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Federation of Sovereign Indigenous Nations Responds to ISC/KPMG Forensic Audit Summary Report

(Treaty 6 Territory, Saskatoon SK) – The Federation of Sovereign Indigenous Nations (FSIN) is responding to the release by Indigenous Services Canada (ISC) of a **Summary Report of Findings and Recommendations** from the KPMG forensic audit of FSIN finances.

The Federation of Sovereign Indigenous Nations (FSIN) has cooperated fully and respectfully with the forensic audit process and has consistently worked to keep our Chiefs informed to the greatest extent possible throughout. FSIN had planned to provide a full and complete response upon receipt of the detailed report from KPMG, as it is difficult to respond to any allegation without specific details. However, ISC has not yet responded to multiple requests for the full report—which we anticipate would provide the rationale for each specific finding. As such, FSIN can only respond at this time to the documents that were posted on ISC’s website.

For example, KPMG categorized \$23,451,907 as questionable stating that they “were unable to obtain complete supporting documentation to determine eligibility.” FSIN categorically rejects the suggestion that purchases under COVID lack documentation. Receipts and/or invoices were provided for every expenditure, and it is unclear which items KPMG is alleging are incomplete. FSIN will directly address any such details once the full report is received. To dismiss this work as “questionable” is baseless and disregards the reality that FSIN’s efforts protected Elders, children, and families.

First Nations requested PPE from ISC urgently to protect their people. Many First Nations looked for sources of PPE at a time when countries were competing for available PPE. They submitted proposals for PPE for both their First Nation and other First Nations and some asked that FSIN coordinate the distribution. FSIN agreed and set up warehouses to receive, repackage and distribute PPE to First Nations based on a population model. FSIN hired casual workers, drivers and rented trucks to distribute the PPE. FSIN staff also volunteered to assist at the warehouses to ensure the PPE was shipped to those that needed it as quickly as possible. First Nations asked that the funding for PPE be provided to them directly; however, ISC insisted that the funding flow through the FSIN. FSIN opposed this recommendation several times as First Nations should be supported directly.

Note that by February of 2024, Saskatchewan had reported over 2,000 deaths from COVID-19. In jurisdictions where PPE was ignored, death tolls were dramatically higher. This quick deployment of PPE conclusively reduced infections and saved lives – especially Elders and those with chronic

conditions. Despite severe underfunding, FSIN and First Nations did their best to protect our people during this challenging time and were the only ones implementing the famine and pestilence clause for their people. The expenses categorized as questionable totaling \$23,451,907 when divided by 166,681 represents approximately \$140 per First Nations person in Saskatchewan for an average of \$47 each year per person for PPE – all fully accounted.

The FSIN has faced unwarranted attacks in relation to the forensic audit that was publicly called for by certain individuals leading up to the 2024 election and reiterated in a press conference two days prior to the election where support for a particular candidate was announced. These attacks seem to be fueled by malicious intentions and have contributed to heightened racial tensions by perpetuating negative stereotypes about First Nations.

KPMG's summary contains language that is inconclusive such as "may be in contravention", "appears" and the term "questionable" itself for which they do not provide a definition. FSIN has reviewed the document since its publication and has prepared a fact sheet (attached).

The fact sheet offers insight into the process used by KPMG and ISC, provides responses to the findings where KPMG provided enough information in their document and provides information on FSIN's robust system of financial management, accountability and transparency.

The fact sheet notes that FSIN was provided 10 business days to respond to a list of 717 questions and data items for which FSIN provided documentation and responses for every question and data item. KPMG then required 10 weeks to review the information. While FSIN had been prepared to provide any needed clarification during that period, it appears that the information provided was not used in their review. However, we are confident that Indigenous Service Canada will fulfill their responsibility to fully review the documentation provided and will conclude that all expenditures are eligible with the exception of minor administrative errors that have since been corrected.

FSIN is thankful to the management and staff that spent thousands of hours collectively to respond to the audit; to all management and staff for their dedication and support to First Nations in Saskatchewan while ensuring full compliance with FSIN policies and procedures – especially in their response to crisis after crisis such as the COVID-19 pandemic; and to the FSIN Treasury Board for establishing model policies and contributing their expertise in leading the FSIN in financial management.

The Federation of Sovereign Indigenous Nations represents 74 First Nations in Saskatchewan and is committed to honouring the spirit and intent of the Treaties, as well as promoting, protecting, and implementing Treaty promises made more than a century ago—promises that remain legally and morally binding today.