



Legislative Assembly of Alberta

The 29th Legislature
Third Session

Standing Committee
on
Public Accounts

Indigenous Relations

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Standing Committee on Public Accounts

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Dach, Lorne, Edmonton-McClung (NDP), Deputy Chair

Barnes, Drew, Cypress-Medicine Hat (UCP)
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Goehring, Nicole, Edmonton-Castle Downs (NDP)
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Littlewood, Jessica, Fort Saskatchewan-Vegreville (NDP)
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Miller, Barb, Red Deer-South (NDP)
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* substitution for Nicole Goehring

** substitution for Cameron Westhead

Also in Attendance

Hanson, David B., Lac La Biche-St. Paul-Two Hills (UCP)

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Standing Committee on Public Accounts

Participants

Ministry of Indigenous Relations

Clay Buchanan, Assistant Deputy Minister, First Nations and Métis Relations

Lorne Harvey, Executive Director and Senior Financial Officer, Finance

Trish Merrithew-Mercredi, Executive Director, First Nations and Métis Relations

Arlene Thunder, Director, First Nations Development Fund

Donavon Young, Deputy Minister

8:30 a.m.**Tuesday, November 28, 2017**

[Mr. Cyr in the chair]

The Chair: Good morning, everyone. I would like to call this meeting of the Public Accounts Committee to order and welcome everyone in attendance.

My name is Scott Cyr, and I'm the MLA for Bonnyville-Cold Lake and the chair of this committee. I would ask that the members, staff, and guests at the table introduce themselves for the record, starting on my right with the deputy chair.

Mr. Dach: Lorne Dach, MLA, Edmonton-McClung, deputy chair.

Mr. Panda: Good morning. Prasad Panda, MLA, Calgary-Foothills.

Mr. Hanson: David Hanson, MLA, Lac La Biche-St. Paul-Two Hills.

Mr. Barnes: Good morning. Drew Barnes, MLA, Cypress-Medicine Hat.

Mr. Gotfried: Good morning. Richard Gotfried, MLA, Calgary-Fish Creek.

Ms Merrithew-Mercredi: Good morning. My name is Trish Merrithew-Mercredi, and I'm the executive director of First Nations relations with Indigenous Relations.

Mr. Harvey: Lorne Harvey. I'm the senior financial officer.

Mr. Young: Good morning, everyone. Donavon Young, the Deputy Minister of Indigenous Relations.

Ms Thunder: Good morning, everyone. Arlene Thunder, the director of the First Nations development fund.

Mr. Buchanan: Good morning. Clay Buchanan, ADM, First Nations and Métis relations.

Mr. Driesen: Good morning. Rob Driesen, Assistant Auditor General.

Mr. Saher: Merwan Saher, Auditor General.

Ms Luff: Robyn Luff, MLA for Calgary-East.

Ms Renaud: Marie Renaud, St. Albert.

Mr. Nielsen: Good morning. Chris Nielsen, MLA, Edmonton-Decore.

Ms Miller: Good morning. Barb Miller, MLA, Red Deer-South.

Dr. Turner: Bob Turner, Edmonton-Whitemud.

Mrs. Littlewood: Jessica Littlewood, MLA for the constituency of Fort Saskatchewan-Vegreville.

Mr. Kleinsteuber: Good morning. Jamie Kleinsteuber, MLA for Calgary-Northern Hills.

Mr. Malkinson: Brian Malkinson, MLA for Calgary-Currie. Good morning, everyone.

Dr. Massolin: Good morning. Philip Massolin, manager of research and committee services.

Mr. Roth: Good morning. Aaron Roth, committee clerk.

The Chair: Thank you.

The following substitutions are noted for the record: Mr. Nielsen for Mr. Westhead, Mr. Kleinsteuber for Ms Goehring.

A few housekeeping items before we return to the business at hand. The microphone consoles are operated by the *Hansard* staff, so there is no need to touch them. Committee proceedings are audio and video streamed live on the Internet and recorded by *Hansard*. The audio and video stream and the transcripts of the meetings can be accessed via the Legislative Assembly website. Please set your cellphones and other devices to silent for the duration of the meeting.

We'll move on to the next part, approval of the agenda. Are there any changes or additions to the agenda? Seeing none, would a member like to move that the agenda for the November 28, 2017, meeting of the Standing Committee on Public Accounts be approved as distributed? Ms Miller. Any discussion on the motion? All in favour? Any opposed? Thank you. That motion is carried.

Let's move on to the approval of the minutes. We have two sets of minutes to review for today's meeting. Do members have any amendments to the November 14, 2017, minutes? If not, would a member move that the minutes for the November 14, 2017, meeting of the Standing Committee on Public Accounts be approved as distributed? Volunteers? Mr. Nielsen. Any discussion on the motion? All in favour? Any opposed? Thank you. That motion is carried.

Are there any amendments to the November 15, 2017, minutes? If not, would a member move that the minutes of the November 15, 2017, meeting of the Standing Committee on Public Accounts be approved as distributed? Thank you again, Mr. Nielsen. Any discussion on the motion? All in favour? Any opposed? Thank you. That motion is carried.

I'd like to welcome our guests who are here on behalf of the Ministry of Indigenous Relations to discuss the First Nations development funding grants. Members would have the research report prepared by research services, the Auditor General briefing document as well as the status of the Auditor General recommendations document completed and submitted by the ministry.

I invite the deputy minister to provide opening remarks not exceeding 10 minutes. Mr. Young.

Mr. Young: Well, thank you, Mr. Chair, and good morning, everyone. I do want to start by acknowledging that we're meeting on traditional territory of Treaty 6 First Nations and also acknowledge the deep history that Métis people have with this land. It's my pleasure to be here to present Indigenous Relations progress on implementing the Auditor General's May 2017 recommendations on the First Nations development fund grants. Just as a side note, members, we typically refer to this fund as FNDF, so I'll be calling it throughout my presentation.

I would like to again just introduce my colleagues if that's all right. On my far right is Clay Buchanan, the ADM of First Nations and Métis relations; to my right, Arlene Thunder, who is the program director of the First Nations development fund; on my immediate left, Lorne Harvey, who is the SFO for the department and executive director of finance; and on my far left, Trish Merrithew-Mercredi, who is the executive director of First Nations relations.

Let me start by providing just a bit of background on the First Nations development fund. This is a lottery grant program available exclusively to First Nations in Alberta. Developed by First Nations and the government of Alberta, a portion of revenues from government-owned slot machines located in First Nations casinos in Alberta goes into the FNDF grant program.

First Nations in Alberta can apply to the FNDF grant program for economic, social, and community development projects. Since 2006 Indigenous Relations has allocated more than \$1.1 billion in FNDF grants to support thousands of social, economic, and community development projects in First Nations communities in our province. In 2016-17 FNDF lottery fund proceeds exceeded \$118 million, excluding administrative expenses, and have supported over 330 First Nations projects.

