

# **Chapter 4**

**Indian and Northern Affairs  
Canada**

**Elementary and Secondary  
Education**



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# Indian and Northern Affairs Canada

## Elementary and Secondary Education

### Main Points

**4.1** Indian and Northern Affairs Canada cannot demonstrate that it meets its stated objective to assist First Nations students living on reserves in achieving their educational needs and aspirations. For example, the Department does not have the necessary assurance that First Nations students are receiving culturally appropriate education. Moreover, the progress in closing the education gap for Indian students living on reserves has been unacceptably slow. At the current rate of progress, it will take over 20 years for them to reach parity in academic achievement with other Canadians.

**4.2** To obtain assurance and effectively discharge its responsibilities, the Department needs to resolve several major issues. These include the need to articulate its role in education, to develop and use appropriate performance measures and to improve operational performance. In addressing these issues, the Department will need to further take into account the cultural and special needs of Indian students as well as socio-economic factors that can affect success in education.

**4.3** The situation is complex and urgent, and the urgency will increase as more demands are placed on education as a result of an increasing population on reserves, and changes in technology and in provincial education programs upon which the Department relies. Although the Department has identified or started several projects for education reform, it must still respond with significant action to resolve these issues.

### Background and other observations

**4.4** The Department is empowered to take an active role in the provision of elementary and secondary education for Indian children living on reserves. Although it has chosen to rely on First Nations and the provinces for the design and delivery of appropriate education, the Department acknowledges that this approach does not diminish its responsibility and accountability.

**4.5** For more than 100 years, various statutes, Indian treaties and government policies have shaped the mandate and responsibilities of Indian and Northern Affairs Canada for education.

**4.6** Presently, about 117,000 students enrolled in elementary and secondary schools live on reserves. Current budgeted costs, not including school construction and maintenance, are about \$1 billion annually.

**Indian and Northern Affairs Canada acknowledges the importance of the issues identified in this chapter. It believes that Gathering Strength — Canada's Aboriginal Action Plan, and other planned education initiatives involving the Department, First Nations and provincial governments, will help close the education gap cited in this chapter.**



## Introduction

**4.7** Indian and Northern Affairs Canada allocates about \$1 billion annually for elementary and secondary education for Indian children living on reserves. This money, which does not include capital items, is distributed through various funding arrangements with First Nations and provinces. Expenditures for elementary and secondary education are among the largest departmental allocation to a single program, about 21 percent of budgetary funding in the Department. Exhibit 4.1 sets out budgetary estimates for 1999–2000.

**4.8** About 69,000 Indian students (59 percent) are enrolled in Indian-managed schools on reserves. An additional 46,000 Indian students living on reserves (39 percent) are enrolled in provincial schools. Approximately 1,700 students are enrolled in federal schools.

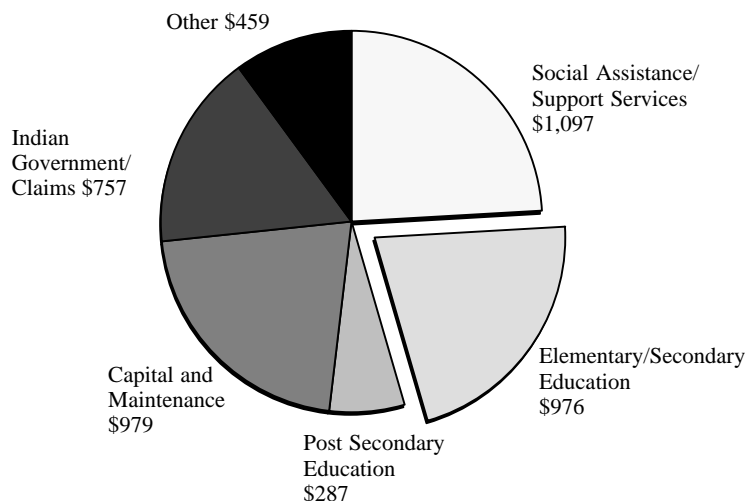
**4.9** Although some progress has been noted in recent years, the record of educational achievement for Indian students living on reserves continues to be much worse than that of other Canadians. Exhibit 4.2 presents some comparative information on education.

## Evolution of education for Canadian Indians

**4.10** Education for Indians by non-Indians began during the colonization of North America in the 1600s. At that time, the mission school was the institution of learning. It was eventually replaced by larger, more centralized residential schools that began to appear during the first half of the 1800s.

**4.11** Beginning in the 1950s, the federal government was under pressure to respond to the growing dissatisfaction voiced by First Nations leaders over the inappropriateness of education provided by residential and mission schools. Until then, the Department had taken responsibility for the direct delivery of services to First Nations communities. These services included the delivery of education to Indian students through federal elementary and secondary schools on Indian reserves. They were supplemented by off-reserve provincial schools where, in the government's view, federal schools on reserves were not warranted or where such facilities were insufficient to meet the educational needs.

**4.12** The federal government viewed the integration of Indian students into the provincial school system as a solution to problems related to school curricula,



**Exhibit 4.1**

### Indian and Northern Affairs Canada Budgetary Estimates for 1999–2000

\$ Millions

**Source:** Indian and Northern Affairs Canada

**The Department’s  
mandate and  
responsibilities for  
education stem from  
statutes, treaties,  
agreements and policy.**

teacher qualifications, school buildings and other issues associated with previous approaches. This process involved tuition agreements and other arrangements with the provinces to defray the costs of educating First Nations students who attended provincial schools.

**4.13** Over time, a system of contribution arrangements for program devolution to First Nations was developed. By the late 1970s, program devolution was maturing together with evolving terms and conditions for First Nations delivery of departmental programs. Today, the Department accepts provincial education standards and relies on their application to provide Indian students living on reserves with comparable programs, whether they are enrolled in Indian, provincial or federal schools.

