

Statement of Policy and Procedure	
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Qalipu First Nation

Finance Policy

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Qalipu
FIRST NATION

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1. Definitions

“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 the First Nation’s vision and strategic objectives.
“Approved Travel Status”	Travel on official First Nation business that has been pre-approved in accordance with subsection 6. E. (3) C of this Policy. Approved Travel Status begins once the individual leaves their regular place of employment (e.g. the First Nation Office) or place of residence for the approved destination and ends once they return to their regular place of employment (e.g. the First Nation office) or their place of residence. Notwithstanding the latter, for air travel within or outside the Province, Approved Travel Status begins an hour before the flight's departure and ends an hour after the flight's arrival plus the time it takes to travel to and from the airport.
“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 First Nation.
“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.
“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, warranties and guarantees etc.
“Capital Project”	means the construction, Rehabilitation or replacement of the First Nation’s Tangible Capital Assets and any other major Capital Projects in which the First Nation or its related bodies are investors.
“Capital Project Plan”	means a plan to carry out a Capital Project and an annual capital plan means 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.

“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.
“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.
“Fairness”	refers to giving qualified firms and individuals an equal opportunity to compete for the contract work; and to 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 Institutions”	means the First Nations Finance Authority, a bank, credit union or caisse populaire.
“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.
“Financial Reports List”	means the list of financial statements and reports that are to be prepared on a regular basis.
“Fraud Risk”	is the potential for an employee, agent or other person connected to the financial administration of the First Nation 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.
“Fraudulent Non-Financial Reporting”	means the intentional act in non-financial reporting that is designed to deceive users of non-financial reports.
“Indemnity”	refers to the right of a person to recover the amount of a financial loss or a liability to a third party.
“Internal Assessment”	is a review of an activity/process by an independent First Nation staff member (i.e. an individual not responsible for or involved in the activity) to determine the effectiveness and sufficiency of controls related to the specific activity or process.
“Internal Control”	is a process, effected by the First Nation’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"> • effectiveness and efficiency of operations; • reliability of reporting; and • compliance with applicable laws and regulations.
“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 First Nation’s Tangible Capital Assets as described in the Financial Administration Law and 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 First Nation (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.
“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.
“Officer”	means the Senior Manager, Senior Financial Officer, Tax Administrator or any other employee of the First Nation designated by the Council as an Officer;
“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 of the Canadian Public Sector Accounting Board, as amended or replaced from time to time.
“Rehabilitation”	includes alteration, extension and renovation but does not include routine maintenance.
“Replacement”	includes substitution, in whole or in part, with another of the First Nation’s Tangible Capital Assets.
“Requisition”	refers to a purchase order used by the First Nation 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 First Nation.
“Restricted Investments”	are investments made with funds the source of which is either government transfers, local revenues, or other revenues with restrictions on use.
“RFP”	stands for Request for Proposal, which is the process generally followed before awarding a major service contract. RFPs identify

“Risk”	the need and leave it up to the prospective contractors to make a proposal that is appropriate.
“Risk Tolerance”	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
“Sole Source”	means the degree of uncertainty the First Nation is willing to accept in the achievement of its goals.
“Special Purpose Report”	means a person or company from whom the First Nation may purchase goods and/or services.
“Tangible Capital Assets”	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
“Tender Process”	are non-financial assets having physical substance that: <ul style="list-style-type: none"> • 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.
“Terms of Reference”	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.
“Unrestricted Investments”	is a documented statement of the mandate, objectives, purpose, scope, functions and rules under which a Committee is expected to operate.
“Useful Life”	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 First Nation, or the number of production or similar units that can be obtained from the tangible

¹ Insurance Bureau of Canada: [http://www.ibc.ca/en/Business Insurance/Risk Management/](http://www.ibc.ca/en/Business_Insurance/Risk_Management/)

capital asset by the First Nation. The life of a tangible capital asset may extend beyond the Useful Life of a tangible capital asset to the First Nation. 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.

2. Annual Planning and Budgeting

A. 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 First Nation.

B. Purpose

The purpose of this policy is to ensure that a comprehensive planning process is established to support the on-going decision making of the First Nation.

C. Scope

This policy applies to Council and employees of the First Nation involved in the planning and budgeting process.

D. Responsibilities

(1) Council is responsible for:

- a. reviewing and approving the annual budget and ensuring that it was prepared in accordance with the First Nation's Financial Administration Law and other applicable First Nation laws, is based on plausible assumptions and provides for required programs and services;
- b. 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;
- c. reviewing and approving other Planning Documents including but not limited to a strategic (community development) plan, capital budget, and a multi-year financial plan;
- d. reviewing and approving any changes or amendments to the annual budget or other Planning Documents;
- e. establishing specific goals and service priorities to guide resource and allocation decisions during the budget planning sessions;
- f. ensuring that a process is in place to address membership priorities in the Strategic Plan and other Planning Documents as appropriate;

- g. ensuring that the membership of the First Nation is informed about or involved in the preparation of the annual budget, multi-year financial plan, forecast budget deficits or forecast extraordinary expenditures as set out in the First Nation's Financial Administration Law;
- h. establishing general budget policies or guidelines such as requirements for balanced budget and use of cash reserves.

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

- a. Reviewing the draft annual budget and multi-year financial plan and recommending them to Council for approval;
- b. Providing recommendations to Council respecting plans to eliminate any budget deficit in a future year;
- c. Reviewing substantial draft amendments of the annual budget and recommending them to Council for approval;
- d. Reviewing information, schedules and proposed budget for Rehabilitation or replacement of Tangible Capital Assets and plans for new construction of Tangible Capital Assets.

(3) The Senior Manager is responsible for:

- a. arranging early budgeting planning sessions with Council and other key stakeholders essential in developing the budget;
- b. arranging and staffing planning sessions for the development of other key Planning Documents;
- c. ensuring that the budgeting calendar is met;
- d. reviewing draft budgets in consultation with the Finance and Audit Committee;
- e. reviewing other draft Planning Documents in consultation with the Finance and Audit Committee;
- f. communicating the approved budget to management and line staff;

(4) The Senior Financial Officer is responsible for:

- a. creating a budget development calendar and ensuring deadlines are met in coordination with the Senior Manager – subject to the First Nation's Financial Administration Law;
- b. establishing the format for draft budgets;
- c. participating in budget planning sessions with Council, the Finance and Audit Committee, Senior Manager and other key stakeholders;
- d. collaborating with department heads in setting draft expenses for their department;

- e. preparing the draft budget or consolidating and evaluating draft budgets from department heads for accuracy, reasonableness, applicable guidelines, and anticipated resources in accordance with Section [26] of the Financial Administration Law;
- f. developing revenue forecasts based on reviews of fiscal transfer agreements and collaboration with other officers on own source revenues forecasts;
- g. presenting draft annual budgets to the Senior Manager and to the Finance and Audit Committee on an annual basis;
- h. 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;
- i. Make forecasts and prepare budgets for Tangible Capital Assets; and
- j. Any other responsibilities as outlined in the Financial Administration Law.
- k. Maintaining a current register of all First Nation's Tangible Capital Assets and arrange for an annual inspection of them.

E. Procedures

(1) Annual Integrated Planning Process

- a. An annual planning session will be held within 5 months prior to the start of the upcoming fiscal year. The planning session may include:
 - i. The Senior Manager, the Senior Financial Officer, and other representatives from Department or functional areas of business;
 - ii. establishment or communication of current year and five year operational goals and objectives based on priorities established by Council in consultation with membership;
 - iii. presentation of budget development calendar;
 - iv. establishment or update of key budgetary assumptions, budgetary constraints, and cost drivers for current year and the five year plan;
 - v. establishment or update of a multi-year capital plan schedule to ensure the effective management of capital assets which identifies and prioritizes expected needs, costs, and expected sources of financing;

(2) Budget

- a. Based on the annual integrated planning session, the initial operating budget estimates will be prepared and the 10 year Capital budget estimates will be prepared or updated accordingly;
- b. Budget assumptions will be documented and updated throughout the budget preparation process with budget adjustments made as required;
- c. Capital budgeting estimates should include all capital improvement projects (purchase, construction, or renovation of physical facilities) and all capital equipment expenditures;
- d. Any projected deficit must be accompanied by a report that outlines the contributing factors and circumstances and the plan by which it will be eliminated in a future year;
- e. Human Resources will provide detailed financial information on staffing and benefits for each department;
- f. The draft budget will be presented for discussion at a Finance and Audit Committee meeting. The Committee may accept the estimates as presented or request amendments, within the context of the operating objectives and the strategic plan;
- g. Where a projected deficit exists, the Finance and Audit Committee will provide recommendations to Council on plans to eliminate the budget deficit in a future year;
- h. The final draft budget recommended for approval to Council by the Finance and Audit Committee will be approved by Council no later than March 31st of the fiscal year preceding the budget year;
- i. The draft budget must meet the requirements of the First Nation's Financial Administration Law and the integrated planning process must comply with the schedule for planning activities set out in that Law.

(3) Strategic Plan

- a. Based on an annual planning session of Council, a comprehensive and holistic strategic plan will be prepared that will include:
 - i. Developing a community vision that provides the guiding principle of the plan;
 - ii. Developing a community priorities list (e.g. housing, education, etc.);
 - iii. Setting a realistic timeframe to implement the plan;
 - iv. 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);
 - v. Determining how the implementation of the plan will be resourced.
- b. The plan must include community input on the vision and priorities.

- c. 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 First Nation.
- d. 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.

(4) Multi-Year Financial Plan

- a. Based on the annual integrated planning session, a multi-year financial plan that has a planning period of at least five years comprised of the current fiscal year and the four succeeding fiscal years will be prepared that will also include the following:
 - i. revenue projections by major revenue type that demonstrate trends in existing revenue streams;
 - ii. in respect of projected revenues, sets out 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;
 - iii. in respect of projected expenditures, sets out separate amounts for payments, including payments of principal and interest on debt, payments required for Capital Projects as defined in the Financial Administration Law, payments required to address any deficits and payments for all other purposes;
 - iv. is based on projections of revenues, expenditures and transfers between accounts;
 - v. in respect of transfers between accounts, sets out the amounts from the tangible capital asset reserve account;
 - vi. reserves/fund balances that estimate the available reserves available to help short-term fiscal shortfalls or unanticipated or planned expenditures;
 - vii. shows all categories of restricted cash;
 - viii. indicates whether in any of the five (5) years of the plan a deficit or surplus is expected from the projected revenues and expenditures that year; and
 - ix. a cover sheet that describes the broad assumptions and judgments used in the developments of the plan.
- b. 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.
- c. 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.

(5) Adjustments to the Plans and Budgets

- a. Adjustment process will be initiated by Qalipu Officers as needed, and will be included to adjust the plans and budgets.
- b. The circumstances to make adjustments to budgets are limited to substantial change in the forecasted revenues or expenses of the First Nation or in the expenditure priorities of the Council; which may include the following:
 - i. External factors that impact funding arrangements;
 - ii. impacts related to Capital Project adjustments;
 - iii. unforeseen changes to budget assumptions;
 - iv. Council approved changes to priorities or operating objectives.
- c. Proposed amendments to the strategic plan or multi-year plan will be brought forward to the next annual planning session.
- d. Significant time-sensitive adjustments should be brought to the Finance and Audit Committee for review and recommendation to Council.
- e. On or before June 15 of each year the Senior Financial Officer must prepare and submit to the Finance and Audit Committee for review a draft amendment of the component of the annual budget respecting the First Nation's local revenue account.
- f. On or before June 30 of each year, the Finance and Audit Committee must review the draft amendment of the component of the annual budget respecting the First Nation's local revenue account
- g. Any minor budget amendments not considered substantial will be reported to the Finance and Audit committee, who will then report the changes to Chief and Council during a duly convened meeting.
- h. Substantial will be considered any budget adjustment over \$5,000

F. 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

G. Attachments

(1) **Appendix A** – Sample planning and budgeting schedule template

3. Financial and Operational Reporting

A. Policy

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

B. 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.

C. Scope

This policy applies to all of the financial operations and activities of the First Nation including those operations that the First Nation controls. The persons affected by this policy include the Council, Finance and Audit Committee, Senior Manager, Senior Financial Officer and managers of the First Nation.

D. Responsibilities

(1) Council is responsible for:

- a. Reviewing the financial statements and reports and the Finance and Audit Committee's corresponding recommendations;
- b. Deciding whether to approve the Financial Reports List, the financial statements and reports; and
- c. Documenting procedures for identification of risks.

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

- a. Determining the Financial Reports List contents and frequency of reporting it requires from the First Nation's management team; and
- b. Reviewing the Financial Reports List, which will include at a minimum: the monthly reports, quarterly and annual financial statements and reports and the Senior Manager's corresponding recommendations, and making appropriate recommendations to Council.

(3) The Senior Manager is responsible for:

- a. Reviewing the financial statements and reports and making appropriate recommendations to the Finance and Audit Committee;

- b. Identifying, assessing, monitoring and reporting on Financial Reporting Risks to the Finance and Audit Committee;
- c. 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;
- d. Ensuring that Financial Reporting Risk assessment and management practices have been performed in relation to quarterly and annual financial statements; and
- e. Periodically reviewing these policies in consultation with the Senior Financial Officer and other staff as appropriate and recommending any updates to the Finance and Audit Committee.

(4) The Senior Financial Officer is responsible for:

- a. Preparing the financial statements and reports in accordance with PSAS and this policy and procedure;
- b. Assessing and managing Financial Reporting Risk and reporting risks to the Senior Manager; [and]
- c. Developing and recommending procedures for identifying and mitigating Financial Reporting Risks and Fraud Risks and ensuring approved procedures are followed [. / ; and]
- d. [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 the First Nation, 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*.]
- e. Preparing and updating the Financial Reports List;

(5) Directors are responsible for:

- a. Providing all requested information in relation to the preparation of financial statements and reports and the assessment and management of Financial Reporting Risk.
- b. Responding to requests within 10 business days

E. Procedures

(1) Financial Reports List

- a. Council and the Finance and Audit Committee, with the assistance of the Senior Financial Officer, is responsible for preparing a list of all financial statements and reports that are to be prepared on a regular basis.

- b. The Financial Reports List must include the required monthly information, as well as quarterly and annual financial statements.
- c. Monthly reports prepared by the Senior Financial Officer will be tailored to the needs of the First Nation's management team for monitoring purposes in the form and content recommended by the Finance and Audit Committee and approved by Council.
- d. If the first nation has borrowed money from the FNFA secured by other revenues, these other revenues must be accounted for and reported on separately.
- e. For each report or financial statement listed, the following information must also be identified:
 - i. A brief description or contents of the report;
 - ii. The person responsible for its preparation;
 - iii. When it is to be made available and its frequency; and
 - iv. The report's distribution list.
- f. The Finance and Audit Committee will review and update the Financial Reports List quarterly and annually, and submit the list to Council quarterly and annually for their review and recommendation.
- g. Council will review and approve the Financial Reports List quarterly and annually.

