
Gitsegukla Band Financial Policy Manual



Version: March 2018

FINANCIAL POLICY MANUAL SIGNATURE PAGE

(All employees must comply with Gitsegukla Band Financial Policies)

Instructions to Employee: All Gitsegukla Band Administrators and employees are required to read the Gitsegukla Band Financial Policies listed in this document.

If you have trouble locating the policies, let your supervisor know. Direct any questions about these policies to your supervisor.

Employee's Name: _____

Employee's Signature: _____ Date: _____

(My signature indicates I have read the financial policies and my questions have been answered. I understand I must comply with procedures and requirements of the policies. Failure to comply with the financial policies may result in disciplinary actions as outlined in the Human Resource Policy: Discipline, Termination and Resignation of Employees).

(The original Gitsegukla Band Financial Policy Manual signature page is retained in the employee's Personnel File. Provide a copy to the employee.)

INTRODUCTION

The purpose of this Financial Policy Manual is to provide guidance, assistance, and an accountability framework to the users of the financial accounting system. Objectives are:

- To promote efficiency of operations;
- To ensure consistency in the preparation and processing of financial information; and
- To ensure timeliness of the provision of information to Council and operating personnel.

The users include Gitsegukla Band Council, the Financial Administrator, the Band Administrator, Program Managers/Supervisors, and other employees.

The Financial Policy Manual is reviewed after the annual audit to accommodate changes to the accounting system or implementation of new policies or procedures. The manual will be reviewed by the Finance and Audit Committee based on input from staff. Council will make approval of revisions to the Financial Policy Manual.

A Finance and Audit Committee delegate is appointed by the Band Administrator for processing all changes to the Financial Policy Manual and distributing revisions to the Finance and Audit Committee Members, Band Administrator, and Program Managers/Supervisors.

The Financial Policy Manual will be available for review by all employees and members of the Gitsegukla Band.

This Financial Policy Manual is based on the sample statement of policy and procedures (“SPP”) provided to First Nations that meet requirements contained in both the Financial Management Systems/Standards established by the First Nations Financial Management Board (“FMB”) under the *First Nations Fiscal Management Act* (“FNFMA”).

Using Policy Process Maps

Some of the policies that appear in this document are accompanied by process maps, which are visual representations of procedures and responsibilities. These are meant to assist the reader in understanding specific policies, but are not meant to provide a complete picture of all steps and details involved. The process maps should always be read along with the accompanying procedures in order to understand all of the details and required steps in a given policy.

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DEFINITIONS

“**Administrator**” means the same thing as Band Administrator.

“**Annual integrated planning process**” refers to the annual process whereby all planning and budgeting activities throughout every level of the organization are effectively linked, coordinated, and driven by Council’s vision and strategic objectives.

“**Approved travel status**” – Travel on official Gitsegukla Band business that has been pre-approved by an individual’s immediate supervisor. Approved travel status begins once the individual leaves their place of residence for the approved destination and ends once they return to their place of residence or their regular place of employment (e.g. Gitsegukla Band office).

“**Arrears**” refers to an unpaid, overdue debt, or an unfulfilled obligation.

“**Assets**” include tangible capital assets such as equipment, buildings and land that have been purchased or constructed by the Gitsegukla Band.

“**Asset recognition criteria**” means the criteria to be used to set the threshold for determining whether a tangible capital asset must be included in the tangible capital asset register and in the life-cycle management program.

“**Authorization and Delegation Table**” means a table approved by Council specifying the delegation and assignment authorities over decisions or activities in connection with the financial administration of the Band.

“**Band Administrator**” is referred to as the Senior Manager in the Gitsegukla Financial Administration Law.

“**Best value**” refers to the optimal combinations of experience, knowledge, expertise, geographic location, performance, quality, time, initial costs, operation and maintenance, cost, life cycle costs, service, performance characteristics, spare parts availability, and warranties and guarantees, etc. A manager will exercise professional judgement when determining ‘best value’. He or she may be required to defend their judgement at any time. A few examples of best practices would be to document the reasons why a purchase is a best value, compare the product or vendor to competitor offerings, record the cumulative total of annual purchases, and negotiate quantity discounts.

“**Capital project**” means the construction, rehabilitation or replacement of the Gitsegukla Band’s tangible capital assets and any other major capital projects in which the Band or its related bodies are investors.

“**Capital project plan**” means a plan to carry out a capital project, and an annual capital plan is all of the capital project plans to be budgeted for undertaken in a fiscal year.

“**Cash**” is currency, cheques, money orders, and equivalent financial instruments.

“**Classification**” is the process of categorising records according to a predetermined hierarchy or scheme. Functional-based classification is the arrangement of records based on the business functions and activities of the Band. This allows the Council to understand the records collected and created related to each business process / activity and how that record is used.

“**Contract**” is an agreement entered into voluntarily by two or more parties, each of whom intends to create one or more legal obligations between them. All contracts, exceeding a value of \$1,000 must be in writing and signed by both parties, and a copy shall be filed with the Financial Administrator.

“**Cost**” is the gross amount of consideration given up to acquire, construct, develop or better a tangible capital asset, and includes all costs directly attributable to acquisition, construction, development or betterment of the tangible capital asset, including installing the asset at the location and in the condition

necessary for its intended use. The cost of a contributed tangible capital asset, including a tangible capital asset in lieu of a developer charge, is considered to be equal to its fair value at the date of contribution. Capital grants would not be netted against the cost of the related tangible capital asset.

“Deferred Maintenance” is maintenance that was not performed when it was scheduled, or that was delayed for a future period and may result in a decrease in service levels and can affect the life expectancy of the asset. It is noted in the asset register.

“Eligibility criteria” are the council specified requirements which must be met by an individual in order to be considered independent and eligible to be appointed as a member of the Finance and Audit Committee.

“Engagement letter” is a written communication from the independent auditor outlining the terms and conditions of appointment and may include a letter to management (or post audit letter) reporting on audit findings.

“Encumbrance accounting” refers to the process of setting money aside (to hold it) for a specific purpose. Money then, is essentially earmarked for certain future purposes and cannot be re-allocated for any other purpose than stated.

“Entity” means a corporation or a partnership, a joint venture or any other unincorporated association or organization, the financial transactions of which are consolidated in the financial statements of the Gitsegukla Band in accordance with Public Sector Accounting Standards.

“Expenses” includes the costs of transportation, accommodation, meals, hospitality and incidental expenses.

“Fairness” refers to giving qualified firms and individuals an equal opportunity to compete for the contract work and evaluating tenders and proposals in accordance with accepted practices.

“Fair value” is the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

“Financial Administrator” is referred to as the “Senior Financial Officer” in the Gitsegukla Financial Administration Law.

“Financial competency” is the ability to read and understand general purpose financial statements that present accounting issues and disclosures reasonably expected to be raised by the Band's financial statements.

“Financial institutions” means the First Nations Finance Authority, a bank, credit union or caisse populaire.

“Financial reports list” means the list of financial statements and reports that are to be prepared on a regular basis.

“Financial reporting risk” is the possibility of an undetected material misstatement in financial information due to the existence of ineffective internal control or fraud resulting from manipulation or alteration of accounting records, misrepresentation or intentional omissions of transactions, or intentional misapplication of accounting principles.

“Fraud risk” is the potential for an employee, agent or other person connected to the financial administration of the Gitsegukla Band to use deception to dishonestly make a personal gain for oneself or a loss for another. This commonly includes activities such as theft, corruption, embezzlement, or bribery etc.

“Fraudulent financial reporting” means an intentional act in financial reporting that is designed to deceive users of financial reports and that may result in a material omission from or misstatement of financial reports.

“Groups” – For donations, a group is defined as members from the same team, club or association. Group would also include members of the same immediate family (i.e. husband, wife, partner, sons, daughters, brother, sister) who reside in the same household.

“Indemnity” refers to the right of a person to recover the amount of a financial loss or a liability to a third party.

“Independence” exists between the Gitsegukla Band and an individual when the individual does not have a direct or indirect relationship with the Band government that could, in the opinion of council, reasonably interfere with the individual’s exercise of independent judgment as a member of the finance and audit committee.

“Independence” (between the auditor and the audit client) means independence from parties that have an interest in the results published in financial statements of the Band. The code of ethics of the Public Accountant profession helps give guidance on independence issues between the auditor and the audit client. Independence requires integrity and an objective approach to the audit process. The concept requires the auditor to carry out his or her work freely and in an objective manner.

“Information” is knowledge communicated or received and may be any documentary material regardless of communications source, information format, production mode or recording medium.

“Information Security” refers to the physical, electronic and policy instruments that are used to protect information from unauthorized access (protecting confidentiality), unauthorized use (protecting integrity), unauthorized modification (also protecting integrity) and unauthorized destruction (protecting availability).

“Internal control” is a process, effected by Band Council, the Finance and Audit Committee, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- a) Effectiveness and efficiency of operations;
- b) Reliability of reporting; and
- c) Compliance with applicable laws and regulations. Bill C-27 is an example. Under Bill C-27 the Band is required to post the Gitsegukla consolidated financial statements on a website within 120 days of year end; provide financial statements to members who request it; prepare a schedule of remuneration and expenses incurred by Band Council; and provide disclosure of salary and travel incurred by senior administration.

“Invited tender” refers to a tender that is distributed to a certain number of contractors who are invited to bid on a specific project. Industry standards indicate that at least three contractors should be invited to ensure that the process is fair and there is sufficient competition.

“Life-cycle management program” means the program of inspection, review and planning for the management of the Gitsegukla Band’s tangible capital assets as described in this policy.

“Life cycle planning” is a key component of a life-cycle management program as it provides information for understanding the condition and assessing the performance of capital assets, anticipates the needs for replacements in the short and long term, and assesses the cost and sustainability of existing programs.

“Loan guarantee” is a promise to pay all or a part of the principal and/or interest on a debt obligation in the event of default by the borrower.

“Loan receivable” is a financial asset of the Band (as the lender) represented by a promise by a borrower to repay a specific amount, at a specified time or times, or on demand, usually with interest.

“Low, moderate, or high value goods and services”. Low value means goods that are valued at \$10,000 or less. Moderate value means goods or services valued between \$10,000.01 and \$25,000. High value means goods or services valued greater than \$25,000.

“Misappropriation of assets” means the theft of first nation assets in circumstances where the theft may result in a material omission or misstatement in financial reports.

“Net book value” of a tangible capital asset is its cost, less both accumulated amortization and the amount of any write-downs.

“Open or public tender” is the process by which tenders are advertised publicly. Open tenders should allow any qualified potential bidders the opportunity to bid on a project.

“Planning documents” are the combination of a strategic (community development) plan, capital budget, multi-year financial plan, and annual budget.

“Portfolio rebalancing” refers to the realigning of the weightings of the First Nation’s portfolio of assets and involves periodically buying or selling assets in the portfolio to maintain the original desired level of asset allocation.

“PSAS” refers to Public Sector Accounting Standards. These are accounting standards that apply to all public sector entities (governments, government components, government organizations and certain government partnerships) that issue general purpose financial statements.

“Purchase order (P.O.)” is a commercial document and first official offer issued by a buyer to a seller, indicating types, quantities, agreed prices for products or services, and purchase terms the seller will provide to the buyer. Accepting a P.O. by a seller forms a contract between the buyer and seller. The P.O. should be initialized by the seller and a copy sent to the Band’s purchaser and forwarded to the Financial Administrator or accounts payable as proof of acceptance. **A purchase order can be initiated by a department manager if the dollar value is in accordance with their delegated authority limit and if the item being purchased is within the department’s pre-approved budget.**

“Record” is a special form of information, and for the purposes of this policy refers to information created, received, and maintained by the Band for business purposes or legal obligations, which enable and document decision-making, and support Band reporting, performance and accountability requirements. A record may be electronic, or hardcopy paper based.

“Recordkeeping” is a framework of accountability and stewardship in which records are created or acquired, captured, and managed as a vital business asset and knowledge resource to support effective decision-making and achievement of results for the Band.

“Repository” refers to a preservation environment for a record. It includes specified physical or electronic storage space and the associated infrastructure required for its maintenance. Business rules for the management of records in a repository need to be established, and there must be sufficient control for the resources to be authentic, reliable, accessible and usable on a continuing basis.

“Restricted investments” are investments made with funds the source of which is either government transfers, local revenues, or other revenues with restrictions on use.

“Rehabilitation” includes alteration, extension and renovation but does not include routine maintenance.

“Remuneration” means any salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary and non-monetary benefits.

“Replacement” includes substitution, in whole or in part, with another of the Band’s tangible capital assets.

“Requisition” refers to a P.O. used by the Band when documenting expenditures.

“Residual value” is the estimated net realizable value of a tangible capital asset at the end of its useful life to the Gitsegukla Band.

“RFP” stands for Request for Proposal, which is the process generally followed before awarding a major service contract. RFPs identify the need and leave it up to the prospective contractors to make a proposal that is appropriate.

“Risk” is defined as anything of variable uncertainty and significance that interferes with the achievement of a First Nation’s strategies and objectives. In insurance terms is the possibility of a loss or other adverse event that has the potential to interfere with an organization’s ability to fulfill its mandate, and for which an insurance claim may be submitted.¹

“Risk tolerance” means the degree of uncertainty the First Nation is willing to accept in the achievement of its goals.

“Rollback procedure” means the ability to restore system to previous configuration prior to change, with documented procedures and steps to complete the process.

“Sole source” means a person or company from whom the Band may purchase goods and/or services, without competition or tender being issued.

“Special purpose report” means the report described in subsection (10(2)) of the Financial Administration Law. For the purpose of this policy it refers to the annual report on remuneration, and expenses.

“Tangible capital assets” are non-financial assets having physical substance that:

- Are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance, or repair of other tangible capital assets;
- Have useful economic lives extending beyond an accounting period;
- Are to be used on a continuing basis; and
- Are not for sale in the ordinary course of operations.

“Tender process” refers to the process where documents outlining the requirements and specifications of a project are put in the hands of prospective contractors or suppliers interested in submitting bids.

“Terms of reference” is a documented statement of the mandate, objectives, purpose, scope, functions and rules under which the Committee is expected to operate.

“To assign” means the transfer of duties or functions from one person to another, where the former person (the assignor) retains responsibility for ensuring the activities are carried out;

“To delegate” means the transfer of the authority to carry out decisions or activities from Council to an officer, where the officer receiving the delegation authority assumes full responsibility for carrying out the activities;

“Travel advances” For pre-approved travel, Gitsegukla Band may provide a travel advance for estimated out of pocket expenses for employees, managers, and leaders of the Band. For purposes of the sections on reimbursable expenditures and travel advances, any reference to ‘employees’ also includes leadership and management as well.

¹ Insurance Bureau of Canada: http://www.ibc.ca/en/Business_Insurance/Risk_Management/

“Unrestricted investments” are investments made with funds the source of which is not government transfers or local revenues.

“Useful life” is the estimate of either the period over which a tangible capital asset is expected to be used by the Gitsegukla Band, or the number of production or similar units that can be obtained from the tangible capital asset by the Band. The life of a tangible capital asset may extend beyond the useful life of a tangible capital asset to the Band. The life of a tangible capital asset, other than land, is finite, and is normally the shortest of the physical, technological, commercial, and legal life.

“Virtual Private Network” means a virtual private network (“VPN”) which is a way to use a public telecommunication infrastructure, such as the Internet, to provide remote offices or individual users with secure access to their organization's network.

1. DELEGATED AND ASSIGNED RESPONSIBILITY

Manual: Finance Policies		No:	F01.01
Section:	General	Issued:	May 25, 2017
Issue to:	All Manual Holders	Page:	1 of 9
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

While the overall responsibility for financial management of the Band remains with the Council, Council has a responsibility to give specific financial administration authority to identified departments, committees, individuals or other third party for the purpose of performing duties, making commitments, and authorizing the collection and disbursement of funds on behalf of the Band.

Purpose

The purpose of this policy is to define the delegation and specify the assignment authorities of leadership, management and staff. The purpose of this policy is also to provide accountability with respect to financial authorization and the authority to bind the Band to legal obligations.

Scope

This policy and procedure applies to the Council, managers, employees of the Gitsegukla Band and any other persons or ad hoc committee in its place with authority to conduct activities in connection with the Financial Administration of the Band. New employees of the Band will not be granted authority until they have successfully passed their probation period.

Responsibilities

Council is responsible for:

- Delegating or assigning to others any or all of its financial management activities or functions except:
- Approval of policies and procedures or the giving of directions respecting any financial administration matter which are the responsibility of the Council under a Financial Administration Law;
- Approval of budgets, budget amendments, borrowings and financial statements;
- Approval of the Authorization, Assignment and Delegation Table;
- Any matter which is the employment or statutory responsibility of the Band Administrator, the Financial Administrator; and
- The appointment and removal of the Finance and Audit Committee members, including the Chairperson and Vice-Chairperson.

The **Band Administrator** can assign any or all of his or her financial management activities or functions except:

- Maintaining and revising the Authorization and Delegation Table;

- Ensuring those with delegated authority understand their responsibilities and have the skill and knowledge necessary for the effective exercise of the authority;
- Establishing protocols for delegation and temporary assignments to deal with absences due to illness, vacation, or other extended leaves; and
- On a regular and periodic basis, monitoring performance of individuals' delegated authorities to ensure that the delegated authority is being exercised in the manner intended and that there is no delegation of authority when specifically precluded under this policy.

All **employees, committees, contractors or agents** of the Gitsegukla Band are responsible when acting under delegated authority to ensure the activity or function is within the authority and limitation of their delegation and that they have followed other relevant policies and procedures.

Employees, committees, contractors or agents of the Gitsegukla Band may reassign functional authorities and responsibilities as long as it is made in accordance with the Authorization and Delegation Table.

Employees, committees, contractors or agents will ensure that decisions or transaction approval falling outside of their scope of authority are referred to the Band Administrator or otherwise as appropriate.

Regardless of the delegation of any financial administration authority by the Council, the Council remains responsible for the financial management of the Gitsegukla Band.

Procedures

Procedures for Delegation

1. The Band Administrator is responsible for preparing and updating the Authorization and Delegation Table in accordance with this policy for the Band.
2. The Band Administrator will ensure an appropriate level of documentation including a signed delegation of authority statement or agreement accompanies and is maintained with the Authorization and Delegation Table.
3. The Band Administrator will submit the signed delegation of authority statement or agreement along with the Authorization and Delegation Table to Council for approval, and Council will, at least annually and with a motion duly recorded in the minutes, approve the Authorization and Delegation Table.
4. The Band Administrator will ensure that the delegation of authorities is communicated to each department head and other persons as appropriate to ensure the delegated responsibilities can be carried out effectively.
5. Council, Committees, Band Administrator, employees, contractors, or agents delegate authority only when there is assurance that the control objectives of authorization of the decision or transaction will be effectively served.

Procedures for the Authorization and Delegation Table

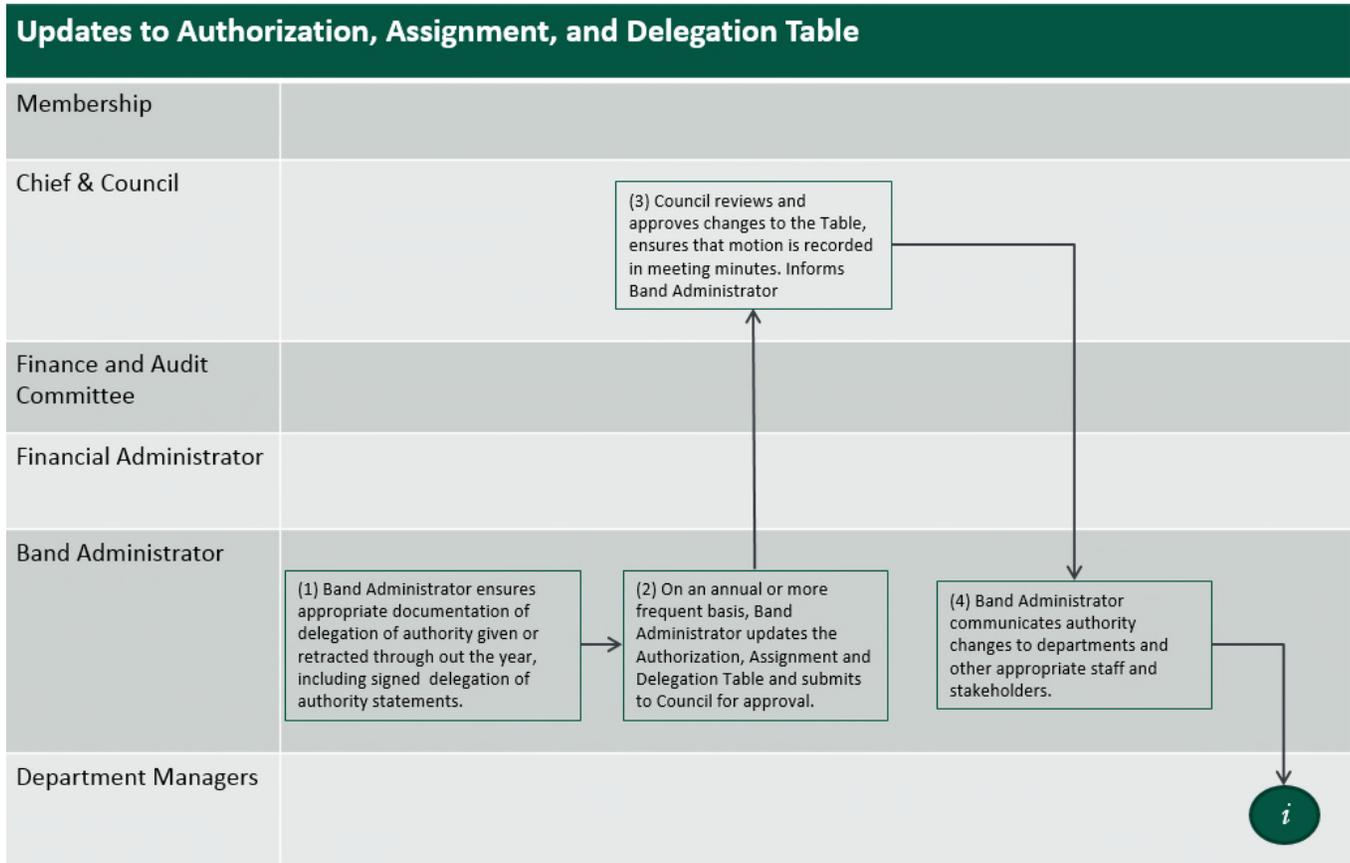
1. The Authorization and Delegation Table will include components of the financial management system that require decisional and approval authority to carry out activities, make commitments, and collect and disburse funds on behalf of the Band.
2. Any delegation of authority granted will be aligned with the hierarchical organizational chart structure.
3. Updates made to the Authorization and Delegation Table by the Band Administrator will be approved by Council. The Band Administrator will submit an updated Authorization and Delegation Table to Council for approval as soon as possible.

Reduced Authorities During Probationary Period

1. For employees other than the Band Administrator or Financial Administrator who are working within their probationary period, the delegated authorities will not apply. The delegated authorities will apply once the probationary period ends, unless there is permission by Chief and Council to do otherwise.
2. For the Band Administrator and the Financial Administrator who are working within their probationary periods, the delegated authorities (dollar values) will be reduced by 50%. Once the probationary period has been completed, the full delegated authority will apply.

Temporary Delegation of Responsibility

1. Short-term – Each functional area or department with authority under the Table will establish a protocol for delegation of responsibility to deal with absences due to illness, vacations, and other forms of temporary leave. Delegations of assignment are to be documented and distributed to the Band Administrator. Persons assigned to temporarily fill in for absent employees will have the same authorities as a person who is on probationary status, unless the Council determines otherwise.
2. Long-term – Any delegation of responsibility of a long-term nature will be approved by the Band Administrator and appropriately documented.



Procedures for Monitoring and Evaluation

The Band Administrator will, at least annually, monitor and evaluate the performance of the delegated duties and functions, and if necessary make recommendations to Council for amendments to the Authorization and Delegation Table.

References and Related Authorities

- (1) FMB's Financial Management System Standards
 - a. Standard 8.1 - DELEGATED/ASSIGNED RESPONSIBILITIES – Council delegation procedures
- (2) FMB's Financial Administration Law Standards
 - a. Standard 8.1 - FIRST NATION COUNCIL – Responsibility
 - b. Standard 8.2 - FIRST NATION COUNCIL – Delegation
 - c. Standard 11.1.6 - SENIOR MANAGER – Permitted assignment
 - d. Standard 11.2.5 - SENIOR FINANCIAL OFFICER – Permitted assignment

Attachments

Appendix A – Authorization and Delegation Table

Appendix B – Council Delegation of Duty/Function Agreement

Appendix C – Implementation Notes

2. REPORTING OF REMUNERATION AND EXPENSES

Manual: Finance		No:	F01.02
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Policy

It is Council's policy and a requirement of the Band's Financial Administration Law to annually disclose for each councillor the remuneration paid and expenses reimbursed by the Band, and by any entity that is consolidated, whether such amounts are paid to the councillor while acting as councillor or in any other capacity.

Purpose

The purpose of this policy is to establish accountability, transparency and full disclosure for each councillor's remuneration and expenses paid by the Band and by its consolidated entities.

It is intended that this policy meets the disclosure and reporting requirements under both the *Band's Financial Administration Law* and the *First Nations Financial Transparency Act*. It is expected that a single special purpose report be prepared on an annual basis that meets the requirements under both laws.

Scope

This policy applies to every Council member.

This policy does not apply to remuneration and expenses received:

- In common by all Band members;
- Under a program or service universally accessible to Band members on published terms and conditions; or
- From a trust agreement, according to the terms of the trust.

Responsibilities

Council is responsible for:

- Ensuring that each Councillor annually report to the Financial Administrator all remuneration paid and all expenses reimbursed by the Band and by any entity.
- Establishing and implementing documented procedures for the recording, retaining and safeguarding of records for each councillor respecting the remuneration paid and expenses reimbursed.

The **Financial Administrator** is responsible for:

- Preparing an annual report separately listing the remuneration paid and expenses reimbursed by the Band, and by any entity, to each Councillor whether such amounts are paid to them while acting as Councillor, or in any other capacity;

- Including the annual report as a Special Purpose Report in the Band's annual report; and
- Making the Special Purpose Report available on the Band website or other repository for official documents to which membership has access.

Procedures

Annual Integrated Planning Process

1. Within 30 days after each fiscal year end, each Councilor will declare to the Band in writing a listing of each of their remuneration and expenses paid by the Band and by any entity in the most recent completed fiscal year. Councillors will make this declaration by completing a 'Disclosure Statement' as attached in **Appendix D**.
2. The Financial Administrator will collect all Disclosure Statements no later than the commencement of the annual audit of the Band for the most recent completed fiscal year.
3. Based on the information in the Disclosure Statements, the Financial Administrator or a designate will extract amounts from the general ledger to complete the Special Disclosure Report (**Appendix E**). Tables and columns should be used to present full aspects of the disclosures and at minimum must include remuneration paid and expense claims reimbursed by the Band for each Councillor.
4. Commentary or footnotes can be used to provide explanations of remuneration paid and expenses reimbursed to allow a reader to understand the disclosure. The Special Purpose Report must include any Councillor that left prior to the end of the fiscal year.
5. If a Councillor worked in another capacity for the Band during part of a fiscal year that is being disclosed, the remuneration earned and any other expenses paid in the other position must be included. For greater clarity a footnote will be included to explain which amounts relate to the respective roles.
6. The Financial Administrator will engage the Band's independent auditor to review the Special Purpose Report and to issue a report in accordance with the terms of the engagement. The Financial Administrator will submit the Special Purpose Report along with the draft unsigned report from the Band's auditor to the Finance and Audit Committee for review and recommendation for approval to Council.
 - a) Once the Special Purpose Report is approved by Council the Financial Administrator will obtain the auditor's signed report and arrange for it to be attached to the final Special Purpose Report. The Special Purpose Report will be formatted in a manner suitable for electronic publication. The Financial Administrator or a designate will publish on the Band's website the Special Purpose Report together with the signed report from the Band's auditor.

References and Related Authorities

- (1) FMB's Financial Management System Standards
 - a. Standard 10.0 – Reporting of remuneration and expenses
- (2) FMB's Financial Administration Law Standards
 - a. Standard 9.0 – Reporting of remuneration and expenses
 - b. Standard 18.6 – Special Purpose Reports

Attachments

Appendix D – Disclosure Statement Template

Appendix E – Special Purpose Report Template – Reporting of Remuneration and Expenses

3. ANNUAL PLANNING AND BUDGETING

Manual: Finance Policy		No:	F01.03
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Policy

It is Council's policy to establish an annual planning and budgeting process that is integrated with the operational and long-term strategy of the Gitsegukla Band.

Purpose

The purpose of this policy is to ensure that a comprehensive planning process is established to support the ongoing decision making of Gitsegukla Band Council.

Scope

This policy applies to Council and employees of Gitsegukla Band involved in the planning and budgeting process.

Responsibilities

Council is responsible for:

- Reviewing and approving the annual budget and ensuring that it was prepared in accordance with any applicable Gitsegukla Band Financial Administration Laws, is based on plausible assumptions, and provides for required programs and services;
- Reviewing and approving any circumstances that are expected to create a budget deficit including consideration of any recommendations from the finance and audit committee on plans to eliminate the budget deficit in a future period;
- Reviewing and approving other planning documents, including but not limited to, a strategic (community development) plan, capital budget, and a multi-year financial plan;
- Reviewing and approving any changes or amendments to the annual budget or other planning documents;
- Establishing specific goals and service priorities to guide resource and allocation decisions during the budget planning sessions;
- Ensuring that a process is in place to address membership priorities in the strategic plan and other planning documents as appropriate;
- Ensuring that a current multi-year financial plan includes the economic and social impacts of the Band's planned capital projects and projects undertaken by the Band with other governments;
- Ensuring that the membership of Gitsegukla Band is informed about or involved in the annual budget, multi-year financial plan, budget deficits, or extraordinary expenditures; and
- Establishing general budget policies or guidelines, such as the requirement for a balanced budget and appropriate use of cash reserves.

The **Finance and Audit Committee** is responsible for:

- Reviewing the draft annual budget and multi-year financial plan and recommending them to Council for approval;
- Reviewing any draft amendments of the annual budget and recommending them to Council for approval; and
- Reviewing information, schedules and proposed budget for rehabilitation or replacement of tangible capital assets and plans for new construction of tangible capital assets.

The **Band Administrator** is responsible for:

- Arranging budgeting planning sessions with Council and other key stakeholders essential in developing the budget;
- Arranging and staffing planning sessions for the development of other key planning documents;
- Ensuring that the budgeting calendar is met;
- Reviewing draft budgets in consultation with the Finance and Audit Committee;
- Reviewing other draft planning documents in consultation with the Finance and Audit Committee;
- Communicating the approved budget to management and line staff;
- Conducting regular financial monitoring to compare actual income and expenses to those budgeted; and
- Maintaining a current register of all the Band's tangible capital assets and arranging for an annual inspection of them.

