

**YUKON FISH AND WILDLIFE  
MANAGEMENT BOARD**



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February 26, 2020  
Kathleen Zimmer, Implementation Fiscal Advisor  
Implementation and Reconciliation  
Executive Council Office; Aboriginal Relations  
Whitehorse, YT

Dear Ms. Zimmer

**Re: Yukon Fish and Wildlife Management Board Transfer Payment Funding Agreement  
April 1, 2020 - March 31, 2021**

Thank you for meeting with the Board's Executive on Monday, February 10<sup>th</sup>, to discuss the proposed changes to our Transfer Payment Funding Agreement (TPFA) for the upcoming fiscal year. As we conveyed to you in-person, we were quite taken aback with the number, and extent, of changes outlined within the proposed TPFA. For this reason, we have elected to respond formally in writing.

The changes proposed within the TPFA were not prompted – nor supported – by two-thirds of the parties privy to the Umbrella Final Agreement (UFA). These changes are prompted by your Department and justified as an outstanding item which you personally elected to address this year, based upon the arbitrary assignment of a financial threshold that the Board exceeded many years ago (\$500,000.00).

Regardless of the outcome of this discussion, we shall continue to honor our mandate under the UFA, maintaining an arm's length approach, while still performing our key function as the "Primary instrument of fish and wildlife management" in Yukon (UFA 16.7.1).

Concerning the financial aspects of our business, we have a few statements we need to make at this time. They are as follows:

1. At no time has the Board *ever* experienced challenges in the management of its finances or balancing of its budgets.

2. Additionally, the Board has *never* diverted resources (financial or otherwise) towards any activities that were contrary to the Umbrella Final Agreement, or that diverged from our prescribed mandate within the UFA.
3. At no time has the Board *ever* required the Government of Yukon to support the Board in the management of our funds. From a financial perspective, we have successfully done our job for over 25 years.

With regards to the extent of proposed changes to the TPFA, and the substantial additions to reporting requirements which your Department is suggesting, the Board feels these proposed changes are unprecedented and appear to come without due cause. In addition, these changes will drastically reduce the Board's ability to manage its own finances and are seen to conflict with our ability to function at an arm's length from government. Below are some of the specific concerns we have with regards to the proposed TPFA:

**7.2** "Commencing April 20<sup>th</sup>, 2020, the Board shall provide to Yukon per the Reporting Schedule, In-House Financial Statements by the 20<sup>th</sup> of each month for the prior month, or within thirty (30) days of the date of termination of this Agreement if the Agreement is terminated pursuant to 13.1."

- This clause was seen as profoundly unnecessary by the Board's Executive based points 1-3 as noted above. The Board provides several reporting requirements which were originally designed and scheduled by your department. As there has been no issue with the Board's ability to manage its finances independently, we do not feel this is necessary.
- As per 16.7.9 of the UFA, "*The Board shall prepare an annual budget, subject to review and approval by Government*". This clause in the UFA specifies that the Board is responsible and accountable for an annual budget – not a monthly budget.
- The Board is audited annually. This is a measure that requires substantial time and resources, a requirement that not even the Department has to undertake. Results of the Board's audits have always been favourable. If there were any issues with our ability to manage our own budget, the audits we have previously undergone would have revealed this.

**9.2.1** "reallocate between the line items identified as long as the sum total of these reallocations does not exceed 5% of the total approved budget;"

**9.2.2** "make reallocations within the Budget that are in excess of 5% after obtaining the express written consent of Yukon and Yukon may require the Board to submit a revised Budget and Annual Workplan prior to providing such consent;"

These clauses are viewed by the Board's Executive as a symptom of a growing concern over the Department desire to limit the Board's ability to respond effectively and efficiently to issues that are urgent and emerging. These changes will effectively reduce the Board's ability to manage its own finances and function at arm's length to government. Furthermore:

- In 2006-2007, the Board's total allocations or reallocations between the budget items set out in the Approved Budget, was **20%** as seen in clause 3.9.1 of our 2006-2007 TPFA, "shall not exceed twenty percent (20%) of the annual progress payment under 4.34 for the fiscal year".
- Within the 2010-2011 fiscal, that number was reduced to 10% as seen in clause 9.2: "With respect to the Budget, the Board may as per subclause 9.2.1: "reallocate between the line items identified as long as the sum total of these reallocations does not exceed **10%** of the total budget".
- As per your proposed changes to our TPFA, this number will yet again be reduced another **5%** to a sum total of 5%. The Board is perplexed as to why the department continues to limit our ability to manage variations within our financial contribution from the Federal Government. Many of the initiatives that require the Board to revise our approved budget and workplan come from initiatives driven or concerns raised by the Government of Yukon.
- The Board has been in existence for 28 years. This continued devolution of its independent financial control is worrying; for future generations of Yukoners, for Yukon's fish and wildlife, and for those who believe in the mandate of the Board.
- Proposed clause 9.2.2 is burdensome for the Board to require expressed written consent from Yukon to submit a revised budget in excess of 5%. This is a level of unnecessary financial control that comes at the heels of yet another degradation in our ability to manage our finances independently.

**10.0.1** "In addition to any default that would at law entitle Yukon to terminate the Agreement, any of the following shall also constitute a default by the Board entitling Yukon to terminate the Agreement"

**10.1.4** "the Board fails to limit its activities to those directly related to its mandate and responsibilities noted in the Final Agreement and Implementation Plan".

- To be clear, this Board will not support a change in our TPFA that enables the Yukon government to decide which Board activities lay "within our mandate". Particularly if the government's deduction can result in the termination our TPFA based solely upon this interpretation.

- These clauses are in stark contradiction to the Board's assignment within the UFA as the primary instrument of fish and wildlife management.

Finally, appendices A through E appear to add what the Board perceives to be an unnecessary detailed and overly cumbersome level of reporting to our existing workload and financial reporting requirements.

- We have five reporting requirements per year – another figure which has increased consistently over the past 25 years.
- The Board provides the Yukon government with an Annual Report of our activities which includes a **full financial audit**.
- A financial management letter is transmitted to the Board via the auditor once the audit is complete. If there are any financial management measures presented by the auditor, the Board implements them immediately.
- The approach to “monthly budgetary reporting and requirements is in contrast to the UFA, particularly in as per 16.7.9 *“The Board shall prepare an annual budget, subject to review and approval by Government”*. This clause in the UFA specifies that the Board is responsible for an annual budget and its accountability – not a “monthly budget.

In summation, the proposed micro-managing of the Board's budget, as outlined in your draft TPFA, is limiting to the Board's autonomy and effectively undermines a central tenet of the UFA, as a board which functions at arm's length from government, as the “Primary instrument of fish and wildlife management” in Yukon (UFA 16.7.1).

There are additional reporting requirements that the Board is already producing which are viewed by the Board at every Board meeting. If you, or your Department, have a greater interest in our financial practices we welcome you to attend one (or all five) of our Board meetings. It is our hope this will give you the assurance you need; and will demonstrate that along with the Office Manager and Executive Director, there are 12 Board members who are also regularly scrutinizing our budgetary processes.

Thank you and if you have any questions, please do not hesitate to contact our Executive Director, Graham Van Tighem, at (867)-667-5835.

Sincerely,

John Burdek, Chair