(2) Financial statement preparation

- a. The Senior Financial Officer will prepare monthly information respecting the financial affairs of the First Nation 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.
- b. Each quarterly financial statement will include the following for the First Nation and all its related bodies:
 - i. A statement of revenue and expenditures containing a comparison to the approved annual budget;
 - ii. A statement of financial position;
 - iii. Financial institution account reconciliations;
 - iv. [Financial information for the local revenue account as required by the Financial Administration Law [and the Local Revenue Policy];
 - v. [If the First Nation has borrowed money from the First Nations Finance Authority secured by other revenues: Financial information respecting these other revenues;]
 - vi. [If a Land Code is in force: Breakdown of revenue by categories contained in the First Nation's land code;] and

- vii. Any other information requested by the Finance and Audit Committee or Council.
- c. Each annual financial statement will include the following for the First Nation:
 - i. The financial information and disclosures for the First Nation for the fiscal year prepared in accordance with PSAS;
 - ii. A Special Purpose Report setting out all payments made to honour guarantees and indemnities;
 - iii. A Special Purpose Report setting out the information required in section [10] of the Financial Administration Law (Reporting of Remuneration and Expenses);
 - iv. A Special Purpose Report setting out all debts or obligations forgiven by the First Nation;
 - v. [If the First Nation has a land code in force, a report setting out moneys of the First Nation derived from First Nation lands, categorized and shown separately from other revenues and that includes a sub-category respecting revenues from natural resources obtained from First Nation lands;] and
 - vi. Any other report required under the Act or an agreement.
- d. Annual financial statements will be prepared according to a standard “financial closing and reporting process checklist”.
- e. Annual financial statements, the corresponding completed financial closing and reporting process checklist, and the highlights memo (if applicable), will be signed by the Senior Financial Officer 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.
- f. The Finance and Audit Committee will review the annual financial statements, the accompanying information, and the Senior Financial Officer’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 four months following the end of the fiscal year for which they were prepared.
- g. Council will review the annual financial statements, the accompanying information, and the recommendation(s) of the Finance and Audit Committee and the Senior Manager, and make a decision to approve or not approve the annual financial statements.
- h. 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.

- i. A “financial reporting record” file will be created for each annual financial statement. The financial statement record file will at a minimum contain the:
 - i. Financial statements presented to Council for approval;
 - ii. 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 Senior Manager’s recommendation(s);
- j. The financial reporting record file will be classified as confidential and secure, and maintained according to the Records and Information Management Policy and Procedure. Retention period will be seven years unless otherwise specified by council policy

(3) Financial Reporting Risks

- a. The Senior Financial Officer 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.
- b. Annually, as part of the evaluation process, the Senior Manager will ensure that the persons engaged in the financial management system:
 - i. Have the necessary knowledge, skills and competence to perform the services for which they have been engaged;
 - ii. Confirm in writing that they understand their responsibilities.
- c. The Senior Financial Officer 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:
 - i. Reconciliation / analysis of all statement of financial position accounts with approval by the Senior Financial Officer. In those instances, where the Senior Financial Officer prepared the reconciliation or analysis, then the Senior Manager will be required to approve the reconciliation or analysis (or alternatively a member of the Finance and Audit Committee);
 - ii. Review of trade, loan and other receivable balances to identify late payments. Late payments followed up on and have been reviewed for collectability. Any necessary adjustment to the allowance for doubtful accounts has been prepared;
 - iii. Reconciliation of general ledger balances with sub-ledger balances (e.g. trade accounts receivable, trade accounts payable, contribution receivable, etc.);
 - iv. Search for unrecorded liabilities and preparation of accrual journal entries, including:
 - a) Reconciliation of supplier statements;
 - b) Review of unmatched receiving information;

- c) Review of unmatched purchase orders;
 - d) Review of numerical continuity of purchase orders;
 - e) Review of current contracts for supplies or services, including follow-up with supplier when necessary;
 - f) Enquiries of departmental managers for any invoices, expense reports, commitments or any other knowledge of liabilities incurred at reporting date.
- v. Analysis of revenue and expense accounts for budgetary variances and for reasonability. Where necessary, an account analysis will be prepared.
 - vi. Reconciliation of payroll expense to the payroll register and bank account balance.
 - vii. Preparation of non-recurring journal entries and journal entries not in the ordinary course of business, with supporting documentation.
 - viii. Approval of material non-recurring journal entries and journal entries that are not in the ordinary course of business by Finance and Audit Committee.
 - ix. Recurring journal entries have been prepared, approved by the Senior Financial Officer, and recorded.
 - x. The financial statements have been reviewed for accuracy, additions, and cross-references. The financial statements agree with the general ledger.
 - xi. The presentation of the financial statements has been reviewed. Necessary disclosures and reclassification entries have been prepared and have been approved by the Senior Financial Officer.
 - xii. Draft departmental financial statements have been provided to managers for their review, comment and budgetary variance explanations. Any issues or questions have been resolved.
 - xiii. The Senior Financial Officer is satisfied that the financial statements are accurate and presented in accordance with PSAS.
- d. The Senior Financial Officer will prepare a highlights memo for each set of quarterly and/or annual financial statements prepared. The highlights memo will, at a minimum, report
 - i. Financial Performance, specifically:
 - a) An assessment of the overall financial situation for the First Nation (i.e. surplus, deficit, adequate reserves, etc.);
 - b) A review of progress towards financial and operational goals set during the planning process;
 - c) Identification and explanation of material budgetary variances;

- d) Current ratio and any ratios required to be maintained by contract (e.g. financial covenants contained in borrowing agreements);
 - e) Doubtful accounts receivable, with changes since last quarter summarized;
 - f) Payment status of statutory and contractual obligations. Specifically, a listing of all late payments with explanations;
 - g) Remediation options where financial performance is not in accordance with plans.
- ii. Exceptions to expected financial and system performance. Specifically:
 - a) Unanticipated problems preparing the financial statements and the resolution;
 - b) Unusual or unexpected accounting balances or transactions;
 - c) Accounting entries not in the ordinary course of business;
 - d) Explanation of transactions where measurement or accounting treatment was uncertain or where there were choices under PSAS;
 - e) Weaknesses in, and, suggestions to improve, the financial management system;
 - f) Instances of financial administration law or system non-compliance, fraud and / or unauthorized activities.
- e. Changes to the accounting software (i.e. new system or major changes to the current system set-up) require authorization from the Senior Financial Officer 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 Senior Financial Officer or designate.

(4) Fiscal year

- a. The fiscal year for the First Nation will be the period beginning on April 1 and ending on March 31 of the following year.

(5) Annual Report

- a. The Council must prepare and publish an annual report within the earlier of 180 days after the fiscal year end, or the timeline specified in the Financial Administration Law, that details the progress towards the financial and operational goals of the First Nation over the course of the fiscal year.
- b. The annual report will contain, at a minimum, the following:
 - i. A description of the services provided by the First Nation and its operations;
 - ii. A review of the First Nation's achievement towards its values, goals and objectives;
 - iii. A progress report on any established financial objectives and performance measures of the First Nation;

- iv. The audited annual financial statements for the previous fiscal year including any Special Purpose Reports.
- c. The annual report will be made available to all members of the First Nation at the principal offices of the First Nation, on the First Nation website, etc. 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.
- d. 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.

(6) Funding Agency Claim Reporting

- e. Responsibility for Funding Agency claims rests with the relevant Director/Manager of the specific program/project. A copy of the submitted claim should be provided to the Senior Financial Officer upon submission. All incoming correspondence regarding Funding Agency claim payments and or adjustments should be provided to the Senior Financial Officer and maintained on file.

F. 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

G. Attachments

None

4. Financial Institution Account and Cash Management

A. Policy

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

B. 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 First Nation's financial statements, and that records be maintained of all financial institution transactions.

C. Scope

This policy and procedure applies to Council, the Senior Manager, Senior Financial Officer, and any other First Nation employee who has been assigned financial institution account responsibilities.

D. Responsibilities

- (1) Council is responsible for:
 - a. approving the addition or the removal of authorized signatories for each financial institution account used by the First Nation;
 - b. designating the Financial Institutions that the First Nation may conduct banking activities with;
 - c. approving the establishment of an operating line of credit or overdraft account.
- (2) The Finance and Audit Committee is responsible for ensuring significant irregularities or unusual reconciling items are investigated.
- (3) The Senior Finance Officer is responsible for:
 - a. representing the First Nation in dealing with Financial Institutions;
 - b. Presenting financial service agreements with Financial Institutions to the Senior Officer and Elected Chief;
 - c. controlling the opening, maintenance and closing of any of the First Nations bank accounts;
 - d. assigning banking duties and ensuring that adequate segregation of duties is maintained;
 - e. ensuring physical safeguards are implemented over any handling of cash and blank cheques;

- f. ensuring all money received by the First Nation is deposited as soon as practicable into the appropriate accounts described;
 - g. reviewing and approving monthly bank reconciliations for each financial institution account;
 - h. ensuring that a reconciliation is performed each month for every financial institution account;
 - i. documenting and alerting the Finance and Audit Committee of any irregularities in the reconciliation process;
 - j. monitoring and forecasting the First Nation's cash position; and
 - k. managing the First Nation's short term liquidity and working capital including credit line facilities.
- (4) The accountant / finance staff / clerk(s) is /are responsible for:
- a. recording revenue deposited in the accounting system; and
 - b. ensuring all anticipated recurring deposits have been received. The accountant will alert the Senior Financial Officer when expected receipts have not been received.
- (5) The employees assigned banking duties by the Senior Financial Officer are responsible for:
- a. receiving cheques and cash;
 - b. preparing cheques and cash for deposit to the appropriate financial institution account; and,
 - c. reconciling petty cash accounts on a regular basis.
- (6) The employee designated by the Senior Financial Officer to prepare financial institution account reconciliations is responsible for:
- a. preparing a reconciliation for each of the First Nation's financial institution accounts;
 - b. ensuring that supporting documentation and records are retained for each reconciliation; and,
 - c. alerting the Senior Financial Officer of any irregularities.

E. Procedures

(1) Financial institution account management

- a. The Senior Financial Officer maintains correspondence and official documents relating to the opening, maintenance, and closing of all financial institution accounts.
- b. The Senior Financial Officer is the First Nation'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 First Nation operations and forecasts in order for the Financial Institutions to respond to the First Nation's financial service requirements.

- c. The Senior Financial Officer and Senior Manager are the only individuals authorized by Council to negotiate financial service agreements on behalf of the First Nation.
- d. The Senior Financial Officer 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.
- e. The list of individuals with authorized signing authorities for each financial institution account will be maintained by the Senior Manager. All changes to signing authorities must be approved by Council.
- f. Online financial institution access will be permitted and controlled as follows:
 - i. the employee performing account reconciliations will be granted read-only access to the account he/she has been assigned to reconcile;
 - ii. only employees with signing authority will be provided with online banking access to perform transactions;
 - iii. Transaction completion activities, such as electronic funds transfers, will be controlled in a similar manner as cheques. The approved employee as per the authority matrix will be required to approve each transaction. Each employee will have a separate login and individual password. A report of each upload/transaction will be provided to the Finance and Audit committee. The Finance and Audit committee will report any irregular transactions to Chief and Council.

(2) Cash receipts

- a. 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.
- b. 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.
- c. The person making the deposit at the financial institution provides the remittance / deposit book to the Finance Department person responsible for accounts receivable.
- d. 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.
- e. 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.

- f. All cash received will be stored in the First Nation's safe or locked cabinet until it can be deposited in a financial institution account. Access to the secure storage shall be limited to the employee responsible for making deposits.
- g. Cash will be deposited once the total amount received reaches \$500 or on a weekly basis, whichever occurs first.
- h. 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 Senior Financial Officer immediately.

(3) Petty Cash

- a. A limited number of petty cash accounts as determined by the Senior Financial Officer 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:
 - i. the creation of a petty cash account must be approved by the Senior Financial Officer;
 - ii. the total amount of the fund will not exceed \$300;
 - iii. the maximum transaction that can be paid using petty cash will not exceed \$150;
 - iv. the person responsible for the security of the fund will maintain an activity log, supporting documentation, and reconciliation;
 - v. petty cash reconciliations will occur at least monthly;
 - vi. petty cash funds and supporting documentation (vouchers, receipts) must be kept in a safe location (locked drawer or safe); and
 - vii. accounts payable will replenish the petty cash fund only with complete documentation and a completed petty cash fund reconciliation.

(4) Cheque stock

- a. All blank cheque stock will be stored in a locked cabinet or safe with controlled or limited access.
- b. Cheque stock should be sequentially pre-numbered.
- c. No accounts payable personnel, or the person authorized to print out cheques, shall be authorized to sign cheques or approve money transfers.
- d. 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.
- e. Cheque signers will not sign blank cheques under any circumstances.

- f. Signature plates and signature stamps shall be stored in a locked cabinet or safe at all times other than when printing cheques.

(5) Credit Lines

- a. The Senior Finance Officer will authorize the draw down on any line of credit or overdraft facilities.

(6) Opening a Financial Institution Account

- a. A written request to open a new financial institution account must be reviewed and approved by the Senior Financial Officer and must include the purpose of the account.
- b. The Senior Manager has the authority to approve the request as outlined in section 6(a) of this policy.
- c. Once the financial institution account has been approved, the Senior Financial Officer or designate prepares an account inventory form, which includes the following elements:
 - i. Name of account;
 - ii. Instructions regarding purpose of account;
 - iii. Names of signatories and authority limits;
 - iv. Address where all statements and correspondence is to be sent; and
 - v. The contact person or department at the financial institution.
- d. The account establishment letter must be signed by any two of the following: the Senior Manager, the Senior Finance Officer and any Councillor with signing authority.
- e. 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.
- f. Once the financial institution account is opened, the Senior Financial Officer notifies the appropriate Finance Department personnel to activate the account in the general ledger.

(7) Closing a Financial Institution Account

- a. A written request to close a financial institution account must be reviewed and approved by the Senior Financial Officer.
- b. The request to close must include:
 - i. Name of account;
 - ii. Financial institution account number;
 - iii. Closing bank balance and statement; and
 - iv. Approval by Senior Manager

- c. 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 First Nation.
- d. Once the financial institution account has been closed, the Senior Financial Officer notifies the appropriate Finance Department personnel to deactivate the account in the general ledger.

(8) Account Reconciliation

- a. Each of the First Nation's financial institution accounts will be reconciled to the accounting system records on a monthly basis within 31 business days of the end of the month.
- b. 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.
- c. The employee preparing the financial institution account reconciliation will monitor and investigate adjustments that carry over from month to month.
 - i. 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.
 - ii. In transit deposits will be investigated immediately if not cleared by the financial institution within one week.
 - iii. Unusual, or unresolved entries that carry over for more than one month, will be reported to the Senior Financial Officer.
- d. 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.

(9) Independent Review

- a. The Senior Financial Officer will review and approve each financial institution account's monthly reconciliation for completeness, timeliness and accuracy. The Senior Financial Officer will review to ensure the following:
 - i. the reconciliation balances;
 - ii. all amounts recorded on the reconciliation are appropriately supported by documentation such as financial institution statements and financial system reports;
 - iii. 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;

- iv. unusual adjustments are well explained, supported, and, if material in nature, are brought to the attention of the Finance and Audit Committee.
- b. The Senior Financial Officer performing the review will sign and date the reconciliation to indicate they have carried out their duties as described in this policy.

(10) Irregularities

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

(11) Revenue Recognition

- a. Revenue should be recognized on an accrual basis as earned. Revenue recognition policies should remain constant from year-to-year unless the policy no longer fairly represents the point at which revenue is earned by the organization.
- b. Grant Revenue
 - i. Grant revenue consists of funding received from various government bodies and funding agencies. Grant revenue should be recorded as receivable upon receipt of signed funding contracts provided by the funding agency.
- c. Commercial Fishery Revenue
 - i. Commercial fishery revenue should be recognized at the time of shipment, and when all significant contractual obligations have been satisfied and collection is reasonably assured.
- d. Other Income
 - i. Other income should be recognized as earned and when collection is reasonably assured.
- e. Refunds and Credit Notes
 - i. Refunds and credit notes should be authorized by the Senior Manager and processed by the Senior Financial Officer who is independent from the cash custody function.

F. 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
 - a. Standard 16.1 – Funds and Revenues
 - b. Standard 16.2 – Expenditures

G. Attachments

- (1) **Appendix B** – Financial Institution Account Reconciliation Template

5. Procurement

A. 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 the First Nation's requirements.

B. Purpose

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

C. Scope

This policy applies to the Council, Senior Manager and any other First Nation employees involved in purchasing goods, services and assets on behalf of the First Nation.