The **Financial Administrator** is responsible for:

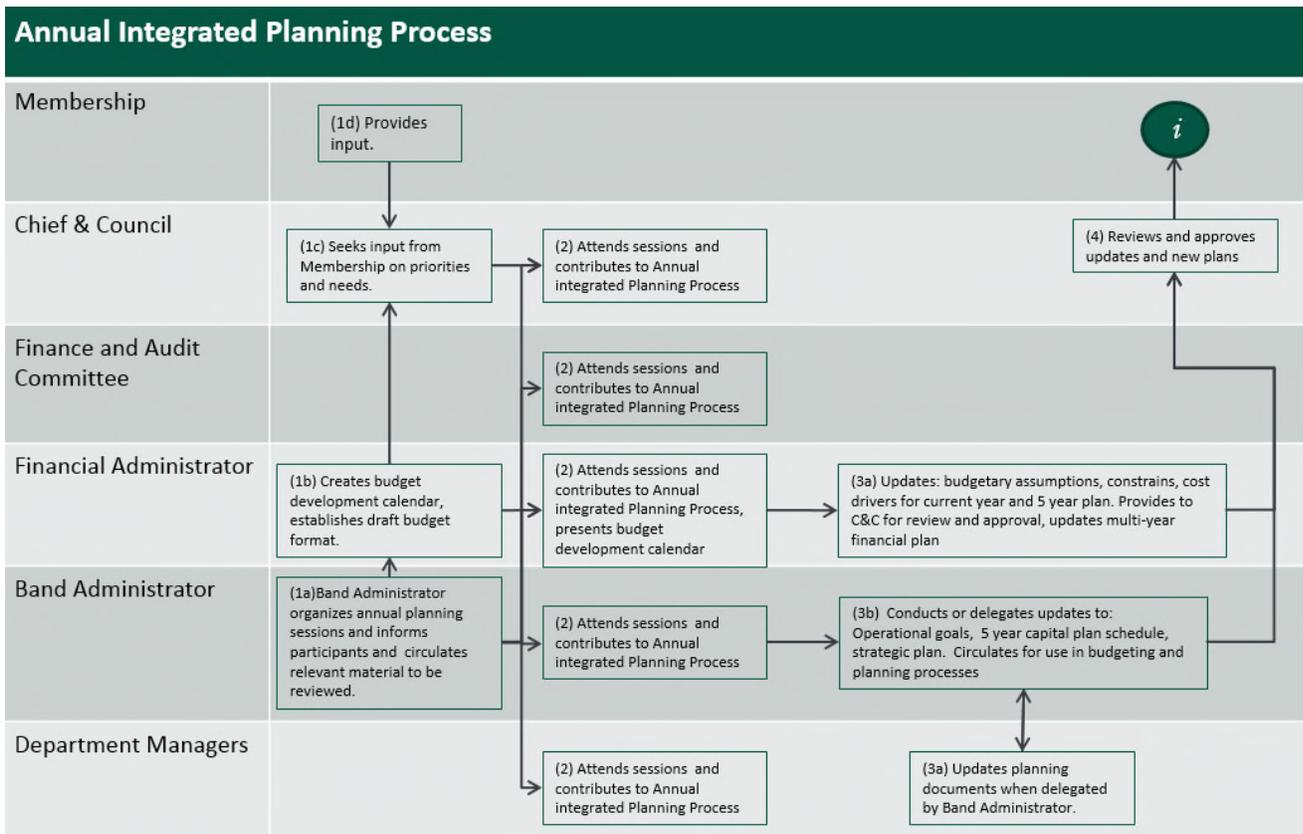
- Creating a budget development calendar and ensuring deadlines are met;
- Establishing the format for draft budgets;
- Participating in budget planning sessions with Council, the Finance and Audit Committee, the Band Administrator, and other key stakeholders;
- Collaborating with department heads in setting draft expenses for their department;
- Preparing the draft budget by consolidating and evaluating draft budgets from department heads for accuracy, reasonableness, applicable guidelines, and anticipated resources;
- Developing revenue forecasts based on reviews of fiscal transfer agreements and collaboration with other employees on business and local revenue forecasts;
- Presenting draft annual budgets to the Band Administrator and to the Finance and Audit Committee on an annual basis;
- Implementing financial monitoring, including preparing and analyzing budgeted versus actual revenue and expense reports for the Finance and Audit Committee use, and overseeing any Council-approved corrective action (i.e. budget amendments) after the annual budget is approved; and
- Making forecasts and preparing budgets for tangible capital assets.

Procedures

Annual Integrated Planning Process

1. An annual planning session will be held within five (5) months prior to the start of the fiscal year being planned for. The planning session will generally include:

- a) Council members, members of the Finance and Audit Committee, the Band Administrator, the Financial Administrator, and other representatives from department or functional areas of business;
- b) Establishment or communication of current-year and five-year operational goals and objectives, based on priorities established by Council in consultation with membership;
- c) Presentation of budget development calendar;
- d) Establishment or update of key budgetary assumptions, budgetary constraints, and cost drivers for the current-year and five-year plan;
- e) Establishment or update of a five-year capital plan schedule to ensure the effective management of capital assets, which identifies and prioritizes expected needs, costs, and sources of financing; and
- f) Establishment or update of strategies, goals and objectives for the strategic plan – the plan that details the Band’s longer-term priorities and the plan for resources needed to meet the objectives of the plan.



Budget

1. Based on the annual integrated planning session, the department managers will prepare the initial operating budget estimates subject to Financial Administrator review by end of March of each fiscal year, and the five-year capital budget estimates will be prepared or updated accordingly.
2. Budget assumptions will be documented and updated throughout the budget preparation process, with budget adjustments made as required.

- d) Identifying the requirements to implement the plan (i.e. using legislative tools of governance and public finance to support activities or the need to acquire additions to reserve, or invest in new businesses to generate additional revenues); and
 - e) Determining how the implementation of the plan will be resourced.
2. The plan should include community input on the vision and priorities.
 3. The draft strategic plan will be presented for discussion at a Finance and Audit Committee meeting. The Committee may accept the plan as presented or request amendments, within the context of the operating objectives and the vision and priorities of the Band.
 4. The final multi-year financial plan recommended for approval to Council by the Finance and Audit Committee will be approved by Council as a formal planning document no later than March 31st of each fiscal year.

Multi-Year Financial Plan

1. Based on the annual integrated planning session, the Financial Administrator will prepare a multi-year financial plan that has a planning period of five years, comprised of the current fiscal year and the four succeeding fiscal years, that will also include the following:
 - a) Revenue projections by major revenue type that demonstrate trends in existing revenue streams;
 - b) In respect of projected revenues, specified separate amounts for income from taxes, fees and charges, transfers from Canada or a provincial or territorial government, grants and business operations and proceeds from borrowing;
 - c) In respect of projected expenditures, specified separate amounts for payments, including payments of principal and interest on debt, payments required for capital projects, payments required to address any deficits, and payments for all other purposes;
 - d) Basis on projections of revenues, expenditures and transfers between accounts;
 - e) In respect of transfers between accounts, specific amounts from the tangible capital asset reserve account;
 - f) Reserves/fund balances that estimate the available reserves available to help short-term fiscal shortfalls or unanticipated or planned expenditures;
 - g) Presentation of all categories of restricted cash;
 - h) Indication of whether in any of the five (5) years of the plan a deficit or surplus is expected from the projection of revenues and expenditures that year; and
 - i) A cover sheet that describes the broad assumptions and judgments used in the developments of the plan.
2. The draft multi-year financial plan will be presented for discussion at a Finance and Audit Committee meeting. The Committee may accept the plan as presented or request amendments, within the context of the operating objectives and the strategic plan.
3. The final multi-year financial plan recommended for approval to Council by the Finance and Audit Committee will be adopted as a formal planning document no later than March 31st of each fiscal year.

References and Related Authorities

1. FMB's Financial Management System Standards
 - a) Standard 15.0 – Integrated Process
 - b) Standard 16.0 – Financial Plans
 - c) Standard 17.0 – Budgets
 - d) Standard 24.3 – Life-Cycle Planning
 - e) Standard 24.4 – Capital Project Plans
2. FMB's Financial Administration Law Standards
 - a) Standard 14.0 – Financial Plans
 - b) Standard 15.0 – Budgets

Attachments

Appendix H – Sample Planning Process Schedule Template.

4. EXPENDITURES

Manual: Finance Policy		No:	F01.04
Section:	General	Issued:	May 25, 2017
Issue to:	All Manual Holders	Page:	1 of 11
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

Expenditures paid to suppliers or reimbursed to Councillors and Gitsegukla Band employees will be in support of valid Gitsegukla Band activities, duly authorized, accurately recorded in the financial system, and sufficiently supported through original documentation.

Purpose

The purpose of the policy is to ensure that all expenditures from Gitsegukla Band funds are in support of valid Gitsegukla Band programs and activities and that processing of payments are subject to proper approvals and budgetary controls.

Scope

This policy and procedure applies to the Council, committees of Council, officers, employees of the Band, and any other persons conducting activities in connection with the Financial Administration of the Band.

Responsibilities

The Council members are responsible for:

- Demonstrating that the Council made a law, establishing a budget for the expenditures of revenues raised under the Band's property taxation law.

Employees, committees and Council members are responsible for:

- Ensuring that all reimbursable expenditures claimed are in accordance with this policy;
- Preparing a reimbursable expenditure claim that includes all required documentation; and
- Seeking approval from the Band Administrator for items that are not addressed in this policy before proceeding.

The **individuals listed in the Delegation Table** from the Delegated/Assigned Responsibilities Policy are responsible for:

- Before approving an expenditure, ensuring that it is permitted under the current Gitseguka annual budget and as required in the Gitsegukla Financial Administration Law;
- Reviewing reimbursable expenditure claims to ensure that the requirements of this policy have been met before approving for payment; and
- Approving expenditures per the Delegated/Assigned Responsibilities Policy.

The **employees assigned responsibility for paying accounts** will:

- Ensure that all expenditures have the required approvals per this policy and the Delegated/Assigned Responsibilities Policy before processing for payment; and
- Ensure that all required documentation accompanies each payment and is retained in the financial records of the Band.

The **Band Administrator** is responsible for:

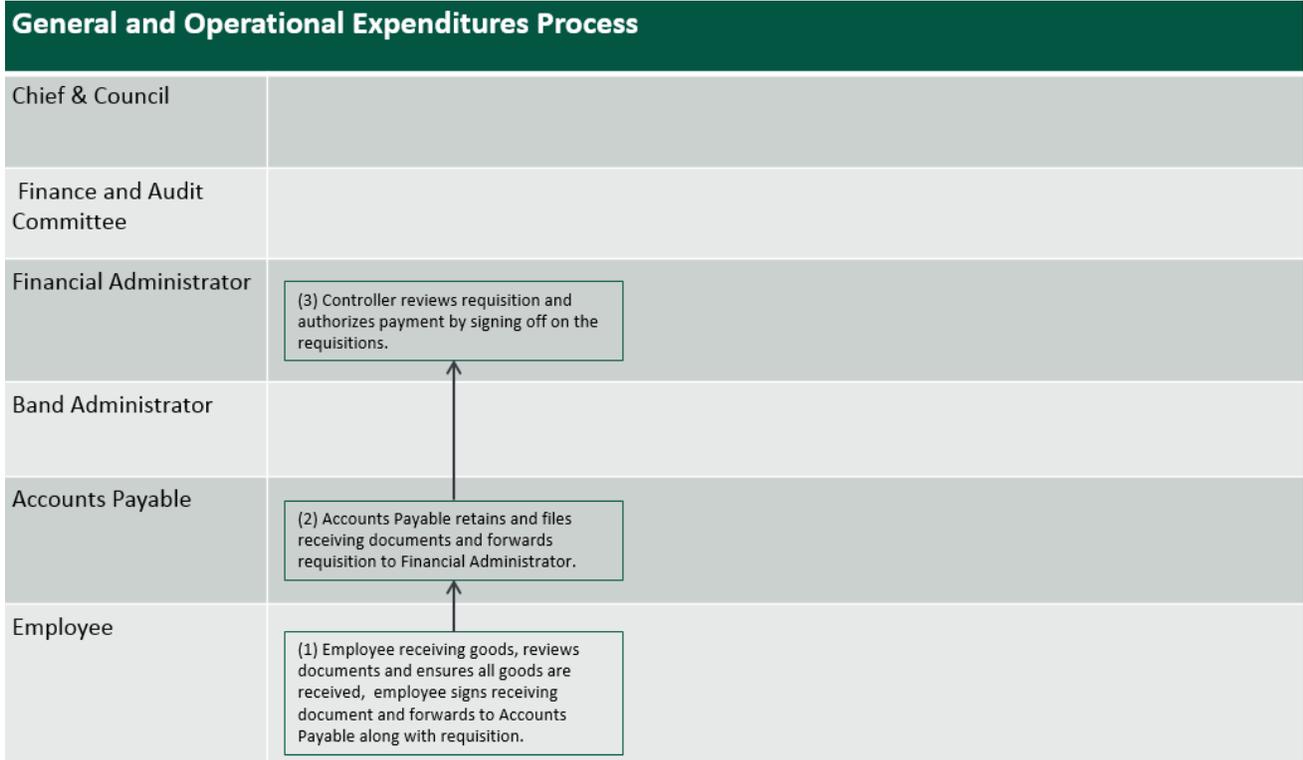
- Providing pre-approvals for planned expenditures that have not been specifically addressed in this policy but that he/she deems to meet the intent of the policy; and
- Approving expenditures for emergency purpose that was not anticipated in the budget if the expenditure is not expressly prohibited by another Gitsegukla law.

Procedures

General and Operational Expenditures

1. All purchases of goods or services will be made in accordance with the Procurement Policy and the Delegated/Assigned Responsibilities policy and procedure.
2. In emergency situations, the Band Administrator may approve the purchase of goods or services that were not anticipated in the budget and are not procured in accordance with the Procurement Policy and the Delegated/Assigned Responsibilities policy and procedure. The rationale for the purchases must be documented by the Band Administrator, and the purchases must be reported immediately to the Finance and Audit Committee and to Council. If possible, the payment of the purchases should be in accordance with the Procurement Policy and the Delegated/Assigned Responsibilities Policy and procedure.
3. Receiving documents will be reviewed and initialed by the individual receiving the goods that all goods on the document have in fact been received in satisfactory condition, and that any goods not received are clearly identified as such. The receiving documentation should be forwarded with the requisition for payment to the Financial Administrator or employee responsible for accounts payable.
4. If goods are received without receiving documents, the employee receiving those goods is to create a receiving slip noting what goods were received, date of receipt, delivery agent, Band contact person (normally the person who initiated the expenditure), and the supplier. The receiving document will be initialed by the delivery agent and the employee receiving the goods, and then forwarded with the requisition for payment to the Financial Administrator or the employee responsible for accounts payable.
5. All requests for payments for performance of work or services or supply of goods must be initiated through a requisition for payment that includes a statement certifying that:
 - a) The work or services have been performed or the goods supplied, any conditions in an agreement respecting the work, services, or goods have been met, and the price charged or amount to be paid is in accordance with an agreement or, if not specified by an agreement, is reasonable; or
 - b) If payment is to be made before completion of the work or services, delivery of the goods, or satisfaction of any conditions in an agreement, the payment is in accordance with the agreement.
6. All requisitions for payment must identify the appropriate account out of which payment is to be made, and must include a statement certifying that the expenditure is not prohibited and that it is:
 - a) in accordance with the appropriation identified in the certified statement; or

b) allowed without the authority of an appropriation under the Financial Administration Law.



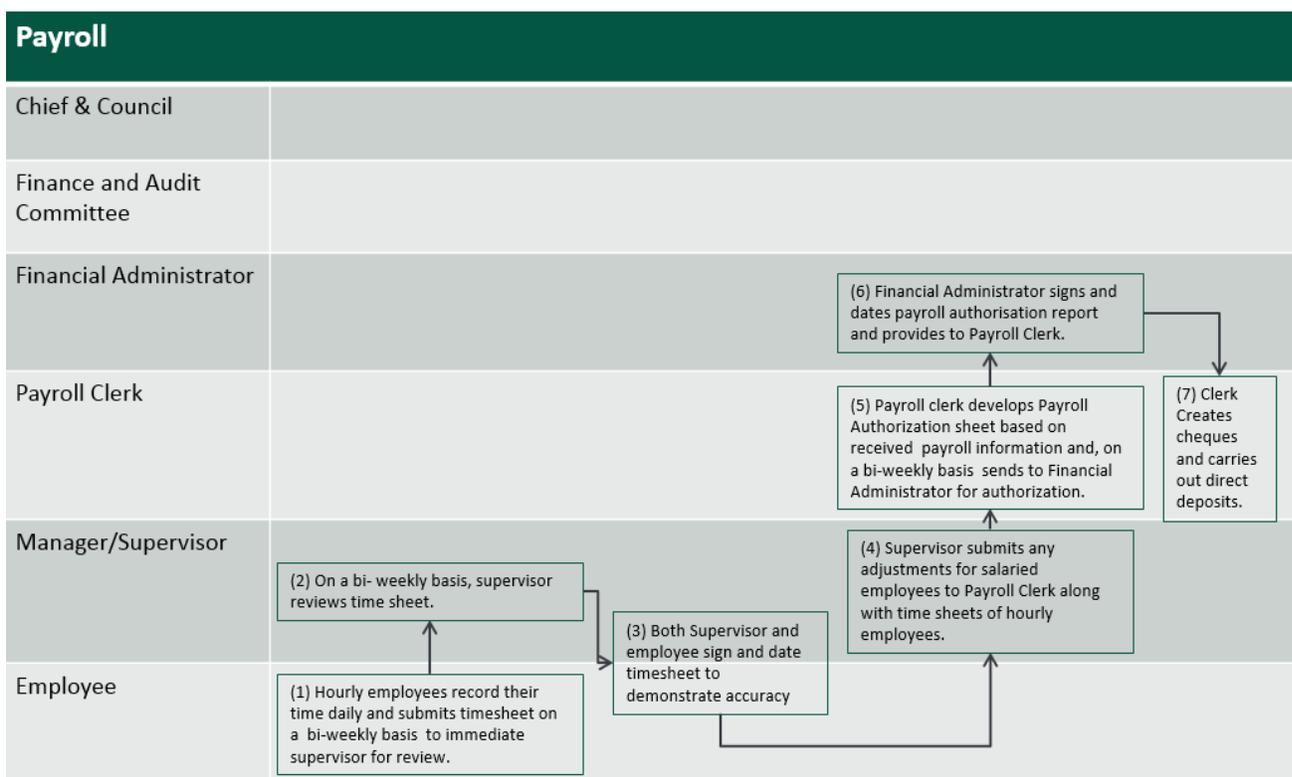
Credit Cards

1. Gitsegukla Band credit cards will be held by the Band Administrator or Finance Administrator.
2. Credit cards will be used for the purchase of goods or services in accordance with the Procurement Policy and the Delegated/Assigned Responsibilities policy and will be related to Gitsegukla Band business.
3. Any personal purchases on credit cards will not be permitted.
4. The credit limit on the card, in accordance with the credit lending institution, will be established as a maximum amount of \$5,000.

Payroll

1. Employee payroll will be paid on a bi-weekly basis.
2. Employees will be subject to additional deductions if there is a court order to make those deductions.
3. Employees who owe money to the Gitsegukla Band may have additional deductions taken from their pay subject to the Gitsegukla personnel policies and subject to a signed agreement allowing for the additional deductions.
4. Hourly employees will record their time daily and submit timesheets on a bi-weekly basis to their immediate supervisor for review. Both the employee and supervisor will sign and date the time sheet to demonstrate its accuracy and approval for payment. In the event that electronic timesheets are used, the supervisor will approve the timesheets with an electronic signature.
5. Employees and managers who authorize time sheets that are deliberately 'inaccurate' may be subject to Determination of Appropriate Disciplinary Actions as per 5.5 HR Policy Manual.

6. Supervisors of salaried employees will submit (to the payroll staff) any adjustments for vacation, sick, or other types of leave to the individual responsible for payroll.
7. Based on the bi-weekly timesheets for hourly employees and any adjustments required from the salaried employees, a payroll authorization sheet will be created listing all payment amounts and deductions for the previous two-week period. The payroll authorization report will then be authorized (through signature and date) by the Financial Administrator.
8. Payroll reconciliations will be performed by an individual independent of the payroll process on a monthly basis. The reconciliation will compare the payroll authorization report, input instructions to the payroll service provider, financial institution account statement, and the general ledger payroll accounts. Any irregularities will be reported to the Band Administrator.
9. The payroll reconciliations will be reviewed by the Financial Administrator on a monthly basis and any irregularities will be reported to the Band Administrator.



Honorarium

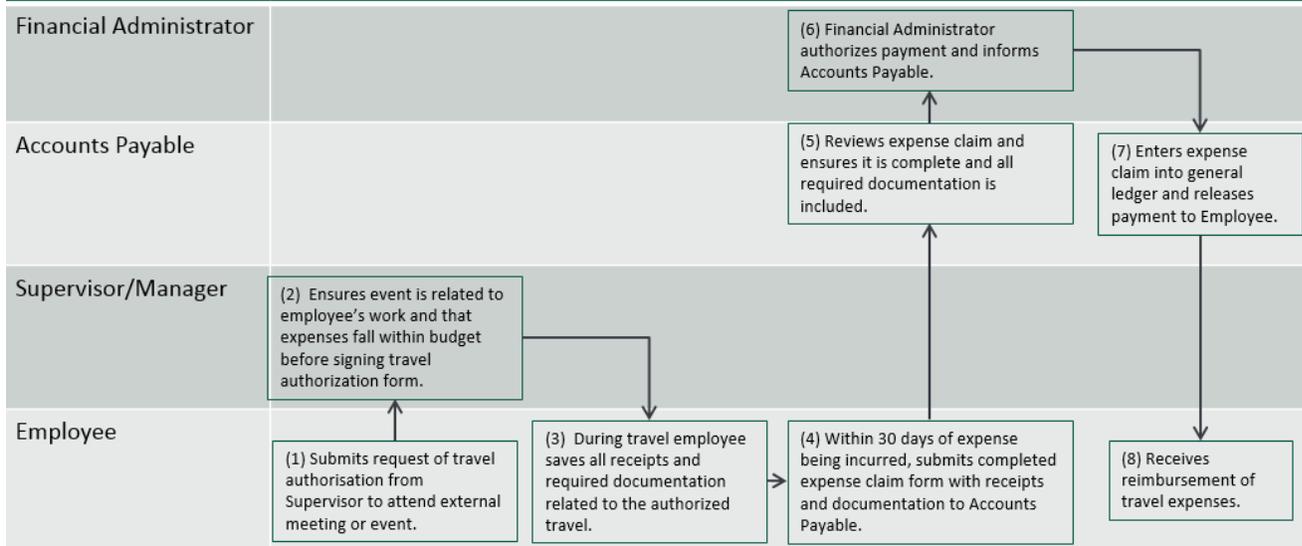
1. Honorariums will be issued the 3rd Thursday of each month. A requisition to pay honorariums must be submitted to the Finance Administrator prior to the 15th of each month. The honorarium rate will be set by band council. Honorariums will only be issued for those who attend regular scheduled council meetings.
2. Band Council will establish regular scheduled monthly meetings.

Travel

1. Councillors travelling on business for the council are entitled to a travel allowance, providing the trip was approved by council and there are funds available for such travel.
2. No more than one Gitsegukla representative (member of staff or Council) is permitted to attend a given meeting or event held outside of Gitsegukla, unless the event is reimbursable for more than one Gitsegukla representative by the event organizers or an external sponsor.

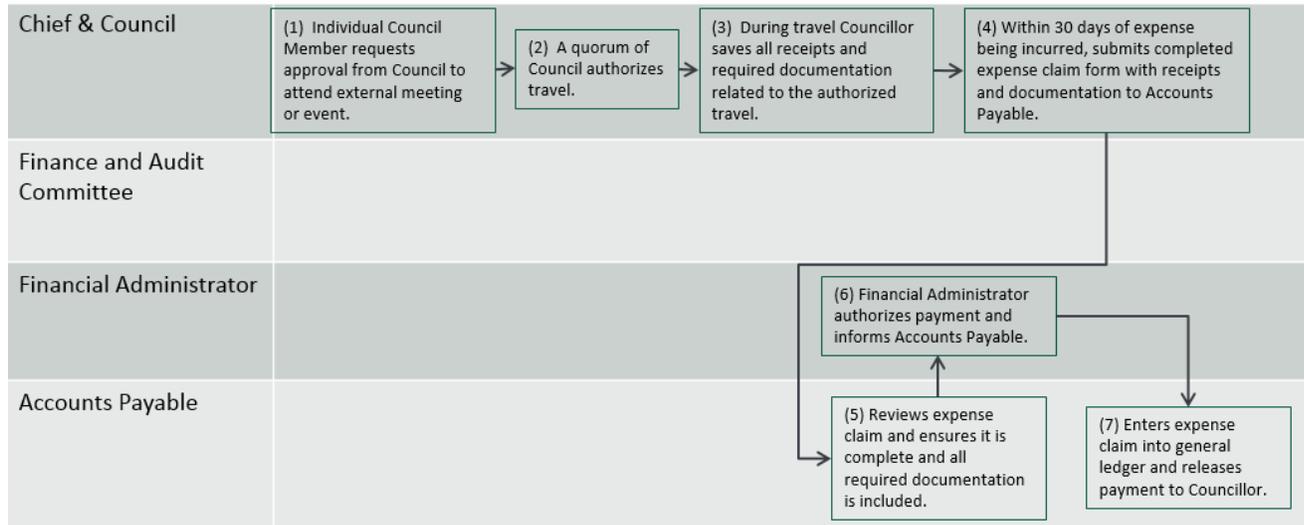
3. Employees that plan on attending a meeting or event outside of Gitsegukla must receive approval from their immediate supervisor prior to attending. The immediate supervisor must ensure that the meeting or event is related to the prospective attendee's work, and that there is sufficient budget to cover the cost for attendance before approval to attend is granted.
4. In the case where a meeting or event is reimbursable to more than one staff member by an external entity, the maximum number of reimbursable attendees may apply to attend, pending approval by the employee's immediate supervisor.

Regular Travel and Reimbursement - Employees



5. If a Council Member would like to attend an external meeting or event that is not reimbursable by an external party, a quorum of Council must approve the attendance prior to the trip being taken.
6. No more than one Council member is permitted to attend a given meeting or event held outside of Gitsegukla, unless the event is reimbursable for more than one person by the event organizers or an external sponsor. If Council is in conflict about which Council member should attend an external event, a quorum of Council will determine which Councillor will attend on behalf of the Band.
7. In the case where a meeting or event is reimbursable to more than one Council Member by an external entity, the maximum number of reimbursable attendees may apply to attend.
8. Members of council who travel for council business may be entitled to a travel honorarium for their time, at the discretion of chief and council. Details about honorariums are to be included in the governance policy of Chief and Council.

Regular Travel and Reimbursement - Chief and Council



Reimbursable Expenditures

- Expense claims will be reviewed and approved by an employees' immediate supervisor. The expense claim will then be forwarded to the Financial Administrator or accounts payable.
- Employees will clearly demonstrate and document that all amounts they are claiming for reimbursement were directly related to authorized activities performed on behalf of the Gitsegukla Band.
- Expenses reimbursed by hosts or other third-party** funding arrangements must be declared on the expense claim. Upon delivery of completed travel claim and receipts, the Band will reimburse to the employee (or leader) the **greater of** 'Gitsegukla Travel Rates' or 'Third Party Travel Rates'. If a travel advance is requested prior to this travel, the advanced amount will not exceed 'Gitsegukla Travel Rates'. Upon return from travel, the claimant will be able to receive the difference between the Gitsegukla travel rates and the higher Third Party Travel Rates, as long as they submit their actual travel receipts.
- Prior to travel, employees will submit a request for travel authorization to their immediate supervisor stating the purpose, dates, and estimated costs for the proposed travel. The immediate supervisor will review it to ensure the proposed travel is in support of official Band business and that there is sufficient budget available. The supervisor's review will be evidenced by signing the travel authorization form.
- An employee is deemed to be on official "travel status" for an approved trip for the period when an employee departs their residence or office, until he or she returns to their residence or office.
- Travel expenditures eligible for reimbursement include:

Transport

- For each type of travel, the lowest price alternative will be purchased;
- The standard class for rail travel will be economy or the equivalent;
- The standard class of air travel will be economy;
- The standard car rental will be mid-size. Gas purchases and full vehicle insurance will be reimbursed for rental cars; and

- e) Business class travel will be only in exceptional circumstances and must be authorized by the Band Administrator before booking. If travel is for the Band Administrator, the Chair of the Finance and Audit Committee must authorize business class travel. In each case, the pre-authorization will be attached to the reimbursable expense claim for payment.

Private Vehicles

- a) Private vehicle mileage will be reimbursed at the current federal government rates (<http://www.njc-cnm.gc.ca/directive/travel-voyage/s-td-dv-a2-eng.php>). All other non-business-related vehicle costs are the responsibility of the individual; and
- b) Individuals using a private vehicle for official travel must have the minimum insurance coverage legally required by their province of residence. The Gitsegukla Band will not be held responsible for any claims, accidents or damage to a private vehicle. See HR Policy Manual Employee Standards of Conduct (H01.04).

Accommodation

- a) The lowest priced hotel option will be selected. The standard for accommodation is a single room in a safe environment, conveniently located and comfortably equipped.

Meals and Incidentals

- a) Rates for meals and incidentals will comply with Government of Canada treasury board rates that are in effect at the time of travel;
- b) Meals will only be reimbursed for those incurred during approved travel status (i.e. if an individual begins travelling on behalf of the Band at 5pm, the individual is only eligible for the 'Dinner' meal allowance on that day);
- c) If a meal is provided as official hospitality from another individual/ organization in the course of their duties on approved travel status, a meal allowance may not be claimed by the individual on travel status;
- d) If a claim is made for a business meal, a receipt and a list of attendees must be provided;
- e) Incidentals can only be claimed for each night away on travel status, and only after a stay away from home of at least one (1) night. Part-days on travel status will not be eligible for incidentals;
- f) The purpose of the daily 'incidentals' amount is to cover general expenses during official travel. This amount covers items such as: dry cleaning, tips, personal phone calls, and other personal expenses incurred while on travel status;
- g) Receipts are not required for meals when per diems are claimed or for items that fall under the incidental category as noted above; and
- h) If the person travelling arrives home by 5pm, dinner for that day, will not be included as a reimbursable expense in their travel claim.

Other Travel Expenses

- a) Other travel and business-related expenses that are directly attributable to travelling or business on the Band's behalf will be reimbursed, including internet access, business long-distance phone calls, parking, airport taxes, tolls, taxi fares, and public transit fares; and

- b) Any other travel or business-related expense will only be reimbursed with the approval of the claimant's immediate supervisor (for the Band Administrator, a member of Council will approve; for Council members, the Chair of the Finance and Audit Committee will approve).