Some examples of First Nations community projects supported by the FNDF include a \$700,000 construct to Fort McKay First Nation Youth Centre, \$34,252,000 to construct the Courtyard Marriott hotel on the Cold Lake First Nation, and \$11,200,000 to construct the Piikani Nation hockey arena and multipurpose centre. So it's an extremely important grant program to the nations. A complete report of the FNDF grants is available on the Alberta lottery fund website.

The government of Alberta is committed to improving the socioeconomic conditions in First Nations communities, and the FNDF program is one way, a very important way, that the ministry supports this and enhances our working relationships with the communities.

Now, speaking to the Auditor General's report of May 2017. In the 2013 Auditor General's report the Auditor General made three recommendations largely related to consistent application and documentation of processes. These recommendations were to improve, one, communication of eligible uses of FNDF grant funds; two, processes to review and approve grant applications; and three, processes for monitoring compliance with reporting requirements and actions taken to correct noncompliance with grant agreements. Recommendation 1 has been satisfied, and in the May 2017 Auditor General's recommendations he repeated numbers 2 and 3.

With regard to improving review processes, the Auditor General recommended that the department improve its processes to review and approve grant applications by, one, formalizing the additional review processes it developed for complex grant applications and, two, by consistently obtaining sufficient information to support its assessment of complex grant applications. Now, to be clear, complex grant applications are those with the potential to include gaming-related activities such as developments near existing casinos or have principal and/or interest payments over \$1 million.

The management response is that since May 2017 the Auditor General reports that Indigenous Relations has done a number of things to continually improve the FNDF program. To start, the department has implemented and used its new FNDF complex grant application assessment policy to review and assess the three First Nation complex grant applications that we have received since implementing the policy. Two of the applications were from Enoch Cree Nation for the construction of an events venue and the River Cree Crossing building. The third application was for the Tsuut'ina First Nation All Chiefs Sportsplex and the Chief Starlight community hall. The policy ensures that the ministry is exercising due diligence to ensure that the nations have considered cost processes, project management, and assessed risk for their complex FNDF projects.

By March 31, 2018, the internal FNDF grant program procedure manual and the First Nations FNDF grant program guide will be updated to reflect the new complex grant application assessment policy that we've been following for the past year or so.

In addition, we've developed an inventory of supporting documentation to accompany the First Nations complex grant application. Some examples are construction contracts, banking documents, and market value appraisals. This will also be incorporated into the manual and the program guide by March 31, 2018.

8:40

Starting this past fiscal year, we have included a requirement to confirm that First Nations sought independent, professional advice to support their complex grant applications prior to approving any grant. To ensure the ministry has the ability to adequately review, assess, and recommend a complex grant application for ministerial approval, the department recruited a liaison officer with an accounting background and extensive experience working with First Nations on financial reporting.

As well, we've established an internal peer-review approach within the department which is used to review and assess complex grant applications. As always, my staff will continue to work with First Nations to ensure they provide sufficient information to support the assessment and approval of the complex grant applications.

Now, regarding the second recommendation, around improving monitoring processes, the second recommendation from the AG for the department is to improve our monitoring processes by consistently ensuring that First Nations comply with reporting requirements and to act to correct noncompliance with the FNDF grant agreement. In response to this recommendation department staff have started sending e-mails to all First Nations advising them when reporting is coming due. In fact, four e-mails were sent this past year – in May, July, August, and September – to all First Nations in accordance with the FNDF grant program procedural manual.

In addition to the notification on the report coming due, the September e-mail advised seven First Nations who had outstanding reporting that their second-quarter payment, due in January 2018, would be withheld until noncompliance was remedied. In October these seven First Nations had their second-quarter payments put on hold, and the liaison officers worked diligently with them to get the outstanding reports. In addition to the e-mails sent to the First Nations, ministry staff have also communicated via telephone and conducted community visits to resolve the outstanding reporting.

I am pleased to tell you that as of today all reports have been submitted, and the second-quarter payment, held in October, will be released in January 2018, so there are no nations with outstanding reporting requirements due to the department as of today.

While not an Auditor General recommendation, we also made the proactive decision to conduct an internal FNDF compliance audit review, which is currently under way. The intent is to improve the efficiency and effectiveness of the internal FNDF audit team so they can better support the First Nations' adherence to the FNDF grant agreement. This year we enhanced the FNDF database to improve the accuracy and tracking of late reporting. As part of this, a new late-reporting report was created. Also, there have been more internal meetings to monitor late reporting and compliance with the FNDF grant agreement.

To ensure compliance with the FNDF grant agreement, my department will formalize a procedure to analyze financial reporting for variances between actual and budgeted project costs. The analysis will be documented on the FNDF project file. As well, ministry staff are providing more on-site support and guidance to First Nations that are not complying with their reporting requirements. To that end, there have been 76 on-site visits to date this year compared to 72 visits for the 2016-17 fiscal year.

Another action taken was to establish a focus group consisting of ministry staff and First Nations administrative and technical staff to conduct a performance analysis in First Nations administration to identify various gaps. Specific training will then be developed that better responds to the capacity needs and workplace processes that

affect the quality of the administration and delivery of the FNDF program in First Nations communities, and this training will be delivered to all FNDF First Nations staff by March 31, 2018.

In conclusion, I'd just like to say that our goal is to fully implement the Auditor General's recommendations while honouring the principles of the UN declaration on the rights of indigenous peoples. Doing so will ensure that the FNDF grant program continues to be a tool in advancing the economic, social, and community development projects in First Nations. It is important to note that the spirit and intent of the FNDF grant agreement is to foster meaningful . . .

The Chair: Mr. Saher, I will turn it over to you for your comments.

Mr. Saher: Thank you very much, Mr. Chairman. The deputy minister has given you a very full description of his department's status with respect to two outstanding recommendations. I don't believe that I can usefully add anything other than to note that in both cases for both recommendations the department is committing to have them fully implemented by March 31, 2018, and we will use that date to plan our next follow-up audit.

Thank you.

The Chair: Thank you, Mr. Saher.

We will now go to our usual time allotment format, in a one-and-a-half-hour meeting, for questions from the committee members. The first rotation will be 10 minutes each for the Official Opposition and government members. The second rotation will be an additional 10 minutes each for the Official Opposition and government members, followed by five minutes for the independent committee members. The final rotation is five minutes for any Alberta Party, Liberal, PC, or independent member in attendance wishing to participate. Any time remaining will rotate equally amongst the Official Opposition and government members, with the final few minutes designated for any outstanding questions to be read into the record and to consider any other business which is to be brought forward. We ask that officials at the table as well as those seated in the gallery provide their names before responding to questions. This is for the benefit of those listening online and for the *Hansard* recording.