D. Responsibilities

(1) The Council is responsible for:

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

(2) The Senior Manager is responsible for:

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

(3) The Senior Financial Officer is responsible for:

- a. Developing, documenting and maintaining policies and procedures relating to the procurement process for goods, services, and assets;
- b. Assisting in the selection, evaluation, and monitoring of contractors and suppliers;
- c. Managing and monitoring expenditures and identifying and reporting on budget variances;
- d. Ensuring that procurement staff receives appropriate guidance and assistance in the performance of their duties.

E. Procedures

(1) Procurement of low value items goods and services

- a. Goods and services under the 'low' value threshold can be procured by the individuals noted in Appendix C for each threshold of value.
- b. The responsible employee noted in Appendix C will ensure that the goods or service selected is the Best Value for First Nation.
- c. The responsible employee noted in Appendix C will sign the invoice indicating that the goods or services have been received under the terms in the agreement between the First Nation and the vendor.

(2) Procurement of moderate value goods and services

- a. The responsible employee noted in Appendix C will perform a documented analysis of the costs and benefits of at least three options to procure the good or service.
- b. A minimum of three (3) 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 First Nation.
- c. When appropriate, the First Nation will promote the use of local content in the procurement of goods and services in accordance with Appendix E.

(3) Procurement of high value goods and services

- a. Goods and services classified as high value according to Appendix C will be procured using a competitive tendering process.
- b. When appropriate, the First Nation will promote the use of local content in the procurement of goods and services in accordance with Appendix E.
- c. Under a competitive tendering process, the First Nation must use either an Invited Tender or an open tender to award a contract.
- d. For each tendering process a RFP will be issued and will include the following components:
 - i. Date by which proposals are due;
 - ii. Background to the requirement (e.g., context, challenges);
 - iii. 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);
 - iv. Qualifications of the ideal supplier (e.g. track record, experience, integrated services);
 - v. Criteria and weighting (if applicable) by which proposals will be assessed;
 - vi. Planned contract award date;

- vii. Process for entertaining questions regarding the RFP and sharing responses with other potential suppliers;
 - viii. Caveat providing the First Nation with the right to pick any proposal or none;
 - ix. 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 First Nation.
- e. The Senior Manager, Senior Financial Officer, 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. The review panel will provide Council or a Council designated committee with a recommended course of action.
- f. To maintain consistency in the procurement process, a standard methodology will be used to evaluate each contractor/supplier (Appendix D). The methodology will include, at a minimum, an evaluation of:
- i. How the contractor/supplier meets the RFP or tender requirements and specifications;
 - ii. The contractor/supplier's qualifications;
 - iii. The price quoted; and
 - iv. Results and quality of all work the contractor/supplier has previously done for the First Nation.
 - v. Other criteria as per the evaluation tool in Appendix D
- g. Other requirements will be added to the methodology as deemed necessary by the Senior Manager.
- h. 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:
- i. If there were no bids received during the tender call or RFP process;
 - ii. When the good or service is available only through a Sole Source;
 - iii. In an emergency situation where a delay in procuring the good or service would result in severe loss or damage to the First Nation.
- i. Any exceptions to the procurement process will be documented to demonstrate the rationale and approval of a non-standard procurement process.

(4) Approval, initiation and monitoring

- a. Approval of procurement decisions should be documented on the relevant purchasing document (i.e. Requisition, purchase order, or contract, depending on the nature of the procurement activity).

- b. Once approved, the Senior Financial Officer will ensure that an Encumbrance Accounting system is in place for each procurement activity over \$50,000 and for each contracted procurement so that money is set aside and used specifically for those goods or services.
- c. On a monthly basis, the Senior Financial Officer will review the status of procurement encumbrances, noting and investigating any over budget commitments. Procurement activities over budget by \$25,000 will be reported to the Senior Manager.
- d. At each Finance and Audit Committee the Senior Manager 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.

(5) Documentation requirements

- a. 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.
- b. 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
- c. A file will be created for each RFP/Tendering process that contains the results of each supplier evaluation.

(6) Monitoring of Contractors/Suppliers

- a. On an ongoing basis, the Senior Manager or designate 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 resolved by the Senior Manager.
- b. 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/supplier's concurrence].

(7) Encouraging new contractors/suppliers

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

F. 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

G. Attachments

- (1) **Appendix C** – Purchasing Approval Limits
- (2) **Appendix D** – Supplier Evaluation Template
- (3) **Appendix E** – Local Content

6. Expenditures

A. Purpose

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

B. Purpose

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

C. Scope

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

D. Responsibilities

- (1) The individuals listed in the Delegation Table from the [Delegated/Assigned Responsibilities Policy] are responsible for:
 - a. Before approving an expenditure, ensuring that it is permitted under the current First Nation annual budget and as required in the Financial Administration Law;
 - b. Reviewing reimbursable expenditure claims to ensure that the requirements of this policy have been met before approving for payment; and
 - c. Approving expenditures per the [Delegated/Assigned Responsibilities Policy].
- (2) The employees assigned responsibility for paying accounts will:
 - a. Ensure that all expenditures have the required approvals per this policy and the Delegated/Assigned Responsibilities Policy before processing for payment; and
 - b. Ensure that all required documentation accompanies each payment and is retained in the financial records of the First Nation in accordance with the [Information Management Policy].
- (3) Employees, committees and council members are responsible for:
 - a. Ensuring that all reimbursable expenditures claimed are in accordance with this policy;
 - b. Preparing a reimbursable expenditures claim that includes all required documentation; and

- c. Seeking approval from the Senior Manager for items that are not addressed in this policy before proceeding.

(4) The Senior Manager is responsible for:

- a. Approving expenditures for emergency purpose that was not anticipated in the budget if the expenditure is not expressly prohibited by or under the Financial Administration Law or another First Nation law.

E. Procedures

(1) General and Operational Expenditures

- a. All purchases of goods or services will be made in accordance with the Procurement Policy and procedure and the Delegated/Assigned Responsibilities policy and procedure.
- b. In emergency situations, the Senior Manager 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 procedure and the Delegated/Assigned Responsibilities policy and procedure. The rationale for the purchases must be documented by the Senior Manager 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 procedure and the [Delegated/Assigned Responsibilities Policy] and procedure.
- c. Receiving documents will be reviewed and signed 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 employee responsible for accounts payable.
- d. If goods are received without receiving documents, the employee receiving those goods is required to create a receiving slip noting what goods were received, date of receipt, delivery agent, First Nation contact person (normally the person who initiated the expenditure), and the supplier. The receiving document will be signed by employee receiving the goods, and then forwarded with the Requisition for payment to the employee responsible for accounts payable.
- e. All requests for payments for performance of work or services or supply of good must be initiated through a Requisition for payment that includes a statement certifying that:
 - i. 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

- ii. 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.
- f. All Requisitions for payment must identify the appropriate account or trust 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:
 - i. in accordance with the appropriation identified in the certified statement; or
 - ii. allowed without the authority of an appropriation under the Financial Administration Law.

(2) Payroll

- a. Employee payroll will be paid on a bi-weekly basis.
- b. Employees that are paid by the hour will record their time daily and submit timesheets on a weekly basis to their immediate supervisor for review. The employee and supervisor will sign and date the time sheet to demonstrate its accuracy and approval for payment.
- c. Supervisors of salaried employees will submit any adjustments for vacation, sick or other types of leave to the individual responsible for payroll.
- d. Based on the weekly timesheets for employees paid by the hour 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 Director of Operations or designate.
- e. The ability to add or delete an employee to or from the payroll application should be restriction to the Accounting Clerk. Additions/deletions of employees should be authorized by the Senior Financial Officer

(3) Reimbursable Expenditures

- a. 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 First Nation.
- b. Expenses reimbursed by hosts or other third party funding arrangements must not be claimed. Declaration of such third party reimbursements must be made in accordance with the First Nation's Conflict of Interest policy.
- c. Before traveling or incurring expenses relating to travel, an employee must request approval to travel, in writing, in accordance with the following authorization table:

<i>Travel Type</i>	<i>Employee</i>	<i>Travel Authorizer</i>
<i>All travel</i>	<i>Band Manager</i>	<i>Chief</i>
<i>All travel</i>	<i>Directors</i>	<i>Band Manager</i>
<i>Overnight travel</i>	<i>All employees</i>	<i>Band Manager</i>
<i>Air travel</i>	<i>All employees</i>	<i>Band Manager</i>
<i>All travel except overnight and air</i>	<i>Program Manager</i>	<i>Directors</i>
<i>All travel except overnight and air</i>	<i>Administration/Program Employees (other than management).</i>	<i>Directors and Program Managers</i>

When requesting approval to travel, an employee shall;

- i. state the purpose, dates, and estimated costs for the proposed travel;
- ii. state how the travel relates to the employee's current job description; and
- iii. explain why travel is required and a virtual meeting/conference/gathering/etc. is not possible.

The Travel Authorizer will review the employee's request to travel and shall approve or reject the request, in writing, based on the information submitted as outlined above. Notwithstanding the latter, under no circumstances shall a Travel Authorizer approve a request where there is an insufficient budget balance remaining to cover the estimated costs of travel.

An employee may request a travel advance; however, it must not exceed \$400.

- d. Regarding travel for the Senior Manager, the Senior Manager will submit a request to Elected Chief stating the purpose, dates, and estimated costs for the proposed travel.
- e. An employee's travel must be authorized in accordance with subsection 6. E. (3) C before the employee can claim expenses during Approved Travel Status.
- f. Travel expenditures eligible for reimbursement include:

Transport

- i. For each type of travel, the lowest price alternative will be purchased.

Private Vehicles

- ii. Private vehicle mileage will be reimbursed at a rate established by the federal treasury board. All other non-business related vehicle costs are the responsibility of the individual.

- iii. Individuals using a private vehicle for work related travel must have the minimum insurance coverage legally required for work related use by their province or territory of residence. The First Nation will not be held responsible for any claims, accidents or damage to a private vehicle. Employees shall provide the Human Resource Manager with a copy of their business insurance on an annual basis

Per Diems and Incidentals

- iv. Approved Travel on behalf of the First Nation will cover meal expenses, accommodations (if required), and travel expenses. Per diems will be reimbursed according to federal treasury board rates.
- v. Meals will only be reimbursed for those incurred during Approved Travel Status. (i.e. if an individual begins travelling on behalf of the First Nation at 4pm, the individual is only eligible for the 'Dinner' meal allowance on that day).
- vi. 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 will not be claimed by the individual on travel status.
- vii. Incidentals can only be claimed for each night away on travel status. Part days on travel status will not be eligible for incidentals.
- viii. 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.
- ix. Receipts are not required for meals when per diems are claimed or for items that fall under the incidental category as noted above in statement xi.
- x. Agendas and schedules for conferences will be provided with travel claim

Other Travel Expenses

- xi. Other Other travel and business-related expenses that are directly attributable to travelling or business on the First Nation's behalf will be reimbursed, including internet access, business long-distance phone calls, parking, airport taxes, tolls, taxi fares, and public transit fares. Any other travel or business-related expense will only be reimbursed with the approval of the appropriate Travel Authorizer as prescribed in subsection 6. E. (3) C.

(4) Memberships

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

(5) Other

- a. For reimbursable expenditures related to First Nation activities that are funded through an outside source (i.e. a Federal government contribution agreement), requirements of that source will be monitored by the senior financial officer to ensure proper adherence to all accepted terms and conditions. When the standards for reimbursable expenditures differ between the First Nation and the funding agreement, the First Nation's rates will apply.

(6) Expenditure Reporting and Documentation

- a. For general and operational expenditures, the following should be submitted to accounting for payment
 - i. Original contract/agreement (if applicable).
 - ii. Original invoice.
 - iii. Purchase order (if applicable).
 - iv. Receiving documents / packing slips.
 - v. For payroll: payroll authorization form, timesheets, and salaried employee adjustments.
 - vi. Requisition for payment that has signed approval according to the [Delegated/Assigned Authorities Policy] and the Financial Administration Law.
- b. Reimbursable expense claims must be complete, sufficiently supported, and recorded on the prescribed expense claim form. Before submitting expenses to Accounting for approval and payment, the employee will ensure that they have prepared a complete claim that includes:
 - i. The employee's signature and date signed, acknowledging that all amounts claimed are accurate, in support of First Nation official business, and related to the employee's job duties and responsibilities;
 - ii. Original receipts for all amounts claimed. Depending on the nature of the claim, these can include
 - a) Invoices.
 - b) Itineraries for air/train travel.
 - c) Itemized restaurant bills (where per diems do not apply).
 - d) 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.
 - e) Signed travel authorization form from the appropriate Travel Authorizer as prescribed in subsection 6. E. (3) C.

- f) If applicable, a signed pre-authorization supporting business class travel.
 - g) Proof of payment for items claimed, which includes credit card or debit receipts.
 - h) Agendas and schedules for conferences will be provided with travel claim
- c. 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.
 - d. For all expenditures, claims with the appropriate support as described in section (7) b. above must be submitted to Accounting within 30 days of the expense being incurred.
 - e. Every quarter, the Band Manager shall submit a report to the Executive Committee outlining the number of travel events approved in the quarter. The report shall breakdown the total number of travel events by employee and Department.”

Be it further resolved that Council shall instruct the Director of Finance to include this report in the Financial Reports List prepared in accordance with section 3 E. (1) of the Finance Policy.

(7) Approval for Payment

- a. No money shall be paid out of any account without a Requisition or invoice for payment.
- b. In addition to the steps below, if the First Nation implement a Tax Regime, the tax administrator must authorize payment out of a local revenue account.
- c. Invoices received must be immediately forwarded to Accounting with a Requisition for payment who will then process them to
 - i. Match with the purchase order and the receiving document,
 - ii. Ensure that all required documentation has been submitted to support payment,
 - iii. Verify mathematical accuracy,
 - iv. Ensure that any taxes are correctly calculated and processed if applicable for tax exemption claims,
 - v. Confirm that funds are available to pay the invoice, and
 - vi. Identify and note the authorized general ledger account coding.
- d. Invoices for goods or services that have not been ordered through a purchase order or contracting process, will be approved for payment by the manager of the employee who initiated the purchase. Approval for payment will:
 - i. Be evidenced by a dated signature or initials on the invoice,
 - ii. 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

- iii. Identify and note the authorized general ledger account coding.
- e. The individual that approves the expenditure cannot be the same individual who approves the Requisition for payment.
- f. Reimbursable expense claims will be reviewed by the Finance Department to ensure that
 - i. The expense claim is mathematically correct and that taxes are identified and accounted for correctly,
 - ii. Authorized general ledger account coding instructions are identified,
 - iii. Expenses claimed are for authorized activities,
 - iv. The claimed expenses are eligible and comply with this policy and procedure, and
 - v. Adequate and sufficient supporting documentation is attached.
- g. Any exceptions to the above will require authorization from the Senior Financial Officer for payment.
- h. The Senior Finance Officer 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 and the Financial Administration Law.
- i. 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.
- j. Claims that do not meet the requirements outlined in this policy will be denied reimbursement.

(8) Payments

- a. Accounts payable will be paid within thirty (30) days of the receipt of an invoice or reimbursable expense claim, with the exception of those invoices or expense claims which require management approval.
- b. The payments package will be provided to two authorized signatories, and will be supported by:
 - i. A listing of all payments prepared noting the payee, amount, and payment date,
 - ii. Supporting documentation for each payment (e.g. cheque, transfer) including
 - a) Approved invoices, expense claims, purchase orders, and receiving documents, and
 - b) Evidence that Accounting has completed the processing of the payment, including account coding.
- c. Payments advices will be distributed by the Finance Department upon approval and release of payment.

