



Aboriginal Affairs and  
Northern Development Canada

Affaires autochtones et  
Développement du Nord Canada



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# **Band Managers AFOA workshop**

**First Nation Financial Transparency Act**

March 20, 2014

CIDM#639581



# Agenda

1. Introduction
2. This presentation is to highlight the requirements of the First Nation Financial Transparency Act C-27 and the impact this will have on First Nations.
3. Will cover what documents the First Nation is required to submit to satisfy the requirements of the C-27 Act.
4. Presentation will also discuss the recently released 2013-2014 version of the Year End Reporting Handbook (YERH). Now referred to as the Financial Reporting Requirements.



## Web Site Addresses

- Copies of these two documents can be found at the following internet web site addresses.
- First Nation Financial Transparency Act C-27

<http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=6072946&File=4>

- Year End Reporting Handbook 2013-2014 version

<http://www.aadnc-aandc.gc.ca/eng/1322770816787/1322770979420>



# First Nation Financial Transparency Act

- Main points of this act of Parliament.
- Act applies to First Nations only! Specifically only those defined as a First Nation or Band under the Indian Act. Does not apply to any self-government agreements. This means that all of the 70 Saskatchewan First Nations have to abide by this act.
- Act impacts/starts with the 2013-2014 Fiscal Year Audit.
- Act covers the public disclosure of the Audited Consolidated Financial Statement and the Schedule of Remuneration and Expenses for Chief and Council only!
- Public disclosure is accomplished by posting these documents to the internet in two different sites. One site controlled by the First Nation and the other posting is to be to the Aboriginal Affairs and Northern Development Canada (AANDC).
- For the First Nation posting this is to happen within 120 days of fiscal year end.
- For the AANDC it is to happen without delay after the Minister has received the documents from the First Nation.



## Year End Reporting Handbook (YERH) 2013-2014

- Please note that the 2013-2014 YERH is available from the web site. Note that this YERH has only very recently been posted to the web site.
- Note that Ottawa is changing the way it releases and conveys information to Recipients. In the past, paper documents were produced and distributed, however the trend now seems to be to put the documents directly on a web site.
- This practise allows for quicker distribution and also allows for very quick updates if need.
- Only problem with this method is that you may not be aware of when a document is posted nor if and when it gets updated.
- So always check the version date of the document you are referencing. Ensure that you always have the latest and most up to date one available.
- Very few changes have been made to this year's YERH from previous versions.
- Main new change is that an asterisk \* now signifies which documents are required to be posted to satisfy the requirements of the C-27 Act.



## So what does this all mean?

- You are directed to pay particular attention to **Important Notes** on page 2 of the YERH.

As per the requirements of this handbook:

- First Nations to whom the *Act* applies must provide AANDC its submission in two files:
  - Documents to be published on the internet (as per Section 6.1.1)
    - Annual Audited Consolidated Financial Statements
    - Schedule of Remuneration and Expenses (Chiefs and Councilors) – Annex B
- Please note the use of the words **two files**
- Presently the common assumption is that C-27 documents will be submitted electronically. However the YERH never specifically states that submissions must be electronic and it does not specifically prohibit the submission of a hard copy paper file.



## Saskatchewan Region interpretation of this clause

- Right now Sask Region will still accept submissions for both the Act and the regular Audit package in either format, paper version or electronic version.
- In addition this submission can be just one submission. AANDC will then extract and duplicate the two required Act documents and post them separately.
- However as the submission deadline date is not until July 29, 2014 things may change before that. If changes occur the Recipients and their auditors will be notified.
- Important point for either type of submission is that the submission should be structured to contain separate components. That is the Consolidated Financial Statements should be separated from the Schedule of Remuneration and all the other Special Reports like Annex A Individual Revenue and Expenditure Statements. Where ever possible separate components by Annex as listed in the YERH.
- If the submission is all in one, AANDC will still accept and do the separating out itself, but it would save a lot of processing time if this separation is done before hand.



## Saskatchewan Region interpretation of this clause

- The one exception to this acceptance rule concerns the 2 different Schedule of Remuneration.
- Annex B Remuneration for Chief & Council **must** be separated from Annex C Remuneration for Unelected Senior Officials. These two forms can not be combined into one!
- The Audit submission will be rejected if these two forms are submitted as one document. The YERH requirements call for 2 different forms. They may appear to be the same but there are subtle differences. Hence the need for two different forms. So make sure you adhere to this separation.
- Further note on Annex C form Remuneration of Unelected Senior Officials. It appears that this form is now going to be treated as a mandatory form. In the past Sask AANDC has treated this as an optional form, but it looks like we will no longer have that option. So please complete this form or submit a NIL form if the First Nation truly considers that they do not to have any senior officials. That way they meet the requirements of having submitted an Annex C.