Meals and Entertainment (Hospitality)

- a) Hospitality budgets will be set at the beginning of the fiscal year through the integrated planning process. The only individuals that are entitled to a hospitality budget include the following: The Councillors, the Band Administrator, and individuals directly reporting to the Band Administrator;
- b) Pre-approval will be obtained for any meals/expenses that are not within an individual's hospitality budget or that are over \$50;
- c) For meals and entertainment expenses, the individual requesting reimbursement must clearly document the purpose of the meal/event, objectives, and individuals (name, position, organization) that are in attendance. Documentation may be on the receipt(s) or in a memo attached to the expense report;
- d) Hospitality funds are available for official Band business only. Restrictions on hospitality fund usage include:
- Family members must not benefit from hospitality funding;
 - Gifts cannot be purchased using hospitality funds. However, small tokens of a nominal value (Under \$100) may be given to key contacts; and
 - Alcohol must not be purchased using hospitality funds.
- e) Hospitality expenses must include original supporting documentation demonstrating the goods or service received (original itemized receipts or invoices) and proof of payment.

Memberships

- a) Memberships in professional organizations that are required for an individual's position or are meeting a demonstrated need of the Gitsegukla Band will be reimbursed provided that the appropriate immediate supervisor has approved each membership; and
- b) For other expenditures not listed in this policy, pre-approval is necessary from the Band Administrator before initiating the expenditure and submitting a reimbursement claim.

Travel Advances

- a) For pre-approved travel, Council members and employee can request a travel advance for out-of-pocket costs (meals, transportation, hotel, etc.). The request for travel advance must be approved by the Band Administrator. The approved travel advance request is then sent the Financial Administrator, who will produce a travel advance cheque for the employee. Travel advances require seven days for processing;
- b) The employee who receives a travel advance agrees to submit all receipts for actual travel costs within five days after their return to work. These receipts are to be attached to the expense claim form (**Appendix I**). The form, when completed, is to be initialized by the immediate supervisor and sent to Financial Administrator or accounts payable for processing;

- c) Should the expenditures be less than the amount advanced, then the travel advance recipient shall make a cheque payable to the Band for the difference. Conversely, if expenditures are more than the advance, the Financial Administrator or accounts payable shall make a cheque to cover the approved difference payable to the employee; and
- d) If an employee does not submit receipts, they will be denied future requests for travel advances.

Expenditure Reporting and Documentation

1. For general and operational expenditures, the following should be submitted to the Financial Administrator or accounts payable for payment:
 - a) Original contract/agreement (if applicable);
 - b) Original invoice;
 - c) P.O. (if applicable);
 - d) Confirmation of conference registration.
 - e) Receiving documents / packing slips;
 - f) For payroll: payroll authorization form, timesheets, and salaried employee adjustments; and
 - g) Requisition for payment that has signed approval according to the Delegated/Assigned Authorities Policy.
2. Reimbursable expense claims must be complete, sufficiently supported, and recorded on the prescribed expense claim form. Before submitting expenses to the Financial Administrator or accounts payable for approval and payment, the employee will ensure that they have prepared a complete claim that includes:
 - a) The employee's signature and date signed, acknowledging that all amounts claimed are accurate and in support of Band official business;
 - b) Original receipts for all amounts claimed. Depending on the nature of the claim, these can include:
 - Invoices;
 - Itineraries for air/train travel; or
 - Itemized restaurant bills (where per diems do not apply).
 - c) Support for any exchange rates used in the expense claim. Sufficient support includes receipts from exchange bureaus for money exchanged or credit card bills showing the exchange rate received. When neither is available, the Bank of Canada official rate shall be used;
 - d) Signed travel authorization from the employee's manager (for the Band Administrator, a member of Council will approve; for Council members, the Chair of the Finance and Audit Committee will approve);
 - e) If applicable, a signed pre-authorization supporting business class travel; and
 - f) Proof of payment for items claimed, which includes credit card or debit receipts.
3. Credit card receipts alone are not sufficient; the original itemized receipt or invoice from the supplier must be included in every reimbursement or expense claim.

4. For all expenditures, claims with the appropriate support must be submitted to Accounting within 30 days of the expense being incurred.

Approval for Payment

1. No money may be paid out of any account without a requisition for payment.
2. Either the Financial Administrator or the Band Administrator can authorize payment of payment requisitions. (Note, if both individuals are out of the community, either one can authorize payment remotely by reviewing an emailed or faxed copy of the list of payment requisitions, and sending a copy of the document with their authorizing signature).
3. Invoices received must be immediately forwarded to the Financial Administrator or accounts payable, with a requisition for payment, which will then process them to:
 - a) Match with the P.O., the receiving document (if applicable), and invoice;
 - b) Ensure that receiving documents have been signed by appropriate personnel to confirm that goods have been received;
 - c) Ensure that all required documentation has been submitted to support payment;
 - d) Verify mathematical accuracy;
 - e) Ensure that any taxes are correctly calculated and processed, if applicable, for tax exemption claims;
 - f) Confirm that funds are available to pay the invoice;
 - g) Identify and note the authorized general ledger account coding; and
 - h) Make note of the invoice due date and the interest penalty that will result if payment is late. Attach a note to the invoice with due date and penalty amount, so that administration can process the invoice and get it mailed out on time.
4. Approval for payment will:
 - a) Be evidenced by a dated signature or initials on the invoice by a manager other than the person who authorized the purchase;
 - b) Attest that the good or service has been received in accordance with the terms and conditions of the purchase, and that the invoiced amount is accurate, mathematically, and also for any taxes calculation; and
 - c) Identify and note the authorized general ledger account coding.
5. The individual that approves the expenditure cannot be the same individual who approves the requisition for payment.
6. Reimbursable expense claims will be reviewed by the Financial Administrator or the accounts payable to ensure that:
 - a) The expense claim is mathematically correct, and taxes are identified and accounted for correctly;
 - b) Authorized general ledger account coding instructions are identified;
 - c) Expenses claimed are for authorized activities;
 - d) The claimed expenses are eligible and comply with this policy and procedure; and
 - e) Adequate and sufficient supporting documentation is attached.

7. Any exceptions to the above will require authorization from the Financial Administrator for payment.
8. The Financial Administrator or accounts payable Clerk will enter invoices and reimbursable expense claims into the general ledger for payment only when they have been appropriately processed and approved, according to this policy and procedure.
9. Invoices or reimbursable expense claims that are still being processed or approved at the end of an accounting period will be recorded as an accrued liability.
10. Claims that do not meet the requirements outlined in this policy will be denied reimbursement.

Payments

1. Accounts payable will be paid within thirty (30) days of the receipt of an 'approved/authorized' invoice or reimbursable expense claim. If there is a due date with penalty (less than 30 days), the invoice will be paid earlier to avoid interest costs.
2. Accounting will prepare cheques once a week.
3. The payments package will be provided to two authorized signatories, and will be accompanied by:
 - a) A listing of all payments prepared, noting the payee, amount, and payment date; and
 - b) Supporting documentation for each payment (e.g. cheque, transfer) including:
 - Approved invoices, expense claims, P.O.s, and receiving documents; and
 - Evidence that Accounting has completed the processing of the payment, including account coding.
4. Payments will be initiated / distributed by Finance immediately upon receipt of the signed payments from two authorized signatories. If payment is made electronically, the person making the payment will print a receipt or screen capture, initialize the printout, and attach it to the cheque/payment requisition.
5. The Financial Administrator or accounts payable clerk will ensure that payment checks are mailed out on the same day that the checks are signed and put into envelopes. The Financial Administrator or accounts payable clerk should make a note in their work calendar or accounting software, the date in which an accounts payable batch was mailed out.
6. All documentation supporting payment will be retained and filed for easy retrieval. This will include P.O.s, invoices, contracts, packing slips, reimbursable expense claims with receipts, etc.
7. Supervisors, Managers or accounts payable employees will notify the Financial Administrator immediately of any instances of:
 - a) Non-compliance with policy requirements that cannot be resolved; or
 - b) Suspected fraud.

References and Related Authorities

1. FMB's Financial Management System Standards
 - a) Standard 8.1 - Council delegation procedures
 - b) Standard 8.2 - Assignment procedures
 - c) Standard 18.4 - Expenditures
 - d) Standard 18.8 - Reimbursable expenses
2. FMB's Financial Administration Law Standards

-
- a) Standard 8.2 - Delegation
 - b) Standard 16.2 - Expenditures

Attachments

Appendix I – Sample Reimbursable Expenses Claim Template

5. PROCUREMENT

Manual: Finance Policy		No:	F01.05
Section:	General	Issued:	May 25, 2017
Issue to:	All Manual Holders	Page:	1 of 10
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

The procurement of goods, services and assets will be conducted with sufficient due diligence to demonstrate transparency, fairness, quality, and value for money in meeting Gitsegukla Band requirements.

Purpose

The purpose of this policy is to provide guidance to the Band on how purchases will be planned, managed, and approved.

Scope

This policy applies to the Council, Band Administrator, and any Gitsegukla Band employees involved in purchasing goods, services, and assets on behalf of the Gitsegukla Band.

Responsibilities

The Council is responsible for:

- Ensuring effective control of procurement of goods, services, and assets through documented policies and procedures.

The Band Administrator is responsible for:

- Ensuring the procurement process is fair and open, and demonstrates accountability to obtain the best value for time and money; and
- Communicating the policies and procedures to all parties who are affected.

The Financial Administrator is responsible for:

- Developing, documenting, and maintaining policies and procedures relating to the procurement process for goods, services, and assets;
- Assisting in the selection, evaluation, and monitoring of contractors and suppliers;
- Managing and monitoring expenditures and identifying and reporting on budget variances; and
- Ensuring that staff members involved in procurement receive appropriate guidance and assistance during the procurement process.

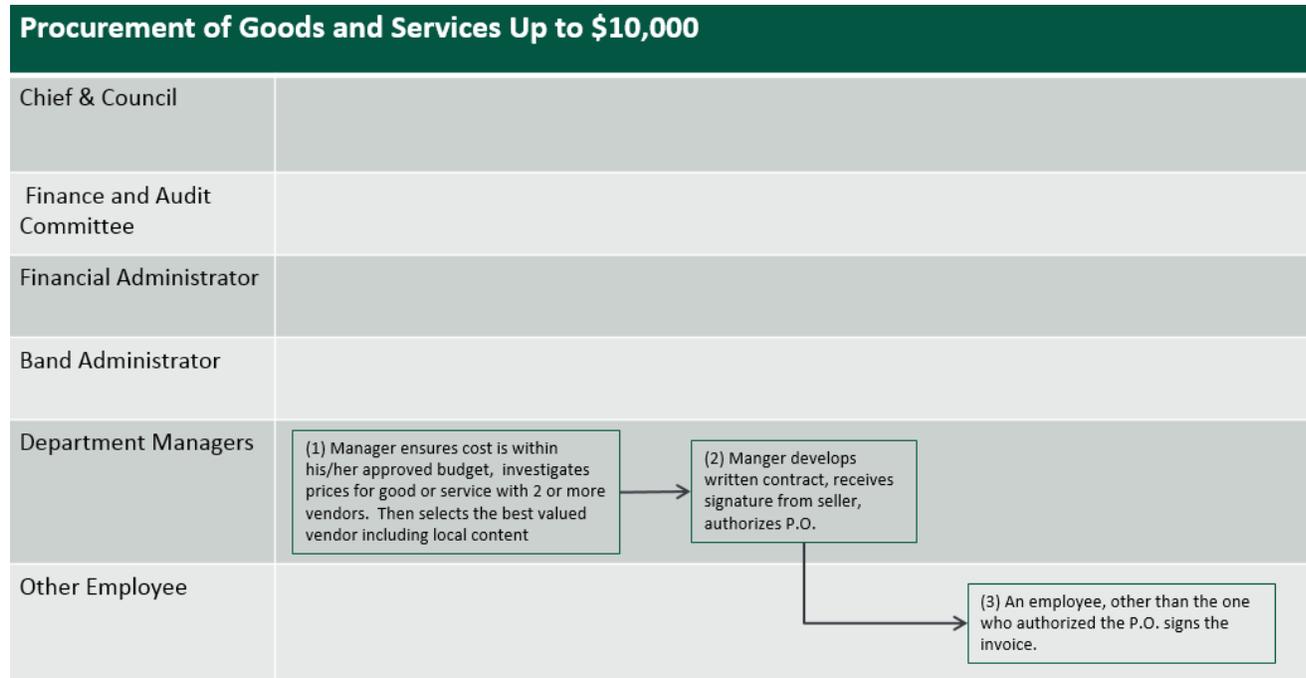
Procedures

Segregation of Duties

1. In procurement situations, the person who is authorizing the purchase of goods and services is always different from the person who is authorizing the payment for received goods and services or the person confirming that received goods and services match the original P.O.

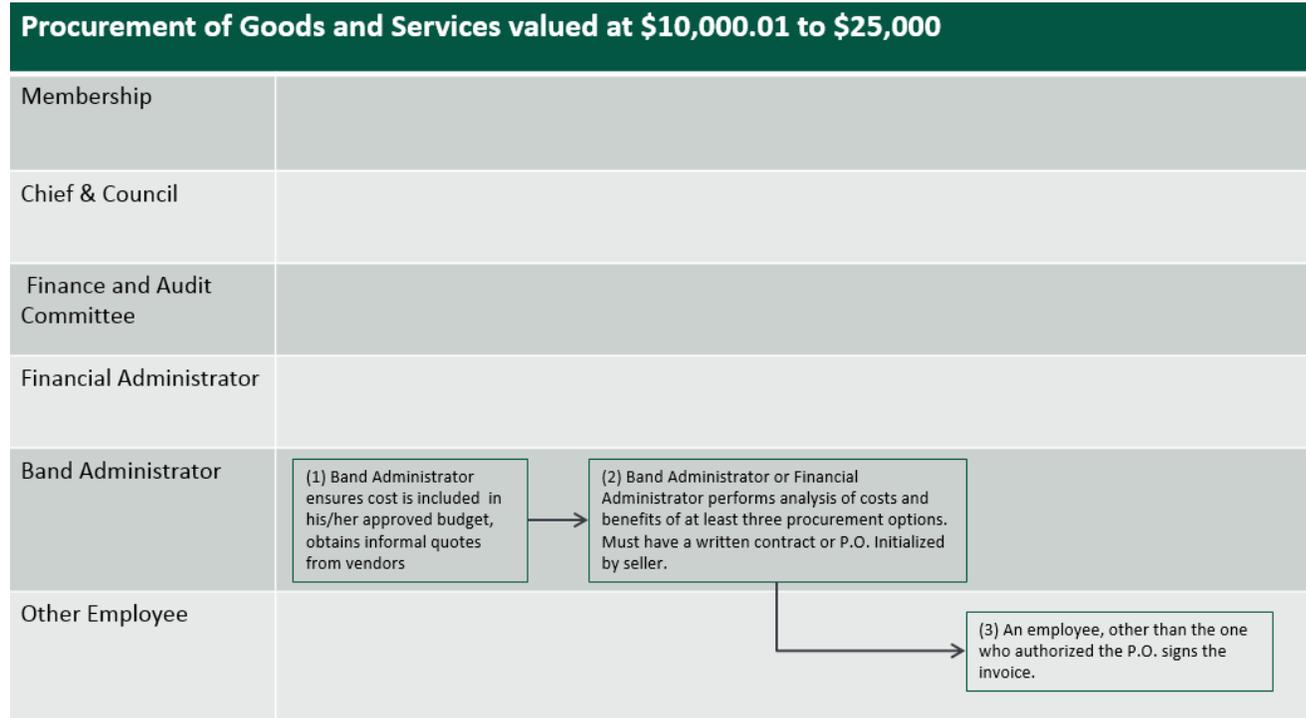
Procurement of Goods and Services: Low Value – up to \$10,000

1. Once authorization to purchase is obtained, the procurement of low value goods is done through the creation and issuance of a Purchase Order.
2. The Department Manager will ensure that the good or service selected is the best value for the Band by investigating the price from a reasonable number of alternate vendors (two or more) and considering reputation, quality of work, and/or other relevant factors such as delivery time and use of local content.
3. When appropriate, the Band will promote the use of local content in the procurement of goods and services, in accordance with **Appendix K**.
4. An employee other than the person who authorized the P.O. will sign the invoice indicating that the goods or services have been received under the terms in the agreement between the Band and the vendor.
5. Payment procedures will follow the procedures outlined in the ‘Expenditures and Payables Policy’ for General and Operational Expenditures.
6. Purchases for work, goods, or services over \$1,000 will require evidence of a written contract or a P.O. (initialized by the seller).
7. Purchases made must be reflected in an approved budget. Unforeseen items that are not documented in the approved budget must be approved by Chief and Council prior to any purchase commitments being made.
8. New employees, other than the Band Administrator and Financial Administrator, do not have purchasing authority until they have passed their probationary period.



Procurement of Goods and Services: Moderate Value: from \$10,000.01 to \$25,000

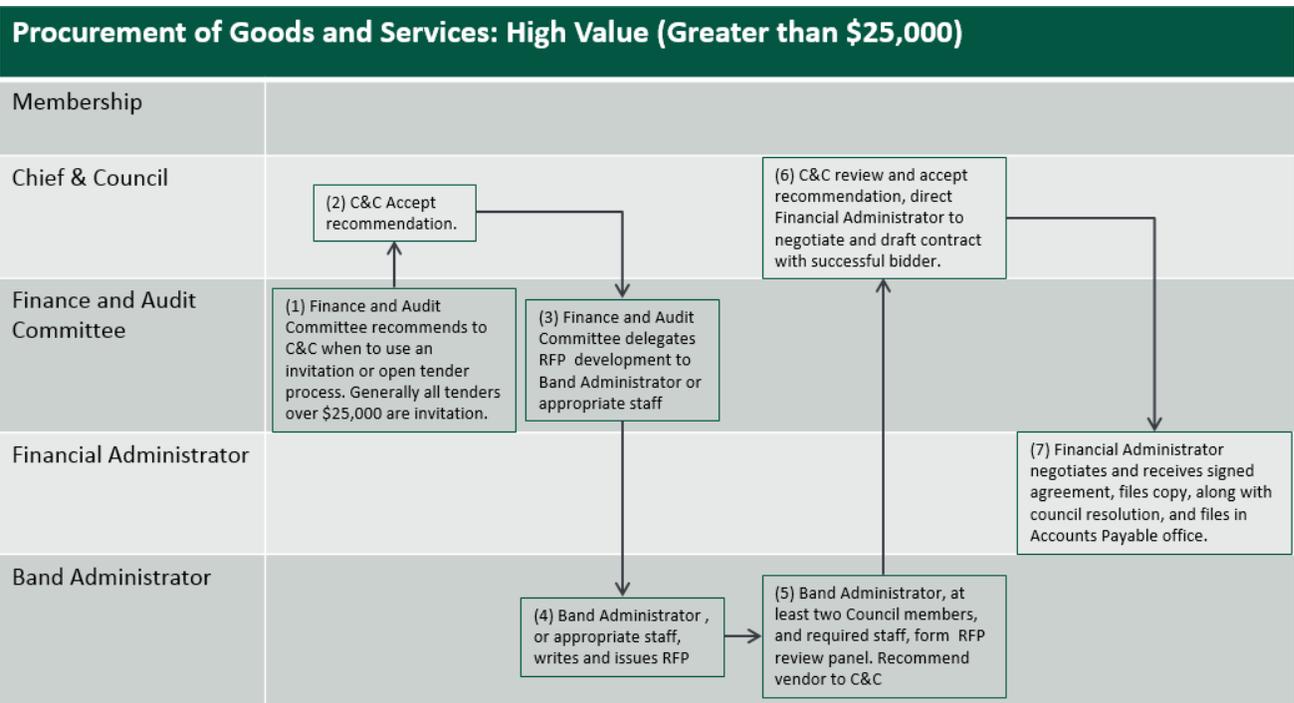
1. Where practical, informal quotes will be obtained through advertisements, direct solicitations to contractors/suppliers, and other methods in an effort to compare prices and select the best option for the Band.
2. The Band Administrator will perform a documented analysis of the costs and benefits of at least three options to procure the good or service. These individuals can authorize procurement through the creation and issuance of a P.O.
3. When appropriate, the Band will promote the use of local content in the procurement of goods and services, in accordance with **Appendix K**.
4. An employee other than the person who authorized the P.O. will sign the invoice indicating that the goods or services have been received under the terms in the agreement between the Band and the vendor.
5. Payment procedures will follow the procedures outlined in the 'Expenditures Policy' for General and Operational Expenditures.
6. Purchases for work, goods, or services over \$1,000 will require evidence of a written contract or a P.O. (initialized by the seller).
7. Purchases made must be reflected in an approved budget. Unforeseen items that are not documented in the approved budget must be approved by Chief and Council prior to any purchase commitments being made.
8. New employees, no matter their level of authority, do not have purchasing authority until they have passed their probationary period.



Procurement of High Value Goods and Services Valued at \$25,000 or More

1. Goods and services classified as high value will be procured using a competitive tendering process.
2. When appropriate, the Band will promote the use of local content in the procurement of goods and services, in accordance with **Appendix K**.
3. Under a competitive tendering process, the Band must use either an invited tender or an open tender to award a contract. The Finance and Audit Committee will recommend to Council on whether to have an invitation to tender (closed competition) or an open tender (open competition). By default, all tenders over \$25,000 in value will be invitation to tender. If, on the other hand, there are very few (2 or less) 'known' vendors who could meet the RFP requirements, the Finance and Audit Committee will recommend to Council that an open tender be issued.
4. For each tendering process, an RFP will be issued and will include the following components:
 - a) Date by which proposals are due;
 - b) Background to the requirement (e.g., context, challenges);
 - c) Specific requirements of the proposal, including any requirements set out in Council policy for the management of capital projects (e.g. course of construction insurance, performance guarantees, and bonding);
 - d) Qualifications of the ideal supplier (e.g. track record, experience, integrated services);
 - e) Criteria and weighting (if applicable) by which proposals will be assessed;
 - f) Planned contract award date;
 - g) Process for entertaining questions regarding the RFP and sharing responses with other potential suppliers;
 - h) Caveat providing the Band with the right to pick any proposal or none; and
 - i) A checklist of other special terms and conditions (e.g. maximum price expected, delivery dates or constraints) that would be critical for an organization to build into their response to meet the needs of the Gitsegukla Band.
5. The Band Administrator, at least two representatives from Council, and any required staff possessing relevant expertise will form a 'review panel' and review the proposals received against the pre-determined selection criteria for the RFP and/or exceptions to the process. The review panel will provide Council with a recommended course of action. The recommendation from the review panel might be to award the contract to one of the applicants or it may be to re-issue the tender until a suitable vendor is found.
6. When a successful vendor is chosen, the Band Administrator will direct the Financial Administrator to negotiate and draft an engagement contract with the successful bidder. The contract will include payment details that are agreeable to both the buyer and seller. Once an agreement is finalized, it will be presented to Gitsegukla Band Council for ratification. The resolution will indicate who is directed to sign on behalf of Chief and Council.
7. A copy of the signed contract (with reference to the Council resolution) will be kept on file in the Financial Administrator office or accounts payable office. Invoices will then be processed in accordance with the contract payment terms and the payment procedures outlined in the 'Expenditures Policy'.
8. To maintain consistency in the procurement process, a standard methodology will be used to evaluate each contractor/supplier (**Appendix J**). The methodology will include, at a minimum, an evaluation of:

- a) How the contractor/supplier meets the RFP or tender requirements and specifications;
 - b) The contractor/supplier’s qualifications;
 - c) The price quoted;
 - d) Results and quality of all work the contractor/supplier has previously done for the Band; and
 - e) Other requirements that will be added to the methodology as deemed necessary by the Band Administrator.
9. Normally, an RFP process as described above will be followed to procure goods and services. Exceptions to this process (i.e. granting a sole source contract, non-competitive contract award) will be rare and limited to the following situations:
- a) If there were no bids received during the tender call or RFP process;
 - b) When the good or service is available only through a Sole Source; or
 - c) In an emergency where a delay in procuring the good or service would result in severe loss or damage to the Band.
10. Any exceptions to the procurement process will be evaluated by the review panel and documented to demonstrate the rationale and approval of a non-standard procurement process.



Approval, Initiation, and Monitoring

1. Approval of procurement decisions should be documented on the relevant purchasing document (i.e. requisition, P.O., or contract, depending on the nature of the procurement activity).
2. Once approved, the Financial Administrator will ensure that an encumbrance accounting system is in place for each procurement activity over \$1,000 and for each contracted procurement so that money is set aside and used specifically for those goods or services.
3. On a monthly basis, the Financial Administrator will review the status of procurement encumbrances, noting and investigating any over-budget commitments. Procurement activities over-budget by \$1,000 will be reported to the Band Administrator. The Financial Administrator will also notify the appropriate Department Manager.
4. At each Finance and Audit Committee meeting, the Band Administrator will report on the status of a capital project, including a comparison of expenditures to date with the project budget and a detailed description of any identified legal, financial, technical, scheduling, or other problems, and the manner in which it has been or will be addressed.

Documentation Requirements

1. All procurement documents (including but not limited to requisitions, invoices, purchase orders, request for proposals or tender calls) will clearly indicate the details of the goods and services requested.
2. Approvals and budget appropriations and accounts from which certain goods or services may or must be purchased will be documented on relevant internal procurement documentation.
3. A file will be created for each RFP/tendering process that contains the results of each supplier evaluation.

Monitoring of Contractors/Suppliers

1. On an ongoing basis, the Band Administrator will monitor the quality of the work and the working relationship with the contractor/supplier. Any issues noted will be documented in the contractor/supplier file and appropriate action will be taken by the Band Administrator, if necessary, as outlined in the supplier/contractor's agreement.
2. Performance evaluation should be tailored to job size and complexity. A review of both the project quality and the service quality should be conducted using a standard set of criteria and applying weight factors established at the time of award. Any adjustments to the criteria weighting should not be made without the contractor's/supplier's concurrence.

Encouraging New Contractors/ Suppliers

1. Contracts will be reviewed on an annual basis (or other timeframe as deemed appropriate by the Band Administrator for the nature and complexity of the goods/services in question) and a request for other contractors/suppliers initiated.

References and Related Authorities

1. FMB's Financial Management System Standards
 - a) Standard 18.6 - Procurement
 - b) Standard 18.7 - Procurement of suppliers
 - c) Standard 24.5 - Contract and tendering requirements
2. FMB's Financial Administration Law Standards
 - a) Standard 8.3 - Policies, Procedures and Directions
 - b) Standard 16.2.1 - Expenditure Controls

c) Standard 22.5 - Contracts and tendering provisions

Attachments

Appendix J – Contractor/Supplier Evaluation Template

Appendix K – Local Content

6. TANGIBLE CAPITAL ASSETS

Manual: Finance Policy		No:	F01.06
Section:	General	Issued:	May 25, 2017
Issue to:	All Manual Holders	Page:	1 of 15
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

Tangible capital assets will be managed using a life-cycle approach that effectively plans, manages, accounts for, and disposes of assets listed in the inventory of the Gitsegukla Band's capital assets, and that ensures assets are accurately reflected in the Band's financial statements.

Purpose

The purpose of this policy is to provide guidance on the planning, management, and accounting treatments for tangible capital assets over the entire asset life cycle.

Scope

This policy applies to the Council, Finance and Audit Committee, Band Administrator, Financial Administrator, and senior management of the Gitsegukla Band, as well as any employees directly involved in capital asset management.

Responsibilities

Council is responsible for:

- Demonstrating that the requirements of the FAL for capital project budgeting have been implemented;
- Approving capital project plans and tangible capital asset reserve fund transactions;
- Establishing a tangible capital asset reserve fund;
- Establishing asset recognition criteria;
- Approving the tangible capital assets register;
- Approving policies and procedures for capital projects to address the issues identified in the Financial Administration Law for the proper management of Capital Projects;
- Approving procedures for the safeguarding of tangible capital assets; and
- Ensuring capital project budgeting requirements are implemented.

The **Finance and Audit Committee** is responsible for:

- Reviewing on or before January 15, the financial information provided on the life-cycle management program by the Financial Administrator;
- Reviewing and recommending to Council the annual budget for tangible capital assets;
- Reviewing and recommending to Council procedures for the safeguarding of assets;

- Reviewing status reports on the capital asset reserve fund and, if necessary, making a recommendation to Council relative to the funding contribution;
- Monitoring at each meeting the status of all capital projects, including borrowings, loans and payments for each project, comparison of expenditures to date within the project budget, details of identified problems with the project and how they will be addressed, and steps taken for each capital project to comply with Council policies for management of capital projects;
- Reviewing the Band Administrator's recommendations on asset recognition criteria and making recommendations to Council for approval; and
- Reviewing any scheduled capital project plans, including supplemental information and their budgets, and developing recommendations for Council.

The Band Administrator is responsible for:

- Developing the life-cycle management program in accordance with the requirements of this policy and making recommendations to the Finance and Audit Committee and Council on matters concerning the management of the Gitsegukla Band's tangible capital assets;
- Maintaining the tangible capital assets register as required in this policy, including arranging for an annual inspection to obtain updated information of each capital asset (e.g. physical condition, remaining useful life, etc.);
- Ensuring Gitsegukla Band members are informed and involved in tangible capital asset projects and borrowings for construction;
- Developing and recommending to the Finance and Audit Committee the asset recognition criteria and reviewing the criteria annually for possible recommended changes; and
- Serving as a point of contact to retain capital project consultants to assist the Band Administrator, Finance and Audit Committee, and Council.

The Financial Administrator is responsible for:

- The accurate and timely recording and reporting of tangible capital assets in the financial statements, in accordance with PSAS;
- Monitoring the application of this policy and updating the policy on a regular basis;
- Preparing, on or before December 31 of each year, the financial information related to routine maintenance and rehabilitation or replacement of tangible capital assets, as required in this policy;
- Monitoring the tangible capital asset protection insurance program and making recommendations to the Band Administrator in adequate time before each annual renewal, or sooner if circumstances warrant;
- Preparing the maintenance and quarterly reporting to the Finance and Audit Committee, or more frequently if necessary, on the status of the capital asset reserve fund;
- Developing and recommending procedures for the safeguarding of assets and ensuring approved procedures are followed; and
- Developing the budget for capital project plans and annual capital plan.

Employees involved in the life-cycle management program are responsible for:

- Maintaining tangible capital asset information and implementing asset security and safeguarding measures, as provided through the application of these policies and safeguarding procedures approved by Council;
- Recording and reporting periodic changes in tangible capital assets to the Band Administrator; and

- Ensuring tangible capital assets are accurately tracked and inventoried using the pre-numbered asset control tagging system.