**4.14** The transfer of authority for managing and operating federal schools has continued; as of 1998, there were 466 schools under First Nations management and only eight federal schools managed by the Department. The Department continues to fund education under various arrangements for Indian students living on reserves who attend Indian, provincial and federal schools (see Exhibit 4.3).

**Departmental mandate and responsibilities for education**

**4.15** The *Constitution Act* (1867) assigns the power and authority for legislation governing education in Canada to the provincial legislatures. However, the Act also assigns power and authority to the Parliament of Canada for matters dealing with Indians and lands reserved for Indians.

**4.16** The Department’s mandate and responsibilities stem from exercising its authority and fulfilling its obligations under various statutes, treaties, agreements and government policy. Since 1927, under the *Indian Act* the Minister of Indian and Northern Affairs may provide for and make regulations concerning schools for Indians living on reserves, with respect to teaching, education, inspection and discipline. The *Indian Act* also provides for school attendance by Indian children aged 6 to 18.

**4.17** In addition, the Crown is responsible for providing education under various Indian treaties. For example, Treaty No. 3 between Her Majesty the Queen and the Saulteaux Tribe of the Ojibway Indians, signed in 1873, states, “Her Majesty agrees to maintain schools for instruction in such reserves as... may seem advisable [to the government] whenever the Indians of the reserve shall desire it.”

**4.18** Other instruments involving departmental responsibilities for education include contemporary tuition agreements with provincial authorities, funding arrangements with First Nations, comprehensive land claim settlement agreements, self-government agreements and education policies.

**Human capital and financial significance**

**4.19** Education issues rank with self-government, claim settlements and on-reserve living conditions as major priorities for the government and First

**Exhibit 4.2**

**Comparative Information on Education**

	Indians	All Canadians
	<b>percentage</b>	
Students eligible to attend elementary and secondary schools who are not enrolled	20	N/A
Drop-out rate before completion of grade nine	18	3
Youth between 18 and 20 who left school	40	16
Youth between 18 and 20 who graduated	30	63
Population with at least high school education	37*	65

\* on-reserve

N/A – not available

**Sources:** Indian and Northern Affairs Canada and Sub-Committee on Aboriginal Education



Nations to address. The consequences of inadequate or inappropriate education are well known in the context of national and community socio-economic development and sense of personal well-being. Thus the requirement to ensure and fund appropriate education needs to be viewed not only as an expenditure but also as an investment in present and future human resources.

**4.20** It is noteworthy that the Department's social assistance and support programs for First Nations are approximately \$1 billion annually, about the same as the cost of elementary and secondary education. Although factors other than education can affect the demand for social assistance, it has been demonstrated that education, or lack of it, is directly related to jobs, income levels and the potential for well-being.

**4.21** Educational achievement is also a positive factor in the survival of Aboriginal culture, First Nations economic self-sufficiency, program devolution, implementation of inherent rights, and other matters of mutual interest to the Department and First Nations.

#### **Focus of the audit**

**4.22** The overall objectives of the audit were to determine whether the Department has reasonable assurance that it is meeting its objective to assist First Nations in achieving their educational needs and aspirations; is exploiting existing opportunities for operational improvements, including the way it manages education funds; and is

demonstrating accountability for results. Further details on the audit are found at the end of the chapter in **About the Audit**.

## **Observations and Recommendations**

### **Fundamental Issues That Require Attention**

#### **Meaningful action is lacking**

**4.23** Education issues have been reported to the Department through numerous studies over the years. According to one First Nations organization, education for First Nations has been studied for over 20 years. This includes at least 22 studies between 1991 and 1999 in one departmental region, done with the Department's knowledge or involvement.

**4.24** Examples of issues reported in these studies relate to the need to:

- improve First Nations governance and management structures for education;
- address retention of Aboriginal languages;
- enhance the curriculum to meet First Nations needs;
- increase funding for special education, counselling and library services;
- address inadequacies in such areas as specialist services, technology, and guidance clinics; and
- improve teacher training.

**Initiatives to address educational needs have been slow in coming.**

The types of education funding arrangements for Indian children living on reserves include:

- tuition agreements between First Nations and provincial education authorities;
- tuition or funding agreements between the Department and provincial education authorities;
- master tuition agreements between the Department and provincial ministries of education;
- tripartite education agreements between the Department, First Nations and provincial authorities; and
- funding arrangements between the Department and First Nations.

#### **Exhibit 4.3**

#### **Funding Arrangements for Education**

**The Department needs to clarify its role in education.**

**4.25** Although the Department has directly or indirectly funded all of these studies, their total cost is unknown. None of the study reports that came to our attention was accompanied by a departmental implementation plan that identified how and by whom the necessary remedial action would be taken, in what time frame and what it would cost. The Department advised us that it had neither accepted nor rejected the findings of these studies, nor shared them with all regional offices. Therefore the maximum benefits of these studies may not be realized.

**4.26** Although we are concerned that costs have been incurred to produce studies that have been left dormant, we believe that the costs of remedial inaction are greater.

**4.27** In early 1998, the federal government acknowledged the tragic experiences that the residential school system inflicted on Indian students. The government recognized that Indian culture and values had been suppressed under that system and that, in some cases, students had been victims of abuse. The government undertook to work with First Nations, other Aboriginal groups and other parties to resolve these issues. The challenges include the need to address the complex factors of jurisdiction, geographical remoteness, and cultural and social circumstances.

**4.28** A government initiative in 1998, Gathering Strength — Canada's Aboriginal Action Plan, is intended to address these education issues and other matters. The initiative is an integrated, government-wide plan for remedial action to improve the quality and cultural relevance of education, including the effectiveness of classroom instruction, community and parental involvement and management and governance capacity. As of September 1999, the Department had identified or started several projects for education reform under this initiative.

