



**Shuswap Indian Band**

## Governance Policy

**Approved by Council on *September 27, 2017***

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Issue Date:**

**#A.01 - Governance  
September 27, 2017**

## NOTICE TO USERS

This document provides a policy and procedures that meet the requirements in both the Financial Management Systems Standards (the “FMS Standards”) and Financial Administration Law Standards (“the FAL Standards”) established by the First Nations Financial Management Board (“the FMB”) under the *First Nation’s Fiscal Management Act* (“the *FNFMA*”).

## RELATED POLICIES AND PROCEDURES

<b>Policy and Procedures</b>		<b>Source/Version</b>
Financial Administration Law	Law	July 16, 2016
Financial Policy	Policy	October 24, 2017
Information and Records Management Policy	Policy	September 27, 2017
Manual for Administration Band Moneys – INAC	Procedures	INAC (2012)
Annual Reporting Guide – INAC		INAC (2017-2018)

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## 1. Definitions

<b>“Authorization and Delegation Table”</b>	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.
<b>“Code of Conduct”</b>	is the Schedule ‘Avoiding and Mitigating Conflicts of Interest’ attached to and forming part of the Band’s Financial Administration Law.
<b>“Code of Conduct Declaration”</b>	is the declaration attached to this Policy as Appendix D.
<b>“Committee”</b>	refers to a group of people appointed by Council for the purpose of advising the Council or conducting decision-making activities assigned by Council which are convened on a regular long-term basis until or unless they are suspended or disbanded by the Council.
<b>“Eligibility Criteria”</b>	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.
<b>“Engagement Letter”</b>	is a written communication from the independent auditor outlining the terms and conditions of appointment.
<b>“entity”</b>	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 Band in accordance with Public Sector Accounting Standards.
<b>“expenses”</b>	includes the costs of transportation, accommodation, meals, hospitality and incidental expenses.
<b>“Financial Competency”</b>	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.
<b>“Financial Reporting Risk”</b>	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.
<b>“Fraud Risk”</b>	is the potential for an employee, agent or other person connected to the financial administration of the 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.
<b>“Independence”</b>	exists between the 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.

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<b>“Internal Control”</b>	is a process, effected by the Band’s Council, Finance and Audit Committee, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: <ul style="list-style-type: none"><li>• effectiveness and efficiency of operations;</li><li>• reliability of reporting; and</li><li>• compliance with applicable laws and regulations.</li></ul>
<b>“Officer”</b>	means the Senior Manager, Senior Financial Officer, Tax Administrator or any other employee of the Band designated by the Council as an Officer;
<b>“PSAS”</b>	means Public Sector Accounting Standards established and issued by the Public Sector Accounting Board, as amended or replaced from time to time.
<b>“remuneration”</b>	means any salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary and non-monetary benefits.
<b>“Senior Manager”</b>	means the person who is responsible for leading the day to day administration or management of the Band and who reports directly to Council.
<b>“Special Purpose Report”</b>	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.
<b>“Standing Committee”</b>	refers to Committees which are meant to have a continued existence.
<b>“Special Committee”</b>	refers to a Committee which is formed for a specific purpose whose organization is dissolved when that purpose has been accomplished.
<b>“Terms of Reference”</b>	is a documented statement of the mandate, objectives, purpose, scope, functions and rules under which a Committee is expected to operate.
<b>“to assign”</b>	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.
<b>“to delegate”</b>	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.

## 2. Policies Procedures and Practices

- A. **Policy** - It is Council's policy to create, revise, and issue policies and procedures that reflect the Band's accepted practices as well as meet law and regulatory requirements that affect the Band's financial administration processes.
- B. **Purpose** - The purpose of this policy is to ensure that there is a standardized method of preparation, review, issuance, maintenance and revision of all policies and procedures in relation to the Band's financial management system.
- C. **Scope** - This policy and procedure applies to the Council, Committees of Council and all employees and any other persons with authority to conduct activities in connection with the financial administration of the Band.
- D. **Responsibilities**
- (1) All persons affected by this policy are required to understand and comply with the policies and procedures appropriate to their responsibility and interaction.
  - (2) Any employee or department (document initiator) can recommend a policy and procedure.
  - (3) Council is responsible for the final approval of new, revised or rescinded policies and procedures.
  - (4) Finance and Audit Committee is responsible for:
    - a. making recommendations to Council for the issuance, revision or rescission of any policy and procedure document;
    - b. ensuring policy and procedure documents being reviewed are neither contradictory to the Band's Financial Administration Law nor inconsistent with PSAS;
    - c. conducting an assessment for each significant function or activity of the Nation's financial administration to determine if a policy and procedure document is required (e.g. policies and procedures that ensure the control and safeguarding of all the assets of the Nation);
    - d. conducting an assessment of the Band's Financial Administration Law to determine the policies or procedures required by the Law.
  - (5) The Senior Manager is responsible for:
    - a. reviewing all policy and procedure document requests and submitted the document to the Finance and Audit Committee for review and a recommendation to Council for approval where the Senior Manager supports the request;
    - b. determining if the policy and procedure document request needs to be referred to a subject matter expert for additional review;
    - c. determining if the policy and procedure document needs cross functional review from other departments within the Nation;
    - d. ensuring that the current list of policy and procedures are made available to all affected persons.
  - (6) The Senior Financial Officer is responsible for:
    - a. maintaining a comprehensive list and repository of all existing policies and procedure documents;

- b. ensuring proposed or revised policy and procedure documents are in the standardized format;
  - c. ensuring proposed or revised policy and procedure documents incorporate the requirements of the Nation's laws and regulatory requirements;
  - d. monitoring the policy and procedure document through the draft, approval, and issuance process;
  - e. serving as the policy and procedure document sponsor and providing the initial approval to the document initiator to proceed with creating a proposed document, revising an existing document or rescinding an existing policy; and
  - f. ensuring that existing policy and procedures are kept current by reviewing periodically.
- (7) The document initiator is responsible for:
- a. preparing a draft policy and procedure document (for new policies) in accordance with the standardized format established by this policy;
  - b. revising an issued policy and procedure document in accordance with the standardized format;
  - c. preparing a written request to rescind an outdated or inaccurate policy and procedure document;
  - d. submitting all policy and procedure document requests to the Senior Financial Officer or delegated authority for review and recommendation of approval.