I will now open the floor up to questions from members. Mr. Hanson.

Mr. Hanson: Thank you, Chair, and welcome, Deputy Minister. I would just like to get some clarification on the FNDF. It says here that you received "40 per cent of the net revenue from government-owned slot machines" in the five casinos, that "75 per cent is available to the five First Nations who host [these] casinos," and that the other 25 per cent is distributed amongst 41 First Nations. Is that a formula that's written in stone even if there's a higher priority on one of the other First Nations, that that 75 per cent has to stay in those five?

Mr. Young: It is, sir. It's part of the grant agreement with the nations.

Mr. Hanson: Okay. Thank you.

Mr. Young: It is sort of a rock-solid formula.

Mr. Hanson: Then it says that of the other 25, "half is divided equally amongst 41 First Nations; and the other half is divided based on First Nation population totals." Does that cover the whole province, or are some people being left out of this formula?

Mr. Young: There are no nations being left out. All 48 nations are provided funding through FNDF.

Mr. Hanson: Okay. Now, do they have to actually apply for a grant, or is this just based on their population and it's distributed?

Mr. Young: They have to apply.

Mr. Hanson: They have to apply and have a project in mind.

Mr. Young: They have to submit a written application.

Mr. Hanson: Okay. Thank you.

I just also want to ask you some questions on the Courtyard Marriott hotel. There has been some questioning in the report on whether it actually met the funding model. It seems like a lot of money going to one project. It appears to be a capital project for a for-profit enterprise. How does that fit into the FNDF formula?

Mr. Young: Let me provide a response, and then I'll ask Arlene Thunder, the program director, to supplement if I've missed any important information. It is completely an eligible project. There are only three types of applications that are, quote, ineligible. Funds cannot be used for per capita distribution, funds cannot be used for direct gaming-related activities, and funds cannot be used for collateral purposes to secure a bank loan. Those are the ineligible uses of FNDF. It's very broad to include community, economic, and social development.

The hotel you referred to in Cold Lake is completely an eligible project. Cold Lake, being one of the host nations, receives a lot more funding than nonhost First Nations. I can't tell you. I don't have my fingertips on that. I'm not sure if Arlene does.

Mr. Hanson: But, again, that's all done on an application basis?

Mr. Young: Absolutely. Absolutely.

Ms Thunder: Yes.

Mr. Hanson: Okay. Interesting.

I'm looking at schedule 7, the total budget of expenses for 2017. It was \$195,596,000. Of that, \$119,733,000 came from FNDF. Basically, 60 per cent of the Indigenous Relations budget comes from gaming?

Mr. Young: If that's what the calculation is, 60 per cent, but you're correct that roughly \$120 million is FNDF.

Mr. Hanson: And this is just slot machines on casinos?

Ms Thunder: Yes.

Mr. Young: Yeah, First Nations casinos.

8:50

Mr. Hanson: First Nations casinos.

So if we were to just take all of that revenue, we could actually increase the total budget of Indigenous Relations by over 30 per cent, just from those slot machines? We could do a lot of wonderful work on First Nations reserves, I tell you. It's just more of a comment than anything. It's amazing to me that, you know, just 40 per cent of the revenue from those five casinos' slot machines is covering 60 per cent of the entire budget of Indigenous Relations.

Mr. Young: If your calculation is correct, 60 per cent, you're right that \$120 million of \$195 million comes from the slot machines generated by five First Nations owned casinos.

Mr. Hanson: I guess what I'm saying is that we have a lot of First Nations, especially up in my area, you know, that have water projects that have been waiting on hold for years and years. I see a \$34 million expenditure on a hotel. I see another 60 per cent of the revenue coming from those slot machines that could be going to some great projects that are needed. To me, it's a little frustrating from the outside looking in, and I'm sure it is to some of the smaller reserves in the province that have been waiting patiently for funding for this.

I'd just like to also comment on schedule 5. I know that Indigenous Relations is one of the smallest ministries, yet it's showing a deputy minister, four assistants, and an executive director. Does that not seem a little excessive to you?

Mr. Young: I'm not sure what you're looking at.

Mr. Hanson: The annual report 2016-2017, page 66.

Mr. Young: I don't have that in front of me.

Mr. Harvey: What was the question?

Mr. Hanson: It's just that it seems like – I know that Indigenous Relations is one of the smallest ministries in the province.

Mr. Young: I believe there are five in my office. There's myself. I have two assistants, a chief of staff.

Mr. Hanson: It's showing here a deputy minister, four assistant deputy ministers, and an executive director. Is that correct?

Mr. Young: Yeah. That's for the entire department. I have three ADMs.

Mr. Hanson: All right. That's fine. Just a question.

How many field liaison officers do we have that are out doing these inspections?

Ms Thunder: Four, sir.

Mr. Hanson: Four of them, eh? Their entire job is to inspect and go and confirm that these projects are ongoing, are being done properly?

Ms Thunder: They provide support right from the beginning. When the First Nation is deciding what the priority is for the nation, then they assist with the development of the application and the proposal. They assist with the budget if that's what's required. They may refer them to, you know, various people to support them in the implementation of that project, and then they also follow up and ensure that that project is in fact being implemented successfully as well as collect the report to account for those dollars.

Mr. Hanson: Okay. Whom do they report directly to, then?

Ms Thunder: To me.

Mr. Hanson: To you.

One of the First Nations was not visited in three years and had not provided its project reports for the past five fiscal years. I guess the question would be: can you tell us which First Nation that was and why the liaison officer hadn't made those trips?

Ms Thunder: That was Heart Lake, a small community in the northeast.

Mr. Hanson: Yeah. It's up in my area.

Ms Thunder: Yes. Heart Lake.

The issue wasn't that we didn't attempt to go. There were issues in us actually . . .

Mr. Hanson: Accessing.

Ms Thunder: Yeah, being allowed to come, right? There are some challenges around capacity there.

Mr. Hanson: Okay. I understand that.

Next question. This is going back to some questions that I've asked in the House. Outcome 1 on page 17 of the annual report is that "indigenous communities and peoples can fully participate in Alberta's economy and society." The report goes on in the second paragraph to say that the government will work with indigenous communities on a variety of measures, but an apology for the '60s scoop is not one of them. I've asked the question a couple of times in the House. I was just wondering if you could explain to me the process and steps that have to be gone through by your department before an official apology can be issued, and when can we expect an official apology?

Mr. Young: Let me just say on that that we're working closely with the minister and with other stakeholders in the community to have an apology. When it'll be done exactly I can't really say; we're hopeful in the next several months. But we are actively working towards an apology, working closely with Minister Feehan.

Mr. Hanson: Okay. So you recognize that there was participation by the Alberta government, different departments during that time, and that an official apology is . . .

