



Fisheries and Oceans
Canada

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Canada



Internal Audit Report

Audit of the Management of Firearms

Project 2018-6B299

December 2019

Introduction

The audit was initiated and conducted in accordance with the Risk-Based Audit Plan 2018–2020 for Fisheries and Oceans Canada (DFO). This audit was conducted by the Internal Audit Directorate to examine governance over firearms, firearms inventory and the Department's compliance with federal firearms regulations.

Within Fisheries and Oceans Canada (DFO or the Department), there are two sectors which employ firearms during the conduct of their duties. Fisheries and Harbour Management sector (FHM; the Conservation and Protection (C&P) Directorate) uses both enforcement firearms (i.e. handguns) and non-enforcement firearms (i.e. rifles and shotguns). Ecosystems and Oceans Science (EOS) may use non-enforcement firearms during the conduct of their duties. The Canadian Coast Guard (Coast Guard) is a special operating agency within DFO, and selected members are designated as C&P officers who use both enforcement and non-enforcement firearms in carrying out their operational duties.

The Department is required to comply with federal acts, regulations and directives in the management of firearms, including the *Firearms Act*, the *Public Agents Firearms Regulations*, the *Storage, Display, Transportation and Handling of Firearms by Individuals Regulations* and the *Treasury Board Controlled Goods Directive*. Under the *Public Agents Firearms Regulations*, public sector agencies have an obligation to report agency firearms to the Royal Canadian Mounted Police Canadian Firearms Program (RCMP-CFP).

Why this audit is important

Firearms are high risk assets which require clearly defined governance, accountability and oversight; accurate and complete asset recording, monitoring and reporting; and asset storage and access controls. This is important to ensure the safety of government employees and the public, as well as the Department's reputation. At the time of the audit, the Department held a total of 1,908 active firearms.

Audit Objective

The objective of this audit was to determine whether Fisheries and Oceans Canada had adequately managed its firearms to ensure public safety and prevent misuse.

Audit Scope and Approach

The audit examined governing firearms policies, procedures and inventory asset management practices within the two sectors of DFO that use firearms and Coast Guard. The audit did not examine weapons other than firearms. See Appendix A for Lines of Enquiry and Audit Criteria.

Audit work was carried out through:

- Interviews with Human Resources and Corporate Services (HRCS), FHM, EOS, and Coast Guard employees at National Headquarters (NHQ) and in three DFO regions (Pacific, Maritimes, and Quebec) and three Coast Guard regions (Western, Central & Arctic and Atlantic);
- Review of FHM, EOS and Coast Guard firearms policies and firearm inventory management practices;
- Review of federal firearms regulations;
- Data analysis and reconciliation of inventory management systems and spreadsheets with the Department's financial system and the RCMP-CFP for accuracy and completeness; and
- Site visits to fifteen (15) DFO locations across three regions (Pacific, Maritimes, and Quebec) and three Coast Guard regions (Western, Central & Arctic and Atlantic) where firearms and ammunition are stored.

Site visit selection was based on firearms inventory data which identified locations with the largest percentage of firearms relative to the Department's total inventory. See Appendix B for Recommendations and Management Action Plans.

Audit Findings

Governance

Accountability for firearms governance resides within Fisheries and Harbour Management, Ecosystems and Oceans Science and the Canadian Coast Guard, with no central oversight role for National Headquarters.

The audit examined whether the Department had established governance for the management of its firearms. The audit found that accountability for firearms governance resides within FHM, EOS and the Coast Guard who have each established policies and procedures for the management of their respective inventory of firearms.

The audit found there is presently no central role for National Headquarters (NHQ) with regard to firearms governance. Such a role has been discussed through the creation of a National Firearms Administrator (NFA) position to maintain all Departmental Public Agency Identification Numbers (PAINs) and to oversee firearms acquisition, registration, oversight, monitoring and reporting to the RCMP-CFP. Although Departmental directives and standards identifying the NFA role and accountabilities have been drafted, they have not yet been formally approved.

