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Auditor General
of Canada
to the House of Commons

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Chapter 1
Streamlining First Nations
Reporting to Federal Organizations

Office of the Auditor General of Canada

The December 2002 Report of the Auditor General of Canada comprises 11 chapters, Matters of Special Importance—2002, a Foreword, Main Points, and Appendices. The main table of contents is found at the end of this publication.

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Chapter

1

Streamlining First Nations Reporting to Federal Organizations

Table of Contents

Appendices

Streamlining First Nations Reporting to Federal Organizations

Main Points

1.1 First Nations reporting requirements established by federal government organizations are a significant burden, especially for communities with fewer than 500 residents. We estimated that at least 168 reports are required annually by the four federal organizations that provided the most funding for major federal programs.

1.2 We found overlap and duplication among the required reports. With the exception of some financial reports, limited use is being made of the reports by the federal organizations sampled, and we suggest that fundamental change is required. We found the following:

- Reporting requirements are dictated, not based on consultation.
- The information reported is generally not used to set funding levels.
- The reports contain information that does not reflect community priorities.
- We noted that new reports are being introduced with little or no review of the reporting requirements for existing programs, adding to the reporting burden.
- There is little feedback to the First Nations, except for an analysis of audited financial statements.
- Most required reports for Indian and Northern Affairs Canada (INAC) and Health Canada do not provide adequate information on performance or results.
- Little of the information being collected from the First Nations is being used by a number of the federal organizations in their reports to Parliament.

1.3 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. Steps need to be taken to streamline reporting requirements. The current program structure established by the federal organizations is an obstacle to reforming reporting requirements and needs to be reviewed.

Background and other observations

1.4 The reporting relationship between the First Nations and the federal organizations has evolved significantly over the last few decades. Today, communities deliver programs and services and administer annual budgets that can be in the millions of dollars. This has increased the reporting

requirements within the communities and from the communities to federal organizations.

1.5   The study reported here focussed on the reporting requirements of funding agreements between the federal government and First Nations. Although the Auditor General is not the auditor of First Nations, we wanted to reflect their perspectives. The Federation of Saskatchewan Indian Nations assisted us and as a result, four First Nations and two tribal councils in Saskatchewan volunteered to participate in the study.

1.6   Our study was not intended to provide a complete view of national reporting. However, as the same reports are required in every region of the country, the study does shed light on issues that are relevant across Canada. It also suggests criteria for reporting.

The federal government has responded. The government's response is included at the end of the chapter. The government agrees with the recommendations in the study, and accepts the desire to reduce the reporting burden on First Nations.

Introduction

Reporting requirements are of recent origin

1.7 First Nations have undergone a significant evolution in their reporting relationship with federal organizations over the last few decades. As recently as 1968, Indian agents played a key role in First Nations communities as the official spokespersons for Indian and Northern Affairs Canada (INAC). The chief and council were not responsible for program delivery, and First Nations did not report to federal organizations; those responsibilities were handled by the Indian agent.

1.8 The situation has changed significantly. Chiefs and councils have assumed increasing responsibility for program delivery. Today, communities deliver the programs and administer annual budgets that can be in the millions of dollars.

Reporting requirements have evolved

1.9 For some communities, block funding arrangements on a multi-year basis have increased their autonomy and provided flexibility in the delivery of programs. Multi-year funding has consolidated reporting requirements for some programs, from a monthly to an annual basis.

1.10 In the last few years, the number of federal programs that provide support to First Nations has increased. Each new program has generated additional reporting. In addition, recent concerns about the adequacy of controls over public expenditures, particularly grants and contributions, have led federal organizations to take steps to increase controls. Taken together, these factors have resulted in increased reporting requirements.

Communities are diverse

1.11 It is important to note the circumstances in which federal programs are delivered in First Nations communities. Communities vary in size. The majority (61 percent) have fewer than 500 residents. Many of the communities (20.7 percent) are located in isolated and remote areas which affects the delivery of key services such as health care and education. In addition, each community is distinct in terms of its culture, degree of economic development, and the types and levels of services required.

Focus of the study

1.12 This is the first study undertaken as part of the Auditor General's priority on Aboriginal issues. It examines reporting requirements associated with funding agreements between federal organizations and First Nations, the purposes of reporting, and—recognizing the importance of good reporting for good management—ways to improve current practice. We started with the First Nations communities, looking at issues from their perspective, followed by a review of the systems and practices in the applicable federal organizations.

We were told by one member of a community how, as a child, in the mid-1960s her father took her by the hand, walked up to a cottage located in the community, and stood in a long line to receive the monthly family rations from the Indian agent. Today, that same community has investments and assets in excess of $100 million, revenues in excess of $42 million, and expenses of $30 million (31 March 2001).

1.13   The objectives of the study were

- to assess reporting and audit requirements,
- to examine the use of reports and audits, and
- to develop criteria for an effective reporting system.

1.14   The Auditor General is not the auditor of First Nations. Our mandate is to audit federal departments, agencies, and the Crown corporations that, in turn provide support for First Nations. However, in this study, we needed the co-operation of a number of First Nations to learn about the reporting first-hand and to talk to those most directly affected.

1.15   The Federation of Saskatchewan Indian Nations (FSIN) offered to assist us, which led to four First Nations in Saskatchewan volunteering to participate in this study. Two are multi-community First Nations. Each of these First Nations has a significantly different relationship with the federal government. Two communities were managing their own affairs and two were managed by a third party with one federal department; this means that the programs delivered to them were under trusteeship and managed by a third party independent of the community. We also included two tribal councils in the study, because of their role in delivering health, education, and other services, through agreements with the federal government.

1.16   We examined the four federal organizations that provided the largest amount of funding to First Nations for program development and delivery. These organizations accounted for 95 percent of federal funding to First Nations in 2000–01. In order of size of spending, they were: Indian and Northern Affairs Canada (68 percent), Health Canada (18 percent), Human Resources Development Canada (5 percent), and Canada Mortgage and Housing Corporation (4 percent). We met with officials of these four organizations at their headquarters in the National Capital Region, and in local and regional offices in Saskatchewan. Exhibit 1.1 shows the program areas included in the study.

1.17   The study is not intended to provide a complete view of national reporting. However, given that the same reports are required in every region of the country, the study does shed light on issues that are relevant across Canada. In addition, we sought to identify good practices that would apply generally to communities in other regions of the country.

1.18   As we were completing the study, the Minister of Indian and Northern Affairs tabled an act "respecting leadership selection, administration and accountability of Indian bands, and to make related amendments to other Acts." This act could change the way First Nations are required to report; however, it did not form part of our discussions with First Nations and is not considered in this study. Also not considered in the study, but related to reporting, is a proposal to establish four public institutions, including a First Nations Statistical Institute that is intended to assist First Nations in meeting their information needs.

1.19   Further details on the study are found at the end of the chapter in About the Study.

Observations and Recommendations

The nature of the reporting system

Funding agreements set requirements

1.20 Both specific statutes, including the *Indian Act* and other federal legislation, and government policies incorporated into funding agreements with First Nations require First Nations to report to federal organizations.

1.21 The agreements are quite standard, based on templates and funding is distributed by formulas rather than negotiated individually. The agreements typically supply the funds for a specified time period and specific program purposes, and attach various conditions, including the minister's right to intervene and the reporting requirements.

Exhibit 1.1 Program areas included in the study

Organization	Program areas	Description of programs
Indian and Northern Affairs Canada	Indian registration	Reports to the Department on births, deaths, and other events related to the registering of persons with Indian status.
	Education	Provides funding for all levels of education from elementary to post-secondary, including special education and life-long learning.
	Social development	Provides funding through First Nations to individuals and families for a variety of social programs.
	Indian government support	Provides funding for the structures that govern the communities and tribal councils.
	Capital	Provides funding support for community infrastructure, such as water and sewer services, roads, bridges, the construction and renovation of houses, and major capital projects.
	Economic development	Assists in the process of community economic development, general business assistance, and resource-based opportunities.
Health Canada	Home and Community Care	Implements or enhances home and community care. This comprises a range of services that responds to the unique health and social needs of First Nations.
	Aboriginal Head Start on Reserve	An early intervention strategy that addresses the needs of First Nations children up to the age of six, who live in First Nations communities.
	Aboriginal Diabetes Initiative	Addresses the epidemic of diabetes among Aboriginal people in three main areas: care and treatment, prevention and promotion, and lifestyle support.
	Tuberculosis Elimination Strategy	Works to prevent and control tuberculosis in First Nations communities.
Human Resources Development Canada	Aboriginal Human Resources Development Strategy	Enables Aboriginal organizations to assist clients to prepare for, obtain, and maintain employment.
Canada Mortgage and Housing Corporation	Section 95, *National Housing Act*, Assisted Housing	Assists First Nations to construct, buy, and renovate suitable and affordable houses for rent on-reserve.

Source: Canada Mortgage and Housing Corporation, Health Canada, Human Resources Development Canada, and Indian and Northern Affairs Canada

1.22 The funding agreements generally take the form of contribution agreements—a type of transfer agreement subject to controls at the departmental and central agency levels. Treasury Board policy governs the way departments make these payments, and how they are accounted for and audited. External audits are not mandatory under the policy, but when financial audits are required under contribution agreements, they are to be conducted in accordance with generally accepted auditing standards. Essentially, under these agreements, First Nations are held accountable for spending the money to achieve the purposes intended. They may also be subject to departmental audit to verify those expenditures. Agreements with First Nations provide funds for program expenditures (for education, housing, and community health and social programs); for some programs, adjustments are made to reimburse First Nations for money spent for specific purposes (for example, social assistance, special education, Indian Child and Family Services).

1.23 In Saskatchewan the federal organizations have determined funding for some programs on a province-wide basis but may involve the Federation of Saskatchewan Indian Nations in the management of the programs, as in HRDC labour market programs. The Canada Mortgage and Housing Corporation also involves the Federation in the allocation of resources for housing.

Funding agreements have evolved

1.24 Funding agreements have evolved in recent years.

- INAC's stated intention has been to move toward agreements that provide greater flexibility for First Nations, for example by allowing multi-year funding and the application of a surplus in one program to be moved to cover expenditures in another program.

- During the 1990s, Health Canada was also moving to promote greater flexibility through five-year transfer agreements. Recently, however, it undertook a major revision of its agreements with First Nations. For example, the year-end due date for audited financial statements was extended from 90 to 120 days. In addition, consolidated transfer agreements have been changed to add additional control features.

1.25 In the four communities we visited, we found that one has a five-year transfer agreement with INAC (Financial Transfer Arrangement), and another has an annual agreement with INAC (Comprehensive Funding Arrangement). In the other two communities, the annual agreement for the delivery of their INAC programs was between the third-party manager and INAC. Three of the communities had multi-year agreements with Health Canada (Consolidated Contribution Agreement [Transfer/Targeted Programs]); the other community's tribal council had the same form of agreement. All of the communities had project-operating agreements with CMHC for subsidies and loans guaranteed by INAC, for the construction, purchase, or renovation of homes.