## **E. Procedures**

### **(1) Policy Creation**

- a. The document initiator creating the policy and procedure should be the process owner or a subject area expert.
- b. Any employee or department may recommend a policy but in the first instance, the Senior Financial Officer will create a list of all policies and procedures required by the Nation's financial administration law or required to adequately and effectively manage and control the financial management system and to safeguard the Nation's assets. The Senior Financial Officer will then assign the responsibility of document initiator to a process owner or subject area expert for policies and procedures that do not exist or require revision.
- c. The Senior Financial Officer and the document initiator will agree on appropriate content (iterative reviews if necessary) keeping within the following format for the policy;
  - i. Policy – clear statement that indicates the protocol or rule affecting the specific area
  - ii. Purpose – The reason or rationale underlying the policy and procedure
  - iii. Scope – The areas, functions, individuals, or departments affected by the policy
  - iv. Definitions – Any specialized terms that are not otherwise defined
  - v. Responsibilities – Describes who, using generic titles or positions, is responsible for implementing or maintaining the policy and procedure
  - vi. Procedures – Describes the steps, details, or methods to be used to implement and maintain the policy and procedures
  - vii. References (optional) – List of applicable documents, policies, laws and regulations

- viii. Attachments (optional) - forms, reports, or records that are generated from the policy
- d. The Senior Financial Officer will submit final draft policy and procedure documents to the Senior Manager for review and recommendation for submission to the Finance / Audit Committee.
- e. The Finance and Audit Committee will review the draft policy and procedure documents and may recommend them, with or without amendments, to Council the final approval.
- f. Each policy and procedure document presented to Council for approval will include a list of the persons affected by the policy and a documented record of the Finance and Audit Committee's review and recommendation.

#### **(2) Policy Revision**

- a. The document initiator may recommend the revision of an issued policy and procedure following steps under "Policy Creation".
- b. Periodically, but at least every two years the Senior Financial Officer will review issued policies and procedures or will request process owners to validate existing policy and procedures for accuracy.

#### **(3) Policy Rescission**

- a. A process owner may request the rescission of an issued policy and procedure, if the policy is outdated or inaccurate and approval is obtained from the Senior Manager and Senior Financial Officer.
- b. The request to formally rescind an issued policy should be documented and provide the details of why the policy should be rescinded.

#### **(4) Policy Approval**

- a. Once approved by Council, a new or revised policy must be communicated and accessible to the all affected departments and persons.

#### **(5) Policy Maintenance**

- a. At least every two years, all issued policy and procedures documents will be reviewed for completeness, accuracy, and relevancy and revised or rescinded accordingly.

### **F. References and Related Authorities**

- (1) FMB's Financial Management System Standards
  - a. Standard 9.0 - Policies, procedures and directions
- (2) FMB's Financial Administration Law Standards
  - a. Standard 8.3 - Policies, procedures and directions

### **G. Attachments - None**

### **3. Delegated & Assigned Responsibilities**

#### **A. Policy**

While the overall responsibility for financial management of the Band remains with the Council, it is Council's policy to give specific financial administration authority to identified departments, Committees and individuals for the purpose of performing duties, making commitments, and authorizing the collection and disbursement of funds on behalf of the Band.

#### **B. Purpose**

The purpose of this policy is to document and specify the use of delegation and assignment authority to transfer the responsibility for making a decision or performing a duty to another functional area, Officer, employee, or agent and to provide accountability with respect to financial authorization and authority to bind the Band to legal obligations.

#### **C. Scope**

This policy and procedure applies to the Council, Committees of Council, Officers, employees of the Band and any other persons with authority to conduct activities in connection with the Financial Administration of the Band.

In addition to the authorities and responsibilities identified within this policy and procedure document, the following transactions or decisions will comply with their related policies and procedures:

- (1) Expenditures
- (2) Procurement
- (3) Debt
- (4) Investments
- (5) Capital assets
- (6) Loans, Guarantees and Indemnities
- (7) Local Revenue
- (8) Insurance
- (9) Human Resources
- (10) Records Management
- (11) Financial Reporting
- (12) Integrated Planning and Budget

#### **D. Responsibilities**

- (1) Council may authorize the Senior Manager to delegate any Council duties or functions related to the Band's financial administrative system to an Officer, employee, Committee, contractor or agent except:
  - a. the 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;
  - b. the appointment and removal of the Finance and Audit Committee members, including the Chairperson and Vice-Chairperson;
  - c. the approval of budgets, budget amendments, borrowings and financial statements;
  - d. the approval of the Authorization and Delegation Table; and
  - e. any matter relating to the employment or authorities of the Senior Manager, the Senior Financial Officer or the Tax Administrator.

- (2) The Senior Manager can assign any or all of his or her financial management activities or functions except:
  - a. maintaining and revising the Authorization and Delegation Table;
  - b. ensuring those with delegated authority understand their responsibilities and have the skill and knowledge necessary for the effective exercise of the authority;
  - c. establish protocols for delegation and temporary assignments to deal with absences due to illness, vacation, or other extended leaves;
  - d. 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.
- (3) All Officers, employees, Committees, contractors or agents of the 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.
- (4) Officers, employees, Committees, contractors or agents of the Band may reassign functional authorities and responsibilities as long as it is made in accordance with the Authorization and Delegation Table.
- (5) Officers, employees, Committees, contractors or agents will ensure that decisions or transaction approval falling outside of their scope of authority are referred to the Senior Manager or otherwise as appropriate.
- (6) Regardless of the delegation of any financial administration authority by the Council, the Council remains responsible for the financial management of the Band.

## **E. Procedures**

### **(1) Procedures for delegation**

- a. The Senior Manager is responsible for preparing and updating the Authorization and Delegation Table in accordance with this policy for the Band.
- b. The Senior Manager 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.
- c. The Senior Manager will submit the Authorization and Delegation Table to Council for approval and Council will at least annually, with a motion duly recorded in the minutes, approve the Authorization and Delegation Table.
- d. The Senior Manager 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.
- e. The Senior Manager 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.
- f. Council, Committees, Senior Manager, Officers, 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.

**(2) Procedures for the Authorization and Delegation Table**

- a. 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, collect and disburse funds on behalf of the Band.
- b. Any delegation of authority granted will be aligned with the hierarchical organizational chart structure.
- c. Updates made to the Authorization and Delegation Table by the Senior Manager will be approved by Council. The Senior Manager will submit an updated Authorization and Delegation Table to Council for approval as soon as practicable.

**(3) Temporary delegation of responsibility**

- a. 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 Senior Manager.
- b. Long-term – Any delegation of responsibility of a long-term nature will be approved by the Senior Manager and appropriately documented.

**(4) Procedures for monitoring and evaluation**

- a. The Senior Manager 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.