Procedures

Tangible Capital Asset Register

1. A detailed tangible capital asset register is to be established, maintained and kept current by the Band Administrator (or assigned employee). The asset register will facilitate the life-cycle management program with maintenance, rehabilitation, and replacement activities as well as providing an accurate inventory of tangible capital assets.
2. The register will include, at a minimum, the following information:
 - a) Location and intended purpose of the asset;
 - b) Ownership and restrictions over ownership (e.g. pledges or collateral agreements);
 - c) Date of acquisition;
 - d) Previous inspection date;
 - e) Original expected life of the asset at the time of acquisition;
 - f) Most recent assessment of the condition of the asset and its expected remaining useful life²;
 - g) Original cost to acquire or develop the asset;
 - h) Any costs capitalised, subsequent to the initial acquisition or development of the asset (e.g. additions, betterments);
 - i) Any amounts de-recognised as a result of the sale or disposal of the asset;
 - j) Any proceeds received as a result of the sale of the asset;
 - k) The amount of depreciation expense calculated for the current period;
 - l) The total accumulated depreciation expense as at the end of the current period;
 - m) Any increase to accumulated depreciation made during the current period to reflect impairment in the carrying value of the asset;
 - n) The total cost, accumulated depreciation, and carrying value (i.e. net book value) of the asset as at the end of the current period;
 - o) Estimated residual value of the asset (i.e. the estimated net realizable value of the tangible capital asset at the end of its useful life to the Gitsegukla Band);
 - p) Insurance coverage details for the asset; and
 - q) Any other information required by the Council.
3. An electronic 'asset notification' record will be prepared by the Financial Administrator from the accounting records when an asset is acquired that captures the key information required for the tangible capital asset register as described above.
4. An asset tracking (i.e. serial) number will be assigned, as well as an activity center code (for the purposes of accounting for depreciation), to each of the Gitsegukla Band's tangible capital assets, which is to be recorded in the tangible capital asset register and communicated to the department manager for which the management of the asset is assigned.
5. Department managers will be provided with an annual copy of the tangible capital asset register listing the assets assigned to their respective departments. It is the responsibility of the department manager to regularly report any changes (e.g. additions, disposals, indicators of

² The expected remaining useful life of each asset must be re-assessed at a minimum annually. Any changes to this estimate must be accounted for prospectively as a change in estimate.

impairment, changes to estimated useful life, etc.) that are to be made to the register to the Financial Administrator.

6. The Financial Administrator will regularly reconcile the general ledger to the tangible capital asset register. Please refer to **Appendix L** for additional guidance on the tangible capital asset register.

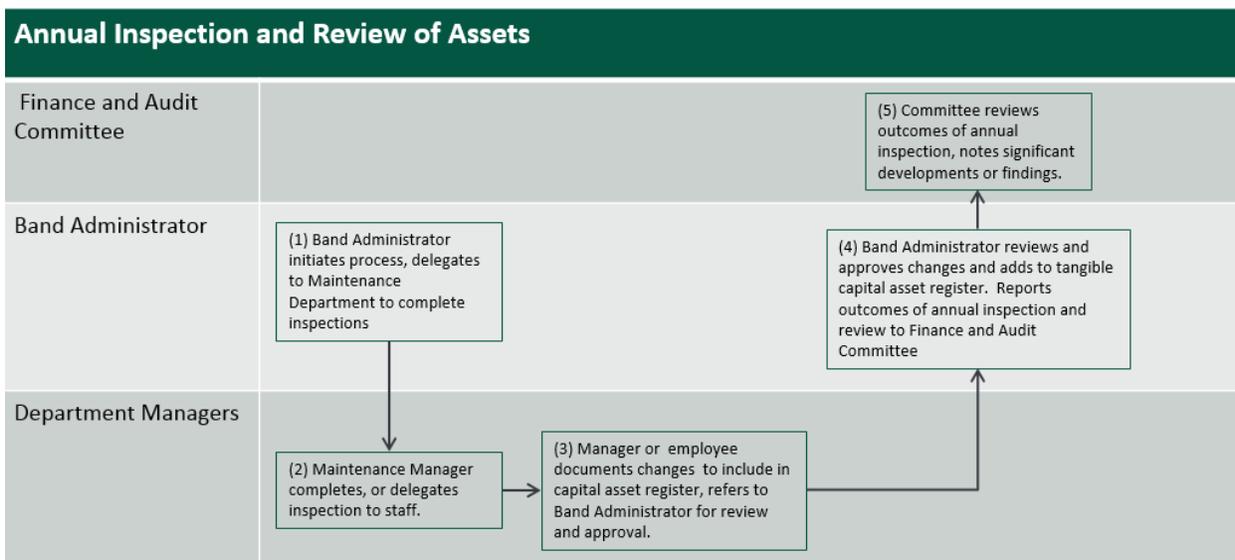
Amortization / Depreciation

1. A suitable method for amortizing (or depreciating) each category of tangible capital assets should be selected to form part of the Band's accounting policies.
 - a) Different methods of amortizing a tangible capital asset result in different patterns of cost recognition. The objective is to provide a systematic and rational basis for allocating the cost of a tangible capital asset, less any residual value, over its useful life. A straight-line method reflects a constant charge for the service as a function of time. A variable charge method reflects service as a function of usage. Other methods may be appropriate in certain situations.
2. The cost, less any residual value, of a tangible capital asset with a limited life should be amortized over its useful life in a rational and systematic manner appropriate to its nature and use by the Band. Amortization (or depreciation) expense should be calculated and recorded on a monthly basis.
 - a) The amortization of the costs of tangible capital assets should be accounted for as expenses in the statement of operations;
 - b) Land normally has an unlimited life and would not be amortized;
 - c) Where the Band expects the residual value of a tangible capital asset to be significant, it would be factored into the calculation of amortization;
 - d) The useful life of a tangible capital asset depends on its expected use by the Gitsegukla Band. Factors to be considered in estimating the useful life of a tangible capital asset include:
 - Expected future usage;
 - Effects of technological obsolescence;
 - Expected wear and tear from use or the passage of time;
 - The maintenance program;
 - Studies of similar items retired; and
 - The condition of existing comparable items.
 - e) The amortization method and estimate of the useful life of the remaining unamortized portion of a tangible capital asset should be reviewed on a regular basis and revised when the appropriateness of a change can be clearly demonstrated.

Annual Inspection and Review

1. On or before **November 30**, the Band Administrator will initiate an annual inspection of the Gitsegukla Band's capital asset inventory. Employees in the maintenance department will be assigned by the Band Administrator to complete the inspection under his/her supervision. Where appropriate or necessary, the Band Administrator may choose to engage the services of an external specialist to assist in the valuation of certain specialized assets (e.g. land, buildings, etc.).
2. Any changes necessary to the tangible capital asset register will be documented by the employee noting the changes, and communicated to the Band Administrator for review and approval. Once reviewed and approved by the Band Administrator, the changes will be inputted to the tangible capital asset register by the employee responsible for the register.

3. The Band Administrator will report to the Finance and Audit Committee on the outcome of the annual inspection and review of assets, noting any significant developments or findings.
4. If there is evidence of damage to or a loss of an asset identified during the inspection process or at any other time of the year, the Band Administrator will investigate the matter and initiate the insurance claim process, if applicable. The tangible capital asset register will be updated based on this new information.
5. When conditions indicate that a tangible capital asset no longer contributes to the Band's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset should be reduced to reflect the decline in the asset's value.
 - a) The net write-downs of tangible capital assets should be accounted for as expenses in the statement of operations; and
 - b) A write-down should not be reversed.



Safeguarding Assets

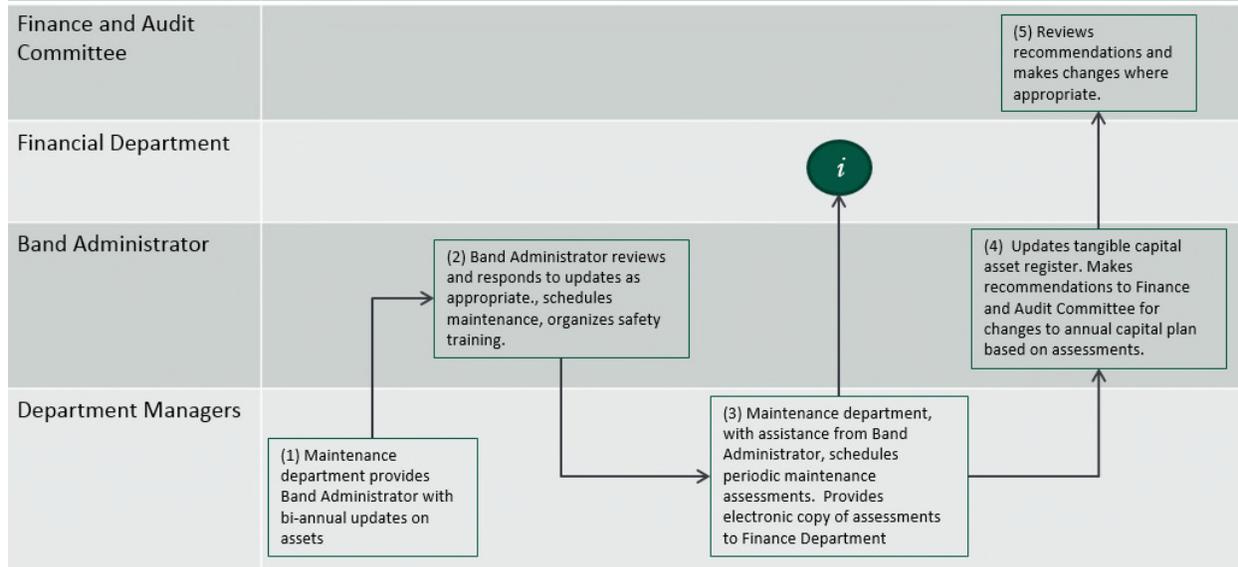
1. The Financial Administrator will ensure that there is a tagging or marking identification system in place for all tangible capital assets subject to the risk of theft (e.g. equipment, vehicles, furniture, etc.). Markers should include the date of purchase and an asset identification (reference) number that identifies the asset to be property of the Gitsegukla Band.
2. Physical security arrangements over capital assets will be reviewed annually³ by the Financial Administrator, and the results of this review will be reported to and reviewed by the Finance and Audit Committee with any recommendations to Council.
3. Insurance coverage for tangible capital assets will be obtained and remain in force unless an asset is to be self-insured based on a risk management assessment that balances any potential loss with the cost of insurance, replacement value of items, etc. Insurance will be obtained in accordance with the Insurance Policy.

³ This may occur at the same time as the physical inspection of asset condition is performed

Maintenance of Assets

1. Employees in the maintenance department (or its equivalent) will provide the Band Administrator with a bi-annual update on the condition of tangible capital assets over \$10,000 and preventative maintenance reports (including machine and vehicle logs) showing maintenance completed compared to scheduled maintenance. Explanations for deficiencies noted will be obtained and, where appropriate, shared with the Finance and Audit Committee.
2. A list of any tangible capital assets identified as no longer in use will be prepared and reported to the Band Administrator. Steps will be taken to decommission and appropriately dispose of the assets in accordance with any applicable laws or regulations.
3. All warranty and related work, including inspections, will be undertaken in a timely manner.
4. The Band Administrator will recommend that any critical tangible capital assets of an unsafe nature, based on the annual review, are given a priority for replacement (or rehabilitation) in future planning.
5. The Band Administrator, with the assistance of staff in the maintenance department, will ensure that appropriate staff training on the use of the particular tangible capital asset will be provided to ensure safety.
6. For tangible capital assets over \$10,000, periodic maintenance assessments will be performed. Assessments should include:
 - a) Any deferred maintenance;
 - b) A description of the performance and condition of the asset;
 - c) An overall rating based on the following scale: Excellent, Good, Fair, Poor, or Failing; and
 - d) A forecast of the maintenance, repairs, betterment, and replacement costs over the course of the remaining useful life of the asset.
7. The Department managers will retain a copy of the condition assessment(s) and will provide an electronic copy to the Financial Administrator.
8. The Band Administrator will ensure the tangible capital asset register and accounting records are updated, and, in conjunction with the Financial Administrator, will make recommendations to the Finance and Audit Committee for changes to the annual capital plan based on the results of the condition assessments performed for the year.

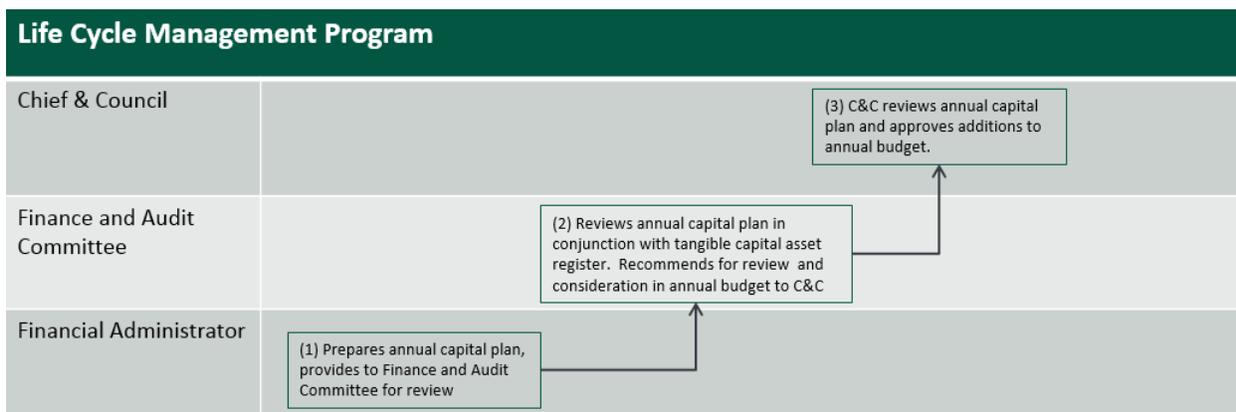
Maintenance of Assets



Life Cycle Management Program

1. Based on the information in the tangible capital asset register and consultations with the Band Administrator and property management employees, the Financial Administrator will prepare the annual capital plan by December 31st of each year.
2. The annual capital plan will include short and long-term forecasts for asset rehabilitation and/or replacement. The plan will include the information that the Financial Administrator is required to prepare in the FAL and, at a minimum, the following details:
 - a) A description of each asset to be replaced or refurbished;
 - b) The rationale for the replacement or refurbishment;
 - c) Estimated cost, including contingencies, of each proposed acquisition or refurbishment project;
 - d) Estimated timeframe and schedule for completion of each asset acquisition or proposed refurbishment project; and
 - e) Ongoing maintenance requirements and costs as well as the impact on the Band's budget.
3. The Finance and Audit Committee will review the annual capital plan, in conjunction with the tangible capital assets register. The objective of this review is to:
 - a) Identify any means to reduce costs of each capital project;
 - b) Understand the effect that each proposed capital project (rehabilitation, replacement) has on the annual operating costs and routine maintenance costs in future years; and
 - c) Determine whether any significant savings might be affected by coordinating the scheduling of capital projects, deferring any projects, or carrying out rehabilitation projects, rather than replacement projects.

4. The Finance and Audit Committee will review the annual capital plan by January 15 and report to Council on its findings and recommendations by February 15 for review and consideration of the annual budget for the upcoming fiscal year.



Capital Projects

1. The Band Administrator, with input from the Financial Administrator, will develop an annual capital plan for all capital projects that exceed \$100,000 in cumulative value. The plan will include a business case for the capital project that will contain, at a minimum, the following:
 - a) The financial viability of the project (i.e. how it will be financed, what the expected return on investment will be, etc.);
 - b) Project operating requirements (e.g. annual operating and maintenance costs, cash flow considerations, etc.);
 - c) Evaluation of all other options considered; and
 - d) A project risk assessment.
2. The annual capital plan will be integrated with Gitsegukla Band Council's strategic plan (see Planning and Budget Policy for further details).
3. The Band Administrator will coordinate project planning, design, engineering, tendering, bid selection, and environmental requirements for each capital project in accordance with Council policies and procedures for management of capital projects. Capital project consultants, including engineers, may be engaged to carry out these obligations at the discretion of the Band Administrator.
4. The Financial Administrator will coordinate project costing, budgeting, financing and approval for each capital project in accordance with Council policies and procedures for management of capital projects.
5. To coordinate project management of each capital project, an ad hoc working committee, tasked with project planning and implementation, may be established as necessary with the Band Administrator and Financial Administrator as members.
6. The annual capital plan and recommendations from the working committee will be provided to the Finance and Audit Committee. Scope adjustments, modifications and other significant adjustments made to the projects will be identified and a rationale provided.
7. The Finance and Audit Committee will review the annual capital plan on or before **January 15** and forward their recommendation to Council for approval.
8. Council must take reasonable steps to ensure that capital projects for construction of buildings or other improvements are financed, planned, and constructed in accordance with procedures, and to standards that generally apply to the financing, planning, and construction of public builds and

other improvements of organized communities in the region in which Gitsegukla lands are located. The Band Administrator will report to the Finance and Audit Committee on steps taken to ensure these results are met for every capital project.

Construction Management

1. The Band Administrator will procure appropriate course of construction insurance for each capital project in accordance with the Insurance Policy and will require contractors to have project performance guarantees or bonding for each project or as otherwise permitted or required in the Council policies and procedures for management of capital projects.
2. Depending upon the size of the project, an independent project manager may be retained to provide contract management and control.
3. The Financial Administrator will process contractor progress payments, manage construction holdbacks and payment as required in the Council policy and procedure on management of capital projects, and will organize audit procedures in conjunction with the annual audit.
4. The Financial Administrator will report to every meeting of the Finance and Audit Committee on each capital project, with respect to:
 - a) Year to date borrowings, loans and payments;
 - b) The status of the project, including:
 - A comparison of the expenditures to date against the project budget;
 - A detailed description of any identified problems with the project; and
 - The manner in which a problem identified has been or will be addressed.
5. Steps taken to ensure compliance with Council policies and procedures for management of capital projects.
6. Work approvals, including change orders, will be signed off by the project manager or designate and forwarded to the finance office for retention and clearance against the contractor's invoice.

Life Cycle Policy Directives

1. Based on their nature, characteristics and useful life, all assets that meet the definition of a tangible capital asset as well as meet the Council-approved asset recognition criteria, fall within the categories outlined in **Appendix L**. These assets shall be recorded in the accounts of the Band in accordance with this policy.

Acquisition of Tangible Capital Assets

1. Department managers will identify to the Band Administrator the asset to be acquired as part of the annual budget and annual capital plan. It is recognized, however, that unforeseen asset acquisitions will occasionally be necessary.
2. The acquisitions of tangible capital assets are subject to the Delegated and Assigned Responsibilities Policy and the Procurement Policy.
3. Subject to the Procurement Policy, all purchases or leases of capital assets are to be made in accordance with the annual budget, annual capital plan, and Council resolution.
4. Any significant variance between budgeted and actual cost of the tangible capital asset is to be reported to the Band Administrator and the Finance and Audit Committee.
5. Following acquisition and delivery of a tangible capital asset, the Financial Administrator will ensure the asset is reflected in the accounting records and the financial statements of the Gitsegukla Band. An asset tracking number will be assigned and the asset added to the Tangible capital asset register.

Tangible Capital Asset Reserve Fund

1. Council will establish a Tangible Capital Asset Reserve Fund to be applied for the purposes of construction, acquisition, maintenance, rehabilitation, and replacement of the Band's tangible capital assets.
2. The Financial Administrator and the Finance Department will manage the Tangible Capital Asset Reserve Fund.
3. All withdrawals from the tangible capital asset reserve fund must be approved via a Band Council Resolution at a duly convened Council meeting and in accordance with the annual budget and approved annual capital plan.
4. Council must ensure, with advice from the Finance and Audit Committee, that the tangible capital asset reserve fund maintains a minimum balance which will help the Band respond to emergency capital repairs and replacements.
5. Contributions are to be budgeted and made to the tangible capital asset reserve fund on an annual basis based on the above minimum balance requirement and those amounts required in the annual budget and annual capital plan.

Disposal of Tangible Capital Assets

1. Department managers will identify to the Band Administrator the asset to be disposed of, and the method of disposal, as part of the annual budget and capital plan. It is recognized, however, that unforeseen asset disposals will occasionally be necessary.
2. The fair market value must be determined for all disposals as a prior condition of approval. The Band Administrator shall have the authority to determine the fair market value for all disposals. The Band Administrator will consult with external specialists in establishing the fair market value, where appropriate.
3. All disposals of the Band's tangible capital assets with a fair market value in excess of \$500 must be approved via a Band Council Resolution at a duly convened Council meeting prior to disposal of said assets, on the recommendation of the Band Administrator and the Finance and Audit Committee.
4. All proceeds from the sale or disposal of tangible capital assets are to be deposited in the Tangible Capital Asset Reserve Fund.
5. The difference between the net proceeds on disposal of a tangible capital asset and the net book value of the asset should be accounted for as a revenue or expense in the statement of operations.
6. Any item determined to be of no value or unsafe must be disposed of as waste in an appropriate manner that meets all regulatory or statutory requirements.
7. Members of the Gitsegukla Band shall have an equal opportunity to purchase surplus assets through a competitive disposal process.
8. All items to be sold are on an "as is, where is" basis with no warranties or guarantees expressed or implied.

References and Related Authorities

1. FMB's Financial Management System Standards
 - a) Standard 24.0 - Tangible Capital Assets Including Capital Projects
2. FMB's Financial Administration Law Standards
 - a) Standard 22.0 - Tangible Capital Assets Including Capital Projects

Attachments

Appendix L – Tangible Capital Asset Categories

Appendix M – Presentation and Disclosure Requirements

7. INSURANCE POLICY

Manual: Finance Policy		No:	F01.07
Section:	General	Issued:	
Issue to:	All Manual Holders	Page:	1 of 2
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

The Band will obtain sufficient insurance coverage for its operations, staff and councillors as part of its overall risk management strategy.

Purpose

The purpose of this policy is to provide guidance on the establishment and maintenance of an insurance program to ensure material risks are addressed for the Band and its councillors, officers, and staff.

Scope

This policy and procedure applies to Council, the Finance and Audit Committee, the Band Administrator, the Financial Administrator, and all other employees involved in insurance matters at the Band.

Responsibilities

Council is responsible for:

- Procuring and maintaining in force all insurance coverage that is appropriate and commensurate with the risks under the care or control of the Band based on the recommendation of the Finance and Audit Committee;
- If Council chooses, procuring and maintaining insurance for the benefit of a Councillor or a Band officer or their personal representatives against any liability arising from that person being or having been a Councillor or an officer.

The **Finance and Audit Committee** is responsible for:

- Providing its insurance coverage recommendation to Council (The Finance and Audit Committee may retain external expertise to assist in its deliberations given the technical nature of insurance decisions).

The **Band Administrator** is responsible for:

- Leading and managing the risk identification and assessment process;
- Selecting an insurance broker;
- Evaluating options from insurance providers, as provided by the insurance broker, to address the risks that require insurance coverage;
- Recommending a preferred option to the Finance and Audit Committee and council that meets the needs of the Band;
- Monitoring insurance coverage expiration and payment dates to ensure coverage does not lapse; and

- On an annual basis reviewing insurance coverage to ensure that it continues to meet the needs of the Band.

Procedures

Identify significant material risks

1. The Band Administrator, with input from members of the management team, the Finance and Audit Committee and Council, will develop a list of potential significant material risks to the Band's financial assets, Tangible Capital Assets and the operations of the Band. This will include an examination of:
 - a) Potential sources of liability of the Band arising from its operations;
 - b) Values and use of Property and equipment;
 - c) Values and use of Assets under control of the Band;
 - d) Potential sources of Liability for individuals such as councillors, officers and staff members of the Band; and
 - e) Other risk areas that could result in a loss to the Band and could be insured.

Identify and procure insurance products

1. Based on the risk analysis performed, the Band Administrator will identify the risks where insurance coverage is appropriate.
2. In accordance with the Procurement Policy, the Band Administrator will review options from several different insurance providers, as provided by the Band's insurance broker, and will make a recommendation to the Finance and Audit Committee on which to accept. The Band Administrator's determination of a recommended option will take into consideration the following:
 - a) Cost of the coverage;
 - b) Attributes and features of the proposed coverage including what is and is not covered and any gaps or exclusions; and
 - c) Independent advice on the reputation and strength of proposed insurance providers.
3. Where appropriate, legal advice will be sought as required to ensure that the terms and conditions of coverage sought are appropriate for the Band.

Approval for insurance coverage

1. Council will review the proposed option presented by the Finance and Audit Committee and the Band Administrator and document their approval.
2. Once approved by Council, procurement of the insurance coverage will follow the Band's Procurement and Expenditure Policies.

Maintenance of insurance coverage

1. The Financial Administrator will maintain a schedule of insurance policy expiration dates and payment dates and monitor on a regular basis to ensure that coverage does not lapse.
2. The Band Administrator will review insurance coverage on an annual basis to ensure that it continues to adequately address the risks and meet the needs of the Band.

References and Related Authorities

1. FMB's Financial Management System Standards
 - a) Standard 19.4 - Insurance
2. FMB's Financial Administration Law Standards
 - a) Standard 17.5 - Insurance

Attachments

None

8. RISK MANAGEMENT

Manual: Finance Policy		No:	F01.08
Section:	General	Issued:	
Issue to:	All Manual Holders	Page:	1 of 5
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

The Band will identify, manage, and monitor risks related to the financial management system and the achievement of its goals.

Purpose

The purpose of this policy is to provide guidance on risk management as part of the integrated planning process and ongoing governance activities of the Band, including risk assessments, mitigation plans, and specific business activities that are separately evaluated, managed and monitored.

Scope

This policy and procedure applies to Council, the Finance and Audit Committee, the Band Administrator, the Financial Administrator, and all other employees involved in risk management at the Band.

Responsibilities

Council is responsible for:

- Providing input to the annual risk assessment, including consideration of Fraud Risks;
- Reviewing and approving the annual Band Risk Management Plan (Appendix K) and Fraud Risk assessment;
- Subject to the Financial Administration Law, approving:
 - i. For-profit business activities, consolidated entities and ventures;
 - ii. The investment strategy and investment risk assessment;
 - iii. Loans, guarantees or indemnities;
 - iv. Insurance coverages; and
 - v. Emergency plan

The **Finance and Audit Committee** is responsible for:

- Providing input to the annual risk assessment including consideration of Fraud Risks;
- Reviewing the risks management plan and Fraud Risk assessment on a regular basis to ensure risks are adequately identified and monitored.

The **Band Administrator** is responsible for:

- Managing the annual risk assessment process and preparing the Risk Management Plan;
- Managing the annual Fraud Risk assessment process and preparing the Fraud Risk assessment;
- Identifying and assessing risks associated with specific material business activities, loans, guarantees, indemnities, investments, general operations, financial reporting and Fraud Risks;
- Preparing risks associated with proposed for-profit business activity, steps taken to limit the risks, approvals required to undertake for-profit activity and monitoring of any approved for-profit activity.
- Reviewing and updating the Risk Management Plan and Fraud Risk assessment on a regular basis;
- Immediately reporting any significant changes to the Risk Management Plan and Fraud Risk assessment to the Finance and Audit Committee;
- Preparing a documentation that assesses qualification of individuals engaged in control activities in the Band's financial management systems; and
- Obtaining a written confirmation from the persons engaged in the Band's financial management system that they understand their responsibilities.

The **Financial Administrator** is responsible for:

- Ensuring all for-profit business activities are separately reported in the monthly, quarterly and annual financial statements and management reports;
- Developing and recommending procedures for identifying and mitigating risks for the annual Risk Management Plan;
- Developing and recommending procedures for identifying and mitigating Financial Reporting Risks and Fraud Risks;
- Reviewing and recommending approval for loan, guarantee or Indemnity requests;
- Preparation of the Band investment strategy, insurance coverage and emergency plans; and
- Monitoring the control activities and its impact on the Band and the Risk Management Plan.

Procedures

Annual Risk Management Plan

1. On an annual basis as part of the integrated planning process, a risk assessment will be performed by the Band Administrator. Risks identified will include any risks that could impact the Band's achievement of its strategic goals or its operations in general.
2. Risks will be recorded in the Band's Risk Management Plan. The management team will analyze the potential impact and likelihood of each risk identified and develop an appropriate risk mitigation plan.
3. The risk management plan must ensure that risks related to specific business activities, loans, guarantees, indemnities, investments, general operations and Financial Reporting Risks are separately addressed, managed and monitored.
4. Responsibility for each risk and corresponding risk mitigation plan will be assigned to a Band staff member.
5. The Risk Management Plan will be presented to the Finance and Audit Committee for review and recommendation to council for approval on an annual basis (during the integrated planning review).
6. On a quarterly basis, the Band Administrator will review the Risk Management Plan with the risk owners to update or adjust as required the risks or mitigation plans. Any significant changes will be reported to and reviewed by the Finance and Audit Committee and reported to the Council.

Fraud Risk Assessment

1. On an annual basis as part of the integrated planning process, a Fraud Risk assessment will be performed by the Band Administrator. (Refer to documents in **Appendix O**, **Appendix P** and the Fraud Risk Assessment template example in **Appendix N**)
2. Fraud Risk assessment will include identification and assessment of following types of fraud in the Band:
 - a) Fraudulent Financial Reporting;
 - b) Fraudulent Non-Financial Reporting;
 - c) Misappropriation of Assets; and
 - d) Corruption and illegal acts.
3. Fraud Risk assessment will include identification of risks arising from the following:
 - a) Incentives and rewards associated with achievement of objectives; and
 - b) Pressures associated with achievement of objectives.
4. Fraud Risk assessment will also include identification of opportunities for fraud created by the following:
 - a) Ineffective design and monitoring control activities as it relates to the following:
 - Unauthorized acquisition, use of disposal of the Band's assets;
 - Poor management oversight;
 - Management override of Internal Control; and
 - Ineffective technology systems.
 - b) Willful violation of laws that could have a material direct or indirect impact on financial reporting.
5. Fraud Risk assessment will also identify the risk of fraud resulting from attitudes of and rationalizations by individuals justifying inappropriate actions.
6. Fraud Risks assessment will include various ways that fraudulent reporting can occur taking into account the following:
 - a) Management bias;
 - b) The degree of estimates and judgements used in financial reporting;
 - c) Possible fraud schemes and scenarios in the Band's communities;
 - d) The geographic region where the Band's lands are located;
 - e) The nature of technology and management's ability to manipulate information using that technology;
 - f) Any unusual or complex transactions which are subject to significant management influence; and
 - g) The vulnerability of Internal Controls to management override and potential schemes to circumvent existing control activities.
7. On an annual basis, the Band Administrator will prepare a documentation that assesses the qualification of individuals engaged in Fraud Risk control activities in the Band's financial management system.

8. On a periodic basis, the individuals involved in the Fraud Risk controls must confirm in writing that they understand their responsibilities.