Several types of reports are required

1.26 The non-financial and financial reports required by federal organizations can be grouped as set out in Exhibit 1.2 which provides examples of each type of report (see Appendix A for additional information). We included reports that support funding proposals, whether the proposals are for one-time funding or in support of ongoing programs. We also included budgets and cash flow statements for new programs, because First Nations provide the data required for them. The federal organizations provide First Nations with funding to prepare the required reports.

A large number of reports are required

1.27 We estimated that 202 reports are required annually in a community for the selected programs of the four federal organizations in our study, including reports required under INAC annual agreements (comprehensive

Exhibit 1.2 **Examples of types of reports that must be completed by First Nations**

Type	Federal organization	Report	Description
Non-financial reports			
Plan	Indian and Northern Affairs Canada (INAC)	Five-year Housing Plan	Sets out the revenues and expenditures for housing by year and source of funding support (INAC, CMHC, Band funds, etc.).
Support for proposals	Canada Mortgage and Housing Corporation (CMHC)	Environmental reports	These reports are required in support of rental housing proposals involving more than six units to determine if there is contamination such as chemicals, on the sites being considered for housing units.
Activity	INAC	Adult Care Monthly Report (an annual report in five-year agreements)	Provides information on the client who was served, the type of care received, and the nursing hours involved.
Census	INAC	Post-secondary education	The annual census reports on the numbers of students funded, the institutions they attend, and related information.
Monitoring	Human Resources Development Canada (HRDC)	Monitoring reports	Compiles the observations and recommendations that result from a visit by personnel from the Saskatchewan Indian Training Assessment Group Inc. to First Nation management areas. It covers matters such as financial claims, Employment Insurance activities, and capital assets.
Evaluation	INAC	Five-year school evaluations	A review of the education program in First Nation-operated schools is required every five years.
Financial reports			
External audited financial statements	INAC	First Nations external audited financial statements	External auditors, appointed by the chief and council, audit the financial statements and report directly to them.
Other financial reports	Health Canada	Budgets and cash flow statements for new contribution programs	Generally a one-page statement covering the period of the contribution agreement for each program.

Source: Canada Mortgage and Housing Corporation, Health Canada, Human Resources Development Canada, and Indian and Northern Affairs Canada

funding arrangements). The number falls to 168 by virtue of the reduced reporting requirements under INAC multi-year agreements (financial transfer arrangements). The results are summarized in Exhibit 1.3. These estimates are based on funding agreements in Saskatchewan and supporting documentation from federal organizations; the actual number of reports filed by individual First Nations may vary. The estimate is understated because we did not count reports for all programs of the four organizations, or those required by other federal organizations that also provided support to Aboriginal peoples.

First Nations perspectives

Communities develop reporting procedures

1.28 In the reporting system, the flow of information is from First Nations to federal organizations. The First Nations we talked to, found that the reporting requirements were not well suited to helping them to manage their own affairs, particularly where they had developed governance structures that include reporting procedures.

1.29 In the four First Nations we visited in Saskatchewan, the chief and council, as elected officials, delegate portfolio responsibilities in areas such as health and housing to committees chaired by a council member and composed of community members.

1.30 In one smaller community we noted five such committees. Anyone from the community is welcome to sit on these committees, which report back regularly to the council. Councillors who are responsible for a particular area or portfolio are directly involved with staff in administration and management of the programs. Another larger community established 12 portfolios; each portfolio is held by a councillor, and managed by a program director. In that community, administration is separate from the role of elected officials, and is governed by its financial management act.

Some communities have developed internal financial reporting

1.31 The two communities that are not managed by a third party have developed procedures for internal financial reporting. This financial reporting is tied to their budget process. They have appropriate accounting software and are organized to review and report on financial information. For example, in one community, general ledger reports are sent to the executive director for review before being forwarded to the chief and council. Over the course of the year, staff report on differences, or variances against budget. The chief and council monitor the overall budget and services provided, and approve financial transactions.

1.32 Both communities have a good working relationship with the external auditors. Part of the budget process is an annual meeting with the membership where the chief and council present the audited financial statements.

Exhibit 1.3 **Estimated annual number of required reports for federal programs examined**

| Federal programs | Plans | Non-financial reports | | | | Financial reports | | Total number of reports |
		Support for proposals	Activity	Census-type	Evaluation and monitoring	External audited financial statements	Other financial (budgets, cash flows)	
Indian and Northern Affairs Canada (INAC)								
INAC – consolidated						1	1	2
Indian Registry System				26				26
Education			3	3	1		3	10
Social development		12	40 (6)*		1		24	77 (43)*
Indian government support		1	1					2
Capital	1		9				5	15
Economic development			4					4
INAC sub-total	1	13	57 (23)*	29	2	1	33	136 (102)*
Health Canada								
Transfer programs	1		1		1	1		4
Home and Community Care	1	1	4				3	9
Aboriginal Head Start on Reserve	1		3				1	5
Aboriginal Diabetes Initiative	1		4				3	8
Tuberculosis Elimination Strategy			22				12	34
Health Canada sub-total	4	1	34		1	1	19	60
Canada Mortgage and Housing Corporation (CMHC)								
Section 95, *National Housing Act*, Assisted Housing		2**	1		1	2		6
TOTAL	5	16	92 (58)*	29	4	4	52	202 (168)*

Exhibit 1.3 Estimated annual number of required reports for federal programs examined (continued)

| Federal programs | Non-financial reports | | | | | Financial reports | | Total number of reports |
	Plans	Support for proposals	Activity	Census-type	Evaluation and monitoring	External audited financial statements	Other financial (budgets, cash flows)	
Human Resources Development Canada (HRDC)*								
Aboriginal Human Resources Development Agreements (AHRDA)		1	9****			****	5	15

Notes:

*Numbers in parentheses refer to reporting requirements under INAC Financial Transfer Arrangements (multi-year). All other INAC requirements are for Comprehensive Funding Arrangements (annual).

**CMHC calls for housing proposals on a yearly basis. However, First Nations do not apply each year.

***HRDC reports are not included in the total because First Nation communities do not provide reports directly to HRDC. Local boards provide reports to the AHRDA holder, which in turn provides reports or electronic data to the Department.

****HRDC requires the AHRDA holder to submit an annual audit report, which is included in the annual report that is counted as an activity report in this table.

Source: Canada Mortgage and Housing Corporation, Health Canada, Human Resources Development Canada, and Indian and Northern Affairs Canada

Communities carry on formal and informal non-financial reporting

1.33   Reporting to community members both formally and informally in areas of priority programs is ongoing in the four communities we visited. The portfolio councillor and program manager report to the chief and council, who in turn generally report to the community membership in regular meetings. For example, in one community, the education policy calls for the director of education to report regularly to the chief and council. In another community, each school has a monthly reporting process to determine which children need help, and who should attend special needs classes. Another community has its own radio station, through which community leaders communicate with the membership on a wide range of issues.

1.34   Community administrators told us that some non-financial reports required by federal organizations were used in their reporting processes. For example, monthly reporting on social assistance is used in one community by the portfolio councillor to provide oral reports to the chief and council, who find it helpful for program management. Similarly, in another community, monthly reports prepared by local boards under the Aboriginal Human Resources Development Agreement with Human Resources Development Canada are used to help manage employment programs. Some evaluation reports required by federal organizations have also proven useful to communities. For example, one community used a school evaluation to gauge how well the school was performing, as the basis for developing a school improvement plan.

Communities are strongly critical of the federal reporting system

1.35 The First Nations told us that the required information generally does not reflect their priorities, and is not always useful to them. The reporting requirements are dictated to them, not determined through consultations. If the reports are not filed, then the community is at risk of not receiving the funds for the next period. Community leaders told us that, as the reporting often has no importance or consequences for program delivery, it encourages the practice of filing reports for the sole purpose of ensuring continued funding, in other words, "data for dollars". In addition, First Nations face many obstacles in compiling the reports, including poorly explained requirements, data that are often hard to collect, and inconsistent funding for report preparation. One chief told us that no-one knows why most of the reporting is done. Paragraphs 1.36 to 1.44 provide examples of these problems.

1.36 In education, the nominal roll, an annual head count, is used to determine the funding level for the community's education program. However, adjustments to funding levels are not made until the next fiscal year. One community experienced a 10 percent increase in enrolment and did not receive the additional funding until the following April, straining the community's education budget. Further, INAC officials in Saskatchewan verify the nominal roll by checking that each student is attending classes on a regular basis up to and including 28 September of each school year. The communities stated that funding based on regular attendance up to 28 September, which is subject to the interpretations of the visiting departmental officials, does not help the communities work with those students who do not attend school on a regular basis. These are the students who are also at risk of dropping out completely. These comments from First Nations are consistent with the findings of our audit of elementary and secondary education, reported in April 2000, which recommended that the Department improve the way the nominal roll is used.

1.37 First Nations told us that a number of reports are required on housing, including annual updates on housing conditions, the community's plans for new housing, and the number of houses built or renovated. However, the way in which INAC allocates funds is not based on need as shown in the required reports but rather on a funding formula which has been capped since the mid-1980s, according to the communities. These reports were not meaningful to the communities we visited.

1.38 Tribal council inspectors work with the communities to compile the housing information and submit it to INAC. In one tribal council we visited, the reporting requirement was characterized as physically impossible, that is, there were insufficient resources allocated to inspect all houses and renovations. In practice, they do not inspect individual houses with the exception of newly constructed ones (to ensure compliance with building codes). As a result, tribal council staff compiles the reports for INAC based on discussion with housing co-ordinators in the community, and some inspection of major renovations.

1.39 The continued receipt of federal funds is dependent on timely filing of the required audited financial statements. For example, INAC has set a deadline of 120 days after the end of the fiscal year for the receipt of audited financial statements. In one community we were told that not all First Nation-owned businesses use 31 March as the year-end, and this delays the reporting of consolidated financial statements to INAC. If the Department does not receive the audited consolidated financial statements by the 31 July deadline, discretionary funds may be withheld.

1.40 The National Child Benefit Program has required communities to report annually since 1998–99. We were told that this program and its reporting requirements were not adequately explained to communities. Some information was given about what could not be funded, but little about what was eligible for funding. Communities had to guess as to what was appropriate programming and reporting. One community we visited, not knowing what was required of them, did report extensively on their accomplishments. However, the other communities' annual reports mostly listed activities and expenditures (see case study, "The National Child Benefit: A missed opportunity to report on results").