Mr. Young: I'm not sure how that's related to an FNDF audit.
Mr. Chair?

Mr. Hanson: It's okay.

Mr. Dach: I have a point of order.

Mr. Hanson: I can change my line of questioning.

Mr. Dach: We are here today to discuss the follow-up on First Nations development fund grants, yet questions are seeming to be directed fully on the annual report, which is not on our agenda. I would ask that we stick to the focus of our agenda, which is the follow-up on First Nations development fund grants.

Mr. Hanson: I just diverted off there for a second. I apologize, sir.

The Chair: Are you taking the question off the table, then, Mr. Hanson?

Mr. Hanson: Yes. I can strike that one out.

The Chair: Thank you, sir.
We've got 22 seconds here.

Mr. Hanson: Twenty-two seconds? I'll defer, then.

The Chair: Thank you, Mr. Hanson.
Ms Renaud.

Ms Renaud: Thank you, Mr. Chair, and thank you to everyone for coming today. Let's focus on the purpose that we're here for, to look at the audit report. The AG noted that Indigenous Relations did develop a complex grant application assessment process but that the process was not being used. Mr. Young, your update addressed

the progress made implementing this assessment recently. Can you comment on the barriers to that implementation before you did begin to implement? What was learned, and what barriers were addressed?

Mr. Young: I'll ask Arlene Thunder to address that, please.

Ms Thunder: Okay. I'd like to just go back again to the spirit and intent of the agreement when it was negotiated and developed. It was basically a partnership between First Nations governments as well as the Alberta government. I think that as the program evolved over 10 years in a very big way – and I don't think anybody back in 2000 anticipated the breadth of this program nor the amount of funding, revenue that was going to be generated from these five casinos, so it's been a real learning journey for all of us, including First Nations. I think that over time some of those projects began to become much bigger and more complex, so we also learned as we went along as a program that we also needed to do some things differently.

Some of the barriers. By collecting all of this information – I need to also point out that the First Nations had it. They have all of these experts at their fingertips, and they ensure that they're, you know, exercising due diligence and that they are getting the best bang for their buck, if you will, and that they have looked at all the cost processes, looked at all of the risks, looked at: if there are risks, what are the mitigation strategies? I think we've all learned along the way that, hey, this is becoming a lot more complex, so we need to do things differently. We started to ask for that stuff that they have. They had it, and they were very willing to share it with us.

Once we started collecting that information, we also found that we're more comfortable and confident that they have done their work to ensure that this is successful and that the money is being spent appropriately. I think we've asked for a lot of this stuff. It's coming in, and it's absolutely addressed some of these questions and barriers that maybe we didn't even consider in the past, and now we are. As partners we're moving forward and learning together, and they're very open to saying: "Yeah, we know that things are changing. We know, you know, that we're now getting into the hotel business, that we're now getting into gas stations and grocery stores, so we need to do things differently as well. We need to do it with you." So the partnership has really, really come together over the last few months, or actually a couple of years now, where they're saying: "Okay. Whatever you need – whatever you need – just let us know, and if we need something from you, we will let you know."

It's been real learning for all of us. I think that the willingness is there, that they are very willing to be transparent, to be accountable. They also have constituents. They're community members. I'm sure, you know, some of you realize that the community at large is starting to be more vocal, and this is all good.

Did that answer your question?

9:00

Ms Renaud: That was a great answer, actually. Thank you for that.

I have a question about: is every FNDF grant audited by Indigenous Relations to ensure the funds are spent appropriately, and if not, why not?

Ms Thunder: Yes, they are. Every project is audited on a three-year basis. The auditors will go in and audit a group of projects that weren't audited the last time they were there, and then that cycle just continues every three years.

Ms Renaud: On page 66 of the report the Auditor General found that "the department did not consistently monitor First Nations to ensure they complied with reporting requirements." What progress has been made in monitoring compliance over the last two years specifically?

Mr. Young: Thanks for your question. E-mail notifications are being sent out when the reporting is coming due. The first e-mail notification is sent in May. Additional e-mails are sent in July, August, and September. The September e-mail notification advises the First Nation that their second-quarter payment will be held back until compliance has been achieved.

To date we've had a number of on-site visits, 76. An internal FNDF compliance audit review is under way to improve the efficiency and effectiveness of the internal audit function. Those are some of the more important things that we're doing.

Ms Renaud: Okay. Thank you very much.

That's all I have, Mr. Chair. I'm going to pass it to MLA Luff.

Ms Luff: Thanks. Thank you, Mr. Chair. My questions are just sort of along the same line, about grant compliance, basically, so looking at pages 66 and 68 of the AG report.

I mean, I guess the first question is just – you mentioned that there has been some noncompliance in terms of, you know, the paperwork and following up with the paperwork. Have there been any grant agreements that were found noncompliant with spending rules, because of money being spent inappropriately in the last two years?

Ms Thunder: No.

Ms Luff: No?

Ms Thunder: No. I mean, it is all related to the late reporting. There are times when a First Nation has changed priorities. That does happen, where the project that was approved is no longer the priority. So then they now change it to, you know, a priority that they want to put forward. What they'll do is that they'll send us what we call a change of use. That is not necessarily noncompliance because they are just changing priorities. They actually have to resubmit a whole new proposal package and get it approved by our minister before that project will be recognized and they can spend money on it. The compliance is really more related to the late reporting versus spending.

Ms Luff: Right. Yeah. And you mentioned sort of in your introduction that there were seven First Nations that were found noncompliant because of late reporting and that you went in and worked with them to help them. I'm just curious. If you could maybe go into that in a little more detail, about what steps you take to remedy the situation when you're in a situation of noncompliance.

Ms Thunder: Okay. I think, first of all, as my deputy minister just said, that there is a process, there's a procedure manual that we follow internally that is really, really important, you know, for us to implement consistently. The first thing we do is those e-mails. But more than that, it's about engaging the community and various people in the community. Some of the folks that we work with, chiefs and councils, tell us, basically, that they delegate: this is the person who is going to be your FNDF contact for our community. So we work with those folks. But sometimes it requires us to elevate to more administrative people, whether it's the band manager or the CFO or the accountant. We do work with

those folks as well to see what's going on, what's happening, what we can do to assist.

We will also reach out to the audit firm. The audit firm is the one that's actually, you know, compiling. They do their annual audits. A lot of those reports are those audited financial statements. So when we find that there are some issues, we will connect with the audit firm to say: "Hey, what's going on? Can we assist? Is there information you need from us so that you can do your work so that we can get this report?" We do that as well. That will continue until we get the report.

Ms Luff: Awesome. It sounds like it's working.

Ms Thunder: It is, thankfully.

Ms Luff: I was running through the list of approved grants. There were some that I noticed were for FNDF administration. Like, is there grant money available from this fund to administer the other money? Does that make sense?

