



HOUSE OF COMMONS
CANADA

EDUCATION PROGRAM AND POST-SECONDARY STUDENT SUPPORT

Report of the Standing Committee on Public Accounts

**John Williams, M.P.
Chair**

June 2005



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THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

has the honour to present its

SEVENTEENTH REPORT

Pursuant to Standing Order 108(3)(g), the Standing Committee on Public Accounts has considered Chapter 5 of the November 2004 Report of the Auditor General of Canada (Indian and Northern Affairs Canada — Education Program and Post-Secondary Student Support) and has agreed to report the following:

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LIST OF RECOMMENDATIONS

RECOMMENDATION 1

That Indian and Northern Affairs Canada report to the Standing Committee on Public Accounts in confidence on an ongoing basis on its progress in defining its roles and responsibilities. In particular, the Department's draft statement of roles and responsibilities must be completed for presentation to a meeting of the Public Accounts Committee planned for the end of September 2005.

RECOMMENDATION 2

That Indian and Northern Affairs Canada report on its progress in drafting its roles and responsibilities in its report on plans and priorities in the spring of 2006 and on its progress in developing a final version of its roles and responsibilities in its departmental performance report in the fall of 2006. Once the roles and responsibilities are defined and in the public domain, they must be published regularly in both the Department's report on plans and priorities and its departmental performance report.

RECOMMENDATION 3

That Indian and Northern Affairs Canada complete a set of performance indicators for its elementary, secondary and post-secondary education programs by the end of 2005 and report on these in its 2006 report on plans and priorities. These performance indicators must be used in future departmental performance reports.

RECOMMENDATION 4

That Indian and Northern Affairs Canada keep the Standing Committee on Public Accounts abreast, on a semi-annual basis, of its progress in establishing performance indicators through periodic submissions.

RECOMMENDATION 5

That Indian and Northern Affairs Canada improve the quality of its Estimates documents by defining the objectives and

expected results of all its educational programs and the Post-Secondary Student Support Program in particular. It should report on costs and performance and clarify how the programs are making a difference in narrowing the education gap between First Nations and the broader Canadian population using comparable indicators.

RECOMMENDATION 6

That Indian and Northern Affairs Canada immediately take steps to ensure that school evaluations are completed and that recommendations flowing from these evaluations are addressed. The Department must report on its progress in its departmental performance report.

RECOMMENDATION 7

That Indian and Northern Affairs Canada, in consultation with First Nations, immediately take steps to ensure that all tuition agreements between it, First Nations and provincial school boards are in place. The Department must also provide its regional offices with sufficient guidance and training to ensure that its responsibilities are understood and applied consistently. The Department should report annually on its progress in its departmental performance report.

RECOMMENDATION 8

That Indian and Northern Affairs Canada, in consultation with First Nation communities, set a timeline for closing the education gap between First Nation students and the broader Canadian population. The Department must report on its progress, or lack thereof, in closing the educational gap in its departmental performance reports.

RECOMMENDATION 9

That Indian and Northern Affairs Canada provide a copy of its report on the cost of a basic First Nation education to the Standing Committee on Public Accounts by the end of September 2005 for presentation to the Committee along with a separate report outlining costs specific to providing First Nation education.

RECOMMENDATION 10

That Indian and Northern Affairs Canada update Parliament annually on the detailed cost of First Nations education in its departmental performance reports.

RECOMMENDATION 11

That Indian and Northern Affairs Canada review its post-secondary funding mechanisms, including the use of flexible transfers, to ensure that they are delivering equitable funding to as many eligible students as possible. This review must be conducted within the context of the Department's roles and responsibilities, which are expected to be completed by December 2005.

RECOMMENDATION 12

That Indian and Northern Affairs Canada immediately collect the necessary data to determine which communities receive a proper amount of post-secondary funding with regard to the number of eligible students. It must use this data to further its study of post-secondary funding mechanisms.

RECOMMENDATION 13

That Indian and Northern Affairs Canada provide accurate information and avoid the use of misleading language in its Treasury Board filings on the way in which the Post-Secondary Student Support Program (PSSSP) operates. The Department must also provide the Standing Committee on Public Accounts with a rationale for the information supplied to Treasury Board with respect to PSSSP funding.

