

**Annual Report Illustrative Guidelines**

For First Nation Organizations

2016

Preface

**Intent of this guide**

This guide has been created to assist First Nations Financial Management Board (“the FNFMB”) clients in producing comprehensive, effective, and high quality annual reports. Although this guide is intended for FNFMB clients who have an approved Financial Administrative Law (“FAL”) in place, the principles outlined in this guide should be considered by all First Nations.

The implementation and production of an annual report is one of the key components within the Financial Management System Certification Standards (B2 – Financial Management System or FMS Standards) that is required as part of a FAL that meets FNFMB standards. This guide provides practical advice on collecting data from multiple sources and guidance on how to present the information in an effective manner that speaks on behalf of a First Nation.

The FNFMB provides this guidance material on leading practices for First Nations when producing an annual report, but it should not be considered an exhaustive list of all components that may be included in an annual report. Annual reports vary from organization to organization and should be tailored to suit your needs.

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# I) Introduction

## Overview of the Guide

The purpose of this guide is to help First Nations in developing an annual report that will provide key stakeholders with the information required, align with generally accepted best practices, and also meet FNFMB standards for robust and sound annual reporting. It highlights some of the key design and theme elements that are based on review of First Nations that have implemented annual reporting that would be considered above average amongst their peer group. It is also based on leading practices in public sector reporting, as laid out by the Public Sector Statements of Recommended Practice.

The guide also contains some practical tools, such as sample timelines and checklists, to assist with developing a high quality report. The FNFMB also has an easy-to-use annual report template available to clients.

## Importance of an Annual Report

The annual report is an important governance tool used by many organizations (both public and private) around the world to provide information to their stakeholders about their operational activities and financial performance over the reporting year. It is intended to give your key stakeholders a snapshot of your organization and how it has progressed towards the achievement of its strategic objectives, from both an operational and financial perspective. It includes the financial statements that enhance and support the message that an annual report delivers.

In the context of First Nations, an annual report helps a First Nation communicate its progress towards achieving its strategic objectives to the stakeholders of the First Nation (including its citizens, lenders, government organizations, etc.). In addition to promoting transparency and accountability, it acknowledges the First Nation’s responsibility to fulfill its mandate by producing a formal report that has been approved by Chief and Council. It is a valuable governance document that allows stakeholders to gain a better understanding of the financial health of the First Nation, the general progress of major initiatives and projects being undertaken, how the funds of the First Nation are being spent, and the overall effectiveness of those charged with governing the First Nation.

***STAKEHODLERS:***

* *citizens*
* *partners*
* *media*
* *employees*
* *funding agencies*

An annual report is a required document under an FNFMB-approved FAL and FMS Standards. It is defined as a key element by the FNFMB standards for responsible reporting to membership and any other stakeholders.

# II) Content and Structure of an Annual Report

## Overview

As each First Nation is different, and its stakeholders are concerned with different types of data, consideration should be given to the reporting requirements of your First Nation and its ultimate stakeholders in the determination of content and format of your annual report. Some of the questions that an annual report should be answering are

* *Who are we as a First Nation and what do we represent?*
* *What is the structure of our organization and what are our responsibilities?*
* *What do we want to accomplish in the short and long term?*
* *What actions and activities do we need to perform to accomplish these goals?*
* *What are the highlights of what we accomplished or challenges we faced within the last year that directly impacted the achievement of the goals we have set out for ourselves?*

Figure 1: Annual Reporting framework

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  | |  | |  | |
| **MISSION** | | | **VISION** | | **VALUES** | | |
| *informs the* ⮊ | | **STRATEGIC PLAN** defines our direction for the future | | | | | |
|  | *we will accomplish this by focusing on* ⮋ | | | | | |  |
| **GOALS** | | **GOALS** | | **GOALS** | | **GOALS** | |
| *our First Nation will focus on through these* ⮋ | | | | | | | |
| activities | | activities | | activities | | activities | |
| ⮋ | | ⮋ | | ⮋ | | ⮋ | |
| *we will report on the progress of these in our* **ANNUAL REPORT** | | | | | | | |

