



Metis Employment & Training of Saskatchewan Inc.

Chairperson's Report

to the

**Annual General Assembly
Metis Nation - Saskatchewan
June 22, 2002**

Respectfully submitted,

Al Rivard, Minister
METSI



METIS EMPLOYMENT AND TRAINING OF SASKATCHEWAN INC.

June 22, 2002

Open Letter to the Delegates to the MN-S Annual General Assembly

104-219 ROBIN CREEK
SASKATOON SK
S7L 6M8
PH: (306) 668-7671
FAX (306) 244-5336

Dear Delegates;

This has been a challenging year at METSI. I want to thank all the staff, both at the Head Office and Regional (LMMB) level for their contributions in addressing the various issues that have arisen throughout the year.

Our most recent audit uncovered an organizational debt that has been accumulating since 1995. The debt has arisen from overpayments that have been recouped by HRDC, approximately \$350,000. The debt has put METSI in a difficult cash flow situation which has impacted on our ability to pay our current vendors. MN-S has supported METSI in a financial plan that will help resolve this issue, and we expect to be back to 'business as usual', following the current negotiations with HRDC.

One of the conditions for the current AHRDA agreement required METSI to develop a restructuring and business plan to reduce administration costs and to provide for a more equitable allocation of funding to the Regions.

The subsequent loss of staff, and the reduction in programming dollars to some of the Regions, has been a difficult hurdle.

I want to thank those Provincial Metis Council members that have supported the initiatives of METSI, ensuring that MN-S retains management of the employment and training programming for the Metis of Saskatchewan.

I have attached a summary of a power-point presentation which details the operations for 2001-2002, including the Business Plan and comparative statistics.

Have an enjoyable and productive Assembly and I look forward to your continuing support and input.

Sincerely,

Al Rivard
Minister

Mandate

- Metis Employment and Training of Saskatchewan Inc. (METSI) is mandated by the Metis Nation - Saskatchewan to increase the participation of Metis individuals in labor market activities.
- METSI provides client services through a service delivery system consisting of 12 regional offices.

Organizational Overview

- METSI is the head office that provides a central administrative service for the regions, on behalf of the MN-S.
- The MN-S receives an Aboriginal Human Resource Development Agreement (AHRDA) that allocates to the MN-S via METSI 8.6 million in program funding + 1.8 million dollars in incremental funds for Urban centers. The AHRDA totals approximately 10.4 million annually.

Service Delivery Structure

- METSI and the MN-S have developed a structure for client service delivery referred to as the Local Metis Management Boards (LMMB). This provides all 12 MN-S regions in Saskatchewan the services.
- The “new” service delivery structure continues to provide for offices in each region focusing on client services.
- To ensure effective service delivery, all Regional offices (LMMB’s) were required to complete staff (provided by DTI) and Board training (provided by SIAST).

What Happened in 2001-2002 ?

- HRDC, MN-S and METSI agreed to restructure and make significant changes in 01-02. HRDC required 5 points to ensure continuation of the AHRDA in Saskatchewan for the Metis:
 1. Financial Controls
 2. Reduced Administration
 3. Allocation Implementation
 4. Effective Service Delivery Structure
 5. Overpayment Plans

What Happened in 2001-2002 ?

- The MN-S, METSI and the regions made significant progress. 4 of the points were successfully achieved:
 - METSI and the regions incorporated an allocation formula.
 - Administration was reduced significantly.
 - A new Financial Control system was implemented with training for METSI staff.
 - Regional Boards and staff participated in various training initiatives.

What Happened in 2001-2002?

- The remaining outstanding point is Overpayments.
- METSI and the MN-S recently appointed a task force to deal with the issues. To date the overpayments have been significantly reduced and a plan of repayment is tabled with HRDC.
- Until this overpayment recovery plan is accepted by HRDC, program funds are temporarily on hold.
- METSI continues to work with the Regions to resolve outstanding overpayment issues.