Recommendation 1: *The Assistant Deputy Ministers of Human Resources and Corporate Services, Fisheries and Harbour Management, Ecosystems and Oceans Science, the Deputy Commissioner of Operations, Coast Guard, and the Chief Financial Officer should collaborate to establish a Departmental framework to oversee the management of firearms. This Departmental framework should include clear roles and responsibilities for accountability of firearms management.*

Management's Response: *Management agrees with the recommendation.*

The Assistant Deputy Ministers of HRCS, FHM, EOS and CFO sectors and the Deputy Commissioner, Operations, Coast Guard, will work with Regional Directors General and Assistant Commissioners to:

- Review existing DFO and Coast Guard policies and procedures relevant to the management of enforcement and non-enforcement firearms to ensure compliance with legislation and regulations.
- Establish a Departmental framework that clearly defines roles and responsibilities for the oversight and management of enforcement and non-enforcement firearms, and enables the sharing of best practices for the management of firearms.

Inventory Management

All active Departmental firearms have been recorded as required by federal regulations.

The audit examined the inventory of active Departmental firearms for FHM, EOS and Coast Guard and reconciled this to the RCMP-CFP inventory to assess whether all active firearms have been reported in accordance with the *Public Agents Firearms Regulations* and the RCMP-CFP requirements. The audit found that all active Departmental firearms have been reported to the RCMP-CFP as required.

The transfer or disposal of retired firearms is not consistently documented as required by federal regulations.

The audit examined whether the Department had documentation to confirm the transfer or disposal of retired firearms in accordance with the *Public Agents Firearms Regulations*. Per the *Regulations*, prior to their disposal, firearms are to be offered to the chief firearms officer of the province in which the firearm is stored or to the Commissioner of the RCMP, for destruction or for any scientific, research or educational purpose, or for preservation as a historical firearm. If the offer is refused, the public service agency must dispose of the firearm by having it destroyed, and ensuring a report of each firearm that it disposes of is provided to the Canadian Firearms Registrar.

Through review of the Department's financial system, the audit found 120 firearms identified as retired. For approximately half of these retired firearms, the audit did not find documentation to confirm their transfer or disposal as required by the *Regulations*. For the remaining retired firearms, the audit found documentation confirming their transfer or disposal in accordance with the *Regulations*.

Given the nature of firearms as a high risk asset and controlled good, the Department should consistently document the transfer or disposal of retired firearms, as required by the *Public Agents Firearms Regulations*, to ensure the Department no longer bears responsibility or liability for the ownership and control of these assets.

Recommendation 2: *The Assistant Deputy Ministers of Human Resources and Corporate Services, Fisheries and Harbour Management, Ecosystems and Oceans Science, the Deputy Commissioner of Operations, Coast Guard, and the Chief Financial Officer should ensure that, within the Departmental framework (see Recommendation 1), a consistent process is established to document the transfer or disposal of retired firearms.*

Management's Response: *Management agrees with the recommendation.*

The Departmental framework established under Recommendation 1 will provide for the development of a well-defined process to better document the transfer or disposal of retired firearms.

Departmental inventory management systems and practices to record, track, monitor and report on firearms are not consistent and are not providing accurate and complete firearm inventory information.

The audit examined whether the Department had an information system in place to provide management with accurate, complete and timely information to manage firearms. The audit found that there is no consistent or central inventory coordination point to facilitate the recording, monitoring and reporting of all sector and regional firearms, as recommended by the RCMP-CFP. Accountability for inventory management systems and practices for the recording, monitoring and reporting of firearms inventory reside within FHM, EOS and Coast Guard.

For recording and monitoring:

- FHM uses annual or semi-annual review processes led by the Regional Firearms Officer (RFO) who conducts site visits, inventory counts and firearm condition inspections. Not all FHM regions have the same site visit process.
- EOS does not have an established practice or process for monitoring and reporting firearms inventory.
- Coast Guard regions conduct semi-annual spot check inventory counts using spreadsheets.

The audit also found that inventory management systems and practices vary across the Department and across the regions, and firearms inventory information is not always accurate and complete. The audit confirmed this through site visits to some FHM regions where Conservation and Protection firearms were found on site that did not appear on the inventory listing provided for sampling and examination.

Many active firearms are not recorded in the Department's financial system as required by Departmental directive.

As required by the Departmental *Directive on the Management of Movable Assets*, the audit examined whether Departmental firearms were recorded in the Departmental financial system. The audit found that 410 out of 1,908 active firearms (21%) were not recorded as required by Departmental policy. These 410 firearms were, however, accounted for in other systems, databases, and spreadsheets. Specifically, FHM (C&P) did not record 367 of its firearms (23%), EOS did not record 20 (8%) and the Coast Guard did not record 23 (22%).

A gap in the recording, monitoring and reporting of these assets could create a risk to the Department's ability to produce accurate, complete and timely information on firearms inventory.