Mr. Young: I think I know what you're referring to. The department administers this fund on behalf of First Nations in Alberta, direct administrative costs. Arlene Thunder is the director. She has four liaison officers and support staff and, I think, an analyst as well for less than about 2 per cent – our administrative fee is around 2 per cent. I think I'm quite close.

Ms Thunder: Less.

Mr. Young: Less than 2 per cent, and that comes directly from the FNDF proceeds.

Ms Luff: Yeah. For sure. Some of the grants specifically said that they were for administration.

Ms Thunder: For First Nations administration, yes.

Mr. Young: Oh, I see.

Ms Thunder: Yes. Some of them do recognize that they don't have the capacity internally, whether it's resources or people, so they will actually submit a project specifically to administer FNDF. It pays for a salary and, you know, office supplies and stuff like that.

Ms Luff: For sure.

I guess I just have one more, and it's about, you know, that the AG noted that ultimately when a First Nation is out of compliance . . .

The Chair: Thank you, Ms Luff.

Mr. Panda.

Sorry. Before we start the clock, Mr. Fildebrandt, can you please announce yourself for the record.

Mr. Fildebrandt: Derek Fildebrandt, Strathmore-Brooks.

The Chair: Thank you, Mr. Fildebrandt.

Mr. Panda, I apologize.

Mr. Panda: Thank you, Mr. Chair. Thank you, Deputy Minister and your staff, for coming here to answer our questions today. Page 67 of the AG's report indicates that there are five reports from First Nations submitted more than six months late and that at least one of them is 18 to 20 months late. Since the Auditor General's report have First Nations filed these 40 late reports? How many reports are outstanding today on the First Nations development fund?

Ms Thunder: Currently, today, it's up to date. We don't have any outstanding reports for First Nations today.

Mr. Panda: So you've caught up with all the outstanding?

Ms Thunder: Yes, we have.

Mr. Panda: Thank you.

On page 68 of the report there is a lack of compliance with the First Nations in using a separate bank account to prevent comingling of funds. Isn't that reason enough to stop funding projects, in order to force compliance and bring some discipline?

Ms Thunder: If I'm hearing you correctly, I think that when our internal audit function goes out and they find that there are these issues, they find that they've taken money out of the FNDF – just for clarity, every First Nation has to open an FNDF bank account, separate and apart from their own business account. That account is where the monies are deposited. The money is to be taken out of the account only for approved FNDF projects. There are times when we have found that money has been taken out and put into the general account. The general account then pays for that project. Sometimes a First Nation will actually cash manage, where they'll pay for it because our payments only happen quarterly. So there are times when First Nations have to use their own resources to fund that project until the FNDF payment comes in. That happens a lot because that's just the way the business is.

Mr. Panda: Okay. Thank you.

On page 65 of the report why did the department risk the impartiality of the department's own internal auditor in order to review one of the more complex applications for the First Nations development fund?

Mr. Young: Why did we use the internal auditor?

Mr. Panda: Yeah. The impartiality of the department was risked.

Mr. Young: I'm not sure how much the impartiality of the department was risked. It was a learning experience. I mean, the internal auditor does have expertise. At the time we thought that that would be a good sort of resource to borrow and to use the internal auditor, so we did. That was our judgment call at the time. The Auditor General has suggested a better way, and we're totally fine with that.

9:10

Mr. Panda: You checked with the Auditor General and they're okay with that? That's what you're saying?

Mr. Young: We don't check with the Auditor General. As you've indicated, they've said that there's a better way to get outside expertise. They cited the one time when we used the internal auditor. As I say, at the time that we used the internal auditor, we thought that was fine. We were borrowing a valuable resource at our disposal to assist in that analysis. The Auditor General has pointed out that there's a better way of doing that going forward, and we agree.

Mr. Panda: Okay. Thank you.

Page 68 also shows:

The department's procedures indicate that all projects for the recipient should be placed on a payment hold, but liaison officers explained that they do not place all projects on hold because they consider this consequence too severe.

Your own people are not following the established procedures. Are those officers above the expenditure policy? How do you deal with that when such things happen?

Ms Thunder: This is a partnership between two governments, so there's that sensitivity that we always consider, ensuring that, you know, we are partners. We need to be doing business together. I mean, our program staff in the past have had that mindset.

Today that is not the mindset. The staff will, you know, and have put all projects on hold this year. It's not just one, but it's all of them. That is a practice that we will consistently do moving forward, and that's to follow our internal procedural manual.

Mr. Panda: Thank you.

I would like to share my time with my colleague here.

The Chair: Absolutely.

Mr. Gotfried.

Mr. Gotfried: Thank you, Mr. Chair, and thank you to our presenters today. I just wanted to take a look with respect to some of the ministry proposals. The ministry has concluded its engagement with indigenous communities and organizations for the purpose of mandatory training for the Alberta public service staff and government of Alberta agencies, boards, and commissions. Will government-wide training begin, as anticipated, in early 2018?

Mr. Young: Again, Chair, I would ask how this is related to the FNDF audit.

The Chair: Sorry. I was distracted. Can you repeat the question, sir?

Mr. Gotfried: The question relates to mandatory training of the public service, which was also in the 2016-17 annual report. Mr. Chair, as the information provided to us from research services and other research done here relates to the annual report, I am a little confused as to why we are being ruled out of order. We actually have Indigenous Relations here to answer questions on several issues. It should be the annual report and also the other report, as indicated. Are we restricted to only one, or are we also as the Public Accounts Committee allowed to ask questions on the annual report?

The Chair: Are you requesting, sir, to put a motion forward to add the annual report to this meeting?

Mr. Gotfried: Yes, Mr. Chair.

The Chair: Okay. Can you word the motion for the committee to vote on, please?

Mr. Dach: May I call a point of order?

Mr. Gotfried: I think the issue here, Mr. Chair, is not necessarily exactly the agenda but the scope of this committee.

The Chair: My understanding is that this was a discussion we should have had when we were approving the agenda, ahead of time, sir. If this was a concern that needed to be brought up, this needed to be done before we approved the actual agenda.

Mr. Hanson: If I might, sir, the Auditor General's report is based on the annual report, so why would it not be automatically included? Why would we have to have a special motion to include the report that the Auditor General's report is based on? It makes no sense.

The Chair: Unfortunately, the motion is out of order at this point. If we wanted to add the annual report to this meeting, we would have needed to do it when we were asking for additions or deletions to the agenda. I'm getting the head nod here. At this point we need to limit our questions to just the follow-up on the First Nations development funding grants.

Mr. Gotfried: I guess that I can maybe reframe the question and maybe get a similar response.

I'd like to ask the minister: do you gather all of the liaison officers in a room at least once per year to train everyone to be on the same page with respect to policy changes that affect this report?