**4.29 Indian and Northern Affairs Canada should demonstrate how its initiatives, including Gathering Strength — Canada's Aboriginal Action Plan, will successfully address the long-standing issues and improve First Nations education. Action plans that identify how and by whom action will be taken, the time frames, the costs and the funding responsibilities should be implemented expeditiously.**

**The Department needs to articulate and formalize its role in education**

**4.30** Many stakeholders have a vested interest in education. These include the Department, First Nations and their organizations, educators, provincial education authorities, parents of students and, of course, students themselves. Each party has an important role to play in the pursuit of high-quality education.

**4.31** The Department's mandate in education has evolved since at least the 1800s. In addition to the federal government's responsibilities for education specified in various Indian treaties, the government has held, and continues to hold, statutory powers for the education of Indians. The Department has the authority under the *Indian Act* to take an active role in education. However, under various agreements, it has delegated its authority to First Nations and the provinces for the design and delivery of education to Indian students.

**4.32** In its 1999–2000 Estimates to Parliament, the Department states that its objective for education is to assist First Nations in achieving their needs and aspirations. However, there is ambiguity and inconsistency within the Department about the role it needs to play to meet this objective.

**4.33** For example, the Department has acknowledged that not all First Nations are prepared to accept responsibility for devolved programs, including education. Yet many departmental regions interpret their major role as that of providing a

funding service. Only one of seven regional offices maintains an education program; however, even there, the major priority is to negotiate and provide education funding.

**4.34** The Department is reviewing its role in education, including the setting of education priorities, curriculum development, identification and funding of eligible support services, and other matters. For example, some departmental regions have not fully defined their roles in ensuring high-quality education. In one region, this is partly because it does not know what the impact will be of the new governance regime for some First Nations in that region.

**4.35** As relationships evolve, the Department will need to conclude whether its role should be that of a funding agency, an education standards-setting body, a monitor, capacity builder, advisor or co-ordinator — or all, some or none of these. Clarification is needed so that the Department can reasonably determine whether its existing capacity and resources are sufficient to achieve its objective. Failure to determine this will jeopardize the Department's ability to achieve its objective and discharge its responsibilities.

**4.36** The Department and some First Nations and provinces are undertaking new initiatives regarding First Nations jurisdiction for education. One such initiative involves the Mi'kmaq Nations of Nova Scotia. In April 1999, the federal *Mi'kmaq Education Act* and the Province of Nova Scotia *Mi'kmaq Education Act* came into force to confirm this arrangement.

**4.37** We reviewed the Mi'kmaq initiative, as set out in the insert on page 4–12, to identify examples of opportunities for “lessons learned” that could benefit future initiatives of this type. Negotiations are under way between the federal government and at least 10 First

Nations groups in other regions to enable them to assume greater control over education in their communities.

**4.38** Such agreements are intended to address the aspirations of First Nations to better control education for their members. We believe that the implementation of the Mi'kmaq agreement over time will determine the benefits to be realized, the pitfalls to be avoided and the appropriateness of the intended roles and jurisdiction of the parties.

**4.39** Since the Department is seeking to meet the education needs and aspirations of First Nations, it is important that it clearly demonstrate how this will be achieved. And since the Department has chosen to rely on First Nations and provincial education authorities to design and deliver appropriate education, it needs to articulate its role in the context of their roles. Where the other parties do not address the education requirements of Indian students, the Department needs to take appropriate action.

**4.40** We could not find a formal articulation of the Department's role or responsibilities in education. As a consequence, the Department's accountability for results is weakened and its assurance that education funding is being spent appropriately is, at best, unclear. In articulating its role, the Department needs to identify the nature of the leadership it must take to ensure that its authorities, responsibilities and obligations for education are met. This includes:

- identifying deliverables it must produce, including First Nations capacity building;
- identifying and assessing the impact of any constraints it faces;
- taking into account the roles and accountabilities of other parties;

(continued on page 4–13)

## Mi'kmaq Education Agreement

*The following case illustrates an initiative taken by the Department, the Province of Nova Scotia and nine First Nations with respect to education powers and responsibilities.*

### Background

In February 1997, the governments of Canada and Nova Scotia and 9 of 13 eligible Mi'kmaq First Nations signed an agreement that enabled the First Nations to exercise jurisdiction for primary, elementary and secondary education on Indian reserves, and to accept responsibility for education, subject to the agreed terms and conditions. This agreement was enshrined in law in April 1999. Under the arrangement, the First Nations are exempt from the education provisions of the *Indian Act*. In addition, their laws regarding education on reserves will take precedence over provincial education laws.

By transferring law-making powers for education to the participating Mi'kmaq First Nations, the agreement provides new opportunities as well as the potential for limitations. For example, such matters as the nature and duration of First Nations jurisdiction, the funding of education, termination of the agreement by either party and the suspension of the education sections in the *Indian Act* are subject to the agreed terms and conditions. In addition, there is a requirement that the First Nations provide education at a standard comparable with other education systems in Canada.

As of October 1998, the nine participating First Nations had 2,250 students attending elementary and secondary schools, with 76 percent attending First Nations-operated schools. The Department estimated the funding of this initiative at about \$25 million for 1999–2000.

### Purpose of our review

The purpose of our review was to identify examples of opportunities for “lessons learned” that could benefit future initiatives of this type. We also noted the positions of the four First Nations who were eligible to

participate but elected not to. We did not review the implementation of the agreement but will consider doing so after more progress is achieved.

The following examples of opportunities for lessons learned are identified below.

### Opportunities for lessons learned

**Preparedness — governance and accountability.** We expected to find a joint assessment by First Nations and the Department of the First Nations’ preparedness to effectively implement their expanded role while taking into account cultural needs, priorities and approaches. Such an assessment could assist both parties to effectively discharge their respective responsibilities. However, no joint assessment was provided during the audit.

The agreement and its accompanying implementation plan provide for First Nations governance and accountability to their membership. These provisions include the need for transparent and fair processes for the enactment of education laws and regulations, for the administration of education, and for effective redress and related matters.

