
Assembly of First Nations

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Assemblée des Premières Nations

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**ANNUAL GENERAL ASSEMBLY
JULY 11, 12, & 13, 2023; HALIFAX, NS**

Resolution no. 43/2023

TITLE: Review of the Past Ten Years of Assembly of First Nations/National Indian Brotherhood Audits

SUBJECT: Financial

MOVED BY: Chairperson Khelsilem, Squamish Nation, B.C.

SECONDED BY: Kukpi7 Rosanne Casimir, Tk'emlups te Secwepemc, B.C.

DECISION Carried; 12 opposed; 8 abstentions

WHEREAS:

- A. Assembly of First Nations (AFN) Resolution 03/2022, *Investigation and Audit of AFN's Financial and Management Policies*, was approved in July 2022 by the First Nations-in-Assembly.
- B. There is a need to respond to Resolution 03/2022 in a transparent and independent manner to review the Assembly of First Nations/National Indian Brotherhood finances.
- C. Among other things, the resolution mandated the Chiefs' Committee on Charter Renewal (CCOCR) to take specific actions and provide a final report by the end of fiscal year 2022. The CCOCR has not yet made recommendations to the First Nations-in-Assembly regarding the scope and nature of a forensic audit or hired an independent auditor as directed under Resolution 03/2022, *Investigation and Audit of the AFN's Financial and Management Policies*.
- D. The Assembly of First Nations/National Indian Brotherhood has had 'unqualified' (or 'clean') independent audits conducted by the largest accounting firm in the world, Deloitte, for the past 10 years and these audits were presented to the First Nations-in-Assembly every July during regular Annual General Assemblies.

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JOANNA BERNARD, INTERIM NATIONAL CHIEF

43 – 2023
Page 1 of 3

- E. An 'unqualified' audit represents the outcome of a comprehensive financial review of an organization and reflects the top opinion that an organization can receive from the accounting firm that serves as its independent auditor.
- F. A 'forensic' audit describes a more intense process of reviewing all financial statements and records than is conducted under a standard audit. A forensic audit is often targeted on a series of transactions or individuals and is generally conducted when fraud or other misconduct is suspected. Forensic audits are conducted by experts with specific training and require significantly more time and at a significantly greater cost than a standard audit.
- G. Based on the facts, a forensic audit may not be warranted.

THEREFORE BE IT RESOLVED that the First Nations-in-Assembly:

1. Direct the Assembly of First Nations' (AFN) Chiefs' Committee on Charter Renewal (CCOCR) to:
 - a. Provide recommendations regarding the scope and nature of an independent audit;
 - b. Provide an estimate of the cost of such an audit; and
 - c. Recommend an independent firm to conduct the review in a manner consistent with the recommended nature and scope of the review.
2. Direct the CCOCR to provide their recommendations through a resolution to be voted on as soon as possible by the First Nations-in-Assembly at a future Assembly.
3. Direct the AFN to address the CCOCR's resolution at a future Assembly prior to moving on to any other business, including, if possible, prior to the election of a new National Chief.
4. Subject to available funding and direction from the CCOCR, direct the AFN Chief Executive Officer (CEO) to retain the appointed firm to carry out the review of the past 10 years of finances, including findings of fact and other recommendations on whether or not evidence supports the need for a further investigation (e.g., a forensic audit), and provide a report as soon as possible.
5. Direct the AFN CEO to provide copies of audited financial statements from the past 10 years to the First Nations-in-Assembly for their information and review, as well as a copy of the current AFN Finance Policy that guides the administration of finances at the AFN.

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JOANNA BERNARD, INTERIM NATIONAL CHIEF

43 – 2023
Page 2 of 3

6. Direct the AFN Executive Committee, including any interim or incoming National Chief, to recuse themselves from any direct involvement in the financial review and investigation conducted by any independent auditor/firm to ensure the complete independence of this work.
7. Direct the AFN Secretariat to provide resources for the CCOCR to complete the work of this resolution and seek the required funding if needed.

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JOANNA BERNARD, INTERIM NATIONAL CHIEF

43 – 2023
Page 3 of 3