RECOMMENDATION 14

That Indian and Northern Affairs Canada immediately review the strengths and weaknesses of the Mi'kmaq Education Agreement and the British Columbia First Nation Education Steering Committee and develop strategies to expand the best features of both initiatives to other First Nation communities. The Department must report on its progress in this work in its departmental performance report beginning with the report for the period ending March 31, 2006.

RECOMMENDATION 15

That Indian and Northern Affairs Canada ensure the clarity of its policy documents so that they can be understood by a wide audience.

RECOMMENDATION 16

That the government take immediate measures to retain deputy ministers at Indian and Northern Affairs Canada for at least three years to ensure policy continuity and coherence, as recommended by the House of Commons Standing Committee on Public Accounts in its 10th report.

INTRODUCTION

In April 2000, the Department of Indian and Northern Affairs Canada (INAC) told Parliament, in response to an audit by the Office of the Auditor General, that it was committed to “a faster resolution of the gap in student achievement between First Nations and other Canadians.” At the time, the Auditor General estimated it would take 23 years for First Nations to reach the same level of education as the broader Canadian population.¹

Almost five years later, in November 2004, a follow-up audit by the Auditor General found that the time it will take to close the education gap was growing, not shrinking in spite of increases in educational funding. Using 2001 Census data, the Auditor General calculated it would now take 28 years for the native population to attain the same educational profile as the overall Canadian population, up from 27 years using 1996 Census data. In short, the Auditor General’s findings suggested that things had gotten *relatively* worse (compared with the broad population) for First Nations rather than better between 1996 and 2001.

Moreover, the Department could not explain *why* the time needed to close the education gap was increasing, a problem which in turn pointed to the fact that the Department has, despite repeated promises,² been unwilling to clearly define its roles and responsibilities in First Nation education.

¹ This calculation used figures supplied by Indian and Northern Affairs Canada in its Estimates documents and was based on the assumption that the proportion of Canadians (overall population) with high-school education would not change from its 1996 level.

² In its response to the Auditor General’s April 2000 audit, for example, the Department said it was “conscious of the need to better articulate its role in First Nations education” (p. 4-23). In its response to the Committee’s report on the April 2000 audit, the Department said in collaboration with First Nations, it would “provide a statement on its role and responsibilities in First Nation education by the end of June 2002” (Government Response to the First Report of the Standing Committee on Public Accounts, at: <http://www.parl.gc.ca/committee/CommitteePublication.aspx?SourceID=37746>).

More generally, the Auditor General's 2004 Audit found that only "limited progress" had been made on recommendations from her 2000 audit and from a May 2000 Public Accounts Committee report on the same issue.³ The Auditor General also found "significant weaknesses" in the Department's management and accountability policies for its educational programs, including the post-secondary program, which was the subject of a separate audit.⁴

With this in mind, the Committee held a meeting with officials from the Office of the Auditor General and the Department on 31 January 2005. To the Committee's dismay, the Department was ill-prepared for the meeting, failing to address any of the Auditor General's concerns and recommendations in a direct, detailed or clear way. Instead, the Committee heard promises about more meetings, more reviews and more studies. Disturbed by this response, the Committee passed a motion demanding that the Department come up with a detailed action plan to address the Auditor General's concerns.

On 29 April 2005, the Department sent the Committee an action plan, which was discussed at a meeting on 4 May 2005. The action plan is built on two pillars, namely a First Nation Education Policy Framework, which is slated for completion by June 2006 and will consist of a joint review (with First Nation working groups) of INAC's policies and programs, and a second pillar, a First Nation Education Management Framework, which is slated for June 2007 and will spell out the Department's accountability mechanisms.

OBSERVATIONS AND RECOMMENDATIONS

The Government of Canada has jurisdiction over First Nation communities, including jurisdiction over education, by virtue of the *Constitution Act of 1867* as well as various statutes, treaties, agreements and policies. Since the 1950s, the federal government has delegated an increasing share of its responsibility over education to First Nation communities and provincial jurisdictions.⁵ At the same time, the amounts spent on First Nation education are substantial and growing, especially in the last five years. In 2003-04, the Department of Indian and Northern Affairs spent about \$1.1 billion to support and provide elementary and secondary education to 120,000 First Nation children and another \$304 million to help about 25,000 First

³ Report of the Auditor General of Canada, Chapter 5, p. 5-1. Standing Committee on Public Accounts, 14th Report, 2nd^d Session, 36th Parliament, available at: <http://www.parl.gc.ca/committee/CommitteePublication.aspx?SourceId=36454>

⁴ The Auditor General's November 2004 report consisted of two audits of the Department's administration of its First Nations education programs. The first audit is a follow-up to a 2000 audit of the Department's elementary and secondary school funding program. The second is a new audit of the Department's post-secondary funding program, known as the Post-Secondary Student Support Program or PSSSP.