5 points to Ensure Success

- The following describes progress on each point over the 2001-2002 year and results:

I. Financial Controls for 2002/2003

- METSI implemented a new business plan to significantly reduce administration costs in 01-02. To achieve this goal, METSI and the Regions have centralized all finance.
- The proposed business plan for 2002/2003 fiscal year has targeted administration at 17.5%, or approximately \$1.87 million to administer the 10.4 million program.
- The Business Plan, developed with the assistance of Deloitte and Touche and Regional Boards and staff, will be fully implemented in 2002/2003.

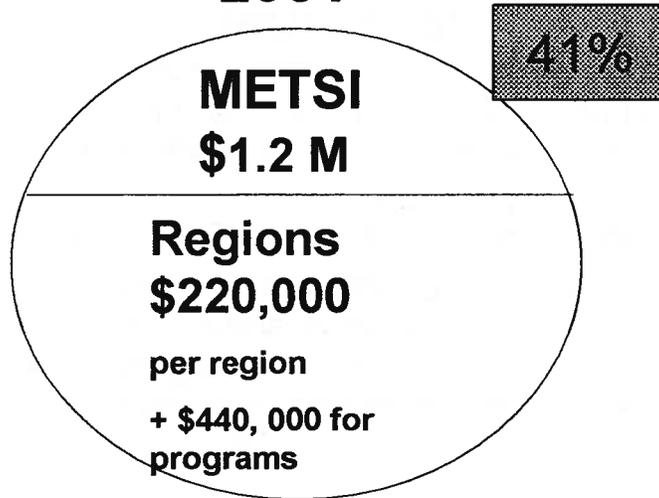
Financial Controls continued...

- METSI finance department began training October 1, 2001 in preparation for the new control system from Deloitte and Touche.
- A new financial computer system has been implemented (Great Plains Dynamics).
- Centralization of administration has decreased the need for some of the administration positions in Regional offices. (9 administrative positions in Regional offices were eliminated in 2001-2002)

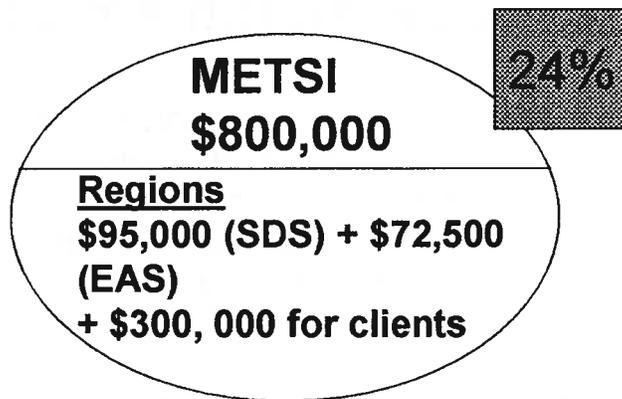
2. Reduce Administration

- Administration has been an ongoing issue. The question has been what costs apply to administration and which costs apply to client assistance. However, METSI and the regions had to reduce overall administration according to the current definition applied by HRDC.
- The following charts indicate the administrative reductions achieved in 2001-2002:

Administration Budget 2000 - 2001



Beginning of April 01, 2001



Urban Budgets were projected = SDS \$95,000 + \$83,000
and EAS \$150,000

September 01, 2001

21.4%

METSI \$800,000

<u>Regions</u>	<u>Urban Centers</u>
\$95,000 (SDS) + \$72,500 (EAS)	\$110,000 (SDS) +\$120,000 (EAS)
+ 300 000 for programs	+ 1 000 000.00 for Programs

3. Allocation Implementation

- The MN-S had traditionally agreed upon an equal split of AHRDA funds to the 12 regions.
- The new allocation formula is based on population. As well, the four Northern Regions have been provided an additional allocation to reflect the higher cost of program and service delivery in the north.