Funding arrangements between the Department and the First Nations call for First Nations to provide self-assessments of their accountability and management to the Department. We found that for the nine participating First Nations, two self-assessments had been completed and three were in progress. These self-assessments generally indicated that improvements were needed in several areas, including financial and program management, by-law development and organizational matters.

The agreement also identifies the Department’s obligations. These relate primarily to funding matters. We expected to find additional provisions for departmental accountability relating to the successful implementation of the agreement; however, the agreement is silent in this regard.

In our view, appropriate attention to these areas could strengthen the quality and scope of education provided. Officials advised us that a study had recently been initiated to report on how First Nations were managing education programs.

**Preparedness — pedagogical and financial capability.** Seven of the participating First Nations operate on-reserve schools. We believe that an evaluation of the past performance of these schools would have been helpful to the parties in tailoring an agreement to meet their needs. However, no evaluations were available from the Department.

We further noted that in September 1999, the First Nations prepared an Emergency Report for the Department’s action, covering three of the nine participating First Nations. Among other things, the report identified additional funding requirements and specific pedagogical needs, including those relating to native language instruction. It further noted that the loss of language is one of the serious adverse consequences of native children attending provincial schools. It was not readily apparent whether these concerns were a direct result of the transfer of jurisdiction. The Department is studying the report.

We believe that as a general principle, the transfer of powers ought to be accompanied by appropriate levels of funds to ensure successful implementation of the First Nations’ expanded role. We would therefore expect the Department to analyze the report to determine what action should be taken. At the same time, the Department needs to ensure that it does not overfund education as a result of this new arrangement.

**Implementation review.** The implementation plan to the agreement calls for an annual joint review to be performed of how well the agreement is being implemented. Two reviews should have been completed at the time of this audit; however, none were done. The Department advised us that some work was under way in this regard.

We note that the results of such reviews could benefit several negotiations on education jurisdiction that are currently in process with other First Nations. Accordingly, we would encourage the parties to complete the reviews expeditiously.

**Positions of non-participating First Nations.** Four of thirteen eligible First Nations chose not to participate in the agreement, because they believe the following:

- The agreement is a delegation of federal authority and not a treaty, as expected.
- There is no protection for the long-term future of educational needs as there is no commitment beyond the five-year term of the agreement.
- The Department and the educational authority allotted insufficient time to the First Nations to consult on general educational matters with members of their communities.
- Education sections in the *Indian Act* were suspended without adequate consultation.

- There were perceived conflicts between the First Nations education authority and provincial systems.

#### Conclusion

We believe that the experience of implementing the agreement over time will determine the benefits to be realized, the pitfalls to be avoided and the appropriateness of the intended roles and jurisdiction of the parties.

(continued from page 4–11)

- defining its accountability for results; and
- communicating its role clearly to the parties involved.

**4.41 Indian and Northern Affairs Canada should articulate and formalize its role in education while taking into account the roles of other parties. It should demonstrate how it will meet its responsibilities and objective, and assess the impact on departmental resources and capacity.**

**Resolving the education gap will be a challenge**

**4.42** Education funded by the Department is intended to ensure that Aboriginal culture is not neglected while students gain an education that is portable to other jurisdictions and is acceptable to institutions of higher learning. Ultimately, Indian students so equipped would benefit from a socio-economic standpoint.

**4.43** However, we found a significant gap in educational achievement between Indian students and non-Indian students, based on provincial education requirements and results. We also note that the rate of growth in the on-reserve population indicates an increasing demand

for education services. With this urgency, narrowing the gap is a significant challenge to all those involved. Closing it will be a crucial test of the resolve of the Department and First Nations.

**4.44** In its March 1999 Performance Report to Parliament, the Department stated that concrete results are being achieved. Its view is based on the progress reported between 1991 and 1996 for on-reserve population having at least a high school education. The Department reports an improvement in the high school completion rates for Indian students over five years, from 31 percent to 37 percent. This compares with a 65 percent high school completion rate for the Canadian population as a whole in 1996. At this rate of progress, it will take approximately 23 years for the Indian population on reserves to reach education parity with the overall Canadian rate for high school completion, if that rate remains constant. We believe that more and faster progress is urgently needed.

**4.45** Although the Department reports that there are some 27,000 First Nations students pursuing a college or university education, the Department does not have data that enable it to attribute this enrolment to its role and activities in education. Nor has it determined the significance in terms of the total number of Indian students under its jurisdiction

**Both cultural and educational needs of Indian students need to be met.**

that should have been eligible for college or university enrolment.

**4.46** To help address the education gap, the Department, First Nations, a provincial government and other stakeholders signed a memorandum of understanding in February 1999 to improve the school success of Indian students in that province. This has led to subsequent undertakings between the province and First Nations to link program funding and education success, including the establishment of performance principles and goals. The Department views this initiative as a future direction for First Nations education, although it is too early to assess its success.

**4.47** Among the major concerns reported by First Nations to the Department are those related to culture. These include chronic shortages of qualified teachers for native language instruction and native studies, lack of culturally appropriate curricula and funding shortfalls.

**4.48** Additional concerns related to the education gap include the following:

- The Department does not know whether special needs students are being appropriately identified and assisted. Special needs students are those who are physiologically disadvantaged or have learning disabilities. Because of the reported lack in diagnostic expertise on reserves, we believe that the potential for under- and over-identification of these students is high. In addition, the Department does not know whether all funding provided for diagnostic and remedial services is actually used for this purpose. In one region, this amounts to \$581 per student-year for all students. Further, the Department does not know the length of time that students are maintained in special needs status. This makes it more difficult to identify opportunities for improved services. In another region, where costs ranged from \$2,047 to

\$65,650 per special needs student, there was no process or mechanism to ensure that student needs were being served.

- The Department does not generally review the mission statements, objectives and plans of the schools it funds. Accordingly, it does not have important information on the overall focus of the schools. Such information would help the Department determine whether the needs are being met and whether its role is appropriate.