⁵ While a large part of the impetus for this devolution of power originated from within native communities, there were also several important government reports that made similar recommendations, including, notably, the 1983 Special Parliamentary Report on Self-Government (the Penner Report).

Nation students attend a post-secondary institution or seek some other professional qualification. Compared with 2000-01, the year of the last audit by the Auditor General, these 2003-04 amounts represent a 14% increase in spending on elementary and secondary education (from \$965 million) and a 7% increase in spending on post-secondary education (from \$284 million).⁶

The Need for Clearly Defined Roles and Responsibilities

Increasingly, Indian and Northern Affairs Canada sees its role as providing “support, advocacy and management of the various funding arrangements,”⁷ although as noted above, it has yet to spell out exactly what this means in practice, especially with respect to primary and secondary education.

The Committee believes that a clear definition of the Department’s roles and responsibilities in elementary, secondary and post-secondary education is the first and most important step in addressing many of the problems identified by the Auditor General in her November 2004 and April 2000 audits. With some clear definitions, the Department will be better able to deliver focused and effective education services to First Nation communities and measure its progress against performance indicators built on the basis of those roles and responsibilities. The lack of clear roles and responsibilities creates confusion, incoherence and uncertainty. In the case of the Post-Secondary Student Support Program (PSSSP), for example, the Auditor General found conflicting opinions about whether the Department’s mandate is to play a purely funding role with no oversight or, conversely, to ensure adherence to some minimum program requirements.⁸

In its April 2005 action plan, the Department promises to have a draft definition of its roles and responsibilities in education by the end of September 2005. The Department will then consult with First Nation communities to complete a final version by the end of December 2005, which will subsequently be published by June 2006. The Committee reminds the Department that in response to the Committee’s 2000 Report, the Department promised a “statement on its role (*sic*) and responsibilities in First Nation education by the end of June 2002.”

⁶ Indian and Northern Affairs Canada, *2001 Performance Report*, p. 6.

⁷ Indian and Northern Affairs Canada, April 2005, “Education Action Plan (In response to the Auditor General’s observations and recommendations, Chapter 5 of the November 2004 Report),” p. 9.

⁸ One such requirement could include ensuring that First Nation students only attend *eligible* post-secondary institutions or programs. For those who believe the Department plays (or should play) a purely funding role, this consideration is irrelevant.

Given the Department's history of missed deadlines and unfulfilled promises, the Committee is understandably sceptical about the Department's ability or willingness to respect this latest deadline. It needs some assurance that the Department will adhere to its timeline. It also understands, however, that progress in defining its roles and responsibilities could be hampered if draft documents were released to the public prematurely. The Committee recommends:

RECOMMENDATION 1

That Indian and Northern Affairs Canada report to the Standing Committee on Public Accounts in confidence on an ongoing basis on its progress in defining its roles and responsibilities. In particular, the Department's draft statement of roles and responsibilities must be completed for presentation to a meeting of the Public Accounts Committee planned for the end of September 2005.

The Committee also believes it is important for Parliament and Canadians to stay abreast of the Department's progress in defining its roles and responsibilities. In the past, the Department has resisted using its Estimates documents to keep Parliament informed on this and other matters. In 2000 for example, the Committee recommended that beginning in 2001-02, the Department "provide a clear and formal statement of its roles and responsibilities" in its report on plans and priorities and departmental performance reports (the Estimates documents).⁹ In its response to this recommendation, INAC said that an Estimates document could not provide the "specific or detailed reporting on a single program as has been contemplated by the Committee, nor is it a document which is likely to receive distribution or attention within the education community or First Nation communities."¹⁰

Instead, the Department promised to publish a biennial report on First Nation education beginning in June 2002 which would spell out progress in developing, amongst other things, clear roles and responsibilities. The first biennial report was not published until December 2003. Weighing in at 15 pages, including the cover page, the document failed to include a "clear and formal statement" of the Department's roles and responsibilities in education and came up short on many of the other details sought by the Auditor General and the Committee. In fact, a typical page consisted of photographs and two or three paragraphs of large-font text.