- d. All documentation supporting payment will be retained in accordance with the [Records and Information Policy]. This will include purchase orders, invoices, contracts, packing slips, reimbursable expense claims with receipts, etc.
- e. Accounts Payable employees will notify the Senior Financial Officer immediately of any instances of
 - i. Non-compliance with policy requirements that cannot be resolved, and
 - ii. Suspected fraud.

(9) Corporate Credit Card

- f. Corporate charge cards are for work-related expenditures only. The Accounting Clerk is responsible for ensuring monthly payments are remitted in full and on a timely basis to avoid interest charges. Monthly statements should be reviewed by the Senior Financial Officer. Corporate credit cards can be withdrawn by the Chief at anytime.

F. 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

G. Attachments

- (1) **Appendix F** –Expenses Claim Template

7. Long-Term Debt

A. 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.

B. Purpose

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

C. Scope

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

D. Responsibilities

- (1) Council is responsible for
 - a. Reviewing and approving any proposed long-term debt financing, including the terms and conditions, recommended by the Finance and Audit Committee.
- (2) The Finance and Audit Committee is responsible for
 - a. Reviewing any long-term debt financing proposal report presented by the Senior Manager and Senior Financial Officer and recommending a course of action to Council;
 - b. Monitoring borrowings, loans and payments in respect of each Capital Project.
- (3) The Senior Manager is responsible for
 - a. Reviewing any long-term debt financing proposal report prepared by the Senior Financial Officer and recommending a course of action to the Finance and Audit Committee.
- (4) The Senior Financial Officer (in conjunction with the Tax Administrator for local revenue account related debts if applicable) is responsible for
 - a. Preparing any long-term debt financing proposal report for each proposed financing and presenting it to the Senior Manager for review and comment,
 - b. Ongoing monitoring and management of all long-term debt obligations, including timely payments, maintaining sufficient documentation, and performing regular reconciliations of debt transactions, and

- c. 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.

E. Procedures

(1) Determination of need and evaluation of options

- a. The Senior Manager and Senior Financial Officer will document the requirement for the First Nation 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 Senior Financial Officer will work with the Senior Manager to outline the various financing options available to the First Nation.
- b. The Senior Financial Officer (and members of the finance team under the supervision of the Senior Financial Officer as appropriate) will prepare a long-term debt financing proposal report which includes the following:
 - i. Need for financing and alternatives considered;
 - ii. Evaluation of available financing options;
 - iii. Recommended financing option;
 - iv. Proposed security for the financing option;
 - v. The purpose, use and application of funds;
 - vi. Description of re-payment plans based on cash flow analysis;
 - vii. Linkage to the First Nation integrated planning process, including the strategic plan, multi-year financial plan, annual budget, and cash flow statements;
 - viii. Identification of any provisions in the Financial Administration Law or in any other applicable law that limits debt which can be incurred by the First Nation or that imposes requirements or conditions which must be met before debt may be incurred;
 - ix. Requirement for consultation with members of the First Nation before any Capital Project-related debt is incurred by the First Nation.
- c. The Senior Financial Officer will consider at least the following for each financing alternative identified in the report:
 - i. Impact on future budgets and projected cash flow;
 - ii. The cost to the First Nation;
 - iii. Level of risk involved (i.e. covenant risks, refinancing, earnings dilution, interest rate risk, project completion risk);

- iv. First Nation's ability to service the long-term debt and repayment schedules;
 - v. An analysis of the terms and conditions and how these would impact the First Nation;
 - vi. Any financial reporting implications.
- d. The Senior Manager will review and approve the content of the long-term debt financing proposal report prepared by the Senior Financial Officer, including a recommended course of action to the Finance and Audit Committee.
 - e. The Senior Manager will obtain legal advice from legal counsel on the long-term debt financing proposal.

(2) Approval

- a. The Senior Manager and Senior Financial Officer 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.
- b. 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.

(3) Management and monitoring of debt obligations

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

(4) Reporting

- a. The Senior Manager will deliver a report to each meeting of the Finance and Audit Committee summarising for each long-term debt obligation:
 - i. the gross amount outstanding;
 - ii. the amounts issued specifically by the First Nation on behalf of government business enterprises;
 - iii. the net amount reported on the consolidated statement of financial position;
 - iv. the gross interest paid or payable for the period related to the debt described in (a);
 - v. 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
 - vi. the net amount of interest expense reported on the consolidated statement of operations.
- b. The Senior Financial Officer 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.

(5) Records management

- a. The Senior Financial Officer will ensure that records pertaining to each long-term debt obligation are created, maintained and retained in accordance with the Records Management Policy. For each long-term debt obligation, the following will be documented:
 - i. The loan agreement and any ancillary agreements;
 - ii. The long-term debt financing proposal report on which council based its decision;
 - iii. Documented council approval and required membership information or involvement;
 - iv. 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;
 - v. The cost of borrowing including interest payments and service or other charges;
 - vi. The purpose for which the long-term debt has been incurred;
 - vii. Reconciliations of the long-term debt with lender records.

F. 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

G. Attachments

None

8. Loans Receivable, Guarantees and Indemnities

A. Policy

The First Nation 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 First Nation and a First Nation member or an entity in which a member of the First Nation 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.

B. Purpose

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

C. Scope

This policy and procedure applies to loans receivable, Loan Guarantees and/or indemnities entered into between the First Nation. For greater certainty, Qalipu will not engage in providing loans to the following people or groups identified items one to five below:

- (1) Chief and or a Councillor;
- (2) a Finance and Audit Committee member;
- (3) an employee of the First Nation;
- (4) a First Nation member;
- (5) an entity in which a First Nation member has an interest; and
- (6) any other third party whether an individual or business entity including government business enterprises;
- (7) or any other individual or entity.

D. 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

E. Attachments

None

9. Investments

A. Policy

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

B. Purpose

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

C. Scope

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

D. Responsibilities

(1) Council is responsible for:

- a. determining the First Nation's short and long term investment objectives;
- b. determining allowable uses of available funds;
- c. approving preliminary risk assessment of funds;
- d. selecting / de-selecting investment manager(s) and custodian(s);
- e. approving the creation of an investment account;
- f. approving funds to be invested; and
- g. approving the redemption of invested funds.

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

- a. providing Council with recommendations in relation to the funds to be invested;
- b. monitoring performance; and
- c. Recommending to Chief and Council redemption of invested funds.

(3) The Senior Manager is responsible for:

- a. monitoring the performance of all parties to whom duties have been delegated;
- b. reporting any significant changes to the investment portfolio to Council;

- c. liaising with the Finance and Audit Committee, Investment Manager, Senior Financial Officer, and Investment Consultants as required; and
- d. 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.

(4) The Senior Financial Officer is responsible for:

- a. analysis of proposals received from Investment Managers and Custodians;
- b. performing a preliminary risk assessment analysis against criteria to be met prior to investing decisions are made by Council;
- c. overseeing rebalancing of the investment portfolios asset mix according to Council instructions;
- d. executing transfers of funds to / from the investment account(s) according to Council instructions;
- e. preparing an accounting for additions, withdrawals and balances in the investment account;
- f. maintaining a record of the amount of, and market value of, the asset classes and units held within the investment portfolio; and
- g. preparation of a quarterly investment monitoring report including investment performance and a summary of professional advisory fees attributed to the management of the portfolio;
- h. recommending transfers, rebalancing, monitoring actions, Investment Manager changes, and any other recommendations relevant to the successful management of the investments.

E. Procedures

(1) Selection of Investment Manager(s) and Custodian

- a. Council will select the Investment Manager(s) and Custodian. The Senior Financial Officer may review and analyze the proposals, or Council may engage an independent consultant to facilitate the selection process of Investment Manager(s) and Custodian.
 - i. 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.
 - ii. Custodian proposals will be analyzed based on experience, security, service and fees.
- b. A Custodian agreement and Investment Management agreement(s) will be entered into by the First Nation. 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).

(2) Designation and transfers of investment funds

- a. The Senior Financial Officer will notify Council in writing when there is First Nation 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.
- b. 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.
- c. The Senior Financial Officer 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.
- d. The Senior Financial Officer will communicate and oversee approved requests to redeem investments and transfer the proceeds to the First Nation.

(3) Permitted Investments

- a. Restricted funds may only be invested in:
 - i. securities issued or guaranteed by Canada or a province;
 - ii. securities of a local, municipal, or regional government in Canada;
 - iii. investments guaranteed by a bank, trust company or credit union;
 - iv. deposits in a bank or trust company in Canada or non-equity or membership shares in a credit union; or
 - v. securities issued by the First Nations Finance Authority.
- b. Unrestricted funds may be invested in:
 - i. securities issued or guaranteed by Canada, a province or the United States of America;
 - ii. fixed deposits, notes, certificates and other short term paper of, or guaranteed by a financial institution including swaps in United States of America currency;
 - iii. securities issued by the First Nations Finance Authority or by a local, municipal or regional government in Canada;
 - iv. commercial paper issued by a Canadian company that is rated in the highest category by at least two (2) recognized security-rating institutions;

- v. any class of investments permitted under an Act of any province relating to trustees;
- vi. any other investments or class of investments prescribed by a regulation under the Act;
- vii. a company that is incorporated under the laws of Canada or of a province or territory and in which the First Nation is a shareholder;
- viii. a trust in which the First Nation is a beneficiary;
- ix. a limited partnership in which the First Nation is a partner; and

(4) Monitoring of Investments

- a. The Senior Financial Officer will reconcile the investment and custodian accounts to the general ledger and financial statements in a timely manner.
- b. The Senior Financial Officer will recalculate the investment management and custodian fees charged to ensure they are consistent with the underlying contracts.
- c. The Senior Financial Officer will prepare a quarterly monitoring report and provide that report to the Senior Manager. The report will summarize:
 - i. the performance of the investments under management to relevant benchmark(s);
 - ii. the weighting of the investment portfolio and comparison to the target portfolio asset allocation;
 - iii. any relevant media or news articles about the Investment Manager and / or Custodian;
 - iv. any ownership and / or staffing changes within the Investment Manager organization;
 - v. any instances of non-compliance with the FSMA, the Financial Administration Law, or this policy and procedure;
 - vi. recommendations in relation to rebalancing of the portfolio and / or de-selection of the Investment Manager, or any other recommendation(s).
- d. The Senior Manager will review the report, add his / her recommendation(s), and provide the report to the Finance and Audit Committee.
- e. The Finance and Audit Committee will review the quarterly monitoring report, add their recommendation(s), and provide the report to Council.
- f. The Council will review the quarterly monitoring report and accompanying recommendations and make any necessary decisions.
- g. The Investment Manager will be required to attend a Council meeting and discuss investment performance, and changes in strategy, approach or personnel.

(5) Re-balancing of the Investment Portfolio

- a. The Senior Manager and Senior Financial Officer will transmit any rebalancing instructions to the Custodian and Investment Manager only if first approved by the Council.

F. 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

G. Attachments

- (1) None

10. Tangible Capital Assets

A. Policy

Tangible Capital Assets will be managed using a life-cycle approach that effectively plans, manages, accounts for and disposes of assets according to the First Nation's asset strategy and that ensures assets are accurately reflected in the First Nation's financial statements.

B. 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.

C. Scope

This policy applies to the Council, Finance and Audit Committees, Senior Manager, Senior Financial Officer, and senior management of the First Nation, as well as any employees directly involved in capital asset management.

D. Responsibilities

(1) Council is responsible for:

- a. Approving Capital Project Plans and tangible capital asset reserve fund transactions;
- b. Establishing a tangible capital asset reserve fund;
- c. Establishing Asset Recognition Criteria;
- d. Approving the Tangible Capital Assets register;
- e. Approving policies and procedures for Capital Projects to address the issues identified in the Financial Administration Law for the proper management of Capital Projects;
- f. Approving procedures for the safeguarding of Tangible Capital Assets;
- g. Ensuring Capital Project budgeting requirements are implemented.

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

- a. Reviewing on or before February 28 of each fiscal season the financial information provided on the Life-Cycle Management Program by the Senior Financial Officer;
- b. Reviewing and recommending to Council the annual budget for Tangible Capital Assets;
- c. Reviewing and recommending to Council procedures for the safeguarding of assets;
- d. Reviewing status reports on the capital asset reserve fund and if necessary making a recommendation to Council relative to the funding contribution;

- e. Monitoring at each meeting the status of all Capital Projects including borrowings, loans and payments for each project, comparison of expenditures to date with 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;
 - f. Reviewing the Senior Manager's recommendations on Asset Recognition Criteria and making recommendations to Council for approval;
 - g. Reviewing any scheduled Capital Project Plans including supplemental information and their budgets and developing recommendations for Council.
- (3) The Senior Manager is responsible for:
- a. Ensuring First Nation members are informed and involved in tangible capital asset projects and borrowings for construction as required in the Financial Administration Law;
 - b. Developing and recommending to the Finance and Audit Committee the Asset Recognition Criteria and reviewing the criteria annually for possible recommended changes;
 - c. Serving as a point of contact to retain Capital Project consultants to assist the Senior Manager, Finance and Audit Committee and Council.
- (4) The Senior Financial Officer is responsible for:
- a. The accurate and timely recording and reporting of Tangible Capital Assets in the financial statements in accordance with PSAS;
 - b. Monitoring the application of this policy and updating the policy on a regular basis;
 - c. 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 the Financial Administration Law and this policy;
 - d. Monitoring the tangible capital asset protection insurance program and making recommendations to the Senior Manager in adequate time before each annual renewal, or sooner if circumstances warrant;
 - e. 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;
 - f. Developing and recommending procedures for the safeguarding of assets and ensuring approved procedures are followed;
 - g. Developing the budget for Capital Project Plans and annual capital plan.
 - h. Developing the Life-Cycle Management Program in accordance with the requirements of this policy and the Financial Administration Law and making recommendations to the Finance and Audit Committee and Council on matters concerning the management of the First Nation's Tangible Capital Assets;

- i. Maintaining the Tangible Capital Assets register as required in this policy and the Financial Administration Law, including arranging for an annual inspection to obtain updated information of each capital asset (e.g. physical condition, remaining Useful Life, etc.);
- (5) Employees involved in the Life-Cycle Management Program are responsible for:
- a. 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;
 - b. Recording and reporting periodic changes in Tangible Capital Assets to the Senior Manager;
 - c. Ensuring Tangible Capital Assets are accurately tracked and inventoried using the pre-numbered asset control tagging system.

E. Procedures

(1) Tangible Capital Asset Register

- a. A detailed tangible capital asset register is to be established, maintained and kept current by the Senior Manager (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.
- b. The register will include the information required in the Financial Administration Law and, at a minimum, the following information:
 - i. Location and intended purpose of the asset;
 - ii. Ownership and restrictions over ownership (e.g. pledges or collateral agreements);
 - iii. Date of acquisition;
 - iv. Previous inspection date;
 - v. Original expected life of the asset at the time of acquisition;
 - vi. Most recent assessment of the condition of the asset and its expected remaining Useful Life²;
 - vii. Original cost to acquire or develop the asset;
 - viii. Any costs capitalised subsequent to the initial acquisition or development of the asset (e.g. additions, betterments);
 - ix. 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 First Nation);

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.

- x. Insurance coverage details for the asset;
 - xi. Any other information required by the Council.
- c. An asset tracking (i.e. serial) number will be assigned and an activity center code (for the purposes of accounting for depreciation) to each of the First Nations 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.
- d. 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 impairment, changes to estimated Useful Life, etc.) that are to be made to the register to the Finance Department.
- e. The Finance Department will regularly reconcile the general ledger to the tangible capital asset register. Please refer to Appendix A for additional guidance on the Tangible Capital Asset Register.

