KPMG
cutting through complexity

Alberta Emergency Management Agency
Disaster Recovery
Program Review

Final Report
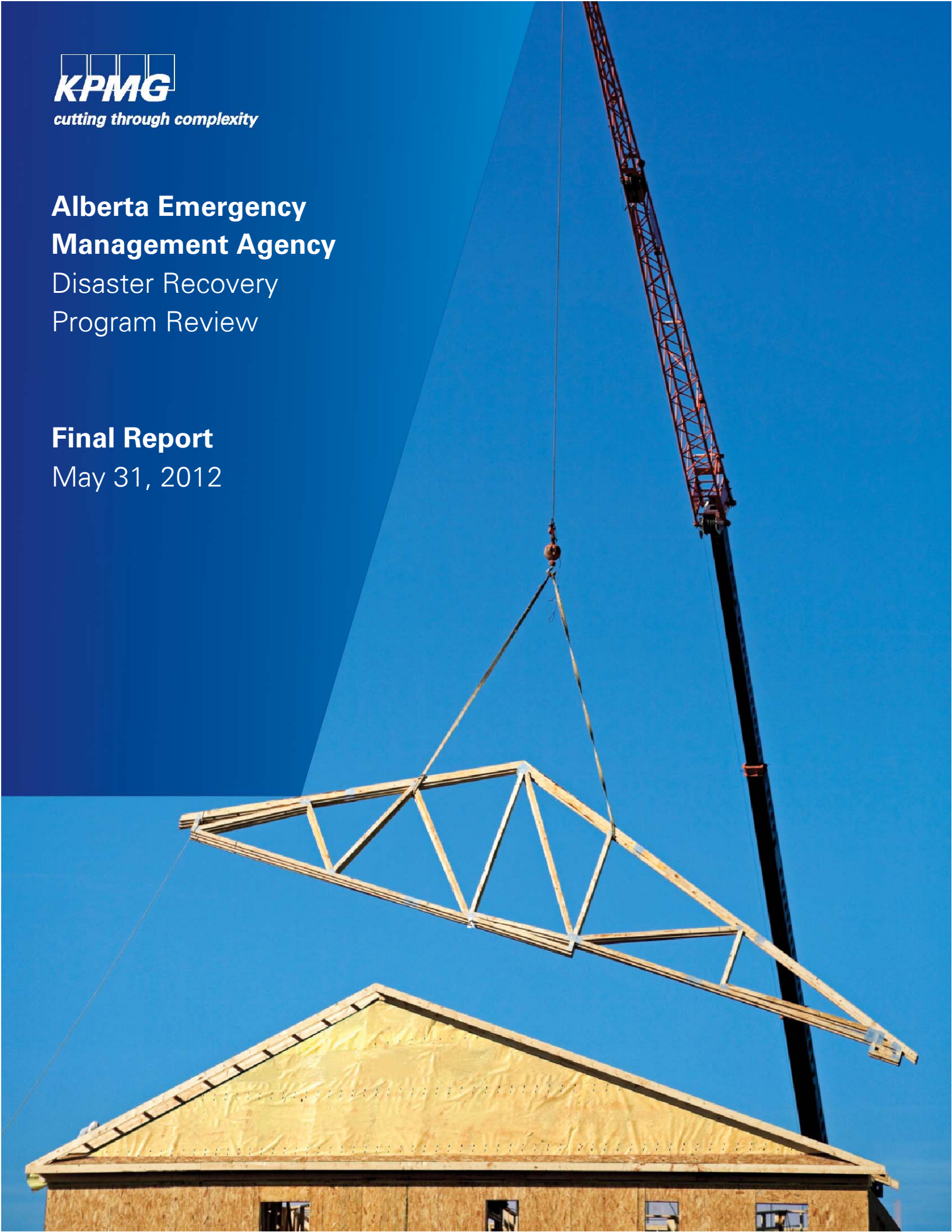May 31, 2012

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Executive Summary

AEMA engaged KPMG to assess the efficiency and effectiveness of the disaster recovery processes that support the delivery of the Disaster Recovery Programs (DRP). The review covered the core delivery processes starting from the determination for a disaster recovery program through the claims process. The review focused on a sample of three 2010 DRPs; these included Southern Alberta[1], County of Vermilion River and Central Alberta.

Our review included surveys and stakeholder engagement sessions with those affected by the 2010 DRPs. The number of stakeholders that responded to the survey or participated in focus sessions and interviews represented a small portion of the total affected stakeholders. We considered this input in relation to other aspects of our review.

Program (and Process) Efficiency and Effectiveness

We conducted workshops with process and program stakeholders to understand and map the activities that take place from program approval to program closure. Using this information we were able to identify opportunities for improvement.

Through our review we identified a number of areas where the effectiveness and efficiency of DRPs could be improved. Key recommendations include:

- Developing a performance management framework

- Developing and implementing a new information technology system

- Developing a risk-based approach to reviewing applications

- Developing guidance for determining 'widespread'

- Improving and communicating existing program information, and

- Reviewing and considering changes to the DRP approval process.

Our detailed observations and recommendations on the program and its processes are documented in Sections A and B.

Contract Service Provider

As part of our review we were asked to review and recommend changes to the existing contract between AEMA and its third-party service provider (CSP) who administers components of the DRP (e.g. screening, evaluation, etc.).

We conducted a review of the contract using KPMG's leading practices for outsourcing; however, we only reviewed the business terms of the contract. Our review was not intended to be a legal review of the existing contract, and we did not test the CSP's compliance against any of the key terms and conditions.

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[1] The 2010 Southern Alberta DRP was the first program to have agricultural DRP applications after the transition of the process to the AEMA in the fall of 2009. Moreover, the 2010 Southern Alberta flood caused the most significant amount of agricultural damage to agriculture operations in the history of Alberta's disasters.

We found several areas where AEMA could improve its overall contract management practices and the terms and conditions within its contract to improve the efficiency and effectiveness of DRP delivery through this third party. Our specific observations and recommendations for the contract are documented in Section C.

Standards Benchmarking

KPMG conducted an assessment of AEMAs DRP against the International Standards Organization ISO 22301 (Societal Security – Business Continuity Management Systems – Requirements, Final Draft) to analyze how well the program aligns with the standard. The ISO 22301 was felt to be the most relevant standard for DRPs given its broad range of applicability and its likely alignment with other standards going forward.

While AEMA meets many of the requirements contained with the standard, there is a lack of formal documentation to support a consistent and structured approach for each DRP. As such, our observation is that AEMA does not currently meet the requirements outlined in ISO 22301.

Our specific observations and recommendations for how AEMA could move towards the ISO standard are documented in Section D.

Integration within Provincial Operations

In 2010, AEMA had a significant number of DRPs that it was operating and a lack of internal capacity to manage the overall process for the program. In addition, while the majority of the AEMA was busy assisting with the immediate recovery efforts, the Recovery Operations unit did not typically get involved with a disaster until well after these efforts were completed and the area was stabilized.

As such, in 2011/12 AEMA made the decision to integrate its Recovery Operations unit into the Provincial Operations unit with the aim of having the additional support in place should the number of DRPs be greater than the capacity of the Recovery Operations unit and to develop a more integrated approach to recovery.

AEMA has already made changes to better integrate staff into the Provincial Operations unit and is planning additional changes. Two additional considerations we noted include better utilizing its Field Officers and leveraging its Central Operations planning function. These are documented in Section E.

Introduction

The Alberta Emergency Management Agency (AEMA) oversees the delivery of Disaster Recovery Programs (DRP). DRPs provide disaster recovery assistance to residents, small businesses, agriculture operators and provincial and municipal governments when a disaster occurs that is considered extraordinary, when the event is widespread, and when insurance is not reasonably or readily available. The Emergency Management Act (EMA) defines a disaster as an event resulting in serious harm to safety, health or welfare of people or in widespread damage to property.

According to the Alberta Disaster Assistance Guidelines, DRPs assist with:

- Providing or reinstating the basic essentials of life to individuals, including financial assistance to help repair and restore damaged homes;

- Re-establishing or maintaining the viability of small businesses and working farms; and

- Repairing, rebuilding and restoring public works and the essential community services specific in the Guidelines to their pre-disaster functional capabilities.

AEMA engaged KPMG to assess the efficiency and effectiveness of the disaster recovery processes that support the delivery of the DRPs based on a sampling of three 2010 programs. The review covered the core delivery processes from the point in time that a need for a disaster recovery program is determined through the application, evaluation and program closure stages. Further, the review focused specifically on a sample of three 2010 DRPs; these included Southern Alberta[2], County of Vermilion River and Central Alberta.

Project Objectives

The following report provides the results of KPMG's assessment of the core processes including the arrangement with the Contracted Service Provider (CSP), taking into consideration the critical success factors identified by AEMA (Appendix 7).
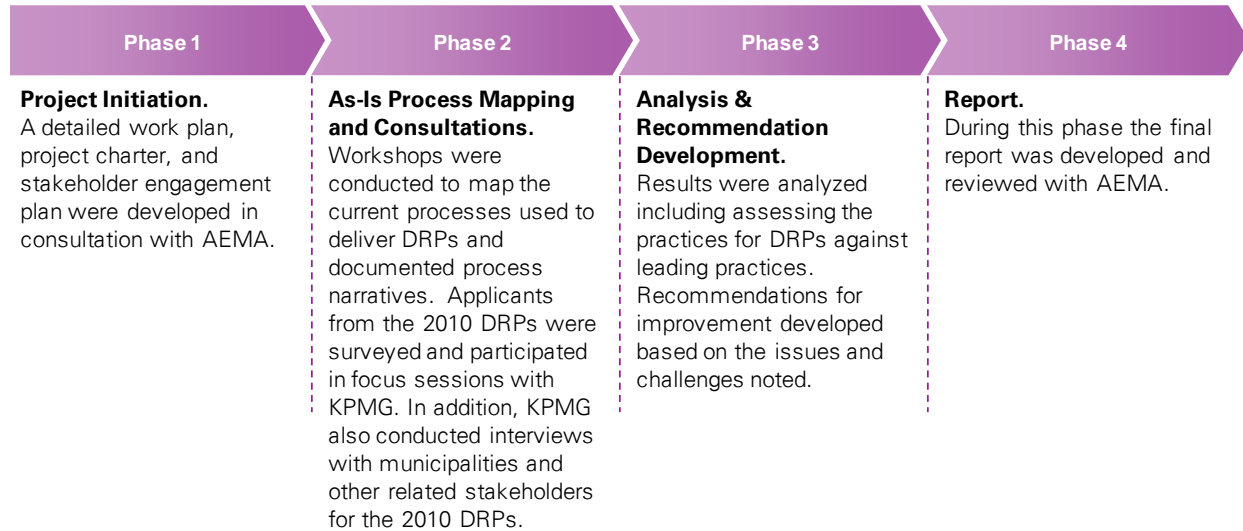
Detailed observations and suggested recommendations for improvement are provided. The results of this project were intended to provide AEMA with:

- Input and considerations for the contract with AEMA's service provider

- Directional recommendations on adopting standards (i.e. ISO).

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[2] The 2010 Southern Alberta DRP was the first program to have agricultural DRP applications after the transition of the process to the AEMA in the fall of 2009. Moreover, the 2010 Southern Alberta flood caused the most significant amount of agricultural damage to agriculture operations in the history of Alberta's disasters.

Approach and Scope

The review was conducted in four phases:

Phase 1	Phase 2	Phase 3	Phase 4
Project Initiation. A detailed work plan, project charter, and stakeholder engagement plan were developed in consultation with AEMA.	**As-Is Process Mapping and Consultations.** Workshops were conducted to map the current processes used to deliver DRPs and documented process narratives. Applicants from the 2010 DRPs were surveyed and participated in focus sessions with KPMG. In addition, KPMG also conducted interviews with municipalities and other related stakeholders for the 2010 DRPs.	**Analysis & Recommendation Development.** Results were analyzed including assessing the practices for DRPs against leading practices. Recommendations for improvement developed based on the issues and challenges noted.	**Report.** During this phase the final report was developed and reviewed with AEMA.

Understanding the processes

Six process workshops were conducted with representatives from AEMA, the CSP, Alberta Municipal Affairs (MA) Finance and Public Safety Canada to document the core delivery processes and capture information on process challenges and risks. The process maps document the detailed steps for each core process and identify the stakeholders involved.

During these workshops, draft process maps were reviewed and validated with the stakeholders. The workshops identified key process risks, critical success factors and specific challenges encountered in relation to the three 2010 DRPs reviewed.

As a result of the workshops, and validation sessions, twenty process maps and narratives were produced and delivered to AEMA.

Approach to stakeholder engagement

As part of the review, KPMG conducted a number of stakeholder engagement sessions to gather the views and experiences of those affected by the 2010 DRPs; stakeholders had first-hand experiences with the program and included applicants, municipal staff, and local chambers of commerce representatives. Stakeholders were asked to identify areas of concern from their perspective and identify improvements that could be made to address their needs.

The stakeholder consultations were conducted using three different approaches summarized below:

1. Applicant Survey

2. Applicant Focus Sessions

3. Interviews

Applicant Survey

A mail-out survey was distributed to all eligible and ineligible applicants of the in-scope 2010 disaster recovery programs. The survey asked applicants to rate and assess their experience relating to the Information and Communication, Registration and Application, Evaluation and Financial Assistance processes.

A total of 3,226 surveys were mailed to applicants. Applicants were asked to complete the survey online' however, some applicants requested a paper-based survey (this represented approximately 30 of the total responses received). Applicants had three weeks to complete the survey, and as of the survey closure date, 211 survey responses were returned (7% response rate). The following table provides the detailed breakdown:

Applicant Type	Sent	Received	Response rate
Homeowners and Tenants	2,539	167	7%
Farming Operations	348	41	12%
Small Business and Rental Properties	298	18	6%
Institutions and NPOs	38	4	11%
Condominium Associations	3	-	0%
Total	**3,226**	**211***	**7%**

The total number of unique survey responses was 211, as there were several applicants that identified themselves as representing more than one applicant type.

While we did not receive a sufficient response rate to draw statistical conclusions, we considered the responses as they provide insight into the real and perceived challenges.

Applicant Focus Sessions

As part of the survey, applicants were asked whether they would be interested in attending a focus session to further explore the survey questions and discuss opportunities for improving the delivery of future DRPs.

Two-hour sessions were held in Lethbridge, Medicine Hat, Vermilion, and Red Deer. We met with 21 applicants representing various applicant types across all locations. Applicants shared both positive and negative experiences during these sessions.

Interviews

KPMG also conducted in-person and / or telephone interviews with 19 stakeholders including municipal staff, local chambers of commerce representatives, and Alberta Tourism, Parks, and Recreation.

Discussions focused on areas similar to those noted above.

Leading practices and jurisdictional scan

KPMG compared AEMA's processes and practices to leading practices for grant administration[3] as well as the international standard for emergency programs (ISO 22301).

The jurisdictional scan of other similar programs looked at the delivery of disaster recovery programs in British Columbia, Saskatchewan, Manitoba and Ontario. The scan was limited to publicly available information on the provincial government websites.

The following report organizes our findings and recommendations under five categories. The findings and recommendations are based on the three reviewed 2010 DRPs. Actual findings and recommendations may already be partly or wholly addressed by AEMA.

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[3] The leading practices were drawn from the Government of Alberta's accountability framework for municipal grant programs as well as additional practices for grant administration. References for these have been included in Appendix 8.

Findings and Recommendations

A. Program Efficiency and Effectiveness

A.1   Develop a performance management framework

Program Efficiency and Effectiveness
Findings
There is limited performance data to evaluate and report on the efficiency and the overall effectiveness of DRP's in meeting the program objectives   The goal of a DRP is to   • Provide or reinstate the basic essentials of life to individuals, including financial assistance to help repair and restore damaged homes;   • Re-establish or maintain the viability of small businesses and working farms; and   • Repair, rebuild and restore public works and the essential community services (as specified in the Disaster Assistance Guidelines) to their pre-disaster functional capabilities.   AEMA monitors and reports annually on the average time that it takes for a damage assessment team to arrive on-site once an application has been received. Further, the CSP provides basic operating statistics to AEMA such as the number of applications received, number of eligible versus ineligible applications and the total funding spent.   Neither AEMA's primary measure nor the CSP information measures the efficiency in actually administering the program from the time a disaster is determined to have occurred to the time a recipient receives funding, or on the overall effectiveness of the DRP in meeting its stated goals.   While AEMA has established Critical Success Factors (CSF)[4] that are important to the success of the program, the CSFs do not provide the needed performance standards and targets to monitor, report, and improve the efficiency and effectiveness of the DRPs.   The need for improved performance and operating standards or targets was reinforced through our discussions with stakeholders. We heard that: • Stakeholders have an expectation that financial assistance will be received significantly faster after a disaster occurs. For the three DRPs reviewed, the time from when the disaster occurred to when funding was received averaged between 15 and 21 weeks;   • Stakeholders would like to see performance standards that measure the elapsed time through the DRP process; and   • Municipalities require better performance standards or expectations they can communicate to help set expectations and to support their role in the delivery of the DRP.

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[4] Refer to Appendix 7

Recommendations

AEMA should establish a performance management framework

A performance management framework is more than just establishing performance measures. It encompasses the full management cycle of planning, managing towards expected performance targets, and reporting on and evaluating results against the objectives and performance targets. It allows an organization or program to manage and assess results against longer term goals or outcomes and provides the foundation for reporting on the use of public resources.

The development of a performance management framework starts with clearly establishing the outcomes from the program and linking the necessary inputs, activities and outputs to the intended outcomes. A logic model allows a program to clearly illustrate the linkage between activities and results and allows an organization to establish performance standards through its processes considering both the efficiency and effectiveness of the activities undertaken. An illustration of some of the components that a program logic model for the DRP might contain is provided in Appendix 2.

Following the logic model AEMA will be better able to:

- Set measureable objectives and targets for DRPs in relation to the outputs and expected outcomes for the DRPs

- Monitor, measure and evaluate actual results against planned results, and

- Report against planned objectives and consider the results for subsequent years planning and DRPs.

A performance management framework provides the necessary foundation for establishing accountability and, as discussed later in the report, allows AEMA to establish clear performance standards for its CSP.

In developing the logic model for DRPs and the related performance management framework, AEMA should consider and build on the established CSFs. The CSFs identify factors which AEMA has previously determined critical to the successful delivery of a DRP and provides a useful starting point. However, as AEMA builds out its performance management framework consideration should be given as to whether all the CSFs are still valid or can be replaced through the performance management framework.

In addition, AEMAs performance reporting should report on the overall effectiveness of the DRP in meeting the Government of Alberta's goal for DRPs, as well as how well the specific DRPs were administered. Performance measures should embody the characteristics of reliability and validity, relevance, fairness, comparability and consistency.

AEMA should obtain feedback from DRP applicants to inform its assessment of the efficiency and effectiveness of the delivery of the DRP.