1.41 Communities told us that they were concerned about the number and frequency of the reports required by Health Canada. They told us that the reports required under the contribution programs were repetitive, and could be combined. Another concern about these reports was that communities received no feedback from Health Canada officials in the Saskatchewan Region. Two of the communities told us "the reports go down a black hole." The prime interaction between communities and local Health Canada officials was to deal with community members' complaints about health service delivery.

The National Child Benefit: A missed opportunity to report on results
Under the National Child Benefit (NCB) Program, First Nations adjust social assistance benefits and reinvest the funds saved in a wide range of program areas, including child day care, child nutrition, early child development, employment and training opportunities, and cultural teachings.
The NCB program is based on clear objectives intended to help prevent and reduce child poverty, promote an attachment to the workforce, and reduce program overlap and duplication. A framework for evaluation and accountability has been developed, which specifies outcome indicators. In addition to a commitment to evaluate program effectiveness and impacts by 31 March 2003, the NCB is committed to continuing the monitoring process. The data sources for monitoring and evaluation include reports from First Nations.
The National Child Benefit Reinvestment Annual Report, the only report on NCB that Indian and Northern Affairs Canada requires from First Nations, does not reflect the outcome indicators. The regional office is supposed to implement the requirement for a reinvestment plan in each First Nation. This includes criteria that provide information respecting outcomes of the initiative. We did not see such guidance in the communities we visited. As a result, the NCB annual reports we observed provided descriptions, but did not provide meaningful information on results.

Source: INAC and First Nations communities

1.42   The four First Nations and two tribal councils we visited were very critical of the process used by Health Canada to bring in the new agreements. They said the process excluded them from any meaningful participation.

1.43   Staff members of an Indian Child and Family Services Program in one of the communities could not understand why their organization received funding for evaluations completed in years three and six of the program but not thereafter. They considered evaluations to be valuable management tools.

1.44   In one community, community leaders stated that it took them four years to develop their policy and procedures manual because they were so caught up in meeting their reporting obligations under their contribution agreements that they were unable to deal with the most strategic management issues.

1.45   Summarizing much of what we heard, one person said that the reporting requirements were a "crazy-quilt," patched together, with no one piece matching any other. A lack of federal co-ordination was cited as the main reason for this disconnect. For example, federal organizations required the communities to develop plans, in housing and community health programs, but the process was disjointed from the community viewpoint. Paragraphs 1.46 to 1.48 give examples of this lack of co-ordination.

1.46   The requirement for a five-year housing plan arose in connection with the 1996 change in the federal housing policy. Communities we visited put forward proposals to meet housing needs, and provide an annual update on housing conditions. Portfolio councillors for housing and health told us that they had undertaken surveys that demonstrated health risks from overcrowding in homes, including serious mould problems and inadequate sanitary facilities. They provided this information to INAC and Health Canada, but neither they nor the departments used it. In fact, we were told by local INAC officials that the housing plans were not used by them and they have no long-term impact on the communities' housing budgets.

1.47   The five-year housing plan and yearly updates that are provided to Indian and Northern Affairs Canada are not shared with the Canada Mortgage and Housing Corporation although the Corporation provides most of the government funding for the new houses built in the communities we visited. In addition, the Corporation relies on the Department for guidance on how to allocate the money by region. As the Corporation requires a ministerial loan guarantee, it does not allocate the funding until the Department is able to provide the guarantee. The Department is unable to provide this guarantee until 120 days after the end of the fiscal year, which allows departmental officials time to review the annual audited financial statements from the communities. As a result, the Corporation does not make its funding commitments until some time between August and October of each year. The communities advised us that this delay can result in winter construction which increases cost significantly, especially in remote communities.

1.48   Health boards and staff in communities told us that they expended considerable effort in developing the community health plans required by Health Canada. Under five-year transfer agreements, these health plans are required, and are updated when the agreements are renewed. Usually the health plans are based on surveys filled in by members of the community, and identify concerns that have the most priority. In one community, for example, the main priority is their youth. There are a number of federal organizations which do provide programs for youth. The staff and councillors responsible for youth were divided as to whether they should produce a community health plan or not. The reason was that the community could not implement the plan without federal co-ordination of various programs, which was not forthcoming.

Managing the reports is a challenge

1.49   An effective reporting system supports good management. We asked the sampled First Nations in Saskatchewan whether the federally required reports helped them to be successful. For the most part, they said no, for several reasons:

- the reports did not provide baseline data,

- there was no benchmarking of best practices that could be used by the First Nations when developing their programs and services, and

- there was little reporting on performance.

An exception with respect to reporting on performance is the Saskatchewan Indian Training Assessment Group Inc., which on behalf of the Federation of Saskatchewan Indian Nations holds the Aboriginal Human Resources Development Agreement (AHRDA) for Saskatchewan (see case study, "The Saskatchewan Indian Training Assessment Group Inc.: Meeting the management challenge").

Tribal councils are responding to the challenge

1.50   Because the system of federal reporting does not provide the performance information needed for good management, the two tribal councils we visited were developing performance measurement systems of their own. In one case, indicators will provide information on the performance of the education system. In the other, the tribal council has instituted a 20-year plan and is assessing progress through indicators and performance measurement.

1.51   The project to develop education indicators is in the initial stages. The planned indicators are intended to improve communication and support school system improvements by providing background information that can be used to interpret student results and demonstrate program quality. However, project funding has been secured from INAC only for the first two years, which are nearly completed. This has raised concerns about being able to secure a long-term commitment from INAC for this project.

> **The Saskatchewan Indian Training Assessment Group Inc.: Meeting the management challenge**
>
> The Federation of Saskatchewan Indian Nations, represented by the Saskatchewan Indian Training Assessment Group Inc. holds the Aboriginal Human Resources Development Agreement for First Nations in Saskatchewan. On behalf of the Group, the Saskatchewan Indian Institute of Technologies co-ordinates the responsibilities related to this contribution agreement with Human Resources Development Canada (HRDC) for all First Nations people in the province (on- and off-reserve) through management agreements with 24 local boards. These local boards operate quite independently and decide which employment training projects will be supported. The local boards report annually to the Group.
>
> The program operates with tight controls. HRDC uses a population-based model to distribute funds and requires the Institute to submit an annual expenditure plan. A number of specific targets are negotiated annually including the number of individuals returning to work, the number successfully completing their programs, short-term Employment Insurance Account unpaid benefits, and the number of child care spaces that must be supported and occupied. Quarterly activity reports, financial data, and annual audited financial statements are also required. The Institute monitors local board activities semi-annually. It has an advanced database to manage client information, and send required reports electronically to HRDC headquarters. The reports are reviewed by HRDC regional officials, quality assurance is carried out, and results are reviewed in conjunction with departmental headquarters.

Source: Human Resources Development Canada and Saskatchewan Indian Training Assessment Group Inc.

1.52 The 20-year plan developed by the other tribal council is based on economic development goals, namely, to create jobs, and to achieve equality with the rest of Saskatchewan in education and income levels. The tribal council has established benchmarks from the beginning of the plan in the early 1990s and collected data to assess progress. The tribal council has demonstrated achievements, identified the areas most in need of attention, and focussed their efforts to move forward.

Federal organizations—Reporting process

1.53 We examined federal interactions with First Nations in setting requirements for reports, and processing, verifying, reviewing, and using the reports in our sample. We looked at ongoing non-financial and financial reporting within the annual cycle, as well as periodic reporting, such as needs assessments and evaluations. We posed some basic questions: Did federal organizations determine reporting requirements through discussions with First Nations? Was the reporting process as efficient as possible? What use did federal organizations make of the reports?

1.54 We also explored two major issues related to reporting, raised both by First Nations and federal officials. These issues were the need to improve performance information, and better co-ordinate federal organizations' reporting requirements.

Requirements need to be reviewed

1.55 We observed that programs have been added in recent years with little or no review of reporting requirements in existing programs. We noted a tendency toward "report creep", where the introduction of a new program invariably adds to reporting requirements. One example is the introduction of a new federal program that is closely related to an existing program. A case in

point is Health Canada's Home and Community Care Program, introduced in 1999, and INAC's longstanding Adult Care Program. The overlap between the programs is acknowledged by both departments.

1.56   We noted that external accounting firms are required to report to the chief and council the results of their audits of the financial statements, including a stated audit opinion. In one community, we noted different reporting styles in the various year-end financial statements. In addition, some requirements for reporting exceed what auditors normally are called upon to do. For example, Health Canada's reporting and auditing requirements for the agreements to transfer health services require auditors to certify matters such as the reporting of communicable diseases to provincial authorities, and the registration of nurses with their professional association. Saskatchewan regional officials told us that these additional requirements were not being followed or enforced.

1.57   A good practice in this area is a recent initiative undertaken by Health Canada that recognizes the importance of reviewing reporting requirements for the health services delivered by the Northern Inter-Tribal Health Authority (see case study, "Streamlining reporting in the Northern Inter-Tribal Health Authority").

1.58   The extent of non-financial reporting required by federal organizations varies considerably. Most of the reports required by INAC and Health Canada are non-financial. In contrast, reports required by CMHC and HRDC are largely financial in nature. HRDC also requires some non-financial information in quarterly and annual activity reports.

Streamlining reporting in the Northern Inter-Tribal Health Authority

Through the Northern Inter-Tribal Health Authority, two First Nations and two tribal councils in Northern Saskatchewan jointly planned and now deliver higher-level co-ordination and professional support (third-level services). A health status and surveillance unit monitors health risks (for example, infectious disease) and health status. Under the demonstration project, the Authority will undertake research over the next three years to examine several key issues:

- whether programs are sustainable or continued,

- how the programs should be governed,

- which groups are responsible for achieving certain results or outcomes, and

- what effect there would be on health conditions and status if the programs were delivered in a different way.

The demonstration project recognizes the importance of co-ordinating the information that the federal government needs with the information that is required by communities, and streamlining reporting requirements.

A key question raised by this project is the extent to which First Nations can re-negotiate health programs and services. Instead of community health plans conforming to federal program initiatives, the planning process would be "bottom-up," or done at the community level, so that a First Nations health plan could require that some area of programming be completely eliminated to make way for new initiatives.

Source: Health Canada

1.59   In Saskatchewan, both INAC and Health Canada track non-financial reports. Some are verified, usually the ones that are used to calculate funding levels, such as the list of buildings that is used for operations and maintenance funding. However, many are not. For example, INAC does not verify the reports on the enrolment of post-secondary students. Regional INAC officials also told us that non-financial information in social development programs, including the National Child Benefit Program and the Family Violence Program are not verified. The only verification conducted on the Child Care Program has been on capital purchases.

1.60   Health Canada officials that we met in the Saskatchewan Region indicated that in many cases, they do not rely on non-financial reports, such as annual reports, when dealing with First Nations. Notable exceptions to that practice include some targeted programs, such as the Tuberculosis Elimination Strategy. It centralizes control and reviews reports to monitor progress and measure how effective the program is. The lack of attention to many of the non-financial reports calls into question the need to provide them.