Ms Thunder: Yes, we do. We have annual training both for internal staff as well as First Nations people.

Mr. Gotfried: Could you maybe explain some of the nature of that training and the comprehensive nature of it in terms of addressing some of the needs and requirements it would have in the field to achieve the results?

Ms Thunder: Okay. We have had training such as budgeting, accounting, proposal writing. We've had change management. We had a focus group just last week with First Nations to talk about some of these kinds of things, what training needs they have. It's been, you know, a number of years now, so we needed to touch base to say: okay; what are the needs today? We actually just did that last week. We are now going to develop training based on those needs that were shared at the focus group and then bring all of those FNDF folks, including my staff, to a training session to be held before the end of March.

Mr. Gotfried: Okay. In terms of site visits, from our information more than half of the communities that should have had two site visits each in 2014-15 and '15-16 have not had both visits. Could you give us a bit of an update on your frequency of visits in terms of the communities and whether that is being met in the ensuing years?

Ms Thunder: Okay. We always strive to be out in the communities as much as possible. That is just part of the program. I think that whenever we're invited, we absolutely make, you know, an effort to be there. There are times where we initiate that visit, and we do our best to get out into the community. There are always a number of reasons why we can't actually visit the community, but we do our best to get out there as much as possible. There are some First Nations that are doing really well, and they might have one project in the queue.

As an example, it could be a band office. The band office, the administration office, is already built. It's operational, and the grant money is going towards P and I, principal and interest, on a bank loan. So the requirement for us to be with that First Nation is not the same – right? – because that First Nation doesn't really need us. There are no other projects in place. They only get a limited number of grants that year, and it's all being invested into this bank loan. Those kinds of things would require us not to be there as much as others.

Mr. Gotfried: Okay. Also, on page 67 of the Auditor General's report there seems to be a rather frequent incidence of overdue reporting. Has the department asked grant recipients why providing the required reporting under the grant agreement has been a challenge, and can you let us know what the department can do to assist with that? I'm concerned here that the best way usually to find out why somebody is not reporting is actually to sit down with

them and find out what their challenges are, whether that's human resources, whether that's lack of understanding of what the process is. Can you explain to us what you're doing to ensure that they can meet your requirements and to help them to achieve that in terms of... [Mr. Gotfried's speaking time expired]

Thank you. Maybe you can reply in writing to that.

Ms Thunder: Yes.

The Chair: Mr. Gotfried, thank you very much.

Ms Miller.

Ms Miller: Thank you, Chair. Has the department been able to formalize a procedure to analyze the financial reporting variances that you've come across?

Ms Thunder: Yes, we have. I think that this is a new procedure for us as well. We have definitely taken the Auditor General's recommendation very seriously around assessing variance. I think that, again, it's a learning for both sides. It's a learning for First Nations to be more mindful of that when they're submitting a budget to us, to be more mindful that that is as close as possible to what it is that you're trying to implement. So we're working with the nations right at the front end, basically, saying: you know, when you're developing your budget, make it your best guess, with some supporting documentation that says that, yeah, this is the best cost that we should budget for.

9:20

I think that in the past that wasn't happening, so we are having those conversations with the First Nations so that they are more mindful at the very beginning and throughout the project. We're touching base with the First Nations as well throughout the implementation, throughout the year of that project, touching base with them when we're out there, saying: "Well, how is it going with that project? Are there any challenges? How are you with the budget?" We meet with finance folks. "Are you on task with this budget, or, you know, are you seeing that maybe you're going to have too much or less?" Right? This is new for us as well. This is something that we're going to continue to do.

In the last three days that we spent with the First Nations, that I mentioned earlier, it came out very clearly that they need those kinds of supports. They need those little touchpoints to say, you know, "Are you...?" because they're so busy in the community. Some of these folks actually wear a number of hats. It's not just one thing that they're doing; they're doing a number of things. So it's important for us to kind of remind them: "Get back on FNDF, and let's see where you're at. Let's have an update. Are things on track or not?" so that we can assist them in mitigating any issues where we can or maybe give them some suggestions on where they might want to go to get some of these issues resolved.

Ms Miller: Thank you.

You know, it's quite common for a project to have costs come in over budget. Look at the new bridge in Edmonton. Has this affected any grants in the last two years?

Ms Thunder: No.

Ms Miller: And when the projected and actual costs don't match, is there any problem getting this rectified?

Ms Thunder: Well, when the internal auditor goes in and actually does an audit, this is what that audit will find out, right? It will very clearly say that the costs were in excess of what the budget was or vice versa, less, so there's money left over. In one respect, if they have gone over budget, they have two choices. The First Nation

absorbs the cost. That is one. The other one is that they submit another application to us for what we call a top-up. It's something that they clearly can't absorb. It was within scope; it was absolutely, you know, on par with that project. They can submit a new proposal for approval – again, it has to go through the whole approval process – to get that additional money or that overexpenditure covered. So there's that avenue.

And then the other side: if it's less than what they budgeted for and there's money left over, then we take that money and we apply it to some other project that hasn't been paid yet. There's always money we account for, either/or. We account for when it's over, or we account for when it's less, and the nation makes that decision with us. They say: "No. You know what? We were \$20,000 over, but we're going to absorb that cost. We're not going to submit a top-up application in this case." They realize that that top-up is now taking away from some other priorities that they may want to do as well in this fiscal year.

Ms Miller: As a supplement to that: does that happen very often?

Ms Thunder: I wouldn't say very often, but it does happen. Absolutely. Like you said, you know, it is a budget, so, yeah.

I think some of the issues as well are that the First Nations maybe pay more for a product than somebody else would, so they're always challenged with that, the costs that they're paying versus maybe somebody else. That's a real issue for them.

Ms Miller: Thank you very much.

I'm going to pass the rest of the time to MLA Littlewood.

The Chair: Mrs. Littlewood.

Mrs. Littlewood: Thank you. In line with talking about FNDF programming, I'm just wondering how you can communicate with the public the effectiveness of how you're supporting the projects that enhance economic, community, and social well-being of First Nations and, if there are any inconsistencies, how you monitor the ability to make sure that these move forward in a smooth way.

Ms Thunder: I'm sorry. Can you repeat the beginning part?

Mrs. Littlewood: How do you ensure that these projects are effectively enhancing those goals that you talk about: economic, community, social well-being?

Ms Thunder: Okay. I think that, well, the audit function, for sure, accounts for a lot of the money. We also will go out and actually visit these projects and walk through them and see them, and so do our internal auditors. They also go in, and they actually, you know, look at the projects. "Is that house constructed?" They walk through it. "Where's that equipment that you purchased? Where's that grader?" We go out and actually physically see all of this stuff. We see that it has been successful. It's operational. "Is there somebody living in it? Are the offices open? Is the store open?" There are all of those things to demonstrate that it has definitely made a difference.