For-profit business activity risk management considerations

1. Prior to beginning any for-profit business activity, the Band Administrator will lead the preparation of a business case supporting the activity. The business case should contain, at a minimum, a detailed description of the proposed activity, costs, projected revenues and benefits, funding arrangements, strategic impact, and a risk assessment (including whether the activity will result in a material liability of the Band or expose the Band's financial assets, property or resources to significant risk).
2. The risk assessment should address all risks related to the project and the resulting overall impacts on the Band.
3. For each risk, a detailed mitigation plan with assigned responsibility will be developed.
4. The complete business case and risk assessment will be presented to the Finance and Audit Committee for review and recommendation to Council for approval of the activity via a Council Resolution.
5. The Band Administrator, or designate, will be responsible for ongoing monitoring of the for-profit business activity. Deviations from the approved business plan will be presented to the Finance and Audit Committee for review and recommendation to Council.
6. The Band Administrator, or designate must report on the for-profit business activity separately reported in the monthly reports and quarterly, and annual financial statements.

Loans, guarantees and indemnities

1. For any loans, guarantees or indemnities, the Financial Administrator must annually document his or her evaluation of the risks to the Band of extending credit to the requesting individual/group. Risks which should be considered include, but are not limited to, the following:
 - a) Ability of the individual or group to repay the Band;
 - b) Potential for negative impact on the Band's reputation;
 - c) Extent of other similar situations / agreements the Band has entered into;
 - d) Ability of the Band to honour the guarantee or Indemnity should it be required to do so;
 - e) In the case of a program for lending to members of the Band, the risks associated with the program and the costs of administering the program.
2. Approval and management of loans, guarantees and indemnities is detailed in the Loans, Guarantees and Indemnities Policy.

Investment Risk Assessment

1. Monitoring, reporting and approval of investments strategy and performance is detailed in the Investment Policy.

Financial Reporting Risks

1. The Band will follow the documented procedures in the Financial Reporting and Operations Policy to identify and mitigate the risk of a material misstatement in the quarterly and annual financial statements.

Insurance and Emergency Plans

1. Separate policies have been developed to provide guidance on risk assessment and management of investments, insurance and emergency planning. Refer to Investments Policy, Insurance Policy and Emergencies Policy.

References and Related Authorities

1. FMB's Financial Management System Standards
 - a) Standard 19.0 - Risk Management
2. FMB's Financial Administration Law Standards
 - a) Standard 17.0 - Risk Management

Attachments

Appendix N – Fraud Risk Assessment Template

Appendix O – Fraud Risk Assessment Guidelines

Appendix P – Risk Management Plan Template

9. FINANCIAL REPORTING

Manual: Finance Policy		No:	F01.09
Section:	General	Issued:	May 25, 2017
Issue to:	All Manual Holders	Page:	1 of 7
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

Financial statements and reports will be prepared on a regular basis in accordance with Canadian Public Sector Accounting Standards for the Gitsegukla Band. An annual operations report, including the audited annual financial statements and an assessment of progress towards financial and operational goals of the Band, will be published within 180 days of the fiscal year-end and will be provided to Gitsegukla Band members, Council, and other organizations as required.

Purpose

The purpose of this policy is to establish financial reporting requirements and practices to facilitate the preparation and reporting of timely, accurate, and relevant financial information on which to assess progress toward goals.

Scope

This policy applies to all the financial operations and activities of the Band, including those operations that Council controls. The persons affected by this policy include Band Council, the Finance and Audit Committee, Band Administrator, Financial Administrator, and Department managers of the Band.

Responsibilities

Council is responsible for:

- Reviewing the financial statements and reports and the Finance and Audit Committee's corresponding recommendations;
- Deciding whether to approve the financial reports list, the financial statements, and reports;
- Demonstrating documented procedures to identify and document any activities that could result in risk of failure to achieve planned levels of financial performance for the Band or failure to perform the Band's obligations;
- Demonstrating that the annual financial statements of the Band include the same revenue categories respecting revenues from the Band's lands, if the Band has a land code in force; and
- Preparing and publishing an annual operations report and making it available to members.

The **Finance and Audit Committee** is responsible for:

- Determining the financial reports list contents and frequency of reporting it requires from the Band's management team; and
- Reviewing the financial reports list, the monthly reports, quarterly and annual financial statements and reports and the Band Administrator's corresponding recommendations, and making appropriate recommendations to Council.

The Band Administrator is responsible for:

- Preparing and updating the financial reports list;
- Reviewing the financial statements and reports, and making appropriate recommendations to the Finance and Audit Committee;
- Identifying, assessing, monitoring, and reporting on financial reporting risks to the Finance and Audit Committee;
- Monitoring and reporting on the effectiveness of mitigating controls for the financial reporting risks and fraud risks, taking into consideration the cost of implementing these controls;
- Ensuring that financial reporting risk assessment and management practices have been performed in relation to quarterly and annual financial statements; and
- Periodically reviewing these policies in consultation with the Financial Administrator and other staff as appropriate, and recommending any updates to the Finance and Audit Committee.

The Financial Administrator is responsible for:

- Preparing the financial statements and reports in accordance with PSAS and this policy and procedure;
- Assessing and managing financial reporting risk and reporting risks to the Band Administrator; and
- Developing and recommending procedures for identifying and mitigating financial reporting risks and fraud risks, and ensuring approved procedures are followed.
- If the First Nation has a loan from the First Nations Finance Authority (FNFA) that is secured by other revenues: Maintaining a complete set of all records respecting other revenues of Gitsegukla Band, including all records referred to in section 5 of the *Local Revenue Management Implementation Regulation* as amended by the *Financing Secured by Other Revenues Regulations*.

Managers are responsible for:

- Providing all requested information in relation to the preparation of financial statements and reports, and the assessment and management of financial reporting risk.

Procedures

Financial Reports List

1. Council and the Finance and Audit Committee, with input from the Band Administrator, is responsible for preparing a list of all financial statements and reports that are to be prepared on a regular basis.
2. The financial reports list must include the required monthly information, as well as quarterly and annual financial statements.
3. The Financial Reports List must include the required monthly information, as well as quarterly and annual financial statements.
4. Monthly reports prepared by the Financial Administrator will be tailored to the needs of Gitsegukla Band's management team for monitoring purposes in the form and content recommended by the Finance and Audit Committee and approved by Council.
5. For each report or financial statement listed, the following information must also be identified:
 - a) A brief description or contents of the report;
 - b) The person responsible for its preparation;

- c) When it is to be made available and its frequency; and
 - d) The report's distribution.
6. The Finance and Audit Committee will review and update the financial reports list annually, and submit the list to Council for their review and recommendation.
 7. Council will review and approve the financial reports list.

Financial Statement Preparation

1. The Financial Administrator will prepare monthly information respecting the financial affairs of the Band and its quarterly and annual financial statements. Other financial reports that are listed in the approved financial reports list will be prepared by the person identified as responsible for its preparation. Monthly information is to be reported to the Finance & Audit Committee within 30 days of months end.
2. Each quarterly financial statement will include the following for the Band and its related bodies:
 - a) A statement of revenue and expenditures containing a comparison to the approved annual budget;
 - b) A statement of financial position; and
 - c) Financial institution account reconciliations.
 - d) Financial information for the local revenue account as required by the Financial Administration Law and the Local Revenue Policy;
 - e) If the Gitsegukla Band has borrowed money from the First Nations Finance Authority secured by other revenues: Financial information respecting these other revenues;
 - f) If a Land Code is in force: Breakdown of revenue by categories contained in the Gitsegukla Band's land code; and
 - g) Any other information requested by the Finance and Audit Committee or Council.
3. Quarterly information is to be reported to the Finance & Audit Committee within 30 days of quarters end.
4. Each annual financial statement will include the following for the Band and its related bodies:
 - a) Financial information of the Band for the fiscal year prepared, in accordance with PSAS;
 - b) A special-purpose report, setting out all payments made to honour guarantees and indemnities;
 - c) A special purpose report setting out the information required in the Financial Administration Law (Reporting of Remuneration and Expenses);
 - d) A special purpose report setting out all debts or obligations forgiven by the Band;
 - e) If the Gitsegukla Band has a land code in force, a report setting out moneys of the Gitsegukla Band derived from Gitsegukla Band lands, categorized and shown separately from other revenues and that includes a sub-category respecting revenues from natural resources obtained from Gitsegukla Band lands; and
 - f) Any other report required (i.e. funding agreement or federal acts that apply).
5. Annual financial statements will be prepared according to a standard "financial closing and reporting process checklist".

6. Annual financial statements, the corresponding completed financial closing and reporting process checklist, and the highlights memo (if applicable), will be signed by the Band Administrator and presented to the Finance and Audit Committee along with his / her comment(s) and recommendation(s), no later than 45 days following the end of the fiscal year for which they were prepared.
7. The Finance and Audit Committee will review the annual financial statements, the accompanying information, and the Band Administrator 's comment(s) and recommendation(s). Subsequently, the Finance and Audit Committee will forward the financial statements, accompanying information, and its comment(s) and recommendation(s) to Council no later than 105 days following the end of the fiscal year for which they were prepared.
8. Council will review the annual financial statements, the accompanying information, and the recommendation(s) of the Finance and Audit Committee and the Band Administrator, and make a decision to approve or not approve the annual financial statements.
9. In the event that the financial statements are not approved by Council, a documented rationale will be communicated to the responsible party(ies) for corrective action. The financial statements will be re-submitted for approval within the timeframe stated by Council.
10. A "financial reporting record" file will be created for each annual financial statement. The financial statement record file will, at a minimum, contain the:
 - a) Financial statements presented to Council for approval;
 - b) Record of, or reference to, Council's decision to approve or not approve the financial statements, the Finance and Audit Committee's recommendation(s), and the Band Administrator 's recommendation(s);
 - c) Completed financial closing and reporting process checklist; and
 - d) Completed highlights memo (if applicable).
11. The financial reporting record file will be classified as confidential and secure. Retention period will be seven years.

Financial Reporting Risks

1. The Financial Administrator will review the financial reporting list to ensure that all identified financial statements and reports have been prepared and submitted for review and approval by the dates specified.
2. Annually, as part of the evaluation process, the Band Administrator will ensure that the persons engaged in the financial management system:
 - a) Have the necessary knowledge, skills and competence to perform the services for which they have been engaged; and
 - b) Confirm in writing that they understand their responsibilities.
3. The Financial Administrator will develop a "financial closing and reporting process checklist" for use at the end of each accounting period, which will include procedures to mitigate financial reporting risk. The financial closing process checklist will include the following minimum procedures:
 - a) Reconciliation / analysis of all statement of financial position accounts with approval by the Financial Administrator. In those instances where the Financial Administrator prepared the reconciliation or analysis, then the Band Administrator will be required to approve the reconciliation or analysis (or alternatively, a member of the Finance and Audit Committee);

- b) Review of trade, loan, and other receivable balances to identify late payments. Late payments should be followed up on and have been reviewed for collectability. Any necessary adjustment to the allowance for doubtful accounts has been prepared;
 - c) Reconciliation of general ledger balances with sub-ledger balances (e.g. trade accounts receivable, trade accounts payable, contribution receivable, etc.);
 - d) Search for unrecorded liabilities and preparation of accrual journal entries, including:
 - Reconciliation of payable balances to supplier statements;
 - Review of unmatched receiving information;
 - Review of unmatched purchase orders;
 - Review of numerical continuity of purchase orders; and
 - Review of current contracts for supplies or services, including follow-up with supplier when necessary.
 - e) Enquiries of departmental managers for any invoices, expense reports, commitments, or any other knowledge of liabilities incurred at reporting date;
 - f) Analysis of revenue and expense accounts for budgetary variances and for reasonability. Where necessary, an account analysis will be prepared;
 - g) Reconciliation of payroll expense to the payroll register, and bank account balance;
 - h) Preparation of non-recurring journal entries and journal entries not in the ordinary course of business, with supporting documentation;
 - i) Material non-recurring journal entries and journal entries that are not in the ordinary course of business are approved by Finance and Audit Committee and recorded;
 - j) Recurring journal entries have been prepared, approved by the Financial Administrator, and recorded;
 - k) The financial statements have been reviewed for accuracy, additions, and cross-references;
 - l) The financial statements agree with the general ledger;
 - m) The presentation of the financial statements has been reviewed. Necessary disclosures and reclassification entries have been prepared and have been approved by the Financial Administrator;
 - n) Draft departmental financial statements have been provided to managers for their review, comment, and budgetary variance explanations. Any issues or questions have been resolved; and
 - o) The Financial Administrator is satisfied that the financial statements are accurate and presented in accordance with PSAS.
4. The Financial Administrator will prepare a highlights memo for each set of quarterly and/or annual financial statements prepared. The highlights memo will, at a minimum, report:
- a) Financial performance, specifically:
 - An assessment of the overall financial situation for Band Council (i.e. surplus, deficit, adequate reserves, etc.);
 - A review of progress towards financial and operational goals set during the planning process;

- Identification and explanation of material budgetary variances;
 - Current ratio and any ratios required to be maintained by contract (e.g. financial covenants contained in borrowing agreements);
 - Doubtful accounts receivable, with changes since last quarter summarized;
 - Payment status of statutory and contractual obligations. Specifically, a listing of all late payments with explanations; and
 - Remediation options where financial performance is not in accordance with plans.
- b) Exceptions to expected financial and system performance. Specifically:
- Unanticipated problems preparing the financial statements and the resolution;
 - Unusual or unexpected accounting balances or transactions;
 - Accounting entries not in the ordinary course of business;
 - Explanation of transactions where measurement or accounting treatment was uncertain or where there were choices under PSAS; and
 - Weaknesses in, and suggestions to improve, the financial management system.
- c) Forecast to end of year. Specifically:
- Forecast of annual operations and budgetary performance, and annual cash flow and expected cash surplus or financing requirement;
 - Statement of assumptions used in the budget process and any changes in assumptions that affect the budget;
 - Identification of emerging financial performance risks and opportunities; and
 - Remediation options where forecast financial performance is not in accordance with plans.
 - Changes to the accounting software (i.e. new system or major changes to the current system set-up) require authorization from the Financial Administrator and consultation and communication with the Finance and Audit Committee and Council. Changes such as the addition/deletion/ modification of general ledger accounts, customer/member accounts, or vendor accounts require approval from the Financial Administrator or designate.

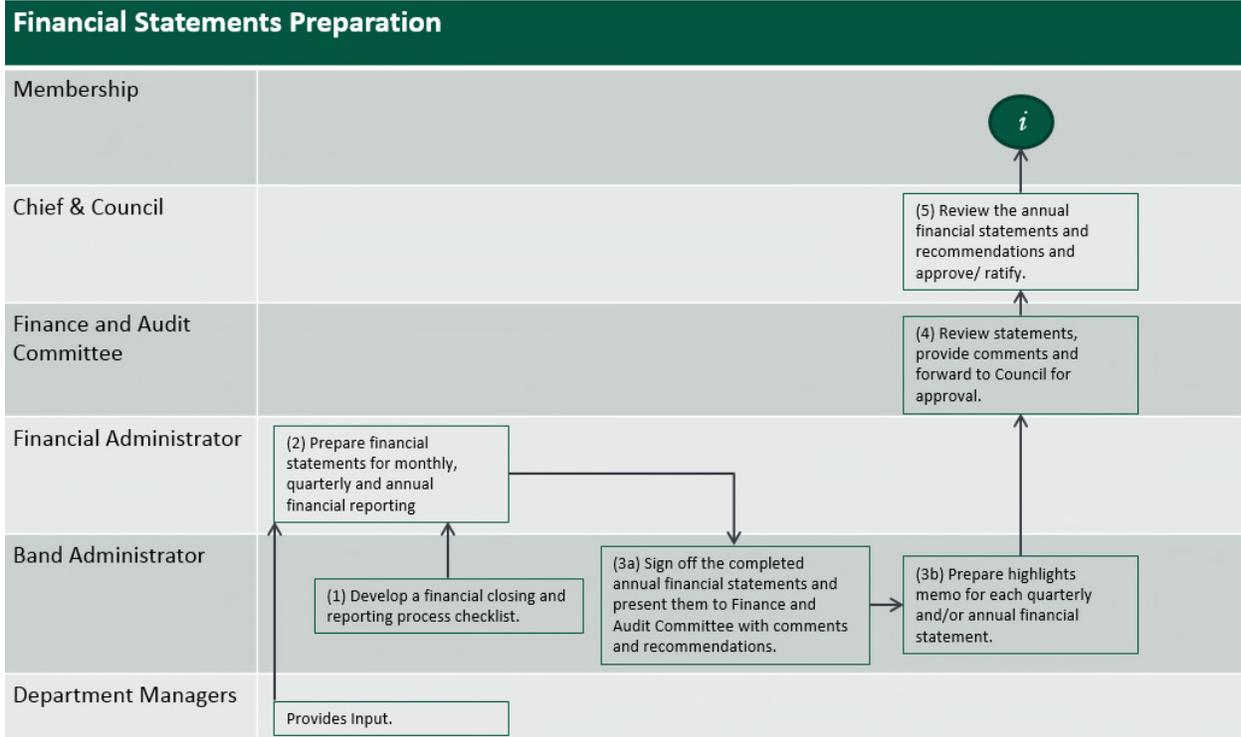
Fiscal Year

1. The fiscal year for the Gitsegukla Band is the period beginning on April 1 and ending on March 31 of the following year.

Annual Operations Report

1. The Council must prepare and publish an annual operations report within the earlier of 180 days after the fiscal year end, or the timeline specified in the FAL, that details the progress towards the financial and operational goals of the Band over the course of the prior fiscal year.
2. The annual operations report will contain, at a minimum, the following:
 - a) A description of the services provided by the Band and its operations;
 - b) A review of the Band's achievement towards its values, goals, and objectives;
 - c) A progress report on any established financial objectives and performance measures of the Band; and
 - d) The audited annual financial statements for the previous fiscal year, including any special-purpose reports prepared and approved.

3. An annual operations report will be made available to all members of the Gitsegukla Band at the principal offices of the Band, on the Gitsegukla Band website, as required by the Financial Administration Law, and provided to all Council members, the First Nations Financial Management Board, the First Nations Finance Authority, and other organizations as required no later than 180 days after the fiscal year end..
4. The Council must ensure that a remedy process is available to first nation members who have requested but have not been provided with the annual report of the first nation within the required timeframe.



References and Related Authorities

1. FMB's Financial Management System Standards
 - a) Standard 14.0 - Fiscal Year
 - b) Standard 19.6 - Financial Reporting Risks
 - c) Standard 20.0 - Financial Reporting
 - d) Standard 22.0 Annual Report
2. FMB's Financial Administration Law Standards
 - a) Standard 18.0 - Financial Reporting
 - b) Standard 20.0 - Annual Report

Attachments

None

10. EXTERNAL AUDIT

Manual: Finance Policy		No:	F01.10
Section:	General	Issued:	May 25, 2017
Issue to:	All Manual Holders	Page:	1 of 5
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

A qualified external auditor will be appointed to render an audit opinion on the annual financial statements (and special purpose reports, as applicable) of the Gitsegukla Band in accordance with Public Sector Accounting Standards as established by the Canadian Public Sector Accounting Board. The Band will appropriately prepare for the audit and ensure that the external auditor has the necessary access and authorities to complete their work.

Purpose

The purpose of this policy is to provide guidance on the appointment of an external auditor and the management of the annual audit process within the Band.

Scope

This policy applies to Council, the Finance and Audit Committee, the Band Administrator and the Financial Administrator and those personnel providing service within the financial administrative system.

Responsibilities

Council is responsible for:

- Appointing (re-appointing) an auditor meeting eligibility requirements and documenting the appointment with a council resolution;
- Specifying the basis for dismissing an auditor;
- Replacing an auditor who has been dismissed or who has resigned;
- Ensuring the engagement letter requires the auditor to confirm that the financial statements and the audit comply with the First Nations Financial Management Board standards, any relevant funding agreement requirements and all applicable laws;
- Approving and reviewing periodically the policies and procedures related to the external auditor's authority to receive the information and documents required to perform the audit function;
- Reviewing and approving the audited annual financial statement within 120 days after fiscal year end, and ensuring they are signed by those required in the Financial Administration Law – Financial Administrator, Chief, and Chair of the Finance and Audit Committee;
- Acting on recommendations from the Finance and Audit Committee related to the audit; and
- Ensuring Gitsegukla Band members' access to the audited financial statements and special purpose reports after they have been approved and signed as required in the Financial Administration Law.

The **Finance and Audit Committee** is responsible for:

- Providing oversight on the external audit and advising the council as required;
- Making recommendations to Council on the selection, engagement and performance of an auditor;
- Receiving assurances on the independence of a proposed or appointed auditor;
- Ensuring that the appropriate action is taken with respect to any communication from the external auditors;
- Approving the terms and conditions of the appointment of the auditor as set out in the engagement letter and ensuring that it includes the auditor's obligation to confirm that the annual financial statements and the audit of them comply with the Financial Administration Law, the *First Nations Fiscal Management Act* and the First Nations Financial Management Board Standards and any relevant funding agreements;
- Reviewing the draft annual financial statement from the Financial Administrator and presenting the statements to council within sixty days following the end of the fiscal year for which they were prepared;
- Reviewing and making recommendations to council on the planning, conduct and results of audit activities; and
- Reviewing and making recommendations to the Council on the audited annual financial statements, including the audited local revenue account financial statements and any special purpose reports.

The **Band Administrator** is responsible for:

- Directing and facilitating any notices regarding meetings concerning the annual audit or audited financial statements; and
- With the Financial Administrator, preparing the Auditor performance evaluation report.

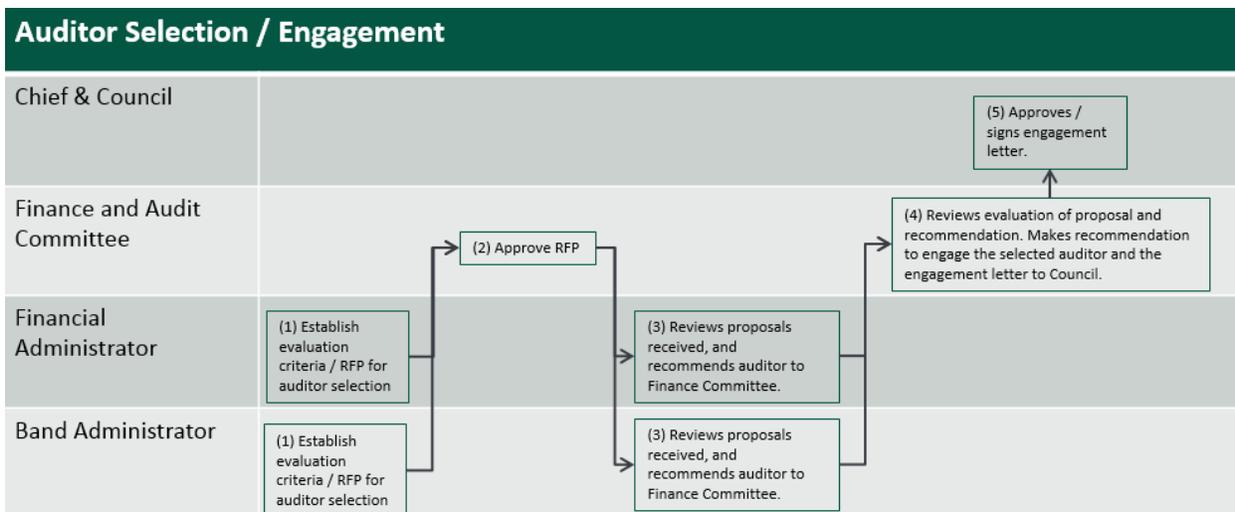
The **Financial Administrator** is responsible for:

- Overseeing, supervising, directing and facilitating requests for any information required by the auditor to carry out its audit responsibilities;
- Preparing and providing to the Finance and Audit Committee within forty-five days of the fiscal year end the annual financial statements and special purpose reports for the fiscal year in accordance with PSAS and any funding agreements;
- Facilitating the flow of account and other information and acting on auditor's requests during the audit;
- Ensuring the accounts are properly updated to reflect audit adjustments, the account balances are reconciled to the audit statements and schedules, and a proper year end closing of the accounts is completed; and
- With the Band Administrator, preparing the Auditor performance evaluation report.

Auditor Selection, Engagement and Performance

1. The Band Administrator and the Financial Administrator will establish evaluation criteria to be included in a Request for Proposal ("RFP") for the external audit which will be approved by the Finance and Audit Committee and include, at a minimum:
 - a) Independence from the Gitsegukla Band, its related bodies, Councillors and officers and members;

- b) In good standing with regulatory bodies (Chartered Professional Accountants of Canada) and their respective counterparts in the province or territory in which the firm or accountant is practising;
 - c) License to practice public accounting;
 - d) Depth of experience serving First Nations and other public-sector entities;
 - e) Other considerations as appropriate (i.e. funding agreement requirements).
2. The Finance and Audit Committee will review and approve the RFP before it is made public.
 3. The Finance and Audit Committee will review Management’s evaluation of the proposals and their recommendation. The Finance and Audit Committee may approve the recommendation or may ask for additional information, including an in-camera (i.e. without management) interview with the recommended Auditor.
 4. Upon approval, the Finance and Audit Committee will recommend the engagement of the selected Auditor and the engagement letter to Council.



5. Council will review the engagement letter with the Auditor selected to ensure it contains the content required by the Financial Administration Law and any other applicable requirements, and will proceed to sign the engagement letter in accordance with the Band’s approved signing authorities and ensure that it is delivered to the Auditor.
6. Annually at the conclusion of the audit, the Band Administrator and Financial Administrator will prepare a performance evaluation report of the Auditor’s activities, along with any Management recommendations, and present the report to the Finance and Audit Committee.
7. The Committee will review the Auditor performance evaluation and recommendations and take necessary steps as appropriate.
8. On a periodic basis, the Finance and Audit Committee and Council will review the engagement of the external auditor and determine whether an RFP should be initiated for a new auditor.

Auditor Independence

1. The Finance and Audit Committee will ensure that Gitsegukla Band Council has received a letter from the Auditor, before the audit is finalized, in which the Auditor confirms their continued independence.

Audit Planning

1. The Finance and Audit Committee will meet with the Auditor before commencement of the annual audit to review the proposed audit plan, to make any requests or to provide any feedback that the Auditor should consider when finalizing the plan and conducting the audit.
2. The Finance and Audit Committee will submit the finalized audit plan along with any recommendations, to Council for approval.

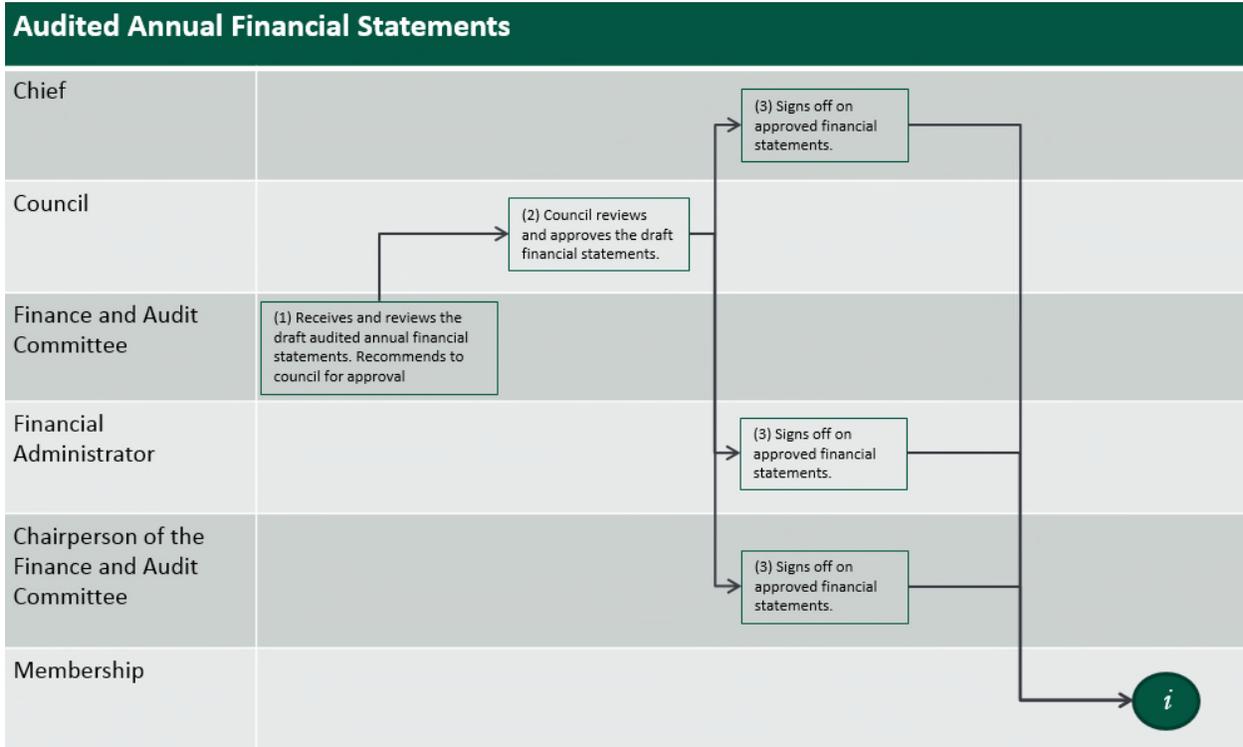
Preparations for the Audit

1. The Financial Administrator will keep the auditor apprised and discuss in advance of the audit of any significant accounting issues, developments or changes for the Gitsegukla Band Council that could have an impact on the audit and the audit report.
2. Prior to fiscal year end, the Financial Administrator will issue instructions to the finance and accounting staff concerning fiscal year end procedures to help ensure the accuracy and completeness of the Band Council's financial statements and disclosures.
3. Additionally, finance staff, under the direction of the Financial Administrator, will commence preparation before fiscal year end of necessary schedules and working papers for audit according to the audit work plan. This will also include preparation of third party confirmation letters, bank confirmations, and account balance reconciliations.
4. Issues arising or communicated in a mid-year review (if applicable) by the auditor will be discussed with the Finance and Audit Committee for recommended resolution. The instructions for preparation of the Band's financial statements will take into account any such resolutions.
5. The Finance and Audit Committee will be informed of any issues that could affect the audit (e.g. where the auditor believes a change in the terms of the engagement may be warranted).

Audited Annual Financial Statements

1. The Finance and Audit Committee will receive and review the draft audited annual financial statements, including any special purpose reports and the Local Revenue Account financial statements.
2. The Committee will satisfy itself that:
 - a) The audit has been completed according to the plan;
 - b) The financial statements are fairly presented according to PSAS;
 - c) The auditors have provided an opinion on the financial statements and an opinion or review of any special purpose reports as required by the Band's Financial Administration Law;
 - d) There are no significant unresolved issues.
3. The Committee will meet with the Auditor to review the draft audited financial statements. To ensure sound governance, the committee will meet with the auditor 'in camera' (without the Gitsegukla Band Management team) for a part of the meeting.
4. When satisfied with its review of the draft audited financial statements and the resolution of any audit issues, the Finance and Audit Committee will recommend the draft audited financial statements to Council for approval. The audit will be completed prior to July 29th annually based on federal reporting requirements.
5. Before publishing the audited financial statements, the following approvals are required:
 - a) Approval of council; and
 - b) Approval by signature from all of the following:

- The Chief of the Gitsegukla Band;
- The Chairperson of the Finance and Audit Committee; and
- The Financial Administrator.