**F. 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 - BAND COUNCIL – Responsibility
- b. Standard 8.2 - BAND COUNCIL – Delegation
- c. Standard 11.1.6 - SENIOR MANAGER – Permitted assignment
- d. Standard 11.2.5 - SENIOR FINANCIAL OFFICER – Permitted assignment

**G. Attachments**

- (1) **Appendix A** – Authorization and Delegation Table
- (2) **Appendix B** – Council Delegation of Duty/Function Agreement
- (3) **Appendix C** – Implementation notes

## **4. Code of Conduct**

### **A. Policy**

It is Council's policy to have Councillors, Officers and any staff [and contractors, if applicable] involved in the financial administration of the Band, make an annual Code of Conduct Declaration.

### **B. Purpose**

The purpose of this policy is to provide each Councillor and employee [and contractors] with a clear understanding of his/her expected conduct in the performance of their responsibilities.

### **C. Scope**

This policy and procedure applies to all individuals involved with the financial administrative system of the Band, including Councillors, Officers and all employees and contractors in the Finance Department.

### **D. Responsibilities**

- (1) Council members are responsible for reading and understanding the Code of Conduct and signing the Code of Conduct Declaration upon commencement of their Term of Office or employment with the Band.
- (2) The Senior Manager is responsible for ensuring that all employees [and contractors] are informed of the Code of Conduct and this policy and for ensuring training/orientation on the Code of Conduct is provided to Councillors, Officers and Employees and contractors, in a timely manner upon being hired or elected.
- (3) The Senior Manager is responsible for ensuring all Officers, Employees and contractors sign the Code of Conduct Declaration annually and submit it to the Human Resources ("HR") Department.
- (4) Immediate supervisors of existing and new employees and contractors are responsible for ensuring their supervised employees and contractors sign the Code of Conduct Declaration annually and submit it to the HR Department in a timely manner.
- (5) When an Officer or employee [or contractors] reports a potential conflict of interest as required in the Code of Conduct, he or she will complete and file the Conflict of Interest Disclosure Form with the Senior Manager who will submit it to the HR Department.
- (6) When the Senior Manager reports a potential conflict of interest as required in the Code of Conduct, the Senior Manager will complete and file the Conflict of Interest Disclosure Form with the Chair of the Finance and Audit Committee who will submit it to the HR Department. All such reported disclosures will be filed individually but monitored centrally by the HR Department.

### **E. Procedures**

- (1) At the end of each fiscal year, the HR department will communicate, in writing, to the Councillors, Officers, and employees [and contractors] to request those who have not been made aware of the Code of Conduct to read and sign the Code of Conduct Declaration and submit it to the HR department.
- (2) The HR department will inform the Chair of the Finance and Audit Committee and the Senior Manager of any Councillors who have not submitted a signed Declaration.
- (3) The HR department will inform the Senior Manager, Senior Financial Officer and Tax Administrator of all employees [and contractors] who have not submitted a Code of Conduct Declaration.
- (4) The HR department will retain the signed Code of Conduct Declaration forms in the employee's personnel file and contractors' file. The signed Code of Conduct Declaration forms for councillors will be held by the secretary, or equivalent, to the Council.

- (5) The HR Department will retain all Conflict of Interest Disclosure Forms in the respective Officer or employee's personnel files and contractors' file.
- (6) The Council will take action to rectify any instances of non-compliance within 90 days of receiving the compliance report.

**F. References and Related Authorities**

- (1) FMB's Financial Management System Standards
  - a. Standard 13.1 – Disclosure Procedures
  - b. Standard 13.2 – Conduct Training
  - c. Standard 13.3 – Compliance Declaration
- (2) FMB's Financial Administration Law Standards
  - a. Standard 12.0 – Conduct

**G. Attachments**

- (1) **Appendix D** – Code of Conduct Declaration
- (2) **Appendix E** – Conflict of Interest Disclosure Form

## **5. Committee Establishment and Dissolution**

### **A. Policy**

It is Council's policy to establish any Standing Committees and any Special Committees it deems necessary to fulfill its mandate or to assist in meeting statutory obligations.

### **B. Purpose**

The purpose of this policy and procedure is to establish an effective governance system that ensures that Committees are consistently and purposefully structured to carry out its specified functions assigned by Council or in Band laws.

### **C. Scope**

This policy and procedure applies to Council, its Committees and the Senior Manager.

### **D. Responsibilities**

(1) Subject to Band laws, Council is responsible for:

- a. the establishment of any Council Committee and its mandate;
- b. approval of the Terms of Reference for each Committee;
- c. determining the minimum qualifications and eligibility requirements of Committee members and chairpersons;
- d. the appointment of a Chairperson or the filling of a Chairperson vacancy on any Council Committee;
- e. evaluating the effectiveness of each Committee.

(2) The Senior Manager is responsible for:

- a. maintaining detailed descriptions and current membership lists for each Committee;
- b. assisting Committee Chair's in preparing Committee agendas; and
- c. ensuring that the agendas and minutes of all Committee meetings are retained for a period of at least seven years [or period specified as per Information Management Policy of the Band].

(3) The Chairperson is responsible for:

- a. chairing Committee meetings and ensure they are conducted in an efficient and effective manner;
- b. scheduling Committee meetings as necessary and planning Committee activities to ensure that the Committee is successful in fulfilling its mandate and addressing its functions, duties and responsibilities, including working within its approved budgetary resources;
- c. approving Committee agendas;
- d. ensuring that minutes are prepared and that they accurately reflect meeting outcomes;
- e. identifying the necessary qualifications and eligibility criteria for Committee members, subject to Band laws;
- f. recruiting qualified Committee member candidates and recommending them to Council;
- g. evaluating Committee members and their contributions;
- h. recommending member appointments and removals to Council; and
- i. reporting to Council on behalf of the Committee.

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(4) The Committee members are responsible for:

- a. preparing for meetings for those Committees of which he or she is a member by reading reports and background materials prepared for each meeting and acquiring adequate information necessary for decision making;
- b. becoming knowledgeable of the Committee functions;
- c. participating fully and frankly in the discussions of the Committee;
- d. attending all Committee meetings;
- e. avoiding conflicts of interests and complying with conflicts of interest policies and procedures established by Council or under Band laws.