Mrs. Littlewood: Over the last 11 years of administering the program, what lessons have you learned about how you ensure that you have good communication with all of these nations that you interact with?

Ms Thunder: I think the real big lesson that we've learned more recently is that we need to have relationships and engage more folks at the First Nations level, you know, that there's our First Nation FNDF contact that we work with – and we work with the finance –

but that there are actually program folks and other folks that are actually implementing this project and how we need to engage and ensure that they're aware of what FNDF's requirements are. That's been some of the challenge. That project manager might not necessarily appreciate what the requirement is to account for those dollars. There's a bit of a struggle between that program project manager and the actual FNDF person that's submitting that report to us. The communication between those two has not always been there. We're ensuring the communication is throughout that community that has their hands on FNDF so that all are aware of what FNDF is about, what the terms and conditions are of the grant agreement, and so that everybody is in the know and it's a more cohesive and successful project at the end of the day.

Mrs. Littlewood: Have you undertaken new ways of how you go about managing those relationships and making sure that they are collaborative and having that feeling of partnership in the last two years that you could point to, any different strategies that you may have taken to make sure that that happens?

Ms Thunder: Presentations to chief and council are becoming a real regular activity. I think that it's important that we engage First Nations leadership. We've had a lot of elections over the last two years. I found as a program director that that was really critical, that we needed to educate and make the chief and council aware of the grant agreement, number one. A lot of them were not the signatories 10 years ago, so a lot of them are not always aware of the real specifics of the grant agreement or the terms and conditions. We've done that. That's been a really good activity. It's really produced good results because then that trickles down. Then we meet with administrators at the band level as well, and then we meet with the technical people. We have taken a very different approach in the last couple of years to engage more people and to make sure that that education and that awareness of FNDF is throughout the community.

Mrs. Littlewood: Thank you.

How much time do I have left, Chair?

The Chair: One second. Okay. Thank you, Mrs. Littlewood. That was right down to the wire.

Mr. Hanson.

Mr. Hanson: Thank you, Chair.

The Chair: Sorry. Can we pause it for just one second? This is the final rotation between government and opposition. We have seven minutes for this final rotation . . .

An Hon. Member: Three and a half each?

The Chair: Sorry?

Some Hon. Members: Seven each.

The Chair: Seven each, and then we'll go on to closing remarks. Thank you very much.

Go ahead.

Mr. Hanson: Okay. Thank you. Just a couple of quick questions. You said that grant applications for FNDF funding cannot be used as collateral, yet in one of your comments you said that some of the liaison officers didn't go out to visit in the instance where the First Nation built a band office and they're using FNDF funding to pay off the loan from it. How is that different?

9:30

Ms Thunder: Before that bank loan is actually approved, we ensure that there is no FNDF security clause in these agreements. A lot of the bank agreements have that standard clause, you know, around security, and we have worked with banks to remove that clause, to ensure that FNDF is not being held as security on that loan. That kind of work is done at the very beginning.

Mr. Hanson: Yeah. I can see where it could be beneficial, especially for larger water projects on reserves. It would be a benefit for them to be able to build these projects knowing that they're going to have FNDF funding for, say, a 10-year span that would help them to pay for it.

Ms Thunder: Yes.

Mr. Hanson: I talked about the original formula, the 40 per cent. Is there any discussion with the five First Nations that have the casinos of changing that formula to benefit more of the noncasino reserves? Or is there any talk of increasing the percentage dollar amount that comes out of the net revenues? I mean, there are a lot of projects. We've got – I think I saw the list – over 100 different small reserves listed throughout the province. A lot of them have water issues, sanitation issues. I just see a benefit, you know, that if we changed that model a little bit, we could probably get a lot more of those projects off the ground. Has there been any discussion from your department with those five First Nations that own the big casinos to change that formula at all?

Mr. Young: No, there haven't been any formal discussions between the nations and the government. I mean, again, this is part of the original agreement, dating back to 2005-2006.

Mr. Hanson: Yeah. I understand that. I'm just wondering if there's any flexibility in there to . . .

Mr. Young: To change the grant agreement really requires the consensus of the 48 nations, so it's not something the government would be able to do with two or three or even five. But there's no question that the host First Nations, who laid out the capital to build the casinos, to build the hotels, certainly take the view that they took the risk, you know, 10 years ago or five years ago to build the casinos, to build the hotels.

Anyway, in direct answer to your question, sir, no conversations to change the formula.

Mr. Hanson: Thank you.

Mr. Panda: Thank you. I just want to know why your department staff omitted the business revenues from consideration in the application for the Courtyard Marriott hotel in Cold Lake. Why were the business revenues omitted?

Mr. Young: I don't think we have that specific information.

Mr. Panda: Can you check and let us know later on?

Mr. Young: Yes.

Mr. Panda: Okay. Thank you.

You know, this fund is meant to help First Nations. Have you ever checked how extensive the paperwork is to apply for the grant, the FNDF grant, and how extensive the paperwork is to report, to submit the reports? Have you ever found out how much time is spent applying and reporting?

Ms Thunder: As far as applying, there are a number of things. There's the actual application itself, which is something that we created at the beginning of the program. So there's an application. There's a budget and a proposal that need to be submitted as well and any other supporting documentation to justify an account, you know, to support that proposal. So it's not: this is all you need to give. It could be more. It really is dependent on the project that they're putting forward as far as the application side of things goes.

We provide a lot of support in that area. We're out there. We help them make sure that they have complete proposal packages that come in. Even when they do submit them and they're incomplete, then the liaison officers go back out to the nation and help them, you know, fill in the gaps.

Mr. Panda: Okay. Thank you.

Mr. Hanson: Just one other quick question. The Blue Quills First Nation out in my area: have they been given any grants? The reason I'm asking is that it's a project where the university benefits the entire province, all First Nations, including the five First Nations with the casinos. I know that they have some fairly desperate needs as far as infrastructure out there, so I'm just wondering if there is some way that we could work to support that university. It's very unique in our province. I think it does really benefit the entire province and all First Nations, whether they're in Treaty 6, 7, or 8. I'm just wondering if there's some way that we could implement some kind of a program to support them.

Mr. Young: There is no Blue Quills First Nation, sir. Your question was: has Blue Quills First Nation received any grants? There is no Blue Quills First Nation. There is a Blue Quills college.

Mr. Hanson: Actually, I beg to differ, sir, but it is a unique First Nation.

Mr. Young: I think it's a satellite community. Of which nation?

Ms Thunder: There are a number of Treaty 6 First Nations that surround it. Tribal Chief Ventures ...

Mr. Hanson: Blue Quills is a unique First Nation.

Ms Thunder: The agreement speaks to that, too. It has to be a recognized First Nation according to the Indian Act, and they are not.

