



First Nations
FINANCIAL
MANAGEMENT
BOARD

LE CONSEIL
DE GESTION
FINANCIÈRE des
Premières Nations

Standard-setting Projects

Learn more about how the FMB has improved its Standards to better support First Nations and be responsive to their needs.

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- [2016](#)
 - Financial Administration Law Documents Revision
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- Financial Administration Law Standards - Initial Development
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 - Local Revenue Standards - First Draft

2018

February

Project

Financial Performance Standards Revision

Background

The project to amend the FMB's Financial Performance Standards began in 2016. It was completed on February 22, 2018 with the approval of the new C2 – Financial Performance Standards.

The FMB improves its Standards to make sure they continue to meet the needs of First Nations and other First Nations Institutions. The changes take into account feedback from First Nations and the FMB's experience.

The changes are made to reflect the current accounting standards and to measure against generally accepted credit rating practices used by the capital market. They should also provide even more ways for First Nations to access any needed financing for projects that improve their economies.

Download the [Exposure Draft \(PDF\)](#) to see the proposed changes to these Standards.

Details

- These are the biggest changes to the Standards since September 2010. They bring in new financial performance ratios and take out others.
- After considering feedback received during the comment period, the FMB approved the final standards in February 2018.
- Download the [Basis for Conclusion \(PDF\)](#) to see why changes were made.

Deliverable

2016

April

Project

Financial Administration Law (FAL) Documents Revision

Background

Improving the Financial Administration Law Standards and Sample FAL to better support First Nations.

Details

- Minor changes in line with changes to the *First Nations Fiscal Management Act* that came into force on April 1, 2016.

Deliverables

- 6th Edition of Financial Administration Law Review Procedures
 - 8th Edition of Financial Administration Law Standards
 - 8th Edition of Sample Financial Administration Law
 - 6th Edition of Sample Financial Administration Law Explanatory Notes
 - 6th Edition of Financial Administration Guide
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Project

Financial Management System Documents Revision

Background

Improving the Financial Management System Standards to better support First Nations.

Details

- Minor changes in line with changes to the *First Nations Fiscal Management Act* that came into force on April 1, 2016.

Deliverables

- 6th Edition of Financial Management System Certification Procedures
 - 6th Edition of Financial Management System Standards
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Project

Financial Performance Documents Revision

Background

Improving the Financial Performance Standards to better support First Nations.

Details

- Minor changes in line with changes to the *First Nations Fiscal Management Act* that came into force on April 1, 2016.

Deliverables

- 8th Edition of Financial Performance Certification Procedures
 - 7th Edition of Financial Performance Standards
-

Project

Local Revenue Financial Reporting Documents Creation

Background

These Standards build on the first draft of Financial Reporting Standards in March 2006.

Details

- Clarify how First Nations should report local revenues raised under the FMA.
- Published sample financial statements and disclosures.

Deliverables

- 1st Edition of Local Revenue Financial Reporting Standards
- 2nd Edition of Illustrative Local Revenue Financial Statements
- 1st Edition of Illustrative Segment Note Disclosure
- 1st Edition of Local Revenue Financial Reporting Standards Explanatory Note

2015

January

Project

Financial Administration Law Documents Revision

Background

Improving the Sample Financial Administration Law to better support First Nations.

Details

- Removed all references to local revenue for use by First Nations that have chosen not to put in place local revenue laws.

Deliverable

5th Edition of Sample Financial Administration Law

March

Project

Financial Administration Law Documents Revision

Background

Improving the Financial Administration Law Standards and Sample FAL to better support First Nations.

Details

- Removed definitions of independence from Standard 10.1.6 (Independent members).

- These were replaced with a new requirement at Standard 10.1.6.3 (Policies required) to clarify who can be Finance and Audit Committee members.
- Removed the list of ineligible individuals for a Finance and Audit Committee at Standard 10.1.6.4.

Deliverables

- 5th Edition of Financial Administration Law Standards
 - 6th Edition of Sample Financial Administration Law
-

April

Project

Financial Administration Law Documents Revision

Background

Improving the Financial Administration Law Standards and Sample FAL to better support First Nations.

Details

- Clarified how pay, benefits and contracts are reported to address privacy concerns and bring the Standards in line with other legal reporting requirements.
- Other changes to how the local revenue account is managed, and the role of the tax administrator, to align with First Nations Tax Commission Standards.