INAC's *action plan* makes no explicit mention of using the Estimates documents to keep Parliament informed. Instead, it promises a management

⁹ Standing Committee on Public Accounts, 14th Report, 2nd Session, 36th Parliament.

¹⁰ "Government Response to the First Report of the Standing Committee on Public Accounts, available at: <http://www.parl.gc.ca/committee/CommitteePublication.aspx?SourceId=37746>

framework by June 2007 that will thoroughly address the accountability issues raised by the Auditor General. In the meantime, it says it will publish the second edition of its biennial report, contribute an Aboriginal chapter to *Canada's Performance Report*¹¹ and continue to work on a document called the "Aboriginal Progress Report."

The Committee has long believed that Estimates documents *are* the appropriate place to report on roles and responsibilities, performance indicators and especially on important policy objectives such as closing the First Nation education gap. In a report from 2001, for example, the Committee wrote that it "strongly supports the use of reports on plans and priorities and performance reports as accountability documents, as management tools for departments, and as a means of fostering greater transparency in government."¹² Moreover, the Committee has for some time now been urging departments to make better and more imaginative use of these documents to improve accountability to Parliament and Canadians more generally. The Committee also notes that the limited amount of information in the Department's *Education Programs Report* could easily be incorporated in its Estimates documents.

Finally, the Department might arguably have made some progress at deriving a clear and formal definition of its roles and responsibilities if it had been obliged to report on its progress, or lack thereof, in its Estimates documents. The Estimates documents would have served as a constant reminder to the Department and to Parliament of the need for such a clear and formal definition. The Committee recommends:

RECOMMENDATION 2

That Indian and Northern Affairs Canada report on its progress in drafting its roles and responsibilities in its report on plans and priorities in the spring of 2006 and on its progress in developing a final version of its roles and responsibilities in its departmental performance report in the fall of 2006. Once the roles and responsibilities are defined and in the public domain, they must be published regularly in both the Department's report on plans and priorities and its departmental performance report.

¹¹ *Canada's Performance Report* reports on how well the country is doing in achieving the government's goal of improving the quality of life of Canadians. It measures this progress by looking at 23 indicators, including the educational attainment of First Nation communities.

¹² Eighth Report of the House of Commons Standing Committee on Public Accounts, 37th Parliament, 1st Session, available at:
<http://www.parl.gc.ca/committee/CommitteePublication.aspx?COM=228&Lang=1&SourceId=36785>

The Need for Performance Indicators

Even with a clear set of roles and responsibilities, the Committee is not convinced that the Department has the will or ability to translate these statements into practical and useful policies, a process greatly aided by using an appropriate set of performance indicators. The Committee believes this kind of accountability framework is a crucial step towards improving the educational outcomes of First Nation people and that the Department should ensure that it can deliver on its responsibilities.

In her 2004 report, Auditor General Sheila Fraser indicated that the Department had *already* identified some potentially useful performance indicators but was concerned that it lacked the data needed to construct these indicators. The Auditor General recommended that INAC speed up its efforts to develop performance indicators.

The Department's action plan says that the Department has completed a review of the data at its disposal, the rationale for the data and the authority under which it is collected. Its next task is to set up electronic information gathering processes, which it expects to have completed by November 2005, and then meet with First Nation representatives to ensure that the data-gathering process is not overly burdensome. The Department expected to complete this process by November 2006, after which point it will "finalize performance indicators and reporting requirements" by June 2007.

It has been more than five years since the Committee and the Auditor General first recommended that the Department develop performance indicators and report on these in its Estimates documents beginning in 2001-2002. Again, at the time, the Department suggested that this information would be more appropriately published in its biennial review. The Committee was not and is not satisfied with this response or the timeline proposed in INAC's action plan, especially since the Department appears to have completed a review of available data and promises to have electronic data-gathering processes in place by November 2005. It should not and must not take another two years to develop a set of performance indicators. The Committee therefore recommends:

RECOMMENDATION 3

That Indian and Northern Affairs Canada complete a set of performance indicators for its elementary, secondary and post-secondary education programs by the end of 2005 and report on these in its 2006 report on plans and priorities. These performance indicators must be used in future departmental performance reports.

RECOMMENDATION 4

That Indian and Northern Affairs Canada keep the Standing Committee on Public Accounts abreast, on a semi-annual basis, of its progress in establishing performance indicators through periodic submissions.