(2) Amortization / Depreciation

- a. Capital assets should be amortized on a straight-line basis at rates that best represent the benefit provided to the organization. The following rates should be used for amortizing capital assets:
- i. Furniture & equipment - 20%, straight line
 - ii. River Guardian equipment - 20%, straight line
 - iii. Boats - 15%, straight line
 - iv. ATP equipment - 20%, straight line
- b. 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 First Nation. Amortization (or depreciation) expense should be calculated and recorded on an annual basis.
- i. The amortization of the costs of Tangible Capital Assets should be accounted for as expenses in the statement of operations.
 - ii. Land normally has an unlimited life and would not be amortized.
 - iii. Where the First Nation expects the Residual Value of a tangible capital asset to be significant, it would be factored into the calculation of amortization.
 - iv. The Useful Life of a tangible capital asset depends on its expected use by the First Nation. Factors to be considered in estimating the Useful Life of a tangible capital asset include:
 - a) expected future usage;

- b) effects of technological obsolescence;
 - c) expected wear and tear from use or the passage of time;
 - d) the maintenance program;
 - e) studies of similar items retired; and
 - f) the condition of existing comparable items.
- c. 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.

(3) Annual inspection and review

- a. On or before [November 30], the Senior Manager will initiate an annual inspection of the First Nation's capital asset inventory. Employees in the Operations department will be assigned by the Senior Manager to complete the inspection under his/her supervision. Where appropriate or necessary the Senior Manager may choose to engage the services of an external specialist to assist in the valuation of certain specialised assets (e.g. land, buildings, etc.).
- b. Any changes necessary to the tangible capital asset register will be documented by the employee noting the changes, and communicated to the Senior Manager for review and approval. Once reviewed and approved by the Senior Manager, the changes will be input in the tangible capital asset register by the employee responsible for the register.
- c. The Senior Manager 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.
- d. In the event that 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 Senior Manager 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.
- e. When conditions indicate that a tangible capital asset no longer contributes to the First Nation'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.
 - i. The net write-downs of Tangible Capital Assets should be accounted for as expenses in the statement of operations.
 - ii. A write-down should not be reversed.

(4) Safeguarding Assets

- a. The Senior Financial Officer 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 First Nation.

- b. Physical security arrangements over capital assets will be reviewed annually³ by the Senior Financial Officer and the results of this review will be reported to and reviewed by the Finance and Audit Committee with any recommendations to Council.
- c. 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.

(5) Maintenance of Assets

- a. Employees in the property management department (or its equivalent) will provide the Senior Manager with a quarterly update on the condition of Tangible Capital Assets over \$5,000.00 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.
- b. A list of any Tangible Capital Assets identified as no longer in use will be prepared and reported to the Senior Manager. Steps will be taken to decommission and appropriately dispose of the assets in accordance with any applicable laws or regulations.
- c. All warranty and related work including inspections will be undertaken in a timely manner.
- d. The Senior Manager 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.
- e. The Senior Manager, with the assistance of staff in the property management department, will ensure that appropriate staff training on the use of the particular tangible capital asset will be provided to ensure safety.
- f. For Tangible Capital Assets over \$10,000, periodic maintenance assessments will be performed. Assessments should include:
 - i. Any Deferred Maintenance;
 - ii. A description of the performance and condition of the asset;
 - iii. An overall rating based on the following scale: Excellent, Good, Fair, Poor, or Failing;
 - iv. A forecast of the maintenance, repairs, betterment, and replacement costs over the course of the remaining Useful Life of the asset.

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

- g. The Department managers will retain a copy of the condition assessment(s) and will provide an electronic copy to the Finance Department.
- h. The Senior Manager will ensure the tangible capital asset register and accounting records are updated, and, in conjunction with the Senior Financial Officer, 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.

(6) Life Cycle Management Program

- a. Based on the information in the tangible capital asset register and consultations with the Senior Manager and property management employees, the Senior Financial Officer will prepare the annual capital plan by December 31 of each year.
- b. 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 senior financial officer is required to prepare in the Financial Administration Law and, at a minimum, the following details:
 - i. A description of each asset to be replaced or refurbished;
 - ii. The rationale for the replacement or refurbishment;
 - iii. Estimated cost, including contingencies, of each proposed acquisition or refurbishment project;
 - iv. Estimated timeframe and schedule for completion of each asset acquisition or proposed refurbishment project;
 - v. Ongoing maintenance requirements and costs and the impact on the First Nation's budget.
- c. 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:
 - i. Identify any means to reduce costs of each Capital Project;
 - ii. Understand the effect that each proposed Capital Project (Rehabilitation, replacement) on the annual operating costs and routine maintenance costs in future years;
 - iii. 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.
- d. The Finance and Audit Committee will review by the annual capital plan by February 27 of each fiscal season and report to Council on its findings and recommendations by March 31 of each fiscal season for review and consideration of the annual budget for the upcoming fiscal year.

(7) Capital Projects

- a. The Senior Manager, with input from the Senior Financial Officer, will develop an annual capital plan for all Capital Project 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:
 - i. The financial viability of the project (i.e. how it will be financed, what the expected return on investment will be, etc.);
 - ii. Project operating requirements (e.g. annual operating and maintenance costs, cash flow considerations, etc.);
 - iii. Evaluation of all other options considered;
 - iv. A project risk assessment.
- b. The annual capital plan will be integrated with the First Nation's strategic plan (see [Integrated Planning Policy] for further details).
- c. The Senior Manager 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 Senior Manager.
- d. The Senior Financial Officer will coordinate project costing, budgeting, financing and approval for each Capital Project in accordance with Council policies and procedures for management of Capital Projects.
- e. To coordinate project management of each Capital Project, an ad hoc working committee - project planning and implementation - may be established as necessary with the Senior Manager and Senior Financial Officer as members.
- f. 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.
- g. The Finance and Audit committee will review the annual capital plan on or before February 28 and forward their recommendation to Council for approval.
- h. The 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 the majority of the First Nation's lands are located. The Senior Manager will report to the Finance and Audit Committee on steps taken to ensure these results are met for every Capital Project.

(8) Construction management

- a. The Senior Manager 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.
- b. Depending upon the size of the project, an independent project manager may be retained to provide contract management and control.
- c. The Senior Financial Officer 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.
- d. The Senior Financial Officer will report to every meeting of the Finance and Audit Committee on each Capital Project respecting
 - i. Year to date borrowings, loans and payments;
 - ii. The status of the project including
 - a) A comparison of the expenditures to date against the project budget,
 - b) A detailed description of any identified problems with the project, and
 - c) The manner in which a problem identified has been or will be addressed, and
 - iii. Steps taken to ensure compliance with Council policies and procedures for management of Capital Projects.
- e. 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.

(9) Life Cycle Policy Directives

- a. All assets that meet the definition of a tangible capital asset, meet the Council approved Asset Recognition Criteria, fall within the categories outlined in Appendix G based on their nature, characteristics and Useful Life, shall be recorded in the accounts of the First Nation in accordance with this policy.

(10) Acquisition of Tangible Capital Assets

- a. Department managers will identify to the Senior Manager 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.
- b. The acquisitions of Tangible Capital Assets are subject to the Delegated and Assigned Responsibilities Policy and the Procurement.

- c. Subject to the Delegated Authorities Policy, all purchases or leases of capital assets are to be made in accordance with the annual budget and annual capital plan. Any capital asset over \$25,000 that is not in the approved capital plan and budget, may be approved by the Chief and Council during a duly convened meeting.
- d. Any significant variance between budgeted and actual cost of the tangible capital asset is to be reported to the Senior Manager and the Finance and Audit Committee.
- e. Following acquisition and delivery of a tangible capital asset, the Finance Department will ensure the asset is reflected in the accounting records and the financial statements of the First Nation. An asset tracking number will be assigned and the asset added to the Tangible Capital Asset Register of the First Nation.

(11) Tangible Capital Asset Reserve Fund

- a. The Council will establish a Tangible Capital Asset Reserve Fund to be applied for the purposes of construction, acquisition, maintenance, Rehabilitation and replacement of the First Nation's Tangible Capital Assets.
- b. The Senior Financial Officer and the Finance Department will manage the Tangible Capital Asset Reserve Fund.
- c. All withdrawals above \$25,000.00 from the tangible capital asset reserve fund must be approved by the Qalipu Elected Executive committee in accordance with the annual budget and approved annual capital plan.
- d. 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.

(12) Disposal of Tangible Capital Assets

- a. Department managers will identify to the Senior Manager 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.
- b. The fair market value must be determined for all disposals as a prior condition of approval. The Senior Manager shall have the authority to determine the fair market value for all disposals. The Senior Manager will consult with external specialists in establishing the fair market value, where appropriate.
- c. All disposals of the First Nation's Tangible Capital Assets with a fair market value in excess of \$1,000 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 Senior Manager and the Finance and Audit Committee.
- d. All proceeds from the sale or disposal of the First Nation's Tangible Capital Assets are to be deposited in the Tangible Capital Asset Reserve Fund.

- e. 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.
- f. 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.
- g. All items to be sold are on an “as is, where is” basis with no warranties or guarantees expressed or implied.

F. 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

G. Attachments

(1) **Appendix G** – Tangible capital asset categories

(2) **Appendix H** – Presentation and disclosure requirements

11. Insurance Policy

A. Policy

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

B. 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 First Nation and its councillors, officers, and staff.

C. Scope

This policy and procedure applies to Council, the Finance and Audit Committee, the Senior Manager, the Senior Financial Officer, and all other employees involved in insurance matters at the First Nation.

D. Responsibilities

(1) Council is responsible for:

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

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

- a. 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).

(3) The Senior Manager is responsible for:

- a. Leading and managing the risk identification and assessment process;
- b. Selecting an insurance broker;
- c. Evaluating options from insurance providers, as provided by the insurance broker, to address the risks that require insurance coverage;
- d. Recommending a preferred option to the Finance and Audit Committee and council that meets the needs of the First Nation;

- e. Monitoring insurance coverage expiration and payment dates to ensure coverage does not lapse; and
- f. On an annual basis reviewing insurance coverage to ensure that it continues to meet the needs of the First Nation.

E. Procedures

(1) Identify significant material risks

- a. The Senior Manager, 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 First Nation's financial assets, Tangible Capital Assets and the operations of the First Nation. This will include an examination of:
 - i. Potential sources of liability of the First Nation arising from its operations;
 - ii. Values and use of Property and equipment;
 - iii. Values and use of Assets under control of the First Nation;
 - iv. Potential sources of Liability for individuals such as councillors, officers and staff members of the First Nation; and
 - v. Other risk areas that could result in a loss to the First Nation and could be insured.

(2) Identify and procure insurance products

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

(3) Approval for insurance coverage

- a. Council will review the proposed option presented by the Finance and Audit Committee and the Senior Manager and document their approval.
- b. Once approved by Council, procurement of the insurance coverage will follow the First Nation's Procurement and Expenditure Policies.

(4) Maintenance of insurance coverage

- a. The Senior Financial Officer 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.
- b. The Senior Manager will review insurance coverage on an annual basis to ensure that it continues to adequately address the risks and meet the needs of the First Nation.

F. 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

G. Attachments

None

12. Risk Management

A. Policy

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

B. 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 First Nation, including risk assessments, mitigation plans, and specific business activities that are separately evaluated, managed and monitored.

C. Scope

This policy and procedure applies to Council, the Finance and Audit Committee, the Senior Manager, the Senior Financial Officer, and all other employees involved in risk management at the First Nation.

D. Responsibilities

(1) Council is responsible for:

- a. Providing input to the annual risk assessment, including consideration of Fraud Risks;
- b. Reviewing and approving the annual First Nation Risk Management Plan (Appendix I) and Fraud Risk assessment;
- c. 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

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

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

(3) The Senior Manager is responsible for:

- a. Managing the annual risk assessment process and preparing the Risk Management Plan;

- b. Managing the annual Fraud Risk assessment process and preparing the Fraud Risk assessment;
- c. Identifying and assessing risks associated with specific material business activities, loans, guarantees, indemnities, investments, general operations, financial reporting and Fraud Risks;
- d. 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.
- e. Reviewing and updating the Risk Management Plan and Fraud Risk assessment on a regular basis;
- f. Immediately reporting any significant changes to the Risk Management Plan and Fraud Risk assessment to the Finance and Audit Committee;
- g. Preparing a documentation that assesses qualification of individuals engaged in control activities in the First Nation's financial management systems; and
- h. Obtaining a written confirmation from the persons engaged in the First Nation's financial management system that they understand their responsibilities.

(4) The Senior Financial Officer is responsible for:

- a. Ensuring all for-profit business activities are separately reported in the monthly, quarterly and annual financial statements and management reports;
- b. Developing and recommending procedures for identifying and mitigating risks for the annual Risk Management Plan;
- c. Developing and recommending procedures for identifying and mitigating Financial Reporting Risks and Fraud Risks;
- d. Preparation of the First Nation investment strategy, insurance coverage and emergency plans; and
- e. Monitoring the control activities and its impact on the First Nation and the Risk Management Plan.

E. Procedures

(1) Annual Risk Management Plan

- a. On an annual basis as part of the integrated planning process, a risk assessment will be performed by the Senior Manager. Risks identified will include any risks that could impact the First Nation's achievement of its strategic goals or its operations in general.

- b. Risks will be recorded in the First Nation'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.
- c. 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.
- d. Responsibility for each risk and corresponding risk mitigation plan will be assigned to a First Nation staff member.
- e. 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).

(2) Fraud Risk Assessment

- a. On an annual basis as part of the integrated planning process, a Fraud Risk assessment will be performed by the Senior Manager. (Refer to documents in Appendix B and the Fraud Risk Assessment template example in Appendix A)
- b. Fraud Risk assessment will include identification and assessment of following types of fraud in the first nation:
 - i. Fraudulent Financial Reporting;
 - ii. Fraudulent Non-Financial Reporting;
 - iii. Misappropriation of Assets; and
 - iv. Corruption and illegal acts.
- c. Fraud Risk assessment will include identification of risks arising from the following:
 - i. Incentives and rewards associated with achievement of objectives; and
 - ii. Pressures associated with achievement of objectives.
- d. Fraud Risk assessment will also include identification of opportunities for fraud created by the following:
 - i. Ineffective design and monitoring control activities as it relates to the following:
 - a) Unauthorized acquisition, use of disposal of first nation assets;
 - b) Poor management oversight;
 - c) Management override of Internal Control; and
 - d) Ineffective technology systems;
 - ii. Willful violation of laws that could have a material direct or indirect impact on financial reporting.

- e. Fraud Risks assessment will include various ways that fraudulent reporting can occur taking into account the following:
 - i. Management bias;
 - ii. The degree of estimates and judgements used in financial reporting;
 - iii. Possible fraud schemes and scenarios in first nation communities;
 - iv. The geographic region where first nation lands are located;
 - v. The nature of technology and management's ability to manipulate information using that technology;
 - vi. Any unusual or complex transactions which are subject to significant management influence; and
 - vii. The vulnerability of Internal Controls to management override and potential schemes to circumvent existing control activities.
- f. On an annual basis, the Senior Manager will prepare a documentation that assesses the qualification of individuals engaged in Fraud Risk control activities in the first nation's financial management system.
- g. On a periodic basis, the individuals involved in the Fraud Risk controls must confirm in writing that they understand their responsibilities.

(3) For-profit business activity risk management considerations

- a. Prior to beginning any for-profit business activity, the Senior Manager 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 First nation or expose the First Nation's financial assets, property or resources to significant risk).
- b. The risk assessment should address all risks related to the project and the resulting overall impacts on the First Nation.
- c. For each risk, a detailed mitigation plan with assigned responsibility will be developed.
- d. 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.
- e. The Senior Manager, 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.
- f. The senior Manager, or designate must report on the for-profit business activity separately reported in the monthly reports and quarterly, and annual financial statements.