1.61   **Recommendation.** The federal government should consult with First Nations to review reporting requirements on a regular basis and to determine reporting needs when new programs are set up. Unnecessary or duplicative reporting requirements should be dropped.

Required reports are tracked, but most are submitted on hard copy

1.62   Since federal organizations require First Nations to submit a large number of reports within a specified time frame, they have developed various procedures to record the receipt and status of the reports. Although INAC and CMHC use automated systems to track reports, all of their reports are received in hard copy form in Saskatchewan. INAC officials advised us that electronic reporting was more advanced in other regions, notably the Atlantic region. These organizations log in reports and enter data in automated systems as the reports are received. In the case of HRDC, reporting occurs through activity reports, submitted in hard copy, and electronically through data uploads, so the Department tracks reports both manually and electronically. Health Canada Saskatchewan Region, in contrast, receives all its reports in hard copy and tracks them manually. However, Headquarters officials advised us that Health Canada's implementation of the automated Management of Contracts and Contributions System was more advanced in other regions.

1.63   Electronic reporting is clearly more efficient than processing reports in hard copy form, both for the First Nations and federal organizations. We also noted that computers and computer literacy are widespread among the staff in the communities and tribal councils we visited. Although we did not examine the actual capacity in this area we do feel that that it is sufficient, with proper assistance, to support a fully computerized reporting system. In addition, we saw some technical innovations in the First Nations and tribal councils we visited in Saskatchewan (see case study, "An innovative, technology-based approach to health data collection").

An innovative, technology-based approach to health data collection
One of the communities has developed a PalmPilot™-based database for their home and community care program. The system allows the nurse to record client identifiers (tombstone data), diagnosis, medication, allergies, care plan, incident reports and discharge information. This information is then electronically entered into the main database. The development and implementation of this system has resulted in a saving of five to seven hours of nursing time per month, which is now available for service delivery. Health Canada is developing a separate but similar system to support the program nationally.

Source: First Nation community

1.64   Recommendation. The federal government should use the most efficient procedures to submit and process reports required from First Nations, and should work with First Nations communities to file reports electronically where it is practical to do so.

Financial reports are generally verified and reviewed

1.65   The federal organizations have adopted procedures to review and verify financial reports. These procedures differ for the review of audited financial statements as compared to other financial reports. INAC carries out "compliance and solvency reviews" in its local and regional offices, to analyze and identify issues in financial statements which are independently audited and sent in by the communities. The other federal organizations follow similar procedures. Other financial reports include reporting for expenditures that can be reimbursed, such as social assistance payments. These reports generally are checked for significant or unexplained variances. These procedures represented a reasonable effort on the part of federal organizations.

1.66   The balance of financial reporting generally receives less attention. For example, Health Canada regional officials in Saskatchewan told us that reports such as initial budgets and cash flow statements are often subject to limited review when received, to verify that services and staff are in place. This is also reasonable, given that budgets and cash flows simply reflect the funding that is available.

Communication with First Nations is inadequate

1.67   Federal organizations that receive information from the communities do not tell them how it is used, except for the review of audited financial statements. Nor do they communicate the results, if any, of their analysis of the information. INAC officials pointed out that the Department publishes reports and analysis based on the information collected from First Nations and makes most of it available on the Internet. However, this analysis is normally presented in aggregate form, combining information from many communities on a regional or national basis, which can be difficult to relate to the information needs of individual communities. Timely, considered

feedback is a necessary element of an effective reporting system, and for the most part, it seems to be missing.

Performance information is insufficient

1.68 In its First Nations National Reporting Guide, INAC states that it uses the reports required from First Nations to assess and report on statutory requirements, accountability, resource allocation, operational or administrative requirements, program planning, and policy analysis. Good performance information is essential to all of these functions. However, we found a number of obstacles in the way of its collection.

1.69 For example, data are collected on the school graduation rate, which is one output of the education system. However, other measures are required to assess final outcomes in terms of the quality of the education that graduates have received. First Nations schools do not have access to most of the services provided by school boards. Provincial departments of education that normally assess the performance of the education system do not do this in First Nations schools. As a result, First Nations do not have the means to obtain the required data. That is why some tribal councils have made a commitment to provide these services, and in one case, a tribal council is developing education indicators. In a remark attributed to an INAC official, the situation was summed up as follows: "We made a mistake. We transferred schools when we should have transferred an education system."

1.70 Another example relates to the reporting on social assistance. These reports provide detailed information on recipients for control purposes: to ensure that those receiving assistance are eligible and that the correct amounts have been paid. This type of information cannot be easily used to measure the performance of a program. In addition, the dependency rate, which is the proportion of community residents receiving social assistance, is probably not accurate. Officials from INAC told us that they do not know the actual number of residents in the communities. The Indian Registry System, the only source of this information updated annually, was not designed to collect information about the number of residents.

1.71 Reporting for a number of other social development programs, including Indian Child and Family Services, National Child Benefit and Adult Care, was also weak in terms of generating performance information. INAC officials told us that the Department did not have the tools or human resources to be results-focused (see case study, "The National Child Benefit: A missed opportunity to report on results"). This is a recent program for which reporting requirements were instituted in 1998-99; it is a situation where the government has missed an opportunity to measure performance.

1.72 Despite its good intentions, INAC needs to overcome these obstacles to the collection of adequate performance information. In particular, we noted that First Nations do not have access to support from boards of education and, for the limited performance information it collects, the Department lacks the tools and human resources needed to use it effectively.

Health Canada is developing performance measures

1.73   Health Canada is developing a First Nations and Inuit Health Program Compendium that identifies outcomes and performance indicators for each program. The Department's new agreements that many signed early in the fiscal year 2002–03, require First Nations to report on goals, objectives, and measures of outcomes. Since reports under the new agreements were not yet available at the time this study was completed, it was not clear how outcomes will be shown.

1.74   Health Canada also requires five-year evaluations of community health services. We noted that extensive evaluation studies have been undertaken, particularly in the tribal councils we visited. In one community the evaluation was combined with the health services plan, and identified priorities based on a membership survey. However, departmental officials in Saskatchewan told us that apart from a quick assessment when received, these evaluations were often not adequately reviewed because their local offices lacked the human resources to do so. Similar concerns were raised in our October 2000 follow-up audit chapter, *Health Canada—First Nations Health*.

Information for Parliament about First Nations needs to be improved

1.75   Federal organizations have a duty to report to Parliament both the financial and the non-financial results they have achieved with the authority and public funds entrusted to them. We examined the reports on plans and priorities and the departmental performance reports for INAC, Health Canada, and HRDC over the last three years. We did not examine CMHC, which, as a Crown corporation, reports to Parliament on a different basis.

1.76   Much of the information that federal organizations collect from First Nations reflects resource inputs (what was spent), activities (what was done), and outputs (what was produced), rather than outcome-level results (the impacts and effects of programs). We found that little of the information collected from First Nations was being used in the Estimates documents. The impacts and effects of the multi-billion dollar programs for First Nations were not adequately reported to Parliament. We noted an exception with respect to HRDC's reporting of performance against annual targets for the Saskatchewan Aboriginal Human Resources Development Agreement. Our detailed findings are shown in Appendix B.

1.77   Federal organizations do not need to report to Parliament in detail on First Nations' program activities. Doing so would overwhelm Parliament with information. More detailed information of this nature can be made available through other means, such as the Internet. What is needed is less information on activities, and more on results.

There is a need for better co-ordination

1.78   We found examples of overlap and duplication in federal organizations' reporting requirements.

1.79 One example of overlap is the requirement for externally audited financial statements. Up to five separate financial statements can be required from each community:

- one consolidated and one supplemental schedule for INAC,
- one for Health Canada programs under transfer agreements,
- one for Indian Child and Family Services, and
- one for CMHC.

1.80 Another example is reporting for children's programs. We identified nine federal programs directed toward First Nations children; we examined reporting for three of them, the National Child Benefit, Aboriginal Head Start, and Education. The clients served by these programs differ in some respects; for example, the programs do not all target the same age group. However, all the programs require activity reports and many of those reports identify the same children and parents, in small communities. Overlapping program objectives also cause confusion about which activities should be funded under which program, which can lead to unclear reporting on activities and expenditures.

1.81 The same can be said for Health Canada's Home and Community Care program and INAC's Adult Care Program. These are overlapping programs and both require reports that can be related to the same persons in a small community.

A way forward **1.82** Federal officials and First Nations have referred to the program structure as "stovepiped." The programs are narrowly defined, overlap, and can duplicate each other. We found that the reporting requirements mirror this program structure.

1.83 Federal organizations need to review and better co-ordinate their reporting requirements. This review needs to be undertaken in consultation with First Nations in order to ensure that First Nations' reporting and information needs are also being met. The number of reports and in particular the number of audited financial statements required from First Nations needs to be reduced.

1.84 Based on the results of this study and previous work of the Office, we suggest that the following criteria be considered as a means to test the reporting structure. An effective reporting system should

- be based on a clear understanding between First Nations and federal organizations;
- produce fair and reliable financial and non-financial information that is verifiable;
- be appropriately open and transparent to First Nations membership, the public and stakeholders, respecting personal and commercial confidential information;
- make full and efficient use of available technology;
- be organized to achieve results, and to collect information on performance;

- be useful to First Nations communities to manage their affairs, including financial management and managing for results; and

- assist federal organizations to assess performance, effectiveness and financial control, so that they can report to Parliament on public expenditures.

1.85   Ultimately, as the program structure evolves, an ideal reporting system, as part of managing for results, would include performance measurement (both financial and non-financial); with reports on community outcomes feeding into reports on national outcomes. This approach would lead to

- adequate reporting on performance achieved,

- serious review of the information reported, and

- consequences from the reporting, in the sense of changes related to the review.

1.86   In our view, the program structure is a significant obstacle to the much-needed reform of First Nations reporting requirements. We were told that INAC, and Health Canada in the Saskatchewan Region, do not have the human resources needed to review and consider reports from First Nations effectively. INAC and Health Canada also told us that they are renewing their program authorities. This is an opportune time to streamline programs and better allocate program responsibilities.

1.87   **Recommendation.** The federal government should undertake a review of program authorities to streamline the programs and better allocate program responsibilities among departments and other federal organizations.

Conclusion

1.88   This study has assessed the reporting that selected First Nations in Saskatchewan are required to provide to the major federal organizations. We found that a large number of reports are required, yet few meet the needs of the First Nations or of the federal government.

1.89   The reporting system does not do enough to help First Nations or federal organizations meet management challenges, but it does provide employment to many community members. The resources devoted to the current reporting system could be put to better use, collecting adequate information on performance, and managing the programs.