With respect to the Post-Secondary Student Support Program (PSSSP) in particular, the Auditor General was critical of the Department for failing to provide a complete picture of the program and what is being achieved with departmental funds. According to the Auditor General, the Department's Estimates documents fail to:

- Provide targets or timelines that would allow parliamentarians to judge the performance of the program;
- Compare post-secondary achievements of First Nation people, on or off reserve, with those of the broader Canadian population;
- Provide an accurate picture of how many students are being helped by the program. For example, while pointing to the fact that 25,000 received support in 2002-03, up from 250 in 1968-69, the Department failed to point out that the 2002-03 results were less than the 27,000 who received help in 1998-99;

Again, the Committee believes in the need for complete and accurate Estimates documents, as does the Auditor General. The Department's April 2005 action plan makes a vague promise to complete the "comprehensive" management framework by June 2007 but, as noted earlier, makes no explicit mention of using Estimates documents to show how it is doing. The Committee recommends:

RECOMMENDATION 5

That Indian and Northern Affairs Canada improve the quality of its Estimates documents by defining the objectives and expected results of all its educational programs and the Post-Secondary Student Support Program in particular. It should report on costs and performance and clarify how the programs are making a difference in narrowing the education gap between First Nations and the broader Canadian population using comparable indicators.

Over the course of its first meeting with the Auditor General and officials from INAC, the Committee was told that there are some problems that the Department can fix now instead of later, action plan or no action plan. Ronald Campbell,

Assistant Auditor General, told the Committee that while he understands the challenges of reforming First Nation education policies, “we shouldn’t lose sight of the things that can be fixed within the system, such as it is today.”

As an example, Mr. Campbell pointed to a departmental policy that requires an independent evaluation of each band-operated federal school every five years. According to the Auditor General’s 2004 report, “the Department does not know how many of these evaluations have been done or need to be done because it does not track this information.” INAC’s April 2005 action plan promises action on school evaluations but offers no timeline. The Committee believes that the Department should immediately resolve this issue, and recommends:

RECOMMENDATION 6

That Indian and Northern Affairs Canada immediately take steps to ensure that school evaluations are completed and that recommendations flowing from these evaluations are addressed. The Department must report on its progress in its departmental performance report.

Similarly, the Auditor General points out that the Department has not been diligent in monitoring tuition agreements between First Nations and provincial school boards or between the Department and provincial school boards. While the Auditor General did find some progress in one region of the country, she also noted that “many agreements were still not in place, were in dispute or had expired. In some instances, officials believe that First Nations do not have the capacity to negotiate the agreements effectively. Nor is it clear that adequate support is available to help First Nations with this task.” Again, the Department’s action plan promises to address this issue but offers no timeline. Again, the Committee believes this is something that can be addressed relatively quickly, without further delay, and recommends:

RECOMMENDATION 7

That Indian and Northern Affairs Canada, in consultation with First Nations, immediately take steps to ensure that all tuition agreements between it, First Nations and provincial school boards are in place. The Department must also provide its regional offices with sufficient guidance and training to ensure that its responsibilities are understood and applied consistently. The Department should report annually on its progress in its departmental performance report.

Closing the Education Gap

Performance indicators built on clearly defined roles and responsibilities are, of course, only a means to an end. In this case, the “end” is a quality education for First Nation people. The Committee is therefore especially troubled by the persistent and growing education gap between First Nations and the broader Canadian population. Without a good education, it is difficult to be an active member of our society. In many instances, a lifetime of low paying odd-jobs and economic insecurity awaits those who fail to complete a high-school education, college or university degree.

The educational gap is all the more troubling because there is empirical evidence that while First Nation people with university degrees find it more difficult to obtain full-time work than their non-native counterparts, those who do find employment earn more, on average, than non-native people with comparable levels of education.¹³ Indian and Northern Affairs Canada’s April 2005 action plan does not offer any specific target for closing the education gap, an unacceptable omission in the Committee’s view especially given the Department’s legacy of broken promises.

The Committee understands that the education gap is influenced by a wide variety of variables, many of which are largely outside the Department’s control. It nevertheless feels that the education gap could be a crucial orienting tool, a target which the Department can use to adjust its education policies as events unfold. The Committee therefore recommends:

RECOMMENDATION 8

That Indian and Northern Affairs Canada, in consultation with First Nation communities, set a timeline for closing the education gap between First Nation students and the broader Canadian population. The Department must report on its progress, or lack thereof, in closing the educational gap in its departmental performance reports.

