

HUU-AY-AHT FIRST NATIONS



**Report of Executive Council on
Distribution of Funds to HUU-ay-aht
Citizens**

**For consideration at the session of the
HUU-ay-aht First Nations People's Assembly
on Saturday, November 26th, 2011**

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BACKGROUND

The *Budget Act*, 2011 sets out the overall budget for HUU-ay-aht First Nations for the period April 1st, 2011 to March 31st, 2012. Except in very limited circumstances, it is against the law to spend funds on items that are not set out in the approved budget.

There is no budget in place for distributions of funds to HUU-ay-aht Citizens.

In order to make a distribution of funds to HUU-ay-aht Citizens, it would be necessary to set up a new program under Section 51 of the *Financial Administration Act*.

Section 51 of the *Financial Administration Act* sets out those situations as follows:

Contingencies and new programs

- 51** (1) A budget line item entitled “Contingencies and New Programs” may be included in a Budget Act with the following description of its purpose:

To provide for expenditure or spending incurred for the purposes of other budget line items that are in excess of the amounts authorized by the budget line item spending authorities or statutory spending authorities. It also provides funding for new programs created after the beginning of the fiscal year and for natural disasters, emergency relief and the assistance of those in need as the result of an event that was not expected or where the timing of the event was not known in advance.

- (2) Expenditures under the “Contingencies and New Programs” budget line item require Executive Council approval.
- (3) The Finance Committee must review expenditures contemplated under “Contingencies and New Programs” and provide recommendations to Executive Council.
- (4) Executive Council must consider the recommendations provided under subsection (3) before approving an expenditure under “Contingencies and New Programs”.

In these uncertain economic times there is also no current plan to include a distribution of funds to HUU-ay-aht Citizens in next year’s budget (April 1, 2012 to March 31, 2013).

DISCUSSION

When considering whether or not to approve such a distribution, Executive Council is required under section 10 of the *Government Act* to follow best governance practices. These practices include considering what other funding or programs might need to be cut to pay for the distribution and acting in the best interests of present and future generations of HUU-ay-aht Citizens.

Section 10 reads:

Best governance practices

- 10** (1) Government and government members must respectfully and in good faith make best efforts to ensure that their decisions and actions are made **in the best interests of present and future generations of Huu-ay-aht citizens.**
- (2) Decisions and actions by government and government members under subsection (1) must take into consideration all of the following:
- (a) Huu-ay-aht priorities;
 - (b) the best available information;
 - (c) differing perspectives on the matter being decided;
 - (d) workable options;
 - (e) **the financial implications or other impacts on other government programs and priorities;**
 - (f) the merits of each course of action;
 - (g) performance measures and timelines for completion;
 - (h) other prescribed considerations.

OPTIONS

Rita Dennis has not proposed a motion recommending that Executive Council amend the budget to approve a distribution. If Rita Dennis or another Huu-ay-aht Citizen proposes such a motion, the Assembly has several options:

Option 1 - Approve the motion.

Option 2 - Approve the motion with amendments.

Option 3 – Not approve the motion.

IMPLICATIONS

The short term and long term financial and other implications of a distribution of funds to HUU-ay-aht Citizens will depend on the size and timing of any proposed distribution.