It is important is to distinguish between stakeholder input that measures the efficiency and effectiveness of the delivery of the program as it is designed and stakeholder input that may be sought on a less frequent basis to evaluate the overall design of the program or to evaluate the appropriateness of the program's objectives.

As part of AEMAs ongoing assessment and reporting on the delivery of the DRPs, AEMA should

consider those CSFs that can only be measured by direct input from the applicants including:

- Responsiveness and sensitivity to applicants needs,

- Consistency of service received (against established and clearly communicated performance targets), and

- Effectiveness of communication.

Typically, the best time to solicit such information is during or immediately following the completion of the activity. This could be effectively done through short surveys during or immediately following the application process (whether an applicant was eligible or not). The survey should be designed to ask between five and ten questions that relate specifically to the applicants' experience through the process, covering the areas noted above.

The assessment of time to process applications or adjudicate and pay financial assistance and the accuracy of the assistance paid should also be evaluated through an objective measurement processes. This would include processes that track and record application and processing times, risk reviews and appeal processes that provide a more objective assessment of results against performance standards and consistent application of program guidelines.

Broader stakeholder consultation should also be considered when the government has chosen to evaluate the overall effectiveness or design of a program – this includes considering such questions as program relevance, sufficiency and appropriateness. In these instances such an evaluation would likely also encompass more than just the DRP. It would also take into account external factors such as changes taking place in the insurance industry, programs delivered by other levels of government and broader government policies and strategic direction.

A.2   Implement a technology solution for program management

Program Efficiency and Effectiveness
Current State Observation
Disaster Recovery Program delivery processes are labour intensive and rely on limited technology. The CSP uses Microsoft Access databases to record applications, one for municipal applicants and a second for all other applicants. The primary purpose is to record and track the status of applications. The majority of the actual delivery processes from program approval to payment and file management occur outside of the database (i.e. manual) with little automation. • Paper applications are filled out manually at Registration Centers or mailed directly by applicants to AEMA. There is no option for applicants to fill out and submit an application form online. • Applications collected at a Registration Centre are couriered to the CSP at the end of each day, resulting in an increased risk that applications could be delayed for processing. • All applications must be manually entered into the databases by the CSP. • The application evaluation process is also largely manual including the assignment of applicant files

to evaluators and the entering of evaluation results into the DRP database.

- Applicants may only determine the status of their application by calling the CSP. Notwithstanding that we were told the CSPs system was predominantly used to track applications, during our review we requested this information and the CSP was not able to easily determine how long an application sat in any stage for the three in-scope DRPs.

- Automated workflow management for the approval of payments is not in place. Files are couriered from the CSP to AEMA to MA Finance to obtain the appropriate approvals. As well, there are an excessive number of handoffs between the CSP, AEMA, and MA Finance and a number of shadow applicant files[5] being maintained by each.

- Management and financial reporting is completed outside the database through the use of Microsoft Excel and Word applications.

Current reporting does not appear to be meeting the needs of the program.

As a result of the lack of ability to produce reports from the database, AEMA does not have access to various analytics (such as trending, operating metrics, etc.) that would assist them in making recommendations for changes to the program.

Applicants expressed an interest in web-based applications.

Applicants expressed an interest in using technology to either apply for or monitor their application status online. However, they recognize that the process may not be fully automated due to the limitations of internet in rural areas.

Recommendation

AEMA should consider and implement technology solutions to improve the delivery of DRPs

There are significant opportunities to improve the overall delivery and reporting on DRPs, from application through to the payment of financial assistance using technology. Specific areas that a technology solution would support include:

- Providing a single version of the applicants file that all parties (AEMA, CSP, MA Finance) could access, thereby reducing the number of multiple processes to create the information and reducing the potential for error through the use of multiple files

- Automating workflows to support the application process as well as file reviews and approvals, reducing the number of physical hand-offs through the end-to-end application process

- Interfacing with evaluators in the field to allow them to enter information directly into the system during their evaluation, reducing the manual data recording and subsequent data entry steps required

- Running application data against program and eligibility rules and reporting on exceptions, reducing the amount of manual review

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[5] A shadow applicant file is an additional copy (in whole or in part) that is held of the information that is contained in the primary applicant file.

- Providing online application forms, either directly by applicants over the web, or by staff or applicants at Registration Centres, reducing errors and follow-up required on applications and reducing the need for data entry

- Automating the payment process through an interface with the IMAGIS financial system, and

- Improving the reporting capabilities including real-time access to information and ability to produce ad-hoc reports on a timely basis.

As part of a technology review, AEMA should develop a more comprehensive requirements listing and consider the options for implementing the solution. This could include:

- AEMA buying or developing a system that the CSP is granted access to (similar to the provincial registry system)

- Using a third-party provider separate from the CSP, or

- As part of its contractual arrangement with a CSP for the delivery of the DRPs requiring the functionality noted above.

A.3   Implement an Information Governance Framework and supporting data management processes

Program Efficiency and Effectiveness
Current State Observation
AEMA does not have direct access to the applicant data recorded and maintained by the CSP. All original applications and other supporting information is retained and stored by the CSP. Further, the databases maintained by the CSP are not accessible by AEMA, requiring AEMA to enquire through the CSP for any information or reporting required. *Document and information management requirements have not been defined.* The requirements for file management or supporting processes have not been defined. This would include detailed requirements for what needs to be kept on file such as supporting documents, review checklists, approvals, decisions made, supporting rationale, etc. Additional requirements should define how long and where the information needs to be stored. *Past program decisions are not consolidated in one location to easily inform future program decisions.* Past DRP program and applicant decisions are not recorded in a manner that can be accessed or used to evaluate trends or inform future DRPs or program changes. In addition, a significant risk was identified that the knowledge relating to these decisions exists largely with the memory of program staff and is not well documented if questions were raised in the future. *Information is not collected in a way that could identify areas where the program guidelines need to be clarified or potentially changed.*

Through our survey of applicants and discussions held with external stakeholders, a number of areas were identified where program guidelines were either not understood in relation to the objectives of the program or where they may need to be enhanced. Specific areas noted through this review are discussed under A.5.

As previously noted, current reporting does not appear to be meeting the needs of the program and current information management practices do not support performance management.

Recommendation
AEMA should consider the need for an Information Governance Framework An information governance framework helps to align business strategies and objectives with the needed information to support decision making and reporting. At a minimum, AEMA should define ownership for setting policy for data and information management and clearly establish the accountabilities and roles for maintaining data and records, information risk management, and security requirements. This would include clearly defining the accountabilities and roles between AEMA and the CSP. **AEMA should develop supporting data and record management requirements and processes** Following from the governance framework, supporting data and record management requirements and processes should be developed and implemented. This would include defining the information and reporting needs, developing the supporting records and knowledge management requirements and related policies and procedures.

A.4   Develop a risk based approach to quality reviews

Program Efficiency and Effectiveness
Current State Observation
Multiple and extensive file reviews are completed by the CSP, AEMA and MA Finance. Each of the CSP, AEMA, and MA Finance completes reviews of similar information for the same application as part of the file review processes described below: • A CSP policy reviewer checks every file for compliance with Disaster Recovery Regulations and Guidelines • AEMA reviews 15% of the batched applications ready for payment and 100% of the non-batched applications ready for payment for accuracy, policy compliance, and against the 30-day performance measure • MA Finance performs its own quality review of 20% of the batched applications received and 100% of non-batched. This includes reviewing totals, names, etc. from the summary sheet to the application and summary payment document. None of the reviews consider the risk associated with the application which could for instance consider

those applications that are higher dollar value and more complex. Further, we noted that while MA Finance's sample size for files has doubled from 2007 (where the size reviewed was only 10%) no additional errors have been found during this time.

Where errors are discovered, no further testing is performed.

As noted above, AEMA conducts a review of select applicant files for accuracy, policy compliance, and against the 30-day performance measure. However, if errors or changes are required as a result of this quality review, AEMA does not conduct any further sampling of applicant files to determine the extent or identify the root cause of the errors. Subsequent to an error being corrected by the CSP, a cursory review is completed by AEMA to check that the corrections were made.

There were approximately 3,500 applications received for the three in-scope DRPs. The multiple reviews contribute to both inefficiency and lack of effectiveness in the program delivery.

Recommendation

AEMA should develop a risk based approach for file reviews.

Reviews should also assess whether identified errors relate to a systemic issue and whether further testing should be conducted.

AEMA should develop a risk assessment procedure to be conducted on each applicant – this would allow the policy review and damage eligibility checks to be scaled appropriately. Where an applicant is considered low risk, the review process should be simplified, while a higher risk applicant should have to undergo more structured review. It would be expected that the level of risk would guide the number of reviews conducted between the CSP, AEMA and MA Finance.

The level of risk for an applicant should be associated with the amount and type of damages applied for and the type of applicant. As an example, a structural application will likely require more thorough reviews than a residential applicant with damages less than $1,000. To set the thresholds and the risk tolerance (i.e. willingness to accept risks) for AEMA (and subsequent the federal auditors), a detailed analysis of past historic data should be completed and input from the federal program should be considered.

The review process should take into consideration any supporting technology that is implemented that can perform some initial reviews and checks of data input. Such technology can also be used to identify higher risk applications.

The review approach should also define procedures for additional testing and provide for reporting on the overall results of the review to support program improvements, training requirements, and performance reporting.

A.5   Review, clarify or enhance the program guidelines

Program Efficiency and Effectiveness
Current State Observation

Program guidelines are not clear to applicants.

Applicants expressed their concern with the program's definitions and criteria for the 2010 DRPs. Applicants felt that the manner in which program criteria is worded is at times ambiguous and vague. Specific wording examples provided by applicants included defining what "pre-event functional condition" meant and what "enhancements" included.

Other guidelines that were questioned by applicants included:

- No reimbursement for costs incurred to avoid damage in a disaster (e.g. moving goods to a protected storage facility)

- No reimbursement to municipalities to cover costs to better mitigate the damages from future disasters. Specific examples provided were damages that were incurred and repaired in 2010 that then re-occurred in 2011 that could have been better mitigated had resources been available to do so

- Coverage of labour costs for repair and clean-up was often not sufficient and clean-up often required the support of family and friends, and

- As building standards have changed over time, many stakeholders stated that it is not practical to rebuild infrastructure back to the pre-event standards they were originally constructed against.

Applicants questioned whether the program was effective in re-establishing viability.

While most homeowner applicants felt the program was effective in reinstating the basic essentials of life, the majority of small businesses and farming operators indicated that the program as it is designed may not be effective in re-establishing the viability of small businesses and farms.

It should be emphasized that the program is not meant to cover the full cost of uninsured damages, nor is it meant to replace the value of the lost or damaged goods, but only to reinstate basic essentials for individuals and re-establish the viability of small businesses and working farms.

Small businesses and farming operators indicated some concerns with the information requirements supporting their applications.

Small business applicants indicated that they did not understand why their personal income tax return was required as part of the application evaluation. Further, we heard that in many instances they had to incur a non-recoverable cost to gather the required information from their accountants or bookkeepers prior to knowing whether they would even be eligible for assistance under the program.

Recommendation
AEMA should review the feedback received through our survey and stakeholder discussions and consider whether changes are needed to the Disaster Assistance Guidelines. At a minimum, we believe AEMA should review the Guidelines to simplify and clarify them wherever

possible. We believe that AEMA should also review the guidance related to enhancements and, in particular, the concerns relating to differences that may exist between original condition and new building codes and standards.

AEMA should implement a process to capture and communicate concerns raised that are not in the scope of the DRP but should be communicated to other areas of government.

As an example, since DRPs are not designed to cover mitigation costs there may be a need for the costs of such activities to be covered through other programs such as a municipal or infrastructure grant program. As such, there should be processes in place that support the collection and communication of emerging trends or needs outside the scope of the DRP.

In addition, AEMA should consider enhancing its program information by providing references to other programs that would be of interest or need to those that have been impacted by the disaster.

A.6   Develop guidance for determining 'widespread'

Program Efficiency and Effectiveness
Current State Observation
There is no clear guidance on what widespread might mean. Currently, for a disaster to qualify for a DRP, it must meet two basic criteria: (1) it must be extraordinary and (2) it must be widespread. While *extraordinary* is defined relative to the frequency, duration and intensity of the occurrence (i.e. 1 in 25 for urban, 1 in 50 for rural, 1 in 100 years for stream flow), *widespread* is not. Significant time is often spent by the DRC in just determining whether an event is widespread or not. Municipal stakeholders also commented on the need to clearly define what 'widespread' is to help municipalities in making a decision on whether to apply for a DRP. They also felt that more realistic examples of 'extraordinary' could be provided to help in their initial assessment.
Recommendation
AEMA should develop better guidance on what constitutes 'widespread'. Guidance on what widespread means should be developed. This could include reference to the number of people affected within a specific surface area, economic impact resulting from a disaster, the nature and extent of damage, etc. Guidance may also be explained by publishing the history of significant events and those that were covered by DRPs.

A.7   Publish DRP resources online

Program Efficiency and Effectiveness
Current State Observation
Additional information should be made available to assist applicants. Historically there has been very limited information available to allow stakeholders including potential applicants to understand the DRPs. Many applicants from the 2010 DRPs indicated that in particular better information to understand eligibility was needed. Many felt such information would have contributed to fewer ineligible applications and less frustration by applicants. Some expressed views that, in the absence of having access to the program guidelines for the 2010 DRPs, it appeared that the application process and decisions made were largely subjective. It should be noted that since March 2012 AEMA has posted the Disaster Assistance Guidelines to its website. This will in part address the concerns identified to us by applicants; however, this will not fully address applicants' ability to easily apply the guidelines to their situation.
Recommendation
AEMA should enhance the publicly available information as well as consider the use of interactive technology tools to assist applicants. Additional information that should be considered includes developing frequently asked questions on active DRPs, on-line applications, eligibility worksheets and other resources that could help applicants better understand the program and what it provides. This information should also be made available at the Registration Centres.

A.8   Review and consider changes to the DRP approval process

Program Efficiency and Effectiveness
Current State Observation
Program approval delays often occur. Program approval is dependent on Treasury Board approving funding and Cabinet approving the program through an Order in Council. As both of these governance bodies have a set schedule of meetings, DRP approval may not be added to the agendas for several meetings leading to program approval delays. As well, Treasury Board / Cabinet must approve all DRPs, even those that are smaller (e.g. $1 million). The majority of municipalities that we engaged felt that the program approval process was not timely; there were several instances where approval was given two months after the disaster event. One municipality noted that they made an application in April, but did not hear any communication from AEMA until June to notify them of their program's approval.

Municipalities also questioned the need for them to apply for the program first before any applicants can apply. Many felt it was an additional procedure that added to the delays of program approvals.

Recommendation
Consideration should be given to developing an alternate process for DRP approval in the event that the Treasury Board, Cabinet and / or the Minister are unable to approve the program in a timely manner.
To ensure timely DRP initiation, AEMA could have a dedicated budget / funding pool established by Treasury Board[6] to undertake DRP programs more readily without the necessary program approvals. A pool of pre-approved funding will ensure that DRPs can be initiated almost immediately following a review of the application from a municipality.
Where the estimated damages exceed the funding or the total program cost is outside a pre-approved limit, the normal process of approval through Treasury Board and Cabinet should apply.

A.9   Clarify the role and responsibilities of the DRC

Program Efficiency and Effectiveness
Current State Observation
The DRC may not have the right members.
Although the roles and responsibilities of the DRC members are formalized in the Ministerial Order, these have not been updated for several years.
In addition, it was noted by DRC members that they are typically appointed by their Ministry without assurances that the criteria defined by AEMA have been met.
DRC members may not have appropriate training to maintain the requisite skills.
Another challenge with the DRC is based on the skills and capabilities for members of the Committee and whether they are able to effectively challenge AEMA and the decisions it brings forward to them for review. Committee members may not be appropriately trained and / or their knowledge base relative to DRPs may not be maintained on an ongoing basis by AEMA.
Recommendation
AEMA should revisit the roles and responsibilities of the DRC and ensure that members meet the criteria established. AEMA should also undertake a formal and ongoing training program to ensure that DRC members have the required knowledge base to fulfill their role.

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[6] It should be noted that AEMA has attempted this in the past but has been turned down by Treasury Board.

B. Process Improvements

B.1   Develop a model to inform new program estimates

Process Improvements
Current State Observation
DRPs are often approved for more funding then is actually required. Past DRP experience has shown significant variances between approved amounts for DRPs and the actual amounts ultimately reimbursed through the program. For example, the 2010 SADRP was approved and budgeted for $200 million. However, as the program is coming to a close, it is estimated that only $100 million will have been required. In 2011, a $25 million DRP only required approximately $8 million. The funding approved for each DRP is based on the estimate provided by the affected municipality(s) during the initial application process. These estimates are generally not based on historical information or financial models. We also heard from municipalities that there was no guidance for the 2010 DRPs on whether the estimates should reflect a best estimate of the potential cost of the DRP, or alternatively build in sufficient contingency to ensure that sufficient funding will be available to cover the full cost of the DRP. As a result, most DRPs are inflated to provide sufficient coverage. *There is generally a lack of understanding of what the approved DRP funding means.* Applicants and many stakeholders generally will not understand the estimating process. This is further exacerbated by the media announcements for approved DRPs. These announcements typically include the total amount of funding approved for the program with little or no explanation that the amount is an estimate. We noted that the media communications for the 2010 DRPs did not disclose the breakdown of the estimate between municipal infrastructure, individuals, small business and farming operations. As a result, many potential applicants had unrealistic expectations of what they could expect from the program. As a specific example, in the 2010 SADRP, several residents expected the majority of the $200 million in funding to provide assistance to individuals, etc. while approximately 80% of this figure was estimated for repairs to municipal infrastructure. The significant variance between the approved funding and the final costs of the DRPs has contributed to a lack of trust of many stakeholders and in particular non-municipal applicants in the DRP.
Recommendation
AEMA should review and consider changes to the processes used to estimate the funding requirements for DRP approval. AEMA should consider whether tools or financial models can be developed to assist municipalities in preparing their estimates. In addition, if it is recommended that some contingency be built into the estimating process this should be explicitly stated in policy and guidance provided on the value or method for determining the contingency.

AEMA should consider changes to the initial program announcements to better explain that the approved funding is an estimate of the potential recovery costs.

The initial program announcements do not convey that the approved funding is based on the estimated recovery costs and that it covers both municipal infrastructure and non-municipal applicants. Although subsequent announcements and information may be available that explain the estimating process the initial announcement is generally what is heard.