1.90   While reporting requirements need to be streamlined, the underlying program structures are an obstacle to a more effective system. Instead of information on narrowly-defined program activities, reporting needs to provide meaningful information to First Nations and to the federal government. Fundamental change is required, and we suggest criteria to guide future assessment of the reporting system.

Government's response. The federal government is committed to improving the current reporting structure; in this regard, the criteria offered in this study will be useful. As noted in the report, this is not a complete review of national reporting and caution must be exercised in generalizing results based on only

four First Nations and two tribal councils in one region; however, the desire to reduce the "reporting burden" on First Nations is accepted. Similarly there is a need to address this issue across departments and strive for a more results-based system in support of a government-to-government relationship. Such a system needs to be responsive to the requirements of First Nations and they clearly should be consulted. At the same time, the federal government remains committed to reporting to Canadians on the use of public funds and therefore there must be a balance achieved between the First Nations and the federal government's reporting requirements.

The federal government agrees that reporting should be transparent, administratively efficient, meaningful (performance based), rationalized across the federal government and related to sound program management. Consistent with these principles and in response to the specific recommendations of this study, the federal government is committed to reviewing reporting requirements both individually as departments and collectively, as a horizontal (across government) initiative, taking into consideration that CMHC is a Crown Corporation bound by separate policy and legislation that impacts on reporting requirements, and the nature, and financing of its programs. This work has already started through program authority reviews which are underway in a number of departments. Additionally, existing program areas are being examined to determine where "single window" reporting could serve the federal government at large. This interdepartmental initiative is being supported by an ADM level Steering Committee which has been established to direct horizontal work to foster a principle-based accountability framework for all federal Aboriginal programming, leading to improved program effectiveness through measurable results. Electronic data exchange continues to be pursued by the federal government, consistent with the Government on Line (GOL) initiative. For example, systems have already been implemented to facilitate electronic monitoring and management of reports in a number of departments. The federal government will build on these successes and promote electronic data exchange as a way of doing business with First Nations.

Reporting, both financial and non-financial, is an essential element of the accountability relationship between the federal government and First Nations. The federal government needs to attest to effective spending of funds appropriated by Parliament for the use of First Nations; First Nations leaders need to account to their membership for the manner in which they conduct their affairs on behalf of their communities. The ideal is to strive for a system of information exchange that serves the interests of both parties. In this regard, a First Nations led initiative to develop a First Nations Statistical Institute (FNSI) offers some potential to address the shortcomings of the current data quality and data development issues. The FNSI is designed to play an important role in the interpretation and analysis of data being collected on social, economic, and fiscal conditions of First Nations peoples and institutions, helping to address the information needs of First Nations. This work will also support First Nations in community planning, program evaluation and assist program service delivery.

About the Study

Objectives

The objectives of the study were the following:

- to assess federal reporting and audit requirements for selected First Nations communities, including the nature of the requirements and how they are met;
- to examine how these reports and audits are used, both by the federal government and the First Nations communities; and
- to set out criteria for an effective reporting and external audit system.

Scope and approach

To carry out our study, we secured the participation of four First Nations communities and two tribal councils in Saskatchewan. We examined the reporting requirements set by the four federal organizations with the largest expenditures in support of Aboriginal peoples, and within these organizations selected several major programs as the focus of our study.

We developed a number of lines of inquiry for the study, including the following:

- the authority or source for the requirements, and the link with federal programs,
- the way reports and external audits are prepared, and related capacity issues,
- the communication of key information to First Nations communities,
- the review and administrative processing of reports and external audits by federal organizations,
- the use of reports and external audits within federal organizations and their reporting to Parliament,
- the communication of data/analysis from reports and external audits to First Nations communities,
- the use of reports and external audits by First Nations communities, and
- the extent to which the reports and external audits meet the needs of First Nations communities.

Study team

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Appendix A First Nations required reporting to selected federal organizations

Name of report and frequency	Report description
INAC requirements / non-financial reports	
Non-registered on-reserve population data	
Non-Registered On-Reserve Population Certificate Yearly on 15 February	This certificate should accompany the corrected non-registered on-reserve population data and should include band information, and the total numbers of non-registered residents on-reserve.
Non-Registered On-Reserve Population Collection Form Yearly on 15 February	This form is a supplement to the computerized listing sent out to bands. It lists the following: • Collector's personal information and collection date. • List of all individuals who are not registered under the *Indian Act*, name, birth date, and gender. • Whether the individual resides on reserve and if so, which one. • Any alias the individual may use.
Indian registration	
Indian Registry Data Entry Monthly	Information requirements include up-to-date information on the following: • Births. • Age of majority. • Marriages. • Divorces and any transfer of custody of children. • Confirmed deaths. • Any other additions or amendments to existing Indian Registry data.
Indian Registry Data Entry Miscellaneous Amendments Monthly	Changes to entries on the Indian Registry, such as name change or corrections, are recorded on this form.
Education	
Elementary and secondary education	
Nominal Roll School Summary Report Yearly on 15 October	In this report all First Nations are requested to provide a list of the total number of students registered in schools in each grade level at the start of the year.
Nominal Roll Student Census 15 days after a census	This form includes the following: • Student identification, including the relevant registration numbers, full name of each student, grade, and school information. • Date of birth, gender, and status code. • Details of residence, band, reserve of residence, accommodation, district, and band of financial responsibility. • Details of transportation arrangements, special education needs, and extent of Indian language instruction.

Name of report and frequency	Report description
INAC requirements / non-financial reports (continued)	
Certification of Teachers and Curriculum Yearly on 15 October	This form is to be filled out by school principals as part of the nominal roll submission at the start of each school year. It should include: • School name, and school year. • Names of the teachers and their teaching certificate number. • Principal's signature certifying the accuracy of the teaching staff and certificates as well as certification of the curriculum.
Approved School Transportation Certificate Yearly on 15 October	This confirms that all school vehicles have been certified in accordance with the *Saskatchewan Highway Act* and Regulations.
School Evaluation Report Every 5 years	This report for elementary and secondary schools is filed by band councils and does the following: • Reviews the school curriculum. • Assesses the instructional quality and standards. • Determines whether the community and school's objectives have been achieved.
Post-secondary education	
Register of Post-Secondary Students Yearly on 1 December	This report is based on November 1 census information for the current school year and includes information such as the following: • Indian Registry number, date of birth, gender, and full name of the student receiving post-secondary funding. • The name and code of the post-secondary institution attended by each student, the area of study, the length of the program, the current year of study, and the qualification being sought. • Whether or not a student is part-time or full-time.
Report on Post-Secondary Graduates Yearly on 1 December	This annual report includes detailed student information on all graduates and the total number who received post-secondary education funding in the previous year.
Administering Organization Summary Data Report Yearly on 1 December	This report includes information on the following: • Students funded in previous fiscal year. • Students funded in current year (includes those who have dropped out prior to census date). • Graduate Summary.

Name of report and frequency	Report description
INAC requirements / non-financial reports (continued)	
Social development	
Social assistance	
Social Assistance Monthly Report Monthly on the 10th day for Comprehensive Funding Arrangement (CFA)	This report includes the following: • The number of families, number of people in each family, and the number of single persons on social assistance. • Various reasons why individuals and their dependents are in receipt of social assistance (that is, unemployable—single parents, disabled, or not fully employable; and employable—singles, families, single parents, or Work Opportunity Program transfers). • The amount of money each family receives in basic assistance. • The amount spent on fuel costs, utilities and rent, as well as the total number of dwellings for which these services are provided through social assistance funds. • Details on work opportunity projects, including the number of projects, the number of people employed through projects, and the total amount of money transferred.
Social Assistance Annual Report 30 May for fiscal year ending 31 March for Financial Transfer Arrangement (FTA)	This report includes the following: • Number of eligible families, persons in the family, and singles receiving social assistance by reason (for example, employable and unemployable—single parent, disabled, or other). • Number of person-months of training and/or employment provided under social assistance transfer for recipients. • Total annual amount of funds transferred from Basic Needs to social assistance transfer initiatives. • Annual total number of social assistance work/training projects approved. • Annual average monthly number of children out of parental home.
National child benefit (NCB)	
NCB Reinvestment Annual Report 30 May for programs funded by Comprehensive Funding Arrangement and Financial Transfer Arrangement	This report includes the following: • The name of the First Nation or agency administering the NCB program and year of the report. • Annual amount of funds available for reinvestment programs. • Individual programs implemented, whether new or continuing, and funds expended for each program. • Objectives for each program as well as a description of the results or accomplishments of each program compared with the original objectives. • The number of families and children under the age of 18 who benefited from the program.

Name of report and frequency	Report description
INAC requirements / non-financial reports (continued)	
Child and family services (CFS)	
Child Care Notification Form Monthly on the 10th day for services funded by the Comprehensive Funding Arrangement	This form is completed when a child is removed from its home and placed under child protection in alternative care facilities. It includes the following: • Child information (name, gender, birth date, address, health insurance number). • Where child was apprehended from, reason that a Notification is being completed. • Type of care being provided, type of action taken under the *Child and Family Services* (CFS) *Act*, date action was taken. • Information on both parents indicating who is the care-giving parent with Indian Status and who is the custodial parent. • Information on person providing care if the birth parent is no longer doing so, and entity that is financially responsible for the child (for example, INAC, Provincial Social Services, or provincial Justice Department).
Special Needs Greater Than $2,000 Report Monthly on the 10th day for CFA fund	Special Needs Greater Than $2,000 requests need approval annually by INAC and state the special need requirement for each child including estimated yearly cost over $2,000.
CFS Operational Report Twice yearly on Oct 15 and April 15	This report for INAC operations funding is to reflect services to residents who are normally resident on the agencies' member reserves and includes the following: • Information on Prevention Services (list of specific services provided; number of families and children served by each; number of local CFS committees active; number of elder committees; number of Public Information and Education workshops) • Information on Protection Services (list of specific services provided; numbers of families served with/without placement; number of trained/approved foster care homes and parent aides contracts; number of children placed in off-reserve resources; number of children having status under the CFS Act; and number of adoption homes)
CFS Evaluation In the third and sixth year of operation	INAC provides funding for each new CFS organization to complete an internal review of its operation in the third and sixth year, in order to identify weaknesses and strengths and to plan any desired improvements to the quality of its services. The report does not have to be released to the Department, but INAC states "any new CFS needs to review its progress." (Program Directive 20-1) Reports after the sixth year are the responsibility of the CFS.
Adult Care	
Institutional Adult Care Placement Federal Funding Criteria form Yearly on 31 March and after each new placement after 31 March	This form is to be filled out when an adult is placed outside of his/her normal family residence and is submitted for each new placement that occurs after March 31. The form is also to be completed annually on March 31 as an evaluation to meet federal funding criteria. It includes the following: • Client personal information. • Date on which the adult entered and left care. • Next of kin/public trustee responsible for client along with his/her personal information. • Assessed level of care needs, client resources available to meet care needs.

