



ASSEMBLY OF FIRST NATIONS

First Nations Accountability Fact Sheet – June 2011

Context:

First Nations governments across Canada are making progress in improving the quality of life for all our citizens by rebuilding our nations, assuming responsibility and advancing recognition of our inherent Aboriginal and Treaty rights. An important step forward requires confirming a genuine accountability relationship between the Government of Canada, First Nation governments and the citizens they represent.

AFN Chiefs in Assembly unanimously passed a resolution in December 2010, reaffirming their commitment to maintaining transparent and accountable decision-making structures in First Nation communities. This “lead by example” approach includes a commitment to providing clear and timely access to audits and public accounts, itemizing and publicly disclosing salaries, honoraria and expenses to First Nation citizens.

At the same time, some continue to raise allegations of a lack of accountability. The facts contradict this view.

Financial Management:

- Among 557 audits conducted by INAC in 2002-03, problems of any kind were found in only 16 cases (less than 3%). These problems range from matters as simple as a lack of full documentation to more serious accounting irregularities.
- As of March 2004, INAC had followed its policy to intervene with third party management due to financial, political or other management problems in a total of 34 cases (approximately 5% of 633 band councils). This is a cumulative rather than annual figure as resolution often takes several years. Interventions are brought on by a range of matters that would be dealt with internally by non-aboriginal managers, such as carrying greater than 8% debt load, something municipal governments, businesses and individuals do frequently with no intervener.
- An investigation through the Parliamentary Standing Committee on Aboriginal Affairs and Resource Development in 2003, showed that 96% of First Nations had no accountability issues of any kind, meaning that they were fully compliant with all rules and regulations.
- The fact that there is a fiscal accountability issue of any kind in less than 5% of cases compares favourably to non-First Nations, whether applied to other governments, businesses or individuals.



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Reporting:

- First Nations government reporting greatly exceeds that of comparable institutions.
- First Nations provide a minimum of 168 different financial reports to the four major funding departments (INAC, Health Canada, HRSDC and CMHC). That's three per week. The majority of these communities have less than 500 people.
- INAC alone receives over 60,000 reports from First Nations annually.
- The Auditor General of Canada, in her December 2002 report, said "We are concerned about the burden associated with the federal reporting requirements. Resources used to meet these reporting requirements could be better used to provide direct support to the community".
- In the Auditor General's 2006 Status Report on Management of Programs for First Nations, it was found there had been some engagement from the federal government on reviewing and reducing reporting requirements, BUT the burden that they present to First Nations governments had not been reduced at all.
- Additionally, the federal focus remains on compliance reporting rather than performance reporting – which leaves First Nations citizens and Canadians in general no better informed regarding effectiveness of programming.

There is also the question of accountability of the federal government for its management of First Nations' funding. With Federal Government control over decision-making and funding levels, First Nations communities have been relegated to the poorest in Canada. Real accountability would:

- affirm accountability and responsibility from First Nations governments to their citizens;
- ensure accountability from the Federal Government for delivery of services and equitable funding in accordance with the fiduciary responsibility of the Crown
- amend reporting requirements to provide relevant information about outcomes to communities, while reducing the burden on them;
- integrate programs and streamline processes to remove overlap and accelerate decision-making; and
- establish sustainable funding, with an escalator formula that mirrors the true cost drivers of need, inflation and population growth.

Changing the accountability relationship and reforming processes will bring us all closer to better outcomes and real improvements in quality of life for First Nations peoples.