B.2   Registration Centre staff need to have the necessary knowledge to perform their duties

Process Improvements
Current State Observation
Registration Centres were not always staffed with individuals with sufficient understanding and knowledge of the DRPs. While DRP Registration Centres are staffed by AEMA and the CSP, in 2010 there were registration centres established by municipalities using their own staff. In the instances where municipalities setup their own centres, there was general agreement that their staff did not have enough information about the program. While municipal staff receive training from AEMA on the overall registration process, this training is typically delivered in a brief one-hour session that does not provide staff with a sufficient understanding of the program. As a result, there is an increased risk of providing applicants with information that is incorrect or inconsistent and potentially sets false expectations. This was identified as one of the contributing factors in the dissatisfaction of applicants in the 2010 SADRP.
Recommendation
AEMA should ensure that a Registration Centre setup outside the formal process by a municipality is staffed appropriately. Minimum requirements should be considered which would require adequate supervision of Registration Centre staff by someone who is sufficiently knowledgeable about DRPs. Further, AEMA should review the training available to municipal staff and enhance the training to better educate registration staff.

B.3　Develop a triage process for Registration Centres

Process Improvements
Current State Observation
There is no formal pre-screening process at Registration Centres.   There was no standardized "pre-screening" process of applicants or their applications completed at the Registration Centers in 2010 DRPs to check whether the application meets basic eligibility criteria or to see whether there is any missing information.   Without this step, significant effort was spent later in the process by AEMA and the CSP reviewing and entering applications which were later deemed ineligible.
Recommendation
AEMA should develop a triage process to screen whether applicants should apply while they are at a Registration Centre.   Ideally, this process could be completed by staff at the Registration Centres (who have in-depth knowledge of DRPs and the criteria for eligibility) by using a checklist questionnaire to pre-screen individuals prior to filing out an application. AEMA could also develop an online questionnaire, whereby potential applicants answer a set of simple questions to determine if they may be eligible for a program prior to completing the intake process.

B.4　Enhance the screening and evaluation processes to promote improved transparency and consistency in how applications are processed

Process Improvements
Current State Observation
A standard checklist is not used for screening or evaluation.   The current screening and evaluation processes are not supported by the use of standard forms and supporting checklists. Notwithstanding the guidance provided by the Disaster Assistance Guidelines, there is still a significant amount of interpretation and judgment that is needed through the application process. Anytime judgment is required it is critical that the policies and procedures ensure that the rationale for the decisions are documented and can be subject to review.   *There are no criteria for hardship, high priority or complex applications.*   We further noted concerns with the screening process which classify applications based on the complexity of the application and other factors: • The first CSP Data Entry Clerk is responsible for flagging applications; however this is based on the knowledge and experience of the Clerk which can be an issue when additional temporary resources

are hired as there are no formal definitions for what constitutes a high priority, hardship application

- There is no definition for what constitutes a complex application, and

- AEMA and the CSP are unclear on their respective roles / responsibilities in how applications which are deemed complex are escalated from the CSP to AEMA.

Addressing those applicants who fit the categories of hardship, high priority or complex was important to stakeholders who spoke with us. Municipalities expressed the need for the program to address the applications of low income or vulnerable individuals (as part of this definition) before other applications are processed, as these groups are typically unable to afford clean-up or repairs following a disaster without upfront funds.

Recommendation

AEMA should formalize a screening checklist for the CSP Screeners to use to provide documented rationale of their decision.

Given that a significant amount of interpretation and judgment is used by the CSP Screeners to make a decision, this checklist will ensure that there is consistency in how each application is being assessed.

AEMA should formalize criteria and a definition for what constitutes a high-priority or hardship applicant.

AEMA should also develop formal criteria for what constitutes a complex file and when and how these files should be escalated from the CSP to AEMA.

While it was clear that AEMA and the CSP do their best during the process to screen for high-priority or hardship applicants, the process is based on subjectivity rather than formalized criteria. Criteria may include factors such as low-income or from vulnerable populations (e.g. disabled, seniors, etc.) or have been displaced from their home.

Formalizing criteria and the escalation process will improve the effectiveness of the process which is designed to ensure applicants in greatest need are being assessed and receiving assistance as quickly as possible.

B.5   Require evidence that competitive tendering processes have been followed for municipal assistance

Process Improvements

Current State Observation

There is no requirement for tenders to be provided by municipalities.

Municipal infrastructure financial assistance generally accounts for 80% of each DRP. Although applicants provide evidence of the costs incurred that are to be reimbursed, there is no requirement within the Disaster Assistance Guidelines for proof of a competitive tender process to be provided by a

municipality for completion of work that was applied for under the program.

AEMA and the CSP both assume that the process has been followed according to municipal requirements and standards but do not receive any assurances that this has actually occurred.

Recommendation
AEMA should reinforce with municipalities the requirements for a competitive bid process, and potentially require them to sign-off that the process has been completed.

B.6   Review Expenditure Officer authority limits

Process Improvements
Current State Observation
Payment approval issues were identified. During process workshops, MA Finance noted instances where there were incorrect approvals from AEMA Expenditure Officers on applications submitted for payment. This results in delays in payments being processed while the correct approvals were gathered.
Recommendation
AEMA should review and reinforce the Expenditure Officer authority limits. At a minimum, AEMA should review and confirm authority limits with MA Finance and AEMA staff that have the signing authority. In addition, consideration should be given to whether the limits are appropriate and consistent with the roles and responsibilities of the individuals signing.

B.7   Use EFTs whenever possible

Process Improvements
Current State Observation
Payments to municipalities are not automated. Currently, many municipalities are set up in IMAGIS (the payment system used for DRPs) as vendors and are eligible to receive payments through this manner; however, payments made to municipal applicants are not all completed through Electronic Fund Transfers (EFT). EFTs are only used for municipal payments greater than $1 million. *There is a delay in getting emergent or priority cheques to applicants in need.* The current emergent cheque process is heavily manual and does not use EFTs. As paper cheques are

issued for high-priority or displaced applicants, this adds unnecessary time to the process and can be prone to errors.

Recommendation
AEMA should consider and incorporate the use of EFTs whenever possible.

B.8   Coordinate the mailing of the notification letter and payment to applicants

Process Improvements
Current State Observation
The CSP requests a cheque register from MA Finance on a monthly basis. As part of the payment approval and issuance process, a cheque register is prepared and approved. MA Finance sends a copy of the final register to IBM (and not to the CSP), and every month the CSP must request (by email) a copy of the register from MA Finance in order to complete the application processing. As a result, payments to applicants (i.e. cheques) are not sent out at the same time as the notification letters. Cheques are mailed directly to applicants by IBM while the notification letters are sent to applicants by the CSP after the cheque register has been received and often the cheque has already been received by the applicant. Applicants found that receiving their letter and cheque at different times was confusing given the amount of time that had passed from when they had submitted their application. Applicants also suggested that AEMA could send cheques along with a letter explaining what was eligible versus ineligible as they were often unclear on what they were being paid for when the lump sum cheque arrived. While some applicants felt providing this information would result in additional questions, the majority felt that it would provide the necessary transparency to them on how their amount of financial assistance was determined.
Recommendation
A copy of the final cheque register should be forwarded to the CSP automatically by MA Finance once the register has been processed by IBM. The CSP should not have to request this register. This will also allow the CSP to process letters advising applicants of their payments much sooner. **AEMA should consider enhancements to communicating the financial assistance that an applicant receives.** This would include documenting in the notification letter the items that were applied for and the amounts that were eligible for each item. This should improve the transparency of the process from the applicant's perspective. As of 2011, applicants have been provided a financial assistance summary.

B.9   Conduct a formal post program review

Process Improvements
Current State Observation
A formal post program review process has not been established. Following a DRP, AEMA does not undertake a formal 'post program' review process to share lessons learned and discuss where process improvements could be made. An informal lessons learned process was undertaken following the 2010 SADRP; however, this process has not been undertaken since. Conducting a post program review could be useful for improving the efficiency and effectiveness of future programs and embedding continuous improvement in AEMAs program delivery.
Recommendation
AEMA should conduct a program review following the completion or substantial completion of each DRP. Following the completion of each DRP, a formal program closure review process should be completed to determine the effectiveness of the program and what, if any, issues should be resolved for subsequent programs. The review process should include a consideration of lessons learned and where process improvements may be required. The nature, extent and timing of the program review may vary depending on the size and complexity of the DRP.

C. Contract Improvements

AEMA contracts a third-party service provider to administer components of the DRP (e.g. screening, evaluation, etc.). One of the primary objectives of outsourcing the DRP activities to the CSP is for cost sharing with the Federal Government as the CSP's fees are claimable under the federal Disaster Financial Assistance Arrangement (DFAA).

KPMG conducted a review of the existing contact between AEMA and the CSP to determine where opportunities for improvement may exist. We conducted our review of the contract using KPMG's leading practices for outsourcing; however we only performed a review of the business terms of the contract. Our review was not intended to be a legal review of the existing contract, nor did we test the CSP's compliance against any of the key terms and conditions.

C.1   Improve overall contract management practices.

Contract Improvements
Current State Observation
There are opportunities for AEMA to improve the management of its contract with the CSP Generally, AEMA could improve how it manages its contract with the CSP. While we did not test the compliance of the contract as part of our review, it was evident through our review that AEMA does not have processes in place to ensure that the CSP is in compliance with several key areas of the contract, such as performance standards. Specific areas noted include: • We obtained no evidence that there were assurances provided by the CSP, or requested by AEMA, that appropriately skilled Evaluators were conducting the evaluations for the 2010 DRPs. • We obtained no evidence that there were assurances provided by the CSP, or requested by AEMA, to ensure that a sufficient number of Evaluators (with the right skills sets) are available at any point in time in the event of a large disaster. Specifically for the 2010 SADRP, municipal stakeholders and applicants noted that there did not appear to be enough evaluators made available at the onset of the DRP which slowed down the entire process. • While agriculture, structural and municipal infrastructure applications require a specific skill set, the majority of farming applicants who completed the survey or attended the focus sessions expressed frustration with the lack of evaluator knowledge with rural life and farming operations.
Recommendation
At a minimum, AEMA's contract management practices should include: • **Overall contract compliance.** This would include the development of specific processes for AEMA to evaluate specific terms within the contract and ensure that the CSP is in compliance; • **Managing subcontractors used, including required skills and experience.** This would include the development of specific process for AEMA to evaluate, assess and sign-off on the CSP's subcontractors (specifically the Evaluators) to ensure that they possess the requisite skills and experience which are required;

- **Review assurances over control effectiveness.** This would include the development of specific process for AEMA to assess whether the CSP's controls (i.e. data protection, financial, policy review, etc.) are working effectively;

- **Managing to service levels.** This would include the development of specific processes for AEMA to test, measure and assess whether the CSP is meeting service levels in the contract and those that would be proposed in the recommendation noted below; and

- **The responsibility to execute the contract lies with the CSP.** While AEMA is *accountable* for the performance of services under the contract, the *responsibility* to execute the contract lies with the CSP.

Based on standard practices for managing outsourcing contracts, AEMA should budget between 3% and 7% of the annual contract spend to manage its relationship with the CSP.

C.2   Enhance contract terms and conditions.

Contract Improvements
Current State Observation

The contract does not have formal service levels or expectations documented.

The contract between AEMA and the CSP does not specify any minimum and / or expected standards of performance for activities that the CSP is being held accountable for. Without these standards, it is difficult to hold the CSP accountable and promote continuous improvement of the program.

Contracts should require minimum standards of performance and specify the consequence or penalties incurred for failing to meet expected standards of performance. There are several key contractual terms missing from the contract that would favour AEMA

The existing contract with the CSP is based on the Government of Alberta's standard terms and conditions and has not been tailored to the type of outsourcing relationships that exists between AEMA and the CSP. Based on leading practices for outsourcing, the following terms are missing from the existing contract between AEMA and the CSP:

- The contract does not specifically address the requirement for the CSP to develop and implement quality assurance or internal controls to ensure that DRP services are performed in an accurate and timely manner. Rather, AEMA has built the review into its process to ensure this occurs;

- In the event a new contracted service provider is used, the contract does not specifically include any consideration for the current CSP having to transition its services and information to a new provider, as specified by AEMA;

- The contract does not protect AEMA from periods of uncovered services in the event of a disaster;

- The contract does not specify how the CSP and AEMA will address and resolve any deficiencies, concerns and / or recommendations arising out of any audit or who will be responsible for covering the related costs; and

- There is no specific requirement for the CSP to have all letters and correspondence with applicants use GoA branding versus their own branding. In 2010, CSP staff did not clearly identify themselves as working for the CSP.

Recommendation

To improve its existing contract, AEMA should consider adding the following contractual terms:

- **Defined service levels.** Based on the formal performance management framework for the program, several indicators are likely to become the responsibility of the CSP to be achieved. These indicators should include expected and minimum service levels expected from the CSP and be formalized within the contract.

- **Transition of services.** Ensure that a term is included to require the CSP to transition its services to a new provider (should one be selected) at a standard agreed to by AEMA.

- **Data protection.** Specific requirements for data protection should included in the contract (such as limited access to specific information and other policies and standards specific to the Government of Alberta, Ministry of Municipal Affairs or AEMA), given the sensitive nature of personal information collected. In addition, AEMA should require the CSP to sign-off on the reliability of its staff who have access to the personal information.

- **Control assurances.** AEMA should require the CSP to maintain and test its system of controls (i.e. data protection, financial, policy review, etc.) on a regular basis and report to AEMA on the results of these assessments. Ideally, these processes should be completed by an internal audit function or an independent third party. Currently there are several critical controls that are held by the CSP with the DRP process, but there are no assurances provided to AEMA that these are working correctly. Rather than test files for the existence of such controls, AEMA should require the CSP to attest (at its expense) to the effectiveness of its controls.

- **Corrective actions.** The contract should include a term which specifies how AEMA and the CSP should address and resolve any deficiencies, concerns and / or recommendations arising out of any audit and who is responsible for covering the related costs.

- **Ownership of the database.** The contract should explicitly state that the database is owned by AEMA.

- **Change of control.** The contract should include a term which addresses a change of control at the CSP and AEMAs right to terminate the contract, if it chooses.

- **Collaboration obligations.** The contract should include a term that requires the CSP to collaborate with AEMA or an appointed third party to transfer any work that used to be performed by it or to identify ways to achieve reductions in the cost of service delivery.

- **Skills and experience.** The contract should explicitly state the specific minimum skills / qualifications that are required from the CSP staff.

D. Standards Benchmarking

KPMG conducted an assessment of AEMAs DRP against the International Standards Organization ISO 22301 (Societal Security – Business Continuity Management Systems – Requirements, Final Draft) to identify opportunities to align with the standard. The ISO 22301 was felt to be the most relevant standard for DRPs given its broad range of applicability and the likely alignment of other standards with it going forward.

The standard outlines the requirements for a comprehensive business continuity management system, which reflects many elements that are relevant to the response and management of a DRP. The goal of the standard is to establish the elements of a continuous improvement process to establish (plan), implement (do), monitor (check), and maintain (act) emergency management and business continuity programs that address the functions of prevention and mitigation, preparedness, response, and recovery. In terms of the standard, "business" applies to AEMA.
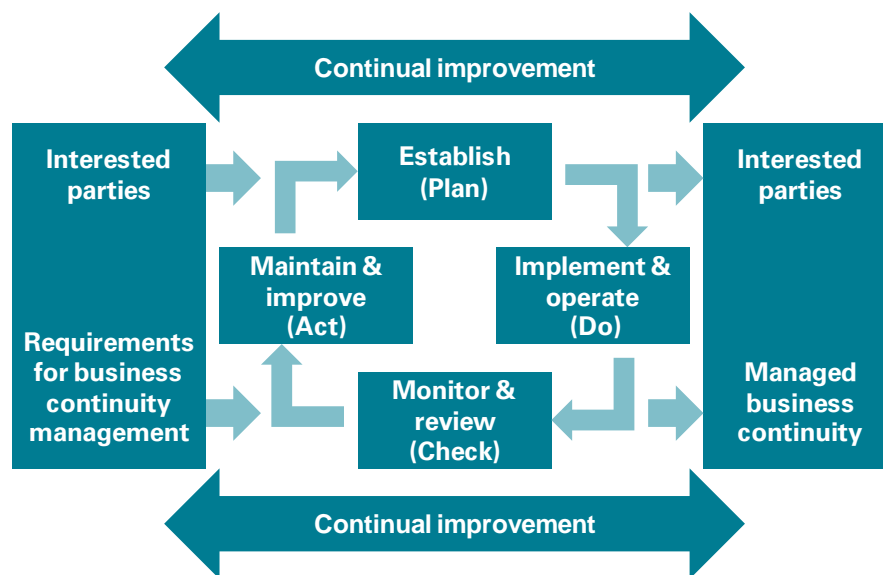
AEMA does not currently meet the ISO 22301 standard.

Overall, AEMA does not meet the requirements outlined in ISO 22301 and will need to make several changes in order to move towards certification. While in practice, AEMA completes many of the requirements contained with the standard, there is a lack of formal documentation to support a consistent and structured approach for each DRP.

The following pages provide specific recommendations that AEMA should consider to address the requirements of ISO.22301.

In addition, it should also be noted that Recommendation A.1 is also relevant in assisting AEMA in moving towards meeting the standard. At a minimum, the standard requires a management framework to include a description of how the program: aligns with strategic directions of AEMA and the Government of Alberta; integrates the requirements for a program with the businesses processes;

provides resources to establish, implement, operate, monitor, review and improve the program; ensures it is achieving its expected outcomes, and; directs and supports continual improvement.

D.1   Formally analyze the needs and expectations of all key program stakeholders

Standards Benchmarking
Recommendation
AEMA should formally analyze the needs and expectations of all key stakeholders (e.g. media, municipalities, applicants, chambers of commerce, etc.) that are of relevance to a DRP. According to the ISO standard, an organization should identify all interested parties that are of relevance to its program and based on their needs and expectations determine the requirements. AEMA should understand the needs and expectations of commonly affected stakeholders prior to a DRP being established. Then when AEMA establishes, implements, and maintains a DRP, it should consider whether there are specific circumstances that should be taken into account in designing, and carrying out the DRP that fall outside the needs and expectations previously identified. This for example could include recognizing the capability of the municipality to staff the registration centre and the support that will be required from AEMA or the CSP that should be factored into program delivery costs.

D.2   Improve the assignment and communication of responsibilities and authorities

Standards Benchmarking
Recommendation
AEMA should review and improve its governance practices. Many of the recommendations made through this review impact various components of the overall governance system such as the need for a performance management framework, strengthening the contractual terms with the CSP, etc. The overall governance system for the DRP should include the key components on the following page.

1. Governance Organization		4. Governance Processes
▪ Reporting Structure ▪ Roles and Responsibilities ▪ Balances structure criteria and business core values		Examples include: ▪ Service quality & performance management ▪ Issue management ▪ Relationship management with CSP, applicants, etc
2. Governance Committees	**Foundations of Governance**	5. Governance Measures & Tools
▪ Strategic Direction and Decisions (e.g. DRC, POC) ▪ Linkage to Business Strategy ▪ Business Representation		▪ Enables the key governance processes ▪ Supports management information and reporting for service management
3. Decision Rights		
▪ Responsibility for Key Decisions ▪ Documented RACI-type Diagram		

In addition, AEMA should specifically review and clearly communicate the assignment of responsibilities and authorities between the AEMA, Disaster Recovery Committee (DRC), and the CSP. This should consider all elements of the DRP including such areas as:

- Accountability and responsibility for performance reporting

- Accountability and responsibility for dealing with media inquiries

- Training and supervision of registration staff

- The development and implementation of new practices and procedures (such as standard checklists, a risk based review process, etc.