Deliverables

- 5th Edition of Financial Administration Law Review Procedures
 - 6th Edition of Financial Administration Law Standards
 - 7th Edition of Sample Financial Administration Law
 - 5th Edition of Sample Financial Administration Law Explanatory Notes
 - 5th Edition of Financial Administration Guide
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Project

Financial Management System Documents Revision

Background

Improving the Financial Management System Standards to better support First Nations.

Details

- Created new Fraud Risk identification Standards in response to the 2013 update to the COSO Framework, especially Principle 8.
- Updated Standard 11.2.3 to state that potential Finance and Audit Committee members must not have a role in the planning, organizing, directing or controlling of a First Nation's finances.
- This includes budgeting, financial accounting and reporting, purchase of goods and services, and use of funds.

Deliverables

- 5th Edition of Financial Management System Certification Procedures
 - 5th Edition of Financial Management System Standards
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Project

Financial Performance Documents Revision

Background

Improving the Financial Performance Standards to better support First Nations.

Details

- Made changes to put more focus on the fact that a First Nation must meet Financial Performance Standards to become a borrowing member of the First Nations Finance Authority.
- Added the need for a First Nation to update its Financial Administration Law as part of Financial Management System Certification.

Deliverables

- 6th Edition of Financial Performance Certification Procedures
 - 6th Edition of Financial Performance Standards
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May

Project

Financial Administration Law Documents Revision

Background

Improving the Financial Administration Law Standards to better support First Nations.

Details

- Corrected a minor editorial error.

Deliverables

- 7th Edition of Financial Administration Law Standards
 - 5th Edition of Financial Administration Guide
-

Project

Financial Performance Documents Revision

Background

Improving the Financial Performance Certification Procedures to better support First Nations.

Details

- Deleted the requirement for First Nations to submit copies of documents that prove how they have brought to life certain parts of their Financial Administration Law.
- This evaluation instead happens through a Financial Management System review.

Deliverable

7th Edition of Financial Performance Certification Procedures

December

Project

Standard Setting Guidelines Creation

Background

In August 2015 the FMB issued an [Exposure Draft](#) of new Standard Setting Guidelines. They make it clearer what the FMB does when amending any of its Standards.

Details

- In response to feedback, final Guidelines were approved in December 2015.

Deliverable

[Standard Setting Guidelines](#)

2014

April

Project

Financial Administration Law Documents Revision

Background

Improving the Financial Administration Law Standards and Sample FAL to better support First Nations.

Details

- Changed “Canadian Institute of Chartered Accountants” to “Chartered Professional Accountants Canada”.
- Added a new definition of “related body”.
- Clarified Standard 19.2.3 (Engagement letter), Standard 19.3 (Completion date).
- Introduced Standards 22.3 and 22.4 to require a borrowing member’s Financial Administration Law to allow the FMB to intervene if required.

Deliverable

- 4th Edition of Financial Administration Law Review Procedures

- 4th Edition of Financial Administration Law Standards
 - 4th Edition of Sample Financial Administration Law
 - 4th Edition of Sample Financial Administration Law Explanatory Notes
 - 3rd Edition of Financial Administration Assessment Guide
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Project

Financial Management System Documents Revision

Background

Improving the Financial Management System Standards to better support First Nations.

Details

- Changed “Canadian Institute of Chartered Accountants to “Chartered Professional Accountants Canada”.
- Amended Standard 12.7.3 (Employee evaluation) to make it clear that finance staff must be qualified and able to do their jobs.
- Amended Standard 20.4.2 (Statement content) to make it clearer.
- Amended Standard 21.1.3 (Auditor compliance) to clarify what information is to be provided to council.

Deliverable

- 4th Edition of Financial Management System Certification Procedures
 - 4th Edition of Financial Management System Standards
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Project

Financial Performance Documents Revision

Background

Improving the Financial Performance Standards to better support First Nations.

Details

- Changed “Institute of Chartered Accountants” to “Chartered Professional Accountants Canada”.

- Amended Standard 6.1 (Financial management system Certificate timeline) to clarify that the 36-month timeline for obtaining a Financial Management System Certificate begins from the date the First Nation first receives proceeds from a First Nations Finance Authority long-term loan (debenture).
- Changed definitions in Standard 7.1 to match those used by accountants.
- Amended Standard 7.2 (Financial information) to require the use of financial statements no older than 16 months, which coincides with 120 days after the most recent year-end (July 29th).
- Clarified the Liquidity Test Ratio threshold at Standard 7.4.4.

Deliverable

- 5th Edition of Financial Performance Certification Procedures
 - 5th Edition of Financial Performance Standards
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2012

February

Project

Financial Administration Law Documents Revision

Background

Improving the Financial Administration Law Standards and Sample FAL to better support First Nations.