Name of report and frequency	Report description
INAC requirements / non-financial reports (continued)	
Home Care Services Report Monthly on the 30th day for Comprehensive Funding Arrangement and yearly on May 30 for Financial Transfer Arrangement	It includes information such as the following: • Client personal information, and age group. • Number of hours spent on homemaking/management jobs, as funded by INAC. • Number of hours spent assisting a client with daily living activities, as funded by INAC. • Other work hours, such as number of hours spent on minor out/indoor tasks, installing safety devices, and assessment hours.
Indian government support (band support funding)	
Band Support Funding Application for Grant Yearly on June 1	This form provides up-to-date data so as to increase support for FN administration. It includes information such as: • Band name, number, district number, region number, and tribal council affiliation. • Type of funding agreement (for example, Financial Transfer Arrangement (FTA) or Comprehensive Funding Arrangement (CFA). • Population counts as of 31 March (including registered and non-registered, and residents and non-residents). • Profile of departmental contribution (including Federal/Provincial agreements, income support, and major capital and basic services) in total dollar value to INAC for each program/project, number of units anticipated for the year for each program/project, and the number of band staff employed for each program/project for basic services only.
Capital Projects (band based)	
New Housing Capital Workplan As agreed upon	To acquire approval, this report is to be completed prior to commencement of a project. It provides details required for the First Nation tribal council to update the Capital Management Database for New Housing. Some of the information to be included is the following: • Information about construction area and approval of site inspection and water and sewer servicing. • If unit is being constructed under Canada Mortgage and Housing Corporation (CMHC) housing program. • Type of heating, sewage disposal, and source from which water is supplied. • Cost breakdown and funding sources.
Housing and infrastructure—Reports are required from tribal councils, unaffiliated First Nations and First Nations funded by Financial Transfer Arrangements.	
Housing Conditions Annual Report Yearly on 31 January	Information reported includes the following: • First Nation general information. • Number of houses requiring major renovations because they failed to meet National Building Code standards. • Number of houses requiring replacement or considered to be adequate. • Number of houses requiring minor renovations to maintain their useful life. • Total number of houses in the community. • Number of houses that lack basic indoor plumbing facilities.

Name of report and frequency	Report description
INAC requirements / non-financial reports (continued)	
Water Delivery Systems Annual Report Yearly on 31 January	This report should include the following: • Number of housing units with each of the following water delivery systems: piped, wells, trucks, no service, or other. • Number of housing units falling into each category of type of plumbing. • Information on the quality of domestic water supply.
Sewage Systems Annual Report Yearly on 31 January	This report includes the following: • Number of housing units with each type of sewage system (for example, piped, community or individual septic field/tank, septic truck, no service, or other). • Assessment of the health and hygiene standards of the disposal system (whether it meets provincial/territorial standards or poses an environmental threat).
New Housing Policy Annual Report Yearly on 30 June	For First Nations funded under the new on-reserve Housing Policy or the Housing Demonstration Initiative as well as FTA funded First Nations, a submission of an updated community-based housing plan is required. This report includes information on the following: • Community housing conditions; maintenance and insurance programs. • Actual and planned construction or renovation activities. • Link with community infrastructure, particularly servicing of existing and new housing lots, and training. • Employment and business development plans. • An updated resource plan for the next five years.
Housing Totals Annual Report Yearly on 31 January	This report includes information on the numbers of new houses built, houses used for special purposes, houses destroyed by natural disaster or poor conditions, and houses that had renovations completed.
Community Services Annual Report Yearly on 31 January	This report is to be completed if there were changes to the previous year's report, and provides information such as the following: • The type of electrification provided, for example, no service, grid, full/restricted service generated by diesel or full/restricted services generated by a source other than diesel. • Adequate or inadequate community road access. • Assessment of the solid waste disposal for the community according to provincial/territorial practice, for example, adequate, inadequate, poses health or environmental threat, or no service at all. • Type of fire protection service the community has, for example, verified by a site survey, non-verified, or no service.

Name of report and frequency	Report description
INAC requirements / non-financial reports (continued)	
Capital assets	
Capital Assets Inventory System Update Yearly on 30 September	The computerized system is updated every year on and requires detailed information on changes in capital assets from First Nations, including: • New capital on assets (excluding housing). • Capital assets that were destroyed or disposed of during the fiscal year. • Capital assets that have been modified or improved in some way. • For each asset the update should include cost, description of use and purpose, category (for example, a building, a utility, grounds, transportation, or vehicles), and details on type of addition, deletion, or modification.
Maintenance Management Plan Annual Report Yearly	This report should include the following: • Capital Assets Inventory System updated inventory list. • Updated performance standards for each asset (for example, activities, frequencies, schedules, quality standards). • Work assigned and inspections carried out as per schedule. • Asset operation and maintenance records. • Asset Condition Reporting System.
Asset Condition Reporting System Annual Report Yearly	Updates contain information on the condition of capital assets.
Economic development (ED)	
Economic Development Report Yearly on 31 May	A form linking financial information reported to statistical results must be completed along with the report. The report should include information such as the following: • List of all revenues received and expenditures/investments incurred for economic development activities. • Total number of people placed in training programs and jobs obtained as a result of training. • Total number of training days. • Indirect funds obtained through the Community Economic Development Organization (CEDO) for training, support of business expansions, and new business startups, support of resource management activities, and other related activities. • Number of new or existing businesses that received technical support. • Number of businesses started or expanded and the number of jobs created. • Number of resource projects that received technical support. • Number of jobs created as a result of financial or technical support for resource management. • Number of other economic development activities the recipient is involved in and the number of jobs created as a result.

Name of report and frequency	Report description
INAC requirements / non-financial reports (continued)	
Opportunity Fund / Resource Acquisition Initiative / Major Business Projects Program Project Status Report 12 months after receiving Opportunity Fund or Resource Acquisition Initiative funding, or 1, 3, and 5 years after receiving Major Business Project Program funding	Included information would include the following: • Organization (CEDO) and project specific information. • Brief description of the project including sector in which the business is involved, products / service provided. • Ownership structure of the business entity (i.e. percent of Aboriginal/Non-Aboriginal ownership). • Location of business (on or off reserve). • Amount of funding received from INAC, the program through which it was accessed, and the date that the CEDO received the contribution for the project. • Dollar amounts for the projected and actual sources of funding. • Dollar amounts for the projected and actual uses of funding. • Record of the financial statements for the first year of operations. Recipients of Major Business Projects Program funding are required to report to INAC 1, 3, and 5 years after receipt of the funding. • If the project is operational, the benefits to date should be described including skill enhancement among employees, wealth creation, reduced social dependency by job creation, access to new markets, economic spin-offs, and significant effects the project had on the community. • Number of jobs created, number maintained (full or part-time). • Challenges which hindered the operation of the business, actions taken to mitigate them, and activities undertaken to operationalize the business.
Resource Partnerships Program Project (RPP) Status Report 12 months after funding and after 3 and 5 years, if applicable	Information reported includes the following: • Applicant specific information including information on the CEDO that received the funds and the proponent, date, and amount which the applicant received from the CEDO. • Description of resource development and how the resource will be used along with the total cost of the project and an expected time frame. • Description of the activities for which the funding has been approved and the expected outcomes and benefits. • Identification of anticipated/confirmed partners and description of their commitment (for example, cash or non-financial contributions). • Status of the RPP project (for example, whether it is completed, or in-progress) and direct and indirect objectives that have been achieved. • Description of the projected impacts and benefits of the project including Stage 1: Strategic Planning (achievements in terms of consensus building, priority setting, partnership opportunities) and Stage 2: Joint Working Agreement (JWA) Negotiation Activities (status of completed JWA, activities completed towards the formation of a JWA). • Report on the projected longer-term benefits of the RPP funding including number and duration of full/part time jobs; dollar value of contracts, sub contracts, and community revenue to be generated; number of business start-ups, joint ventures, trained people; and impacts on the community.

Name of report and frequency	Report description
INAC requirements / non-financial reports (continued)	
Regional Partnerships Fund (RPF) Project Status Report 90 days after the 1st, 3rd and 5th fiscal year end following full disbursement of the contribution	Information reported includes the following: • General details of project applicant and project funded, including date and amount of disbursed funds. • Description of the infrastructure that the project/initiative proposal is related to, including total cost and duration. • Activities for which the funding has been approved including expected outcomes and benefits. • Brief description of partners including level of commitment (percent) and amount (if financial) or explanation of non-financial commitment. • Conditions imposed on project prior to funding. • Information on status of initiative (completed or in progress); objectives (achieved or not achieved); conditions; JWA/Partnership Agreement, if applicable; and funding from sources other than INAC RPF. • Information on the impacts/benefits of the project to the region, community or communities, people, environment, including specific numbers impacted.

Name of report and frequency	Report description
INAC requirements / financial reports	
Elementary and secondary education	
School board invoices to band councils

31 January, 30 April, and 31 July | Copies of provincial or territorial school board invoices to band councils are due for First Nations students attending off-reserve schools. As well, a list of these students is to be provided to verify how INAC funds are being spent and to request additional funds if necessary. |
| **Child and Family Services** | |
| Indian Child and Family Services Child Specific Invoice Summary

10th day of the month for CFA | This report is submitted to INAC by the agency providing the service to request reimbursement. It includes a summary for the month containing the following:

• Child information (such as name, member number, and date of birth).

• Date of admission into care, type of care, and most recent placement date.

• Start and end pay date, basic maintenance total, skill fee or fee for service, special needs description, and total, and total amount invoiced. |
| **Adult care** | |
| Institutional Residential Adult Care Placement Invoices

30th day of the month | These invoices are due each month for the month prior and summarize all clients' costs to the institution for funding. |
| **Capital Projects (Band Based)** | |
| One-Year Band-Based Capital Plan

Yearly as agreed upon | The plan and detail sheets outline the plans for capital expenditures for the upcoming fiscal year and includes the following:

• Name of the First Nation and code number.

• Current band based capital allocation, including special initiatives.

• All individual expenditures, total planned expenditures, calculated housing subsidy, infrastructure, and renovation unit costs. |
| Capital Projects Summary

As agreed upon | The summary lists the capital projects planned to be undertaken for the year and itemizes the funding source and total for each project. |
| Renovations Capital Workplan

As agreed upon | This provides details of cost breakdown and source of funds for any renovations, including the following:

• Itemized work to be completed including cost of material and labour.

• Status of sewer service approval by Health Canada.

• Itemized funding sources for the project.