D.3   Develop a competency framework for key roles

Standards Benchmarking
Recommendation
AEMA should document the competencies that it requires for each of the key roles within a DRP. Competencies required by the CSP should be reflected in the contract with the CSP. Competencies required by AEMA should be reflected in the staff performance management processes. Competencies required by other stakeholders (e.g. municipal staff that may provide support in the registration centres) should also be documented and reflected in the deployment of the DRPs. An assessment of existing AEMA and CSP competencies against the competency framework should be completed and steps put in place to address any gaps. Ongoing training requirements should also be developed as part of the competency framework.

D.4   Develop a formal DRP communications strategy

Standards Benchmarking
Recommendation
AEMA should develop a communications strategy to better inform and guide the communications during a DRP with affected residents, municipalities and other stakeholders. While each DRP can be unique, an overall communications strategy will help AEMA to ensure there is consistency in communications and that a structured approach is executed for each DRP. As part of the communications planning, there should be defined mechanisms for early communication for municipalities about whether their program has been approved and what the registration centre set up process will require.

E. Integration with Provincial Operations

In 2010, AEMA had a significant number of DRPs that it was operating and a lack of internal capacity to manage the overall process for the program. In addition, while the majority of the AEMA was busy assisting with the immediate recovery efforts, the Recovery Operations unit typically did not get involved with a disaster until well after these efforts were completed and an area was stabilized.

As such, in 2011/12 AEMA made the decision to integrate its Recovery Operations unit into the Provincial Operations unit with the aim of having the additional support in place should the number of DRPs be greater than the capacity of the Recovery Operations unit and to develop a more integrated approach to recovery.

E.1 Better utilize Field Officers

Integration with Provincial Operations
Current State Observation
Field Officers can be better utilized for program delivery. Further, there is not a consistent use of Field Officers and DRP Coordinators. Field Officers (FO) are AEMA staff that help municipalities and First Nations mitigate, prepare for, respond to, and recover from large emergencies and disasters. A few of the key responsibilities of FO include: assist municipalities with the development and review of their Municipal Emergency Management Program and exercises, facilitate training programs in the region they are assigned to, facilitate the DRP application process, maintain situational awareness and communicate with the POC, etc. We understand that Field Officers are meant to be the main point of contact between AEMA and a municipality. In our discussions with municipal stakeholders, the Field Officer was not necessarily their main point of contact and that often municipalities contacted their DRP Coordinator (i.e. contact within the CSP) instead. Many municipalities indicated that they appreciated having a formal contact person assigned to them during the DRP to answer any program questions. Municipalities that were not provided with a formal DRP Coordinator were frustrated with the lack of support and the need to search for answers themselves time consuming. Some also felt that they received conflicting messages depending on which AEMA representative they spoke with.
Recommendation
Using the Municipal Emergency Management Framework as a guide (below), the following recommendations are provided to better utilize Field Officers for the Disaster Recovery Programs: During the 'Preparedness' phase, • All FO should be trained on the DRP, specifically around the program's purpose, application process, program limitations, and FO involvement. It is important that FOs know this information in order to deliver a consistent message to municipalities to minimize confusion and any program delays.

- There is a need to formally define and communicate the roles and responsibilities of the FO versus DRP Coordinators, specifically around their involvement in disaster recovery with municipalities and individual applicants. This way, during disaster recovery, these roles and responsibilities will be clear and understood.

During the 'Recovery' phase, FOs should be involved in the lessons learned discussions post disaster to promote efficiency and effectiveness improvements.
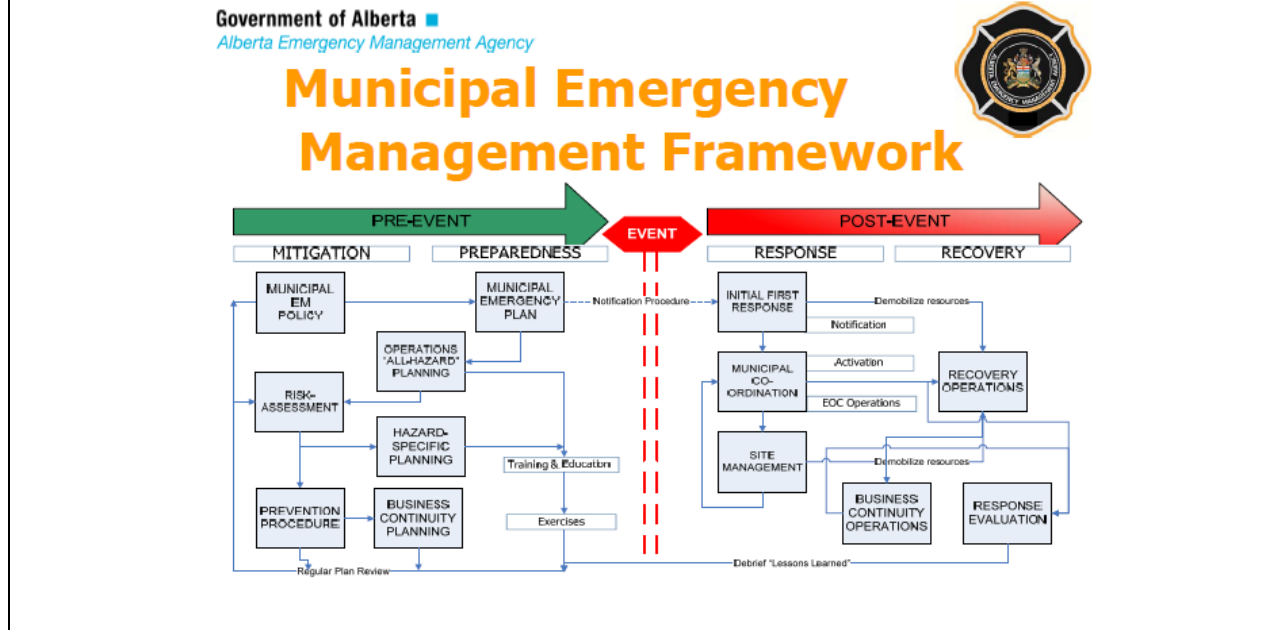
E.2 Utilize Central Operations for planning

Integration with Provincial Operations
Current State Observation
Central Operations only provides assistance when requested by Recovery Programs.   The Central Operations group within the Provincial Operations unit is responsible for planning how to manage all multiple DRPs when they are occurring at concurrently, as well as conducting business continuity planning for AEMA. The Recovery Programs units only requests assistance as needed from Central Operations. There is an opportunity to better utilize Central Operations for planning purposes for DRPs in general, rather than just when they are required to help manage multiple DRPs.
Recommendation
AEMA should utilize Central Operations to assist in developing the overall approach for DRPs   The goal is to provide for an integrated approach with the overall disaster planning that occurs within AEMA.

Recommendation Prioritization

Prioritization Criteria

For each of the recommendations for improvement, KPMG has indicated the level of effort to implement the recommendation and the corresponding potential payoff expected for AEMA.

KPMG has summarized the **level of effort** required in terms of the **estimated time** to implement the described recommendation:

HIGH	The estimated duration to implement the recommendation is significant (>6 months).
MODERATE	The estimated duration to implement the recommendation is moderate (2-6 months).
LOW	The estimated duration to implement the recommendation is minimal (< 1 month).

KPMG has summarized the benefit expected in terms of the impact the change has on any of the following areas:

- Improved processes (i.e. streamlined process, elimination of unnecessary steps, increased efficiency)

- Improved program effectiveness

- Reduced reliance on manual activities

- Increased assurance over quality

- Improved overall program management

HIGH	The recommendation is expected to impact at least one of the areas listed above significantly.
MODERATE	The recommendation is expected to have a moderate impact on at least one of the areas listed above.
LOW	The recommendation is expected to have only a small impact on at least one of the areas listed above.

Prioritization Assessment

Based on the prioritization criteria discussed on the previous page, the following table displays the level of effort in implementing a recommendation and the expected benefit. It is anticipated that AEMA would continue to refine and build out the assessment of effort and benefit indicated for each recommendation as it considers which it should implement.

Recommendation	Effort	Benefit
A.1 Develop a performance management framework	High	High
A.2 Implement a technology solution for program management	High	High
A.3 Implement an Information Governance Framework and supporting data management processes	Moderate	Moderate
A.4 Develop a risk based approach to quality reviews	Moderate	High
A.5 Review, clarify or enhance the program guidelines	Low	Moderate
A.6 Develop guidance for determining 'widespread'	Low	High
A. 7 Publish DRP resources online	Low	Moderate
A.8 Review and consider changes to the DRP approval process	High	High
A.9 Clarify the role and responsibilities of the DRC	Moderate	Moderate
B.1 Develop a model to inform new program estimates	Low	Moderate
B.2 Registration Centre staff need to have the necessary knowledge to perform their duties	Low	High
B.3 Develop a triage process for Registration Centres	Moderate	Moderate
B.4 Enhance the screening and evaluation processes to promote improved transparency and consistency in how applications are processed	Low	High
B.5 Require evidence that competitive tendering processes have been followed for municipal assistance	Moderate	Low
B.6 Review Expenditure Officer authority limits	Low	Low
B.7 Use EFTs for all municipality payments	Moderate	High
B.8 Coordinate the mailing of the notification letter and payment to applicants	Low	High
B.9 Conduct a formal post program review	Low	High

Recommendation	Effort	Benefit
C.1 Improve contract management practices	High	High
C.2 Enhance contract terms and conditions	High	High
D.1 Formally analyze the needs and expectations of all key program stakeholders	High	Moderate
D.2 Improve the assignment and communication of responsibilities and authorities	Low	Moderate
D.3 Develop a competency framework for key roles	Moderate	Moderate
D.4 Develop a formal DRP communications strategy	Low	Moderate
E.1 Better utilize Field Officers	Moderate	Moderate
E.2 Utilize Central Operations for planning	High	Moderate

Prioritization Result

Mapping the prioritization results from the previous page, results in the following map of prioritized opportunities.

Those located in the green band are ones that AEMA should address immediately, as the level of effort required to implement is low and the expected benefit is high. Recommendations in the yellow band will require additional consideration and planning as they may require a significant investment to implement (e.g. new IT system) or are not expected to produce significant benefits for the DRPs. Recommendations located in the red band are those that AEMA may not wish to consider given the level of effort outweighs the benefit that would be achieved by implementing.
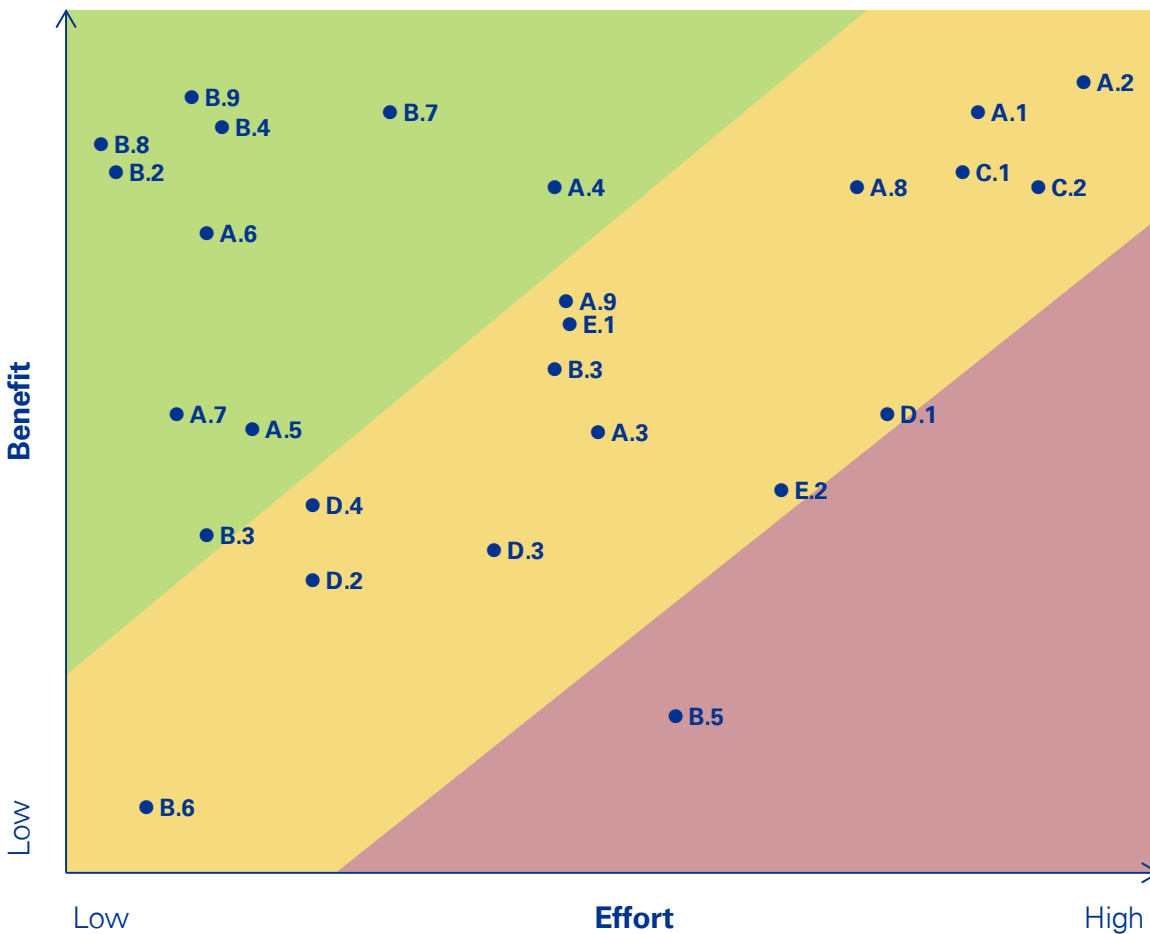
Appendix 1 – DRP Processes Reviewed

Process	Process Objective
1.0 Program Identification and Approval Process	To gather all the necessary approvals to set up a Disaster Recovery Program.
2.0 Registration Mobilization and Application Process	To provide affected applicants with the opportunity to apply for the Disaster Recovery Program.
3.0 Application Receipt and Data Entry	To enter application data into the program database, sort applications according to application type, and initiate communication with the applicant.
4.0 Screening	To screen for eligibility of applicant and damages noted on the application form before sending the file to be evaluated.
5.0 Field Evaluation	To collect information and evaluate the extent of damages reported by the applicant and determine the amount of assistance.
6.0 Data Entry and Checking	To enter turnaround (TA) document data into the program database and perform a quality review of the information to identify whether issues exist.
7.0 Policy Review	To verify that all applications and eligible damages / assistance aligns with the Disaster Recovery Regulation and Disaster Assistance Guidelines.
8.0 Payment Recommendation	To review each application for any outstanding issues, conduct a quality review and send completed files to be issued a payment.
9.0 Municipal and Provincial Departments: Evaluation	To collect Municipal / Provincial Department applicant information, evaluates the extent of damages reported and confirms the completion of work.
10.0 Municipalities and Provincial Departments: Payment	To recommend, approve and process payments to Municipalities and Provincial Departments.
11.0 Payment Issuance	To approve payments to be processed for applicants.
12.0 Electronic Copy Payment	To process batch payments and mail cheques to applicants.
13.0 Hard Copy Payment	To process emergent cheques and third party payments (e.g. contractors) for applicants.

Process	Process Objective
14.0 Data Reporting to Various Levels / Groups within Government	To provide information regarding a DRP to the Provincial and the Federal Government.
15.0 Quality Management Review Process	To ensure that DRP and applicant files contain the necessary information.
16.0 Identification and Management of Program Requirements Outside of Disaster Financial Assistance	To identify situations that fall outside of a DRP and direct applicants to be able to access the necessary assistance.
17.0 Escalation of Complex Files	To escalate sensitive and / or complex files to the appropriate DRP stakeholders for resolution.
18.0 Dispute Resolution and Review	To provide applicants, who are not satisfied with a decision made during the DRP, with an opportunity to have their file reviewed again.
19.0 Audits for Eligibility under the Federal Disaster Financial Assistance Arrangements (DFAA)	To receive a Federal Disaster Financial Assistance payment.
20.0 Program Closure	To gather all the necessary approvals to close a Disaster Recovery Program.

Appendix 2 – Leading Practice

⬤ *Does not meet the leading practice*   ◖ *Partially meets the leading practice*   ⬤ *Fully meets the leading practice*

Description of Leading Practice	Assessment	
Applications		
An online web-based portal provides applicants with a single access point for applying.	⬤	• There is no online web-based portal available for applicants to apply for the program. Rather, all applications are currently manually completed at Registration Centers or mailed in.
The online tool can also be used to track application deadlines as well as communicate the status of an application.	⬤	• There is no online tool which is used to track application deadlines or communicate the application status. Application deadlines are currently manually tracked by the CSP.
The application received date is tracked by the program and an acknowledgement of receipt is sent to the applicant, reiterating timelines for the process.	◖	• The application received date is manually tracked by the Data Entry Clerk at the CSP. An Acknowledgment Letter is sent to the applicant by mail to inform that that their application was received and is under review. It was noted in the workshop that at times the messaging in the Letter about the program and its limitations is vague which causes confusion amongst applicants.
Application documentation includes only the information reasonably required to administer and control the program.	⬤	• All application information is currently used to administer and control the program.
Pre-Screening		
An initial check against the guidelines is completed to determine if the applicant appears to satisfy the main criteria and there is no	◖	• Every application is screened on-site at the CSP to see whether it meets basic eligibility criteria or to see whether

Description of Leading Practice	Assessment	
missing information (typically using a checklist).		there is any missing information. There is no pre-screening of applications done at the Registration Centers or by applicants through use of self-assessment tools online.
Providing Support		
Key aspects of a program, program contacts and access to application forms are communicated to all targeted recipients.		• The communication of program information on AEMA's website is general in nature and does not provide any specific contact information or how to access application forms. Applicants are advised to contact their municipality or call a general toll free number for more information.
Information sessions about programs are held.		• There are no information sessions held about the programs.
Training resources are available online for applicants, including tutorials such as do's and don'ts, how to complete the application, etc.		• There are no training resources available online for applicants on how to complete the application.
Guidelines		
Program guidelines are developed as a helpful resource for applicants to better understand the program. Guidelines are comprehensive and easy to understand and are accessible to all potential applicants.		• Alberta Disaster Assistance Guidelines were developed by AEMA in collaboration with provincial departments and agencies, as well as federal and non-government partners and are effective as of January 1, 2011. The Guidelines are not yet publicly accessible to all potential applicants. It was noted in the workshops, that it is the plan to publicize these guidelines in 2012.
Guidelines are written in plain language.		• The Guidelines have been written in plain language.