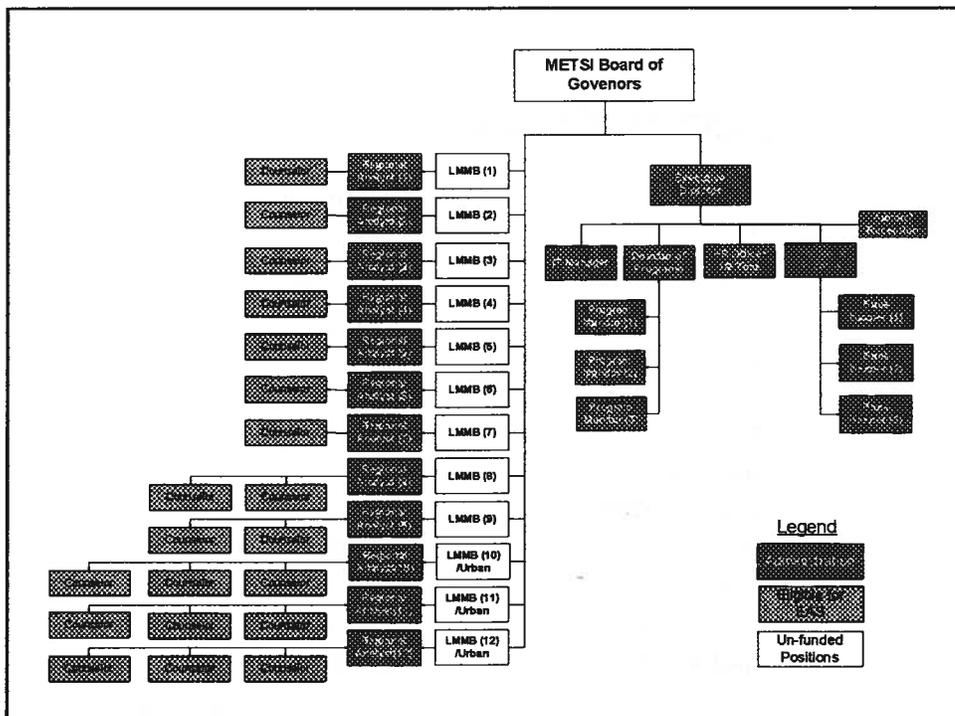
Allocation Implementation continued ...

- The following chart illustrates the projected Administration and Program budgets for 2002-2003:

Proposed 2002 – 2003 Budgets				
Regions	SDS	EAS	Program Funds	Total Alloca.
Archerwill	\$86,613.63	\$41,265.17	\$322,529.00	\$409,142.63
C. H.	\$82,074.83	\$49,868.99	\$282,207.00	\$364,281.83
La Ronge	\$88,893.77	\$66,516.25	\$344,765.00	\$433,658.77
Beauval	\$36,715.76	\$117,049.07	\$559,590.00	\$596,305.76
Buffalo N.	\$90,010.80	\$105,741.21	\$560,770.00	\$650,780.80
Yorkton	\$85,491.71	\$51,566.50	\$284,862.00	\$370,353.71
Fort QApp.	\$26,894.12	\$106,180.56	\$365,428.00	\$392,322.12
Meadow L.	\$82,277.29	\$65,061.33	\$470,059.00	\$552,336.29
North BF.	\$96,875.46	\$8,940.00	\$458,549.00	\$555,424.46
Regina	\$95,988.68	\$105,798.40	\$1,479,471.00	\$1,575,459.68
Saskatoon	\$113,736.90	\$106,352.64	\$1,801,154.00	\$1,914,890.90
Prince A.	\$169,329.16	\$40,915.36	\$1,633,338	\$1,802,667.16
METSI	\$840,000.00	\$0.00	\$0.00	\$840,000.00
Total				\$10,457,624.11

4. Effective Service Delivery Structure

- All METSI and LMMB staff were provided training in the areas of program delivery, effective counseling strategies, financial systems, etc.
- The centralization of Finance is completed.
- The following chart illustrates the Service Delivery model for 2002-2003.



