>	<p>Although the number of long-term drinking water advisories decreased since 2021, there were 35 long-term drinking water advisories in effect in First Nations communities as of April 1, 2025. Nine of these 35 long-term drinking water advisories were added in the 2024–25 fiscal year.</p> <p>Nine of the 35 long-term drinking water advisories have been in place for a decade or more.</p>	Unsatisfactory
<p>3.54 Indigenous Services Canada should work with First Nations communities to implement long-term solutions to ensure that water systems in First Nations communities provide ongoing access to safe drinking water.</p>	<p>Indigenous Services Canada identified a long-term solution for 34 of the 35 long-term drinking water advisories. However, of the 9 long-term drinking water advisories that were in place for a decade or more, 8 did not have a target date for when the identified long-term solution would be implemented. As a result, people living in these communities may continue to not have access to safe drinking water.</p>	Unsatisfactory
<p>3.61 Indigenous Services Canada should work with First Nations to proactively identify and address underlying deficiencies in water systems to prevent recurring advisories.</p>	<p>Recurring long-term drinking water advisories continued to be an ongoing issue. Our 2021 audit identified 5 recurring long-term drinking water advisories over a 5-year period. Between November 1, 2020, and April 1, 2025, there were 9 recurring long-term drinking water advisories. For example, 1 community had a drinking water advisory in place for 17 years before it was lifted in 2022; however, a new long-term advisory on the same water system was issued in 2024 and remained in effect as of April 1, 2025.</p>	Unsatisfactory

Recommendation	Key findings	Progress
<p>3.77 Indigenous Services Canada, in consultation with First Nations, should make it a priority to</p> <ul style="list-style-type: none"> • identify the amount of funding needed by First Nations to operate and maintain drinking water infrastructure • amend the existing policy and funding formula to provide First Nations with sufficient funding to operate and maintain drinking water infrastructure 	<p>Indigenous Services Canada did not identify the amount of funding needed by First Nations to operate and maintain public drinking water systems.</p> <p>Although the department's operations and maintenance policy was amended to cover 100% of the calculated costs as determined by the funding formula, the funding formula was not amended to consider the state of drinking water systems.</p>	Unsatisfactory
<p>3.90 Indigenous Services Canada, in consultation with First Nations, should develop and implement a regulatory regime for safe drinking water in First Nations communities.</p>	<p>First Nations communities do not have legally enforceable safe drinking water protections similar to what is in place in provinces and territories.</p> <p>In December 2023, Bill C-61: An Act respecting water, source water, drinking water, wastewater and related infrastructure on First Nation lands (short title: First Nations Clean Water Act) was introduced. The second reading of the bill was completed in June 2024, and the Standing Committee on Indigenous and Northern Affairs presented its report on Bill C-61 to the House of Commons in December 2024. However, the prorogation of Parliament on January 6, 2025, ended progress on all proposed legislation, including Bill C-61. This prorogation was outside of Indigenous Services Canada's control.</p> <p>In the absence of legislation, the department could not develop a regulatory regime to help ensure access to safe drinking water in First Nations communities.</p>	Unsatisfactory

Emergency Management in First Nations Communities (2022)

Recommendation	Key findings	Progress
<p>8.32 Indigenous Services Canada should work with First Nations to implement a risk-based approach to inform program planning and decisions on where to invest in preparedness and mitigation activities to maximize support to communities at highest risk of being affected by emergencies.</p>	<p>Indigenous Services Canada developed a regional allocation formula that considers both the Climate Risk Index and the Community Well-Being Index.</p> <p>The department also developed a list of 176 high-risk communities.</p> <p>The department's approach allows it to inform future decisions on where to invest in preparedness and mitigation activities to maximize support to communities at highest risk of being affected by emergencies.</p>	Satisfactory
<p>8.36 Indigenous Services Canada should work with First Nations communities to address the backlogs of eligible but unfunded structural mitigation projects and of unreviewed structural mitigation projects to effectively allocate resources to reduce the impact of emergencies on First Nations communities.</p>	<p>Unreviewed projects</p> <ul style="list-style-type: none"> • We found that Indigenous Services Canada addressed the backlog of unreviewed projects. The 72 projects that we identified as unreviewed in our 2022 audit were reviewed by the department. <p>Unfunded projects</p> <ul style="list-style-type: none"> • We found that the department addressed the backlog of unfunded projects. Only 5 of the 112 projects are still unfunded as of April 1, 2025. 	Satisfactory
<p>8.39 Indigenous Services Canada should, on the basis of an assessment of risks, regularly update outdated departmental and regional emergency management plans and take immediate action to develop regional emergency management plans for the 3 regions that do not have them. These plans should be used to make informed decisions and take concrete actions to assist First Nations communities with managing the risks related to emergencies.</p>	<p>Indigenous Services Canada updated its departmental and regional emergency management plans.</p> <p>The department developed regional emergency management plans for the 3 regions that did not have them.</p>	Satisfactory