Description of Leading Practice	Assessment	
Key components of effective guidelines include: – Information on the objectives of the program; – Details on what is covered; – Who can apply (including exclusions); – Process for submitting and assessing applications; – Eligibility criteria and the rules; – Evaluation / selection criteria; – Key dates (including closing dates)	(purple circle)	• The Alberta Disaster Assistance Guidelines include the following key components: – General Principles (includes program purpose, objectives, what is covered, etc) – DRP Approval Process (includes process for submitting and assessing applications, key dates, etc) – General Eligibility Criteria – Public Sector Eligibility – Private Sector Eligibility – Program Limitations
Evaluation Process and Criteria		
The assessment of applications is based on predetermined, well-defined assessment criteria.	(purple circle)	• The evaluation of applications is based on predetermined, well-defined DRP guidelines and criteria.
Criteria are consistently applied and well documented.	(half purple circle)	• There were instances noted in the workshop where criteria were not consistently applied by Evaluators.
Assessment criteria are publicly available to allow applicants to understand the requirements they have to meet.	(purple circle)	• Assessment criteria is publicly available on the AEMA website (i.e. event is extraordinary, widespread, and insurance is not reasonably or readily available).
The evaluation selection process is transparent and free from the risk of political or other bias.	(half purple circle)	• Based on workshop discussion, it was noted that for one of the 2010 DRPs, political influence did impact the evaluation process as the Minister had indicated to applicants they would all receive funding

Description of Leading Practice	Assessment	
Where there is a departure from the common approved process the reasons are documented.	◐	• Based on workshop discussion, this practice is desired, but has not been formalized through an official file management system. As a result, applicant files are sometime incomplete.
When dealing with large, complex applications the review is supplemented with a short secondary review by another person. This concentrates on any sensitive assumptions and the completeness / validity of the full review.	◐	• Currently, all applications are reviewed by several individuals, regardless of whether the application is complex or not.
Clear guidelines are available to assist assessors understand their roles and responsibilities and how to make sound decisions.	●	• Clear guidelines (i.e. Alberta Disaster Assistance Guidelines) are available to assist Evaluators in making sound decisions.
The use of review checklists, standard review forms and written guidelines enhances the transparency of decisions.	○	• The use of review checklists or standard review forms is not used when reviewing evaluation results.
Staff has specific training to understand their roles and responsibilities under the program and to ensure policies are applied consistently.	●	• Based on workshop discussions, Evaluators do receive specific training on their roles and responsibilities under the DRP. In addition, the CSP has on contract, a team of core evaluators who are registered with the Alberta Assessor Association or Association of Insurance Adjusters.
The quality of the review process is assessed periodically. For example, an independent (not necessarily senior) officer could select a random sample of appraisal documents and review them for consistency, completeness and accuracy.	○	• The quality of the review process is not currently assessed for effectiveness.
Decisions		
Decisions in relation to the approval or refusal of applications should be transparent, well documented and consistent with the legislative and policy requirements.	◐	• It was noted in the workshops, that at times application decisions are not well documented or not included in the file.

Description of Leading Practice	Assessment
Complete records should be kept on the assessment process and information produced that clearly justifies the decisions.	• Applicant files are maintained by the CSP. It was noted in the workshops that there is no formalized file management process in place and applicant files are sometimes left incomplete (i.e. missing documentation, no records of decisions, etc)
Waive or Amend Eligibility	
Grant guidelines should document the circumstances where eligibility and assessment criteria are waived or amended.	• The Alberta Disaster Assistance Guidelines do not document the circumstances where eligibility and assessment criteria are waived or amended. However, Section 10 of the Disaster Recovery Regulation (part of the Emergency Management Act) does state that the Minister may waive or amend program eligibility if it is in the public interest to provide compensation.
Programs seek appropriate authority before invoking provisions for waiving or amending eligibility and assessment criteria.	• The circumstances for waiving or amending eligibility and assessment criteria are not clearly documented or well understood. However, there is a process in place for escalating sensitive and/or complex files to appropriate authority (e.g. to the DRP Director, Managing Director, DRC and/or ARC, and Minister) to review and recommend further action.
Careful consideration is given to seeking Ministerial authority in these circumstances, and appropriate records are kept.	• Sensitive and/or complex files are escalated to the Minister, if required. It was noted in the workshops that at times, appropriate records of decisions made are not put in the applicant's file.

Description of Leading Practice		Assessment
Conflict of Interest		
Staff and management should be aware of their obligations in declaring conflicts of interest, as unsuccessful applicants are not afraid to challenge the fairness of the process or the people involved in the assessment.	○	• Section 24 of the AEMA / CSP Contract dated June 1, 2009 states staff and management's responsibility in declaring conflicts of interest in relation to their performance under the Contract. However, there is no practice in place to communicate this requirement to staff or monitor its effectiveness.
Programs should have appropriate mechanisms for identifying and managing potential conflicts of interest.	○	• The program has not incorporated any mechanism for identifying and managing potential conflicts of interest
Risk Assessment		
There are established criteria to gauge the risk associated with applicants.	○	• There are no established criteria to gauge the risk associated with grant applicants.
A risk assessment informs the level of review and the amount of documentation required for an application.	○	• There is no risk assessment performed to determine the level of review of applications required. In some cases, 100% of files are reviewed (e.g. for policy review, for non-batched payment recommendation), regardless of the dollar amount.
An appropriate cost threshold has been set to indicate the level of review to be completed	○	• A cost threshold does not currently exist to indicate the level of review to be completed.
Notification		
Once decisions have been made, both successful and unsuccessful applicants are advised of the outcome of their application as soon as possible after a decision has been made.	◑	• Both successful and unsuccessful applicants are advised of the outcome of their application when the decision has been made. However, the timeliness of communications with applicants is impacted by the manual processes leading up to

Description of Leading Practice	Assessment	
		the notification and as a result of sending letters by mail.
The true reasons behind funding decisions are disclosed to the applicant. Specifically, unsuccessful applicants are advised as to why their application was not successful.	◐	• It was noted in the workshops that the denial letter sent to applicants is general in explaining why the application was ineligible. There are no specific reasons stated or reference to the eligibility guidelines.
Payment		
Appropriate authorization and controls are in place to approve payments (i.e. approval lists, authorization limits, signatures, signing limits).	◐	• Authorization controls do exist, however it was noted in the workshops that the responsibility of the signing authority (i.e. Expenditure Officer) is not clear or well understood. There were instances noted where an incorrect Expenditure Officer was approving amounts above their limit.
Payments are automated.	○	• The majority of payments to applicants are through paper-cheques delivered by mail. Electronic Fund Transfers (EFTs) are only used for payments to Municipalities that are >$1 Million
Recordkeeping		
Good recordkeeping assists programs to meet their accountability obligations, demonstrate compliance and demonstrate that due process has been followed in actions and decisions	◐	• Applicant files exist for each program and are maintained by the CSP. It was noted in the workshops that there is currently no formalized file management process in place for individual applicant files or for the overall program file. As a result, it is difficult to demonstrate or trace that due process has been followed to support any payments made

Appendix 3 – Jurisdictional Scan

	Alberta	B.C.	Saskatchewan	Manitoba	Ontario
Program Name	• Disaster Recovery Program (DRP)	• Disaster Financial Assistance Program (DFA)	• Provincial Disaster Assistance Program (PDAP)	• Disaster Financial Assistance Program (DFA)	• Disaster Relief Assistance Program (ODRAP)
General Program Information	• The DRP provides financial assistance for municipalities and their citizens who incur uninsurable loss and damage as a result of a disastrous event • Compensation is based on **100%** of eligible loss or damage, with no deductible at regulated rates. • Payment is based on property being restored to pre-disaster functional condition only within the limitations of the	• The DFA helps those impacted by a disaster cope with the cost of repairs and recovery from uninsurable disaster-related property damage. • Financial assistance is provided for each accepted claim at **80%** of the amount of total eligible damage that exceeds $1,000, to a maximum limit of $300,000. • Claims may be made in more than	• The PDAP is designed to help residents, small businesses, agricultural operations, communal organizations, nonprofit organizations, parks and communities recover from the effects of natural disasters, including flooding, tornadoes, plow winds and other severe weather. • Financial assistance is provided for each	• The DFA is intended to provide financial assistance to restore property to a habitable and functional state. • Financial assistance is provided for each accepted claim at **80%** of all eligible expenses incurred as a result of the natural disaster. The maximum amount of DFA payable per claim is $200,000. • DFA programs will be open for a period of one year.	• The ODRAP is a financial assistance program designed to help municipalities, individuals, farmers, small business, and non-profit organizations get back on their feet after a natural disaster. It is intended to cover the costs of returning essential items to pre-disaster condition for people who have suffered damage in designated

	Alberta	B.C.	Saskatchewan	Manitoba	Ontario
	Disaster Recovery Regulation and the Disaster Assistance Guidelines. • Only the principal residence is covered. • Community services, non-profit clubs and organizations are eligible. • Small Businesses are eligible where the majority of owners operate as the day-to-day manager of impacted assets as well as deriving a minimum of 20% of their gross personal income from those assets. All sources of income are used in determining eligibility. The	one category (e.g., home owner and farm owners). • A home owner or residential tenant must show that the home is their principal residence. • Seasonal or recreational properties, hot tubs, patios, pools, garden tools, landscaping, luxury items (like jewelry, fur coats and collectibles), and recreational items (like bicycles) are not eligible for assistance. • Small business owners and farm owners must demonstrate it is their primary source of income. Owners of	accepted claim at **95%** of all eligible expenses incurred as a result of the natural disaster. • Homeowners may be eligible for up to $240,000 in compensation. They may also be eligible for up to $30,000 or 6 months of temporary relocation expenses. • Small businesses, agricultural operations and non-profit organizations may be eligible for up to $500,000. • The program covers damages to uninsurable, essential property. Eligible claims can include clean-up	• A home owner or residential tenant must show that the home is their principal residence. Tenants may apply for personal property and possessions only. • Small Businesses are eligible where the majority of owners operate as the day-to-day manager of impacted assets as well as reporting yearly gross revenues of at least $10,000 but not more than $2 million. All sources of income are used in determining eligibility. The business must also meet size	disaster areas • The ODRAP does not provide full cost recovery for all damages resulting from a disaster. Rather, a Disaster Relief Committee is set up in the Municipality to raise funds for the benefit of disaster victims. The Province will contribute up to $2 for every local dollar raised, to an amount necessary to settle all the eligible claims, up to **90%** of all eligible costs. The final amount paid is determined by how much money is fundraised. In the event that not enough money is

	Alberta	B.C.	Saskatchewan	Manitoba	Ontario
	business must also meet size criteria in terms of revenue and number of full time employees. • The program will provide assistance for uninsurable losses only. However, if there is a combination of insurable and uninsurable items, e.g. if combination of overland flooding and sewer back-up, compensation is based on a percentage of eligible loss and damage.	damaged rental property must apply and qualify as a small business. • Charitable or Volunteer Organizations must provide a benefit of service to the community at large. • Applications for DFA must be submitted to the Provincial Emergency Program (PEP) within 90 days of the date that DFA was authorized.	costs, the replacement of essential household items, structural repair and restoration, and preventative measures taken during a disaster. • Local Authorities and regional parks pay a deductible up to 0.1 per cent of their taxable assessment. Park authorities other than regional parks pay a deductible up to 0.1 per cent of the gross revenues they have collected during the year before the disaster occurred. After these deductibles are paid, PDAP pays 100% of all remaining eligible	criteria in terms of number of full time employees. • Non-Profit Organizations must provide have a facility with unrestricted access by the community and provide essential services to the community. • The program will provide assistance for disaster response, evacuation costs, and restoration costs including clean-up and debris removal, structural damage, and loss or repair of essential items •	fundraised to pay all adjusted claims at 90%, payments may be reduced. • General assistance may be provided to victims who have sustained losses for essential items such as shelter and the "necessities of life." • Financial assistance may be provided by the province to affected municipalities for disaster response and recovery. •

	Alberta	B.C.	Saskatchewan	Manitoba	Ontario
			expenses.		
Performance Measures publicly available?	• Yes – 30 days for onsite visits from evaluator from receipt of application	• No	• No	• No	• No
Program Limitations i.e. Financial Assistance is not available for:	• Loss or Damage that: • Was reasonably and readily insurable; • Is recoverable through feasible legal action; • Is recoverable through another government program; • Was a pre-existing condition; • Are non-essential items such as recreational equipment and stereos; • Is considered an ordinary or normal	• Loss or damage for which the applicant could have obtained insurance is ineligible • Recreational or seasonal residences • Luxury goods • Land that has been lost through erosion • Landscaping	• Property that is deemed to be non-essential to the restoration of a home or means of livelihood or non-essential community services • Expenses beyond the value to return property to its pre-disaster functional condition • Drought, frost damage or fire-related losses as these losses are insurable • Any operating cost or expense; or for	• Insurable losses (i.e. costs that could have been insured at a reasonable and available rate) • Costs recoverable through other programs • Losses recoverable through legal action • Non-essential items (e.g. luxury items, recreational property and private roads, lawn and garden damage, fences (non-farm))	• Non-essential furnishings, home entertainment equipment, recreational items, sports equipment, damages to private roads/bridges, erosion and landscaping, as well as personal injuries • Loss or damage for which the applicant could have obtained insurance is ineligible

	Alberta	B.C.	Saskatchewan	Manitoba	Ontario
	risk of business, trade, calling or occupation, including loss of income or interest charges; or • Was incurred by a large business		any costs that are normal, usual, or incidental to a business	• Loss of income and opportunity or inconveniences • Normal operating costs • Upgrading of existing facilities • Damages that are a normal risk of trade, occupation, or enterprise	
Small Business Definition	• Small business is an enterprise with yearly gross revenues as reported for income tax purposes of **between $6,000 and $15,000,000** and employing not more than the equivalent of **20 full-time employees**. It also must be other than a "hobby business" and	• To qualify as an eligible small business owner applicant, the business must be managed by the owner on a day-to-day basis, the business must be the owner's gross major source of income, the business must have gross sales of **less than $1 million per year** and employ less	• Small businesses must have gross income **between $4,000 and $2 million**, and employ less than **20 full-time employees** to be eligible	• Small business is an enterprise with yearly gross revenues as reported for income tax purposes of **between $10,000 and $2 million** and employing not more than the equivalent of **20 full-time employees**. It also must be other than a "hobby business" and	• Small businesses must employee less than **100 full-time employees** and have a GST, PST, or BN (Business Number)

	Alberta	B.C.	Saskatchewan	Manitoba	Ontario
	must be an owner-operated enterprise where the individual owner-operator is acting as a day-to-day manager, who owns at least 50% of the business and receives a minimum of 20% of their gross personal income from the business	than **50 full-time employees** at any one time, and the owner must demonstrate that, without the claimed assistance, the future of the business could be placed in financial jeopardy. Financial jeopardy is defined as when the assistance payment to repair the damage would exceed 10 percent of the net income of the business		must be an owner-operated enterprise where the individual owner-operator is acting as a day-to-day manager.	
Application Types	• Home Owners and Tenants • Farming Operations • Small Business • Condominium Associations	• Home Owners and Tenants • Farm owner • Small Business • Charitable or Volunteer Organization	• Home Owners and Tenants • Agriculture • Small Business • Non-Profit • Park Authority • Municipalities	• Home Owners and Tenants • Farm • Small Business • Non-Profit Organization • Municipalities	• Home Owners and Tenants • Farmers • Small Business • Non-Profit Organizations • Municipalities

	Alberta	B.C.	Saskatchewan	Manitoba	Ontario
	• Institution or Not-for-Profit • Municipalities	• Municipalities			
Program Delivery Outsourced to Third Party?	• Yes	• No	• No	• No	• No
Online application option available?	• No. Application forms must be picked up from the local municipal office and sent in through mail or completed at registration centers	• No. Application forms are available for download from the website and can be sent in by email, mail or by phone call	• No. Application forms must be picked up from the local municipal office. All completed applications must be original, signed documents and returned to the municipality by hand or by mail	• Yes. Application forms can be completed and submitted online. Applicants can also download the application form from the website and fax, email or mail the completed form to the EMO. Applicants also have the option to pick up the form from their local municipal office	• No. Application forms must be picked up from the local municipal office and returned by mail
Program information/tools available to applicants on	• DRP Information • General Program Information	• Summary of DFA Program which includes	• General program information on the PDAP (program	General program information including: • Application types,	• General program information • Assistance to

	Alberta	B.C.	Saskatchewan	Manitoba	Ontario
website	• Municipal DRP Information Guidelines 2011 • Residential application process- overview • Small Business and farm application process- overview • DRP Frequently Asked Questions (FAQs) • Application forms	information for applicants before applying for the program • A listing of disaster events currently declared eligible for assistance • Application forms and general information for the General Public/Private Sector and Municipalities • Applying for financial help after a disaster- quick factsheet • Disaster financial assistance guidelines • Application forms • Process overview • Compensation and DFA Regulation (under the Emergency	purpose, limitations, who is eligible) • How to apply to the PDAP • Listing of communities eligible for PDAP assistance in the current year • Public Information Meetings and Recovery Centers • Before you Apply- FAQs • After you Apply- FAQs • Sample PDAP application form • Private application step by step instructions • PDAP claimant written statement • PDAP cleanup supplement form • Triage Assessment Form	• Eligible costs, • Ineligible costs, • The process (i.e. applying for assistance) • Appeals • Program limitations • List of all Flood Compensation Programs for current year • Information on ongoing and past emergency and disaster events in Manitoba • Policies and guidelines for private sector • Disaster Financial Assistance Fact Sheet	Municipalities • Assistance to Private Individuals • Assistance to Farmers • Assistance to Small Businesses • Assistance to Non-Profit Organizations • ODRAP Guidelines • Continuity of decision making toolkit to help municipalities enhance their decision-making capability in an emergency • Emergency Preparedness Information- getting ready for an emergency Tools for Municipalities: • Factsheet for

	Alberta	B.C.	Saskatchewan	Manitoba	Ontario
		Program Act) • Clean-up Information • Financial Assistance guide for local authorities and first nations • Recovery plan description • Recovery plan • Recovery claim submission forms	• Private Application Guidelines • Municipal Claims process • Request for designation form • Sample resolution for council • Project site details form • Gravel average form • Municipal application guidelines		Municipalities • Municipal emergency response • Recovery checklist for Municipal Council • Disaster Relief Committee (setting up, etc) • Fundraising toolkit-guidelines for disaster relief committees • FAQs for Municipalities • Disaster monitoring resources • Guide for Municipal public costs • General program questions and answers • A guide for homeowners and tenants- ODRAP

	Alberta	B.C.	Saskatchewan	Manitoba	Ontario
					(includes list of costs covered and not covered by program) • A guide for Small Businesses, Farms, and Non-Profit Organizations-ODRAP (includes list of costs covered and not covered by program)

Appendix 4 – Detailed Contract Review

Not addressed in contract

Partially addressed in contract

Fully addressed in contract

Note that references to ~Client are to the Government of Alberta while references to Service Provider are to the current Contracted Service Provider ("CSP") for Disaster Recovery at AEMA.