5. Overpayment Plans

- METSI and the Regions have worked together to address the issues of ineligible expenses and missing documentation that have led to alleged overpayments.
- The Overpayment amount has been significantly reduced through this process.
- METSI has provided a repayment plan to HRDC and is anticipating a favourable response
- The final figure for repayment is expected to be less than \$400,000.00.

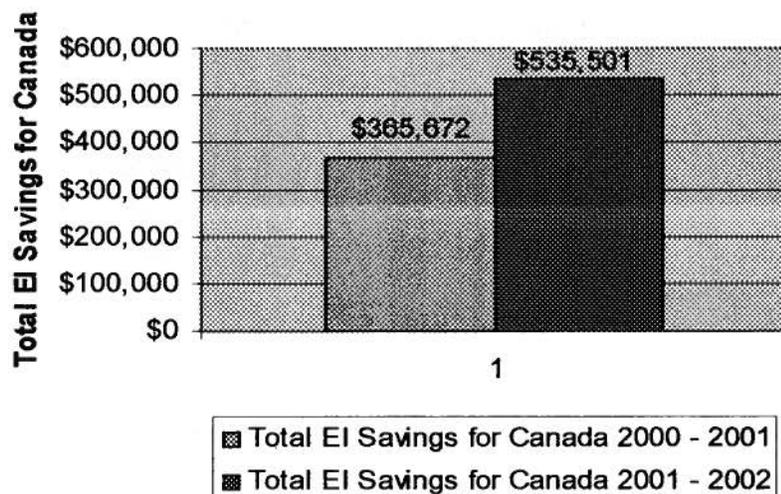
What has been accomplished to date?

- METSI and the Regions accomplished several critical tasks:
 - Strategic Business Plan implementation
 - Allocation Model development and full implementation
 - Short Term Capacity and Annual Capacity Plans identified and utilized.
 - Communications with the regions – weekly updates, provincial planning, etc.
 - Client tracking system implemented in all Regions (Contact IV)
 - Reduction to Administration, targeted at 21.4% in 2001-2002 but achieved a decrease to 18.0% .

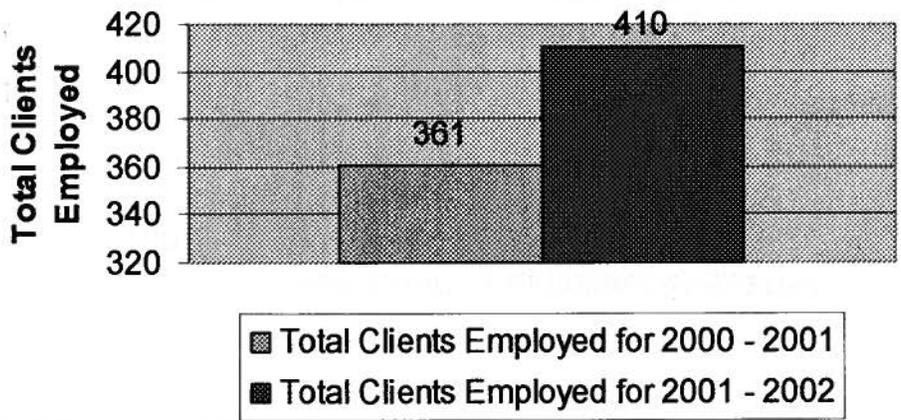
Accomplishments

- 2001-2002 stats have documented 2400 registered clients in the Contact IV system.
- Significant increase to the number of provincially funded clients as a result of decreased administration.
 - More than 7.0 million went to clients this year versus less than 4 million in 2000-2001.
- There were no major issues in 2001- 2002 regarding ineligible expenditures.