(4) Investment Risk Assessment

- a. Monitoring, reporting and approval of investments strategy and performance is detailed in the [Investment Policy].

(5) Financial Reporting Risks

- a. The First Nation 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.

(6) Insurance and Emergency Plans

- a. 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].

F. 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

G. Attachments

- (1) **Appendix I** – Fraud Risk Assessment Template
- (2) **Appendix J** – Fraud Risk Assessment Guidelines
- (3) **Appendix K** – Risk Management Plan Template

13. Emergencies

A. Policy

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

B. 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 First Nation and its finances.

C. Scope

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

D. Responsibilities

(1) Council is responsible for:

- a. Approving the emergency response plan.

(2) The Senior Manager is responsible for:

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

(3) The emergency planning committee members are responsible for:

- a. Preparing the emergency plan.

E. Procedures

(1) Analyze the current situation

- a. The Senior Manager will create an emergency planning committee which will consist of the Senior Manager, Director of Operations, Senior Financial Officer, and other key staff across all areas of the First Nation as deemed appropriate. External groups, such as representatives from the local fire or police services, will be invited to participate as required.

- b. 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 First Nation, including potential threats such as fires, natural disasters, and environmental risks.
- c. For each of the risks identified, the emergency planning committee should determine the likelihood of the threat occurring and the potential impact on the First Nation's operations.

(2) Develop the emergency plan

- a. Based on the likelihood and impact, the Senior Manager, 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 First Nation's overall operations and finances.
- b. Areas which should be examined and examples of issues to address for each risk include the following:

Buildings and sites

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

Critical equipment

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

Information Technology

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

People

- ix. How will the First Nation communicate with staff/members during the emergency?
- x. Do the critical finance and operations staff members have designated and trained back-ups?
- xi. Is there an offsite location where limited but critical operations can continue during an emergency?

- xii. Are there any potential health and safety issues associated with a particular risk? How would these be dealt with?
- c. 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.
- d. The emergency planning committee will develop an emergency notification procedure to explain how to enact the plan should an emergency occur.
- e. Documented approval of the plan will be obtained from council.

(3) Implement the plan

- a. The Senior Manager will develop a communication strategy to ensure all affected staff and First Nation members have access to the emergency plan.
- b. 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.
- c. 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.
- d. Emergency plan documentation will be maintained at all First Nation'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.).

(4) Annual review

- a. 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.
- b. Significant changes to the plan will be approved by Council.

F. References and Related Authorities

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

G. Attachments

- (1) Appendix L – Examples of risks to consider
- (2) Appendix M – Sample risk assessment template
- (3) Appendix N – Emergency planning resources
- (4) Appendix O – Emergency plan

14. Financial Management System Improvement

A. Policy

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

B. Purpose

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

C. Scope

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

D. Responsibilities

- (1) If the First Nation is a borrowing member, the Council is responsible for: ensuring that the First Nation takes measures as soon as practicable to rectify any gaps or areas of non-compliance between the First Nation's financial management systems and practices and the First Nations Financial Management Board Standards.
- (2) The Finance and Audit Committee is responsible for:
 - a. Reporting to Council as soon as practicable any gaps or areas of non-compliance between the First Nation's financial management systems and practices and the First Nations Financial Management Board Standards and monitoring actions taken to bring the First Nation into compliance
- (3) The Senior Manager is responsible for:
 - a. Planning, scheduling, and conducting Internal Assessments;
 - b. Ensuring issues or concerns identified through the Internal Assessment process are resolved;
 - c. Holding an annual meeting to review the financial management system for the previous fiscal year;
 - d. Performing self-assessments of the First Nation'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;

- e. Reporting to council, the Finance and Audit Committee, and the internal/external auditors on the results of their reviews.
- (4) The Senior Financial Officer is responsible for:
- a. Ensuring issues and concerns regarding the financial management system are collected, tracked, managed, reported and resolved as required in this policy;

E. Procedures

(1) Financial Management System Review

- a. Annually on a date scheduled by the Finance and Audit Committee, the Senior Manager will review the financial management system for the period of the previous four quarters and up to the date of the meeting.
- b. The agenda items will include, but are not limited to, the following:
 - i. Review of the system's processes and procedures;
 - ii. Review of applicable laws for compliance;
 - iii. Review of external and Internal Assessment results;
 - iv. Review of identified process improvement opportunities including their resolution;
 - v. Review of all committees' Terms of Reference;
 - vi. Review of the First Nation's corporate and personnel organization charts.
- c. The Senior Manager must prepare a report for distribution to the Finance and Audit Committee and internal/external auditors that includes the following:
 - i. 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;
 - ii. 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.

(2) Internal Assessments

- a. 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 First Nation staff member so long as the individual is independent of the operation or activity under review.
- b. 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.
- c. Reports will be issued to the Senior Manager, or to individuals responsible for the area/activities assessed, the Assessment Committee and the Finance and Audit Committee.

(3) Continual improvement process

- a. The Senior Financial Officer will be responsible for ensuring that any concerns or issues regarding the financial management system of the First Nation and brought to his/her attention are tracked, managed, and resolved on an ongoing basis.
- b. Based on the Senior Financial Officer’s analysis of the concern or issue, the following steps will be taken:
 - i. For items that relate to improvements in efficiency and/or effectiveness, the Senior Financial Officer will consider the cost versus benefit of implementing the changes and act accordingly;
 - ii. For any other issues, such as minor instances of non-compliance with policy, the Senior Financial Officer will take the necessary steps to remediate and will report the findings and actions taken to the Senior Manager;
 - iii. All items will be tracked and records maintained of all actions taken.

(4) Review of Financial Administration Law

- a. Annually, the Finance and Audit Committee will review the Financial Administration Law
 - i. To determine if it facilitates effective and sound financial administration of the First Nation, and
 - ii. To identify any amendments to this Law that may better serve this objective.

- b. 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.

(5) Membership information or involvement

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

F. 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

G. Attachments

None

Appendix A – Sample planning and budgeting 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.	Senior Manager, Senior Financial Officer, Finance and Audit Committee, Council	November 15
Inspect and review of all Tangible Capital Assets to establish or update information.	Senior Manager	November 30
Each Department prepares a thorough analysis and projection of all expenses for the budget year	Department Heads; Senior Financial Officer	December 1
Consolidate all draft budgets including capital budget into one master budget;	Senior Financial Officer	December 15
Multi-year plan and strategic plan developed or updated.	Senior Financial Officer; Senior Manager, Senior officers	December 15
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.	Senior Financial Officer	December 31

Task	Individual(s) responsible	Deadline
Senior management reviews draft budgets, multi-year plan, and strategic plan and discusses (iterative process) with Senior Financial Officer.	Senior Manager; Senior Financial Officer; Tax Administrator;	January 15
Present budget, multi-year plan, and strategic plan to Finance & Audit Committee for review, discussion, and modification.	Senior Financial Officer, Senior Manager, Finance & Audit Committee.	January 31
Incorporate Finance & Audit Committee changes to any of Planning Documents	Senior Financial Officer, Senior Manager, Finance & 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 the Financial Administration Law or Council policy including giving notice to the membership of the Council meeting when the budget and multi-year financial plan are presented for approval.	Senior Manager, Senior Financial Officer	March 1
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.	Senior Financial Officer	April 15

Task	Individual(s) responsible	Deadline
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.	Senior Financial Officer	June 15
Finance and Audit Committee reviews the draft amendment of the component of the annual budget respecting local revenue account and recommend 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 B – 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	
		<hr/>	
Total outstanding cheques		xxx.xx	(xxx.xx)
Adjusted bank balance			<u>\$xxxx.xx</u>

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

Prepared by: _____ **Title:** _____ **Date:** _____

Approved by: _____ **Title:** _____ **Date:** _____

Appendix C – Purchasing Approval Limits

Purchase Values <i>[amounts used for illustration only – will vary depending on the First Nation's situation]</i>		Process to be followed:	Who is responsible:
Less than \$100		Petty Cash	Petty Cash Clerk
Greater than \$100	Less than or equal to \$1,000	Low Value ²	Division Manager ¹
Greater than \$1,000	Less than or equal to \$5,000	Low Value ²	Department Director
Greater than \$5,000	Less than or equal to \$25,000	Moderate value: Informal Quotation ³	Senior Manager Senior Financial Officer
Greater than \$25,000		High value: Tender Call/Request for Proposal	Council, Senior Manager and Senior Financial Officer

1. Division Manager = Department Manager or equivalent.

2. Low Value = Contractual arrangement for low value procurement process: in this, employees with appropriate authority as set out in this policy may sign an invoice indicating that the goods or services have been received and the contractor/supplier may be paid.

3. Informal Quotation = obtaining informal quotes where practicable through advertisements, direct solicitations to contractors/suppliers and other methods in effort to compare prices.

Appendix D – Supplier Evaluation Template

EVALUTATION SHEET

Primary Consultant:

Cost of Bid:

Rating of the Proposal: For each of the components, please provide rating 1-10 where 10 represents the best.

Component	Rate X (1-10)	Weight	Total	Comments regarding strengths and weaknesses of this component, rationale for the score and general notes
Experience of Consultant Team: key personnel, experience, references, qualifications, commitment to assignment		1.5		
Experience of Project Manager; experience, position in the firm, qualifications, commitment to assignment		1		
Management of sub-contractors and their commitment to assignment		0.5		
Proven competence in similar work		1		
Sufficient Human Resources		0.5		
Clarity of tasks and responsibilities		1		
Proposed liaison with client		1		
Proof that the specifics of the RFP are understood and addressed including the		2.5		

proposed methodology, approach, receivables, schedule				
First Nation Knowledge – Experience working with First Nations.		2.5		
Cost		1		
Total Score				

Appendix E – Local Content

The First Nation should promote the use of local content when appropriate in the procurement of goods and services. For construction contracts on reserve lands, the First Nation 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 First Nation should establish:

- The extent of labour and trades available locally
- Quantities and firm prices of locally available materials
- Local equipment available and firm rental rates
- 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 F - Expenses Claim Template

FIN-TMP-013 Rev 0



Expense Claim

Date:

Dept.
Requested by:

Please attach small-sized receipts to an 8.5" x 11" sheet of paper.

Date	Description	GL Code	Unit Price	HST	Total
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Total

Comments:

Approved By:

Appendix G – 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. The decision by the First Nation to capitalise costs as tangible fixed assets must be made in reference to PSAS accounting requirements, specifically those contained in PS 3150, *Tangible Capital Assets*.

Capital Asset Category	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, 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, snowploughs, radios, freezers, refrigerators, washers, meters, defibrators
Heavy equipment	<ul style="list-style-type: none"> power and construction equipment such as graders, tractors, cranes, drill rigs, caterpillars, and trucks one tonne and over
Vehicles	<ul style="list-style-type: none"> used primarily for transportation purposes such as automobiles, trucks under one tonne, 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
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, 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, dump stations

Appendix H – Presentation and disclosure requirements

The following requirements relate to the preparation of the First Nation'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.

The financial statements should disclose, for each major category of Tangible Capital Assets and in total:

- (a) cost at the beginning and end of the period;
- (b) additions in the period;
- (c) disposals in the period;
- (d) the amount of any write-downs in the period;
- (e) the amount of amortization of the costs of Tangible Capital Assets for the period;
- (f) accumulated amortization at the beginning and end of the period; and
- (g) net carrying amount at the beginning and end of the period. [APRIL 2005]

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 I – Fraud Risk Assessment

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
Conflict of Interest – Contracts improperly awarded	Remote	Material	Accounting	RFP Policy Reviewed by Senior Financial Officer and Senior Manager.	Evidenced by council meeting minutes.	Risk of council override exists.
Recording of rent receipts in incorrect periods	Remote	Insignificant	Accounting	Senior Financial Officer reviews receipts prior to posting	Adequately mitigated by control	No further action.
Unauthorized payroll adjustments	Reasonably Possible	Material	Payroll	Director of Operations approves periodic payroll registers and reviews one-time payment queries	Adequately mitigated by control	N/A
Expenditure Recognition -Holding bills -Improper coding of bills	Reasonably Possible	Material	Accounting	Department heads code bills, Receptionist receives all paper invoices separate from accounting function	Adequately mitigated by control	N/A

Misclassification of Balances Reporting more receivables and less cash to conceal misappropriation of receivable payments	Reasonably Possible	Material	Accounting	Checks and cash are received by receptionist – separate from accounting function	Adequately mitigated by control	N/A
Misappropriation of Assets: Cash/Checks -At time of receipt	Reasonably Possible	Material	Accounting	Log is kept of a cheques Cheques are ordered by Senior Manager	Adequately mitigated by control	N/A
Accounts Payable / Expenditures Fictitious vendors -Inflated invoices from vendors	Reasonably Possible	Material	Accounting	Senior Financial Officer reviews invoices prior to posting	Adequately mitigated by control	N/A
Capital Assets/Inventory -Theft by employees -Theft by others	Reasonably Possible	Material	Band-Wide	Accounting Clerk maintains asset list with pre-numbered stickers Senior Financial Officer	Adequately mitigated by control	N/A

				collections asset as employees leave Inventory check on promotional items Directors monitor employee asset use		
Corruption: Kickbacks/ Conflict of Interest	Reasonably Possible	Material	Band-Wide	Conflict of Interest Policy	Adequately mitigated by control	N/A

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.

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

Appendix J – 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.

1. Performing Fraud Risk Assessments
2. Creating Control Environment
3. Designing and Implementing Antifraud Control Activities
4. Sharing Information and Communication
5. 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 senior manager has the primary responsibility for performing Fraud Risk assessments. Ideally, the senior manager 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:

- Senior Manager and Senior Financial Officer;
- 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 Senior Manager 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, senior manager 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, senior manager 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

Senior manager 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 K – Risk Management Plan

	Identified Risks	Potential Impact	Likelihood	Significance	Mitigation / action plan	Individual responsible
1	Human Resources	Employee injury Fisheries guardians injury (patrolling, sampling and laying charges)	Medium	Harm to employees Litigation Reputation	Safe work plans Workplace Health and Safety Plan Hazard Identification for Guardians	Senior Manager, Director(s), Officer Manager
2	Financial Risks related to service delivery	Loss of funding due to non-compliance or lack of reporting Cash flow Interest Rate exposure Internal control issues	Low	Loss of services Litigation Reputation	Financial reporting system ISO audit Annual Audit	Senior Manager, Senior Financial Officer, Director(s)
3	Business Risks	Qalipu Development Corporation's exposure to various risks as a result of business activities Trade Risks Over reliance on resource-based industries such as fishing	Low	Litigation Reputation Negatively impact financial position	Board of Director in Arms-Length Financial Controls FAL implemented for QDC	Council, Board of QDC, Senior Manager, Manager of QDC, Senior

						Financial Officer
4	Asset Risks	Protect buildings and assets from physical risks such as flooding, fire and theft	Low	Loss of services Litigation	Insurance Security System Maintenance schedule	Council, Board of QDC, Senior Manager, Manager of QDC
5	Legal Liability	Lawsuits from former employees (wrongful dismissal) Lawsuits from former band members (enrolment process)	Medium	Litigation Reputation Negatively impact financial position Loss of services	Human Resource Policy	
6	Environmental Risks	Non-compliance with federal regulations and legislation relating to environmental issues	Low			
7	Health Risks	Health and public safety of community members	Low			

Appendix L – 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 M – Risk Assessment