## Planning

When planning content for your annual report, the information to include should reflect the message that you are trying to deliver and follow criteria that meets responsible reporting standards. Certain information is considered to be required and essential, however all information, regardless of requirement, should follow these core principles:

* Usefulness
* Timeliness
* Relevance and significance
* Accuracy
* Fairness and freedom from bias
* Balance and completeness

The information contained within an annual report falls into two categories:

* **Financial:** This component of the report represents the First Nation’s financial performance and position, and any changes occurring, over the reporting year.
* **Non-Financial:** This component of the report, which is the context around the financial information, includes comparisons to previous years, budgets, progress update and an objective review of the year’s activities.

Both components are required to ensure that the information provided is complete, and follows the principles outlined above. Other key qualities and factors to consider during the planning stage are:

**Responsibilities:** Under guidance from Chief and Council, typically the Senior Manager or Administrator or equivalent, with assistance from the Finance Department, is responsible for collecting the information and producing the annual report. Consultation and involvement from multiple levels within your First Nation, from Chief and Council to program and service leaders, will help ensure that an annual report is reflective of organization-wide activities.

Throughout the year, department managers and leadership should always consider the activities that will likely be reported in the annual report. Under the direction of Chief and Council and senior leadership, the key messages should be reflected in the department updates and throughout the report.

**Tone and Audience:** The report should have a defined and consistent tone which allows for an underlying message to flow throughout the report. It should be appropriate for the intended audience, which includes First Nation members. As such, the message should not be conveyed in a technical tone, ensuring that the audience can understand the message and enhance the usefulness of the annual report.

Additionally, as department managers and/or senior managers will provide a report of highlights of their area, it may be helpful to provide department managers a predetermined structure or template of how reports from each department are to be presented. The reports may require editing to ensure a similar tone is maintained throughout the annual report.

**Alignment to the Strategic Plan and Stakeholder Evaluation of Progress:** Many First Nations have created a Strategic Plan or other guiding document that outlines the overarching goals and objectives of their First Nation. As part of the annual reporting process, the First Nation can demonstrate the alignment of the activities and work that they do to the overall Strategic Plan.

A key purpose for an annual report is to report on activities that a First Nation has undertaken over a period of time (typically the last financial year), and measure progress against the short and long term objectives and goals that a First Nation has set out within their strategic plan. The information reported, which includes challenges faced, must be relevant to those stakeholders so that they can use it in their evaluation process.

**Timing and Format of the Report:** Annual reports are typically published after Chief and Council have approved it and after being presented at the Annual General Meeting. As part of FNFMB guidelines and as required in the FAL, Chief and Council must demonstrate that is has approved and provided the annual report to members of the First Nation within 180 days after the financial year end.

Once published and ready for distribution, your First Nation may choose to print and distribute a limited number of hard copies. For easy and continued access, and to ensure transparency to your members and other interested parties, it is recommended that the final report is made available on the forefront of your community website, preferably on the home page. It is also recommended that First Nations post their annual reports on the [First Nations Gazette](http://www.fng.ca/), a free and secure repository of notices relating to aboriginal matters.

## Design Elements

The design and layout of an annual report is a crucial part of any publication, and can be as important as the content in terms of ensuring readability and easy-to-understand graphics. Setting appropriate time aside to ensure that the document conveys the appropriate message, and that the layout supports the message, is usually time well spent.

**DESIGN ELEMENTS**

Appropriate design elements can, and should, be used to help enhance the overall reading experience of the annual report. In addition to making a report that is pleasing to the eye, the use of pictures, graphs and charts to depict information contained within the text or financial statements can help significantly with understanding the report. Additionally, the saying “a picture is worth a thousand words” rings true. Properly designed graphs and charts can help identify and explain financial results and information in a significantly more compact and easy-to-read format.

The items included in this section represent tools that can be used to enhance the quality of an annual report.

Table 1: Design elements components

|  |  |
| --- | --- |
| Ease of readability | Choose clear and concise vocabulary to deliver the message effectively. Avoid the creation of a report that is too text-heavy.  The use of white space and design elements, such as pictures or other graphics are a good tool to help break up text, and will allow for a better reading experience and will encourage the reader to be more engaged in the message. |
| Use of local pictures  and graphics | An effective way that your reader can feel more connection with the report is by the use of local pictures and other graphics (eg. Art). These may be of your community, celebrations, history, or traditional practices to name a few. |
| Use of organizational charts | All organizations follow some sort of organizational structure. Using organizational charts gives context to the reader about where accountability and responsibility lies, and a high level look at how the organization is structured. |
| Pictures of individual staff | First Nations can showcase their leadership and staff by adding their pictures to the annual report where appropriate, such as in the department updates or in the organizational chart. A reader can feel connected to your organization when they can put a face behind the name or event. |
| Use of graphs or infographics | One of the most effective ways of presenting large amounts of information is by using graphs or infographics. This design element allows the reader to comprehend large amounts of complex information in understandable terms, while limiting additional text which can appear to clutter the document. |
| Credits and acknowledgments | As part of best practices, credit and acknowledgement to those outside of your organization who provide input to your annual report is recommended. For example, photos used in the annual report that are taken by a community member or a professional photographer, should be given photo credits within the report. |
| Length of report | Annual reports can range anywhere from 6 pages to over 50 pages in some First Nations. The length of an annual report is dependent on several different factors including the size and complexity of the First Nation, the organizational structure and the amount of detailed information to be shared.  The important factor to consider is that the annual report is an accurate reflection of the activities that have taken place over the reporting year, while ensuring that the message is clear, relevant and consistent. |

More content does not indicate a better report.

However, the content you do provide should be concise and effective that

includes a good variety of

**TEXT|STATISTICS|FINANCIALS|DESIGN**

elements to keep your reader

engaged and interested.

## Themes

Typically, strong annual reports include five (5) main themes, as depicted in the illustration below. Ensuring that aspects of each of these themes are included within an annual report will help provide a more complete picture. Each of these main themes need to flow between each other with the use of design elements that are consistent throughout.

Figure 2: Annual Report themes

Five Key Annual Report Themes

**DESIGN ELEMENTS** maintained throughout

### 1. Introductions

The introduction to the annual report can help provide important background information on the First Nation, as well as help set the tone and context for the remainder of the annual report.

Table 2: Introductions theme components

|  |  |
| --- | --- |
| Essential information | |
| Opening message | Introduction to your community, history, location, landscape, population, culture, traditional practices, etc. For users who may not be familiar with your community, it can be an introduction to who you are. |
| Chief’s message | Personal message from the Chief to the community and introducing the First Nation to interested parties. This is a good opportunity to reflect on the previous year, highlight important milestones or achievements, provide insight into what the future plans may be, and can set the tone for the report in general. |
| Senior Manager’s message | The First Nation’s Senior Manager or Administrator is responsible for ensuring programs and services are delivered for community members. Many annual reports include a message from the Senior Manager or Administrator` reflecting on the overall work accomplished throughout the year and introducing the department and program updates. |

|  |  |
| --- | --- |
| Optional section(s) | |
| Chief and Council message | In conjunction with or in place of a message from the Chief, Council may offer a message outlining similar aspects as noted in the message from the Chief. This can be useful in setting the tone of the annual report, an affirmation of their duties and a general introduction of the information provided in the report**.** |
| Economic Development message | Economic development plays a large contributing factor to many First Nation communities. Economic development may be in the form of partnerships, benefit agreements, or through a separate economic development corporation. An introductory overall message of the commitment to economic development and how the community benefits from this activity shows the progress made in supporting the community. Providing a summary of achievements and milestones related to economic development can be effective in grabbing the reader’s attention, and setting the appropriate tone. Where appropriate this message can be from the head of the Economic Development Corporation (i.e. CEO) or other executive who represents this interest for the community (i.e. CFO). |
| Chief and Council responsibilities | Chief and Council can acknowledge their responsibilities, assisting with transparency and accountability for the reader for the work that each member of Chief and Council undertakes on behalf of the community. |
| Governance committee activities | Depending on the structure of a First Nation, it may be beneficial to clearly indicate in an organization chart the roles and the activities that the various governance committees undertake, if these differ from the responsibilities of Chief and Council. |
| Boards and committees | Acknowledgment of the boards and committees and their members shows readers the different levels of responsibility and due diligence that is required before making decisions on behalf of the community. |
| Projects and facilities | Long standing projects and a general description of community facilities within your First Nation gives an overall view of the infrastructure that is in place for providing services and programs. |
| Statistics and membership update | Giving an overview of membership updates and other statistics provides the reader with information on your First Nation and the changes that may have taken place over the previous year. |
| Youth Chief and Council | Many First Nations have adopted a Youth Chief and Council and an opening message by the Youth Chief and Council showcases their involvement in the community and the activities they participate in that contribute to the wellness and prosperity of the community. |

### 2. Goals

Outlining the goals of the First Nation are also a key aspect of ensuring the annual report has a clear focus. The goals and strategy of the First Nation can act as a guide post, ensuring that all items included within the annual report are done so with the end goal in mind.

Table 3: Goals theme components

|  |  |
| --- | --- |
| Essential information | |
| Mission statement | Most First Nations have a mission statement representing who they are and why they exist – essentially their purpose. Individual departments may also have their own mission statements, and they should align to the overall mission of your First Nation. |
| Vision statement | The statement that indicates what your First Nation wants to create and become in the future. This gives readers a glimpse into what is driving many of the activities and decisions being undertaken, and provides insight to allow readers to determine whether a First Nation’s results are successfully leading towards its vision. |
| Core values | The underlying principles that guide the work that your First Nation does should be included with the report, providing context for the decision-making process. |
| Priorities/Goals | The priorities/goals are the areas that the First Nation concentrates on and that drive all actions and activities. Outlining the priorities/goals, and tracking progress towards meeting them, can provide valuable insight for a reader in terms of where your First Nation is going, and how it is progressing in that journey. |
| Report on the progress of strategic goals | Where a strategic plan is in place, it is important for a First Nation to report on the progress of the strategic goals that were set in the strategic plan. A reflection of the successes and challenges faced in pursuing the goals will allow the reader to fully understand the First Nation’s current situation. |
| Optional section(s) |  |
| Strategic plan | Reference to the strategic plan will allow the reader to have an understanding of the direction that your First Nation is working towards and the activities and actions your First Nation will continue to undertake in order to achieve the overall strategy. |

### 3. Department updates

Departmental or business line updates can provide valuable information to your stakeholders. In First Nations where there are a significant number of different entities, reporting on departments or business lines provides a more complete picture, and enhances accountability and transparency.

Table 4: Department Updates theme components

|  |  |
| --- | --- |
| Essential information | |
| Service and operational department updates | This is the heart of your annual report where updates on each service and operational department are reported and allows the reader to understand the activities and work that has been completed in the reporting year. This is an opportunity for department heads to showcase the valuable work that has been done in the year and highlight statistics, success stories, and report on the plans proposed for the upcoming year. Personalizing each of these updates with a consistent voice and theme will allow for a free flowing document. |
| Economic development updates | Most economic development projects and agreements typically happen outside of the First Nation organization to mitigate risk by operating through a third party, usually an Economic Development Corporation. Although operating outside of the governance structure of the First Nation, it may be beneficial to include an update on the economic development happening to better understand progress on key economic development goals and the impact and the benefits these activities provide to the community. |
| Optional section(s) | |
| Council reports | Where appropriate, Chief and Council may report separately on their portfolios of work to give readers a better understanding of Council responsibilities and the highlights of the work they have completed over the year. |

4. Financials

The financial performance of a First Nation will dictate their ability to deliver the programs and services for their community and follow through on the goals they have set in their strategic plan.

The inclusion of charts and diagrams may assist the reader in understanding complex financial information or trends, the overall financial position of the First Nation, and any factors that may affect their ability and financial capacity.

Detailed analysis of the financial information allows the reader to better understand the First Nation’s financial position and the issues it faces. The structure of this detailed analysis, based on the leading practices amongst public sector reporting and laid out by the Public Sector Statements of Recommended Practice (“SORP”), is set out in Figure 3 below, and explained in more detail in Table 5 on the following pages.

Providing highlighted financial information along with an analysis of the factors that will affect your First Nation’s abilities to maintain or improve its financial position will provide the reader with context. This information should be supplemented with an analysis of any significant budget to actual variances and their causes. In addition to that, providing information on the risk factors and uncertainties demonstrates to the reader that your First Nation has considered potential effects and the anticipated actions that will be taken in such events.

Figure 3: SORP-1 Financial Statement Discussion & Analysis Framework

Providing comparative information to previous years and trends that effect your First Nation’s ability to provide programs and services should also be addressed as part of the analysis, which helps ensure the confidence of the reader that your First Nation has addressed any potential considerations that will affect its financial standing.

Table 5: Financials theme components

|  |  |
| --- | --- |
| Highlights - Essential information | |
| Opening highlights and financial statement discussion | In order to introduce the financial information in the annual report, your First Nation should consider summarizing, at a high level, the significant reporting year activities that make up the financial information presented within annual report, and how the chosen statements relate to each other. It may include any external factors which had a significant impact on results, such as treaty settlements, natural disasters, significant investments, assumptions, etc. |
| Management’s responsibility | It is required by the Public Sector Accounting Board and advisable for First Nations that a statement regarding Management’s responsibility to report financial information to its membership be included in the annual report as it supports the commitment to transparency of information. |
| Independent auditor’s report | As part of its legal obligation, a First Nation must contract an outside audit firm to audit their finances. A signed independent Auditor’s Report will be the opening of the audited financial statements presented and acknowledgement of meeting reporting requirements.  Should your First Nation choose to provide a summary of the financial statements provided by the auditors, the auditors are required to review and conclude that the materials presented in the annual report are consistent with their opinion. |
| FNFMB certification | Where your First Nation has obtained or is in the process of obtaining FNFMB certification, such as Financial Performance or Financial Management Certification, or an approved FAL, you should highlight or report on compliance with Financial Performance or Financial Management System requirements and any significant changes to your FAL. |
| Annual financial statements | Annual audited financial statements, or a summarized version of the statements, should be included with the annual report, or incorporated by reference (web link) if published separately, as they provide valuable insight into the financial position (and change in position) of your First Nation.  Statements that should be included are:   1. Statement of Operations (income statement); 2. Statement of Financial Position (balance sheet); 3. Statement of Changes in Net Financial Assets/Net Debt; and 4. Cash flow statement.   The information provided is often key to external users (banks, business partners, funding agencies, etc.) who wish to gauge the financial performance and strength of any First Nation. |

|  |  |
| --- | --- |
| Highlights - Essential information – continued | |
| Notes to financial statements | In order to understand the context of the financial statements provided, supplementary notes to reading the financial statements must be included that provide additional disclosure or further granular detail of amounts listed on the financial statements for better understanding and transparency of the statements. |
| Special purpose reports | Where a FAL is in place, a First Nation must disclose a number of special purpose reports, if applicable, as follows:   1. Schedule of remuneration and expenses for the Chief and Council and senior leadership during the reporting year and include applicable notes (FAL Standard 18.6.2.a) 2. Special purpose report – Guarantees (FAL Standard 18.6.2.b) 3. Special purpose report – Debts forgiven (FAL Standard 18.6.2.c) 4. Special purpose report – Land code revenues (FAL Standard 18.6.2.d)   This information is required to be reported to INAC annually under the *First Nation’s Financial Transparency Act*, as well as under an approved FAL (FAL Standard 18.6.2). |
| Discussion and report on risks and uncertainties | A key component to the financial health of a First Nation is how possible risks that will affect your ability to provide programs and services to their community are addressed. This section should include information of the known risks and uncertainties that will affect your First Nation and its financial position. |
| Variance analysis | In order to understand the context of the financial information, the reader should be given commentary and information on:   * Budget vs actual comparisons, either at a consolidated or departmental level to indicate where the efficiencies and potential challenges were, including explanation for any significant variances to inform the reader * Prior year comparisons to provide information on how the financial position and has changed over the previous period |
| Trend assessment | As there are many internal and external factors that affect the financial position of any organization, it is important to reflect on and provide any information that may affect the financial stability of your First Nation. Such examples may include government/First Nation trends, changes to legislation, or other factors that will have an impact on the financial stability of your First Nation. |

|  |  |
| --- | --- |
| Highlights - Optional section(s) | |
| Acknowledgement of accessing additional financial statements or information | If a First Nation chooses to provide highlights or limited financial statements or information (notes etc.) in the annual report, references on where a reader can obtain the complete financial statements and related information should be in included in the annual report. Many First Nations include this information in the members sections of their websites or invite readers to contact the First Nation’s finance or administration department to obtain further information to ensure transparency. |
| Additional financial summaries/schedules | Additional financial information may be presented either in a consolidated or segmented format, depending on which provides greater transparency and more usefulness for the reader. Some of these schedules or summaries may include:   * Statement of Financial Activities and Financial Surplus * Schedule/Register of Tangible Capital Assets * Statement of Changes in Net Financial Assets/Net Debt * Statement of Revenue and Expenses by Department (including Consolidated Expenses by Object) * Tangible Capital Assets (including Depreciation of Property and Equipment) * Summary of Expenses * Summary of Program Surplus/Deficiency * Summary of Financial Cultural Contributions (if appropriate, from an Economic Development perspective) * Summary of Debt Servicing and Capital Costs * Summary of Departmental Budgets   \*Note: if any of the financial summaries/schedules are unaudited, they should be marked as such. |
| Highlights of financial activities | An alternative to providing additional financial schedules/summaries is to provide highlighted information to summarize information in the following categories:   * Bank and Short-Term investments * Restricted and Unrestricted Funds * Accounts Payable/Receivable * Long-term Debt |

### 5. Other Information

Where appropriate in conveying the message, additional information may be included in the annual report. Other elements may include the following:

Table 6: Other theme components

|  |  |
| --- | --- |
| Examples and case studies | * Examples and case studies to better reach the audience and highlight major events. * Reporting on a successful venture highlighted by the use of story or a specific example that shows the impact that the venture had on the community. * Telling a personal story communicates the impact of the work that your First Nation does by providing programs and services. * Showcasing the work of individual staff is also a way to highlight how goals are accomplished through the commitment of staff. |
| Rights  and title | If rights and title are not separate departments, they may be a highlighted section within your annual report, and provide an update of current negotiations or significant decisions. |
| Volunteer recognition | Some First Nations choose to acknowledge volunteers that help in realizing its goals, allowing the showcasing of the impact of volunteers’ efforts. |
| Recognition of cultural activities | At the heart of any First Nation is the history, culture, and traditional practices that are remembered and upheld to pass on to future generations. This is an opportunity to showcase and celebrate ceremonies, language, and culture. |
| Map of community | First Nations may want to include map(s) of their communities and/or traditional territories as part of the introduction |
| Community survey results | Many decisions made by First Nations are guided by input by from your members. As part of this feedback, communities may engage in surveys, and where relevant, results of such surveys can be communicated through annual reports. |
| Recognition of awards received | Sharing information on the awards your First Nation receives from outside of the community is an important recognition of your work. |
| Glossary | With the audience in mind and to ensure they understand the context, a glossary of commonly used terms may be included. |

# III) Tools and Checklists

## Sample Timeline

Preparing the annual report will take a collaborated effort from multiple levels of your First Nation. The direction of the report should be established early in the process to ensure consistency throughout the report. As the report is drafted, it should be reviewed at multiple stages before publishing.

Figure 4: Sample annual report timeline

## Checklists

A checklist is a useful tool in the planning and preparation of an annual report, as it helps identify roles and responsibilities for key areas, as well as timelines for completion. By monitoring these areas, you can ensure timeliness and completeness of the report, as well as alignment of content with the overall context and message of the report.

The purpose of this illustrative checklist is to support you in properly planning for the content of your annual report. Sections to be included should be discussed and agreed upon by Chief and Council, the Senior Manager or Administrator, the Chief Financial Officer, and other key senior personnel. A checklist of recommended review stages has also been included. Where appropriate, an indication of required annual report components as stated in an approved FAL, have been noted. Additional space is provided to add additional components that you may want to have added to your annual report.

Please note that the checklists provided below are templates for reference, and may not represent all items that your First Nation should or should not include in its annual report.

Checklists for the following have been included:

CHECKLIST - DESIGN ELEMENTS

When developing the content for the annual report, ensure that design elements are considered throughout an annual report.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Person responsible | Notes | Due date | Completed? |
| Ease of readability |  |  |  |  |
| Use of local pictures |  |  |  |  |
| Use of other graphics |  |  |  |  |
| Pictures of individual staff |  |  |  |  |
| Use of organizational charts |  |  |  |  |
| Use of graphs or infographics |  |  |  |  |
| Credits and acknowledgements |  |  |  |  |
| Length of report |  |  |  |  |
| Accessibility |  |  |  |  |
| Other (to be added) |  |  |  |  |
| Other (to be added) |  |  |  |  |

CHECKLIST - INTRODUCTIONS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Essential information | | | | |
| Item | **Person responsible** | **Notes** | **Due date** | **Completed?** |
| Opening message |  |  |  |  |
| Chief message |  |  |  |  |
| Senior Manager or Administrator message |  |  |  |  |
| Optional section(s) | | | | |
| Chief and Council message |  |  |  |  |
| Economic Development message |  |  |  |  |
| Chief and Council responsibilities |  |  |  |  |
| Governance Committee activities |  |  |  |  |
| Boards and committees |  |  |  |  |
| Projects and facilities |  |  |  |  |
| Statistics and membership update |  |  |  |  |
| Youth Chief and Council message |  |  |  |  |
| Other (to be added) |  |  |  |  |
| Other (to be added) |  |  |  |  |

**CHECKLIST - GOALS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Essential information | | | | |
| Item | **Person responsible** | **Notes** | **Due date** | **Completed?** |
| Mission Statement |  |  |  |  |
| Vision Statement |  |  |  |  |
| Core Values |  |  |  |  |
| Goals |  |  |  |  |
| Report on the progress of strategic goals |  |  |  |  |
| Optional section(s) | | | | |
| Strategic plan |  |  |  |  |
| Other (to be added) |  |  |  |  |
| Other (to be added) |  |  |  |  |

CHECKLIST - DEPARTMENT UPDATES

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Essential information | | | | |
| Item | **Person responsible** | **Notes** | **Due date** | **Completed?** |
| Service and operational department updates |  |  |  |  |
| Economic development updates |  |  |  |  |
| Optional section(s) | | | | |
| Council reports |  |  |  |  |
| Other (to be added) |  |  |  |  |
| Other (to be added) |  |  |  |  |

CHECKLIST - FINANCIALS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Highlights - Essential information | | | | |
| Item | **Person responsible** | **Notes** | **Due date** | **Completed?** |
| Opening highlights and financial statement discussion |  |  |  |  |
| Management’s responsibility |  |  |  |  |
| Independent Auditor’s Report *(required by FAL – look up standard 19.2)* |  |  |  |  |
| Annual Financial statements *(required by FAL 19.4 )* |  |  |  |  |
| Acknowledgement of accessing additional financial statements or information |  |  |  |  |
| Schedule of remuneration and expenses  *(as required by FAL standard 18.6.2.a)* |  |  |  |  |
| Special purpose report – Guarantees  (if applicable, and as required by FAL standard 18.6.2.b) |  |  |  |  |
| Special purpose report – Debts Forgiven  (if applicable, and as required by FAL standard 18.6.2.c) |  |  |  |  |
| Special purpose report – Land Code Revenues  (if applicable, and as required by FAL standard 18.6.2.d) |  |  |  |  |

CHECKLISTS - FINANCIALS - CONTINUED

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Analysis - Essential information | | | | |
| Item | **Person responsible** | **Notes** | **Due date** | **Completed?** |
| Discussion and report on risks and uncertainties |  |  |  |  |
| Variance analysis – budget vs actual comparisons |  |  |  |  |
| Variance analysis – prior to actual year comparisons |  |  |  |  |
| Trend assessment |  |  |  |  |
| Highlights - Optional section(s) | | | | |
| Notes to financial statements |  |  |  |  |
| Additional financial summaries/schedules |  |  |  |  |
| Update to Tangible Capital Assets |  |  |  |  |
| Economic Development Corporation financial information |  |  |  |  |
| Other (to be added) |  |  |  |  |
| Other (to be added) |  |  |  |  |

CHECKLIST - OTHER INFORMATION

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Person responsible | Notes | Due date | Completed? |
| Examples and case studies |  |  |  |  |
| Rights and title |  |  |  |  |
| Volunteer recognition |  |  |  |  |
| Chief and Council declarations |  |  |  |  |
| Map of community |  |  |  |  |
| Community survey results |  |  |  |  |
| Recognition of awards received |  |  |  |  |
| Glossary |  |  |  |  |
| Other (to be added) |  |  |  |  |
| Other (to be added) |  |  |  |  |

CHECKLISTS – REVIEW STAGES

As the annual report is drafted, it should be reviewed across multiple areas to ensure completeness. The following are suggested review stages prior to publishing:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Highlights - Optional section(s) | | | | |
| Review  stage | **Reviewer** | **Notes** | **Due date** | **Approved?** |
| 1 | Finance Department |  |  |  |
| 2 | Senior Financial Officer |  |  |  |
| 3 | Independent Auditor |  |  |  |
| 4 | Department heads |  |  |  |
| 5 | Senior Manager or Administrator |  |  |  |
| 6 | Finance and Audit Committee |  |  |  |
| 7 | Chief and Council |  |  |  |

## Sample Annual Reports

In order to collect information for this guide, we reviewed over 30 annual reports across Canada; 25 First Nations and 6 other similar sized government annual reports to understand what is currently available in the market place and to report on similarities and differences that make up the content for an annual report.

As annual reports vary from organization to organization, especially within the First Nation context, a number of examples of annual reports have been provided as a reference below:

indicates First Nation organization that has received FNFMB Financial Performance Certification

|  |  |  |  |
| --- | --- | --- | --- |
| Name of organization | Location | Good example of | Link to annual report |
| Ɂaq’am | East Kootenay, British Columbia | Graphics | [Ɂaq’am 2014/15 Annual Report](http://www.aqam.net/sites/default/files/2015%20annual%20report.pdf) |
| Chippewas of the Thames First Nation | Muncey, Ontario | Use of report card system to show progress on projects | [Chippewas of the Thames 2013/14 Annual Report](http://cottfn.com/wp-content/uploads/2014/03/Annual-Report-2013-2014.pdf) |
| Lil’wat Nation | Mount Currie, British Columbia | Storytelling, goals for upcoming year, design, financial highlights | [LíÌwat 2015 Annual Report](http://lilwat.ca/wp-content/uploads/2015/12/Lilwat-Nation-AR14.pdf) |
| Membertou First Nation | Membertou, Nova Scotia | Overall design and ease of readability | [Membertou 2014/15 Annual Report](http://www.membertou.ca/sites/default/files/AnnualReport_July31_pages.pdf) |
| Mistawasis First Nation | Leask, Saskatchewan | Clarity, themes and design elements | [Mistawasis 2013/14 Annual Report](http://www.mistawasis.ca/wp-content/uploads/Mistawasis-2013-2014-Annual-Report1.pdf) |
| Tzeachten First Nation | Chilliwack, British Columbia | Direction of nation, location of annual report on website | [Tzeachten 2014/15 Annual Report](http://www.tzeachten.ca/files/File/annual%20report%202014-15%20V1.pdf) |
| Sts’ailes First Nation | Agassiz, British Columbia | Department updates, finances, infographics, statistics | [Sts’ailes 2015 Annual Report](http://www.stsailes.com/downloads/2015_annual_report.pdf) |



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