Description of Leading Practice	Assessment
Non-exclusive Agreement	
The services in the scope of the Contract are provided by the Service Provider to ~Client on a non-exclusive basis and without any minimum commitment from ~Client as to the volume, scope, or value of such services.	• The requirement for the CSP to provide services on demand and as required by AEMA is not included in the existing contract.
Term, Termination	
The initial term of the Agreement shall be between 5 and 10 years, extensible at ~Client's option for up to 3 years thereafter either annually or as a single year extension, on the terms and conditions in force at the date of the extension and utilizing pricing to be negotiated but consist with and no less favorable than the pricing in force at the date of the extension.	• The term of the contract has been specified in Section 5 of the Contract as five years (i.e. May 1, 2009 to March 31, 2014). However, there is no mention of AEMA's right to extend the contract for a specified period (e.g. twelve months) after the contract expiration. It is important for AEMA to protect themselves from periods of uncovered services in the event of a disaster.
~Client shall have the right to terminate the Agreement at any time in whole or in part for a breach of any material provision of the Agreement, and shall further have the right to seek damages from Service Provider for such breach.	• Section 20 of the existing contract specifies that the Minister may at anytime immediately terminate the contract, in whole or in part, without cause, upon written notice to the CSP. If addition, all materials prepared by the CSP are the property of the Minister and the Minister will only have to pay the CSP for

Description of Leading Practice		Assessment
		services completed and materials delivered up to the effective date of the termination.
		• The contract does not specify the right of AEMA to seek damages from the CSP or the requirement for materials to be returned to a specific standard (as determined by AEMA)
Transition		
Transition of services from Service Provider at contract expiration or termination will take place in accordance with detailed Transition Plans agreed by ~Client	◐	• In the event a new service provider is used, there is no requirement put in the contract for the existing Service Provider to transition its services to the new provider and at a standard agreed by AEMA.
Compliance, Controls, and Audit Rights		
Service Provider shall comply with all relevant laws and regulatory requirements in providing the services. Service Provider shall make any necessary changes required to the provision of the services due to any relevant regulatory change at no additional cost.	●	• Section 11 of the contract specifies that the CSP shall comply with all provisions of all laws, pay all taxes etc that may be levied, and comply with the workers' compensation act of Alberta.
Data Protection		
To the extent applicable, each party shall at all times, comply with all obligations applicable to it under all applicable Data Protection Legislation in relation to all Personal Data that is processed by it in the course of performing its obligations under this Agreement	●	• Section 13 of the contract states that the CSP and its employees, subcontractors, etc. shall, subject to any Confidentiality Legislation requirement (i.e. FOIP) not use, copy or disclose any confidential information without written authorization and adhere to security standards
The Service Provider shall bring into effect and maintain all appropriate technical and organizational measures to maintain security, prevent unauthorized or unlawful access to or processing	◐	• Schedule B, Section D of the contract states that the CSP will maintain security standards, including control of access to data and other information, consistent with the highest

Description of Leading Practice	Assessment	
of Personal Data and accidental loss or destruction of, or damage to, Personal Data;		• standards of business practices. • However, the contract is general in terms of security measures required from the CSP. Due to the sensitive nature of personal applicant data held, specific requirements for data protection should be included in the contract.
The Service Provider shall ensure the reliability of their staff having access to the Personal Data;	◗	• The requirement for the CSP to ensure the reliability of their staff having access to personal data is not included in the contract.
The Service Provider shall act only on the instructions of ~Client in relation to the processing of the Personal Data.	●	• Section 14 of the contract states that the CSP shall store all records only in Alberta and before disclosing personal information, the CSP must obtain consent from the applicant
Service Provider shall comply with the most stringent of: (i) all ~Client policies, standards and procedures related to the services, including but not limited to those governing quality, change, and problem management, safety, data privacy and data security, business continuity and disaster recovery, and pervasive and transaction controls; or (ii) the policies, standard and procedures that are generally adopted by leading providers of services similar in scope, scale and geographic coverage to the outsourced services.	◖	• Section 8 of the contract states that the CSP shall keep and maintain in accordance with GAAP, complete and accurate books, records, and accounts of all costs, expenditures, and commitments to the contract, and on demand, provide to the Minister these documents to examine, audit, and take copies and extracts. • Schedule B, Section D states that the CSP shall maintain security standards, including control of access to data and other information, consistent with the highest standards or business practice • However, the contract is general in terms of the explicit polices, standards, procedures required relating to data protection
~Client shall retain control over the technical architecture of the services, and Service Provider shall comply with ~Client's policies, standards and specific requirements in this regard. Service	◖	• Section 12 of the contract states that ownership in all materials belongs to the Minister. The CSP, its employees, subcontractors, etc. irrevocably waive all moral rights to the

Description of Leading Practice	Assessment	
Provider shall adopt and implement any revised technical architecture, policy, standards and specific requirements reasonably required by ~Client subject to an equitable fee adjustment if necessary and reasonable and as mutually agreed by the Parties.		materials prepared under the contract. • Although the contract does specify the materials belong to the Minister, control specifically over the technical architecture (e.g. IT database systems) is not clearly defined.
Service Provider will develop and implement quality assurance and internal controls, to ensure that the services are performed in an accurate and timely manner, in accordance with the contract. Without limiting the foregoing, Service Provider will: (i) maintain a strong control environment in day-to-day operations, (ii) develop and execute a process to ensure regular internal control self-assessments are performed with respect to all services and report the outcome of such self-assessments to Client, (iii) maintain an internal audit function sufficient to monitor the processes and systems used to provide the services (i.e., perform audits, track control measures, communicate status to management, drive corrective action, etc.), and (iv) provide to ~Client a summary of audit activity performed, associated significant findings, status of follow-up activity, summary of control incidents (i.e., frauds, conflict of interest situations, etc.) and related corrective action, every six months.	◐	• The existing contract does not address the requirement for the CSP to develop and implement quality assurance and internal controls to ensure that the services are performed in an accurate and timely manner.
The Service Provider shall provide the Services in a manner that is fully compliant with all reporting requirements (e.g. Government regulation) in all jurisdictions in which Services are delivered.	◐	• Section 11 of the contract does state that the CSP shall comply with all provisions of the law. • However, the contract does not specifically state that the CSP must comply with specifically Disaster Regulation and the

Description of Leading Practice		Assessment
		Emergency Act
~Client's internal and external auditors will have full access to Service Provider's and Service Provider subcontractors' facilities and records related to the services to perform operational, technical, regulatory and financial audits as well as fraud checks	◖	• Schedule B, Section D of the contract states that the Minister is permitted to attend the CSP's facilities for the purpose of assessing the physical and data / information security practices in place. It is not known whether AEMA conducts this function. • However, there is no specific mention of having full access to the facilities to perform other operational, technical, etc checks.
Service Provider will provide ~Client with summaries of any relevant findings from its internal audit reports related to the Services.	●	• The contract does not specify the need for the CSP to have internal audits performed or to provide AEMA with summaries of any relevant findings from its internal audit reports
Service Provider and ~Client shall develop and agree upon an action plan to promptly address and resolve any deficiencies, concerns and/or recommendations arising out of any audit, and Service Provider, at its own expense, shall undertake remedial action in accordance with such action plan and the dates specified therein	●	• The contract does not specify how the CSP and AEMA will address and resolve any deficiencies, concerns and / or recommendations arising out of any audit or who will be responsible for covering the related costs
Services, Service Performance		
The Services will include tasks and responsibilities (i) that are specifically stated in the Agreement, its Schedules and Exhibits, including but not limited to all Statements of Work, (ii) that are an inherent, necessary, or customary part of the services or are reasonably necessary for the proper performance and provision of the services	●	• Schedule B of the contract summarizes the services the CSP will provide as part of the contract • Based on past experience, although it is unlikely for there to be no disaster, the current contract does not explain the CSP's role in the event there are no disasters.

Description of Leading Practice		Assessment
Generally, services shall be performed to at least the higher of (i) the standard that they were being performed to in the <number> months (usually 12) prior to the contract Effective Date, or (ii) the standard that they are generally performed to by leading providers of services similar in scope, scale and geographic coverage to the outsourced services		• Schedule B of the contract does specify some standard of performance required from the CSP. • For example, the CSP is supposed to contact all municipalities within 24 hours of notification of a new DRP and Evaluators must initiate the evaluation process within 30 days of receipt of an eligible application. However, expected and / or minimum standards of performance are not clearly defined for other activities in which the CSP is accountable, nor is the 24 hour requirement measured or tracked by AEMA.
Elements of the services will be subject to particular Service Levels that will include defined Expected and Minimum standards of performance, and Service Provider will measure and report its performance against these standards on at least a monthly basis, except as may otherwise be agreed between the parties in respect of services performed less frequently than monthly. All service level reporting will be at Service Provider's cost.		• There is currently no standardized approach to developing and implementing a performance measurement system at AEMA. Therefore, the contract does not require the CSP to measure and report their performance to AEMA.
If Service Provider fails to meet the Expected standard of performance for a KPI <number> times (usually 4) within a rolling <number> month (usually 9) period or the Minimum standard of performance once within a rolling <number> month (usually 9) period, Service Provider will conduct a Root Cause Investigation to determine why such failure occurred, and will present to ~Client a Remediation Plan designed to prevent re-occurrence of such failure and upon ~Client's approval will implement such Remediation Plan at no additional cost to ~Client.		• The contract does not specify any performance measurement requirements. With the exception of Section 20 (Termination) of the existing contract, there is no mention of the consequences or penalties the CSP must incur for failing to meet expected standards of performance.

Description of Leading Practice	Assessment	
Although all Service Levels shall be performed to the required Expected and Minimum standards from the Commencement date, where insufficient historical data exists to enable Service Provider to validate that such standards were being consistently achieved by ~Client prior to the Effective Date, unless the Service Level required is in respect of an element of the services that should be included as a standard level of performance in the industry. ~Client may allow a <number> months (12) Measurement Period for such, such measurement period being shorter for metrics that do not exhibit seasonal or other cyclical variation, and longer for cyclically variable metrics, and will equitably adjust the Expected and Minimum standards where the experience of the Measurement Period indicates that the required standards cannot be consistently attained	◐	• The contract does not specify any performance measurement requirements or the actions to be taken when insufficient historical data exists to enable the CSP to validate whether performance standards are being met or not.
Consents and Intellectual Property Rights		
Service Provider shall have financial and administrative responsibility for obtaining any third party consents and any additional licenses that may be necessary for ~Client to transfer the services to Service Provider and for Service Provider to provide the services to ~Client.	●	• Section 14 of the contract states that before disclosing any personal information about any individual (i.e. applicant), the CSP shall obtain the consent of the affected individual (in writing)
~Client shall own any new Intellectual Property created by Service Provider in the course of its provision of the services during the term of the contract and any termination assistance period, and may at its sole discretion determined on a case by case basis license such Intellectual Property to Service Provider on terms to be determined at the time such Intellectual Property is created.	◑	• Section 12 of the contract states that ownership all materials including copyright, patent, etc that are made by the CSP, its employees, subcontractors, etc. belongs to the Minister and that all materials shall be delivered to the Minister upon completion or termination of the contract. • However, the contract is general in terms of the standard that the materials should be returned at.

Description of Leading Practice	Assessment	
On expiration or termination of the contract and after any termination assistance period, Service Provider shall license ~Client to use royalty-free any and all Service Provider Intellectual Property necessary for ~Client to continue to operate the services without interruption or loss of quality.	●	• Section 8 of the contract states that the CSP will keep and maintain all documents for 3 years following the completion or termination of the contract.
Limitation of Liability		
Service Provider's total liability to ~Client during the term of the contract for services provided under the contract shall be limited to an amount to equivalent to the previous <number> months (range between 12 and 24) of the fees paid by ~Client to Service Provider under the agreement, except that for the first <number> months (same number as above) of the agreement the amount shall be calculated by adding the total of the actual fees paid for each month the agreement has been in force to the total planned fees for the portion of the first <number> months (same number as above) not yet elapsed.	●	• Section 17 of the contract states that the CSP will, at its own expense, in accordance with the Insurance Act of Alberta and without limiting its liabilities under this Contract insure its operations under a contract of General Liability Insurance in an amount not less than $2 million. • The contract also states that the CSP will maintain automobile insurance and shall ensure that all its subcontractors obtain and maintain General Liability insurance. • The CSP is also required to ensure that all engineers provide proof of Errors and Omissions insurance.
Neither Party will be liable for indirect, incidental, special, consequential, exemplary or punitive damages arising out of or relating to the Agreement.	●	• This requirement is not addressed in the contract
Insurance Obligations		
Service Provider shall at all times maintain adequate insurance cover and to the extent practically possible ~Client shall be listed as an additional insured in respect of all such insurance. Service Provider shall provide ~Client with copies of all relevant documentation evidencing such insurance cover, and ~Client's	●	• Section 17 of the contract states that the CSP will insure its operations under a contract of General Liability Insurance. Also, the CSP will maintain automobile insurance and ensure that all its subcontractors obtain and maintain General Liability insurance. The CSP is also required to ensure that all of its

Description of Leading Practice	Assessment	
interests shall be noted on all such documentation.		engineers provide proof of Errors and Omissions insurance. Upon request by the Minister, the CSP must provide evidence of insurance.
Assignment, Change of Control, and Subcontracting		
Service Provider may not assign the contract without ~Client's agreement	⬤	• Section 9 of the existing contract states that the CSP will not assign the contract without first getting the written approval of the Minister
In the event of a change of control of Service Provider, including any spin-off or IPO of Service Provider business entity used to provide the services such that Service Provider no longer enjoys control over that business entity but excluding a change of control between entities within Service Provider's corporate structure, ~Client shall have the right to terminate the agreement without penalty or payment to Service Provider	⬤	• The potential for a change of control of the CSP and the AEMA's right to terminate the agreement as a result is not addressed in the contract. • The contract should state that AEMA must be informed of any changes in control of the CSP. It is unclear whether this occurred when ownership of the CSP changes several years ago.
Service Provider may not sub-contract any element of the services provided to ~Client under the contract without the prior agreement of ~Client. ~Client will have the right to revoke its prior approval of a subcontractor for reasonable cause and to direct Service Provider to replace a subcontractor as soon as possible at no additional cost to ~Client. Service Provider will be responsible at all times for subcontractor performance	◑	• Section 9 of the contract states that the CSP will not subcontract services (other than as identified in a list of subcontractors provided to the Minister) without first getting the written approval of the Minister; Section 10 states that the CSP will get written approval before replacing or adding any subcontractor; Section 16 states that the CSP will be responsible for loss or damage of subcontractor. • However, the contract does not specifically address subcontractor *performance*. The CSP should have control over its subcontractor performance

Description of Leading Practice		Assessment
Step-in Rights		
In the event that Service Provider is failing to deliver all or part of the Services, ~Client may assign ~Client staff or third parties to step in and perform any failing elements of the Services until such time as Service Provider can demonstrate the ability to resume provision of such Services	⬤	• The contract does not address the potential for the CSP to fail to deliver all or part of its services. • The CSP should bear the costs associated in the event they are unable perform their duties under the contract (including the costs of AEMA to find a third party to step in and perform any failing elements of the services)
All costs associated with the exercise of such step-in rights shall be borne by Service Provider	⬤	• The contract does not specify who will bear the costs associated with the exercise of step-in rights
Service Locations and Service Recipients		
Service Provider will provide services to all ~Client service recipients at all service locations that are consistent with the scope of the services defined in the contract	⬤	• Section 4 of the contract states that the CSP shall follow any directions from the Minister including the location where the services are to be performed (i.e. Alberta)
Service Provider will not change any location from which it provides services to Client, or reallocate the volume or nature of work processed between locations from which it provides Services to Client, without ~Client's prior agreement, such agreement not to be unreasonably withheld, provided that if Service Provider's request for such change or reallocation gives rise to any economic benefit to Service Provider that Service Provider shall share such benefit with ~Client to ~Client's satisfaction	⬤	• There is a risk that the CSP changes their location (i.e. to another province) from which it provides services. This could increase costs of the contract (e.g. travel, staff, etc). The contract currently does not specify the requirement for the CSP to remain in Alberta.
Service Provider will change any location from which it provides services to ~Client or reallocate the volume or nature of work processed between such locations on ~Client's request	⬤	• Schedule A, Section 1.2 of the contract states that if the requirements of a new DRP include opening a temporary field office or offices, the establishment of such temporary offices(s) requires prior written approval by the Minister

Description of Leading Practice	Assessment	
Collaboration Obligations		
Service Provider shall cooperate fully with ~Client or with any third party appointed by ~Client to the extent that such cooperation may be necessary to permit ~Client or such third parties to complete any work related to or impacted by the services provided to ~Client by Service Provider under the contract		• Section 3 of the contract specifies that the CSP agrees to perform the services in accordance with the provisions of the contract. However, the contract does not specify any need for the CSP to cooperate with any third parties appointed by AEMA (e.g. such as external consultants, etc) to complete work under the contract.
Service Provider shall also fully collaborate with ~Client or with any third party appointed by ~Client to the extent that such cooperation may be necessary to permit ~Client or such third parties to transfer to a third party any aspect of the work then provided by Service Provider under the contract.		• The existing contract does not specify any need for the CSP to collaborate with AEMA or any third party appointed by AEMA to transfer any aspect of work that used to be performed by it.
From time to time, ~Client may request that Service Provider work together with ~Client and/or third parties to identify ways to achieve reductions in the cost of service delivery and corresponding reductions in the charges to be paid by ~Client. If so requested by Client, Service Provider will at its own expense promptly prepare a detailed proposal identifying all viable means of achieving the desired reductions without to the extent practically possible adversely impacting business objectives or requirements identified by ~Client. ~Client will not be obligated to accept or implement any such proposal		• The contract does not specify any need for the CSP to work together with AEMA and / or third parties to identify ways to achieve reductions in the cost of service delivery.
Continuous Improvement, Review of Services and Charges, and Benchmarking		
Generally, Service Provider will commit to continuously and incrementally improving its performance of the services provided		• The contract does not specify any need for the CSP to commit to continuously and incrementally improve its