Risk	Description / Operations affected	Impact 1 low – 5 high	Likelihood 1 low- 5 high	Overall risk level (average of impact/ likelihood)	Plan required?
Water shutoff	Threat to health and safety of staff Service interruption for membership	1	5	2	Yes – Emergency Preparedness Plan
Epidemic	Threat to health and safety of staff Service interruption for membership	5	1	2	Yes – Emergency Preparedness Plan
Elevator failure	Building not accessible for membership	1	3	2	No
Severe weather	Service interruption for membership Threat to health and safety of staff	2	5	3	Yes – Inclement Weather Policy
Power disruption	Service interruption for membership Threat to health and safety of staff	1	5	3	Yes – Emergency Preparedness Plan
Civil disobedience	Building could be inaccessible for a long period	3	2	2	Yes – Demonstrations and Protest Policy

	Service interruption for membership Threat to health and safety of staff				And Panic Button Policy
Labour dispute within funders	Delay in funding Reduction in services	3	2	2	No
Breach in building infrastructure	Financial records may be destroyed IT systems damaged / destroyed Threat to health and safety of staff	4	2	3	Yes – Emergency Preparedness Plan
Flood	Building could be inaccessible for a long period Financial records may be destroyed IT systems damaged / destroyed Threat to health and safety of staff	4	3	3	Yes – Emergency Preparedness Plan
Resignation of council	Issues meeting requirements of Membership and funders Service interruption for membership	5	1	3	Yes – Succession plan
Resignation of key staff	Issues meeting requirements of Membership and funders	5	2	4	Yes – Succession plan

	Service interruption for membership				
Terrorism	<p>Building could be inaccessible for a long period</p> <p>Financial records may be destroyed</p> <p>IT systems damaged / destroyed</p> <p>Threat to health and safety of staff</p> <p>Service interruption for membership</p>	5	1	3	Yes – Emergency Preparedness Plan
Privacy breach	Litigation from affected parties	5	1	3	No
Sabotage	<p>IT systems damaged / destroyed</p> <p>Records damaged /destroyed</p> <p>Service interruption for membership</p>	3	1	2	Yes – Emergency Preparedness Plan
Computer virus	<p>IT systems damaged / destroyed</p> <p>Records damaged /destroyed</p> <p>Service interruption for membership</p>	2	3	3	No
Fire	<p>Building could be inaccessible for a long period</p> <p>Financial records may be destroyed</p>	5	1	3	Yes – Emergency Preparedness Plan

	IT systems damaged / destroyed Threat to health and safety of staff Service interruption for membership				
Network security breach	IT systems damaged / destroyed Records damaged /destroyed Litigation from affected parities	5	2	4	No
Hardware/ software failure	Financial records may be destroyed IT systems damaged / destroyed Service interruption for membership	4	2	3	Yes – Emergency Preparedness Plan and Contingency plan
Job action (QFN)	Service interruption for membership Litigation from affected parities	4	1	2	No
Termination of Funding	Service interruption for membership	5	1	2	No

Appendix N – Business Impact Analysis

The purpose of the Business Impact Analysis (BIA) was to identify which business units/departments and processes are essential to the survival of the Qalipu Mi'kmaq First Nation Band (the Band or QMFN). The BIA identified how quickly essential business units and/or processes have to return to full operation following an emergency situation. The BIA also identifies the resources required to resume business operations.

Business impacts are identified based on worst-case scenario that assumes that the physical infrastructure supporting each respective business unit has been destroyed and all records, equipment, etc. are not accessible for 30 days. The BIA does not address recovery solutions.

The objectives of the BIA is to:

- Estimate the financial impacts for each business unit, assuming a worst-case scenario.
- Estimate the intangible (operational) impacts for each business unit, assuming a worst-case scenario.
- Identify the organization's business unit processes and the estimated recovery time frame for each business unit.

In preparation of this contingency plan, each department in the QMFN completed their own BIA survey. The full results of this survey are stored on the Qalipu server under Business Continuity Planning.

While each department has specific tasks that are vital to their success, all departments recognized the following priorities as being key to their operations:

1. IT Functionality
2. Payment of Wages/Allowances
3. Communication

The QMFNB would experience significant loss without the above-mentioned tasks after a short period of time. Each function is explained in greater detail below.

IT Functionality

Qalipu relies on IT infrastructure for nearly all operations. Accounting, client, and membership data is stored on Qalipu's server and day-to-day operations rely on these tools for payroll, bill payments/collection and client management. For example, student files are maintained digitally and all applications for funding can be found on the server. If all computers are lost, our data is safe if it is backed up from our server.

To ensure document retention, the QMFN currently requires that:

- All working documents (drafts and final copies) are stored on the server
- Original documents are scanned and digitally stored on server
- Historical data is scanned for digital storage
- Server is backed up daily with backup info stored off-site
- Select employees have the ability to access the server remotely

Payment of Wages/Allowances

Qalipu employs over 40 individuals and funds an average 600 students for training. Staff members are paid weekly wages and all payments are reflective of the current week's wages. Students eligible for allowances are paid on a monthly basis. If a disruption happens around a scheduled payment, staff and students may be left without wages for up to three additional weeks. This has the potential to have a large negative impact.

With respect to funding agreements and budgeting, there is more flexibility around completion except in cases where agreements are due for submission.

- To ensure operations run smoothly whenever possible, QMFN requires that:
- Financial matters are all stored electronically
- Wages and allowances are paid through electronic funds transfers
- Budgets are stored electronically
- Backups are maintained daily

Communication

In the event of a major disruption, membership, council, staff and partners will be anxiously awaiting news from the Critical Incident Team. As a result, it is imperative that clear and concise information is communicated on a timely basis with stakeholders.

Qalipu has developed a strong foundation of communication which includes:

- Communication with the public and membership through a number of platforms that are not reliant on server functionality such as Qalipu.ca, Facebook, and Twitter.
- Staff communicates via text message.
- Internal communications person dedicated to ensuring up to date communications.

In the event of a crisis situation, an individual will be directed by Qalipu's Crisis Management Team (explained in the Emergency Response Plan) to keep staff and public up to date.

Emergency Response Plan

In the event of a critical situation, Qalipu has prepared an extensive emergency response plan. The purpose of the plan is to ensure the safety of both staff and operations regardless of the situation. All employees are expected to know and understand the entire plan. The plan is shared with all staff during orientation and is stored in critical areas of the building for further reference.

The Crisis Management Team (listed below) will direct all operations through an emergency situation. For more detail, please refer directly to the Emergency Response Plan.

Crisis Management Team

Name	Title	Contact Number
Brendan Mitchell	Chief	709-634-5070
Keith Goulding	Senior Manager	709-634-1147
(Vacant)	Director of Operations	(TBD)

Disaster Recovery Phase

The recovery phase is essential to getting Qalipu back to a normal operating state as soon as possible. This phase identifies procedures that will be dealt with by the crisis management team subject to the size and scope of the event. The primary goal of this plan is to effectively return the organization to a state of normal operation as quickly as possible.

In the event that something does go wrong causing a stoppage of work, there are systems in place to ensure operations are restored. They are listed below:

IT Recovery

- Retrieve onsite or offsite backups, whichever is available and has the newest versions of the backups available (see backup policy)
- Backups will need to be restored on our spare/backup server
- If spare/backup server is unavailable, a new server will have to be ordered (thru Purchase Order process)
- If new desktop/laptops for essential staff needs to be ordered, they can be ordered thru Insight Vendor for ordering a new server is CDW.

CDW Account and Contact information: Client Login is: mbungay

Client Name: Qalipu First Nation or Ryan Matthews

Client E-mail Address: rmatthews@qalipu.ca

Account Representative Name: Obee Okorie E-mail Address: obee.okorie@cdw.ca

Phone Number: 647-288-5720

For help with disaster recovery when IT staff is not available, you can contact Atlantic DataSystems at 1-800-563-8484. Email contact Elliot Yeo (Elliot.Yeo@atlanticdatasystems.com)

Financial Recovery

- Monitor financial situation via banking systems
- When IT functionality is restored, re-assess financial position and adjust projections as needed
- Minimize loss through insurance and negotiations with funding agencies
- Examine the financial cost of restoring full operations either in an alternative location or in the affected building

Insurance Concerns

Any incidents where damaged to buildings and/or property is estimated to be over \$5,000 must be immediately reported to the Director of Operations.

Any incident of personal injury must be reported immediately to the Human Resources Manager.

Any incident resulting in causality must be reported to the RNC, Chief Executive Officer, Human Resources Manager and Facilities Manager.

Incidents other than those listed above must be reported to the Facilities Manager as soon as possible.

Insurance Contact

All insurance matters for Qalipu are handled by AON. If necessary, please contact Ruby Noseworthy for details.

Ph: 1-709-758-5774

Email address is ruby.noseworthy@aon.ca

Communication

While IT and Finance operations are being repaired, communication is required to ensure members, staff, council and the public are kept informed.

The communications personnel should also be informed on the response operations that occur so they can issue the appropriate communications. It is the responsibility of the designated communications representative to liaise with the Critical Management Team, staff, membership and the public to ensure the impact of any emergency on Qalipu's brand and morale is minimized.

Qalipu First Nation

EMERGENCY PLAN & BUSINESS CONTINUITY PLAN

2019

Last updated: February 2019

Approved by Council: [xx, Month, Year]

1. Purpose

The Qalipu First Nation (QFN) is committed to providing and maintaining a safe and healthy workplace. The Emergency Response Plan was developed to ensure the safety of occupants and property through preparation and planning. This is accomplished by the cooperation of management and employees. All procedures outlined in this plan have been prepared in accordance with the appropriate laws, regulations and policies governing emergency response.

The Emergency Response Plan is a guide for the QFN to respond to emergency situations. All employees and visitors are required to follow this plan. By following these procedures, the organization will be able to effectively initiate a recovery in a timely and effective manner in order to get the organization back to normal operations as soon as possible.

Qalipu First Nation employees are not to depart from these procedures without first checking with a member of the Crisis Management Team.

Emergency Contacts



Newfoundland and Labrador Emergency Measures Organization (NLEMO)	(709)729-3703
Poison Information Center (24hr)	(709) 634-7121
Power Outages and Emergencies (24hr)	1-800-474-5711
Department of Environment	1-800-563-6181
Newfoundland and Labrador Health Line	1-888-709-2929

Internal Emergency Contacts

Brendan Mitchell	Chief	709-634-5070
Keith Goulding	Senior Manager	709-634-1147
Janet McAuley	HR Manager	709-634-2837
Monique Carroll	Director of Education & Training	709-647-3096
(Vacant)	Director of Operations	<TBD>
Jonathan Strickland	Director of Natural Resources	709-634-9896
Tara Saunders	A. Director of Community Devel.	709-634-5972
Mitch Blanchard	Manager of Health Services	709-634-8046
Karen Tiller	H&S Rep / First-aider	709-634-1418

Local Incident Team

Name	Local Incident Team Position	Contact Number
Receptionist/Alternate	Health and Safety Coordinator	634-0996 or ext. 201/212
Karen Tiller	Emergency Building Warden	634-1418 or ext. 219
Kristen Pittman	Emergency Building Warden Deputy	634-5045 or ext. 222
Kristina Duffy	Emergency Floor Warden (1)	634-5048 or ext. 216
Nancy O'Connell	Emergency Floor Warden Deputy (1)	634-4010 or ext. 229
Jennifer Brake	Emergency Floor Warden (2)	634-5479 or ext. 206
Samantha MacWhirter	Emergency Floor Warden Deputy (2)	634-8611 or ext. 224
Tina Diamond	Emergency Floor Warden (3)	634-5111 or ext. 212
Vickie MacDonald	Emergency Floor Warden (3)	634-6893 or ext. 204

Crisis Management Team

Name	Title	Contact Number
Keith Goulding	Senior Manager	709-634-0996 or ext. 223;207
Janet McAuley	Office Manager, Human Resources	709-634-2837 or ext. 213
(Vacant)	Director of Operations	(TBD)
Monique Carroll	Director of Education & Training	709-647-3096
Jonathan Strickland	Director of Natural Resources	709-634-9896
Howard Thistle	NIHB Navigator	709-679-5743
Colleen Paul (GFW)	Client Service Officer	709-489-6770

2. Responsibilities

Director of Operations Responsibilities

The Director of Operations will ensure that all employees are briefed on the emergency policies and procedures to ensure an appropriate response can be executed in a time effective manner.

Training is required and will be given to all employees. The responsibility of communicating the Emergency Response Plans contents will be delegated to a member of the management team.

All employees will receive a list of emergency phone numbers which should be contained in the new hire orientation package. Contact telephone numbers will be posted throughout the building.

Training all employees who have a role in the plan is essential. Training exercises are useful for helping staff perform their emergency response roles.

Note: for occupational health and safety issues, please contact the Work Place Health and Safety Committee

Local Incident Team Responsibilities

The Local Incident Team (LIT) is responsible to take control in the event of an emergency. They are required to become familiar with this plan and know their roles and responsibilities in the event of an emergency or threat.

Local incident teams should assist the Workplace Health and Safety Committee in carrying out limited training exercises on a regular basis. This should include fire, lockdown, evacuation procedures and investigate specialize training in their local areas to ensure a professional approach.

Crisis Management Team Responsibilities

The Crisis Management Team has the authority to make major decisions in the event of a crisis. Crisis Management Team members should also become familiar with the contents of this plan and know their roles and responsibilities in the event of a crisis.

The CMT should carry out at least one full-scale training exercise each year. Emergency responders should be involved ever second year so that, in the event of a real crisis, emergency responders are familiar with Qalipu First Nation’s emergency response plan.

Emergency Operation Center (EOC)

In a state of emergency, the CMT will operate from the Chief’s Office. This will be the Emergency Operations Center (EOC) and will act as the center of operations while in emergency mode.

Required EOC Equipment	
Telephone jack & telephone	First Aid Kit
Power outlets	Clean drinking water
Fax Machine and printer	Toilet facilities

3. Emergency Response Kit

There shall be a clearly marked emergency response kit in the building. The kit will be stored in the 3rd floor closet and checked at least monthly.

Emergency Response Kit Contents
1 flashlight and new package of batteries
Small first aid kit
Log-in Book from Reception
2 note pads
4 pens
High visibility vest
A full copy of the Emergency Response Plan
Copies of the Appendices
Employee attendance sheet

4. Shelter-in-Place

A shelter-in-place is used to protect all occupants from dangers during an environmental emergency or security emergency. A shelter-in-place is an isolated room to hold all occupants at

Qalipu First Nation, preferably above the ground floor with the fewest windows or vents. For the Corner Brook Office, the Shelter-in-Place is the Chief Brendan Sheppard Boardroom.

In the event that everyone in the building is required to enter the Shelter-in-Place, follow these procedures:

- Ensure that everyone employees and visitors, are brought into the shelter.
- Take everyone’s name.
- Lock the doors and windows.
- Turn off all lights, fans and air-conditioning systems.
- Do not leave unless it has been declared safe to do so.
- Distribute to the distressed, supplies from the Shelter-in-place Box.

Shelter-in-Place Box

In case of an emergency the shelter-in-place may be used. The shelter-in-place should be equipped with a Shelter-in-Place Emergency Supply Box.

Emergency Supply Box Contents		
Bottled water	Signaling whistle	Feminine hygiene products
Box of non-latex gloves	Garbage bags	Pocket Mask
Note pads, pens, pencils	Duct tape	Extra batteries
Radio (battery or wind-up)	Dusts Masks	First Aid Kit
Flashlight or glow sticks	Small shovel	Copy of Emergency Plan
Map of local area	Blankets	General medications (aspirin, aloe, etc.
Board games/deck of cards	Rope	Toiletries

Each month, the person in charge of the shelter-in-place should make sure the disaster supplies are located in the Shelter-in-place box located in the closet nearest to the Chief Brendan Sheppard Boardroom.

When to Enter the Shelter-in-Place

The Brendan Sheppard room should only be occupied for this use in the event of an emergency.