Funding Issues

In her 2004 audit, the Auditor General identified a number of issues related to funding. With respect to elementary and secondary education, for example, the

¹³ Walters et al. (2004) found that female Aboriginals with university degrees earned about \$6,400 more per year than visible-minority females and \$6,800 more per year than non-minority females; among males, Aboriginals with a university degree earned about \$6,000 more per year than visible minorities with a university degree and \$3,400 more than non-visible minorities with a university degree. See Walters, David, Jerry White and Paul Maxim, 2004, “Does Postsecondary Education Benefit Aboriginal Canadians? An Examination of Earnings and Employment Outcomes for Recent Aboriginal Graduates,” *Canadian Public Policy*, Vol. XXX, No. 3, 2004, p. 283-301.

Auditor General said the Department had very little data on actual education costs nor could it compare the costs of the different delivery mechanisms it used. Without reliable and consistent cost information, the Department cannot manage its education programs effectively.

In its April 2005 action plan, the Department noted that a joint First Nations/INAC working group was put together in January 2004 to review the cost of providing education services on reserve compared with education services provided off-reserve. The action plan promises to produce a report on this subject by September 2005. It also notes that the Department is conducting an internal study which looks at costs specific to First Nation communities, including factors such as the remoteness of many First Nation communities and the extra costs of teaching English and French to children who have a different first language.

While the Committee welcomes the Department's report and the suggested September 2005 deadline, it believes the Department should publicize the results of its internal study. These cost data are important for helping Parliament understand why providing First Nation education services might be more costly than for the broader Canadian population. The Committee accordingly recommends:

RECOMMENDATION 9

That Indian and Northern Affairs Canada provide a copy of its report on the cost of a basic First Nation education to the Standing Committee on Public Accounts by the end of September 2005 for presentation to the Committee along with a separate report outlining costs specific to providing First Nation education.

RECOMMENDATION 10

That Indian and Northern Affairs Canada update Parliament annually on the detailed cost of First Nations education in its departmental performance reports.

With respect to post-secondary education, the Auditor General identified a serious problem with the way the Department delivers its funding to First Nation communities. Simply put, the Department's current funding mechanisms cannot guarantee equitable funding or even whether the available funding is going to all eligible students. This situation may be contributing to the education gap because, according to the Assembly of First Nations, federal funding shortfalls were preventing about 9,500 First Nation people from pursuing post-secondary education.

The Department bases its funding on historic requirements which may not reflect the actual number of eligible students. As a result some First Nation communities receive more money than they need, others less. This situation is made worse by the use of “flexible transfers” or so-called multi-year “Alternative Funding Arrangements,” which allow First Nation communities to move monies to unrelated programs once they have satisfied certain criteria.¹⁴

The Department’s April 2005 action plan does not offer any specific course of action to address these issues, noting only that it is working with First Nations to review accountability mechanisms. Given the potential link between the education gap and funding mechanisms and funding levels, the Committee feels this issue must be addressed immediately. The Committee recommends:

RECOMMENDATION 11

That Indian and Northern Affairs Canada review its post-secondary funding mechanisms, including the use of flexible transfers, to ensure that they are delivering equitable funding to as many eligible students as possible. This review must be conducted within the context of the Department’s roles and responsibilities, which are expected to be completed by December 2005.

To make matters worse, the Department lacks the information needed to determine which reserves receive more or less than they need and whether the transferred money actually ends up in the hands of post-secondary students. Again, the Department’s April 2005 action plan does not provide any specific solutions to this problem, making only vague promises about developing accountability mechanisms as part of its management framework due in June 2007. This issue must be addressed; the Committee therefore recommends:

RECOMMENDATION 12

That Indian and Northern Affairs Canada immediately collect the necessary data to determine which communities receive a proper amount of post-secondary funding with regard to the number of eligible students. It must use this data to further its study of post-secondary funding mechanisms.