- There are significantly more elementary schools than secondary schools on reserves. Consequently, where secondary schools are not available, students must leave their reserves to attend provincial secondary schools. The Department has no overall strategy to determine, assess and act on the need for First Nations secondary schools.

- Recent evaluations of on-reserve schools disclose a significant need to improve various aspects such as curricula, teacher training, equipment and homework policies. However, the Department does not monitor the implementation of evaluation recommendations.

- Under the terms of its funding arrangements with First Nations, the Department requires that all First Nations provide it with a self-assessment of their management and accountability. The purpose of the assessment is to identify needed improvements to First Nations governance, accountability, capacity to deliver devolved programs and related matters. We noted that many of the required assessments are missing; completed ones indicated weaknesses in the management of education, but there was virtually no departmental information on whether remedial action was taken. Further, we noted in one region that information from self-assessments was not shared with departmental officials responsible for education in other regions; nor did these officials have input into the

design of the self-assessment questionnaire.

- The Department has little involvement with First Nations in the development of pedagogical principles and instruments, including curriculum design, instruction standards and teacher qualifications. Because the Department is relying on First Nations and the provinces, it needs assurance that the design and delivery of education is consistent with the Department's objective and responsibilities. In one departmental region, the province only recently updated the curriculum to include guides on native language instruction and native studies, effective September 1999 for grade 9 and September 2000 for grade 10. Officials informed us that the curriculum for other grades is still under development in these two areas.

**4.49** In June 1996, the Standing Committee on Aboriginal Affairs and Northern Development published the results of a study conducted by its Sub-Committee on Aboriginal Education. The Sub-Committee made four recommendations, as summarized in Exhibit 4.4. In October 1999, the Department was unable to demonstrate that all of these recommendations had been implemented.

**4.50** The education gap directly affects the current well-being of Indian students as well as their access to a strong socio-economic standing in the future. It also affects the costs of social assistance and may increase the Department's vulnerability to legal and moral challenges. Further, the gap can adversely affect devolution, implementation of the government policy on inherent rights and survival of Aboriginal culture.

**4.51** Socio-economic factors affecting success in education include the adequacy of housing and infrastructure and economic development. Some factors contributing to the gap go beyond the

Department's mandate and control. For example, it is difficult for the Department to influence parental guidance, which plays an important role in education. However, the Department has not attempted to isolate and assess the factors within its areas of responsibility so that improvements can be made. There are also new challenges. For instance, some provinces are introducing or have recently introduced sweeping changes to their education systems. The Department will need to determine the effects of these changes on Indian students.

**4.52 Indian and Northern Affairs Canada, together with First Nations and based on the needs and aspirations of First Nations, should develop and implement an action plan with targets to close the education gap, without delay.**

**Appropriate performance and results indicators are needed**

**4.53** Indicators of education performance and results are needed to provide assurance that the Department is meeting its objective and to demonstrate accountability for results. This information should reflect not only process inputs, such as the resources used

- The Department should make the establishment of an Aboriginal Education Institute its highest priority.
- Federal legislation should be drafted in consultation with First Nations educational authorities to, among other things, recognize such authorities as separate legal entities apart from band councils and to repeal those sections of the *Indian Act* dealing with education for them.
- The Department should re-evaluate its funding methods to better accommodate First Nations education needs.
- The Department should work together with First Nations and financial institutions to develop new arrangements for obtaining capital for education purposes.

**Exhibit 4.4**

**Recommendations of the  
Sub-Committee on Aboriginal  
Education – June 1996**

**Source:** Standing Committee  
on Aboriginal Affairs and  
Northern Development

**The Department needs better performance information.**

in providing education, but also outputs and outcomes, such as the number of students served and their educational achievement. Currently, the Department collects the following information:

- nominal roll information (student registration);
- census information;
- First Nations declarations on teacher certifications; and
- other periodic information.

**4.54** This information needs to be reliable and relevant to the Department. The Department is aware that improvements are necessary in these areas. For example, it needs to ensure that information reported by First Nations is complete and complies with the reporting requirements in the funding arrangements. Moreover, in the absence of a clearly articulated departmental role, the data collected, even if reliable, may not appropriately serve the needs of the Department.

**4.55** In addition, the Department is unable to compare the drop-out rate and educational achievement of Indian students attending First Nations schools with that of Indian students attending provincial schools. It is therefore difficult for the Department and First Nations to determine specific opportunities for

improving achievement of Indian students in each school system.

**4.56** In addition, test comparisons between Indian and non-Indian students would be helpful in determining whether the needs of students are being met. For example, in May 1997 a national testing program (not administered by the Department) assessed the basic and advanced mathematics skills of 48,000 students across Canada. First Nations schools did not participate in this program. Their lack of participation means that an opportunity to obtain information on the achievement of Indian students was missed.

**4.57** The issue of meaningful performance and results indicators in education is highly complex because of the many factors that need to be assessed. These factors relate to the variety and number of students and their needs, teacher qualifications, programs, available resources and technology, demographic trends, education objectives and structures, and other matters. Useful indicators would therefore likely need to include several sources of information in addition to testing. Some examples of potentially useful performance and results indicators are set out in Exhibit 4.5.

**4.58** Identifying, developing, gathering and applying appropriate performance and results information is a significant challenge. This challenge is

**Exhibit 4.5**

**Potentially Useful Performance and Results Indicators**

Performance and results indicators that may prove useful include:

- the quality of education products offered and delivered;
- the extent to which cultural needs are being met;
- the rate of success with special needs students;
- the degree of achievement of education targets in a school or region;
- the extent to which students are acquiring knowledge, skills and attitudes that will enable them to progress to post-secondary education;
- the contribution of education to the achievement of First Nations economic self-sufficiency;
- a comparison of education costs per student and results within and outside the same education system; and
- the degree of community satisfaction with education.



even more formidable since the Department has not obtained and articulated the educational needs and aspirations of the over 600 First Nations.