Description of Leading Practice		Assessment
under the contract consistent with developments in the market for services similar in scope, scale and geographic coverage		performance of the services provided under the contract
Commencing <number> months, Service Provider will undertake annual reviews of the services, their associated charges and the underlying technology used to deliver the services and bring to ~Client Service Provider's plan to improve performance and reduce charges. In the event Client and Service Provider do not agree to a plan for improved performance or reduction in charges, then Client will have the right, at its expense, to use a specialist third party to benchmark the Services Provider's performance of and charges for any element of the services, selecting such a bench marker from a list of bench markers mutually approved by ~Client and Service Provider and attached to the contract		• Section 3 of the contract states that the CSP will submit a written report to the Minister annually during the term of the contract indicating the services and materials completed, the time schedule for those portions which are not completed, and any other information requested by the Minister in relation to the completion of the contract. • The contract does not specify any requirement for the CSP to undertake annual reviews of their services, their associated charges and the underlying technology used to deliver their services and a plan to improve performance and reduce charges.
Service Provider shall automatically adjust the charges for benchmarked services in accordance with the results of a benchmark to bring them back within the <number> quartile (usually first) of the market range, considered from the perspective of ~Client's benefit, for the provision of services similar in scope and performance requirements to the benchmarked services within <number> days (usually 30) of the completion of the benchmark		• The contract has no formalized benchmarks which the CSP is held accountable to
Service Provider may dispute the outcome of a benchmark, and in the event that after exhaustion of the governance and dispute resolution processes ~Client and Service Provider are unable to agree on adjustments to the performance of and charges for the services following a benchmarking exercise, ~Client shall have the right to terminate the agreement without penalty or payment to Service Provider		• The contract has not formalized benchmarks which the CSP is held accountable to

Description of Leading Practice		Assessment
Inflation, Invoicing, and Payment		
Commencing on the first anniversary of the effective date, Service Provider will calculate an adjustment to the charges for the labor components of the services to be provided for the next twelve months in accordance with the <index>;	●	• Section 6 and Schedule A (Section 1.4) of the contract states that the hourly rates are subject to annual indexing for inflation. An index factor will be applied to the rates on April 1 of each year of the contract. The index factor shall be the "All Items CPI Alberta" which is published annually by Stats Canada.
Service Provider shall invoice ~Client monthly in arrears in a form agreed by ~Client for all applicable fixed and variable charges. For Transition services, Service Provider shall invoice ~Client for the related fees upon completion of each corresponding Transition Milestone.	●	• Schedule A (Section 2.1) of the contract states that the CSP will submit an invoice within ten days following the end of each month for services and additional operating costs during the month. Schedule A (Section 1.2) defines additional operating costs and the requirement for pre-approval from the Minister. • Section 6 of the contract states that the Minister will pay the vendor within 30 days of receipt of an invoice.
All charges shall be exclusive of any taxes and shall be supported by a line-item detailed analysis of the charges, showing how the charges are authorized under the contract, and providing details of any allocation other calculation that was used to derive the charges, and providing sufficient detail that ~Client shall be able to reconcile the charges to the contractual commitments that give rise to them.	●	• Section 6 of the contract states that the CSP shall not be paid for GST or HST. • The CSP will be paid upon submitting an invoice and supporting documentation; Schedule A (Section 2.1) summarizes the invoice format required by the Minister.
~Client shall pay any undisputed amounts due no later than <number> days (range from 10 to 60) after receipt of an invoice from Service Provider in the agreed form and supported by the required analysis. (arrears or current payments).	●	• The contract does not specify the need for AEMA to pay any undisputed amounts after receipt of an invoice from the CSP.

Description of Leading Practice	Assessment	
~Client may withhold disputed amounts up to the equivalent of <number> months (range from 1 to 3) of the average monthly fees in total, all fee disputes to be subject to expedited dispute resolution.	●	• Section 6 of the contract states that the Minister may holdback 10% of any payment due under the contract to ensure the services are performed and materials delivered in accordance with the contract.
Publicity		
Service Provider shall not disclose the existence of the contract, or refer to it or ~Client in any way in press releases, promotional media or proposals to other Clients, without prior agreement from ~Client, except to government or regulatory agencies as required by law.	◑	• Although section 13 of the contract states that the CSP will not use, copy, or disclose any confidential information, except as necessary for the performance of services or upon written authorization of Minister, there is no specific mention of disclosing information to media (i.e. requirement for GoA branding to be on all communication vs. the CSP's logo, etc.)
Notwithstanding any confidentiality obligations, Service Provider acknowledges and agrees that ~Client may freely discuss all aspects of Service Provider's performance and ~Client's satisfaction with such performance with prospective Service Provider customers brought to ~Client by Service Provider.	○	• The contract does not specifically state that the CSP must acknowledge and agree that the GoA may freely discuss all aspects of the CSP's performance and the GoA's satisfaction with such performance
Indemnities		
Service Provider shall indemnify ~Client from damages arising out of third party claims: (i) claiming that the use or possession by a ~Client Indemnified Person of any materials provided by Service Provider or the receipt by a ~Client Indemnified Persons of any Services, or any part of them, infringes, violates or misappropriates the Intellectual Property Rights of that third party; or (ii) arising out of a breach by Service Provider of any of its	●	• Section 15 of the contract states that the CSP will indemnify and hold harmless the Minister from any and all third party claims, demands, and actions or costs (including legal costs on a solicitor-client basis) for which the CSP is legally responsible, including those arising out of negligence or willful acts by the CSP or its employees, subcontractors, etc.

Description of Leading Practice	Assessment	
covenants, representations or warranties;		
(iii) arising out of claims made by a third party against ~Client arising out of Service Provider's performance of the Services;		
(iv) arising out of a breach of Service Provider's confidentiality or data privacy obligations; and		
(v) for personal injury claims arising out of the negligence or misconduct of Service Provider, its employees, contractors and agents.		
Key Personnel		
~Client shall designate a meaningful percentage of the personnel resources applied to perform the contract as Key Personnel. Key Personnel shall not be reassigned by Service Provider to other duties or otherwise removed from working on ~Client account without the express advance written consent of ~Client, except through termination of such personnel for cause by Service Provider or through the resignation, long term illness or disability, or death of such personnel.	◖	• Section 22 of the contract specifies the AEMA and the CSP designates for the contract and that either party may change their designated representatives by sending written notice to the other party of such change. • The contract does not state whether the Minister has the ultimate right of approval in terms of approving or rejecting a change in the contract representative.
The Service Provider will agree to personnel resources applied to perform the contract subject to qualification standards and subject to tenure requirements during the term of the Agreement as specified by ~Client.	●	• There is no requirement in the contract which states that the CSP staff (e.g. Evaluators) must have specific skills / qualifications to perform their duties under the contract. The contract also does not specify any specific hiring standards required by the Service Provider (e.g. background check, etc.)

Appendix 5 – Detailed ISO Standard Assessment

◯ *Does not meet the standard requirement*   ◑ *Partially meets the standard requirement*   ● *Fully meets the standard requirement*

Description of Standard Requirement – ISO 22301		Assessment
4.0 Context of the Organization		
4.1	**Understanding of the organization and its context** The organization should determine external and internal factors that are relevant to establishing, implementing, and maintaining the organization's BCMS, and assigning priorities.	● • Addressed in Part 1 – General Principles of the Alberta Disaster Assistance Guidelines. The guidelines describe the program's purpose, objective, scope, and its limitations.
4.2	**Understanding the needs and expectations of interested parties** The organization should identify all interested parties that are of relevance to its BCMS and based on their needs and expectations, determine their requirements. When establishing, implementing, and maintaining the BCMS, the organization should take into account and document applicable legal and regulatory requirements to which it subscribes and needs of interested parties.	◑ • Part 1 – General Principles of the Alberta Disaster Assistance Guidelines has identified the interested parties as individuals, small business (including farming operations), not-for-profit organizations, municipalities, and government departments. • It does not appear that AEMA has analyzed the needs and expectations of all interested parties that are of relevance to the DRP. This is important to ensure that the program is effectively meeting the needs of all parties (e.g. Media, Municipalities, applicants, Chambers of Commerce, etc)
4.3	**Determining the scope of the management system** The scope defines which part of the organization's products and services, activities and/or processes, locations, functions, etc. that the BCMS applies to.	● • The application/scope of the DRP is addressed in Part 1 – General Principles of the Alberta Disaster Assistance Guidelines. The guidelines define what the DRPs are intended to assist with and what is not included as part of the program.

Description of Standard Requirement – ISO 22301		Assessment	
	The organization should clearly document the scope and context of the BCMS and management's commitment to it.		
4.4	**Business continuity management system** The organization should establish an effective BCMS that conforms to the recommendations of this standard.		• While some elements of a BCMS do exist for current DRPs, there appears to be a lack of an overarching management system in place.
5.0 Leadership			
5.1	**General** Management at all levels should clearly demonstrate support for the BCMS.		• It was observed that DRP management and staff do demonstrate support and commitment for the DRP. • However, there appears to be a lack of commitment to establishing a governance system around the DRP (i.e. to directing and supporting continual improvement, ensuring that roles, responsibilities and competencies of all parties involved are established, etc)
5.2	**Management Commitment** Top management should demonstrate its commitment to the BCMS.		• There appears to be a lack of commitment to establishing a governance system around the DRP (i.e. to directing and supporting continual improvement, ensuring that roles, responsibilities and competencies of all parties involved are established, etc)
5.3	**Policy** Top management should define the BCMS policy in terms of the organization's objectives and its obligations and make sure that it: • Is appropriate to the purpose of the organization		• The DRP is governed through the Emergency Management Act (EMA), Disaster Recovery Regulation, and through the Disaster Assistance Guidelines which have been approved through a Ministerial Order • In March 2012, AEMA published the Disaster Assistance

Description of Standard Requirement – ISO 22301		Assessment	
	• Provides a framework for objective setting • Includes clear commitments in relation to applicable legal and regulatory requirements • Is communicated and understood within the organization and available to interested parties • Is complementary to other relevant policies; and • Is made available to interested parties as approved by management Suitable provisions should be made for approving the policy, retaining documented information on it and reviewing it periodically (e.g. annually) and whenever significant changes occur		Guidelines online , making them available to all interested parties
5.4	**Organizational roles, responsibilities and authorities** Top management should ensure the assignment and communication of responsibilities and authorities within the BCMS A member of top management should have overall responsibility for the BCMS. Specific management representatives, who irrespective of other responsibilities, should have defined roles, responsibilities and authority for: • Ensuring that the business continuity program is established, implemented, and maintained in accordance with policy • Reporting on the performance of the program to top management for review		• As per the regulations, AEMA's Managing Director has overall responsibility for the DRP while the DRP Director, Manager and Coordinators (and the CSP) are responsible for administering the DRP. • There is no role defined for managers to formally report on the performance of the program • It was noted that DRC members do not feel they fully understand their responsibilities in making a DRP recommendation. As a result, the DRC is not operating as effectively as intended. • Also, AEMA and the CSP staff do not seem to fully understand their respective roles/responsibilities in the escalation of sensitive and/or complex files.

Description of Standard Requirement – ISO 22301	Assessment	
• Promoting awareness of the program throughout the organization • Ensuring the effectiveness of procedures developed for incident response The organization may appoint other bodies, such as a steering committee, to oversee the implementation of the program		
6.0 Planning		
6.1 **Actions to address risks and opportunities** The organization should determine how any issues identified in 4.1 and requirements in 4.2 will be addressed. This should involve evaluating the need for a plan of action, and if necessary: • Integrating and implementing these actions into the BCMS process and • Ensuring that documented information will be available to evaluate if the actions have been effective	(purple circle)	• There is currently no formalized process in place for reviewing the overall DRP or developing action plans to address risks of not meeting program objectives.
6.2 **Business continuity objectives and plans to achieve them** Top management should ensure that appropriate objectives are established for agreed functions and levels within the organization, retain documented information relating to them and clearly state how they will be achieved. In order to ensure that objectives are achieved, the organization should determine who will be responsible, what will be done and when it will be completed, and how the	(purple circle)	• There are no formalized performance objectives established for the overall DRP or for the Contracted Service Provider. Specifically, the program objectives are not being measured against targets, Service Provider performance is not being formally monitored for effectiveness, etc. • In addition, the accountability to ensure the program objectives are being achieved is not formally defined. In particular, who will be responsible, what will be done and

Description of Standard Requirement – ISO 22301		Assessment
results will be evaluated.		when it will be completed, or how the results will be evaluated. There are no minimum acceptable levels defined.
7.0 Support		
7.1	**Resources** **7.1.1 General** Management should ensure the availability of the resources needed to implement and control the business continuity management system and to meet the organization's BCM objectives, including responding to incidents in a timely and efficient manner. **7.1.2 BCMS resources** When identifying the resources required for implementing and maintaining the BCMS, the organization should make adequate provision for: • People and people-related resources (e.g. time, training, education, etc) • Facilities, including appropriate work locations and infrastructure • Technology, including application that support efficient and effective program management • Management and control of all forms of documented information • Information (e.g. policies, etc)		• AEMA contracts with a third party Vendor to provide delivery of all assigned DRP activities in a timely and efficient manner. This includes ensuring the availability of resources needed to implement and control the DRP. • When identifying the resources required for implementing and maintaining the DRP, AEMA currently relies on the CSP to make sure there are enough qualified staff available to administer the DRP. AEMA does not measure the effectiveness of the CSP's performance. • AEMA has a planning team which is responsible for developing a plan on how to respond to several ongoing DRPs in a timely and efficient manner. There is also a recovery team which is responsible for administering the DRPs. However, based on discussions with AEMA, it does not appear that there are dedicated resources responsible for monitoring the effectiveness of the programs.
7.2	**Competence** Management should determine the competencies required		• It was noted in the workshops that Registration Centers use municipal staff who generally do not understand the DRP.

Description of Standard Requirement – ISO 22301		Assessment
	for all BCMS roles and responsibilities and the awareness, knowledge, understanding, and skills needed to fulfill them. All persons assigned roles within the organization should demonstrate the competencies required and be provided with training, education, development, and other support needed to do so. The organization should have a process for identifying and delivering the business continuity training requirements of all participants and evaluating the effectiveness of its delivery Response and recovery teams should receive education and training about their responsibilities and duties. Team should be trained at regular intervals (at least annually), and new members should be trained when they join the response team. The organization should require contractors working on its behalf to demonstrate that person(s) doing work under its control have the requisite competence for the BCMS and response roles they will perform.	While the staff do receive training from AEMA on the overall registration process, they may still provide incorrect or inconsistent information or create false expectations amongst applicants. • The CSP has on contract, a team of core Evaluators who are registered with the Alberta Assessor Association or Associate of Insurance Adjusters. However, there are no assurances provided by the CSP to AEMA that appropriately skilled/trained Evaluators are conducting evaluations. For example, municipal damages are infrastructure related (e.g. buildings, bridges, roads, etc) which requires a specialized engineer who has the necessary skills to evaluate the damages. If Evaluators do not have the required knowledge of the types of damages, there is a risk that ineligible damages are incorrectly processed. • It was noted in the workshops that reinforcing competence through integration of DRP achievements into the organization's performance and recognition process does not exist.
7.3	**Awareness** Persons working under the organization's control (i.e. staff, contractors, etc) should have appropriate awareness of the BCMS. They should be aware of the BCM policy, their roles and responsibilities, importance of conformity with policies and procedures, the implications of changes in the operation of the organization, and their contribution to the effectiveness of the BCMS.	• All individuals involved with the DRP (including the CSP staff, AEMA staff, municipalities, applicants, etc) should be aware of the DRP guidelines, and their specific role and responsibility with regard to the DRP. • However, it was noted in the workshops that key aspects of the DRP, including its intent and purpose are not well understood by many of the municipal applicants. This is

Description of Standard Requirement – ISO 22301		Assessment
	The organization should build, promote and embed a BCM culture within the organization that becomes part of the organization's core values and management, and makes interested parties aware of the policy and their role in associated procedures		largely due to incorrect or inconsistent information received from Municipal representatives and a lack of information available on the AEMA website. As a result, applicant's confidence in AEMA to handle the DRP is negatively impacted. • In addition, it was noted that in regards to identification and management of program requirements outside of disaster financial assistance, AEMA and the CSP staff are not fully aware of what types of services and programs exist within the government or NGOs, outside of the DRP due to a lack of information available.
7.4	**Communication** The organization should have effective communication and consultation procedures for the exchange of information with interested parties. This should include: • Internal communication (e.g. employees, etc) • External communication (e.g. media, applicants, etc) • Receiving, documenting, and responding to communication from all interested parties • Adapting and integrating a national or regional threat advisory system or equivalent into planning and operational use, where an if appropriate • Alerting interested parties potentially impacted by an actual or impending incident • Ensuring availability of the means of communication during a disruptive incident • Facilitating structured communication with appropriate		• It was observed on AMEA's website that the communication of program information to interested parties such as applicants is quite general in nature and does not provide any specific contact information or how to access application forms. Rather, applicants are advised to contact their municipalities or call a general toll free number for more information. Because municipalities also do not have all the information, there is a risk of incorrect or inconsistent information being communicated to applicants. • There are currently no information sessions held for applicants or municipalities to learn more about the DRP. In addition, there are no training resources available online for applicants on how to complete the application. • The communication of program information to applicants (e.g. approval, denial, etc) is not completed in a timely manner. This

Description of Standard Requirement – ISO 22301		Assessment
	authorities and ensuring the interoperability of multiple responding organizations and personnel • Operating and testing of communications capabilities intended for use during disruption of normal communications	is mainly due to the manual processes in place which cause delays. In addition, the majority of correspondence with applicants is completed by mail. There is no electronic correspondence used (e.g. email). Sending letters is time consuming, costly and can delay applicant processing times.
7.5	**Documented Information** **7.5.1 General** Documented information provides evidence of conformity to requirements and effective operation of the management system Proper care should be taken to ensure the protection and non-disclosure of confidential information Organizations should comply fully with all relevant legislation and regulations regarding the retention of documented information and establish, implement, and maintain the processes required to achieve compliance **7.5.2 Create and update** The organization should comply with all requirements for creating and updating documented information including: • Its identification and description (e.g. titles, date, author, etc.) • Consideration of how the information will be captured and presented • Its review and approval for adequacy **7.5.3 Control of documented information**	• There is no formalized file management process (e.g. file checklists, etc) in place for either individual applicant files or for the overall program file. As several years can pass before a program is closed, there is a risk that key program information (e.g. approvals, key decisions, etc) is lost or forgotten or AEMA and / or the CSP staff who have quit have taken their program knowledge with them. As a result, complete records that demonstrate compliance with program guidelines and relevant legislation and that due process was followed for all actions and decisions are not available. This could impact the likelihood of obtaining funding from FAPD if the audit fails as a result of incomplete records. • Technology systems are not being leveraged to process applications and administer DRPs. There is heavy reliance on manual processes which is time-consuming and causes significant delays in providing assistance to affected individuals. • The contract between the CSP and AEMA is general in terms of security measures over the paper applicant files required from the CSP. Due to the sensitive nature of personal applicant data, there is a risk that documented evidence/information could be lost in the event the files are

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	Organization create, maintain, and protect documents in a manner that is appropriate and sufficient to implement and operate the BCMS A documented procedure should be established to define the controls needed to create, maintain, and protect information	damaged at the CSP. • AEMA does not have direct access to DRP information. All documented information for current programs is stored in database systems or in individual applicant files at the CSP. Every time AEMA requires information about a particular DRP, it must request it from the CSP- leading to program inefficiencies. • Each time a payment is issued to an applicant, MA Finance, AEMA, and the CSP will take photocopies of the payment and file this information. Shadow applicant files are being maintained by MA Finance and AEMA which makes it difficult to keep control over documented information (i.e. no one version of the truth).
8.0 Operation		
8.1	**Operational planning and control** The organization should determine, plan, implement and control those operational activities needed to fulfill its business continuity policy and objectives and meet applicable needs and requirements. The organization should ensure that planned changes are controlled; unintended changes are reviewed; and appropriate action is taken. **8.1.1 Elements of the business continuity program** The business continuity program comprises the following elements:	• Generally, AEMA does not actively manage its contract with the CSP. There is currently no governance system in place to monitor and evaluate the performance of the CSP against any minimum performance standards. Therefore, it is difficult to plan for and promote continuous improvement of the program. • Although the DRP comprises many of the elements described, many are not yet formalized or operating effectively within AEMA • AEMA does not currently use any recognized project management methodology to ensure that the DRP is

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• Business continuity program management • Embedding competence and awareness • Understanding the organization • Selecting business continuity options • Developing and implementing a business continuity response • Exercise and testing **8.1.2 Managing the BCM Environment** Effective management of the BCM environment includes: • Ensuring the continuing relevance of the scope, roles and responsibilities for business continuity • Promoting and embedding continuity across the organization and wider, where appropriate; • Managing costs associated with the business continuity capability; • Establishing and monitoring change management and succession management regime within the system; • Arranging or providing appropriate training for staff; and • Maintaining program documentation appropriate to the size and complexity of the organization **8.1.3 Managing the business continuity capability** Managing an effective business continuity capability includes: • Keeping the business continuity program current through good practice; • Administering the exercise program; • Coordinating the regular review and update of the	effectively managed. For example, there is a lack of rigor applied to estimating and managing the costs for a DRP. Typically, DRPs are approved for more funding then is actually spent / required. For example, the 2010 SADRP was approved and budgeted for $200 million. However, as the program is coming to a close, it is estimated that only $100 million has been spent to date. • In addition, the CSP's performance is not actively managed. • There is no formalized performance measurement system used to manage or review opportunities for improvement to the DRP, including the CSP's performance. The last formal program review was conducted in 2007 by KPMG. • The outcomes of the DRPs are not formally reviewed on an ongoing basis to identify any performance improvement opportunities.