Recommendation	Key findings	Progress
<p>8.42 Indigenous Services Canada, in collaboration with First Nations, should determine how many emergency management coordinator positions are required and allocate funding for these positions on the basis of risk and need to ensure that First Nations have sustained capacity to manage emergencies.</p>	<p>Indigenous Services Canada determined that emergency management coordinators are required in all the 176 communities it identified as high risk. In 2024–25, about 83% (146 of 176) of the communities identified as high risk had access to an emergency management coordinator—either dedicated within the community or shared through a tribal council.</p>	<p>Satisfactory</p>
<p>8.62 Indigenous Services Canada should, in collaboration with First Nations, provincial governments, and other service providers, ensure that First Nations communities receive the emergency management services they need by</p> <ul style="list-style-type: none"> • establishing emergency management service agreements and wildfire agreements in all jurisdictions that include all First Nations • establishing mutually agreed-upon evacuation service standards in the jurisdictions that lack such standards • increasing support for First Nations-led approaches to emergency management 	<p>During our 2022 audit, there were 6 emergency service agreements and 6 wildfire agreements between Indigenous Services Canada and the provinces. As of April 1, 2025, there were 4 emergency service agreements (British Columbia, Alberta, Manitoba, and Ontario) and 5 wildfire agreements (British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario) in effect. In addition, 4 of the 5 wildfire agreements did not include all First Nations communities in the relevant province.</p> <p>Since the 2022 audit, no new agreements were established with provinces that previously lacked one. Since 2019, the department has been working toward establishing multilateral agreements that include First Nations, but as at April 1, 2025, no multilateral agreements were established.</p> <p>As we found in our 2022 audit, evacuation service standards were in place only between the department and the Province of Ontario.</p> <p>The department supported First Nations-led approaches to emergency management—for example, by providing First Nations organizations with funding for training and increased capacity to manage emergencies.</p>	<p>Unsatisfactory</p>

Recommendation	Key findings	Progress
<p>8.66 Indigenous Services Canada should develop performance indicators to allow the department to measure progress against the United Nations' Sustainable Development Goals and use these indicators to track and report publicly on progress.</p>	<p>In March 2024, Indigenous Services Canada established 14 new indicators to assess progress toward the United Nations' Sustainable Development Goals. However, as of April 1, 2025, the department had not publicly reported on progress in relation to these indicators.</p>	<p>Unsatisfactory</p>
<p>8.68 Indigenous Services Canada should, in collaboration with First Nations, provincial governments, and other service providers, ensure that First Nations communities receive the emergency management services they need by</p> <ul style="list-style-type: none"> • defining what is meant by comparable services for First Nations in relation to those available to municipalities of similar size and circumstance in each jurisdiction • monitoring the services provided to First Nations to ensure that they are comparable to services provided to non-Indigenous communities, are culturally appropriate, and address the needs of marginalized groups • identifying and addressing shortcomings by monitoring emergency management service agreements and conducting lessons-learned exercises 	<p>Indigenous Services Canada had not defined what is meant by comparable services for First Nations. As a result, the department could not ensure that First Nations communities had received comparable services in relation to those available to municipalities of similar size and circumstance.</p> <p>The department developed a guidance document intended to support service providers in delivering culturally appropriate emergency management services. However, the document does not contain service standards; rather, it presents a series of questions for consideration by service providers.</p> <p>From 2023–24 to 2024–25, lessons-learned exercises were not completed consistently and it was not clear whether shortcomings identified were addressed.</p> <p>The department is working toward establishing multilateral service agreements with First Nations and the provinces. According to the department, these agreements will include First Nations–led emergency management service standards that are culturally appropriate and meet the needs of marginalized community members. As of April 1, 2025, no multilateral agreements had been signed.</p>	<p>Unsatisfactory</p>

Indigenous Services Canada's Response

The following response appears as it was received by the Office of the Auditor General of Canada.

Indigenous Services Canada (ISC) acknowledges the Office of the Auditor General of Canada's (OAG's) Follow-up on Programs for First Nations and remains committed to working in full partnership with First Nations to address the issues identified and to continue improving the delivery and outcomes of programs and services within the scope of its mandate.