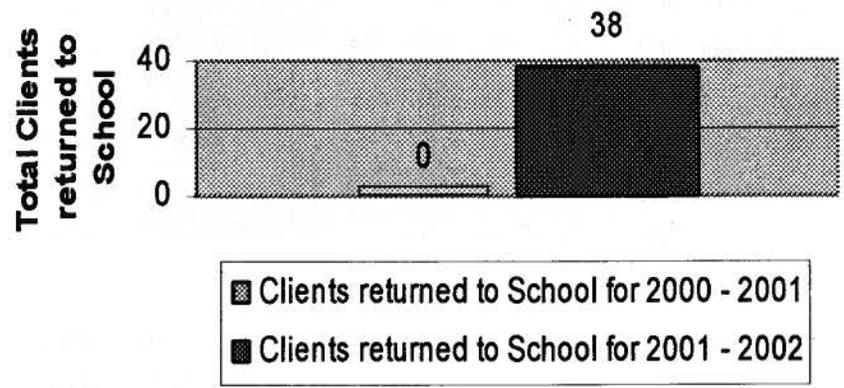
Total EI Saving for Canada for 2000 - 2001 Versus 2001 - 2002

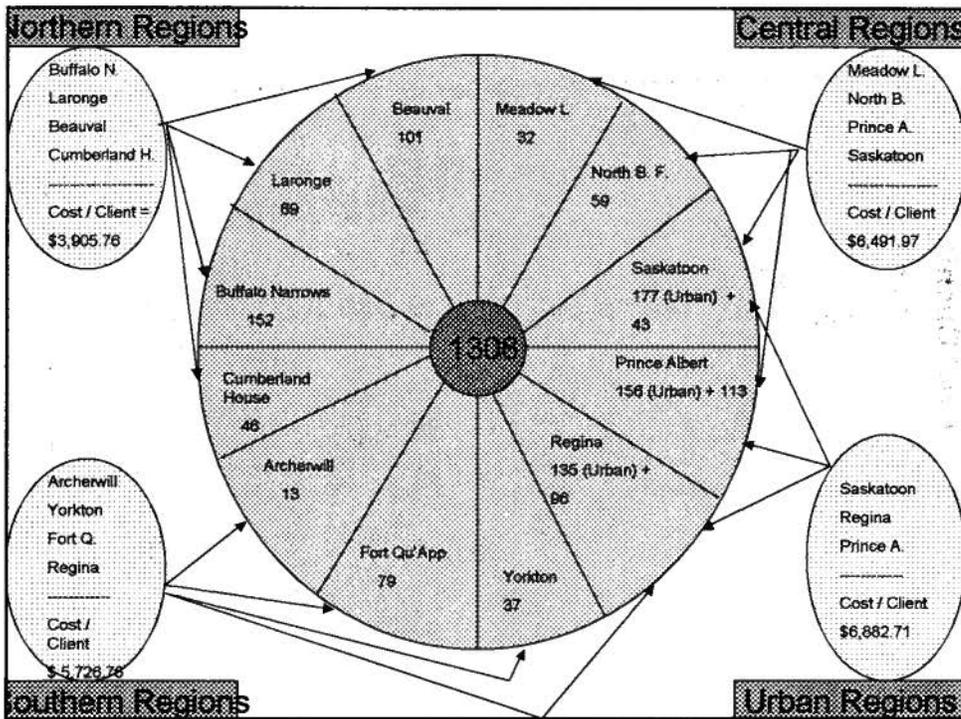


Total Clients Employed for 2000 - 2001 Versus 2001 - 2002



Clients who returned to School for 2000 - 2001 Versus 2001 - 2002





What next ?

- METSI must finalize the Overpayment strategy and maintain strict financial controls.
- Immediately resolve the Overpayment matter and reinstate program funds.
- Several staff have been laid off during this time until this matter is resolved.
- Discussion to have a second round of Community information sessions
- Continue to maintain the services at the regional level supporting the community. METSI and the regional offices have continued to provide counselling services to clients until the program funds are officially reinstated.