**4.59** In our view, unless appropriate indicators along with targets are developed and applied, improved education services, First Nations accountability to their members and the Department's accountability for results to Parliament will be impeded.

**4.60 Indian and Northern Affairs Canada, with input from the applicable parties, should develop and apply appropriate performance and results indicators along with targets.**

### **Opportunities for Operational Improvements**

#### **Comparable education costs are not available**

**4.61** The Department needs reliable cost information to achieve good value in discharging its responsibilities. This is particularly important when three types of education delivery are in place (First Nations, provincial and federal schools). For example, cost variations could reflect efficiency, inefficiency, underdelivery or overdelivery of programs, as well as fluctuations in education quality.

**4.62** Recent departmental studies indicate that education costs per student vary moderately to widely among First Nations, provincial and federal schools. There are several possible reasons for the variances, including the purpose of the cost study, method of cost identification, scope of included/excluded services, education standards applied, volume and location factors and efficiency of programs.

**4.63** Consequently, the available cost studies may not provide a conclusive and reliable basis for a comparison of actual education costs incurred. Such information could be used for current and

future decision making on funding levels, education alternatives and operational efficiency. Further, accountability for results is diminished when appropriate comparative cost data are missing.

#### **Actual education costs are not known to the Department**

**4.64** It is noteworthy that education funding and costs may be different from each other. For example, a March 1999 study concluded that it is not possible to determine how education funds provided by the Department for First Nations schools are actually spent, because each First Nation administers its own expenditure plan. We reported similar concerns in our previous audits of funding arrangements between the Department and First Nations. We noted that First Nations have the authority to transfer funds received from the Department between programs. Therefore, the actual costs per student in First Nations schools may be higher or lower than the allocated amount used by the Department in its comparisons.

**4.65** In addition, we could not find any separate cost-per-student analysis for First Nations elementary and secondary schools; nor could we find information that identified per-student costs paid directly to provincial authorities separately from per-student costs paid directly to First Nations. The Department needs this information to help identify opportunities for better use of resources to improve results.

**4.66** We also observed that current methods used to allocate funds from the Department's headquarters to its regions are based largely on information that was developed at least 15 years ago. The Department has no updated analyses to determine whether the current practice reflects actual education needs and is reasonable in the circumstances.

**4.67** Lack of appropriate information on costs makes education planning more difficult, and impedes efficient operations

**The Department does not know how much money is being spent by First Nations on education.**

**Education funding agreements need to be entered into in more instances.**

of First Nations-managed schools and the identification of best practices. It also makes narrowing the education gap more challenging.

**4.68 Indian and Northern Affairs Canada should develop and apply uniform cost criteria, on a comparative basis among the different delivery approaches, to determine actual patterns in education costs. The Department should use this information to help identify best practices that should be perpetuated and to address those practices that require improvement.**

**Issues relating to education funding agreements need to be addressed**

**4.69** Education funding agreements provide the funding framework for the delivery of education. Our review of a sample of agreements in three major departmental regions disclosed a variety of findings that the Department needs to address. The observations cumulatively point to significant deficiencies in the Department's practices overall. Following are some examples.

**4.70 Lack of education funding agreements.** In one region, we noted 244 instances where we expected to find agreements between First Nations or the Department and provincial education authorities to cover student enrolment in provincial schools for 1998–99. However, the Department was able to identify agreements in only 58 cases. Further, it did not know whether any agreement was in force for 128 cases and determined that no agreements existed in the remaining 58 cases.

**4.71** Although the Department has funding arrangements with some provincial education authorities, these focus on funding requirements. They are not a substitute for individual agreements that should identify the specific education needs of diverse Indian communities located in urban, rural, remote and special

access areas of the region. In our view, the lack of agreements and lack of knowledge on the existence of agreements significantly reduces the assurance needed by the Department that its overall objective is being met.

**4.72** We further observed in one departmental region that a master tuition agreement between the Department and the provincial Ministry of Education had expired in 1992 and had not been renewed. The agreement, which had been in force for five years, set out the terms for payment of tuition fees. It also acknowledged that linguistic and cultural differences exist between Indian and non-Indian students that may require that extra support be provided to Indian students to enable them to succeed in school. The agreement indicated that the goal of education parity for Indian students with non-Indian students in the province was considered a major priority.

**4.73** The Department indicated that the emphasis on improving education in that region is being applied through local education agreements negotiated between individual First Nations and local school districts. Although this approach may be suitable for some First Nations, others may be better served by individual agreements together with umbrella agreements that would set out minimum standards and expectations. We believe that these agreements together can have a positive influence on the quality, consistency, scope and cost of education for Indian students. For example, they can provide an opportunity to identify the education needs that should be met and the related strategies that should be used.

**4.74 Agreements in dispute.** The implementation of agreements between some First Nations and provincial education authorities has resulted in disputes leading to the non-payment of fees by the First Nations to the province. For example, as of December 1999, 17 provincial school districts in one region reported that 23 First Nations were not

paying tuition costs as agreed. The outstanding amount was \$6.3 million.

**4.75** Although the Department indicated that it had recently increased its involvement in helping to resolve these issues, we noted that it had not fully determined what portions of the \$6.3 million outstanding were related to insufficient funding or other causes. Where a shortfall in funding is not a contributing factor, the Department needs to know where the money went. This information, together with an analysis of any other reasons for withholding payment, would assist the Department in determining the most appropriate action.

**4.76 Lack of written criteria for the selection of education funding agreements.** Since there are several types of agreements that can be selected for use, we expected to find criteria that would identify the circumstances under which a particular type would apply. The Department has not developed such criteria. Consequently, it is at greater risk that an inappropriate agreement will be used, with possible adverse consequences to the services delivered.

**4.77** In November 1996 and April 1999, we reported a similar concern about the need for the Department to ensure that selected funding arrangements between it and First Nations are consistent with the preparedness of First Nations to assume increased responsibility for devolved departmental programs. The same applies to education agreements, particularly because of the wide variety of First Nations and educational authorities.