ISC recognizes that the areas reviewed in the Follow-up are critical to the health, safety, and well-being of First Nations communities. Over time, the department has made significant efforts and investments to strengthen these programs, guided by the principles of reconciliation, respect, and collaboration. ISC's ongoing partnership with Indigenous communities has been central to this progress and has enabled the co-development of culturally appropriate, responsive, and community-driven initiatives. Through meaningful engagement with First Nations leadership, organizations, and communities, ISC has co-designed and co-delivered programs that reflect lived realities and local priorities. This collaborative approach has led to tangible improvements in infrastructure, health services, education, and emergency management, while fostering trust and accountability.

Notably, the department has enhanced its oral health program management systems, and increased the robustness of data collection and analysis. The department is actively working to strengthen operational efficiencies, streamline policy and administrative processes, and increase program awareness among providers and clients.

ISC also acknowledges the need for continued support to ensure First Nations have access to safe, clean drinking water on reserves. While the OAG's findings reflect limited progress on four of five recommendations, they do not fully capture the significant progress made by First Nations, with ISC's support. Since 2015, 147 long-term and 311 short-term water advisories have been lifted or addressed. Half of the remaining long-term advisories affect systems with infrastructure capable of producing clean water, with efforts underway to resolve other issues. ISC has nearly quadrupled annual funding for water and wastewater operations and maintenance, and is working with First Nations to improve operator salaries, retention, training, and infrastructure sustainability. ISC continues to work with First Nations communities to strengthen these efforts and recognizes that sustainable funding is needed to support First Nations to plan and implement their long-term infrastructure projects. The department remains committed to supporting long-term infrastructure planning through lifecycle funding and holistic asset management. ISC also continues to build capacity in communities, recognizing that many advisories stem from capacity challenges. Finally, the Minister has pledged to reintroduce clean water legislation in fall 2025.

ISC has made significant efforts with its partners to improve emergency management services for First Nations communities but recognizes that there is still work to do. ISC will continue its efforts with partners to conclude important multilateral agreements to ensure the safety and security of First Nations people.

ISC views this audit as an opportunity to reaffirm its commitment to transformative change in partnership with First Nations. While operating within a defined mandate and set of responsibilities, ISC remains committed to advocating for whole-of-government approaches that support Indigenous self-determination and long-term community well-being. ISC will continue to work with Indigenous partners to identify gaps, share best practices, and build capacity for community-led solutions.

About the Audit

This independent assurance report was prepared by the Office of the Auditor General of Canada on Indigenous Services Canada's progress in implementing the recommendations included in selected performance audit reports of the Office of the Auditor General of Canada. Our responsibility was to provide objective information, advice, and assurance to assist Parliament in its scrutiny of the government's management of resources and programs and to conclude on whether the department's progress in implementing the recommendations included in the selected performance audit reports complied in all significant respects with the applicable criteria.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements, set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook—Assurance.

The Office of the Auditor General of Canada applies the Canadian Standard on Quality Management 1—Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. This standard requires our office to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we complied with the independence and other ethical requirements of the relevant rules of professional conduct applicable to the practice of public accounting in Canada, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with our regular audit process, we obtained the following from entity management:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided
- confirmation that the audit report is factually accurate

Audit objective

The objective of this audit was to determine whether Indigenous Services Canada made satisfactory progress in implementing the recommendations included in selected performance audit reports of the Office of the Auditor General of Canada.

Scope and approach

This follow-up audit assessed Indigenous Services Canada's progress in implementing 34 recommendations in 6 reports of the Office of the Auditor General of Canada:

- [Access to Health Services for Remote First Nations Communities \(Report 4—2015\)](#)
- [Oral Health Programs for First Nations and Inuit \(Report 4—2017\)](#)
- [Socio-economic Gaps on First Nations Reserves \(Report 5—2018\)](#)
- [Access to Safe Drinking Water in First Nations Communities \(Report 3—2021\)](#)
- [Health Resources for Indigenous Communities \(Report 11—2021\)](#)
- [Emergency Management in First Nations Communities \(Report 8—2022\)](#)

These reports were published from 2015 to 2022. We considered this time frame appropriate for recommendations to still be relevant, while it also allowed sufficient time for meaningful progress to have been made. These reports also addressed a wide variety of programs that had an impact on the lives of people living in First Nations and Inuit communities.

The audit team interviewed responsible Indigenous Services Canada officials at national headquarters and in regional offices. The audit team analyzed departmental documents and relevant databases to identify the actions taken by the department in response to our recommendations. The audit team also met with selected First Nations communities and organizations to obtain their perspectives on the progress made by the department and improvements to outcomes for their communities related to the 6 reports included in this follow-up report.

Progress in implementing past recommendations is satisfactory if the department has taken actions to address the issues identified in the recommendations, given the significance and complexity of the issues and the time that has elapsed since the recommendations were made. Satisfactory implementation does not mean that the issues that gave rise to the recommendations had been fully resolved. Unsatisfactory progress does not mean that no actions were taken to address the issues that gave rise to the recommendations.