## **E. Procedures**

### **(1) Establishing / Dissolving of a Committee**

- a. Subject to Band laws, Council may establish or dissolve a Committee, other than the Finance and Audit Committee, by passing a Band Council Resolution. Council will also establish Terms of Reference regarding the Committee's mandate, objectives and expected outcomes.
- b. Subject to Band laws, for each new Committee, the Senior Manager and the Chairperson will develop and recommend to Council for approval the Terms of Reference which will include, at a minimum, the following:
  - i. composition of members, including minimum number of councillors and any requirements for specific experience, skills, knowledge or expertise;
  - ii. quorum;
  - iii. term of the Committee members;
  - iv. detailed role and functions;
  - v. voting rules; and
  - vi. meeting and reporting obligations

### **(2) Appointment of Committee Member**

- a. Subject to Band laws, Council will appoint a Committee chairperson.
- b. Subject to Band laws, the Senior Manager and the respective Committee Chairperson will develop and recommend to Council for approval membership qualification and eligibility criteria for each Committee, including potential conflicts of interest avoidance.
- c. The Senior Manager or a designate will develop and implement a recruitment strategy to fill Committee vacancies.
- d. The Senior Manager will meet with and assess the qualifications eligibility and interest of each member candidate and provide the chairperson with a list of qualifying and eligible candidates.
- e. The Chairperson, based on consultations with the Committee, will recommend to Council the appointment of new individuals to the Committee.

### **(3) Monitoring and evaluating Committee performance**

- a. Annually, the Chairperson will evaluate the Committee's progress against its Terms of Reference, objectives, and stated outcomes. The results of the analysis will be presented to council and used as the basis for the following year plan for the Committee.

- b. The Chairperson will continually monitor the performance of Committee members against their terms of appointment.

**(4) Removal of Committee Members**

- a. Subject to Band laws, Committee member may be removed on the recommendation of the Committee chairperson if the Committee member has committed a breach of the Code of Conduct, breach of confidentiality, or otherwise had breached a Band policy, fails to perform expected duties of a Committee member, or is no longer qualified or eligible to be a Committee member.

**F. References and Related Authorities**

(1) FMB's Financial Management System Standards

- a. Standard 11.1 – Band Committees – Band Committees generally

**G. Attachments**

None

## **6. Finance and Audit Committee**

### **A. Policy**

It is Council's policy and a requirement of the Band's Financial Administration Law to establish and maintain a Finance and Audit Committee ("the Committee") to assist Council in carrying its oversight responsibilities for financial reporting, Internal Control, and risk management processes.

### **B. Purpose**

The purpose of this Policy is to set out the composition, responsibilities, and procedures in establishing and maintaining a Finance and Audit Committee.

### **C. Scope**

This policy applies to Council, the Finance and Audit Committee, the Senior Manager and the Senior Financial Officer.

### **D. Responsibilities**

- (1) Subject to the Band's Financial Administration Law, the Council is responsible for:
  - a. assigning to the Committee any responsibilities or functions in addition to those set out in the Law;
  - b. approval of the Terms of Reference for the Committee;
  - c. determining the Eligibility Criteria of the Committee members, chairpersons and vice-chairpersons;
  - d. confirming, before appointment, that each potential member of the Committee is eligible to be a member and is independent;
  - e. ensuring that each member of the Committee signs a statement annually, confirming that they continue to meet the Eligibility Criteria and remain independent;
  - f. determining the requirements of Financial Competency to be met by the majority of the Committee members;
  - g. the appointment of the Chairperson and the Vice-Chairperson of the Committee and the filling of any vacancies in those offices;
  - h. evaluating the effectiveness of the Committee;
  - i. providing the Committee with the resources it might need to carry out its functions;
  - j. requiring the Council to consider any recommendations or advice provided by the Committee; and
  - k. [If the chairperson is not a councillor] sending notices and agendas of all council meetings to the chairperson.
- (2) The Finance and Audit Committee Chairperson is responsible for:
  - a. facilitating the Committee's interaction with Senior Management;
  - b. chairing the Committee meetings and ensuring they are conducted in an efficient and effective manner;

- c. planning the Committee's activities to ensure that the Committee is successful in fulfilling its mandate and addressing its functions, duties and responsibilities;
- d. preparing the Committee's agendas;
- e. ensuring that minutes are recorded at each duly called meeting;
- f. recruiting qualified Committee member candidates and recommending them to Council;
- g. evaluating committee members and their contributions;
- h. reporting to Council on behalf of the Committee.

(3) Committee Members are responsible for:

- a. preparing for meetings by reading reports and background materials prepared for each meeting and acquiring adequate information necessary for decision making;
- b. actively participating in the Committee's deliberations;
- c. attending all scheduled Committee meetings subject to reasonable exceptions acceptable to the Chairperson;
- d. becoming knowledgeable of the Committee functions and statutory responsibilities under the Band's Financial Administration Law;
- e. maintaining direct, open and frank communications with management, the Committee, the Auditor and other advisors as appropriate;
- f. ensuring that they have the minimum level of Financial Competency necessary to fulfill their responsibilities;
- g. ensuring that they maintain their Independence as required in the Band's Financial Administration Law;
- h. avoiding conflicts of interests and complying with conflict of interest policies and procedures established by Council and described in the Financial Administration Law;
- i. reviewing and making recommendations to the Council on the Terms of Reference of the Committee.

(4) The Senior Manager is responsible for:

- a. maintaining the current Committee member list;
- b. tracking the Financial Competency of each Committee member;
- c. keeping the Chair of the Committee current in a timely fashion on major developments and provide the Committee with sufficient information on a timely basis to enable the Committee to discuss potential issues, make decisions, and fulfill its mandate;
- d. assisting the chair of the Committee in planning and making necessary arrangements for setting agendas, giving required meeting notices and holding meetings;
- e. attending each Committee meeting, unless excused by the chair for a reasonable reason or excluded from attendance by vote of the Committee as provided in the Band's Financial Administration Law.

(5) The Senior Financial Officer is responsible for:

- a. attending each Committee meeting, unless excused by the chair for a reasonable reason or excluded from attendance by vote of the Committee as provided in the Band's Financial Administration Law;
- b. providing technical and professional support to the Committee as requested or as required in the Band's Financial Administration Law.

## **E. Procedures**

### **(1) Appointment and Removal of Members**

- a. Subject to the Band's Financial Administration Law, the Council will appoint the Chairperson and Vice-Chairperson of the Finance and Audit Committee by a majority vote.
- b. The Council must establish its finance and audit committee consisting of the number of members specified in the FAL.
- c. The Council, upon recommendation of the Chairperson, will appoint the members of the Committee, a majority of whom must have Financial Competency and all of whom must have Independence and meet Eligibility Criteria established by Council.
- d. A Committee member may be removed from office by majority vote of Council in the circumstances permitted in the Band's Financial Administration Law.