**4.78 Improved monitoring is needed.** Adequate monitoring of the implementation of education funding agreements is important to help ensure that the appropriate education is delivered at the right cost and in accordance with the applicable agreements. We believe that regardless of how education is delivered — through First Nations, provincial or federal schools — the

Department has a responsibility for effective monitoring. This is not only because the Department is funding education, but also because it has obligations for providing education.

**4.79** An appropriate monitoring function would include national minimum standards covering such things as:

- the objectives, nature, extent and scope of monitoring;
- the identification of higher-risk cases for closer or more frequent review;
- the requirement for written action plans for remedial intervention where indicated;
- a reporting requirement that highlights lessons learned for future application; and
- methods of obtaining assurance that First Nations themselves have an effective monitoring function.

**4.80** We could not find a monitoring regime that addressed these matters and that could contribute to producing better results. For example, in one case, a provincial education authority acknowledged tuition overbillings of about \$700,000 to a First Nation only after an unexpected deficit reported by the First Nation triggered a review.

**4.81** The potential pervasiveness of inappropriate billings is not known, partly because of the lack of an appropriate monitoring regime. However, this case serves to illustrate the Department's need for assurance, particularly when it relies on other parties to deliver education.

**4.82 Nominal roll verification.** The nominal roll is used to determine the amount of funding allocated to the education of Indian students who attend schools on and off reserves. The roll is designed to reflect the student registration at the beginning of the school year, thereby supporting the amounts budgeted for education. Adjustments to the roll are made through the Department's process of

**The Department needs to consult more fully with First Nations on their education needs.**

verifying actual attendance information submitted by the schools. An overstated nominal roll can result in excessive allocation of education funds.

**4.83** In our selective overview of the Department's nominal roll verification, we noted two broad opportunities to increase the benefits gained from this process:

- the opportunity to develop and apply a comprehensive strategy for nominal roll verification; and
- the opportunity to expand the use of nominal roll information.

**4.84 Verification strategy.** The Department does not have a comprehensive strategy for nominal roll verification. Verification practices differ among the departmental regions in frequency and approach. We found that these varied practices are not based on documented risk assessments that reflect the potential for errors in the reported nominal rolls. Risks can vary among First Nations and regions. They can also vary between on-reserve and off-reserve schools.

**4.85** A comprehensive strategy could address, among other things:

- appropriateness of funding allocations;
- risk identification by school and potential costs and benefits of verification efforts;
- acceptable levels of verification costs and levels of tolerable errors;
- alternatives to direct verification, such as reliance on provincial checks;
- types of remedial action to be considered when errors are detected;
- appropriateness of verification, and its extent, timing and frequency; and
- reporting of verification results.

**4.86** Without a comprehensive verification strategy, it is difficult, if not impossible, for the Department to know whether it is receiving the assurance it needs from its verification efforts at a reasonable cost.

**4.87 Use of nominal roll information.** The Department has an opportunity to use the nominal roll for purposes related closely to the education gap and meeting its objective to assist First Nations in achieving their educational needs and aspirations. For example, information on courses offered and taken and on student progress could be gathered through the nominal roll process. This information, in turn, could contribute to developing performance indicators or be linked to them. The information produced would benefit the Department, First Nations and provincial education authorities since they could more readily identify problem areas and assess their overall significance in determining any necessary action.

**4.88 Consultations on pedagogical matters.** Education funded by the Department is intended to benefit First Nations students who have a variety of academic, vocational, cultural and special needs. Accordingly, it is essential that First Nations have appropriate input to the basic elements of education, such as the formulation of education objectives, curriculum design, instructional methods, student and teacher evaluations, and general education principles.

**4.89** This would require consultations among the Department, First Nations and the provincial ministries of education. We found that some input is provided through First Nations education committees and organizations, and contact with provincial education authorities. However, we could not find a departmental mechanism that would ensure that all 600 First Nations are being adequately represented or that an opportunity for their effective input is provided.

**4.90 Indian and Northern Affairs Canada in consultation with First Nations should develop and implement an action plan to address opportunities for operational improvements relating to:**

- **the lack of education funding agreements;**
- **the resolution of agreements in dispute;**
- **the lack of written criteria in the selection of education funding agreements;**
- **the monitoring of the implementation of agreements;**
- **nominal role verification and use; and**
- **consultation on pedagogical matters.**

**School evaluations are important to success, but many are missing**

**4.91** The Department requires that on-reserve schools be evaluated every five years, and it provides funds to First Nations for this purpose. The Department generally relies on First Nations to perform the evaluations.

**4.92** The evaluations are intended to assess overall school performance as well as specific issues that may apply to a particular school. The benefits of appropriate evaluations include identifying opportunities for improving education.

**4.93** We observed the following:

- A significant number of the required evaluations were never done. For example, in one major departmental region, at least 31 of 106 (29 percent) First Nations schools that had operated for over five years had never been evaluated. In another region, 15 of 53 evaluations

were late by one to nine years. In a third region, the Department does not know how many evaluations had been performed.

- Evaluations that came to our attention disclosed serious deficiencies in school operations.
- The Department has no systematic mechanism to ensure that reported recommendations are acted upon and to confirm that they have been implemented.

**4.94** In the case of one First Nations school, a 1998 evaluation identified 86 recommendations for improvement, affecting almost every aspect of education. The report observed that many of the recommendations made in a 1991 review had not been implemented. In another First Nations school, a 1999 evaluation resulted in 240 recommendations. This does not augur well for those schools not yet evaluated.

**4.95** Further, the Department does not generally request access to evaluations performed in provincial schools, despite its funding of provincial education for about 40 percent of the total Indian student enrolment. Consequently, it does not have sufficient information to properly identify unresolved significant issues or even to determine whether the provincial evaluations address matters of relevance to Indian students.