• Inspection agency and officer. |
| Other Capital Workplan

As agreed upon | This workplan provides details on the construction or renovation of other capital facilities to acquire approval. It includes the same information as the Renovations Workplan. |
| Certificate of Completion for Minor Capital Projects

As agreed upon | The certificate certifies that all work on the project is complete, including payments for goods and services. |

Name of report and frequency	Report description
INAC requirements / financial reports (continued)	
Consolidated reporting	
Consolidated Financial Statements Yearly	The First Nations are required to submit these in accordance with generally accepted accounting principles which shall be audited in accordance with generally accepted auditing standards. They shall • be dated 31 March; • consist of a Statement of Financial Position, a Statement of Operations, a Statement of Cash Requirements, a Statement of Expenditure Authorities Used and notes and schedules (salaries, honoraria, and travel); • be accompanied by a Statement of Management Responsibility and an Auditor's Report; and • be based on recommendations by the Canadian Institute of Chartered Accountants as outlined in the Public Sector Accounting Handbook.
Schedule of Revenues and Expenditures Yearly	INAC requires the First Nations to prepare a separate schedule for each individual program and/or service specified in the funding agreement as well as a separate schedule for each program and/or service funded through a contribution authority. At a minimum, the revenues and expenditures schedules must • account for expenditures by object and revenues by source; • present cumulative surpluses or deficits; and • detail opening and closing balances of deferred revenue.

Name of report and frequency	Report description
Health Canada requirements / non-financial reports	
Aboriginal Diabetes Initiative	
Annual Program Activity Report Yearly	This is expected to include all end products and deliverables, and copies of any resource materials generated and developed as a result of the project. It must include information such as the following: • An update on the status of the project. • Activities undertaken to date. • Number of clients who were provided services. • Details on any partnerships developed. • Link to other programs. • Samples of all end products and deliverables. • Samples of any resource materials generated or developed as a result of the project.
Workplan/Activity Report Workplan—yearly Activity Report due October, January, June	Reports on tasks, success criteria, and progress to date.
Aboriginal Head Start on Reserve	
Community Needs Assessment Submitted with proposal	The assessment must include the following: • A detailed description of the children, including ages and gender, and their families who will be a part of the project. • Description of the needs of these children and their families. • Description of existing programs and services in the community.
Program Activity Report Bi-yearly 15 October and 15 January	Reports for these should include the following: • Number of children involved in the project, by age and gender. • Number of children with special needs by age, gender, and type of special need. • Number of parents involved in the project. • Number of staff. • Staff-child ratio. • Number of children on waiting lists. • Number of visits made by public or community health nurses or representatives, National Native Alcohol and Drug Abuse Program representatives, mental health workers, youth workers, Elders, diabetes workers, nutritionists, or other representatives. • Number of visits by dental staff.

Name of report and frequency	Report description
Health Canada requirements / non-financial reports (continued)	
Annual Program Activity Report Yearly	This report includes the status of the project and the activities undertaken to date, such as the following: • Composition of parental advisory committee. • Extent to which culture and language, education, health promotion, nutrition, social support programs, and parental and family involvement are addressed. • Partnerships developed with other programs and services. • Curriculum developed for the program (entire program initially and any modifications). • Evidence of maintenance of health and safety standards. • Copy of the standards being used and the plan for monitoring and recording. • Suggestions or recommendations for future projects or continuation of the project.
First Nations and Inuit Home and Community Care Program **Phase 1: Program needs assessment and service delivery plan development (not observed in the sampled communities)**	
Phase 2: Service delivery plan implementation	
Annual Report 120 days after the year-end	A detailed report on the project should include the following: • Evidence of adequate liability coverage. • Copy of the data collected during the implementation phase on the status of the program, the essential service elements, and the supportive services elements. • Evidence of purchase of training for the personnel, in accordance with the courses approved through the Regional Training Plan, and copy of evidence of certification of the personnel. • Evidence of purchase of equipment in accordance with the requested approved through the Regional Capital Plan.
Phase 3: Service delivery – Communities that have moved to this phase meet the requirements for this phase only	
Program Activity Report	Due 15 July, 15 October, and 15 January, as per the required program data elements contained in the service delivery reporting template.
Annual Report 120 days after the year-end	A detailed report on the project should include the following: • Evidence of adequate liability coverage. • Evidence of certified trained personnel. • Evidence of maintenance of health and safety standards and adherence to legislation. • Service utilization and program data as per the service delivery reporting template.
Tuberculosis Elimination Strategy	
Program Activity Report Monthly 15 May to 15 March	This report must include: • A description on all tuberculosis (TB) cases diagnosed, by completion of a federal case report form for TB. • Any suspected outbreak situation in which two or more TB cases have been diagnosed.
Statistical form Monthly 15 May to 15 March	Report includes information on the Directly Observed Medication Program and other program activities such as the number of tests conducted and client visits.

Name of report and frequency	Report description
Health Canada requirements / non-financial reports (continued)	
Transfer programs	
Evaluation Every five years	An evaluation of the community's health programs and services is required during the fourth year of every five-year period. It is designed to assess the effectiveness of community health programs and objectives, and to determine any changes in the health status of community members.
Community Health Plan From day one of the agreement and updated prior to signing a new agreement	A Community Health Plan (CHP) is the first step in planning what health programs communities want to provide for their members. When developing the CHP, communities have to begin thinking about evaluation. For example, the CHP should specify the following four items that tie in with evaluation: • The programs and activities that communities plan to conduct. • The goals and objectives for each program on activity. • The indicators that communities use in their evaluations to measure how well programs meet their objectives. • The day-to-day records and other evaluation information that staff collect when programs are running.

Annual Report
 	
Yearly
	The chief and council or their designated representatives are responsible to produce and make available to Health Canada and to all members an annual report to community members which
	
	• is based on the goals and objectives of the Community Health Plan.
	
	• summarizes programs and financial information.
	
	• provides data on services, operations and results.
	
	• explains any deviations from the Community Health Plan.
	
	• is available to community members within 120 days following fiscal year-end.
	
	• includes reports on mandatory programs:
	
	(1) Communicable Disease Control:
	
	    • Annual summary.
	
	    • Immunization Level (by age, gender, antigen).
	
	    • Tracing people who have come into contact with the sick person and follow-up of treatment.
	
	(2) Environmental Health:
	
	    • Annual summary, and notification within 24 hours of environmental hazards.
	
	    • Total number and percentage of facilities meeting provincial/federal environmental standards for food services, water supply, sewage and garbage, pollution, and hazardous substances.
	
	(3) Treatment Services:
	
	    • Annual summary.
	
	    • Total number of patients seen in diagnostic categories as specified in the Community Health Plan.

Name of report and frequency	Report description
Health Canada requirements / financial reports	
Aboriginal Diabetes Initiative	
Financial Report Yearly	The recipients of Aboriginal Diabetes Initiative funds must provide a financial report including a budget, cash flow, and financial reporting due dates, detailing amounts (budgeted and actual) spent on the following: • Care and treatment services. • Prevention and promotion activities. • Lifestyle support services.
Financial Progress Reports As listed	Report on actual expenditures for 1 April to 31 August is due 15 October; for 1 April to 30 November is due 15 January; and an Annual Audit for the entire agreement for the period 1 April to 31 March is due 120 days after year-end.
Aboriginal Head Start (AHS) On-Reserve	
Financial Report Yearly	The financial report must include a budget, cash flow and financial reporting due dates detailing amounts budgeted, and actual amounts spent on the following: • Needs assessment. • Capital. • Sources of other funding and in-kind contribution with amounts actually spent on the Aboriginal Head Start On-Reserve project each year.
First Nations and Inuit Home and Community Care (HCC) Phases 1, 2, and 3	
Financial Report Yearly	The Financial Report should include a budget, cash flow forecast, and a report on program expenditures detailing amounts spent on program needs assessment and service delivery plan development, training, capital, and management and support.
Financial Progress Reports	Reports on the actual expenditures are due 15 October, 15 January, and 30 June.
Tuberculosis Elimination Strategy (TES)	
Year-end Financial Report Due 30 June	The report details amounts spent. It is combined with the Final Program Report that is a detailed report on the status of the Tuberculosis Elimination Strategy project.
Transfer programs	
Comprehensive Auditor's Report Yearly within 120 days following fiscal year-end	The First Nations are required to submit this report which is to be produced by an independent accredited auditor in accordance with generally accepted auditing standards. It includes: (1) Report on health expenditures (Schedule A). (2) Report on moveable capital assets reserve (MCAR) (Schedule B). (3) A certification, based on attest audits that: • financial and other reports required under the Transfer Agreement were completed and are accurate, • resources expended were used for health related programs/activities, • the MCAR has been used for the purpose stated in the agreement, • personnel such as nurses and those providing services are certified, • immunization reports and communicable diseases cases have been sent to the region, • the First Nations has a Community Health Plan maintained to reflect programs/services available in the community, and • a medical health officer has been hired when services are not provided by the First Nations and Inuit Health Branch of Health Canada. (4) An opinion on the band's compliance with the terms and conditions of the Agreement.

Name of report and frequency	Report description
HRDC requirements / non-financial reports	
AHRDA Program	
Written agreement between an AHRDA holder and a third party for funding At time of agreement	When funds from HRDC are provided to a third party by the organization (the AHRDA holder) to support projects or activities, the organization should ensure there is a written agreement between it and the third party setting out obligations, and terms and conditions of the funding. It should include the following: • Identification of the third party organization, and the purpose of the financial assistance. • Effective date, date of signing, and duration of agreement. • Financial and/or non-financial conditions attached to the assistance and consequences of failing to adhere to the conditions. • Allowable costs of the project or activity; the maximum amount payable. • Conditions to be met before payment is made, and schedule and basis of payment.
Quarterly Progress Reports Quarterly	The organization must provide HRDC with these reports concerning the progress of the programs and containing information on each participant in its programs in order to evaluate and assess the effectiveness of the assistance, the reports must include the following: • Participant's personal information. • Aboriginal status, marital status, number of dependants. • Disability status, assessment regarding employability. • Name and length of program. • Cost and income support, completion, and follow-up information.
Monthly/Quarterly Progress/ Activity Reports Monthly/quarterly	Reports are to be provided including the above information as well as results targets such as the following: • Number of EI clients or unemployed individuals who return to employment, completing labour market interventions. • Savings to the EI account. • Savings to the Income Support programs. • Number of youth completing youth program interventions. • Number of youth who obtain employment or return to school. • Number of disabled individuals who return to employment or complete labour market interventions.
Annual Report Following fiscal year-end	Reports on AHRDA's activities must include the following: • Description of the organizational structure of the AHRDA holder. • Progress on capacity building that was achieved during the year. • Programs that were delivered during the year. • Achievements and results of programs that were run during the year. • Lessons learned and best practices identified during the year. • The annual audit report.