References and Related Authorities

1. FMB's Financial Management System Standards
 - a) Standard 21.0 Audits
2. FMB's Financial Administration Law Standards
 - a) Standard 10.5.2 Audit Functions
 - b) Standard 19.0 Audits

Attachments

None

11. DEBT

Manual: Finance Policy		No:	F01.11
Section:	General	Issued:	May 25, 2017
Issue to:	All Manual Holders	Page:	1 of 5
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

All proposals for funding through long-term debt obligations will be submitted to the Finance and Audit Committee for review and recommendation and to Council for review and approval and will be supported by a financing proposal. Long-term debt obligations will be recorded, monitored, reconciled and reported to Council quarterly through the Finance and Audit Committee and any exceptions or issues identified and resolved.

Purpose

The purpose of this policy is to establish an effective and accountable borrowing framework for the Band.

Scope

This policy applies to the Band Administrator, Financial Administrator, Finance and Audit Committee, Council, and those persons with the authority to recommend or approve long-term debt.

Responsibilities

Council is responsible for

- Reviewing and approving any proposed long-term debt financing, including the terms and conditions, recommended by the Finance and Audit Committee.

The **Finance and Audit Committee** is responsible for

- Reviewing any long-term debt financing proposal report presented by the Band Administrator and Financial Administrator and recommending a course of action to Council;
- Monitoring borrowings, loans and payments in respect of each capital project.

The **Band Administrator** is responsible for

- Reviewing any long-term debt financing proposal report prepared by the Financial Administrator and recommending a course of action to the Finance and Audit Committee.

The **Financial Administrator** (in conjunction with the Tax Band Administrator for local revenue account related debts) is responsible for

- Preparing any long-term debt financing proposal report for each proposed financing and presenting it to the Band Administrator for review and comment,
- Ongoing monitoring and management of all long-term debt obligations, including timely payments, maintaining sufficient documentation, and performing regular reconciliations of debt transactions, and

- Reporting and disclosing the long-term debt obligations in the financial statements in accordance with PSAS, the Financial Administration Law and any agreements under which the long-term debt obligations were incurred.

Procedures

Determination of need and evaluation of options

1. The Band Administrator and Financial Administrator will document the requirement for the Band to incur a long-term debt obligation by examining the strategic plans, multi-year financial plan, annual budget, current financial situation, and any planned activities requiring funding. Once the need and amount of funding required is determined, the Financial Administrator will work with the Band Administrator to outline the various financing options available to the Band.
2. The Financial Administrator (and members of the finance team under the supervision of the Financial Administrator as appropriate) will prepare a long-term debt financing proposal report which includes the following:
 - a) Need for financing and alternatives considered;
 - b) Evaluation of available financing options;
 - c) Recommended financing option;
 - d) Proposed security for the financing option;
 - e) The purpose, use and application of funds;
 - f) Description of re-payment plans based on cash flow analysis;
 - g) Linkage to the Band's integrated planning process, including the strategic plan, multi-year financial plan, annual budget, and cash flow statements;
 - h) Identification of any provisions in the Financial Administration Law or in any other applicable law that limits debt which can be incurred by the Band or that imposes requirements or conditions which must be met before debt may be incurred;
 - i) Requirement for consultation with members of the Band before any capital project-related debt is incurred by the Band.
3. The Financial Administrator will consider at least the following for each financing alternative identified in the report:
 - a) Impact on future budgets and projected cash flow;
 - b) The cost to the Band;
 - c) Level of risk involved (i.e. covenant risks, refinancing, earnings dilution, interest rate risk, project completion risk);
 - d) The Band's ability to service the long-term debt and repayment schedules;
 - e) An analysis of the terms and conditions and how these would impact the Band;
 - f) Any financial reporting implications.
4. The Band Administrator will review and approve the content of the long-term debt financing proposal report prepared by the Financial Administrator, including a recommended course of action to the Finance and Audit Committee.
5. The Band Administrator will obtain concurrence from legal counsel on the long-term debt financing proposal.

Approval

1. The Band Administrator and Financial Administrator will present the long-term debt financing proposal report to the Finance and Audit Committee for their review. The Finance and Audit Committee will review the report and make a recommendation to Council on whether to incur the long-term debt and which option it recommends.
2. Council will review the long-term debt financing proposal report and accompanying recommendations. Subject to the Financial Administration Law, Council will vote on whether to approve the requirement for entering into a long-term debt obligation. If the requirement to incur debt is approved, Council must also approve, through a Council Resolution, the terms and conditions of the long-term debt financing option that will be used.

Management and monitoring of debt obligations

1. The **Council** will manage and monitor the long-term debt obligation by:
 - a) Ensuring the multi-year financial plan of the Band demonstrates how and when this deficit will be addressed and how it will be serviced;
 - b) Ensuring the deficit does not have a negative impact on the credit worthiness of the Band; and
 - c) Ensuring that any financial covenants contained in lending agreements are reported upon to the appropriate stakeholders in a timely manner.
2. The **Financial Administrator** will manage and monitor the long-term debt obligation by:
 - a) Ensuring that timely payments are made according to the terms and conditions/repayment schedule of the long-term debt obligation;
 - b) Performing quarterly reconciliations between the Band's financial records and statements from the lender; and
 - c) Calculating any financial covenants contained in lending agreements and evaluating whether compliance with the terms of the covenants have been met.

Reporting

1. The Band Administrator will deliver a report to each meeting of the Finance and Audit Committee summarising for every long-term debt obligation:
 - a) The gross amount outstanding;
 - b) The amounts issued specifically by the Band on behalf of government business enterprises;
 - c) The net amount reported on the consolidated statement of financial position;
 - d) the gross interest paid or payable for the period related to the debt described in (a);
 - e) The interest revenue for the period received or receivable from government business enterprises on debt issued specifically by the government on behalf of government business enterprises; and
 - f) the net amount of interest expense reported on the consolidated statement of operations.
2. The Financial Administrator will ensure that the long-term debt obligation is reported to the Finance and Audit Committee on a quarterly basis in the financial statements in accordance with PSAS and any requirements of the Financial Administration Law.

Records management

1. The Financial Administrator will ensure that records pertaining to every long-term debt obligation are created, maintained and retained in accordance with the Records Management Policy. For every long-term debt obligation, the following will be documented:
 - a) The loan agreement and any ancillary agreements;
 - b) The long-term debt financing proposal report on which council based its decision;
 - c) Documented council approval and required membership information or involvement;
 - d) An interest and principal repayment schedule (if applicable) that includes the dates of all payments required under the loan agreement or plan for extinguishing the debt;
 - e) The cost of borrowing including interest payments and service or other charges;
 - f) The purpose for which the long-term debt has been incurred;
 - g) Reconciliations of the long-term debt with lender records.

References and Related Authorities

1. FMB's Financial Management System Standards
 - a) Standard 18.5 - Debt
2. FMB's Financial Administration Law Standards
 - a) Standard 16.3 - Borrowing

Attachments

None

12. FINANCIAL INSTITUTION ACCOUNT AND CASH MANAGEMENT

Manual: Finance Policy		No:	F01.12
Section:	General	Issued:	
Issue to:	All Manual Holders	Page:	1 of 5
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

It is Council's policy to establish effective and efficient controls for all banking activities and financial service agreements with Financial Institutions.

Purpose

The purpose of this policy is to specify authorities and responsibilities over banking activities including signing and approval authorities, opening and closing of accounts, processing transactions, borrowing funds. It is also to ensure that all financial institution accounts be operated solely for the identified purposes and by properly authorized persons, be reconciled in a timely manner, be independently reviewed and approved, be properly recorded in the book of accounts, be reported in the Band's financial statements, and that records be maintained of all financial institution transactions.

Scope

This policy and procedure applies to Council, the Band Administrator, Financial Administrator, and any other Band employee who has been assigned financial institution account responsibilities.

Responsibilities

Council is responsible for:

- Approving the addition or the removal of authorized signatories for each financial institution account used by the Band;
- Designating the Financial Institutions that the Band may conduct banking activities with; and
- Approving the establishment of an operating line of credit or overdraft account.

The **Finance and Audit Committee** is responsible for ensuring significant irregularities or unusual reconciling items are investigated.

The **Financial Administrator** is responsible for:

- Representing the Band in dealing with Financial Institutions;
- Approving financial service agreements with Financial Institutions;
- Controlling the opening, maintenance and closing of any of the Band bank accounts;
- Assigning banking duties and ensuring that adequate segregation of duties is maintained;
- Ensuring physical safeguards are implemented over any handling of cash and blank cheques;
- Ensuring all money received by the Band is deposited as soon as practicable into the appropriate accounts described;
- Reviewing and approving monthly bank reconciliations for each financial institution account;

- Ensuring that a reconciliation is performed each month for every financial institution account;
- Documenting and alerting the Finance and Audit Committee of any irregularities in the reconciliation process;
- Monitoring and forecasting the Band's cash position; and
- Managing the Band's short-term liquidity and working capital including credit line facilities.

The **Accountant / Finance staff / Clerk(s)** is /are responsible for:

- Recording revenue deposited in the accounting system; and
- Ensuring all anticipated recurring deposits have been received. The accountant will alert the Financial Administrator when expected receipts have not been received.

The **Employees assigned banking duties by the Financial Administrator** are responsible for:

- Receiving cheques and cash;
- Preparing cheques and cash for deposit to the appropriate financial institution account; and
- Reconciling petty cash accounts on a regular basis.

The **Employee designated by the Financial Administrator** to prepare financial institution account reconciliations is responsible for:

- Preparing a reconciliation for each of the Band's financial institution accounts;
- Ensuring that supporting documentation and records are retained for each reconciliation; and,
- Alerting the Financial Administrator of any irregularities.

Procedures

Financial institution account management

1. The Financial Administrator maintains correspondence and official documents relating to the opening, maintenance, and closing of all financial institution accounts.
2. The Financial Administrator is the Band's primary representative in dealing with Financial Institutions and at least annually provides the designated financial institution representative with necessary financial reporting information and updates on the Band operations and forecasts in order for the Financial Institutions to respond to the Band's financial service requirements.
3. The Financial Administrator is the only individual authorized by Council to negotiate financial service agreements on behalf of the Band.
4. The Financial Administrator will develop a clear description of the purpose of each financial institution account and provide it to all employees who are responsible for depositing funds or reconciling the accounts.
5. The list of individuals with authorized signing authorities for each financial institution account will be maintained by the Band Administrator. All changes to signing authorities must be approved by Council.
6. Online financial institution access will be permitted and controlled as follows:
 - a) the employee performing account reconciliations will be granted read-only access to the account he/she has been assigned to reconcile;
 - b) only employees with signing authority will be provided with online banking access to perform transactions;
 - c) transaction completion activities, such as electronic funds transfers, will be controlled in a similar manner as cheques. Two employees will be required to approve each transaction. Each employee will have a separate login and individual password.

Cash receipts

1. The person recording cash receipts in the general ledger will not be the same individual making the deposit at the financial institution or the individual performing the bank reconciliation.
2. Cheques received by direct mail will be recorded in a receipt log and endorsed (stamped) as “for deposit only” by a designated person. The log will include the date, source amount and reason for payment.
3. The person making the deposit at the financial institution provides the remittance / deposit book to the Finance Department person responsible for accounts receivable.
4. The cheque receipts log will be delivered to the designated employee within the Finance Department responsible for accounts receivable. This person will reconcile the remittance / deposit slip and the cheque receipts log.
5. Cash received will be recorded in a duplicate receipt book. One copy will be provided to the payee submitting the cash and the other will be forwarded to the Finance Department person responsible for accounts receivable.
6. All cash received will be stored in the Band’s safe or locked cabinet until it can be deposited in a financial institution account. Access to the secure storage should be limited to the employee responsible for making deposits.
7. Cash will be deposited once the total amount received reaches \$1,500 or on a weekly basis, whichever occurs first.
8. A list of anticipated ongoing deposits will be maintained and reviewed on a monthly basis. Any expected deposits that have not been deposited in the financial institution account(s) will be reported by the accountant to the Financial Administrator immediately.

Petty Cash

1. A limited number of petty cash accounts as determined by the Financial Administrator and based on business needs will be created to pay for small items when payment by cheque is not practical or possible; however, every effort will be made to pay by cheque or electronic transfer. Petty cash will be managed as follows:
 - a) the creation of a petty cash account must be approved by the Financial Administrator;
 - b) the total amount of the fund will not exceed \$500;
 - c) the maximum transaction that can be paid using petty cash will not exceed \$25;
 - d) the person responsible for the security of the fund will maintain an activity log, supporting documentation, and reconciliation;
 - e) petty cash reconciliations will occur monthly;
 - f) petty cash funds and supporting documentation (vouchers, receipts) must be kept in a safe location (locked drawer or safe); and
 - g) accounts payable will replenish the petty cash fund only with complete documentation and a completed petty cash fund reconciliation.

Cheque stock

1. All blank cheque stock will be stored in a locked cabinet or safe with controlled or limited access.
2. Cheque stock should be sequentially pre-numbered.
3. No accounts payable personnel, or the person authorized to print out cheques, shall be authorized to sign cheques or approve money transfers.

4. No one person or employee will be allowed to enter invoices, select invoices for payment and then print and sign cheques. At minimum, this process requires at least two individuals to ensure a minimum segregation of duties.
5. Cheque signers will not sign blank cheques under any circumstances.
6. Signature plates and signature stamps shall be stored in a locked cabinet or safe at all times other than when printing cheques.

Credit Lines

1. The Financial Administrator will authorize the draw down on any line of credit or overdraft facilities.

Opening a Financial Institution Account

1. A written request to open a new financial institution account must be reviewed and approved by the Financial Administrator and must include the purpose of the account.
2. Once the financial institution account has been approved, the Financial Administrator or designate prepares an account inventory form, which includes the following elements:
 - a) Name of account;
 - b) Instructions regarding purpose of account;
 - c) Names of signatories and authority limits;
 - d) Address where all statements and correspondence is to be sent; and
 - e) The contact person or department at the financial institution.
3. The account establishment letter must be signed by any two of the following: the Band Administrator, the Financial Administrator and any Councillor with signing authority.
4. The financial institution accounts will be created such that all non-deposit transactions (such as cheques, electronic transfers, etc.) require two signatures for approval according to the Delegated and Assigned Responsibilities Policy.
5. Once the financial institution account is opened, the Financial Administrator notifies the appropriate Finance Department personnel to activate the account in the general ledger.

Closing a Financial Institution Account

1. A written request to close a financial institution account must be reviewed and approved by the Financial Administrator.
2. The request to close must include:
 - a) Name of account;
 - b) Financial institution account number;
 - c) Closing bank balance and statement; and
 - d) Approval by appropriate personnel
3. Upon approval, a financial institution account closing letter will be prepared and delivered to the financial institution with instructions to transfer any remaining account balance. The letter will be signed by at least two authorized signatories of the Band.
4. Once the financial institution account has been closed, the Financial Administrator notifies the appropriate Finance Department personnel to deactivate the account in the general ledger.

Account Reconciliation

1. Each of the Band's financial institution accounts will be reconciled to the accounting system records on a monthly basis within 5 business days of the end of the month.
2. Reconciliation records will be retained. Documentation to support the amounts recorded on the reconciliation, such as accounting system general ledger reports, financial institution statements, outstanding cheque reports, etc., will be included in the reconciliation file.
3. The employee preparing the financial institution account reconciliation will monitor and investigate adjustments that carry over from month to month.
 - a) Outstanding cheques will be monitored and any cheques outstanding for more than four months will be investigated with the employee responsible for preparing cheques (i.e. Accounts Payable) to determine whether the cheques remain valid or if they should be stale-dated;
 - b) In transit deposits will be investigated immediately if not cleared by the financial institution within one week; and
 - c) Unusual, or unresolved entries that carry over for more than one month, will be reported to the Financial Administrator.
4. The employee preparing the reconciliation will sign it as evidence that the reconciliation is complete and that they have carried out their duties as described in this policy.

Independent Review

1. The Financial Administrator will review and approve each financial institution account's monthly reconciliation for completeness, timeliness and accuracy. The Financial Administrator will review to ensure the following:
 - a) The reconciliation balances;
 - b) All amounts recorded on the reconciliation are appropriately supported by documentation such as financial institution statements and financial system reports;
 - c) Adjustments are reasonable, routine in nature (e.g. financial institution fees), supported by documentation, and are not carried over for multiple months on the reconciliation; and
 - d) Unusual adjustments are well explained, supported, and, if material in nature, are brought to the attention of the Finance and Audit Committee.
2. The Financial Administrator performing the independent review will sign and date the reconciliation to indicate they have carried out their duties as described in this policy.

Irregularities

1. Irregularities, such as significant reconciliations that do not balance or unusual adjustments, will be reported by the Financial Administrator to the Finance and Audit Committee as soon as practical.

References and Related Authorities

1. FMB's Financial Management System Standards
 - a) Standard 18.1 – Financial Institution Accounts
 - b) Standard 18.2 – Account Deposits
 - c) Standard 18.3 – Financial Institution Account Reconciliation
2. FMB's Financial Administration Law Standards

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- a) Standard 16.1 – Funds and Revenues
 - b) Standard 16.2 – Expenditures

Attachments

Appendix Q – Financial Institution Account Reconciliation Template

13. LOANS, RECEIVABLES, GUARANTEES

Manual: Finance Policy		No:	F01.13
Section:	General	Issued:	May 25, 2017
Issue to:	All Manual Holders	Page:	1 of 6
		Replaces:	
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Policy

The Band will ensure that any loans receivable, loan guarantees and indemnities given will be made in accordance with written agreements which include standard clauses, are appropriately approved, are monitored for compliance with agreement terms regularly, and are reported to the Finance and Audit Committee on a regular basis. Any loans receivable entered into between the Band and a Band member or an entity in which a member of the Band has an interest must be part of a loans receivable program approved by Council which is universally available to all members in a fair and transparent manner and in accordance with published terms and conditions which are accessible to all members.

Purpose

The purpose of this policy is to provide the Band with an effective and transparent process for the approval, collection and documentation of loans receivable, loan guarantees and indemnities given by the Band as authorized in its Financial Administration Law.

Scope

This policy and procedure applies to loans receivable, loan guarantees and/or indemnities entered into between the Band and:

- a) a Councillor;
- b) a Finance and Audit Committee member;
- c) an employee of the Band;
- d) a Band member or entity in which a Band member has an interest; and
- e) any other third party whether an individual or business entity including government business enterprises.

Responsibilities

Subject to the Financial Administration Law, **Council** is responsible for:

- Approving and signing loan receivable agreements;
- Approving and signing loan guarantee agreements;
- Approving and signing indemnity agreements;
- Approving debt forgiveness for amounts exceeding \$1,000;

- Approving the standard template, clauses, and interest rates (if applicable) to be applied to all Band members, any entity in which a member of the Band has an interest or any other party with respect to loans receivable, loan guarantees and indemnities; and
- Reviewing the report of the Financial Administrator and the Finance and Audit Committee for a lending program to members where such program is authorized in the Financial Administration Law and, where appropriate, approving such program.

The **Finance and Audit Committee** is responsible for:

- Reviewing a report made by the Financial Administrator respecting a lending program to members and making any recommendations to Council;
- Monitoring the status of Band's loans receivable, loan guarantees and indemnities and reporting to the Council; and
- Monitoring the administration of any Council approved program of lending to members and any amendments thereof.

The **Band Administrator** is responsible for:

- Approving employee payroll and employee expense advances;
- Ensuring the lending, loan guarantee and indemnity process is transparent by providing Band members access to the requirements, standard terms and conditions;
- Ensuring the publication of the terms and conditions of any Council approved program of lending to members, providing access to the published program by all members and administering the program; and
- Approving the loan forgiveness report.

The **Financial Administrator** is responsible for:

- Reporting to the Council, any risks associated with entering into a new program of loans to be made to members or entities in which members have an interest and the costs of administering such a program;
- Preparing loan, loan guarantee and indemnity agreements using the standard clauses approved by Council;
- On a monthly basis, monitoring the status of loan repayments, overseeing the loan receivable collection procedures, evaluating the likelihood of collectability and risk of loss, approving any necessary loan valuation allowances to reflect loans receivable at the lower of cost and net recoverable value and reporting the results of this monitoring to the Finance and Audit Committee;
- On a monthly basis, preparing the loan valuation allowance, write-off and forgiveness report;
- Ensuring that loan receivable allowances and loan receivable write-offs and loan forgiveness are reported to the Finance and Audit Committee and accurately recorded and disclosed in the financial records and statements;
- Ensuring adequate supporting documentation is retained for all loans receivable, loan guarantees and indemnities;
- On an annual basis, preparing a report for the Finance and Audit Committee setting out all payments made to honor the Band's loan guarantees and indemnities; and
- On an annual basis, preparing a report for the Finance and Audit Committee setting out all loans or obligations forgiven by the Band.

Procedures

Requirements

1. Subject to the Financial Administration Law, any Loan guarantees will only be granted in the following circumstances:
2. The amount of the 'housing' loan guarantee must not exceed \$150,000. Loan guarantees will be approved by Council upon consideration of the report of the Financial Administrator. Approval will be enacted by signing the agreement with the individual requesting the loan guarantee and will only be granted if the risk of non-payment or non-fulfillment of an obligation is at an acceptable level for the Band.
3. The report from the Financial Administrator must identify any risks associated with giving the 'ministerial' loan guarantee, evaluate the likelihood of having to honour and make payments under the guarantee, describe information collected and any judgments or estimates used to make these evaluations and assess the financial ability of the Band to honour the loan guarantee should it be required to do so.
4. A binding legal agreement will be made between the Band and individual requesting the loan guarantee. The agreement will contain standard clauses that are consistently applied to every individual that applies for and secures a loan guarantee from the Band. The following items, at a minimum, will be present in the agreement:
 - a) Name of the individual;
 - b) Amount of the loan guarantee;
 - c) Duration of the loan guarantee agreement;
 - d) Amount, maturity and repayment terms of the underlying loan or obligation; and
 - e) Purpose and use of the underlying loan (e.g. details of the asset being acquired or leased or investment being made).
5. Approval will be enacted by signing the agreement with the individual requesting the loan guarantee.
6. The Band will obtain a copy of the legal agreement requiring the issuance of a loan guarantee and retain on file with the loan guarantee agreement.
7. In exceptional circumstances only, indemnities will be granted in the following circumstances to be determined by the Band:
 - a) The Band must not give an indemnity unless it is:
 - Authorized to do so under the Financial Administration Law ("FAL");
 - Necessary and incidental to and included in another agreement to which the Band is a party; or
 - In relation to a security granted by the Band that is authorized under the Financial Administration Law.
 - b) The Band will obtain a copy of the asset agreement under loan guarantee and retain on file with the loan guarantee agreement.
8. Employees are prohibited to receive a payroll advance from the Gitsegukla Band.
9. Employees may request an advance for valid out-of-pocket expenses that will be incurred within the current fiscal year and that will ultimately be reimbursed by the Band in accordance with the current expense policy. Amounts up to \$5000 can be approved by the Band Administrator, while amounts over \$5,000 require approval of Council.

10. Standard agreement clauses for loans, loan guarantees, and indemnities (including interest provisions) will be reviewed and reported on by the Finance and Audit Committee and approved by Council as necessary and at least annually. Any deviations from the standard agreement clauses require Council approval and consultation with legal counsel.

Leases

1. Lease agreements respecting the Gitsegukla Band must be made in accordance with the land code or applicable land management laws and policies.

Accessibility

1. Subject to the Financial Administration Law, all members must be able obtain a loan from the Band subject to any conditions outlined in this policy.
2. The Band Administrator will ensure that the requirements to obtain a loan, loan guarantee or indemnity, as well as the standard terms and conditions of these agreements are accessible to all Band members. This information will be available to all members who request a copy from the local office either in person, by phone or by email.

Collection

1. On a monthly basis, the Financial Administrator will review the list of outstanding loans receivable and corresponding loan payments. The following actions will be taken to resolve overdue payments and delinquent accounts:
 - a) For loan payments that are between 30 and 60 days overdue, the individual holding the loan will be contacted in writing requesting that all overdue payments be made as soon as possible and no later than a specified date;
 - b) For loan payments that are more than 60 days overdue, late payment interest will be charged on the outstanding loan balance in accordance with the loan agreement between the individual and the Band. The individual will be contacted in writing and by phone and informed that interest will accumulate until all overdue payments have been received. Contact by writing and by phone will be made on a monthly basis thereafter if payment has not been received;
 - c) For loan payments that are more than 120 days overdue, the Financial Administrator will determine whether the loan should be considered impaired and written off or sent to an external collections agency. The Financial Administrator (or delegate) will inform the individual in writing and by phone that the payments in arrears have been transferred to an external agency for collection;
 - d) Any additional financing arrangements or amendments to existing loan agreements to improve the likelihood of repayment between the Band and an individual with payments in arrears will be determined by the Financial Administrator and approved by the Band Administrator.

Monitoring and Reporting

1. All loans, loan guarantees, and indemnities will be reported annually to the Finance and Audit Committee. The annual report will contain the following information for each loan, loan guarantee, and indemnity:
 - a) Subject to applicable privacy law, name of the individual;
 - b) Purpose of the loan, loan guarantee or indemnity;
 - c) Amount of the original loan, loan guarantee or indemnity;

- d) Repayments of principal on loans;
- e) Interest earned and collected on loans;
- f) Actual payments made, if any, against loan guarantees;
- g) Actual payments made to compensate for damages, if any, against indemnities;
- h) List of payments in arrears by individual, subject to applicable privacy law; and
- i) Any expected payments required as a result of the Band having to fulfill or honour a guarantee or indemnity agreement based on the Financial Administrator's knowledge of the contracts in place and changes in their underlying financial condition.

Record Keeping

1. All agreements and payment records associated with loans, loan guarantees and indemnities will be stored in the Band's financial records.
2. Records of debt forgiveness will be retained in the event that in future, through changed circumstances, some or all of the debt may be repaid.

References and Related Authorities

1. FMB's Financial Management System Standards
 - a) Standard 19.2.1 - Compliance with FAL
 - b) Standard 19.2.2 - Additional policies
 - c) Standard 19.2.3 - Policy content
 - d) Standard 19.2.4 - Records procedure
2. FMB's Financial Administration Law Standards
 - a) Standard 17.2 - Guarantees and indemnities
 - b) Standard 17.4 - Lending

Attachments

None

14. INVESTMENTS

Manual: Finance Policy		No:	F01.14
Section:	General	Issued:	
Issue to:	All Manual Holders	Page:	1 of 4
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

It is Council's policy that Band's investments will be managed and administered in a manner to preserve capital and generate sufficient income and growth to meet the Band's operational or strategic objects.

Purpose

The purpose of this policy is to provide a framework for management of the Band's investments to achieve short and long term operational and strategic objectives within an acceptable level of risk.

Scope

This policy and procedure applies to Council, the Finance and Audit Committee, the Band Administrator and the Financial Administrator.

Responsibilities

Council is responsible for:

- Determining the Band's short and long-term investment objectives;
- Determining allowable uses of available funds;
- Approving preliminary risk assessment of funds;
- Selecting / de-selecting investment manager(s) and custodian(s);
- Approving the creation of an investment account;
- Approving funds to be invested; and
- Approving the redemption of invested funds.

The **Finance and Audit Committee** is responsible for:

- Providing Council with recommendations in relation to the funds to be invested;
- Monitoring performance; and
- The redemption of invested funds.

The **Band Administrator** is responsible for:

- Monitoring the performance of all parties to whom duties have been delegated;
- Reporting any significant changes to the investment portfolio to Council;
- Liaising with the Finance and Audit Committee, Investment Manager, Financial Administrator, and Investment Consultants as required; and
- Providing the Finance and Audit Committee with recommendations in relation to preliminary risk assessment of funds, selection / de-selection of the investment manager(s) and custodian, funds

to be invested, monitoring performance, rebalancing portfolios, and the redemption of invested funds.

The **Financial Administrator** is responsible for:

- Analysis of proposals received from Investment Managers and Custodians;
- Performing a preliminary risk assessment analysis against criteria to be met prior to investing decisions are made by Council;
- Overseeing rebalancing of the investment portfolios asset mix according to Council instructions;
- Executing transfers of funds to / from the investment account(s) according to Council instructions;
- Preparing an accounting for additions, withdrawals and balances in the investment account;
- Maintaining a record of the amount of, and market value of, the asset classes and units held within the investment portfolio; and
- Preparation of a quarterly investment monitoring report including investment performance and a summary of professional advisory fees attributed to the management of the portfolio; and
- Recommending transfers, rebalancing, monitoring actions, Investment Manager changes, and any other recommendations relevant to the successful management of the investments.

Procedures

Selection of Investment Manager(s) and Custodian

1. Council will select the Investment Manager(s) and Custodian. The Financial Administrator may review and analyze the proposals, or Council may engage an independent consultant to facilitate the selection process of Investment Manager(s) and Custodian.
 - a) Investment Manager(s) proposals will be analyzed using a number of criteria including: experience, qualifications, investment management style, costs, past performance, volatility of returns, and any other criteria identified by Council; and
 - b) Custodian proposals will be analyzed based on experience, security, service and fees.
2. A Custodian agreement and Investment Management agreement(s) will be entered into by the Band. Agreements must be consistent with this policy and procedure, and must facilitate execution of the short and long-term investment strategies. The agreements must be entered into before any funds are transferred into the investment account(s).

Termination of Investment Manager(s)

1. Council may terminate an Investment Management agreement for:
 - a) performance results;
 - b) changes in the Band or its investment strategy which would no longer require the services of an Investment Manager;
 - c) changes in Investment Manager personnel, firm or ownership structure, investment philosophy, style or approach which might adversely affect the potential return and / or risk level; and
 - d) failure to adhere to this policy and procedure.

Designation and transfers of investment funds

1. The Financial Administrator will notify Council in writing when there is Band funds available for transfer to the investment account(s). The written notification must identify the source(s) of the

available funds (i.e. government transfer, local revenues, or unrestricted) and whether they are to be invested according to the short-term or long-term strategy.

2. Council must approve the transfer of funds to and from the investment account(s) and authorize the creation of a new investment account if required.
3. The Financial Administrator will transfer the approved funds into the designated investment account(s) and communicate to the Custodian and Investment Manager whether the funds are restricted or unrestricted, and whether they are to be invested over the short term or long term.
4. The Financial Administrator will communicate and oversee approved requests to redeem investments and transfer the proceeds to the Band.