**4.96 Indian and Northern Affairs Canada should ensure that evaluations of on-reserve schools are done as required. It should also require, obtain and review evaluations conducted of provincial schools attended by Indian students. In addition, the Department should develop procedures to ensure that all valid evaluation recommendations are implemented within a reasonable time.**

**The Department needs to ensure that evaluations are performed and addressed.**

## Conclusion

**4.97** Although the Department has reported some progress in recent years, it must significantly increase its efforts to improve the record of educational achievement by First Nations students while addressing their cultural needs. Many parties have reviewed education for Indians and have raised concerns over many years. Remedial action is urgently needed. Today's urgency will be exacerbated by increasing demands for education services as a result of demographic changes in Aboriginal communities. In the absence of satisfactory progress, there will be an increased waste of human capital, lost opportunities, high financial cost in social programs and a degradation of the relationship between the government and First Nations peoples.

**4.98** The Department must also obtain assurance that it is meeting its objective to assist First Nations in achieving their education needs and aspirations. In so doing, the Department needs to formally articulate its role in education. This is a prerequisite to determining the capacity and resources needed to fulfil its objective. The Department has failed to identify and act on available opportunities to improve operations and demonstrate accountability for results.

**4.99** We believe that success in providing education to Indian students can be achieved only if their needs and aspirations are appropriately identified and served by an education system that is designed to meet them. We encourage all the stakeholders, including the Department, First Nations, provinces and parents of school-age children, to work together effectively toward a common goal of progress.

*Department's overall response: Indian and Northern Affairs Canada acknowledges the importance of the many issues in First Nations education*

*identified in this chapter. It recognizes the need to work with all parties to better articulate its role in education, to develop and use appropriate performance measures and to improve operational performance.*

*The Department holds to expectations that First Nations students must have access to education programs of a quality comparable to that of their province of residence. The programs must also ensure that students can transfer readily to public schools or go on to post-secondary education.*

*In the mid-1960s, there were only several hundred First Nations students pursuing a college or university education in Canada. Today, there are over 27,000. While there are different factors that contribute to this increase, one measure of the success of elementary and secondary education is the gaining of access to post-secondary educational institutions.*

*Education reform is a key initiative of Gathering Strength — Canada's Aboriginal Action Plan, begun in early 1998. Through it, the Department, with the active engagement and participation of all partners, is committed to securing meaningful and ongoing improvements in First Nations education. These include a stronger and better-tooled First Nations education system and a faster resolution of the gap in student achievement between First Nations and other Canadians.*

*In one region, for example, a large regional organization working with several provincial and federal government departments has undertaken to provide school board type services for many First Nations. This organization and others are undertaking a range of projects that include curriculum enhancement, increased use and teaching of Aboriginal languages, and other specialized programming; some projects also leverage from other sources, including the private sector.*

*The Department will work with First Nations in developing and implementing action plans, unique to each region's particular situation and requirements. The Department recognizes that there is a need to monitor closely these initiatives and their collective progress toward a strengthened system of First Nations education.*

*It is significant that since the 1970s, the Department has committed to the principle of "Indian control of Indian education" as outlined by the then National Indian Brotherhood, now the Assembly of First Nations. This includes authority for First Nations to administer their own schools and to work with provincial governments to ensure the provision of effective and culturally appropriate education for their children.*

*Accepting the principle of "Indian control of Indian education", the Department's role in First Nations education is gradually evolving along a continuum from direct delivery of education services to government-to-government relationships. At present, the Department's role in a particular community's education arrangements varies according to the degree of autonomy the First Nation feels ready to exercise, given their governance capacities, and the extent of support that it requires from the Department.*

*The Department recognizes that the diversity of these roles may create*

*confusion among First Nations but also within the Department. As such, the Department is conscious of the need to better articulate its role in First Nations education. This is an important element in more firmly grounding the Department's relationship with First Nations and the provinces in education delivery. It is also a necessary first step in outlining an action plan for operational improvement, which includes, for example, appropriate performance measures.*

*In British Columbia there is perhaps the strongest indication of the future direction for First Nations education. As noted in this chapter, a memorandum of understanding (MOU) among the provincial government, the Department, First Nations and other education partners expresses a commitment "to improve school success for Aboriginal learners in British Columbia." It encourages active engagement at the local level to set performance targets and to monitor progress. The first manifestation of the MOU is an agreement between a group of First Nations and the Kamloops provincial school district, where tuition costs paid by First Nations are tied to the school district's accountability for student performance.*

*These kinds of measures will help close the education gap sooner than contemplated in the chapter:*



## About the Audit

### Objectives

The audit sought to determine whether the Department:

- has reasonable assurance that it is meeting its objective to assist First Nations and Inuit communities in achieving their educational needs and aspirations;
- is exploiting existing opportunities for operational improvements, including the way it manages education funds; and
- demonstrates accountability for results in terms of its mandate for education.

### Scope

The audit scope and approach included a review of the Department's mandate for elementary and secondary education for Indian students living on reserves. We also reviewed how the Department implements its mandate by examining selected activities and related information, including a sample examination of education funding agreements. The audit did not include a review of school construction and maintenance since these were reported in 1995 and 1997 as part of our audits of capital facilities on reserves.

We conducted the audit in departmental headquarters and three major regions of the Department that together were allocated about 50 percent of total elementary/secondary funding for the education of some 57,000 students. In addition, a fourth region was visited in connection with the case described in the shaded insert on page 4–12, and information was obtained from other regions as appropriate.

Further, we obtained the views of two major organizations representing First Nations, and the perspectives of selected provincial authorities and a professional education association.

### Criteria

The following general audit criteria were applied. We expected that the Department would:

- have reasonable assurance that it is meeting its objective to assist First Nations and Inuit communities in achieving their educational needs and aspirations;
- exploit existing opportunities for operational improvements, including the way it manages education funds; and
- demonstrate accountability for results in terms of its mandate for education.

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