Mr. Young: In answer to your question around the program or the university, the applicant has to be a nation, has to be a recognized INAC First Nation. That's why we're struggling here. Blue Quills isn't a recognized First Nation.

Mr. Hanson: I'll look into that, but I'm fairly sure that it is.

The Chair: Thank you.

Okay. Mrs. Littlewood.

Mrs. Littlewood: Thank you, Chair. My question is if there have been any First Nations that have asked for a review of the FNDF program. If there was, what was the minister's response to that?

Ms Thunder: There hasn't been any formal request for a review of the program. The program in general, the FNDF program?

Mrs. Littlewood: Uh-huh.

Ms Thunder: There hasn't.

Mrs. Littlewood: Okay. Thank you.

I guess I'll follow that question with just if there have been actions to implement the third recommendation by the Auditor General, which would be how monitoring is done on the program.

Ms Thunder: Yeah. Again, I think we have done some things internally. We have an FNDF database that is very helpful to us. It creates reports. Everything that we do in FNDF is input into this database, and then it generates reports. We've done some work around enhancing that database so that we can in fact get more accurate reports around reporting.

We've also implemented some internal processes around, you know, even with our auditors, coming together to review: okay; where are we at; where's everybody at? We have meetings on a regular basis internally as well with the auditors. As well, me and my staff have some separate program staff meetings, and we talk about these challenges so that we can be more on top of them and address them in a much more expedient manner. We're doing a lot more of that to ensure that we're on top of these noncompliance areas right away.

Mrs. Littlewood: Thank you.

I will hand the rest of the time to Dr. Turner, please.

The Chair: Please, Dr. Turner.

Dr. Turner: Thank you, Chair. Actually, thank you very much to what I would call a small but mighty ministry. I'm really impressed with the answers that have been given here this morning. I'm particularly impressed as an Albertan that the relationships between First Nations in this province and the government certainly have improved over the last 11 years, and I think some of that is due to this program. I would compare our experience to my home province of Manitoba, which is having real difficulties in this context. Certainly, Saskatchewan is a disaster, in my opinion, as is Quebec. I think the ministry needs to take some credit for making the relationship and fulfilling UNDRIP, actually, which is, I think, another very important thing. So congratulations to your group.

9:40

I had a question about the complex application process. Just as one parenthetical thing, a million dollars is a pretty small number these days. You're making most of the applications complex ones, and perhaps you should think about changing that particular number.

On page 65 of the AG's report he notes that the Department of Indigenous Relations has "developed further guidance for assessing complex applications." It's documented in a complex application assessment process, but it's yet to be put into the procedure manual. So maybe you can comment on progress along those steps.

Ms Thunder: We actually have used the new policy four times already this year. While we're reviewing our internal policy, including the First Nations program guide, which is a really good tool for the First Nations – that's their guide – we're taking the opportunity to look at everything, not just little pieces to respond to the OAG's recommendation, the Auditor General, but to look at everything. While we're doing this, let's look at everything and let's revise and bring these two documents up to date. They're 10 years old. We just had a 10-year anniversary with the First Nations, so it's really opportune for us to look at all of it, including the audit function.

It's taking more time to do that. We're engaging with the focus group folks to see around the training if there is something else we could also insert into these two guides as well. A whole bunch of things are happening at once, and there's of course the compiling of

the document and then the publishing of the document. That will take some time as well, but we'll have it all done by the end of March.

Dr. Turner: I'd like to just follow up on one of the questions from the Official Opposition. The water projects, to me, are really vital, and I know that there has been some funding in the most recent budget to provide water to the reserves. I also know that water supply and sanitation is actually a federal responsibility. How does the FNDF funding sort of bridge those two things?

Mr. Young: It's a good question, sir, and you're right that in a separate program there's a hundred million dollars to provide that kind of infrastructure funding to take water infrastructure to reserve boundaries. Capital funding for water infrastructure would be considered an eligible use of FNDF funding should a First Nation submit such an application. I'm not sure off the top of my head if we've had one over the past number of years. They're pretty big projects. You know, they're in the tens of millions of dollars normally, so they're probably bigger than what FNDF can handle. Really, most nations look to the federal government for that kind of funding, but if there was some bridge funding as an opportunity, FNDF would be considered an eligible use. Usually water projects are just too large, if you will, for a typical FNDF application.

Dr. Turner: Right. Thank you very much.

The Chair: Nineteen seconds.

Dr. Turner: I'll cede my time.

The Chair: Fair enough, sir.

All right. I will turn the floor over to written response questions. Are there any written response questions for the next three minutes? Mr. Panda.

Mr. Panda: Thank you. Page 65 of the AG report indicates that "the department approved some projects without having sufficient information to support its assessment against required criteria such as the reasonableness of project costs." Can you detail which projects those were, and have reports been submitted?

Also, in total, to date how much money from the First Nations development fund has been given to River Cree Resort?

The Chair: Okay. Thank you, Mr. Panda.

Mrs. Littlewood.

Mrs. Littlewood: Thank you, Chair. I'm just wondering, following on some of these questions, if more than one nation can apply for FNDF funding for a project together. It looks like that's a yes.

Thank you.

The Chair: Sorry. A response for that in writing, please.

Are there any others? Mr. Hanson.

Mr. Hanson: Yes, please. Just to clarify, I just did some checking, and you're right. Blue Quills is actually owned by the seven First Nations in the area. So can they, in conjunction, apply together to assist Blue Quills?

The Chair: Okay. Thank you, Mr. Hanson, for that clarification question.

Are there any questions from the government, please? Okay.

Seeing none, are there any further questions from the Official Opposition? No? Okay.

I would like to thank the officials from the ministry who attended today and responded to the committee members' questions. We ask that the responses to the outstanding questions from today's meeting be provided in writing and forwarded to the committee clerk within 30 days.

Moving on to other business, I wish to note for the record the following written responses received with respect to questions outstanding from previous meetings: Community and Social Services on May 2, 2017; Agriculture and Forestry on May 9, 2017; Health, May 16, 2017; Economic Development and Trade, May 30, 2017; Treasury Board and Finance, September 6, 2017; Health, September 7, 2017; and Energy, September 7, 2017. In keeping with the usual practice of the committee, these documents will be posted on the external committee website.

Are there any further discussion items?

Seeing none, we'll move on to the date of the next meeting. The committee meets on Tuesday, December 5, with the Ministry of Seniors and Housing. The committee meeting is scheduled from 8:30 a.m. to 10 a.m. and the premeeting from 8 a.m. till when it's completed.

Would we have a member move to adjourn this meeting? Mr. Malkinson. All in favour? Any opposed? On the phones? That motion is carried.

Thank you very much.

[The committee adjourned at 9:47 a.m.]