### **(2) Term Requirements**

- a. Subject to the Band's Financial Administration Law, when making appointments to the Committee, Council will endeavor to ensure that no more than half of the members' terms will expire in any one fiscal year.
- b. The Senior Manager will maintain a register of Finance and Audit Committee members which will, for each member, include the date of appointment or re-appointment, the term of the membership, and the term end date and which will track Independence and Financial Competency issues for each member.
- c. Upon any changes in the Committee membership, the Senior Manager will report to Council on the term end dates for each member of the Committee.
- d. The term of a Committee member will be as established in the Band's Financial Administration Law.
- e. The terms of office of members of the Finance and Audit Committee are staggered to ensure the continuing effectiveness of the committee and to provide for succession planning.
- f. If a Finance and Audit Committee member is removed from office, dies, or resigns before their term expires, the Council must as soon as practicable appoint a new Finance and Audit Committee member to hold office for the remainder of the term.

### **(3) Eligibility Criteria**

- a. The Council will establish Eligibility Criteria of a Finance and Audit Committee member by specifying that an individual must not have a role in the financial management of the Band

involving the planning organizing, directing, or controlling of its financial activities, including budgeting, financial accounting, financial reporting, procurement and utilization of funds.

- b. The Council will document the criteria for Independence of a Finance and Audit Committee member by specifying that the individual does not have a direct or indirect financial 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.
- c. The Council will establish the criteria for Financial Competency of a Finance and Audit Committee member that, in the opinion of council, reasonably fulfill the role and responsibilities of the Committee member and the effectiveness of the Committee.

#### **(4) Committee Administration and Reporting**

- a. Subject to the Band's Financial Administration Law, the quorum necessary for the transaction of business at Committee meetings will be a majority of the members of the Committee.
- b. Subject to the Band's Financial Administration Law, the Finance and Audit Committee will meet at least quarterly and otherwise as necessary but in any event as soon as practical following receipt of the audited annual financial statements and report of the auditor.
- c. Any member of the Committee may call meetings of the Committee.
- d. All Councillors of the Nation may attend meetings of the Committee provided, however, that no Councillor is entitled to vote at such meeting and is not counted as part of quorum for the Committee if he or she is not a member of the Committee.
- e. The external auditor may attend and be heard at meetings of the Committee.
- f. The Committee will maintain written records of attendance at its meetings of Committee members and of any ex-officio member such as the Senior Manager, and the Senior Financial Officer.
- g. The Committee will provide minutes of its meetings to the Council and the Chairperson will provide reports to Council as appropriate on the substance of meetings at the next Council meeting following a Committee meeting.

#### **F. References and Related Authorities**

##### **(1) FMB's Financial Management System Standards**

- a. Standard 11.2 – Band Committees – Finance and Audit Committee

##### **(2) FMB's Financial Administration Law Standards**

- a. Standard 10.1 – Finance and Audit Committee – Constitution
- b. Standard 10.2 – Finance and Audit Committee – Terms of Office
- c. Standard 10.3 – Finance and Audit Committee – Committee Officers
- d. Standard 10.4 – Finance and Audit Committee – Committee Procedures
- e. Standard 10.5 – Finance and Audit Committee – Committee Functions
- f. Standard 19.2.5 - Auditor Authority

**G. Attachments**

- (1) **Appendix F** – Sample Finance and Audit Committee Terms of Reference
- (2) **Appendix G** – Finance Competency Guidelines

## 7. Appointment of Shuswap Indian Band Officers

### A. Policy

It is Council's policy to make the appointment or removal of the Senior Manager, the Senior Financial Officer and the Tax Administrator of the Band.

The purpose of this policy is to provide guidance on the appointment process and responsibilities of the Senior Manager, the Senior Financial Officer and the Tax Administrator of the Band.

### B. Scope

This policy and procedure applies to Council, the Senior Manager, the Senior Financial Officer and the Tax Administrator of the Band.

### C. Responsibilities

- (1) Council is responsible for appointing the Senior Manager, Senior Finance Officer [and Tax Administrator] and any other Officer connected with the financial administration of the Band.
- (2) The Senior Manager is responsible for:
  - a. developing and recommending to the Council for approval, human resources policies and procedures for the hiring, management and dismissal of Officers and employees of the Band;
  - b. preparing and recommending to the Council for approval, descriptions of the powers, duties and functions of all employees of the Band;
  - c. hiring the employees of the Band, as the Senior Manager considers necessary, and to set the terms and conditions of their employment;
  - d. overseeing, supervising and directing the activities of all Officers and employees of the Band;
  - e. overseeing and administering the contracts of the Band;
  - f. identifying, assessing, monitoring and reporting on financial risks and fraud risks;
  - g. monitoring and reporting on the effectiveness of mitigating controls for the financial and fraud risks;
  - h. other duties as required by council that are not contrary to the *Bands Fiscal Management Act* ("the *FNFMA*") or inconsistent with the senior manager's duties under the Band's Financial Administration Law;
  - i. reporting directly to Council.
- (3) The Senior Financial Officer is responsible for:
  - a. the day to day management of the Band's financial administration system;
  - b. other duties as required by the Senior Manager that are not contrary to the *FNFMA* or inconsistent with the senior financial Officer's duties under the Band's Financial Administration Law;
  - c. reporting directly to the Senior Manager; and
  - d. any other duties as set out in section [19.2] of the Financial Administration Law.

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(4) The Tax Administrator is responsible for:

- a. the day to day management of the Bands local revenues system;
- b. other duties as required by the Senior Manager that are not contrary to the *FNFMA* or the Band's local revenue laws or inconsistent with the tax administrator's duties under the Band's Financial Administration Law;
- c. reporting directly to the Senior Manager.

**D. Procedures**

**(1) Appointment**

- a. Council will approve, prior to posting a job, the specific qualifications required for each position.
- b. Council will determine the selection process for all Officer positions identified by this Policy. At minimum the Council will create an Officer selection committee consisting of at least [●] competent persons, one of whom must be a Councillor. The Officer selection committee will develop criteria for a selection process that will evaluate the qualifications, experience, and any other interview standards deemed appropriate for each candidate.
- c. Initial screening will occur to assess each applicant's ability to meet the minimum stated standards. Applications of qualified candidates received for a posting will be forwarded to the selection committee to further screen the applications to select individuals to be interviewed for the position. The interview process will be consistent for all applicants.
- d. The Officer selection committee will then evaluate each candidate against the established criteria and recommend a candidate for the position to Council.