Recommendation 3: *The Assistant Deputy Ministers of Human Resources and Corporate Services, Fisheries and Harbour Management, Ecosystems and Oceans Science, the Deputy Commissioner of Operations, Coast Guard, and the Chief Financial Officer should ensure that the Departmental framework (see Recommendation 1) requires that all firearms are recorded in accordance with Departmental policy and that regular reconciliation and verification activities are conducted to ensure the accuracy and completeness of the Department-wide inventory of firearms.*

Management's Response: *Management agrees with the recommendation.*

The Departmental framework established under Recommendation 1 will ensure:

- the registration of all firearms in the Department's financial system as required by applicable governing legislation and policy; and
- the regular reconciliation and verification of all firearms in order to provide management with accurate, complete and timely information to manage firearms Department-wide.

Compliance with Federal Firearms Regulations

Overall the Department is adhering to federal firearms regulations for the secure storage of firearms and ammunition.

The audit examined whether the Department was compliant with federal regulations for the secure storage of firearms and ammunition. Through site visits to selected FHM and EOS regional offices, and Coast Guard vessels, the audit found overall adherence to firearm and ammunition storage requirements of the *Public Agents Firearms Regulations* and the *Storage, Display, Transportation and Handling of Firearms by Individuals Regulations*.

Some opportunities were observed during site visits to enhance the security of storage, including: missing firearm trigger locks (C&P two instances, Coast Guard one instance, and EOS one instance); EOS rifles and shotguns stored in a C&P storage safe in one FHM regional office; and EOS rifles and shotguns not being serviced in one region.

Access control practices within the Department can be improved.

The audit examined whether the Department restricted access to firearms and ammunition to prevent misuse. The audit found that during site visits to selected Coast Guard facilities and vessels where firearms and ammunition were stored, access to firearms and ammunition were restricted to the on-site and vessel commander. The use of logbooks to record access to firearms and ammunition was observed at these facilities and vessels.

During site visits to FHM regional offices, access to firearms and ammunition storage rooms was restricted to C&P officers through access cards, alarm and pass codes, and safe combinations. However, with the exception of three FHM regional offices, it was observed at most regional offices visited, C&P officers could enter storage rooms unaccompanied and access firearms and ammunition without tracking their use. At regional DFO headquarters (RHQ) offices in Vancouver, Moncton and St. John's (Newfoundland & Labrador), good access control practices were observed whereby C&P officers are escorted by the Regional Firearms Officer (RFO) to storage locations, and the firearm and amount of ammunition signed out by the C&P officer are recorded in a logbook.

During site visits to selected EOS locations, the use of logbooks in two of five locations visited was observed. Site visits to two EOS regional offices also found that field operations where the use of firearms may be necessary for self-defence against wildlife are contracted to third parties who use their own firearms and EOS firearms.

Recommendation 4: *The Assistant Deputy Ministers of Fisheries and Harbour Management and Ecosystems and Oceans Science, in collaboration with Regional Directors General, should assess their respective firearm and ammunition access control practices and implement a mechanism to track the use of firearms and ammunition.*

Management's Response: *Management agrees with the recommendation.*

Within the context of the Department Framework established under Recommendation 1, the Assistant Deputy Ministers of FHM and EOS, in collaboration with Regional Directors General, will review firearm access control practices, including secure storage of firearms and ammunition.

Conclusion

The audit found that the Department has established elements of governance and inventory management practices and has adhered to federal firearms regulations to enhance public safety and prevent misuse. Areas for improvement were found in relation to asset inventory management practices and access control over firearms.

Statement of Conformance

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing as supported by the results of the Quality Assurance and Improvement Program of Fisheries and Ocean Canada's Internal Audit Directorate.

Approvals

The Internal Audit Report "Audit of the Management of Firearms" was approved by the Deputy Minister at the Departmental Audit Committee (DAC) meeting on December 4, 2019, pending modifications. The revised report was subsequently approved by the external DAC members via secretarial distribution on January 20, 2020.