The type of emergency that requires everyone in the building to retreat to this safe place would be:

- External threat from public, irate individuals, and/or protestors
- Extreme severe weather conditions; where roads have been closed

5. Crisis Management Plan

Crisis Management is a comprehensive area of Health and Safety that encompasses all aspects of an organization and involves planning, organizing, leading and controlling assets and activities in the critical periods immediately before, during and after a catastrophe to reduce its impact on the organization. Crisis management encompasses developing plans to both prepare for and respond to an emergency in the appropriate fashion and keep the organization functioning after a crisis. In a crisis, there should be extensive and thorough communication between all parts of the organization.

A crisis is an event which causes a significant disruption to normal business. It is a time of acute danger or difficulty and because of the complexity and potential impact on Qalipu First Nation, may involve external agencies.

The following crisis management plan provides the management structure, key responsibilities, emergency assessments, and general procedures to follow during and immediately after an emergency. Qalipu First Nation has established this plan to address the immediate requirement in the event of a major disaster or emergency in which normal operations are interrupted and special measures must be taken.

Turning Point from Incident to Crisis

There are numerous reasons to be determined before an incident can be considered severe enough to become regarded as a crisis. Possible indicators are as follows, but no limited to:

- The incident severely damages the offices infrastructure.
- The incident exceeds the ability of the faculty and staff to be managed
- The incident causes such a high level of publicity it changes the image of Qalipu First Nation
- If the incident involved a fatality or numerous serious injuries.

Crisis Declared

A crisis may be declared by the CMT as a result of:

- An incident that has escalated beyond the ability of the LIT to manage and/or contain it and/or has started to impact the rest of the office.
- An event that is so serious that it warrants a crisis response.
- An event that takes place beyond the boundaries of Qalipu First Nation, but in a space occupied by another organization and which adversely impacts QMFNB.

Examples of a crisis include:

- Fire, explosion or collapse of Qalipu First Nation office
- Outbreak of infectious disease
- Terrorist activity
- Loss of major services such as computer or telecommunications
- Threat to life

Type of Crisis

Two types of crisis that may affect the normal operations of Qalipu First Nation are an Office Crisis and Community Crisis. An Office Crisis is defined as an emergency which involves the risk of loss of life or property or which threatens the safety, welfare and well-being of Qalipu First Nation's office, employees, visitors or members and/or which cannot be adequately handled by the LIT.

A community crisis is defined as an emergency (other than a war) in any area of the municipality/local area which involves the risk of loss of life or property or which threatens the safety, welfare, and well-being of some or all the residents of the area. A state of emergency will be declared by the responsible government.

CMT Takes Over

Local Incident Teams will assess an incident and determine if it is likely to impact the organization in general or has expanded and exceeded the ability of the team to manage and contain it. In either case the Crisis Management Team (CMT) will be informed and will then take over.

Crisis Log Book

The CMT will assign a LIT representative to keep a crisis log book for records. The log book must consist of all actions taken throughout the course of the emergency.

Emergency Responders

During an extreme, event emergency responders may take overall command and control of the situation including communications and investigation.

In the event of a large number of casualties, the RCMP or RNC may establish a causality inquiry center at police headquarters and liaise with the local hospital.

Media Communications/Contact

All media requests should be directed to the CMT's designated representative.

Updating the Crisis Plan

The Workplace Health and Safety Committee will be required to review the plan annually. Where there are any structural changes; and when there is a significant increase in employees, reviews may occur more frequently.

6. Emergency Colour Codes

A colour code system will help quickly identify the type of emergency risk and ensure a certain measure of discreteness/confidentiality when emergency communication is needed.

Emergency Type	Description	Code Colour
Normal operations	No adverse incident	Code Green
Fire	Minor/Major fire <ul style="list-style-type: none"> ◆ Smoke explosion ◆ Building or Non-building 	Code Red
Medical	First-aid/medical injury <ul style="list-style-type: none"> ◆ Food poisoning ◆ infectious disease outbreak ◆ influenza pandemic ◆ Critical injury, fatality ◆ Mass first-aid/ trauma/ casualties 	Code Blue
Security	Civil Disturbance <ul style="list-style-type: none"> ◆ Motor Vehicle Collision ◆ Violence; Vandalism ◆ Sexual Assault ◆ Stalking ◆ Relationship Violence ◆ Missing person ◆ Hostage situation ◆ Terrorism 	Code White
Hazardous Materials	Hazardous Material Spill <ul style="list-style-type: none"> ◆ Release, Chemical/ Biological spill 	Code Brown
Infrastructure	Utilities Service Failure <ul style="list-style-type: none"> ◆ IT/ Telecommunications Service Failure ◆ Building Flooding ◆ Storm Sewer Backup ◆ Roof Leak ◆ Pipe burst ◆ Structural failure ◆ Aircraft crash 	Code Orange
Natural	Natural Disaster <ul style="list-style-type: none"> ◆ Flooding ◆ Ice ◆ Snow Storm ◆ Tornado ◆ Severe Weather ◆ Hurricane 	Code Purple

Defusing and Debriefing

Emergency situations may cause those involved to experience distress. This may last past the immediate emergency and have long-term effects on both the organization and the individual.

When required, the Office Manager will work with Senior Management to ensure counselling services are available to affected staff.

In Case of Lockdowns

A lockdown is a procedure that is initiated when a member of staff believes that there is a credible threat to employees and visitors. It is used to protect employees from acts violence such as shooters, protestors.

Procedures for Threats outside Building

In the event of a threat outside the building, the Senior Manager will determine the appropriate procedures to be taken. The building is secured with an access key system, in which all employees are given an access key. Therefore visitors are allowed in through the main entrance, only if the receptionist unlocks the door from the inside (using the button). The front desk personnel will be directly inside the locked doors and if necessary manual locks will be used to secure the main entrance and then alert the rest of the staff using the Emergency Color Code System to indicate the type of threat outside the building.

Procedures for Intruder in Building

If personnel witness a violent aggressor inside the building immediately assess your ability to escape or hide. If escaping (without crossing the path of the aggressor) is not possible, go to the nearest office with a phone and lock the door. Begin notifying the rest of the office using the telephone intercom system in conjunction with the Emergency Colour Code System. The Office manager will then notify the rest of their staff by mass e-mail or telephone.

- Go to the nearest available room
- Close, lock and/or barricade the door
- Close all windows and blinds
- Notify your Manager
- Mute your computer
- Position yourself, in the corner of the office that least visible
- BE QUIET!
- Do not unlock the door for ANY reason.

- Turn cell phones on silent (no vibration) or off.
- Do NOT share your location or any other details on social media
- Take the names of people who may be in the room with you.
- Ignore fire alarm, unless you have first-hand knowledge of the fire.
- Wait for police to assist you out of the building.

Armed Intruder

There are no recommendations from authorities or legislation in this type of situation. Use common sense as well as the procedures listed above, hiding is the best choice, however if you cannot do so try to cooperate and/or negotiate with the individual and try to remain as calm as possible. Remember that there may be more than one armed subject in the building. Do not try to be a hero, trying to disarm the individual may cause the situation to escalate. This should only be done as a last resort and only a last resort! Then wait for further directions from the RNC.

Employees Outside Building

All employees must sign-out when leaving the building during regular shift hours 9am to 4pm. In the event of a threat, inside or outside the building, those employees who have left the building will be notified by the receptionist through a phone call. If you are aware of the lockdown do not try to enter the building.

If you arrive at the building and cannot move safely to a secure area of the building due to a threat outside the building, evacuate a safe distance away from the building. Do not let anyone know you are an employee of Qalipu; it may make you a target. Here are the procedures in case you find yourself in this position:

- Do not enter the building
- Evacuate a safe distance away from the building
- Do not make yourself known to the threat
- Await further direction from the RNC
- Do not call the building that is on lockdown
- Do not call anyone that may be in the lockdown building
- Do not leave the safe area until the RNC says it is safe to do so
- Information updates will be given when they are available

In Case of Bomb Threat or Suspicious Package

The safety of Qalipu First Nation employees, members and visitors is of the utmost consideration in the event of a bomb threat. After the safety of the employees, members and visitors is assured, the next responsibility is to protect and preserve Qalipu's property and assets.

Bomb threats can be delivered in a number of ways. The majority are delivered by telephone, but may also be communicated in writing, e-mail or by recording. Every bomb threat is to be taken seriously and the proper steps taken to assure that all lives are protected.

Bomb threats and other threats of violence are serious emergencies that require prompt attention. Although bomb threats are rare, they are most likely to occur during periods of group and/or individual disagreement with policies, deadlines for funding, and application statuses. If these periods do encourage irate individuals to act out or carry out a bomb threat, employees will be required to evacuate a safe distance away from the building.

Bomb Threat by Telephone

If you receive a threat by telephone:

- Report the date and exact time you receive the threat
- Record where the call originated on the caller ID of the phone
- Record exactly what they say. Write it down asap.
- Note the approximate age of the caller.
- Listen for background noises or sounds such as music, children, heavy traffic
- Immediately contact your manager and the RNC or RCMP.

What to do:

- Stay calm and courteous
- Listen carefully, do not interrupt the caller.
- Obtain and record as many details as possible.
- Use the Bomb threat telephone checklist
- Attempt to keep the caller talking for as long as possible
- Notify your manager or RNC or RCMP, preferably while the caller is still on the line.
- When notified, follow evacuation procedures listed in section 12 of the Emergency Response Plan.

E-mail Bomb Threat

If you receive a threat by e-mail:

- Do not reply
- Do not forward
- Call the IT department immediately and have them physically come to your computer and investigate the sources.

Suspicious Package

A suspicious package is something unusual that is found in unexpected circumstances through notification to or discovery by building occupants. It can include letters, bag canister or box that raises suspicion of maliciously placed explosive or containing a biological, chemical or radiological hazard.

A package may be suspicious if it:

- Has been unexpectedly delivered.
- Has excessive postage or weight.
- No return address or fictitious address.
- City/province in the postmark does not match the return address
- No postage stamp
- Misspelling of words, particularly a common word or place
- Cut and paste lettering
- Leaking, oily stains, unusual odor, discolorations, or crystallization on wrapper.
- Addressed to business title only and or incorrect title.
- Ridged or bulky letters
- Excessive security materials (tape or string)
- Small holes in letter or package.
- Vapour, dust/powder, fumes released.
- Immediate adverse health effects in package handlers.
- Placement of unfamiliar or unattended package in an unusual area.

Discovery of a Suspicious Package

If you discover a suspicious package, letter or object do not touch it, tamper with it, or move it:

- Treat the package as if it is potentially harmful
- Do not touch, move, shake, bump, open or smell the package.
- Immediately notify your manager and RNC or RCMP.
- Evacuate immediate area of package.
- Leave the package and isolate the area
- If it is a suspicious letter, handle as little as possible, and seal in a plastic bag, and inform your manager and RNC or RCMP.
- Isolate the people who have been exposed – to prevent and minimize further contamination.
- Wash your hands with soap or water
- Wait in a safe place until emergency responders arrive
- Emergency responders will determine the course of action.

Bomb Threat File

The Senior Manager will maintain a complete file of all bomb threats and will coordinate the investigation of each threat with the appropriate agencies. They must also inform the Band Chief and the Office Manager of all bomb threats.

In Case of Fire

If a fire were to break out DO NOT PANIC, notify the local emergency response services, the Fire department. Alert the other occupants of the building and get out of the building! Always report the fire, no matter how big or small to the Senior Manager.

For more extensive details on fire prevention, please review the Fire Evacuation Plan.

Fire Drills

Emergency fire drills will be conducted. All employees and visitors of Qalipu First Nation present during the drills are required to participate and comply with the Emergency Evacuation orders. Failure to evacuate during an alarm will result in corrective measures.

Alarm System Maintenance

All maintenance, upgrades and additions to the fire alarm system in Qalipu First Nation Offices are to be conducted by a certified/authorized professional contractor. The contractor conducts a full inspection of the fire alarm system once a year and corrects any deficiencies. The contractor also corrects deficiencies on an ongoing basis.

Emergency Building Warden Responsibilities

- Be familiar with the Fire Emergency Evacuation Plan and act in accordance with the plan.
- Ensure that all means of access or egress are kept clear of any obstructions.
- Ensure that the floor plan includes necessary components such as stairwells and alarm system and revising if needed.
- Report all incidents of fire, false alarms and other evacuations to the Health and Safety Coordinator.
- Participate in Fire Drills as required.
- Participate in debriefings after the fire/fire drill.
- Keep copies of the building diagrams and an access key for the Fire department.

Emergency Building Warden Deputy Responsibilities

- Be familiar with the Fire Safety Evacuation Plan.
- Be familiar with the Emergency Building warden responsibility.
- Undertake all responsibilities of the Emergency Building Warden in the event of their absence.

Emergency Floor Wardens Responsibilities

- Identify any person who needs assistance.
- Complete attendance every morning and report findings to the Receptionist.
- Be familiar with the Fire Safety Evacuation Plan.
- Supervise (when possible) the evacuation of the building.
- Follow the procedures outline by all occupants procedures.

Emergency Floor Warden Deputy Responsibilities

- Be familiar with the Fire Safety Evacuation Plan.
- Be familiar with the Emergency Floor warden responsibilities.
- Undertake all responsibilities of the Emergency Floor Warden in the event of their absence.

Clothing Fires

If your clothing should catch on fire; Use the STOP-DROP-ROLL method to extinguish yourself.

Severe Weather

Severe weather emergencies include: heavy rain, dense fog, blizzard, flood, hail, lightning, cold, snow, and thunderstorms. This is not intended as an exhaustive list but provides overall guidance

that can be extended to any weather emergency or natural disaster. Severe weather emergencies should be reported immediately to your manager as soon as possible.

Severe Weather Procedures

In the event severe weather cripples your ability to arrive to work safely; STAY HOME, but try to call your Manager 45 minutes before your shift.

In the event weather starts to progress to bad weather, the Senior Manager will decide when and if work will stop.

If in the event the weather becomes too severe, please avoid leaving the premises. You may be safer in the building than travelling home.

In Case of Loss of Service

If Qalipu First Nation temporarily loses service such as, electricity, water, gas, or telephones along with any component of the heating, cooling or ventilation system, and fire or security alarm, an assessment will be carried out to determine if an immediate risk is present.

Prolonged outages of the above systems that last longer than 10 minutes will affect the server information system. Loss of water will raise concerns regarding the sanitation in the washrooms and firefighting abilities of emergency responders.

If an outage lasts longer than 30 minutes and the repair to a specific service may be time consuming the Senior Manager or Directors will determine whether the office should be closed and for how long.

Power Outage

Determine if there is a need to evacuate the office, seek shelter, or stay put. Most power losses are short term and occupants are safer if they remain in place.

Procedures

During outage:

- Immediately report the power outage to your Manager if they are unaware.
- Communicate with other employees about the status of the outage.
- Verify that emergency equipment such as fire alarms, security alarms, emergency lighting are operating correctly.

- Contact IT specialist so they can start power down procedures.
- During the power outage shut down all non-essential equipment
- After the Power is restored:
- Notify all employees work will be returning to normal.
- Gradually turn on lights and equipment to avoid overtaxing the power immediately.

In Case of Threat of Suicide

Reference to suicide by any person inside or outside of the office must be taken seriously. Please do not attempt to judge whether the threat of suicide is real. Whether referenced in person, via email, or via phone, follow these steps:

Suicide Threat

- Consider any reference to suicide serious
- Do not leave the suicidal person alone (if in person or on the phone)
- Notify your Manager and their Manager
- Managers should then notify the RNC.
- Stay with them until help arrives.

Suicide Attempt

- Notify your Manager and their Manager if you have first-hand knowledge of a suicide attempt.
- Call for medical personnel.
- Stay with them until help arrives.
- Do not let the person leave without parent, guardian or other appropriate supervision.
- Manager will determine if defusing or debriefing procedures need to be put in place.