**E. References and Related Authorities**

(1) FMB's Financial Management System Standards

- a. Standard 12.1 – Senior Manager
- b. Standard 12.2 – Senior Financial Officer
- c. Standard 12.3 – Tax Administrator
- d. Standard 12.4 – Functions Documented

(2) FMB's Financial Administration Law Standards

- a. Standard 11.1 – Senior Manager
- b. Standard 11.2 – Senior Finance Officer
- c. Standard 11.3 – Tax Administrator
- d. Standard 11.4 – Employees

**F. Attachments - None**

## **8. External Audit**

### **A. Policy**

A qualified and licensed external auditor will be appointed to render an audit opinion on the annual financial statements (and Special Purpose Reports, as applicable) of the 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.

### **B. 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.

### **C. Scope**

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

### **D. Responsibilities**

(1) Council is responsible for:

- a. Appointing (re-appointing) an auditor meeting eligibility requirements and documenting the appointment with a council resolution;
- b. Ensuring the Engagement Letter requires the auditor to confirm that the financial statements and the audit comply with the Bands Financial Management Board's standards, any relevant funding agreement requirements and all applicable laws;
- c. 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;
- d. 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 – Senior Financial Officer, Chief or Council Chairperson, and Chair of the Finance and Audit Committee;
- e. Acting on recommendations from the Finance and Audit Committee related to the audit; and
- f. Ensuring 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.

(2) The Finance and Audit Committee is responsible for:

- a. Providing oversight on the external audit and advising the council as required;
- b. Making recommendations to Council on the selection, engagement and performance of an auditor;
- c. Receiving assurances on the Independence of a proposed or appointed auditor;

- d. Ensuring that the appropriate action is taken with respect to any communication from the external auditors;
- e. 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 *Bands Fiscal Management Act* and the Bands Financial Management Board's Standards and any relevant funding agreements;
- f. Reviewing the draft annual financial statement from the senior financial officer and presenting the statements to council within [sixty days] following the end of the fiscal year for which they were prepared;
- g. Reviewing and making recommendations to council on the planning, conduct and results of audit activities; and
- h. 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.

(3) The Senior Manager is responsible for:

- a. directing and facilitating any notices regarding meetings concerning the annual audit or audited financial statements; and
- b. preparing the auditor's performance evaluation report with the input of the Senior Financial Officer.

(4) The Senior Financial Officer is responsible for:

- a. Overseeing, supervising, directing and facilitating requests for any information required by the auditor to carry out its audit responsibilities;
- b. 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;
- c. Facilitating the flow of account and other information and acting on auditor's requests during the audit;
- d. 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
- e. Providing feedback on the auditor's performance to the Senior Manager.

## **E. Procedures**

### **(1) Auditor selection, engagement and performance**

- a. The Senior Manager and the Senior Financial Officer 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:
  - i. Independence from the Band, its related bodies, Councillors and officers and members;

- ii. In good standing with regulatory bodies (Chartered Professional Accountants of Canada, Canadian Institute of Chartered Accountants, Certified General Accountants Association of Canada, or the Society of Management Accountants of Canada) and/or their respective counterparts in the province or territory in which the firm or accountant is practising;
  - iii. License to practice public accounting;
  - iv. Depth of experience serving Bands and other public sector entities;
  - v. Other considerations as appropriate (i.e. funding agreement requirements).
- b. The Finance and Audit Committee will review and approve the RFP before it is made public.
  - c. 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.
  - d. Upon approval, the Finance and Audit Committee will recommend the engagement of the selected auditor and the Engagement Letter to Council.
  - e. 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.
  - f. Annually at the conclusion of the audit, the Senior Manager and Senior Financial Officer 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.
  - g. The Finance and Audit Committee will review the auditor's performance evaluation and recommendations and take necessary steps as appropriate.
  - h. 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 the appointment of a new auditor.

## **(2) Auditor Independence**

- a. The Finance and Audit Committee will ensure that the Band has received a letter from the auditor, before the audit is finalized, in which the auditor confirms their continued Independence.

## **(3) Audit planning**

- a. 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.
- b. The Finance and Audit Committee will submit the finalized audit plan along with any recommendations, to Council for approval.

**(4) Preparations for the audit**

- a. The Senior Financial Officer will keep the auditor apprised and discuss in advance of the audit of any significant accounting issues, developments or changes for the Band that could have an impact on the audit and the audit report.
- b. Prior to fiscal year end, the Senior Financial Officer will issue instructions to the finance and accounting staff concerning fiscal year end procedures to help ensure the accuracy and completeness of the Band's financial statements and disclosures.
- c. Additionally, finance staff, under the direction of the Senior Financial Officer, 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 accounts receivable or accounts payable confirmation letters, financial institution account confirmations, and account balance reconciliations.
- d. 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.
- e. 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 terms of engagement may be warranted).

**(5) Audited annual financial statements**

- a. 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].
- b. The Committee will satisfy itself that:
  - i. The audit has been completed according to the plan;
  - ii. The financial statements are fairly presented according to PSAS;
  - iii. The auditors have provided an opinion on the financial statements and an opinion over any Special Purpose Reports as required by the Band's Financial Administration Law; and
  - iv. There are no significant unresolved issues.
- c. 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 Band's management team) for a part of the meeting.
- d. 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.
- e. Before publishing the audited financial statements, the following approvals are required:
  - i. Approval of council through a council resolution;
  - ii. Approval by signature from all of the following:
    - a) The Chief or the Chairperson of the Council of the Band;

- b) The Chairperson of the Finance and Audit Committee;
- c) The Senior Financial Officer.

**F. 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

**G. Attachments**

None

## 9. Reporting of Compensation, Benefits and Contracts

### A. Purpose

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 by the Band, whether such amounts are paid to the councillor while acting as councillor or in any other capacity.

### B. 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 *Bands 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.

### C. Scope

This policy and procedure applies to each member of Council.

This policy and procedure does not apply to remuneration or expenses received:

- (1) in common by all Band members;
- (2) under a program or service universally accessible to Band members on published terms and conditions; or
- (3) from a trust agreement, according to the terms of the trust.

### D. Responsibilities

- (1) Council is responsible for:
  - a. ensuring that each Councillor annually report to the Senior Financial Officer all remuneration paid and all expenses reimbursed by the Band and by any entity.
- (2) The Senior Financial Officer is responsible for:
  - a. 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;
  - b. including the annual report as a Special Purpose Report in the Band's annual report; and
  - c. making the Special Purpose Report available on the Band website or other repository for official documents to which membership has access.

### E. Procedures

- (1) Within 30 days after each fiscal year end, each Councillor 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 Senior Financial Officer 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 Senior Financial Officer or a designate will extract amounts from the general ledger to complete the Special Disclosure Report (see 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.
- (5) The Special Purpose Report must include any Councillor that left prior to the end of the fiscal year.
- (6) 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.
- (7) The Senior Financial Officer 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.
- (8) The Senior Financial Officer 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.
- (9) Once the Special Purpose Report is approved by Council the Senior Financial Officer 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.
- (10) The Senior Financial Officer or a designate will publish on the Band's website the Special Purpose Report together with the signed report from the Band's auditor.

#### **F. 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

#### **G. Attachments**

- (1) **Appendix H** – Disclosure Statement Template
- (2) **Appendix I** – Special Purpose Report Template – Reporting of Remuneration and Expenses

### Appendix A – Authorization and Delegation Table

Financial Administration Activity / Function	Who is Responsible	Authorization level	Authority Limit	Authority Standard
<b>Annual Budget</b>	Council / Finance & Audit Committee	Finance & Audit Committee make recommendation to Council	All	Integrated Planning Policy
<b>Financial Statements</b>	Council / Finance & Audit Committee	Finance & Audit Committee make recommendation to Council	All	Financial Reporting Policy
<b>Policies &amp; Procedures</b>	Council / Finance & Audit Committee	Finance & Audit Committee make recommendation to Council	No delegation	Policies, Procedures Policy
<b>Hiring of Officers</b>	Council	Council responsible for hiring Senior Manager, Senior Financial Officer and Tax Administrator	No delegation	HR Policy
	Senior Manager	Senior Manager and HR Committee hires employees other than Officers	No delegation	HR Policy
<b>Termination &amp; Severance - Officers</b>	Council	Council makes decisions affecting Senior Manager, Senior Financial Officer and Tax Administrator	No delegation	HR Policy
	Senior Manager	Senior Manager makes decisions affecting employees other than Officers	No delegation	HR Policy
<b>Salary Adjustments- Officers</b>	Council	Council makes decisions affecting Senior Manager, Senior Financial Officer and Tax Administrator	No delegation	HR Policy
	Senior Manager	Senior Manager makes decisions affecting employees other than Officers	No delegation	HR Policy
<b>Expenditures</b>	Council	Must authorize purchases greater than <b>\$1,001</b>	No delegation	Expenditures Policy
	Senior Manager	Must authorize purchases greater than <b>\$501</b> and less than <b>\$1,000</b>	No delegation	Expenditures Policy
	Senior Financial Officer	Responsible for all purchases up to <b>\$500</b>	Can assign to Officer	Expenditures Policy
<b>Professional Service Contracts</b>	Senior Manager	Must authorize contracts less than <b>\$5,000</b>	No delegation	Procurement Policy
	Senior Financial Officer	Responsible for contracts up to \$0	No delegation	Procurement Policy
<b>External Auditor</b>	Council / Finance & Audit Committee	Finance & Audit Committee make recommendation to Council	No delegation	Audit Policy
<b>Insurance</b>	Senior Manager	Must approve all insurance coverage and premiums.	No delegation	Insurance Policy
<b>Business Transactions</b>	Council / Finance & Audit Committee	All new business opportunities, business ventures, partnerships etc. Finance & Audit committee make recommendation to Council.	All	Risk Management /Integrated Planning Policy
<b>Divestitures</b>	Council	Must approve divestitures greater than <b>\$1,001</b> . Finance & Audit Committee make recommendation to Council	All	Tangible Capital Assets/ Integrated Planning policy
	Senior Manager	Must approve divestitures up to <b>\$1,000</b>	Can Delegate to Senior Financial Officer	Tangible Capital Assets/ Integrated Planning policy

<b>Capital Assets</b>	Council	Must authorize capital assets greater than \$ 1,001	No delegation	Tangible Capital Assets Policy and Budget
	Senior Manager	Must authorize capital assets greater than \$500 and less than \$1,000	No delegation	Tangible Capital Assets Policy and Budget
	Senior Financial Officer	Must authorize capital assets up to \$500	Can assign to subordinate	Tangible Capital Assets Policy and Budget
<b>Capital/Operating Leases</b>	Senior Manager	Must authorize all lease commitments	No delegation	Tangible Capital Assets Policy and Budget
<b>Cash Management – disbursements &amp; transfers</b>	Senior Manager	Must authorize amounts greater than \$20,001 and less than \$40,000	No delegation	Expenditure Policy
	Senior Financial Officer	Must authorize amounts up to \$20,000	No delegation	Expenditure Policy
<b>Bank accounts – opening/closing</b>	Council	Must approve all new or closed accounts	No Delegation	
<b>Temporary Investments</b>	Senior Financial Officer	Must authorize investments up to <b>\$25,000</b>	Can assign to 3 <sup>rd</sup> party or subordinate	Investment Policy
<b>Financing transactions – debt issuance and debt retirement and Guarantees</b>	Council	Must approve all debt transactions	Can assign to Senior Manager with limits	Debt Policy
	Senior Manager	None	None	Debt Policy
<b>Regulatory/Contractual filings and Reports</b>	Senior Financial Officer	Must approve all external Reporting	No delegation	Financial Reporting Policy
<b>Payroll</b>	Senior Financial Officer	Must approve periodic payroll	Can assign to subordinate	Expenditure Policy
<b>Expense Reports</b>	Finance & Audit Committee Chairperson	Approve councillors expense report	No delegation	Expenditure Policy
	A member of Council	Approve Senior Manager, senior financial Officer expense report	No delegation	Expenditure Policy
	Senior Manager	Approve Senior financial Officer reports	No delegation	Expenditure Policy
	Senior Financial Officer	None	No delegation	Expenditure Policy
<b>Journal Entries</b>	Senior Manager	Must approve entries not in ordinary course of business greater than <b>\$500</b>	No delegation	
	Senior Financial Officer	Must approve all entries other than not in ordinary course of business up to <b>\$500</b>	No delegation	

This Authorization and Delegation Table is approved by Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2017

*A quorum of Council consists of two members of Council.*

\_\_\_\_\_  
Chief Barb Cote

\_\_\_\_\_  
Councillor Tim Eugene

\_\_\_\_\_  
Councillor Rosalita Pascal

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## 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:

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## Appendix C – Implementation Notes

**Bands that intend to adopt and implement FMB’s Financial Administration Law Standards (Core Document A2) must address these requirements:**

**Section 8.1 Responsibility** – a Financial Administration Law of the Band makes the Council responsible for the financial administration whether or not any part of that function is assigned or delegated.