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business continuity capability, including reviewing or reworking business impact analyses and risk assessments; and • Ensuring the maintenance of response documentation appropriate to the needs of the response teams **8.1.4 Measuring effectiveness** Measuring effectiveness needs to address both: • Monitoring the performance of the business continuity capability; and • Monitoring and reviewing the arrangements for outsourced activities **8.1.5 Outcomes** Outcomes indicative of an effective business continuity program may include the following: • Key products and services are identified and protected, • An incident management capability is enabled and provides an effective response • The organization's understanding of itself and its relationships with other organizations is properly developed, documented, and understood • Regular exercising ensures that staff are trained to respond effectively • Requirements of interested parties are understood and able to be delivered • Staff receive adequate support and communications in the event of a disruption • The organization's supply chain is secured		

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	• The organization's reputation is protected • The organization remains compliant with its legal and regulatory obligations • Financial controls are maintained		
8.2	**Business Impact Analysis and Risk Assessment** **8.2.1 General** The organization should establish, implement, and maintain a formal and documented process for business impact analysis and risk assessment. **8.2.2 Business Impact Analysis (BIA)** The BIA should include: • Identifying the activities that support the delivery of the organization's key products and services • Assessing the potential impacts over time of disruptions resulting from uncontrolled, non-specific events on these activities • Estimating how long it would take for the impacts associated with disruption of the organization's activities to become unacceptable • Setting prioritized timeframes for resuming the organization's activities (at a specified minimum acceptable level) • Identifying relevant dependencies and supporting resources **8.2.3 Risk Assessment** The organization should establish a formal risk assessment		• AEMA does not currently proactively monitor ongoing incidents to determine whether the incident could turn into a program. Rather, AEMA requires a municipality to first apply for the program before the need for a DRP is identified. • A business impact analysis could be used to assess the magnitude of the impact of the incident i.e. how much is the damage likely going to cost and therefore how likely will AEMA need to get the approval process started. • AEMA does not currently proactively monitor ongoing incidents or perform any risk assessment to determine how likely the event will turn into a situation where a DRP will be required. Rather, as mentioned earlier, AEMA currently waits to gather evidence from municipalities before a decision is made.

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	process that systematically identifies, analyzes and evaluates the risk of disrupting the organization's prioritized activities The organization should select an appropriate method for identifying, analyzing and evaluating risks that could result in disruptions. Typical elements that should be included are as follows: • Determination of the criteria for risk acceptance: The organization should describe the circumstances which it is willing to accept risks • Identification of acceptable levels of risk: Whatever risk assessment approach is chosen, the organization should identify the levels of risk that it considers acceptable • Analysis of the risks	
8.3	**Business Continuity Strategy** **8.3.1 Determination and selection** Determination and selection of the business continuity strategy should be based on the outputs from the business impact analysis and risk assessment. The aim of the strategy is to reduce the overall impact of disruptions by shortening the period of interruption and reducing its intensity to acceptable levels. The organization should determine an appropriate strategy for: • Protecting prioritized activities • Stabilizing, continuing, resuming, and recovering	• The criteria currently used to assess whether or not an incident would require a DRP to be activated is that the event is widespread and extraordinary. Through stakeholder engagement sessions, it was recommended that these terms be more clearly defined to avoid any misinterpretation. • The DRP's are intended to assist in providing or reinstating the basic essentials of life to individuals. However, there does not appear to be any strategy in place to reduce the period of interruption for individuals. There are currently no targets or performance measures set. • Both AEMA and the CSP play a role in ensuring they are able to staff the delivery of a DRP. However, based on discussions with applicants and several municipalities, it appears the

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prioritized activities and their dependencies and supporting resources • Mitigating, responding to and managing impacts • The organization should have in place a mechanism for the review and approval of recommended solutions. **8.3.2 Establishing resource requirements** **8.3.2.1 General** The organization should determine the resource requirements to implement the selected strategy options. Resources and their allocation should be reviewed periodically, and in conjunction with top management, to ensure their adequacy. **8.3.2.2 People** The organization should identify appropriate measures to maintain and widen the availability of core skills and knowledge in the event that the incident results in the reduction of staff availability. **8.3.2.3 Information and data** Information vital to the organization's operation should be protected and recoverable according to the timeframes identified within the BIA. **8.3.2.4 Buildings, work environment, and associated utilities** The organization should devise a strategy for reducing the impact of the unavailability of its normal worksite(s). **8.3.2.5 Facilities, equipment and consumables**	knowledge and skill of resources (e.g. Evaluators) needs to be improved. • There is no requirement in the CSP's contract which states that the CSP staff (e.g. Evaluators) must have specific skills / qualifications to perform their duties under the contract. The contract also does not specify any specific hiring standards required by the CSP (e.g. background check). • In addition, there are no assurances provided by the CSP that a sufficient number of Evaluators with the right skills sets are available at any point in time in the event of a large disaster. • Overall, the majority of stakeholders interviewed expressed the desire for additional information about the program from AEMA • In the event of a disaster, AEMA is responsible for working with municipalities to set up a Registration Center and arranging for the delivery of completed applications to the CSP for processing. • However, there is no formal strategy in place to ensure applicants will have a location to apply for the program in the event the entire municipality is impacted by the disaster or to put AEMA staff up in hotels in the event of a large disaster. • Some financial controls (e.g. sign-off approval, etc) exist to issue payments to applicants. • There is no specific requirement (e.g. in the contract) for the CSP to have an effective continuity arrangement in place.

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	The organization should identify and maintain an inventory of the core supplies that support its prioritized activities. **8.3.2.6 Information communications technology systems** Specific techniques ought to be developed to safeguard, replace, or restore specialized or custom built technologies. **8.3.2.7 Transportation** If logistics arrangements for incoming supplies and outgoing deliveries of products and services are disrupted, alternative logistic options should be selected. **8.3.2.8 Finance** Financial controls must be maintained through an incident. **8.3.2.9 Partners and suppliers** If a product, service or activity has been outsourced, the risk accountability for that product, service or activity remains vested within the organization. Consequently, an organization should assure itself that its key suppliers or outsource partners have effective continuity arrangements in place. **8.3.3 Protection and mitigation** For identified risks requiring treatment and in line with its overall attitude to risk, the organization should consider ways of reducing the likelihood, shortening the period and limiting the impacts of disruption.	• There is no formal strategy in place to identify risks and develop ways to reduce them
8.4	**Establish and implement business continuity procedures** **8.4.1 General** The organization should provide appropriate procedures to manage disruptive incidents and ensure that is activities	• When a disaster strikes, it was noted in several cases that the incident response structure is not simple and capable of being formed quickly. Rather, there are several levels of approval and damage estimate calculations required before a DRP can

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continue based on their identified recovery objectives. **8.4.2 Incident response structure** The organization should put in place procedures and a management structure that will enable it to prepare for, mitigate, and respond effectively to disruptive incidents. The response structure should be simple and capable of being formed quickly. **8.4.3 Warning and communication** **8.4.3.1 General** The organization should establish, implement and maintain procedures for warning and communication of incidents. **8.4.3.2 Incident response procedures** Procedures need to be established that, in advance of a potential incident, may enable: • Receiving, documenting, and responding to any national or regional risk advisory system or equivalent; • Alerting interested parties potentially impacted by an actual or impending disruptive incident. Once the incident has begun the organization should develop procedures that ensure: • The incident is continually monitored, • Structured communication with emergency responders • Provide communication between the various response teams with the organization • Regular communication with the staff and others for	be approved. As a result, the communication of program approval from the date of the disaster is timely. For example, for the Central AB DRP, the disaster occurred between July 10 and 20, and the communication of approval occurred on September 16 (approx 2 months after the disaster). As a result, many municipal applicants lost interest in the program and did not end up applying leaving approved program funding unused. • In addition, it was noted that there is no linkage with Municipal Emergency Operation Centers to enable early warning and expected damage estimations. As a result, DRs are typically approved for more funding then is actually spent / required due to poor estimates. For e.g. the 2010 SADRP was approved and budgeted for $200 million. However, as the program is coming to a close, it is estimated that only $100 million has been spent to date. • It was noted that regular communication with municipalities when a disaster strikes does not exist. Rather, municipalities are just expected to send in their estimate of damage to AEMA. However, it was noted in the workshops that the key aspects of the DRP, including its intent and purpose are not well understood by many of the municipal applicants. This was seen with the 2010 DRPs where several municipal applicants overstated their initial damage estimates in the hopes of getting additional funding. As a result, time and effort was spent getting program approvals and setting up registration centers for damages that were in fact not as

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	whom there is a duty of care • Recording of vital information about the incident, actions taken, and decisions made. **8.4.4 Business continuity plans** Not applicable **8.4.5 Recovery** Not applicable	significant as initially reported. • There are no procedures in place that, in advance of a potential incident, would enable receiving, documenting, and responding to any national or regional risk advisory system or alerting interested parties potentially impacted by an actual or impending disruptive incident. • Section 8.4.4 and 8.4.5 (Business Continuity Plans and Recovery) is not applicable to DRPs
8.5	**Exercising and testing** **8.5.1 General** Exercising is essential to developing teamwork, competence, confidence and knowledge all of which are vital at the time of an incident. The organization should exercise its continuity procedures to ensure that they are consistent with business continuity management objectives. **8.5.2 Exercise program** An exercise program should be devised that, over a period of time leads to objective assurance that the procedures will work as anticipated when required. **8.5.3 Exercising business continuity plans** The organization should use exercises and undertake post-exercise debriefing to ensure the effectiveness and readiness of its business continuity plans. Exercises should be realistic, carefully planned and agreed	• Section 8.5 is not the most relevant section for AEMA. This section would only be useful when significant changes are made to the DRP operation. This has not been the case for several years.

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with interested parties, so that there is a minimum risk of disruption to business processes as a direct result of the exercise.		
9.0 Performance Evaluation		
9.1	**Monitoring, measurement, analysis, and evaluation** **9.1.1 General** The procedures for the performance and the effectiveness of the BCMS should include: • Setting of performance metrics • Monitoring the extent to which policy, objectives, and targets are met • Assessing the performance of the processes, procedures, and functions that protect prioritized activities; • Proactive measures of performance that monitor compliance of the BCMS with applicable legislation, statutory and regulatory requirements; • Reactive measures of performance to monitor failures, incidents, and non-conformances • Recording data and results sufficient to facilitate subsequent correction action analysis • Records of all periodic evaluations and their results	●	• There is no performance measurement system used to manage DRPs. A single performance measure of "30-day evaluator visits" is used by the program, but does not provide any assurances that processes are achieving outcomes or operating as optimally as possible. In addition, the CSP is not held accountable to or measured against any minimum performance standard. • Current management / financial reports produced by the CSP do not add value or help AEMA to monitor the performance of a DRP. All standard reporting contains basic information on a DRP, e.g. number of applications, funding spent, etc. • There is no formalized performance measurement system used to manage or review opportunities for improvement to DRP processes and procedures, including the CSP's performance. The last formal program review was conducted in 2007 by KPMG.

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	should be maintained. The organization should analyze, and evaluate the outcomes from the monitoring and measurement. **9.1.2 Evaluation of continuity procedures** The organization should conduct evaluations of its continuity procedures and capabilities in order to ensure their continuing suitability, adequacy, and effectiveness. The evaluations should address the possible need for changes to policy, strategy, objectives, and other elements of the business continuity management system in the light of such things as exercise results, changing circumstances and the commitment to continual improvement. Evaluations may take the form of internal or external audits, or self-assessments. Documented information relating to all periodic evaluations and their results should be maintained as evidence of the evaluations.		
9.2	**Internal audit** The organization should conduct internal audits at planned intervals so that it may make sure the BCMS conforms to its own requirements for its BCMS and the requirements of this Standard. It is essential to conduct internal audits of the BCMS to ensure that the BCMS is achieving its objectives, that it conforms to its planned arrangements and has been properly implemented and maintained, and to identify opportunities	●	• There is no formal internal audit conducted to review whether DRPs conform to their own guidelines and requirements. • However, a provincial and federal audit is performed for each program that is FAPD eligible.

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	for improvement. The organization should establish an audit program to direct the planning and conduct the audit. An internal audit program should be based on the full scope of the BCMS; however, each audit need not cover the entire system at once. The results of an internal BCMS audit may be provided in the form of a report and used to correct or prevent specific nonconformities and provide input to conduct the management review. The audit may be performed by staff within the organization or by external persons, working on its behalf.	
9.3	**Management review** Top management should review the organization's BCMS, at planned intervals, to ensure its continuing suitability, adequacy, and effectiveness including the effective operation of its continuity procedures and capabilities. While ongoing system review is advisable, formal review should be structured and appropriately documented and scheduled on a suitable basis. Continual improvement and BCMS maintenance should reflect changes in the activities, functions, and risks to the operation of the organization that will affect the management system. The output from the management review should include	• There is no formal or structured top management review of the DRPs (including the CSP's performance) to ensure their continuing suitability, adequacy, and effectiveness. This review process will enable management to address need for changes to key elements of the program including changes to policy or regulatory requirements, resource allocations, risk acceptance, objectives and targets, and performance measures.

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decisions and actions, including the communication of results of management review to interested parties.		
10.0 Improvement		
10.1	**Nonconformity and correction action** The organization should identify nonconformities, take action to control, contain, and correct them, deal with their consequences and evaluate the need for action to eliminate their causes in a timely manner to prevent further occurrences. When any nonconformity is identified, an investigation into its root cause should be conducted and a corrective action plan developed for immediately addressing the problem. Corrective actions that result in changes to the BCMS should be reflected in the documentation.	• Based on workshop discussions, it appears that there is no formalized process in place to identify process weaknesses, and evaluate the need to take action to eliminate their root causes in a timely manner. Rather, issues are currently reviewed and addressed on ad-hoc basis.
10.2	**Continual improvement** The organization should continually improve the effectiveness of the BCMS. Continual improvement should be driven by the business continuity policy, objectives, audit results, analysis of monitored events, corrective actions and management review. The implementation of corrective actions should be validated as effective.	• There is no formalized process in place that properly identifies program weaknesses and then fixes them. This is largely due to the fact that no formalized performance management system currently exists. • In addition, if corrective action is taken, a formal review or validation of the corrections is not currently being performed.

Appendix 6 – Example Program Logic Model

Inputs	Activities	Outputs	Outcomes		
			Immediate	**Intermediate**	**Ultimate**

Inputs

Description:
- Applicants
- DRP funding
- AEMA staff
- LandLink staff

Example Metrics:
- Number of applicants
- Amount of DRP funding

Activities

Description:
- Data entry
- Evaluation
- Policy review
- Payment

Example Metrics:
- Number of hours for data entry per application
- Number of days for evaluations to be completed
- Number of hours for policy review
- Number of days for cheque being mailed

Outputs

Description:
- Eligible / ineligible applicants
- Assistance provided
- Damages repaired
- Administration cost

Example Metrics:
- % of applicants eligible / ineligible
- % of approved DRP funding used
- % of applicants with outstanding damage
- Administration cost as a % of total DRP funding

Immediate

Description:
- Pre-existing functional condition restored
- Operations re-established or maintained

Example Metrics:
- % of applicants able to return to pre-disaster functional condition
- % of applicants able to re-establish or maintain operations

Intermediate

Description:
- Ability to recover costs from Federal Government
- Ability to prevent recurring disasters

Example Metrics:
- % of costs recovered from Federal Government
- % of programs delivered in same area in consecutive years

Ultimate

Description:
- Safety of Albertans

Example Metrics:
- % of Albertans who feel safe and protected

Appendix 7 – Critical Success Factors

AEMA has identified several critical success factors for effective service delivery. These include:

- Knowledgeable, decisive and well trained staff delivering a consistent, transparent and professional service derived from mature processes and procedures.

- An efficient and timely process for approval of programs that anticipates and accounts for administrative and political procedures and requirements

- Early leverage of all appropriate expertise and resources within the AEMA

- Responsiveness and sensitivity to applicants' needs

- Restricting expenditures to those who have an eligible claim

- Speedy processing of assistance to applicants

- Responsive and scalable service from the program administration service provider

- Alignment with insurance industry (through the Insurance Bureau of Canada) to ensure clarity on insurable and non-insurable damages

- Early communication of the program's purpose, potential and limitations to elected officials, municipalities and the public

- Provision of comprehensive management reporting information as needed

- Sufficient availability of evaluation teams with professional certification and experience in damage assessment

- A robust management framework to ensure that program delivery policies and processes are used that will facilitate maximum assistance to applicants

- Close alignment to the Disaster Recovery Regulation, Disaster Assistance Guidelines and federal Disaster Financial Assistance Arrangements

Appendix 8 – Leading Practice References

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