Permitted Investments

1. Restricted funds may only be invested in:
 - a) securities issued or guaranteed by Canada or a province;
 - b) securities of a local, municipal, or regional government in Canada;
 - c) investments guaranteed by a bank, trust company or credit union;
 - d) deposits in a bank or trust company in Canada or non-equity or membership shares in a credit union; or
 - e) securities issued by the First Nations Finance Authority.
2. Unrestricted funds may be invested in:
 - a) securities issued or guaranteed by Canada, a province or the United States of America;
 - b) fixed deposits, notes, certificates and other short-term paper of, or guaranteed by a financial institution including swaps in United States of America currency;
 - c) securities issued by the First Nations Finance Authority or by a local, municipal or regional government in Canada;
 - d) commercial paper issued by a Canadian company that is rated in the highest category by at least two (2) recognized security-rating institutions;
 - e) any class of investments permitted under an Act of any province relating to trustees;
 - f) any other investments or class of investments prescribed by a regulation under the Act;
 - g) a company that is incorporated under the laws of Canada or of a province or territory and in which the Band is a shareholder;
 - h) a trust in which the First Nation is a beneficiary;
 - i) a limited partnership in which the Band is a partner; and
 - j) subject to the Financial Administration Law, a member investment program as described in section 64 of the Law.

Monitoring of Investments

1. The Financial Administrator will reconcile the investment and custodian accounts to the general ledger and financial statements in a timely manner (either monthly or quarterly).
2. The Financial Administrator will recalculate the investment management and custodian fees charged to ensure they are consistent with the underlying contracts.

3. The Financial Administrator will prepare a quarterly monitoring report and provide that report to the Band Administrator. The report will summarize:
 - a) The performance of the investments under management to relevant benchmark(s);
 - b) The weighting of the investment portfolio and comparison to the target portfolio asset allocation;
 - c) Any relevant media or news articles about the Investment Manager and / or Custodian;
 - d) Any ownership and / or staffing changes within the Investment Manager organization;
 - e) Any instances of non-compliance with the FSMA, the Financial Administration Law, or this policy and procedure; and
 - f) Recommendations in relation to rebalancing of the portfolio and / or de-selection of the Investment Manager, or any other recommendation(s).
4. The Band Administrator will review the report, add his / her recommendation(s), and provide the report to the Finance and Audit Committee.
5. The Finance and Audit Committee will review the quarterly monitoring report, add their recommendation(s), and provide the report to Council.
6. The Council will review the quarterly monitoring report and accompanying recommendations and make any necessary decisions.
7. The Investment Manager will be required to attend a Council meeting and discuss investment performance, and changes in strategy, approach or personnel.

Re-balancing of the Investment Portfolio

1. The Band Administrator and Financial Administrator will transmit any rebalancing instructions to the Custodian and Investment Manager only if first approved by the Council.

References and Related Authorities

1. FMB's Financial Administration System Standards
 - a) Standard 19.3 – Investments
2. FMB's Financial Administration Law Standards
 - a) Standard 17.3 – Investments

Attachments

None

15. EMERGENCIES

Manual: Finance Policy		No:	F10.15
Section:	General	Issued:	
Issue to:	All Manual Holders	Page:	1 of 3
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

An emergency plan addressing the key risks facing the Band will be documented, updated on an annual basis and communicated to all affected persons.

Purpose

The purpose of this policy is to provide guidance on preparing for emergencies through a documented emergency plan designed to meet the size, risk and impact of potential emergencies that could affect the Band and its finances.

Scope

This policy applies to the Band council, committee members, staff and Band members.

Responsibilities

Council is responsible for:

- Approving the emergency response plan.

The **Band Administrator** is responsible for:

- Creating an emergency planning committee;
- Ensuring that an emergency response plan is prepared and approved;
- Ensuring that the emergency response plan is communicated to the affected Band staff and members as part of its implementation along with any necessary training; and
- Updating the emergency response plan on an annual basis.

The **emergency planning committee members** are responsible for:

- Preparing the emergency plan.

Procedures

Analyze the current situation

1. The Band Administrator will create an emergency planning committee which will consist of the Band Administrator, Financial Administrator, and other key staff across all areas of the Band as deemed appropriate. External groups, such as representatives from the local fire or police services, will be invited to participate as required.

2. The emergency planning committee will conduct a risk assessment to identify all risks that could have an impact on the operations and finances of the Band, including potential threats such as fires, natural disasters, and environmental risks.
3. For each of the risks identified, the emergency planning committee should determine the likelihood of the threat occurring and the potential impact on the Band's operations.

Develop the emergency plan

1. Based on the likelihood and impact, the Band Administrator, with input from outside expertise as required, and the emergency planning committee will determine which risks will be addressed in the business continuity plan. The plan should identify critical systems or operations and how these will be managed in the event of an emergency to minimize effects on the Band's overall operations and finances.
2. Areas which should be examined and examples of issues to address for each risk include the following:

Buildings and sites

- a) How will operations continue if the site is inaccessible or destroyed?
- b) What safety precautions need to be taken in the event of damage to the building?

Critical equipment

- a) Are there backups in place for critical equipment (i.e. an extra item in storage)?
- b) How quickly can repairs be made and by whom?
- c) Are there outside vendors that can be used to replace an unavailable piece of equipment?

Information Technology

- a) Can the computer network be accessed from offsite (e.g. virtual private network)?
- b) Are there adequate numbers of laptops, cell/satellite phones, etc. to maintain communication remotely during an emergency?
- c) Are critical systems and databases regularly backed up? Is the backup stored offsite?

People

- a) How will the Band communicate with staff/members during the emergency?
 - b) Do the critical finance and operations staff members have designated and trained back-ups?
 - c) Is there an offsite location where limited but critical operations can continue during an emergency?
 - d) Are there any potential health and safety issues associated with a particular risk? How would these be dealt with?
1. Responsibilities for each component of the emergency plan will be clearly identified and communicated with the assigned individuals. Alternates for key individuals will be identified and provided with information on their duties.
 2. The emergency planning committee will develop an emergency notification procedure to explain how to enact the plan should an emergency occur.
 3. Documented approval of the plan will be obtained from council.

Implement the plan

1. The Band Administrator will develop a communication strategy to ensure all affected staff and Band members have access to the emergency plan.
2. All staff who have been assigned responsibilities within the emergency plan will be provided training to carry out their role in the event of an emergency.
3. The emergency plan will be tested by the emergency planning committee. Testing could include mock disaster exercises, communication and off site computing tests, fire drills, etc.
4. Emergency plan documentation will be maintained at all Band's site locations and key staff members will keep a copy at home. It should include all required information to enact the plan (i.e. Emergency contact & responsibilities lists, vendor lists, fire drill routes, etc.).

Annual review

1. On an annual basis, the emergency planning committee and key operational managers will review the plan and associated documentation to ensure it remains relevant and up to date. Updates will be performed and new versions of the plan and associated documentation distributed to the sites and individuals noted above.
2. Significant changes to the plan will be approved by Council.

References and Related Authorities

1. FMB's Financial Management System Standards
 - a) Standard 19.5 - Emergencies

Attachments

Appendix S – Examples of risks to consider

Appendix T – Sample risk assessment template

Appendix U – Emergency planning resources

Appendix V – Emergency plan template

16. FINANCIAL MANAGEMENT SYSTEM IMPROVEMENT

Manual: Finance Policy		No:	F10.16
Section:	General	Issued:	
Issue to:	All Manual Holders	Page:	1 of 4
		Replaces:	
Issued by:	Chief and Council	Issued:	

Policy

Areas for improvement in the financial management system will be managed, tracked and resolved on an ongoing basis as identified by the Financial Administrator and annually through Internal Assessments of critical activities.

Purpose

The purpose of this policy is to provide guidance on the Band's continual improvement of its financial management system.

Scope

This policy applies to the Financial Administrator, Finance and Audit Committee, and the Financial Management System Assessment Committee.

Responsibilities

If the Band is a borrowing member, the Council is responsible for: ensuring that the Band takes measures as soon as practicable to rectify any gaps or areas of non-compliance between the Band's financial management systems and practices and the First Nations Financial Management Board Standards.

The **Finance and Audit Committee** is responsible for:

- Designating members of the Financial Management System Assessment Committee;
- Scheduling the dates for required meetings of the Financial Management System Assessment Committee;
- Reviewing reports from the Financial Management System Assessment Committee; and
- Reporting to Council as soon as practicable any gaps or areas of non-compliance between the Band's financial management systems and practices and the First Nations Financial Management Board Standards and monitoring actions taken to bring the Band into compliance.

The **Financial Management System Assessment Committee** is responsible for:

- Planning, scheduling, and conducting Internal Assessments;
- Ensuring issues or concerns identified through the Internal Assessment process are resolved;
- Holding an annual meeting to review the financial management system for the previous fiscal year;
- If the Band is a borrowing member, Performing self-assessments of the Band's financial management systems and practices against the First Nation Financial Management Board's

Standards and monitoring to ensure that any gaps or areas of non-compliance are rectified as soon as possible; and

- Reporting to council, the Finance and Audit Committee, and the internal/external auditors on the results of their reviews.

The **Financial Administrator** is responsible for:

- Ensuring issues and concerns regarding the financial management system are collected, tracked, managed, reported and resolved as required in this policy; and
- Participating in the Financial Management System Assessment Committee.

Procedures

Financial Management System Assessment Committee

1. The Financial Management System Assessment Committee (“the Assessment Committee”) will be composed of the Financial Administrator, Band Administrator, and other finance and operations staff designated by the Finance and Audit Committee.
2. The Assessment Committee will meet at least once annually.
3. Annually on a date scheduled by the Finance and Audit Committee, the Assessment Committee will review the financial management system for the period of the previous four quarters and up to the date of the meeting.
4. The Assessment Committee agenda items will include, but are not limited to, the following:
 - a) Review of the system's processes and procedures;
 - b) Review of applicable laws for compliance;
 - c) Review of external and Internal Assessment results;
 - d) Review of identified process improvement opportunities including their resolution;
 - e) Review of all committees' Terms of Reference; and
 - f) Review of the Band's corporate and personnel organization charts.
5. The Assessment Committee must prepare a report for distribution to the Finance and Audit Committee and internal/external auditors that includes the following:
 - a) A statement of whether the financial management system has, during the review period, been operated in compliance with all applicable laws, policies, procedures and directions;
 - b) Recommendations for any changes to those laws, policies, procedures and directions that, in the opinion of the Committee, would be beneficial to the financial management system.

Internal Assessments

1. At the beginning of each fiscal year, the Assessment Committee will prepare an assessment plan which identifies critical or significant activities which should undergo an Internal Assessment in the current year. The criteria for identifying these issues are as follows:
 - a) Risk – likelihood and potential impact if the process/controls in a specific area are not functioning properly;
 - b) Activities with previously identified problems – Any areas that have been identified in past Internal Assessments with recurring issues will be considered for review in the current year.

2. The assessment plan will contain a schedule and timeframe for completion of each Internal Assessment identified.
3. The assessment plan proposed by the Assessment Committee will be approved by the Finance and Audit Committee. Approval will be documented in the Finance and Audit Committee minutes.
4. The individual performing the Internal Assessment (“the Assessor”) will be independent of the operations or activities being assessed. This individual will be assigned by the Assessment Committee and can be a Band staff member so long as the individual is independent of the operation or activity under review.
5. A documented report will be prepared by the Assessor for each Internal Assessment performed. The report will contain the Assessor’s findings and resolutions of any concerns identified in the findings.
6. Reports will be issued to the Financial Administrator, to individuals responsible for the area/activities assessed, the Assessment Committee and the Finance and Audit Committee.

Continual improvement process

1. The Financial Administrator will be responsible for ensuring that any concerns or issues regarding the financial management system of the Band and brought to his/her attention are tracked, managed, and resolved on an ongoing basis.
2. Based on the Financial Administrator’s analysis of the concern or issue, the following steps will be taken:
 - a) For items that relate to improvements in efficiency and/or effectiveness, the Financial Administrator will consider the cost versus benefit of implementing the changes and act accordingly;
 - b) For any other issues, such as minor instances of non-compliance with policy, the Financial Administrator will take the necessary steps to remediate and will report the findings and actions taken to the Band Administrator; and
 - c) All items will be tracked and records maintained of all actions taken.
3. On a yearly basis, a report of the concerns or issues raised, actions taken, and any remaining potential process improvement opportunities will be submitted to the Assessment Committee.

Review of Financial Administration Law

1. Annually, the Finance and Audit Committee will review the Financial Administration Law
 - a) To determine if it facilitates effective and sound financial administration of the Band, and
 - b) To identify any amendments to this Law that may better serve this objective.
2. The Finance and Audit Committee will report to the Council on the results of its review including any recommendations it makes for amendments to the Financial Administration Law.

Membership information or involvement

1. In the event that recommendations from the Finance and Audit Committee require amendments to the Financial Administration Law, Council will ensure that Band members are provided the information or involved in consideration of any proposed amendments to the Law as required in the Financial Administration Law.

Requirements Specific to Borrowing Members

1. The Assessment Committee will determine whether the Band is in compliance with the First Nations Financial Management Board Standards. This will be performed through a self-assessment that compares the Band’s financial management systems and practices to the First Nations Financial Management Board’s Standards.

2. The self-assessment should include the following:
 - a) Identification of all significant activities and a schedule of critical dates for completion of these activities;
 - b) Assignment of the responsibilities and authority for all significant activities;
 - c) A description of all records to be maintained including records of response to any non-compliance.
3. Any gaps or areas of non-compliance between the Band's financial management systems and practices and the First Nations Financial Management Board Standards will be corrected as soon as possible.
4. The results of the self-assessment exercise and actions being taken to remediate the gaps or areas of non-compliance identified will be reported to the Finance and Audit Committee by the Financial Administrator.
5. In addition to the self-assessment process to be conducted by the Assessment Committee as set out in this policy, if the Financial Administrator becomes aware at any time of any circumstances that could be considered a gap or area of non-compliance between the Band's financial management systems and practices and the First Nations Financial Management Board Standards, the Financial Administrator will report these circumstances to the Finance and Audit Committee as soon as practicable along with the actions to be taken to remedy those circumstances.

References and Related Authorities

1. The FMB's Financial Management System Standards
 - a) Standard 25.0 - Board Standards
 - b) Standard 28.0 - Financial Management System Improvement
2. The FMB's Financial Administration Law Standards
 - a) Standard 28.0 - FAL Review
 - b) Standard 23.0 - Board Standards

Attachments

None

APPENDIX A – AUTHORIZATION AND DELEGATION TABLE

	Financial Administration Activity / Function	Who is Responsible	Authorization level	Authority Limit	Authority Standard
1	Annual Budget	Council	Finance and Audit Committee make recommendation to Council	No delegation	Integrated Planning Policy
2	Financial Statements	Council	Finance and Audit Committee make recommendation to Council	No delegation	Financial Reporting Policy
3	Policies & Procedures	Council	Finance and Audit Committee make recommendation to Council	No delegation	Policies, Procedures Policy
4	Borrowing/Debt	Council	Finance & Audit Committee make recommendation to Council.	No delegation	Long-Term Debt Policy
5	Appointment/ Removal of FAC Members, Vice Chair and Chair	Council	Council appoints FAC members, vice-chair and chair.	No delegation	Finance and Audit Committee Policy
4	Hiring of Officers	Council	Council responsible for hiring Band Administrator and Financial Administrator.	No delegation	HR Policy
		Band Administrator	Band Administrator hires employees other than Financial Administrator	Can assign to manager	HR Policy
5	Termination & Severance of Officers	Council	Council makes decisions affecting Band Administrator and Financial Administrator.	No delegation	HR Policy
		Band Administrator	Band Administrator makes decisions affecting employees other than Financial Administrator.	Can assign to manager	HR Policy
6	Salary Adjustments	Council	Council makes decisions affecting Band Administrator, Financial Administrator	No delegation	HR Policy
		Band Administrator	Band Administrator makes recommendations to council on decisions affecting employee salaries other than Financial Administrator	Can assign to manager	HR Policy
7	Expenditures	Council	Must authorize purchases greater than \$25,000	No delegation	Expenditures Policy
		Band Administrator	Must authorize purchases between \$10,000.01 to \$25,000.	No delegation	Expenditures Policy
		Dep't Manager	Must authorize purchases up to \$10,000.	No delegation	Expenditures Policy
8	Professional Service Contracts	Council	Must authorize contracts greater than \$25,000	No delegation	Procurement Policy
		Band Administrator	Must authorize contracts between \$10,000.01 to \$25,000.	No delegation	Procurement Policy
		Dep't Manager	Must authorize contracts up to \$10,000.	No delegation	Procurement Policy
9	External Auditor	Council / Finance and Audit Committee	Finance & Audit Committee make recommendation to Council	Council	External Audit Policy

	Financial Administration Activity / Function	Who is Responsible	Authorization level	Authority Limit	Authority Standard
10	Insurance	Band Administrator	Must approve all insurance coverage and premiums.	No delegation	Insurance Policy
11	Business Transactions	Council / Finance and Audit Committee	All new business opportunities, business ventures, partnerships etc. Finance & Audit committee make recommendation to Council.	No delegation	Risk Management Policy/ Annual Budget and Planning Policy
12	Divestitures	Council	Must approve all divestitures.	No delegation	Tangible Capital Assets/ Annual Budget and Planning Policy
13	Capital Assets	Council	Must authorize capital assets greater than \$ 25,000	No delegation	Tangible Capital Assets Policy and Annual Budget and Planning Policy
		Band Administrator	Must authorize capital assets up to \$25,000	No Delegation	Tangible Capital Assets Policy and Annual Budget and Planning Policy
14	Capital/Operating Leases	Council	Must authorize all lease commitments greater than \$5000	No Delegation	Tangible Capital Assets Policy and Annual Budget and Planning Policy
		Band Administrator	Must authorize all lease commitments up to \$5000	No Delegation	Tangible Capital Assets Policy and Annual Budget and Planning Policy
15	Cash Management – disbursements	Council	Must authorize amounts greater than \$5,000	No delegation	Expenditure Policy
		Band Administrator	Must authorize amounts up to \$5,000	No delegation	Expenditure Policy
15 b	Transfers between accounts	Finance and Audit Committee	Must approve internal transfer of funds between accounts for transfers greater than \$5000. Transfers below \$5000 can be authorized by the Band Administrator.	Band Administrator	Expenditure Policy
16	Bank accounts – opening/closing	Council	Must approve all new or closed accounts	No delegation	Financial Institution Account and Cash Management Policy
17	Temporary Investments	Band Administrator	Must approve the transfer of money to temporary investments upon the recommendation from the Finance and Audit Committee and the Financial Administrator.	No Delegation	Investment Policy
18	Financing transactions – debt issuance and retirement and debt and Guarantees	Council / Finance and Audit Committee	Must approve all debt transactions greater than \$5,000	Band Administrator	Long-Term Debt Policy
		Band Administrator	Must approve all debt transaction up to \$5,000	Can assign to Financial Administrator	Long-Term Debt Policy

	Financial Administration Activity / Function	Who is Responsible	Authorization level	Authority Limit	Authority Standard
19	Regulatory/ Contractual filings and Reports	Band Administrator	Must approve all external reporting	No delegation	Financial Reporting Policy
20	Payroll	Band Administrator	Must approve periodic payroll	Can assign to subordinate	Expenditure Policy
21	Expense Reports	Finance and Audit Committee Chairperson	Approve Councillors expense report	No delegation	Expenditure Policy
		A member of Council	Approve Band Administrator, Financial Administrator expense report	No delegation	Expenditure Policy
		Band Administrator	Approve Financial Administrator and officers' reports	No delegation	Expenditure Policy
22	Journal Entries	Band Administrator	Must approve entries not in ordinary course of business greater than \$5,000	No delegation	Annual Budget and Planning Policy
23	Off-Site Meetings	Council	The Council can authorize an off-site meeting of leaders or administrative staff. These meetings should be budgeted for whenever possible.	Authority can be delegated to Band Administrator	Annual Budget and Planning Policy

This Authorization and Delegation Table is approved by Council on the ____ day of _____ 20__.

A quorum of Council consists of ____ members of Council.

Councillor [name]

APPENDIX B – COUNCIL DELEGATION OF DUTY/FUNCTION AGREEMENT

I have read and understood the nature and limits of the duty/function delegated to me, as documented in the Policy and Procedures _____ (version and date) and agree to comply with the performance standards established.

Agreed to on the ____ day of _____ 20__.

Name:

Title:

Witness:

APPENDIX C – IMPLEMENTATION NOTES

The Authorization and Delegation Table included in **Appendix A** is for illustrative purposes. It includes a common list of Council functions that are necessary for the effective operation of the financial administration of a Band.

The primary responsibilities and accountabilities with respect to delegation of authority will typically rest with:

- a) The Council (includes committees of Council)
- b) The Band Administrator (Band Administrator)
- c) The Financial Administrator (Financial Administrator)
- d) Key staff with delegations

Any function/activity delegated, that is, where responsibility has transferred, the person receiving the delegation must agree to in writing (**Appendix B**). This process should be updated annually and approved by Council.

APPENDIX D – DISCLOSURE STATEMENT

Policy number **FP0030** requires completion of this Disclosure Statement by all Councillors.

Definitions:

“**Entity**” means a corporation or a partnership, a joint venture or any other unincorporated association or organization, the financial transactions of which are consolidated in the financial statements of the Gitsegukla Band in accordance with Public Sector Accounting Standards;

“**Expenses**” includes the costs of transportation, accommodation, meals, hospitality and incidental expenses; and

“**Remuneration**” means any salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary and non-monetary benefits.

Disclosures:

- 1) Based on the above definitions, I am disclosing the following remuneration paid and expenses reimbursed by the Band or by any entity during the fiscal year ending March 31, 20____:

	Name of Entity	Remuneration Received	Expenses Reimbursed	Comments
1.	Gitsegukla Band	\$_[_____]	\$_[_____]	Council honoraria and reimbursement of eligible expenses
2.	[Example – ABC Venture]	\$_[_____]	\$_[_____]	Contracting fees paid by ABC Band Venture and reimbursement of eligible expenses. Dividends paid by XYZ Band Venture and reimbursement of eligible expenses

I certify that I have disclosed all “remuneration” paid and “expenses” reimbursed as defined above during the fiscal year ending March 31, 20____.

Signature _____ Date _____

Printed Name _____

APPENDIX E – SPECIAL PURPOSE REPORT –REMUNERATION AND EXPENSES

Gitsegukla Band

For the year ended March 31, 20XX

Name of Individual	Position Title	Number of Months [Note 1]	Salaries [Note 2]	Honoraria [Note 2]	Other Remuneration [Note 2]	Total Remuneration [Note 2]	Expenses [Note 3]
		xx	\$xx,xxx	\$x,xxx	\$x,xxx	\$xx,xxx	\$x,xxx

Notes:

1. The number of months during the fiscal year that the individual was a chief or councillor.
2. "Remuneration" means any salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary and non-monetary benefits.
3. "Expenses" includes the costs of transportation, accommodation, meals, hospitality and incidental expenses.

APPENDIX F – FINANCE AND AUDIT COMMITTEE TERMS OF REFERENCE

Sample Finance and Audit Committee Terms of Reference

Composition:	<p>If a committee has three members, at least one (1) member must be a councillor. If a committee has four or more members, least two (2) members must be councillors. Council will appoint Committee members, including a chairperson and a vice-chairperson one of whom must also be a member of Council. Each Committee member will perform their role in an objective, fair, and impartial manner. The majority of the Committee members must have financial competency, all of the members must have independence and all members must be eligible to be members of the committee.</p>
Quorum:	<p>Quorum necessary for the transaction of business at Committee meetings will be majority of the voting members of the Committee.</p>
Voting Rules:	<p>Unless a Committee member is not permitted to participate in and vote on a motion because of a conflict of interest, every member has one vote in all Committee decisions. In the event of a tie vote, the chairperson may cast a second tie-breaking vote.</p>
Committee Term:	<p>The Finance and Audit Committee is a standing committee established by the <i>Financial Administration Law</i>.</p>
Member Term:	<p>The members of the Finance and Audit Committee must serve staggered terms, as follows:</p> <ul style="list-style-type: none">a) non-Councillor members shall serve three-year terms, appointed in opposing years of Council elections; andb) Councillor members must be appointed to the Finance and Audit Committee as soon as practicable following their election to the Council, and shall serve on the Finance Committee to the end of their term on Council.
Chairperson:	<p>Appointed by Council. Either the Chairperson or the Vice-Chairperson must be a Councillor.</p>
Vice-chairperson	<p>Appointed by Council. Either the Chairperson or the Vice-Chairperson must be a Councillor.</p>
Mandate:	<p>The Finance and Audit Committee is responsible to review and make recommendations to Council on the financial administration matters of the Band. The Finance and Audit Committee will assist the Council in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the process for monitoring compliance with laws and regulations and the code of conduct.</p>
Meetings:	<p>The Committee will meet not less than quarterly and immediately following completion of the annual audit, with the chairperson having authority to convene additional meetings as circumstances require.</p>

All Committee members are expected to attend each meeting, in person or via tele/video-conference. The Committee will invite members of the management, auditors, or others to attend meetings as necessary.

The Financial Administrator and Band Administrator must be notified of all meetings and must attend those meetings, subject to reasonable exceptions.

The auditor of the Gitsegukla Band must receive notices of all meetings and may attend and be heard at such meetings.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared. The Chairperson will report key decisions and areas of discussion or concern to Council at the next Council meeting immediately following each Finance and Audit Committee meeting or in writing if the information needs attention in a timely manner.

The Band Administrator or Financial Administrator may be excluded from all or any part of a Committee meeting at the discretion of the Committee - decided by a recorded vote.

Responsibilities:

Financial Accounting and Reporting Oversight

- a) Review monthly financial information of the Gitsegukla Band;
- b) Subject to the Band's Financial Administration Law, review draft annual budgets and multi-year financial plans and recommend them to Council for approval;
- c) Monitor the financial performance of the Band against the budget and report any significant variations and their reasons to Council;
- d) Review the quarterly and annual financial statements of the Band and recommend them to Council for approval;
- e) Review the annual financial statements of the Band's Local Revenue Account and recommend them to Council for approval;
- f) Review the annual special purpose reports of the Band and recommend them to Council for approval;
- g) Review the annual report of the Band and recommend it to Council for approval;
- h) Make any other recommendations to Council on any matter respecting the financial administration of the Band;
- i) Review managements approach for safeguarding of Band assets and information systems, the adequacy of staffing of key financial functions and their plan for improvements;
- j) Review with management and the external auditors emerging accounting issues and their potential impact on the Band's financial reporting; and
- k) Review with management the Band's financial policies and compliance with such policies.

Auditor Oversight

- a) Make recommendations to Council on the selection, engagement and performance of the Band's independent auditor;
- b) Receive assurances on the independence of a proposed or appointed auditor;

- c) Review and make recommendations to Council to approve the annual audit plan of the external auditor, including the scope of the audit to be performed and the estimated audit fees;
- d) Review and make recommendations to Council respecting the audited annual financial statements, including the audited local revenue account financial statements and any special purpose reports;
- e) Review any management letters containing recommendations of the external auditor and management's response;
- f) Recommend to Council pre-approval of all audit, audit-related and non-audit services to be provided to the Band by the external auditor;
- g) Periodically review, and make recommendations to Council respecting policies, procedures and directions on reimbursable expenses and perquisites of Councillors, officers and employees;
- h) Monitor financial reporting risks and fraud risks and the effectiveness of internal control designed to mitigate those risks taking into consideration the cost of implementing any change to internal control;
- i) Review the Gitsegukla Band's *Financial Administration Law* and recommend amendments to Council; and
- j) Review, and make recommendations to Council on, the terms of reference of the Finance and Audit Committee.

Risk Management

- a) Review the annual Risk Management Plan and Fraud Risk Assessment completed by the Band Administrator and provide input to the identification, monitoring and reviewing of the annual risk assessment process.
- b) Provide recommendations to Council regarding the annual Risk Management Plan and Fraud Risk Assessment.
- c) Provide updates to the Council of any significant changes to the assessment and adequacy of monitoring activities.
- d) Review requests for non-budgeted funding requests to Gitsegukla Band business enterprises and make recommendations to Council.

Other

- a) Review expenses of Councillors and Senior Management and assess Gitsegukla Band policies with respect to expense reimbursement or allowances;
- b) Evaluate at least annually, the adequacy of these terms of reference.

Authority

- a) The Committee is empowered to make such inquiry and investigation and require such information and explanation from management as it considers reasonably necessary and to require management to promptly inform the Committee of any material misstatement in the financial statements following discovery of such situation;
- b) After consultation with the Band Administrator, the Committee may retain a consultant to assist in the performance of any of its responsibilities.

APPENDIX G – FINANCE COMPETENCY GUIDELINES

Some criteria for Council and the Finance and Audit Committee Chairperson to consider in determining whether or not a Finance and Audit Committee member is financially competent include:

- The ability to read, understand and analyze Gitsegukla Band annual financial statements and the notes to the financial statements;
- The ability to understand accounting policies, including any estimates used or judgments applied by management in the application of Gitsegukla Band accounting policies, when these are explained by the Gitsegukla Financial Administrator and the auditor;
- An understanding of Gitsegukla Band’s objectives and operations that may impact the selection or application of accounting policies;
- A knowledge and understanding of the strategies that have been adopted by Gitsegukla Band Council and the risks inherent in any new strategies; and
- An ability to understand the Band’s risk environment.