**Section 8.2 Delegation** – A Financial Administration Law may permit the Council to delegate functions except for limited functions such as approval of budgets, Policies & Procedures, financial statements, and appointment of the Finance and Audit Committee.

**Bands intending on having their Financial Management System certified by the FMB must address the following requirements:**

**Section 8.1 of the Financial Management System Standards** established by FMB requires the establishment and implementation of documented policies and procedures for the permitted delegation of any function or duties of Council respecting their financial management system.

**Section 8.2 of the Financial Management System Standards** established by FMB requires the establishment and implementation of documented procedures for assignment duties and responsibilities.

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;

- the Council (includes Committees of Council)
- the Senior Manager
- the Senior Financial Officer
- Key staff with delegations

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

**Appendix D – Code of Conduct Declaration**

I hereby confirm that I have read and understand the Conduct and Conflict of Interest Expectations set out in the Band’s Financial Administration Law (“the Law”) and the Schedule – Avoiding and Mitigating Conflicts of Interest and agree to comply fully with them.

I agree that I will adhere to the following principles and responsibilities governing my professional and ethical conduct.

To the best of my knowledge and ability:

I will comply with the Law, any other applicable Band law and any applicable standards.

I will act with honesty, good faith and in the best interest of the Band.

I will exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances;

I will avoid any real, potential, or apparent conflicts of interests.

I will act with due care, competence, and diligence, without misrepresenting material facts or allowing my independent judgement to be subordinated.

I will respect the confidentiality of information acquired in the course of my work or service except when authorized to do so in the performance of my duties or am otherwise legally obligated to disclose.

I will ensure responsible use of and control over all Band assets and resources entrusted to me.

I will be accountable for adhering to this declaration.

Declaration of Understanding

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature:

\_\_\_\_\_  
Date:

## Appendix E – Sample Disclosure Form for Conflict of Interest

*\* Please note that the below form may be amended for contractor' use if applicable.*

<b>CONFLICT OF INTEREST DISCLOSURE FORM</b>
<p>An employee has a “conflict of interest” when the employee exercises a power or performs a duty or function and at the same time knows or ought reasonably to have known that in the exercise of the power or performance of the duty or function there is an opportunity to benefit the employee’s private interests.</p> <p>Private interests are defined in the FAL Schedule – Avoiding and Mitigating Conflicts of Interests and include the interests of closely associated persons or entities.</p> <p>An employee has an apparent conflict of interest if a reasonably well-informed person would perceive that the employee’s ability to exercise a power or perform a duty or function of their office or position must be affected by the employee’s private interests.</p> <p>All employees are required to declare any actual, potential or apparent conflicts of interest to the Band. Conflicts of interest could arise from “personal interests” which include:</p> <p><i>The individuals spouse</i></p> <p><i>A person under the age of eighteen (18) years in respect of whom the individual or the individual’s spouse is a parent or acting in a parental capacity;</i></p> <p><i>A person in respect of whom the individual or the individual’s spouse is acting as guardian;</i></p> <p><i>A person, other than an employee, who is financially dependent upon the individual or the individual’s spouse or on whom the individual is financially dependent; and</i></p> <p><i>An entity in which the individual or the individual in combination with any other person described in this section has a controlling interest.</i></p> <p><i>Close family or personal relationships with employees in a position to influence the affairs of the Band, or otherwise engaged in the affairs of the Band</i></p> <p><i>Close relationships with individuals having an interest in information, competitive, intellectual or other interests of the Band</i></p>
<p>Declaration: I disclose the following actual, potential or apparent conflicts of interest:</p>
<p>Employee name (print):</p>
<p>Employee signature:</p>
<p>Title:</p>
<p>Date:</p>

## Appendix F – Sample Finance and Audit Committee Terms of Reference

### Sample Finance and Audit Committee Terms of Reference

Composition:	At least one (1) councillor must be a member of a committee consisting of three members and at least two (2) councillors must be members of a committee consisting of four or more members. 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 and all of the members must have Independence.
Quorum:	Quorum necessary for the transaction of business at Committee meetings will be majority of the voting members of the Committee.
Voting Rules:	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.
Committee Term:	The Finance and Audit Committee is a standing committee established by the <i>Financial Administration Law</i> .
Member Term:	The members of the Finance and Audit Committee must serve staggered terms, as follows: <ul style="list-style-type: none"><li>a) non-Councillor members shall serve three-year terms, appointed in opposing years of Council elections; and</li><li>b) 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.</li></ul>
Chairperson:	Appointed by Council. Either the Chairperson or the Vice-Chairperson must be a Councillor.
Vice-chairperson	Appointed by Council. Either the Chairperson or the Vice-Chairperson must be a Councillor.
Mandate:	The Finance and Audit Committee is responsible to review and make recommendations to Council on the financial administration matters of the Nation. 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.
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> <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.</p> <p>The Senior Manager and Senior Financial Officer must be notified of all meetings and must attend those meetings, subject to reasonable exceptions.</p>

The auditor of the 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 Senior Manager or Senior Financial Officer 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 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 the Band's 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;
- 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 Band's *Financial Administration Law* and recommend amendments to Council;
- 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 Senior Manager 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 the Band's business enterprises and make recommendations to Council.

### **Other**

- a) Review expenses of Councillors and Senior Management and assess the Band's 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 Senior Manager, the Committee may retain a consultant to assist in the performance of any of its responsibilities.

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## Appendix G – Financial 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 the Band’s 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 the Band’s accounting policies, when these are explained by the Band’s Senior Financial Officer and the auditor;
- An understanding of the 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 the Band and the risks inherent in any new strategies; and
- An ability to understand the Band’s risk environment.

## Appendix H – Disclosure Statement

The Band's policy number [●] 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 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, 201[●]:

	Name of Entity	Remuneration Received	Expenses Reimbursed	Comments
1.	[Example – ABC Band]	\$(●)	\$(●)	Council honoraria and reimbursement of eligible expenses
2.	[Example – ABC Band Venture]	\$(●)	\$(●)	Contracting fees paid by ABC Band Venture and reimbursement of eligible expenses
3.	[Example – XYZ Band Venture]	\$(●)	\$(●)	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, 201[●].

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

## Appendix I – Special Purpose Report – Reporting of Remuneration and Expenses

[Sample] Band

For the year ended March 31, 201X

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]

### 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.*