Criteria

We used the following criteria to conclude against our audit objective:

Criteria	Sources
<p>Indigenous Services Canada identifies the actions needed to address the recommendations and establishes timelines for their implementation.</p> <p>Indigenous Services Canada implements the actions needed to address the recommendations in accordance with established timelines.</p>	<ul style="list-style-type: none"> • 2015 Spring Reports of the Auditor General of Canada, Report 4—Access to Health Services for Remote First Nations Communities • Management action plan for the 2015 Spring Reports of the Auditor General of Canada, Report 4—Access to Health Services for Remote First Nations Communities, Health Canada • 2017 Fall Reports of the Auditor General of Canada, Report 4—Oral Health Programs for First Nations and Inuit • Management action plan for the 2017 Fall Reports of the Auditor General of Canada, Report 4—Oral Health Programs for First Nations and Inuit, Indigenous Services Canada • 2018 Spring Reports of the Auditor General of Canada, Report 5—Socio-economic Gaps on First Nations Reserves • Management action plan for the 2018 Spring Reports of the Auditor General of Canada, Report 5—Socio-economic Gaps on First Nations Reserves, Indigenous Services Canada • 2021 Reports of the Auditor General of Canada, Report 3—Access to Safe Drinking Water in First Nations Communities • Management action plan for the 2021 Reports of the Auditor General of Canada, Report 3—Access to Safe Drinking Water in First Nations Communities, Indigenous Services Canada • 2021 Reports of the Auditor General of Canada, Report 11—Health Resources for Indigenous Communities • Management action plan for the 2021 Reports of the Auditor General of Canada, Report 11—Health Resources for Indigenous Communities, Indigenous Services Canada • 2022 Reports of the Auditor General of Canada, Report 8—Emergency Management in First Nations Communities • Management action plan for the 2022 Reports of the Auditor General of Canada, Report 8—Emergency Management in First Nations Communities, Indigenous Services Canada

Period covered by the audit

The audit covered the period from April 1, 2023, to April 1, 2025. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the subject matter of the audit, we also examined certain matters that preceded the start date of this period.

Date of the report

We obtained sufficient and appropriate audit evidence on which to base our conclusion on October 1, 2025, in Ottawa, Canada.

Audit team

This audit was completed by a multidisciplinary team from across the Office of the Auditor General of Canada led by Glenn Wheeler, Principal. The principal has overall responsibility for audit quality, including conducting the audit in accordance with professional standards, applicable legal and regulatory requirements, and the office's policies and system of quality management.

Appendix—Text Descriptions of Exhibits

Here are the text descriptions of the exhibits.

Exhibit 1—Indigenous Services Canada’s expenditures, 2019–20 to 2023–24—Text description

This bar graph shows Indigenous Services Canada’s expenditures from the 2019–20 to 2023–24 fiscal years. The graph shows that expenditures increased by about 84% from about \$13 billion in 2019–20 to almost \$24 billion in 2023–24. The expenditures by fiscal year are as follows.

Fiscal year	Expenditures
2019–20	\$13,255,000,000
2020–21	\$18,422,000,000
2021–22	\$22,727,000,000
2022–23	\$23,836,000,000
2023–24	\$23,885,000,000

Source: Based on the audited consolidated financial statements of the Government of Canada

[Back to Exhibit 1](#)

Exhibit 2—Long-term drinking water advisories have decreased, but about a quarter in 2024–25 had been in effect for a decade or more—Text description

This bar graph shows the number of long-term drinking advisories that were in effect in the 2015–16 fiscal year and in the 2019–20 to 2024–25 fiscal years. It also shows the number of advisories that were added and eliminated in each fiscal year. In 2024–25, 9 of the advisories had been in effect for a decade or longer.

In 2015–16, there were 107 advisories in effect, with 14 added and 7 eliminated during the fiscal year.

In 2019–20, there were 60 advisories in effect, with 10 added and 10 eliminated during the fiscal year.

In 2020–21, there were 54 advisories in effect, with 12 added and 18 eliminated during the fiscal year.

In 2021–22, there were 34 advisories in effect, with 6 added and 26 eliminated during the fiscal year.

In 2022–23, there were 32 advisories in effect, with 5 added and 7 eliminated during the fiscal year.

In 2023–24, there were 28 advisories in effect, with 2 added and 6 eliminated during the fiscal year.

In 2024–25, there were 35 advisories in effect, with 10 added and 3 eliminated during the fiscal year.

Source: Based on data provided by Indigenous Services Canada

[**Back to Exhibit 2**](#)



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada