
FMB/CGF



Financial Management Board
Commission de Gestion Financière

First Nations Financial Management Board

Corporate Plan

2008 – 2009

Draft 3

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1. Executive Summary

The First Nations Financial Management Board (FMB) will provide the tools and guidance that will instill confidence in First Nations' financial management and reporting systems to support economic and community development.

The FMB is a shared governance institution established by the *First Nations Fiscal and Statistical Management Act* (FSMA). The FSMA received Royal Assent on March 23rd, 2005 and came into force April 1st, 2006. The primary focus of the FMB is to provide financial management certification services to First Nations that choose to use real property taxation revenue as security for an infrastructure loan.

The legislative mandate and services offered by the FMB have the potential to provide broader benefits to First Nations and Canada including improved fiscal transfer arrangements and more effective financial reporting.

The Chair and Board of Directors were appointed in the last fiscal year. The Board of Directors brings a wealth of experience in First Nation financial management to the FMB. Since their appointment, the Board of Directors has provided guidance to the development of FMB standards, policies and procedures.

The Board of Directors also held a strategic planning session in December 2007 that provides guidance to this Corporate Plan. Strategic issues for this planning period include: misperceptions about the mandate and role of the FMB; emerging accounting standards from Canadian Institute of Chartered Accountants/Public Sector Accounting Board, uncertain demand for services, and the interdependence of FMB with other institutions established by the FSMA.

This will be the first year in which the FMB will be called upon to offer services to First Nations that are raising revenue using the *First Nations Fiscal and Statistical Management Act*.

The FMB has three business lines. These business lines and the objectives for each business line are presented in the following table:

Business Line	Objectives
Supporting First Nation governments	<ul style="list-style-type: none"> ▪ Increase First Nation access to capital through certification ▪ Strengthen First Nation financial administration by promoting sound, stable, and transparent First Nation financial management systems
Services to other governments	<ul style="list-style-type: none"> ▪ Promote financial relationships between First Nations and other governments that are appropriate, effective, efficient, and mutually beneficial.
Corporate Services	<ul style="list-style-type: none"> ▪ Provide the administrative resources and facilities to enable the other business lines to operate effectively

Services to First Nations participating in the FSMA borrowing process are provided through the *Supporting First Nation Governments* business line. This is the core work of the FMB and includes financial administration law review, certification, capacity development and intervention services as required/requested. These services, with possible modifications, will also be made available to First Nations not participating in the FSMA borrowing process.

The FMB will also work with other governments and organizations on behalf of First Nations through the *Supporting Other Governments* business line. This will include working with other First Nation institutions, the federal and provincial governments.

Corporate services provides the administrative, facilities and human resource services to enable the other business lines to operate effectively.

Strategies and Performance measures for 2008 / 2009 are summarized in *Appendix A*.

The Financial Plan for the FMB is summarized below:

Activity	2008/09	2009/10	2010/11	2011/12	2012/2013
Corporate Services	\$ 1,080,185	\$ 1,089,766	\$ 1,122,048	\$ 1,154,329	\$ 1,186,611
Executive	1,081,780	1,116,591	1,151,402	1,186,214	1,221,025
Financial Administration Law	611,570	676,732	688,894	761,055	785,217
Certification	579,170	590,697	722,224	817,750	856,277
Intervention	226,700	243,938	391,662	403,732	415,803
Capacity	321,000	199,500	269,076	275,264	281,452
Capital	64,000	65,600	67,200	68,800	70,400
Total	\$ 3,964,405	\$ 3,982,824	\$ 4,412,505	\$ 4,667,145	\$ 4,816,785

2. Mandate

The First Nations Financial Management Board (FMB) will provide the tools and guidance that will instill confidence in First Nations' financial management and reporting systems to support economic and community development.

The *First Nations Fiscal and Statistical Management Act* (FSMA) establishes the following mandate for the FMB (s. 49 & s.55):

- To assist First Nations in developing the capacity to meet their financial management requirements;
- To develop and support the application of general credit rating criteria to First Nations;
- To provide review and audit services respecting First Nation financial management;
- To provide assessment and certification services respecting First Nation financial management and financial performance;
- To provide financial monitoring services respecting First Nation financial management and financial performance;
- To provide co-management and third party management services (respecting local revenues);
- To assist First Nations in their dealings with other governments respecting financial management, including matters of accountability and shared fiscal responsibility;
- To assist First Nations in the development, implementation and improvement of financial relationships with financial institutions, business partners and other governments, to enable the economic and social development of First Nations;
- To provide advice, policy research, and review and evaluative services on the development of fiscal arrangements between First Nations' governments and other governments; and,
- To establish standards (s. 55) respecting:
 - The form and content of First Nation financial administration laws (FSMA s.9) and for approving such laws that comply with the standards
 - certification of First Nation financial management systems (FSMA s. 50)
 - financial reporting (FSMA s. 14)

3. Corporate Profile

The FMB is a shared governance institution established by the *First Nations Fiscal and Statistical Management Act*. The primary focus of the FMB is to provide financial management certification services to First Nations that choose to use real property taxation revenue as security for an infrastructure loan.

The legislative mandate and services offered by the FMB have the potential to provide broader benefits to First Nations and Canada including improved fiscal transfer arrangements and more effective financial reporting.

Corporate History

The FSMA was originally drafted in 2001. The BC First Nations Summit Society supported the draft legislation and began sponsoring FMB in 2002. An FMB advisory panel was established in 2002 to support the legislative process and the development of the FMB.

The FSMA had all party support in both the House and the Senate during the legislative process of 2004 and 2005. It received Royal Assent on March 23rd, 2005 and came into force April 1st, 2006. The Chair was appointed in October 2006 and eight members were appointed to the Board of Directors in May 2007. An additional member was appointed to the Board of Directors in November 2007. The Board of Directors bring a wealth of experience in First Nation financial management to the FMB. Since their appointment the Board of Directors has provided guidance to the development of FMB standards, policies and procedures. The Board of Directors also held a strategic planning session in December 2007 that provides guidance to this Corporate Plan.

This will be the first year in which the FMB will be called on to deliver services to First Nations that will be using the authority of the FSMA to operate their real property taxation regimes.

Organizational Structure

The FMB is a shared governance corporation established pursuant to Part 3 of the FSMA. It will be managed by a board of directors consisting of between nine and fifteen directors, including a Chairperson and Vice-Chairperson.

The Chairperson is appointed by the GIC at the recommendation of the Minister. Three directors are appointed by the Aboriginal Financial Officers Association of Canada. An additional five to eleven directors are appointed by the GIC at the recommendation of the Minister. A vice-chair is elected by the Board of Directors.

For an interim period, the Chairperson will be also assuming the responsibilities of the Chief Executive Officer (CEO). The CEO is responsible and reports to the Board to carry out the FMB mandate on their behalf. All organizational activities are under his/her control unless otherwise directed by the Board. In this way the CEO acts as an Advisor to the Board.

Figure 1 (below) illustrates the organization structure of the FMB. To date, the Board of Directors have formed two committees: the Audit and Risk Management Committee and the Governance and Human Resources Committee. A first phase of hiring is currently underway that contemplates eight (8) positions being filled (see below). Additional positions will be filled as demand for FMB services warrants.

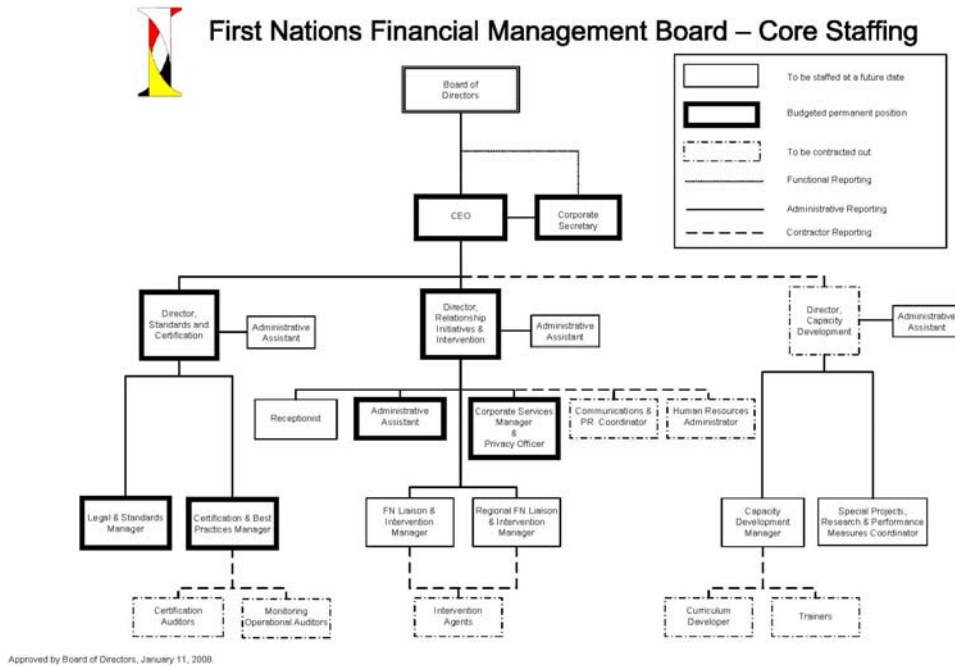


Figure 1 - FMB Core Staffing Organizational Chart

Principle Business Activities

There are three separate markets for the FMB services:

- a. First Nations participating in long-term borrowing through the FSMA;
- b. Non-borrowing First Nations; and,
- c. Other governments.

Services to borrowing and non-borrowing First Nations are provided through the *Supporting First Nation Governments* business line. At this time the core work of the FMB includes financial administration law review, certification, capacity development and co or third party management as required / requested. First Nations participating in the FSMA borrowing process are required to make use of these services. These services, with possible modifications, will also be made available to non-borrowing First Nations.

Table 1 – What would motivate a First Nation to seek FMB Services?

	No. of First Nations (estimate)	Why seek FMB services?
Applied to FSMA Schedule ¹	30	- Certification required to borrow
Engaged in Real Property Taxation ²	132	- Confidence in financial management of property tax revenue
First Nations GST Act ³	37	- Confidence in financial management of sales tax revenue
Land Management Initiative ⁴	47	- Confidence in financial management of lease revenue
First Nations Oil and Gas Monies Management Act	No schedule to this Act	- Confidence in financial management of revenue raised from Oil and Gas
In Canada	More than 600	- Improved fiscal transfer arrangements with Canada

¹ As at December 2007

² Source: <http://www.fntc.ca/en/taxing-under-s-83-of-the-indian-act/first-nations-with-s-83-bylaws>

³ Source: <http://laws.justice.gc.ca/en/showdoc/cs/F-11.7/sc:1/en#anchors:1>

⁴ Source: <http://laws.justice.gc.ca/en/showdoc/cs/F-11.8/sc:1/en#anchors:1>

The FMB will also work with other governments and organizations on behalf of First Nations through the *Supporting Other Governments* business line. This could include working with the federal government to improve the accountability framework for First Nations, working with other accounting standard organizations such as the Canadian Institute of Chartered Accountants (CICA) or Public Sector Accounting Board (PSAB), or working with financial institutions regarding the application of general credit rating criteria to First Nations.

Table 2 - Other governments or institutions working with FMB

Other 'government'	Relevance to FMB
First Nations Tax Commission	- Interdependent policy related to certification and intervention
First Nations Finance Authority	- Interdependent policy related to certification and intervention
First Nations Statistical Institute	- Financial data may be inputs for FNSI community profiles that are utilized by rating agencies in credit analysis
Aboriginal Financial Officers Association	- Partnered approach to capacity development initiatives
Public Sector Accounting Board	- FMB standards should be consistent with government accounting standards set out by PSAB
Indian and Northern Affairs Canada	- First Nation reporting requirements - INAC co and third party management impacts FMB intervention policy and procedures
Finance Canada	- Interests in improved fiscal framework and confidence in financial management of tax collection agreements
Lands Advisory Board	- Framework Agreement on Land Management includes financial administration requirements
National Centre for First Nation Governance	- FMB Financial Administration Law includes section about organizational structures, roles and responsibilities which are relevant to governance structures

Corporate Services provides the administrative, facilities, and human resource services to enable the other business lines to operate effectively.

The following table shows how these potential FMB activities relate to the FMB business lines.

Table 3 - Summary of Operational Functions by Business Line

Business Lines	Functions
Supporting First Nation Governments	<ul style="list-style-type: none"> • Consultations and Communications <ul style="list-style-type: none"> - Borrowing First Nations operating real property tax regimes using authority of FSMA - Non-borrowing First Nations operating real property tax regimes using authority of FSMA - First Nations that have applied to FSMA schedule - First Nations that have not applied to FSMA schedule (with or without Section 83 property tax laws) • First Nation Financial Administration Law Review and Approval • First Nation Financial Management System Certification • First Nation Financial Administration capacity development • Intervention - Co and 3rd party management as required / requested • Projects – Best practices research to meet FMB standards
Supporting Other Governments	<ul style="list-style-type: none"> • Consultations and Communications <ul style="list-style-type: none"> - Other fiscal institutions (First Nations Tax Commission, First Nations Finance Authority, First Nations Statistical Institute) - Aboriginal Financial Officers Association (AFOA) - Other First Nation institutions (i.e. National Centre for First Nations Governance, Lands Advisory Board) - Canadian Institute of Chartered Accountants (CICA) - Public Sector Accounting Board (PSAB) - Federal Government - Provincial Government(s) • Projects – research that may impact FMB services <ul style="list-style-type: none"> - Emerging accounting standards and impacts for FSMA authorities - FMB certification and federal infrastructure funding - FMB certification and long-term transfers arrangements - FMB certification and other federal legislation: <ul style="list-style-type: none"> - First Nations Land Management Initiative, - First Nations Oil and Gas Monies Management Act, - First Nations Commercial and Industrial Development Act • Research partnership supporting mutual interests of First Nations and Federal Government
Corporate Services	<ul style="list-style-type: none"> • Administration • Facilities • Human Resources • Financial Administration • Information Technology

4. Strategic Issues

Over the past decade, a need has arisen among First Nations for an improved system of financial management: a system that is able to do more than respond to the reporting needs of funding agencies. Increasing numbers of First Nations have begun to exercise their jurisdiction by passing property taxation laws on reserve. First Nations have also begun generating their own revenues through improved economic development. Consequently, a new and more sophisticated type of financial management requirement has emerged as First Nations have sought to borrow against these new cash flows. This new requirement reflects the necessity of a system that can better respond to the needs of First Nations and their members, potential lenders, and those able to support and participate in the economic development objectives of First Nations.

The Financial Management Board, as a statutory empowered certification institution, is strategically placed to establish financial management standards that can be used to address these emerging issues. By establishing standards for financial management systems, the FMB will improve investor confidence which will in turn support economic development on reserve.

During the past fiscal year, there has been substantive progress in the development of FMB standards, policies and procedures. The Board of Directors has reviewed law review standards, sample laws, certification standards, and intervention policy. These key documents are tools that will be available for First Nations that choose to participate in the FSMA initiative. Despite this progress, the Board of Directors identified a number of strategic issues in their planning session. This section of the corporate plan provides a detailed analysis of previous results and strategic issues that were considered by the Board of Directors in December 2007.

Assessment of Previous Results

The FMB Corporate Plan for 2007 / 2008 set out a number of performance measures for each business line. The tables below articulate, by business line, the progress made to date for each performance measure.

Supporting First Nation Governments

The *Supporting First Nation Governments* business line has been active developing sample laws, standards, policies and procedures that will form the basis of the key FMB activity areas: Financial Administration Law review and approval, certification, and intervention. These draft documents have been reviewed with several ‘case study’ first nations that have stepped forward to provide feedback and guidance. The case study work has identified a number of areas where there are ‘gaps’ between FMB standards and existing First Nation financial management systems. These ‘gaps’ have provided focus for capacity development initiatives.

Table 4 – Assessment of 2007/2008 Results: Supporting First Nation Governments

Performance Measure	Progress to December 2007	Comment
15 presentations to first nations	<ul style="list-style-type: none"> - Eight (8) presentations completed - Invitations extended to scheduled First Nations 	<ul style="list-style-type: none"> - Chippewas of Kettle and Stony Point, Kamloops, Tsawout, Squamish, Tzeachten - National FSMA First Nations Meeting (October) - Governance Institute & New Relationship Trust (November) - Aboriginal Financial Officers Association (planned for February) - First Nations Tax Administrators Conference
Financial Administration Law <ul style="list-style-type: none"> - approved by the Board - reviewed with other institutions - reviewed with INAC; and, - reviewed with targeted first nations 	<ul style="list-style-type: none"> - Documents under consideration by Board of Directors and have been distributed to fiscal institutions and first nations in October 2007 	<ul style="list-style-type: none"> - Response from FNTC received in January 2008 - Set meeting in new year with FNTC and FNFA for comments on documents
Inventory of training opportunities established	<ul style="list-style-type: none"> - Inventory has been established 	<ul style="list-style-type: none"> - To be updated.

Performance Measure	Progress to December 2007	Comment
Protocol with AFOA	<ul style="list-style-type: none"> - AFOA / FMB have articulated work to end of fiscal year - Protocol under consideration 	<p>Work plan contemplates</p> <ul style="list-style-type: none"> (a) course outlines; (b) delivery mechanisms; (c) target audiences; and, (d) evaluation/certification
Advice to 4 first nations on transition, financial administration laws and certification	<ul style="list-style-type: none"> - Tsawout - Squamish - BCR received from Tzeachten - Chippewas of Kettle and Stony Point 	<ul style="list-style-type: none"> - Chippewas of Kettle and Stony Point. (Ontario) to consider invitation and respond in January - After the National FSMA First Nations meeting in October, the Alexander First Nation (Alberta) requested electronic versions of documents (which were distributed in hard copy) so that they could begin their drafting process
Development of standards leading to certification	<ul style="list-style-type: none"> - Draft documents being considered by Board of Directors 	<ul style="list-style-type: none"> - Deloitte has been retained to perform analysis on existing standards (similar to COSO analysis conducted on FAL standards) and provide support in development of 'how to' guide
Development of standards leading to intervention policies and procedures	<ul style="list-style-type: none"> - Revised version of Intervention Program documents (policies, procedures, templates) to be considered by Board of Directors in new year 	<p>Work required:</p> <ul style="list-style-type: none"> - Incorporate suggested revisions to policies and procedures - Engage legal counsel to complete templates/appendices for policy and procedures manual - Feedback from First Nations - Feedback from other institutions - Board review and approval

Services to Other Governments

The *Services to Other Governments* business line has been active in articulating how emerging standards from the FMB and PSAB/CICA relate to existing First Nation financial management systems. Key questions that are being addressed are: how do new PSAB/CICA reporting guidelines and standards relate to FMB standards? Do emerging PSAB/CICA standards simplify financial reporting? FMB management has also participated in discussions with the federal governments about improving the transfer payment and reporting system for First Nations.

Table 5 – Assessment of 2007/2008 Results: Services to Other Governments

Deliverable	Progress to December 2007	Comment
Project review process approved	- Project review process drafted	- To be considered by Board of Directors
2 project proposals approved	- Research has commenced on a number of possible project work plans including: <ol style="list-style-type: none"> 1. Multi-year budgets 2. Life-cycle costing 3. Impact of emerging accounting standards on Local Revenue Account Audit Standards 4. Strategic partnership with INAC Strategic Research and Analysis Directorate 	- Projects of Multi-year budgets and life-cycle costing reflect gaps that have been identified with FMB case studies. - Projects of emerging accounting standards reflect work conducted with CICA. - Strategic partnership with INAC SRAD would support work on broader certification for transfers or other federal legislation.
Clarify and document our understanding of certification for First Nations seeking alternative funding arrangements with Canada	- Treasury Board Blue Ribbon Panel - Directive on Federal Transfer Payments	
Initiate meeting with: <ul style="list-style-type: none"> ➤ Financial institutions ➤ Investors ➤ Other governments 	- The FMB has hosted a number of meetings with the other FSMA institutions: 7 August, 17-19 September, 22-24 October - Other governments: INAC Caroline Davis, - INAC Strategic Research and Analysis Directorate	
Invite chairs of financial institutions to meeting	- 17 September 2007 - 22 October 2007 - 30 November 2007	

Corporate Services

The *Corporate Services* business line has provided the administrative support for the other two business lines and

Table 6 – Assessment of 2007/2008 Results: Corporate Services

Deliverable	Progress to December 2007	Comment
Annual Report produced	- Work on the Annual Report to begin in January	- DRAFT report will be complete by March but audited financial statements will not be available by that time
Annual Corporate Plan produced	- Annual budget for 2008/09 reviewed by audit and risk management committee for full Board of Directors review in January 2008 - Draft Corporate Plan produced for consideration of Board	- Strategic planning session has provided guidance from Board of Directors to drafting of 2008/2009 Corporate Plan
4 Board Meetings Held	- Five (5) Board of Directors meetings have been held <ul style="list-style-type: none"> ▪ June, ▪ August, ▪ September, ▪ October, ▪ December 	- Board of Directors will meet in January to finalize hiring senior staff and review and approve final corporate plan and budget
Initial Staff Hiring – Phase I	- Meyers Norris Penny has been retained to: develop job descriptions, advertise positions, assist Board Committee (Human Resource and Governance Committee) in hiring process.	- Jobs posted with closing date of 4 January 2008 - Applications received for all positions - Interviews for senior positions scheduled for 28-31 January 2008

Analysis of External Environment

Strategic issues that were identified in last year's corporate plan still hold true for the year 2008/2009. The strategic issues identified in last year's corporate plan were:

- **High expectations and demand for services** – the FMB is prioritizing activities that will enable provision of core services for First Nations to participate in the debenture pool with the FNFA. The FMB will be called on to offer services to First Nations operating under the FSMA for the first time this year.
- **Little track record of credibility with First Nations** – as a new institution one of the challenges is to build credibility among its potential client base – First Nations borrowing through the FSMA, other First Nations, and other governments.

At the Board of Directors strategic planning session in December 2007 the following strategic issues were identified in relation to the external environment.

Table 7 - External Environment Strategic Issues

Strategic Issue	Description	Action
Misperceptions about FMB mandate and role	<ul style="list-style-type: none"> - There is not yet widespread understanding among First Nations about the mandate and role of the FMB (i.e. perception that participation in FSMA leads to elimination of federal transfers). - There is not yet widespread understanding among First Nation institutions about the mandate and role of the FMB. 	Proactive strategy for effective communication: <ul style="list-style-type: none"> - Web site - Presentation materials for First Nations, first nation organizations, conferences (i.e. AFOA) - Annual Report - FMB conference

Strategic Issue	Description	Action
Demand for services	<ul style="list-style-type: none"> - The demand for FMB services is dependent on individual First Nations exercising their option to participate - Aggressive marketing of FMB services is not anticipated to be an effective approach - Matching FMB human and financial resources to uncertain demand is difficult 	<ul style="list-style-type: none"> - Focus on First Nations that are choosing to make the transition to demonstrate success at core activities - Be responsive to First Nation requests for services
Transition to sophisticated financial management practices	<ul style="list-style-type: none"> - Existing First Nation financial management systems may not meet financial management standards that would ensure an investment grade credit rating for an FNFA debenture. - First Nations may have limited human and financial resources to implement changes to their financial management systems 	<ul style="list-style-type: none"> - Identify gaps through case studies - Provide organizational capacity development support at request of First Nation - Partner with AFOA for individual capacity development support
Interdependence of FMB with other FSMA institutions	<ul style="list-style-type: none"> - FNTC and FNFA policies, similar to the FMB, have been in a development phase - There may be some overlaps or gaps in policy developed by the institutions - The institutions are interdependent and the policy developed by the FMB, FNTC, and FNFA must work well together - Policy should not create administrative burden or perception that the initiative is overly bureaucratic 	<ul style="list-style-type: none"> - Dedicate resources to institutional coordination - Encourage regular interaction with other institutions to streamline policy - Be responsive to other institutions requests for meetings
Capital markets tolerance for risk and credit rating criteria	<ul style="list-style-type: none"> - Recent turbulence in capital markets may change tolerance for risk and ability to achieve an investment grade credit rating 	<ul style="list-style-type: none"> - Monitor tolerance for risk by working co-operatively with FNFA - Credit analysis and training with rating agencies?

Strategic Issue	Description	Action
FNFA Credit Rating Borrowing Terms	Uncertainty about terms the FNFA will be able to offer. Terms depend on: <ul style="list-style-type: none"> - No. of First Nations participating - No. of projects requiring financing - Amount requested - Credit rating agency response to institutional framework, legislative powers, institution policies and procedures 	<ul style="list-style-type: none"> - Provide sample laws and policies to FNFA - At FNFA request, meet with rating agencies and investment community to present FMB policies and sample laws
Momentum for First Nations to develop their economy	<ul style="list-style-type: none"> - Economic development opportunities local in nature 	<ul style="list-style-type: none"> - Inventory of training opportunities
Conflict between emerging accounting standards and FSMA authorities	<ul style="list-style-type: none"> - CICA/PSAB implementing new standards for First Nation reporting - Changing standards could increase – not reduce – complexity for First Nation reporting 	<ul style="list-style-type: none"> - Research projects to explore impacts of emerging accounting standards
Opposition to initiative	<ul style="list-style-type: none"> - Some First Nation communities are philosophically opposed to initiatives with a basis in federal legislation. - Some may oppose a 'First Nation' initiative and argue that First Nations should participate as a 'municipality' 	<ul style="list-style-type: none"> - Demonstrate success with participating First Nations

Assessment of Corporate Resources

The FMB Board of Directors held a strategic planning session in which a number of corporate resource strategic issues were identified:

Table 8 - Corporate Resources Strategic Issues

Strategic Issue	Description	Action
Build systems that will allow First Nations to act on opportunities	<ul style="list-style-type: none"> - Key documents have been developed and reviewed by the Board: Sample law, review standards, certification standards, certification procedures - Capacity development initiatives underway 	<ul style="list-style-type: none"> - Distribution of documents to First Nations - Work with Case Study First Nations - Respond to First Nation invitations
Strategically Communicate	<ul style="list-style-type: none"> - Core material has been developed that can form basis of a communication strategy 	<ul style="list-style-type: none"> - Explore communication mediums and products - Demonstrate success with participating First Nations
Create strong partnerships / relationships	<ul style="list-style-type: none"> - Relationships with other fiscal institutions required to streamline policy and process for FSMA borrowing first nations - Relationships with professional organizations such as AFOA, CICA/PSAB enable FMB to advocate First Nation interests - Relationships with Federal Government 	<ul style="list-style-type: none"> - MOUs with FNTC and FNFA - Working relationship must be strengthened in context of limited human and financial resources - Policy overlaps and gaps must be identified and addressed - AFOA course material developed and offered - Research partnership with INAC / SRAD

Strategic Issue	Description	Action
Legislative authority	<ul style="list-style-type: none"> - Only First Nation institution in Canada with legislative authority to create accounting standards for First Nations - Legislative authorities may not be consistent with regulations and policies pursued by FNFA - Legislative authorities may not be consistent with effective financial reporting that is compliant with emerging accounting standards 	<ul style="list-style-type: none"> - Work with FNFA to identify how additional revenue streams could be considered for debentures (and consequently how this impacts the ability of the FMB to offer services with its current legislative powers) - Work with CICA/PSAB to consider how emerging standards impact First Nation reporting (and in particular First Nations that are collecting Local Revenues under the FSMA) - Propose legislative amendments if required
Institutional framework to support local economic development	<ul style="list-style-type: none"> - The vision of the Board of Directors is for the FMB to be a 'go-to' place for First Nations that are seeking financial management tools that will support economic development and improve the standard of living leading to self-sufficiency - Enable First Nations to participate in the economy to the same extent as other Canadians in similar circumstances 	<ul style="list-style-type: none"> - Build successful examples by concentrating on core services and being responsive to First Nation capacity development requirements

5. Objectives, Strategies and Performance Measures

The overall objective of the FMB is to assist First Nations in increasing economic and infrastructure development on First Nation lands by ensuring that First Nation citizens, investors, the public, and governments have confidence in the financial management of First Nation governments and ultimately in their broader systems of comptrollership

The FMB has three business lines. These business lines and the objectives for each business line are presented in the following table:

Table 9 - Summary of Objectives by Business Line

Business Line	Objectives
Supporting First Nation governments	<ul style="list-style-type: none">▪ Increase First Nation access to capital through certification▪ Strengthen First Nation financial administration by promoting sound, stable, and transparent First Nation financial management systems
Services to other governments	<ul style="list-style-type: none">▪ Promote financial relationships between First Nations and other governments that are appropriate, effective, efficient, and mutually beneficial.
Corporate Services	<ul style="list-style-type: none">▪ Provide the administrative resources and facilities to enable the other business lines to operate effectively

The following sections will describe the strategies that each business line will implement in 2008/2009 as well as the associated performance measures.

Supporting First Nation Governments

The FMB will provide services to borrowing and non-borrowing First Nations through the Supporting First Nation Governments business line. The FMB will provide advisory and capacity development services to all First Nations governments and their organizations that choose to utilize them.

Strategies

In 2008/09 the supporting First Nation Governments business line will...

- Obtain feedback from scheduled First Nations on: sample financial administration laws, review standards, certification standards, certification procedures, intervention policy and procedures, Local Revenue Account Audit Standards
- Revise FAL standards and approval processes as required

- Revise certification standards and procedures as required
- Delivery of support services to First Nations requesting certification
- Certify First Nation financial management and performance
- Protocol / MOU with FNFA and FNTC on intervention policy
- Develop course curriculum with the AFOA

Performance Measures

Performance measures will include:

- Twenty (20) presentations to First Nations
- Five (5) First Nations in FAL development
- Two (2) First Nations FALs reviewed against FMB FAL Review Standards
- Two (2) First Nation financial management systems reviewed against FMB Financial Management System (certification) Standards
- Course curriculum developed

Services to Other Governments

The FMB will also work with other governments and organizations. This business line will also include services to the First Nations Tax Commission (FNTC) and the First Nations Finance Authority (FNFA), CICA/PSAB and the federal government.

Strategies

The following strategies will be employed:

- Obtain feedback from FNTC, FNFA, and FNSI on: sample financial administration laws, review standards, certification standards, certification procedures, intervention policy and procedures, Local Revenue Account Audit Standards

- Review Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) to determine impacts on First Nation financial reporting
- Review CICA Research Study on First Nation Financial Reporting and report on and suggest changes to standards and laws
- Review potential conflicts between FSMA and emerging accounting standards
- Develop research partnership with INAC
- Projects reviewed

Performance Measure

Performance measures will include:

- Research project work plans
- Research project on PSAB reporting requirements and emerging accounting standards

Corporate Services

The Corporate Services business line includes activities that will be carried out internally to support the operations of the institution. These activities include management functions, finance, human resources, information technology and evaluation.

Strategies

In 2008/09, FMB Corporate Services will provide the following internal services:

- Provide administrative support and reception services
- Provide administrative support for board meeting and management committee meetings
- Develop and implement administrative policies including procurement and internal controls.
- Provide accounting and financial planning services
- Deliver human resource management services including recruiting, training, compensation and benefits, performance management and succession planning

- Provide information technology services
- Build and maintain FMB website
- Procure and maintain facilities and equipment
- Fulfill evaluation, reporting and performance measurement requirements

Performance Measures

Performance measures for 2008/09 will include:

- Annual corporate plan produced
- Annual report produced
- Six (6) Board of Directors meetings held
- Development of financial management and human resource policies

6. Funding

The FMB financial plan is presented in *Figure 2* and *3* below:

Activity	2008/09	2009/10	2010/11	2011/12	2012/2013
Corporate Services	\$ 1,080,185	\$ 1,089,766	\$ 1,122,048	\$ 1,154,329	\$ 1,186,611
Executive	1,081,780	1,116,591	1,151,402	1,186,214	1,221,025
Financial Administration Law	611,570	676,732	688,894	761,055	785,217
Certification	579,170	590,697	722,224	817,750	856,277
Intervention	226,700	243,938	391,662	403,732	415,803
Capacity	321,000	199,500	269,076	275,264	281,452
Capital	64,000	65,600	67,200	68,800	70,400
Total	\$ 3,964,405	\$ 3,982,824	\$ 4,412,505	\$ 4,667,145	\$ 4,816,785

Figure 2 - FMB Financial Plan Summary

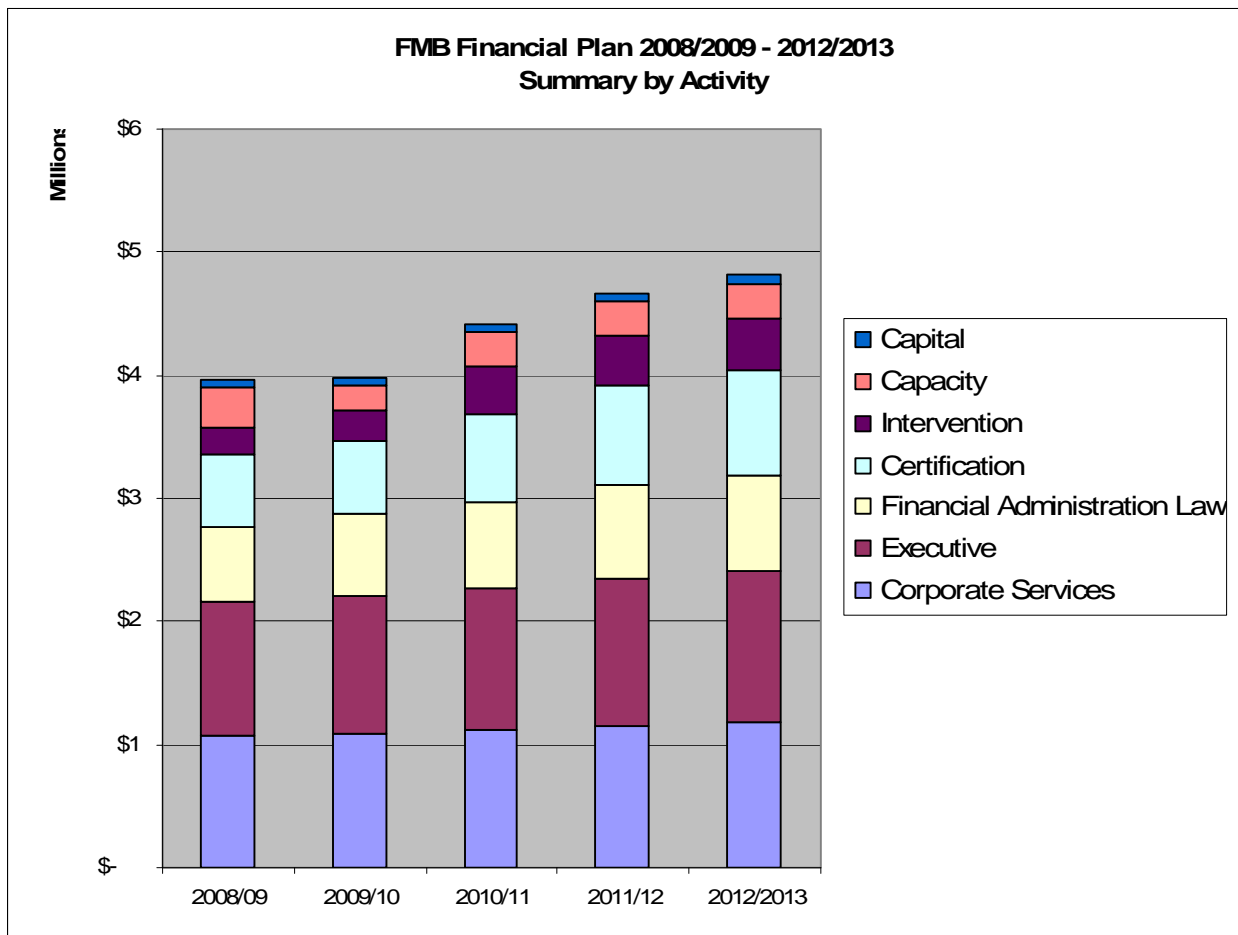


Figure 3 - FMB Financial Plan Summary by Activity

Number of Employees

The following table outlines the number of employees working at the FMB.

	2008/2009	2009/2010	2010/2011	2011/2012	2011/2012
Number of Employees	8	10	12	12	12

Table 10 - Number of Employees

Appendix A – Summary of Strategies and Performance Measures

The following table provides a summary of the strategies and performance measures articulated in section 5 of this Corporate Plan.

Table 11 - Summary of Strategies and Performance Measures

Business Line	Strategies for 2008/09	Performance Measure
Supporting First Nation Governments	<ul style="list-style-type: none"> ▪ Obtain feedback from scheduled First Nations on: sample financial administration laws, review standards, certification standards, certification procedures, intervention policy and procedures ▪ Revise FAL standards and approval processes ▪ Revise certification standards and procedures ▪ Delivery of support services to First Nations requesting certification ▪ Certify First Nation financial management and performance ▪ Protocol / MOU with FNFA and FNFC on intervention policy ▪ Develop course outlines 	<ul style="list-style-type: none"> ▪ Twenty (20) presentations to First Nations ▪ Five (5) First Nations in FAL development ▪ Two (2) First Nations FALs reviewed against FMB Financial Administration Law Review Standards ▪ Two (2) First Nation financial management systems reviewed against FMB Financial Management System (certification) Standards ▪ Course curriculum developed

Business Line	Strategies for 2008/09	Performance Measure
Supporting other governments	<ul style="list-style-type: none"> ▪ Obtain feedback from FNTC, FNFA, and FNSI on: sample financial administration laws, review standards, certification standards, certification procedures, intervention policy and procedures ▪ Review GAAP and IFRS to determine impacts on First Nation financial reporting ▪ Review CICA Study Report on First Nation Financial Reporting and report on and suggested changes to standards and laws ▪ Review potential conflicts between FSMA and emerging accounting standards ▪ Develop research partnership with INAC ▪ Projects reviewed 	<ul style="list-style-type: none"> ▪ Research project work plans ▪ Research project on PSAB reporting requirements and emerging accounting standards

Business Line	Strategies for 2008/09	Performance Measure
Corporate Services	<ul style="list-style-type: none"> ▪ Provide administrative support and reception services ▪ Provide administrative support for board meeting and management committee meetings ▪ Develop and implement administrative policies including procurement, internal controls, and operating procedures ▪ Provide accounting and financial planning services ▪ Deliver human resource management services including recruiting, training, compensation and benefits, performance management and succession planning ▪ Provide information management and information technology services ▪ Build and maintain FMB website ▪ Procure and maintain facilities and equipment ▪ Fulfill evaluation, reporting and performance measurement requirements 	<ul style="list-style-type: none"> ▪ Annual corporate plan produced ▪ Annual report produced ▪ Six (6) board meetings held ▪ Staff hiring ▪ Financial management and human resource policies approved by Board of Directors

FMB/CGF



Financial Management Board
Commission de Gestion Financière