The Auditor General also pointed to “discrepancies” in the information provided to the Treasury Board by the Department about the Post-Secondary Student Support Program (PSSSP). The Auditor General, noted, for example that

¹⁴ According to a document provided to the Committee by INAC, about \$389.1 million or roughly 27% of its total education budget was delivered through flexible transfers to First Nation communities in 2004-05.

the Department “does not track how the program funds are spent. ... Therefore, the Department has no assurance that program funds are used only for the purpose intended, as it had led the Treasury Board to believe.” The Auditor General went on to recommend (5.88) that the Department “...ensure that it provides accurate information to the Treasury Board about the way in which the PSSSP operates.” The Department’s April 2005 action plan does not address the issue in a direct way. The Committee believes this is a serious matter and should have been addressed directly. Moreover, the Public Accounts Committee is concerned about the accuracy of information supplied to the Treasury Board. It therefore strongly recommends:

RECOMMENDATION 13

That Indian and Northern Affairs Canada provide accurate information and avoid the use of misleading language in its Treasury Board filings on the way in which the Post-Secondary Student Support Program (PSSSP) operates. The Department must also provide the Standing Committee on Public Accounts with a rationale for the information supplied to Treasury Board with respect to PSSSP funding.

Expanding Successful First Nation Education Models

In their submissions, the Auditor General and INAC drew the Committee’s attention to two outstanding examples of *successful* First Nation education initiatives. In Nova Scotia, the federal and provincial governments passed framework legislation for the Mi’kmaq Education Agreement, which gave nine participating communities the power to make laws related to primary, elementary and secondary education. The agreement also led to the creation of an organization called the MiKwmaw Kina’matnewey to help deliver education. While the Auditor General identified some problems with the implementation of the Mi’kmaq agreement, the agreement has become a model for other First Nation communities interested in improving governance, accountability, pedagogy and financial management. In British Columbia, First Nation communities put together a not-for-profit organization called the First Nations Education Steering Committee, which helps ensure key accountability functions, seeks out and allocate resources where needed and helps with the recruitment of teachers. According to the Auditor General, both INAC and First Nation representatives have said they “are very satisfied with the quality and breadth of services provided by the Steering Committee.” (p. 4 of 2004 Report)

In both cases, the principles are the same: a number of First Nation communities coordinated their efforts and developed structures that played some of the roles normally assumed by school boards in provincial education systems. The Committee believes INAC should immediately review the possibility of expanding

the best features of these models to other areas of the country. It therefore recommends:

RECOMMENDATION 14

That Indian and Northern Affairs Canada immediately review the strengths and weaknesses of the Mi'kmaq Education Agreement and the British Columbia First Nation Education Steering Committee and develop strategies to expand the best features of both initiatives to other First Nation communities. The Department must report on its progress in this work in its departmental performance report beginning with the report for the period ending March 31, 2006.

Finally, the Committee shares the Auditor General's concern that Indian and Northern Affairs Canada's policy documents, and its action plan in particular, are often written in a way that is only understandable to insiders, people who are already very familiar with the situation in First Nation education and the associated jargon. In her comments on the action plan, for example, the Auditor General said she "would have preferred a clearer presentation." The Committee shares this sentiment and therefore recommends:

RECOMMENDATION 15

That Indian and Northern Affairs Canada ensure the clarity of its policy documents so that they can be understood by a wide audience.

CONCLUSION

In April 2000, the Auditor General issued a report documenting serious problems in First Nation education, including a substantial education gap. A month later, the Committee wrote a report demanding action on a number of fronts, including a recommendation that Indian and Northern Affairs Canada set out a clear set of roles and responsibilities beginning in 2001-02. The Department responded by agreeing to most of the recommendations and setting appropriate deadlines.

Five years later, in her November 2004 audit, the Auditor General found that the time needed to close the First Nation education gap has increased. Meanwhile, INAC deadlines had come and gone. In its first meeting with the Auditor General and INAC officials on 31 January 2005, the Committee heard more discussion about more studies and more consultations. Displeased, the Committee passed a motion asking the Department to draft an action plan and report back in May 2005.

The Committee acknowledges that INAC finally respected a deadline, producing a report on 29 April 2005. Like the Auditor General, the Committee takes note that the Department set as its first order of business the drafting of roles and responsibilities. The Committee is encouraged to see a detailed set of deadlines and trusts that these will be respected.

That said, the Committee believes that in some cases, these deadlines are set too far into the future. It is also concerned, again like the Auditor General, that the *Action Plan* is vague and prone to departmental jargon. Most importantly, given the Department's history of broken promises, the Committee is sceptical about the Department's commitment to respect its deadlines. The recommendations in this report seek some assurances above and beyond what is in INAC's action plan. The future of First Nation communities demands nothing less.

Finally, the Committee feels that some share of the blame for the problems identified by the Auditor General and in this report stems from the fact that the Department has had four deputy ministers since 2000. This high turnover rate makes it difficult to achieve policy continuity and coherence or to deliver on promises made by previous deputy ministers.

This problem, which is particularly acute at INAC, is pervasive throughout government and motivated the Committee to recommend in its 10th Report that the government "endeavour to retain deputy ministers in their positions for periods of at least three years" and that deputy ministerial responsibilities "are in no way diminished should their tenure be less than the recommended three years."¹⁵ In the spirit of this earlier recommendation and given INAC's serious turnover problems, the Committee recommends:

¹⁵ House of Commons Standing Committee on Public Accounts 10th Report, *Governance in the Public Service of Canada: Ministerial and Deputy Ministerial Accountability*, available at: <http://www.parl.gc.ca/committee/CommitteePublication.aspx?COM=8989&Lang=1&SourceId=114762>

RECOMMENDATION 16

That the government take immediate measures to retain deputy ministers at Indian and Northern Affairs Canada for at least three years to ensure policy continuity and coherence, as recommended by the House of Commons Standing Committee on Public Accounts in its 10th report.

APPENDIX A LIST OF WITNESSES

Associations and Individuals	Date	Meeting
Department of Indian Affairs and Northern Development Michael Horgan, Deputy Minister Line Paré, Director General, Education Branch Michel Smith, Acting Assistant Deputy Minister, Socio-economic Policy and Programs Sector Office of the Auditor General of Canada Jerome Berthelette, Principal Ronald Campbell, Assistant Auditor General André Côté, Director	31/01/2005	14
Department of Indian Affairs and Northern Development Paul LeBlanc, Senior Assistant Deputy Minister, Regional Operations Support and Services Line Paré, Director General, Education Branch Andy Scott, Minister Office of the Auditor General of Canada André Côté, Director Sheila Fraser, Auditor General of Canada	04/05/2005	34

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this report.

A copy of the relevant Minutes of Proceedings (*Meetings No. 14, 34 and 42 including this report*) is tabled.

Respectfully submitted,

John Williams, M.P.
Chair

MINUTES OF PROCEEDINGS

Wednesday, June 8, 2005
(Meeting No. 42)

The Standing Committee on Public Accounts met *in camera* at 3:33 p.m. this day, in Room 371 West Block, the Chair, John Williams, presiding.

Members of the Committee present: Dean Allison, Gary Carr, David Christopherson, Brian Fitzpatrick, Sébastien Gagnon, Mark Holland, Daryl Kramp, Hon. Shawn Murphy, John Williams and Borys Wrzesnewskyj.

Acting Members present: Bernard Cleary for Benoît Sauvageau and Hon. Robert Thibault for Hon. Walt Lastewka.

In attendance: Library of Parliament: Brian O'Neal, Analyst; Marc-André Pigeon, Analyst.

Pursuant to the Order of Reference of Monday, March 21, 2005, the Committee commenced consideration of Bill C-277, An Act to amend the Auditor General Act (audit of accounts).

The Committee commenced consideration of a draft report.

It was agreed, — That the Committee adopt the draft report as the Report to the House.

By unanimous consent, it was agreed, — That the Chair present the Report to the House at the earliest opportunity.

Pursuant to Standing Order 108(3)(g), the Committee resumed consideration of Chapter 5, Indian and Northern Affairs Canada - Education Program and Post-Secondary Student Support of the November 2004 Report of the Auditor General of Canada referred to the Committee on Thursday, November 23, 2004.

It was agreed, — That the Committee adopt the draft report as the Report to the House.

It was agreed, — That, pursuant to Standing Order 109, the Committee request that the Government table a comprehensive response to the report.

It was agreed, — That the Chair, Clerk and analysts be authorized to make such grammatical and editorial changes as may be necessary without changing the substance of the report.

It was agreed, — That the Chair present the Report to the House at the earliest opportunity following the expiry of the forty-eight (48) hour revision period.

It was agreed, — That the Clerk and the analysts, in consultation with the Chair, issue a news release.

By unanimous consent, it was agreed, — That the Committee request that the Auditor General revisit the Department of Indian and Northern Affairs within one year to ensure that the recommendations of the Standing Committee on Public Accounts are adopted and being implemented, and that the department is moving towards addressing all other outstanding issues.

At 4:45 p.m., the Committee adjourned to the call of the Chair.

Elizabeth B. Kingston
Clerk of the Committee