APPENDIX H – SAMPLE PLANNING PROCESS SCHEDULE TEMPLATE

Task	Individual(s) Responsible	Deadline
Plan and hold annual planning kickoff meeting to present major budget policies, multi-year financial plan direction and guidelines for the strategic plan.	Band Administrator, Financial Administrator, Finance and Audit Committee, Council	November 15
Inspect and review of all tangible capital assets to establish or update information.	Band Administrator	November 30
Complete the Asset Condition Reporting System (ACRS) report for INAC and submit it.	Band Administrator or Public Works Manager	November 15; once every 3 years.
Each Department prepares a thorough analysis and projection of all expenses for the budget year.	Department Heads, Financial Administrator	December 1
Multi-year plan and strategic plan developed or updated.	Financial Administrator, Band Administrator, Senior Officers	December 15
Consolidate all draft budgets, including capital budget, into one master budget.	Financial Administrator	December 31
Schedule of annual routine maintenance, other than rehabilitation, for tangible capital assets. Five (5), ten (10) and thirty (30)-year forecasts for the estimated cost for rehabilitation or replacement of the tangible capital assets. The proposed budget for rehabilitation and replacement of tangible capital assets for the next fiscal year.	Financial Administrator	December 31
Senior management reviews draft budgets, multi-year plan, and strategic plan, and discusses (iterative process) with Financial Administrator.	Band Administrator; Financial Administrator	January 15
Present budget, multi-year plan, and strategic plan to Finance and Audit Committee for review, discussion, and modification.	Financial Administrator, Band Administrator, Finance and Audit Committee	January 31
Incorporate Finance and Audit Committee changes to any of the planning documents.	Financial Administrator, Band Administrator, Finance and Audit Committee	February 15
Inform the membership or involve the membership in consideration of the annual budget and the multi-year financial plan as required in Council policy, including giving notice to the membership of the Council meeting when the budget and multi-year financial plan are presented for approval.	Band Administrator, Financial Administrator	March 1

Task	Individual(s) Responsible	Deadline
Council receives budget/ multi-year plan/ strategic plan and recommendation from the Finance and Audit Committee. Council approves budget/ multi-year plan/ strategic plan based on recommendation from the Finance and Audit Committee.	Finance and Audit Committee, Council	March 31
Distribute approved budget and strategic plan to Department Heads and any other appropriate staff.	Financial Administrator	April 15
Prepare and submit to the Finance and Audit Committee for review, a draft amendment of the component of the annual budget respecting the local revenue account.	Financial Administrator	June 15
Finance and Audit Committee reviews the draft amendment of the component of the annual budget respecting local revenue account and recommends an amendment to the annual budget to the Council for approval.	Finance and Audit Committee	June 30
Council approves amendment of the component of the annual budget respecting the local revenue account.	Council	July 15

APPENDIX I – SAMPLE REIMBURSABLE EXPENSE CLAIM TEMPLATE

Employee:			Gitsegukla Band			
Employee Title:			Breakfast	\$	INCIDENTALS	
Purpose:					Lunch	\$
Departure date:			Dinner	\$		
Return date:					Full Day	\$
WHERE ARE YOU TRAVELLING TO?			A RECEIPT IS REQUIRED FOR THE FOLLOWING: <i>Taxi Fare / Hotel / Ferry Costs</i>			
Receipt No.	Date	Description	Type of expense	Amount	Exchange rate	CAD amount
1, 2	Sep 1	<i>Return flight to Vancouver Aug 7-9</i>	<i>Airfare</i>	\$500.00	-	\$500.00
			<i>Taxi</i>			
			<i>Hotel</i>			
			<i>Per diem / incidentals</i>			
			<i>Membership</i>			
			<i>Etc.</i>			
Total Claimed:				xxx.xx		\$xxx.xx
Less: travel advance (if applicable)						(\$xxx.xx)
Total to be reimbursed:						\$xxx.xx

Employee signature: _____

Date: _____

BEFORE SUBMITTING THIS CLAIM:

- Please paperclip a supporting document (agenda, invitation, etc.)
- If this trip is reimbursable, please use the reimbursable per diem amounts (not the Gitsegukla amounts) and include a copy of the travel claim form with the applicable per diem amounts
- Please make a copy of this claim for your own records

Approval signature: _____

Date: _____

I certify that the above statements are true and that false claims are grounds for dismissal.

Attach all associated receipts with this form.

APPENDIX J – CONTRACTOR/SUPPLIER EVALUATION TEMPLATE

Supplier Evaluation				
Organization name:				
Service / goods to be provided:				
RFP / Tender reference #:				
Value of contract:				
Criteria	Details / Comments	Value	Score	
1. RFP or other requirements (list here)	<i>Describe any areas of concern or where requirements were not met...</i>	##	##	
2. Qualifications and experience	<i>Do they have the appropriate qualifications and experience to perform the work?</i>	##	##	
3. Terms and conditions	<i>Are their terms and conditions acceptable to the Gitsegukla Band?</i>	##	##	
4. Has the organization worked previously with the Band? Provide details and an evaluation of the work.	<i>Evaluate the Band's previous experience with this supplier</i>			
5. To be added by Band Administrator				
6. To be added by Band Administrator				
7. Price	<i>Evaluation of the price, results of previous criteria.</i>			
8. Other considerations?	<i>Anything not covered above that should be included in evaluation the supplier i.e. inclusion of local content</i>			
Evaluation		Score:	##/##	
Overall comments / recommendation:			%	

Attachments:

- Contractor/supplier response to RFP/tendering
- Results of any previous contractor/supplier evaluations
- Other supporting information as required

APPENDIX K – LOCAL CONTENT

The Gitsegukla Band should promote the use of local content when appropriate in the procurement of goods and services. For construction contracts on reserve lands, the Band may include a clause that requires the contractor to employ local labour and resources. Another option is to add a training component to the contract that requires the contractor to train local labourers. Where applicable, the tender package should also require bidders to stipulate the extent to which they will use local materials, local equipment, and provide a formal training program for local labour employed by the contractor.

Pre-tender Considerations for Local Content

Before developing the tender documents, the Band should establish:

- The extent of labor and trades available locally;
- Quantities and firm prices of locally available materials;
- Local equipment available and firm rental rates; and
- Training requirements and trade apprenticeships.

Once the contract has been awarded, special clauses reflecting the agreed upon local content requirements will be incorporated in the contract with the successful vendor.

APPENDIX L – TANGIBLE CAPITAL ASSET CATEGORIES

The following table lists capital asset categories and examples of assets and costs included in each category. This is not intended to be a complete list and is for illustrative purposes only. A decision of the Band to capitalize costs as tangible fixed assets must be made in reference to PSAS accounting requirements, specifically those contained in PS 3150, *Tangible capital assets*.

Capital Category	Asset	Examples of Capital Assets
Land		<ul style="list-style-type: none"> Land acquired for parks and recreation and recreation, conservation purposes, building sites and other programs. Land purchased for construction of road surface, drainage areas and allowances or future expansions.
Land improvements		<ul style="list-style-type: none"> Fencing and gates, parking lots, paths and trails, landscaping, swimming pools, and playgrounds. Site preparation in advance of commercial or residential development.
Buildings		<ul style="list-style-type: none"> Buildings with fireproofed structural steel frames with reinforced concrete or masonry floors and roofs. Buildings with reinforced concrete frames and concrete or masonry floors and roofs. Buildings with masonry or concrete exterior walls, and wood or steel roof and floor structures, except for concrete slabs on grade. Operational storage facilities, sheds, small buildings, salt sheds, asphalt tanks, inventory storage buildings, and pump houses.
Building improvements		<ul style="list-style-type: none"> Major repairs or upgrades that increase the value or useful life of the building or which reduce future operating costs such as structural changes, installation or upgrade of heating and cooling systems, plumbing, electrical, and telephone systems.
Leasehold and occupancy improvements		<ul style="list-style-type: none"> Improvements that increase the functionality of leased or similar accommodations (refer to the assets listed under the "building improvements" category).
Operating equipment		<ul style="list-style-type: none"> Equipment specific to maintenance, shop and sanitation, laboratories, medical, dental, safety, appliances, scientific research, hospitals, education and communication such as forklifts, welding machines, utility trailers, security systems, snow ploughs, radios, freezers, refrigerators, washers, meters, and defibrillators.
Heavy equipment		<ul style="list-style-type: none"> Power and construction equipment such as graders, tractors, cranes, drill rigs, caterpillars, and trucks one ton and over.
Vehicles		<ul style="list-style-type: none"> Used primarily for transportation purposes such as automobiles, trucks less than one ton, vans, boats, all-terrain vehicles, snowmobiles, motorcycles, and ambulances.
Marine vessels - vessels and towers		<ul style="list-style-type: none"> Construction and replacement of vessels and towers.
Computer software		<ul style="list-style-type: none"> Off the shelf software and related upgrades, software licenses after removing any maintenance or similar charges.

Capital Asset Category	Examples of Capital Assets
Computer hardware	<ul style="list-style-type: none"> Servers, voice logging equipment, scanners, printers, hard drives, external hard drives, and plotters.
Office furniture and equipment	<ul style="list-style-type: none"> Desks, tables, chairs, filing cabinets, fax machines, photocopiers, videoconferencing stations, projectors, and digital cameras.
Assets under construction	<ul style="list-style-type: none"> Roads, buildings or other tangible capital assets that are under construction and have not yet been placed into service.
Roads/Streets	<ul style="list-style-type: none"> Roads or streets. Light systems (traffic, pedestrian), signals for railways, new signage initiative, and traffic calming (e.g. rumble strips, speed bumps).
Water and sewer infrastructure	<ul style="list-style-type: none"> Dams, drainage facilities, docks, sewer systems, sewage lagoons, marinas, reservoirs, pumping facilities, tanks, and associated infrastructure.
Other infrastructure	<ul style="list-style-type: none"> Landfills, tanker bases, helipad, and dump stations.

APPENDIX M – PRESENTATION AND DISCLOSURE REQUIREMENTS

The following requirements relate to the preparation of the Gitsegukla Band's annual financial statements in accordance with PSAS and are based on PS 3150, *Tangible capital assets*. Readers are advised to consult with the current version of this accounting standard for the most recent accounting and disclosure requirements.

- a) The financial statements should disclose, for each major category of tangible capital assets and in total:
- b) Cost at the beginning and end of the period;
- c) Additions in the period;
- d) Disposals in the period;
- e) The amount of any write-downs in the period;
- f) The amount of amortization of the costs of tangible capital assets for the period;
- g) Accumulated amortization at the beginning and end of the period; and
- h) Net carrying amount at the beginning and end of the period.

Major categories of tangible capital assets would be determined by type of asset, such as land, buildings, equipment, roads, water and other utility systems, and bridges.

Financial statements should also disclose the following information about tangible capital assets:

- a) The amortization method used, including the amortization period or rate for each major category of tangible capital asset;
- b) The net book value of tangible capital assets not being amortized because they are under construction or development or have been removed from service;
- c) The nature and amount of contributed tangible capital assets received in the period and recognized in the financial statements;
- d) The nature and use of tangible capital assets recognized at nominal value;
- e) The nature of the works of art and historical treasures held by the government; and
- f) The amount of interest capitalized in the period.

APPENDIX N – FRAUD RISK ASSESSMENT

The following is an example of a Fraud Risk assessment. This example does not list all possible Fraud Risks that a First Nation may have. Each First Nation is encouraged to brainstorm to come up with their own identification of risks by considering questions noted above.

Identified Fraud Risks and Schemes ¹	Likelihood ²	Significance ³	People/ Department ⁴	Existing Anti-Fraud Controls ⁵	Assessment of Anti-Fraud controls ⁶	Fraud Risk Response ⁷
<i>Conflict of Interest – Contracts improperly awarded</i>	<i>Remote</i>	<i>Material</i>	<i>Accounting</i>	<i>Council reviews and approves awarded contracts prior to payment.</i>	<i>Evidenced by council meeting minutes.</i>	<i>Risk of council override exists.</i>
<i>Recording of rent receipts in incorrect periods</i>	<i>Remote</i>	<i>Insignificant</i>	<i>Accounting</i>	<i>Year-end reconciliation of the rent revenue and receivables</i>	<i>Risk of override still exists</i>	<i>No further action, receipts are minimal.</i>
<i>Unauthorized payroll adjustments</i>	<i>Reasonably Possible</i>	<i>Material</i>	<i>Payroll</i>	<i>Finance Manager approves periodic payroll registers and reviews one-time payment queries</i>	<i>Adequately mitigated by control</i>	<i>N/A</i>

1. Identified Fraud Risks and Schemes: This column should include a full list of the potential Fraud Risks and schemes that may face the First Nation. This should be formed by discussions with employees, officers and councilors and brainstorming sessions.
2. Likelihood of Occurrence: To design an efficient Fraud Risk management program, it is important to assess the likelihood of the identified Fraud Risks so that the First Nation establishes proper anti-fraud controls for the risks that are deemed most likely. For purposes of the assessment, it should be adequate to evaluate the likelihood of risks as remote, reasonably possible, and probable.
3. Significance to the First Nation: Quantitative and qualitative factors should be considered when assessing the significance of Fraud Risks to the First Nation. For example, certain Fraud Risks may only pose an immaterial direct financial risk to the First Nation, but could greatly impact its reputation, and therefore, would be deemed to be a more significant risk. For purposes of the assessment, it should be adequate to evaluate the significance of risks as immaterial, significant, and material.

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4. People and/or Department Subject to the Risk: As Fraud Risks are identified and assessed, it is important to evaluate which people inside and outside the First Nation are subject to the risk. This knowledge will assist in tailoring its Fraud Risk response, including establishing appropriate segregation of duties, proper review and approval chains of authority, and proactive anti-fraud procedures.
 5. Existing Anti-Fraud Internal Controls: Map pre-existing controls to the relevant Fraud Risks identified. Note that this occurs after Fraud Risks are identified and assessed for likelihood and significance. By progressing in this order, this framework intends for the First Nation to assess identified Fraud Risks on an inherent basis, without consideration of Internal Controls.
 6. Assessment of Mitigating Controls: The First Nation should evaluate whether the identified controls are operating and mitigating Fraud Risks as intended.

Fraud Risk Response: Residual risks should be evaluated by the organization and Fraud Risk responses should address such remaining risk. The Fraud Risk response could be implementing additional controls.

APPENDIX O – FRAUD RISK ASSESSMENT GUIDELINES

This document provides examples and considerations for the First Nation with respect to the risk of fraud and antifraud programs and controls and is written in the context of the Committee of Sponsoring Organizations (“COSO”) of the Treadway Commission’s Internal Control – Integrated Framework.

Below are the five components derived from COSO’s 2013 Internal Control – Integrated Framework that the First Nation may consider with respect to their responsibilities for designing and evaluating antifraud programs and controls.

- a) Performing Fraud Risk Assessments
- b) Creating Control Environment
- c) Designing and Implementing Antifraud Control Activities
- d) Sharing Information and Communication
- e) Monitoring Activities

Performing Fraud Risk Assessments

Fraud Risk assessments are designed to identify and evaluate Fraud Risk factors that could enable fraud to occur within the First Nation. Every organization has inherent Fraud Risks that arise from internal and external conditions relative to the First Nation’s operations, geographical location, size, organizational structure and general economic conditions.

Fraud Risk assessments are more than a process to identify risks of theft and should also address other frauds, including Fraudulent Financial Reporting, Misappropriation of Assets and corruption and illegal acts. The Fraud Risk assessment involves an expanded focus on considerations of where Fraud Risk factors may exist within the entity and the potential fraud schemes that could be perpetrated.

Risk Assessment Team

A good risk assessment requires input from various sources. The Band Administrator has the primary responsibility for performing Fraud Risk assessments. Ideally, the Band Administrator should identify a risk assessment team to conduct the risk assessment. Individuals from throughout the First Nation’s financial management systems with different knowledge, skills, and perspectives should be involved in the risk assessment. Such members of the risk assessment teams should include personnel such as:

- Band Administrator and Financial Administrator;
- Finance Staff who are familiar with the financial reporting process and Internal Controls;
- Non-financial information technology personnel, to leverage their knowledge of day-to-day operations; and
- External legal or accounting advisors.

The Finance and Audit Committee should have an active role in the oversight of process, understand identified Fraud Risks, and evaluate the First Nation’s implementation of antifraud measures. The Finance and Audit Committee, together with Band Administrator and the risk assessment team, should also consider the potential risk of management’s override of controls or other inappropriate influence over the financial reporting process.

Questions to Consider

There is no one standard method by which the First Nation may evaluate and implement its Fraud Risk assessment. The following is a list of some of the questions management to consider when completing Fraud Risk Assessment template.

- Are there events or conditions that indicate an incentive or pressure to commit fraud? These incentives, rewards and pressures are associated with achievement of objectives.
- Are there circumstances that allow employees and councillors to commit fraud? These opportunities are greatest in areas with weak Internal Controls and a lack of segregation of duties.
- Are there opportunities for unauthorised acquisition, use or disposal of assets, altering the First Nation's reporting records or committing other inappropriate acts?
- Are there indications of an attitude, character or set of ethical values that allow employees or councillors to commit fraud?
- Has there been past allegations of fraud or fraud within the associated membership, partnership or in the First Nation?
- Are there unusual financial trends or relationships identified in the past and potential role of weak information technology controls that could play in enabling fraudulent activity to occur?
- Are there controls that mitigate the risk of management and council's override of controls? Does the Fraud Risk assessment include the vulnerability of Internal Controls to management override and potential schemes to circumvent existing control activities?
- What is the degree of estimates and judgement used in financial reporting that may result in fraudulent reporting?
- What is the nature of technology and management's ability to manipulate information?
- Are there unusual or complex transactions subject to significant management influence?
- Do the Finance and Audit Committee members have sufficient oversight of management's antifraud programs and controls?
- Does the First Nation have a code of conduct with provisions related to conflicts of interests, related-party transactions, illegal acts and fraud, made available to all personnel? Do personnel have to confirm their individual compliance with this code of conduct on an annual basis?
- Does the chief and council have a proper tone at the top? Does the management assess the tone of the leadership of the First Nation to determine if the culture encourages ethical behaviour, consultation and open communication? This assessment can be made through anonymous surveys (i.e. Third-party whistleblower service providers), inquiries, interviews or by external auditors during their annual financial statement audit engagements.
- Does the First Nation have whistleblower policy with adequate procedures to handle anonymous complaints and accept confidential submission of concerns about questionable accounting, control and financial and non-financial matters?
- Does the management design and implement preventative and detective controls? Preventative controls are designed to stop fraud from occurring and detective controls are designed to identify the fraud if it occurs.
- Are Fraud Risk assessments updated periodically to include considerations of changes in operations, new information systems, changes in roles and responsibilities and revisions to identified Fraud Risks within the First Nation?
- Is information on ethics and management and council's commitment to antifraud programs and controls effectively communicated throughout the First Nation to all employees?

- Has management linked identified existing Fraud Risks to existing Internal Control and documented mitigating existing or new antifraud control activities related to the Fraud Risks?

Creating a Strong Control Environment

Emphasis should be placed on the First Nation's control environment as it influences the tone of the entire organization. Control environment factors include the integrity, ethical values, and competence of the First Nation's management and employees and have a pervasive effect on the First Nation's operations and governance structure.

The control environment should set the proper "tone at the top" which includes a culture and work environment that promotes open communication, consultation and ethical behaviour. It should:

- Create and maintain a culture of honesty, high ethical standards, and behaviour;
- Provide discipline for violations of the code of conduct / ethics;
- Set an appropriate tone for the First Nation's attitude towards fraud and fraud prevention; and
- Promote effective controls to prevent, deter and detect fraud.

All employees of the First Nation have a role in the control environment. Management, councillors and Finance and Audit Committee members have the primary responsibility of creating the tone at the top. The Finance and Audit committee should take an active role in the oversight of management's efforts to design and implement Internal Controls, including antifraud programs and controls and should challenge management to ensure that Fraud Risks are identified and that appropriate control activities are implemented and monitored.

Designing and Implementing Antifraud Control Activities

After Fraud Risk assessments are performed, Band Administrator should address each identified Fraud Risk by determining whether control activities exist and mitigate the risks. Control activities are policies and procedures designed to address risks and help ensure the achievement of the First Nation's objectives.

Where control activities are not already present, Band Administrator should design and implement additional controls to specifically address the identified Fraud Risks.

Special consideration should be given to the risk of override of controls by management and council. Some antifraud programs and controls will include active oversight from the Finance and Audit Committee; whistleblower programs and system to receive and investigate anonymous complaints; reviewing Financial Reporting Risks for evidence of possible material misstatements due to fraud.

Sharing Information and Communication

Effective communication is an important element to all phases of the implementation of antifraud programs and controls.

The First Nation's code of conduct or ethics is often the first line of communication concerning its philosophy on fraud prevention. Other communication methods should be used to create awareness of antifraud programs and controls. Examples would include the First Nation's newsletters, intranet sites, training and through presentations led by Council or management.

Monitoring Activities

Band Administrator and the Finance and Audit Committee should monitor the quality and effectiveness of antifraud programs and controls. Ongoing monitoring procedures should be built into operating activities. Examples include:

-
- Reconciliations of operating and financial reports;
 - Regular communications with employees as well as external auditors; and
 - Periodic planning and training sessions to identify Fraud Risks and assess implementation effectiveness of preventative and detective control activities.

Some monitoring activities can be automated in nature and as such may involve information technology systems. Effective antifraud programs are dynamic, where the information obtained through the monitoring process is fed back into the risk assessment and the entire process begins anew.

APPENDIX P – RISK MANAGEMENT PLAN

#	Identified Risks	Potential Impact	Likelihood	Significance	Mitigation / action plan	Individual responsible
<i>Risk category (i.e. For-profit business, loans, indemnities, investments, insurance and emergency)</i>						
1	<i>Provide a description of the risk and date identified</i>	<i>Provide estimates of the impact of the risk – quantitative/ qualitative as appropriate</i>	<i>An estimation of the likelihood, from remote, reasonably possible, and probable.</i>	<i>Significance of the potential impact identified as immaterial, significant, and material.</i>	<i>Specific steps to either reduce or eliminate the impact/likelihood of the risk</i>	<i>Name of who will implement and monitor the action plan</i>
2						
3						
<i>Risk Category (i.e. For-profit business, loans, indemnities, investments, insurance and emergency)</i>						
1						
2						
3						

APPENDIX Q – FINANCIAL INSTITUTION ACCOUNT RECONCILIATION TEMPLATE

[♦] First Nation

Financial Institution Account Reconciliation

Month: xxxx, 20xx

Financial Institution name: ABC Bank

Financial Institution account name: xxxx, xxxxx

Financial Institution account #: 000-0000-000

GL #: 12345

Ending bank balance		\$ xxxx.xx
ADD: Deposits in transit	\$xx.xx	xx.xx
LESS: Outstanding cheques		

<u>Cheque No.</u>	<u>Amount</u>
###	xxx.xx
###	xx.xx
###	xxx.xx

Total outstanding cheques	xxx.xx	(xxx.xx)
Adjusted bank balance		\$xxxx.xx

Ending general ledger (GL) balance		\$ xxxx.xx
------------------------------------	--	------------

ADD/LESS: Unrecorded transactions			<u>Recorded?</u>
			(✓)
Monthly bank fee		(x.xx)	
Adjusted GL balance		\$xxxx.xx	
Difference:		x.xx	

Prepared by: _____ Title: _____ Date: _____

Approved by: _____ Title: _____ Date: _____

APPENDIX R – DOCUMENT RETENTION PERIODS

Record or information	Duration
General Band governance records	
All Band bylaws, amendments to the bylaws, the Band constitution, and membership resolutions	Permanent
Appointments and terms of appointments	Permanent
Applicable legislation, agreements, funding arrangements, council commitments, land codes in force, financial administration codes for oil & gas monies management	Permanent
The Band's Financial Administration Law	Permanent
The Band's Property Taxation Law or By-law	Permanent
The Band's Borrowing Law	Permanent
Minutes from the meetings of the Council and all council committees, annual reports, debenture records and council, committee and membership records, public notices, records of incorporation, corporate seal	Permanent
Legal files and papers	
Customer and supplier contracts and correspondence related to the terms of the contracts	7 years beyond life of contract
Contractual or other agreements (e.g., contribution, impact benefit, trust) between the Band and others and correspondence related to the terms of the contracts	7 years beyond life of the contract
Papers relating to major litigation including those documents relating to internal financial misconduct	5 years after expiration of the legal appeal period or as specified by legal counsel
Papers relating to minor litigation including those documents relating to internal financial misconduct	2 years after the expiration of the legal appeal period
Insurance policies including product or service liability, council and officers liability, general liability, and third-party liability, property and crime coverage	7 years after the policy has been superseded
Documents pertaining to the purchase, sale or lease of property	Permanent

Record or information	Duration
Documents pertaining to equity investments or joint ventures	Permanent
Human Resources	
Personnel manuals and procedures	Permanent
Organization charts	Permanent
Where there is a pension plan (excluding RRSP plans): <ul style="list-style-type: none"> ▪ Original plan documents; ▪ records of pensionable employee service and eligibility; ▪ associated personal information including name, address, social insurance number, pay history, pension rate 	7 years after the death of the employee or employee's spouse in the case of spousal eligibility
Letters of offer and individual contracts of employment	2 years after termination of the employee
Signed Code of Conduct obligations and signed Conflict of Interest declarations	2 years after termination of the employee
Attendance records	2 years after termination of the employee
Financial information such as payroll history including RRSP contributions, commission and bonus history	2 years after termination of the employee
Medical information	2 years after termination of the employee
Job descriptions	2 years beyond the period to which it applies
Performance assessments	2 years beyond the period to which it applies
Applications, resumes, and correspondence related to individuals not hired	2 years beyond the period to which it applies
Financial records	
Operations manuals, procedures, and internal control guidelines	Permanent
Signed annual financial statements and corresponding signed independent auditor reports	Permanent

Record or information	Duration
Internal reports, including but not limited to: <ul style="list-style-type: none"> • Reviews • Annual operations report • Special purpose reports • Internal audit reports 	10 years
Accounting documentation, including but not limited to: <ul style="list-style-type: none"> • General ledgers, general journals, financial records and supporting documentation • Monthly and quarterly financial statements • Monthly and quarterly management reports • Month / Quarter / Year-end Financial Closing and Reporting work papers • Financial institution account statements and reconciliations • Cancelled cheques and cash register tapes • Invoices • Annual budgets • Multi-year financial plans 	8 years
Asset management documentation, including but not limited to: <ul style="list-style-type: none"> • Tangible capital asset register • Reserve fund reports • Life cycle planning • Capital project budgeting • Contract and tendering provisions 	8 years beyond completion of the project or asset utilization
If applicable, property taxation related documentation, including but not limited to: <ul style="list-style-type: none"> • Property tax working papers • Tax roll • Tax filings 	8 years
Operational records	
Operations manuals, policies and procedures	Permanent
Original patents, trademarks, and copyrights	7 years after the expiration of the right
Customs documents	7 years
Annual physical inventories	Permanent
Safety committee minutes, inspection reports and related action reports	10 years

APPENDIX S – EXAMPLES OF RISKS TO CONSIDER

Types / Causes	Examples	
Natural Events	Flooding Earthquake Hurricane Landslide	Snow / ice storm Tornado Windstorm
Human Events	Disease outbreak Bomb threat Computer crime / theft Hazardous-material spill Fire Fraud Hacking Human error	Extortion / embezzlement Loss of key personnel Non-compliance (ignorance or willful) Riot / civil disorder Sabotage Labour strike Theft / loss
Technological Events	Alteration of data Alteration of software Disclosure Hardware failure Power failure / fluctuation	Explosion / Fire Malicious code Software error Telecom outage Vandalism / cyber-vandalism

APPENDIX U – EMERGENCY PLAN RESOURCES

Plan creation resources:

Government of British Columbia – Community Emergency Planning Toolkit

<http://www.pep.gov.bc.ca/Community/planningtk.html>

APPENDIX V – EMERGENCY PLAN TEMPLATE

[First Nation] EMERGENCY PLAN

[2018]

Last updated: [xx, Month, Year]

Approved by Council: [xx, Month, Year]

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- Evacuation routes and shelters
- List of key suppliers and contact Information
- Specific plans for each major risk
- [Other appendices as appropriate for the First Nation]

1. Introduction

1.1 Purpose

The purpose of this plan is to ensure that the ♦ First Nation has the tools and resources to plan for, react to, and resolve emergency situations that could affect finances, operations, and/or the health and safety of employees.

1.2 Scope

This policy applies to all First Nation staff, committee, and Council members.

1.3 Emergency Planning Committee

The Emergency Planning Committee meets X times per year to create, maintain and improve the emergency plan to ensure it remains relevant and useful for the ♦ First Nation. Committee members represent all functions of the ♦ First Nation and include:

1.4

Name – Band Administrator (Chair)	Name – Title/Information Technology
Name – Financial Administrator	Name – Title/Community Relations
Name – Title/Human Resources	Name – Title/Function
Name – Title/Property Management	Name – Title/Function

External planning resources

The Emergency Planning Committee works with the following external individuals/agencies to provide advice and input in the emergency planning process:

Name – Officer, Local Police Department	Name – Title/Insurance provider
Name – Officer, Local Fire Department	Name – Title/Function
Name – Nurse, Public Health	Name – Title/Function
Name – Hydro/Electricity/Utility provider(s)	Name – Title/Function

2. Emergency Events

2.1 Risk Assessment

#	Description
1	Forest fires – <i>provide detail</i>
2	Disease outbreak – <i>provide detail</i>
3	Natural disaster – <i>provide detail</i>
4	Environmental risk – <i>provide detail</i>
5	

Based on an assessment of the risks facing the ♦ First Nation and the likely impact of those risks, the following have been identified as part of our plan:

Other requirements (regulatory, specific to the First Nation):

List

3. Emergency Operations

3.1 Authority

The following individuals/groups have the authority to declare an emergency and enact the contents of this plan:

- Council
- Name, Band Administrator
- Name, Backup for Band Administrator.

3.2 Emergency Responsibilities

Band Administrator

- Creating an emergency planning committee;
- Ensuring that an emergency response plan is prepared and approved;
- Ensuring that the emergency response plan is communicated to the affected First Nation staff and members;
- Updating the emergency response plan on an annual basis.
- *Others, as determined by the First Nation, including 'Alternates' for key individuals...*

Emergency Planning Committee

Describe...

Other Support Staff

Individuals within the First Nation that have been assigned emergency planning responsibilities...

External Organizations

Such as Fire, Police, Health care...

3.3 Emergency Assessment and Notification

Once an emergency is declared, the following individual(s) and organization(s) will be notified:

- Individual/Organization – contact information
-

3.4 Emergency Declaration and Communications Plan

- Describe how First Nation staff and Council Members will be informed and what communication tools (cell phones, email, radio, etc.) will be used to do so.
- Describe how any outside parties will be informed of an emergency, if applicable.
- Describe how

3.5 Incident Response

- Describe the specific response to each of the major risks identified.

4. Facilities and Equipment

4.1 Building(s):

- Describe how the building will be protected or evacuated in an emergency, any safety precautions necessary, etc.

4.2 Information technology:

- Describe how critical systems and computer hardware/software will be protected.
- Describe what will happen if the First Nation's computers are destroyed, where backups are located.

4.3 Records back up

- State the name of the individual responsible for backing up the accounting system and other critical records such as payroll.
- Describe the backup procedures for records of key financial data (such as bank account records, computer system backups, insurance policies, etc.). State where the backups are kept, both onsite and offsite.

5. Recovery Operations

- Describe the process for recovering operations after an emergency.

6. Emergency Plan Maintenance

6.1 Documentation

- Describe how documentation will be maintained, where it will be stored, and how it will be distributed to staff.

6.2 Documentation

- Describe type and frequency of drills (quarterly). These could include mock disaster exercises, fire drills, communication and offsite computing tests, etc.

6.3 Program Assessment

This plan will be reviewed and updated by the Emergency Planning Committee on an annual basis. A revised version will be communicated to all staff, committee, and Council members. The Emergency Planning Committee will coordinate and communicate with external parties (i.e. police) as required.

6.4 Training

- Define any training requirements for staff and specific training required for any individuals assigned emergency responsibilities.

6.5 Periodic Emergency Drills

- Define frequency of emergency drill requirements for staff.

Appendices:

First Nation Contact Information (Key staff members)

Emergency organizations contact information (i.e. Emergency Services – Fire, Police, Hospitals)

Evacuation routes and shelters

List of key suppliers and contact Information

Specific plans for each major risk

Other appendices as appropriate for the First Nation...