Name of report and frequency	Report description
HRDC requirements / financial	
AHRDA Program	
Expenditure Plan Yearly not less than 30 days prior to the beginning of the fiscal year	The organization should submit this for each year during the funding period for approval by showing the following: • Total amount of the organization's planned expenditures on its program administration costs. The plan must also show a breakdown of that amount showing the amount planned for program administration costs, and capacity building costs related to Employment Insurance activities and not related to Employment Insurance activities. • Total amount of the organization's planned expenditures on its program assistance costs and a breakdown of that amount between Labour Market Programs, Youth Programs, Child Care Program, and Program for Persons with Disabilities. • A further breakdown of Labor Market Programs planned expenditures on Employment Insurance related assistance costs and the other program assistance costs.
Accounting of the contributions Monthly/quarterly	Before an advance is issued for the 3rd month/quarter and each one after that, the organization must submit an account for the contributions for the month/quarter ending one month/quarter prior to the period for which the advance is to be paid.
Annual Audit Report Within 90 days of the end of the fiscal year	The organization must engage an accounting firm to provide this report during the funding period. It should include the following: • Audited financial statements for the fiscal year. • List of adjustments and reclassifications required to the general ledger with an explanation of each one. • Identification of unexpended balances of advances. • Identification of other income relative to the Agreement such as interest earned and GST rebates. • List of any claimed expenses which are not supported by adequate documentation. • List of all capital assets worth over $250 that were leased or purchased with contribution funds. The list must include, the name, whether it is a lease or purchase, date of purchase/lease, costs and serial number. • Opinion on the adequacy of the internal financial management procedures and controls. • Opinion on the effectiveness of the program monitoring. • Suggestions for ways to improve any deficiencies noted in the opinions. • Comments on the steps taken to remedy any deficiencies noted in previous reports.

Name of report and frequency	Report description
CMHC requirements / non-financial reports	
Post-1997 projects	
Other information from time to time, as requested	Information relating to the project and project units that may be reasonably required by CMHC, within a mutually agreed upon time frame that is reasonable in the circumstances.
Environmental Site Assessment (Phase 1 report) On application for *National Housing Act* (NHA), section 95, Assistance	Each capital project application involving more than six housing units (or multi-storey projects) must undertake, as part of its application proposal, an Environmental Site Assessment (ESA) Phase 1 investigation as described in Canadian Standards Association standard CSA Z768. The purpose of the Phase 1 is to ensure that there is no evidence of contamination on the sites considered for housing units which may constitute an identifiable risk to human health or the natural environment. The ESA report is required as a condition of project approval and will be required prior to issuance of loan advances.
Evidence that per diem rates or grants will be available for the operating costs of the non-shelter component of the project On application for NHA section 95, Assistance	For care facilities/special purpose housing: • Evidence required so that, with the subsidy, the project as a whole will operate on a break-even basis.
Pre-1997 projects	
Project Data Report (CMHC 2254) Annually (within four months after the fiscal year-end)	Required for the pre-1997 section 95 subsidized housing portfolio (two percent program). Only the Tenant Profile portion of the form (CMHC 2254) is required to be completed. It is not necessary to involve the auditor in the completion of the form.

Name of report and frequency	Report description
CMHC Requirements / financial	
Post-1997 projects	
Audited financial statements Annually (within four months after the end of the fiscal year)	The statement must be in a format acceptable to CMHC and prepared by an independent accredited auditor. The duties of the First Nation's auditor must include, but may not be limited to the following: • Verification of the statement of revenue and expenditure. • Verification of the balance sheet. • The provision of an auditor's report including any internal control letter or other auditor's letter presented to the First Nation. • The provision of a statement of changes in financial position. • The provision of a statement to the effect that the Replacement Reserve fund has been properly funded and maintained, and that all interest earned by the fund has been accrued to and maintained with the fund. • Confirmation that disbursements from the Replacement Reserve fund have been made for items of a capital nature in accordance with the Replacement Reserve Criteria as outlined in Schedule "D." There should also be confirmation that items not on the standard list (exceptions) have received prior CMHC approval, along with the provision of an itemized listing of the Replacement Reserve expenditures for the year including the item and the cost. • The provision of a statement to the effect that the Operating Reserve fund has been properly funded and maintained, and that all interest earned by the fund has been accrued to, and maintained with the fund in compliance with clause 8 above. • The provisions of standard notes to the financial statements. Replacement Reserve Fund The sponsor's auditor must confirm the following: • Disbursements from the Replacement Reserve Fund have been made for items of a capital nature in accordance with the criteria and standard list. • The Procurement criteria have been adhered to. • Items not on the standard list (exceptions) have received prior CMHC approval.
Audited statement of "final" capital costs One-time requirement at project completion	Where the statement has not been received with six months CMHC may withhold subsidy payments.

Name of report and frequency	Report description
CMHC Requirements / financial	
Pre-1997 projects	
Audited financial statements Within four months after fiscal year-end	The duties of the Recipient's auditor shall include the following: • Verification of the statement of revenue or expenses and where applicable, separate statements of revenue or expenses of the shelter and non-shelter components of the project. • Verification of the balance sheet. • Production of a statement indicating whether or not verification of the incomes of the occupants and the rent calculations as required by clause 2(5) have been undertaken. This is provided that such an assessment may be undertaken, by the auditor on a sample basis. • Verification of the Annual Project Data Report. • The provision of an auditor's report. • The provision of a statement to the effect that the Replacement Reserve Fund and the Subsidy Surplus Fund have been properly funded and maintained, and that all interest accruing to these funds has been recorded. When the above-noted financial statements have not been received, CMHC may suspend subsidy payments.

Appendix B   Information from First Nations reported to Parliament

This appendix compares the information Indian and Northern Affairs Canada, Health Canada and Human Resources Development Canada reported to Parliament (in reports on plans and priorities from 1998–99 to 2002–03, and in departmental performance reports from 1999 to 2001) with the non-financial data collected from First Nations in Saskatchewan (see Appendix A).

As indicated in paragraph 1.77, federal organizations do not need to report to Parliament in detail on First Nations program activities; what is needed is more information on results.

Programs examined	Summary of information reported in estimates documents
Indian and Northern Affairs Canada	
Indian registration	• Departmental performance reports commonly provide information on the age profile of the Registered Indian population, the proportion of on-reserve vs. off-reserve Status Indians, and the growth rate of the on-reserve Status Indian population.
Education	• The most commonly reported information is the percentage of the relevant population participation, the breakdown of school attendance (on-reserve vs. off-reserve), and the number of education reform projects. • In the 1999 *Performance Report*, information was presented on Indian language instruction, special education needs, and curriculum enhancement initiatives. • There was no reporting on the certification of teachers, amounts spent on students attending off-reserve schools, detailed school evaluations, or numbers and reasons for students not returning to school. • Information reported on post-secondary education is mainly enrolment numbers from year to year and comparisons to Canadian enrolment as a whole. There is no reporting on the type or amount of post-secondary education completed (that is, diplomas or degrees), numbers being funded, or graduation statistics.
Social development	• Data regarding the number of income security demonstration projects that were underlay during the relevant year is the only information collected from First Nations that is reported consistently. • In the 1999 *Performance Report*, the social assistance dependency rate was reported; in the 2001 *Performance Report*, the number of beneficiaries assisted per month was reported. • The 2001 *Performance Report* reported the National Child Benefit Program amount re-invested, the number of programs funded, and the number of families and children affected. • None of the data collected on Indian Child and Family Services, Adult Care, or tribal council funding were reported.
Indian government support	• The only information reported on Band Support Funding is the dollar value of program expenditures.

Programs examined	Summary of information reported in estimates documents
Capital	• The most commonly reported information related to the expansion of on-reserve schools from year to year and planned vs. actual spending on capital projects. • Information consistently reported on Housing and Infrastructure initiatives included data on housing adequacy, water delivery systems, and sewage disposal systems. • The 1999 and 2000 departmental performance reports reported the number of houses completed and renovations made during the year. • In the 2001 *Performance Report*, the actual number of housing units was reported.
Economic development	• Information generally reported included data on the number/dollar value of federal contracts awarded to Aboriginal businesses, Opportunity Fund projects funded and number of jobs resulting, the number of resource-based projects funded, and general information on partnership projects. • Information reported less frequently included the number of projects from Resource Acquisition Funding, jobs created, and business expansion.
Health Canada	

All Aboriginal programs	• In general, Health Canada lumps spending on all Aboriginal programs into one amount and does not report the breakdown of the individual spending per program with the exception of:
	
	    • 1999–2000 *Report on Plans and Priorities*—Budget for the Aboriginal Diabetes Initiative.
	
	    • 1999–2000 *Report on Plans and Priorities*—Budget for Home and Community Care.
	
	    • 1999 *Performance Report*—Budget for Aboriginal Head Start On-Reserve over 4 years.
	
	    • 2001 *Performance Report*—Contribution towards the Aboriginal Head Start On-Reserve.

Aboriginal Diabetes Initiative	• Since the Initiative was announced in the 1999 budget, the only information reported consistently related to the gathered information is the basic status of the project. Also, the number of projects funded was reported in two of the years (departmental performance reports for 2000 and 2001). • There was no reporting on detailed information such as the number of clients assisted, partnerships, linkages to other programs, and any detailed expenditures.
Aboriginal Head Start on Reserve	• The only information reported was the number of projects funded in the 1999 and 2000 departmental performance reports. • As well, the 2000 *Performance Report* reported on the number of children the project served and an evaluation initiative taken. • All other information gathered from First Nations was not used.
Home and Community Care (HCC)	• Information consistently reported included the status of the program in general. • The 2001 *Performance Report* reported on data collected on the stages of the program such as the percentage of eligible communities that have completed the HCC program needs assessment, finalized service delivery plans, and that are actually providing services.
Tuberculosis Elimination Strategy	• No specific information was reported.

Programs examined	Summary of information reported in estimates documents
Human Resources Development Canada	
Aboriginal Human Resources Development Agreement (AHRDA) Program	• 1998–99 *Report on Plans and Priorities* and 1999 *Performance Report* reported a general goal to develop the Aboriginal Human Resource Development Agreement Program in the following years. • The 2000 *Performance Report* reported on the actual total spending on the program and a statement that the program was implemented after setting a specific goal of the amount of agreements to be signed (1999–2000 *Report on Plans and Priorities*). • The 2000–2001 *Report on Plans and Priorities* and 2001 *Performance Report* reported on goals and results produced during the year which reflected information gathered from AHRDA-holders. Financially, the goal and the result of total spending was reported along with a breakdown of a goal reported for spending on childcare. Goals and results for the number of Aboriginals assisted during the year, numbers returning to school, numbers becoming employed, and savings to the EI account were reported related to data gathered throughout the year. • Information that was gathered from First Nations but not reported in the Estimates documents, included data on the breakdown of planned or actual expenses related to costs of Employment-Insurance and non-Employment Insurance activities. The Estimates documents also did not include: information from audit reports; participant information; specifics on programs; information from the monthly/ quarterly progress reports including targets vs. results on various data collected; and any information from the annual report.