Appendix A: Lines of Enquiry and Audit Criteria

The audit criteria were developed using the following sources:

- *Firearms Act*
- *Public Agents Firearms Regulations*
- *Storage, Display, Transportation and Handling of Firearms by Individuals Regulations*
- *Treasury Board Secretariat Controlled Goods Directive*
- *Fisheries and Oceans Canada Directive on the Management of Movable Assets*

Line of Enquiry 1 – Governance	Criteria Met
Criterion 1.1: Effective oversight bodies exist to manage the overall use of firearms and have clearly communicated mandates that include roles with respects to governance, risk management and internal controls.	Partially met
Criterion 1.2: Guidelines and procedures are aligned with government-wide policies and expectations, and are defined and implemented.	Partially met
Criterion 1.3: Roles and responsibilities are defined, consistent, documented and communicated.	Partially met
Line of Enquiry 2 – Inventory Management	
Criterion 2.1: An information system is in place and provides management with accurate, complete and timely information to manage firearms.	Not met
Criterion 2.2: Inventory reports are sent to the Canadian Firearms Program as required.	Partially met
Line of Enquiry 3 – Compliance with Federal Firearms Regulations	
Criterion 3.1: Management monitors if firearm activities are in compliance with internal and external laws, regulations, policies, directives and procedures.	Partially met
Criterion 3.2: Firearms and ammunitions are properly safeguarded in accordance with laws, regulations and departmental policies.	Partially met
Criterion 3.3: Assets and records are periodically verified.	Partially met

Appendix B: Recommendations and Management Action Plans

Recommendations	Management Action Plan
<p>Recommendation 1: The Assistant Deputy Ministers of Human Resources and Corporate Services, Fisheries and Harbour Management, Ecosystems and Oceans Science , the Deputy Commissioner of Operations, Coast Guard, and the Chief Financial Officer should collaborate to establish a Departmental framework to oversee the management of firearms. This Departmental framework should include clear roles and responsibilities for accountability of firearms management.</p>	<p>Management agrees with the recommendation.</p> <p>The Assistant Deputy Ministers of HRCS, FHM, EOS and CFO sectors and the Deputy Commissioner, Operations, Coast Guard, will work with Regional Directors General and Assistant Commissioners to:</p> <ul style="list-style-type: none"> ▪ Review existing Fisheries and Oceans Canada and Coast Guard policies and procedures relevant to the management of enforcement and non-enforcement firearms to ensure compliance with legislation and regulations. ▪ Establish a Departmental framework that clearly defines roles and responsibilities for the oversight and management of enforcement and non-enforcement firearms, and enables the sharing of best practices for the management of firearms. <p>Target date: May 31, 2020</p>
<p>Recommendation 2: The Assistant Deputy Ministers of Human Resources and Corporate Services, Fisheries and Harbour Management, Ecosystems and Oceans Science, the Deputy Commissioner of Operations, Coast Guard, and the Chief Financial Officer should ensure that, within the Departmental framework (see Recommendation 1), a consistent process is established to document the transfer or disposal of retired firearms.</p>	<p>Management agrees with the recommendation.</p> <p>The Departmental framework established under Recommendation 1 will provide for the development of a well-defined process to better document the transfer or disposal of retired firearms.</p> <p>Target date: August 30, 2020</p>
<p>Recommendation 3: The Assistant Deputy Ministers of Human Resources and Corporate Services, Fisheries and Harbour Management, Ecosystems and Oceans Science, the Deputy Commissioner of Operations, Coast Guard, and the Chief Financial Officer should ensure that the Departmental framework (see Recommendation 1) requires that all firearms are recorded in accordance with Departmental policy and that regular reconciliation and verification activities are conducted to ensure the accuracy and completeness of the Department-wide inventory of firearms.</p>	<p>Management agrees with the recommendation.</p> <p>The Departmental framework established under Recommendation 1 will ensure:</p> <ul style="list-style-type: none"> ▪ the registration of all firearms in the Department’s financial system as required by applicable governing legislation and policy; and ▪ the regular reconciliation and verification of all firearms in order to provide management with accurate, complete and timely information to manage firearms Department-wide. <p>Target date: May 31, 2020</p>
<p>Recommendation 4: The Assistant Deputy Ministers of Fisheries and Harbour Management and Ecosystems and Oceans Science, in collaboration with Regional Directors General, should assess their respective firearm and ammunition access control practices and implement a mechanism to track the use of firearms and ammunition.</p>	<p>Management agrees with the recommendation.</p> <p>Within the context of the Department Framework established under Recommendation 1, the Assistant Deputy Ministers of FHM and EOS, in collaboration with Regional Directors General, will review firearm access control practices, including secure storage of firearms and ammunition.</p> <p>Target date: May 31, 2020</p>