

REGIONAL INTERVENTION PROCEDURE WITH FIRST NATIONS AND ORGANIZATIONS IN FINANCIAL AND/OR ADMINISTRATIVE DIFFICULTY

FREQUENTLY ASKED QUESTIONS

Q. Why was this new Regional Intervention Procedure adopted and what is its objective?

A. Indian and Northern Affairs Canada transfers funds to the Band Councils and certain Aboriginal organizations (the Recipients) through Funding Arrangements. The Recipients use these funds essentially to ensure delivery of programs and services to their members, such as income security, education, social services, construction, and operation and maintenance of municipal infrastructure.

One of the provisions of the Funding Arrangements provides for an intervention by the Department when a Recipient is presumed to be in default under any of the obligations set out in the Funding Arrangement. For this purpose the Department has an Intervention Policy.

The Regional Intervention Procedure follows recommendations of the Office of the Auditor General concerning the establishment of **management capacity** for the **Recipient** and a strategy to discontinue the intervention, if applicable. In 2004, following the comments of the Office of the Auditor General, the Department undertook a comprehensive review of its intervention policy. Each of the Department's Regional Offices is responsible for developing a regional strategy for implementation of the new National Intervention Policy, which should be officially adopted during the 2006-2007 fiscal year. The Quebec Regional Office has begun the development of its regional strategy, the main product of which is the ***Regional Intervention Procedure with First Nations and Organizations in Financial and/or Administrative Difficulty***. This is an improved and more detailed version of the Intervention Policy.

Q. As a member of a First Nation, can I ask Indian and Northern Affairs Canada (INAC) to apply this procedure?

A. Any member of a First Nation who has knowledge of a situation in his or her community that may result in the application of the Regional Intervention Procedure may inform the person responsible for allegations and complaints at the INAC Quebec Regional Office, by calling (418) 648-5400.

Q. Whom should I contact to obtain information on this procedure?

A. The Regional Intervention Procedure with First Nations and Organizations in Financial and/or Administrative Difficulty is a public document. It is accessible through INAC regional Web sites at www.ainc-inac.gc.ca (precise address to come) or by contacting your Funding Officer.

Q. Are all federal departments that offer funding to the First Nations subject to the application of this procedure?

A. No, because this is an internal procedure of the INAC Quebec Regional Office.

Q. Are the Tribal Councils involved in the application of this procedure?

A. INAC grants funding to the Tribal Councils to provide consulting services to their member First Nations. If their members request it, they could have a role to play in determining problems and looking for solutions.

Q. Were the First Nations consulted in the development and approval of this Procedure?

A. The development of this procedure is a requirement of INAC Headquarters. The Quebec Regional Office chose to hold focus groups to gather feedback from different stakeholders associated with the First Nations, particularly a group of Aboriginal managers, the federal departments, representatives of financial institutions and INAC employees.

Q. Did an INAC intervention mechanism exist before the application of this Procedure?

A. The Quebec Regional Office applied and still applies the national Intervention Policy. The Regional Procedure is the Quebec Regional Office's strategy for implementation of the national Intervention Policy. The special feature of the Regional Intervention Procedure is the addition of a preventive component.

Q. How is the Regional Intervention Procedure different from the Intervention Policy already in effect?

A. It defines the roles and responsibilities of the various stakeholders in the intervention process, adds a preventive component under which INAC would offer to work with the Recipients to find a solution to the problem before applying the National Intervention Policy, and offers in appendix A a non exhaustive list of triggers that could allow the identification of a problematic situation and the prevention of its deterioration.

Q. Does INAC inform the financial institutions and other creditors of a Recipient when an intervention is required?

A. INAC cannot transmit financial information directly to a creditor. Any request for information must be routed directly to the Recipient. However, INAC may act as a facilitator to bring the parties together.

Q. Does the presence of a trigger automatically result in application of the Procedure?

A. The presence of a trigger should lead INAC to consider the trigger's impact on the Recipient's administrative or financial position. If the analysis confirms a problem that is

cause for concern, INAC will apply the preventive component of the Procedure, together with the Recipient.

Q. What happens if the Recipient does not cooperate in the preventive component of the Procedure?

A. The case is submitted to the Intervention Advisory Committee (internal committee of the Quebec Regional Office) for a reassessment of the intervention option.