## Separation of Components

- The ideal separation of these Audit submission components would be as follows:
  - Audited Consolidated Financial Statements
  - Schedule of Remuneration and Expenses Chiefs and Councillors Annex B including the Auditor's attestation either an Auditor's Report or a Review Engagement
  - Program/Service/Activity Revenues and Expenses Schedules Annex A (all one grouping)
  - Schedule of Remuneration and Expenses Unelected Senior Officials Annex C including the Auditor's attestation either an Auditor's Report or a Review Engagement
  - Statement of Moveable Assets Reserve Annex D – if applicable.
- This separation should be applied whether the submission comes in an electronic format or a paper copy.
- Ideally an electronic submission should have a separate individual file for each of the components listed above.
- For paper versions most are already packaged up as separate components.



## **C-27 Documents that are posted to the internet**

- The Audited Consolidated Financial Statements and the Schedule of Remuneration and Expenses for Chiefs and Councillors are posted as two separate documents.
- These 2 documents will be posted to the AANDC site under the Community Profile site. This is the same area where the previous Schedule of Federal Government Funding was posted.
- Part of this posting will also include the date that the document was given to AANDC.
- Reminder that the First Nation will also have to post these document on their own web site. These documents must also remain on the web site for 10 years.
- Please do not password protect these documents as they need to be open to the public.



## Signatures on the posted documents

- Lately there has been a fair amount of discussion concerning having Chief and Council signatures available on the internet. Concerns are that these signatures maybe copied and electronically applied to documents that were never actually signed by Chief and Council.
- Discussions are ongoing with Ottawa concerning this subject matter.
- Presently it “appears” that the Financial Statements that get posted to the internet, may just contain a description of “**Original signed by**” instead of a signature.
- However the copy of the Audited Financial Statements that gets submitted to AANDC to satisfy the Funding Agreement reporting requirements, that copy must still have an actual signatures. That is the same requirement as in past years.



## Schedule of Remuneration

- On the web site for the YERH, the third bullet down is a Supplementary Information link.
- Clicking on this will bring you to an area where some “Examples” are given on what is considered Remuneration.
- Keep in mind that the only Remuneration that is tracked is that from the **Reporting Entity**.
- So any per diems from a Tribal Council to a Chief of a First Nation will not be reported on the First Nation’s schedule.



## Summation

- First Nation's Responsibility
  - Post to their own web site the Audited Financial Statements and the Schedule of Remuneration for Chief and Council. Requirement of C-27.
  - In addition also post the Auditor's written report concerning the financial statements and the Auditor's report or review engagement concerning the Schedule of Remuneration and Expenses. Requirement of C-27.
  - Submit to AANDC a copy of all of the above that AANDC can use to post to the internet. Requirement of C-27.
  - Submit a Consolidated Financial Statement and all the other Annexes and Documents as outlined in the YERH (Financial Reporting Requirements) to AANDC. Requirement of the Funding Agreement.



## Summation

- AANDC Responsibility
  - Post to government web site the Audited Financial Statements and the Schedule of Remuneration for Chief and Council. Requirement of C-27.
  - In addition also post to the government web site the Auditor's written report concerning the financial statements and the Auditor's report or review engagement concerning the Schedule of Remuneration and Expenses. Requirement of C-27.
  - Ensure that the First Nation submits a complete Audit package as per the requirements of the YERH (Financial Reporting Requirements). Requirement of the Funding Agreement.



# WE'RE MOVING



## **Aboriginal Affairs and Northern Development Canada is moving.**

**Our Regina Regional Office will be relocating  
to our new Downtown location in 2014.**

**When: May 1, 2014**

**Where: 1827 Albert Street  
Regina, SK S4P 2S9**

**This move will not affect the locations of our  
Fort Qu'Appelle or Prince Albert offices, nor will it  
impact the services we provide to our clients.**





## New Office Location

- Some points to remember about the new AANDC location.
- Previous slide moving date of May 1 has now been updated to actually be **Tue April 22.**
- The location is on the corner of Albert St and 11<sup>th</sup> Ave.
- The new office building that is going up in on that corner. Use to be the old movie theatre location.
- Main AANDC switchboard number will remain the same 306-780-5945
- My direct phone number will change with this April 22 date.
- Unfortunately I do not yet have a new phone number that I can share with you.
- So phone the main switchboard number and they can transfer the call to me.





## Contact Information

AANDC contact

Dean Neald

Audit Review and Intervention Officer

Phone: (306) 780-8346 only until April 21

Starting April 22 use main switchboard 306-780-5945

Room 200, 1 First Nations Way Regina Sask S4S 7K5

Note mail will automatically be forwarded to new address

Email: [dean.neald@aandc-aadnc.gc.ca](mailto:dean.neald@aandc-aadnc.gc.ca)