Details

- Clarified the introduction and definitions.
- Added Standard 4.3 to introduce the idea of a First Nation being in material compliance with the Standards.
- Created Standard 10.1.6 to establish the independence criteria of Finance and Audit Committee members.
- Clarified the authority of the auditor of the First Nation.
- Introduced or re-introduced Standard 26 (Periodic review), Standard 27 (Annual operations report), Standard 28 (Provision of law to First Nations Finance Authority) and Standard 29 (coming into force).

Deliverable

- 3rd Edition of Financial Administration Law Review Procedures
 - 3rd Edition of Financial Administration Law Standards
 - 3rd Edition of Sample Financial Administration Law
 - 3rd Edition of Sample Financial Administration Law Explanatory Notes
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Project

Financial Management System Documents Revision

Background

Improving the Financial Management System Standards to better support First Nations.

Details

- Clarified the introduction.
- Added Standard 5.6 to introduce the idea of a First Nation being in material compliance with the Standards.
- Changed Standard 11.2 to address the size and make up of the Finance and Audit Committee.
- Expanded the Standard that defines the meaning of independence to include who is exempt.
- Changed Standard 19.7 (Information technology controls) to stress the need for documented policies.
- Introduced Standard 23.5.2 (Compliance on projects) on policies over the construction or rehabilitation of capital infrastructure.

Deliverable

- 3rd Edition of Financial Management System Certification Procedures
 - 3rd Edition of Financial Management System Standards
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Project

Financial Performance Documents Revision

Background

Improving the Financial Performance Standards to better support First Nations.

Details

- Clarified the introduction.

Deliverable

- 4th Edition of Financial Performance Certification Procedures
- 4th Edition of Financial Performance Standards

2011

November

Project

Financial Performance Documents Revision

Background

Improving the Financial Performance Standards to better support First Nations.

Details

- Added definitions to the Procedures.
- Clarified how the Board will conduct a financial performance review.
- Introduced the Liquidity Test Ratio.

Deliverable

- 3rd Edition of Financial Performance Certification Procedures
- 3rd Edition of Financial Performance Standards

2010

September

Project

Financial Administration Law Documents - Initial Development

Background

The FMB developed extra guidance and tools to go with the Financial Administration Law Standards.

Details

- Created separate Procedures to make it clearer to First Nations how the FMB approves a FAL.
- Created a sample FAL to make it easier and more cost-effective for First Nations to develop a FAL that meets FMB Standards.
- Created detailed Explanatory Notes to make it easier for a First Nation's legal advisor to draft a FAL.

Deliverable

- 1st Edition of Financial Administration Law Review Procedures
 - 1st Edition of Financial Administration Law Standards
 - 1st Edition of Sample Financial Administration Law
 - 1st Edition of Sample Financial Administration Law Explanatory Notes
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Project

Financial Management System Documents - Initial Development

Background

Creating standards for a Financial Management System within a First Nation government, as well as system review procedures.

Details

- Developed Standards and Procedures to support First Nations in setting up good financial management systems and bringing their FAL to life.
- Outlined how a First Nation can ask the FMB to review its financial system and get a Financial Management System Certificate.

Deliverable

- 1st Edition of Financial Management System Certification Procedures
- 1st Edition of Financial Management System Standards

Project

Financial Performance Documents - Initial Development

Background

Creating standards for a Financial Performance Certificate, as well as financial performance review procedures.

Details

- Developed Standards to allow First Nations to receive a Financial Performance Certificate. This enables a First Nation to become a borrowing member of the First Nations Finance Authority.
- Outlined how a First Nation can ask the FMB to review its financial performance and get a Financial Performance Certificate.

Deliverable

- 1st Edition of Financial Performance Certification Procedures
- 1st Edition of Financial Performance Standards

November

Project

Financial Administration Law Documents Revision

Background

Improving the Financial Administration Law Standards and Sample FAL to better support First Nations.

Details

- Deleted Section 25.6 (Recovery of moneys), Section 26 (FAL Review), Section 27 (Annual Operations Report), Section 28 (Provision of law to First Nations Finance Authority), and Section 29 (Coming into force).

Deliverable

- 2nd Edition of Financial Administration Law Review Procedures
 - 2nd Edition of Financial Administration Law Standards
 - 2nd Edition of Sample Financial Administration Law
 - 2nd Edition of Sample Financial Administration Law Explanatory Notes
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Project

Financial Management System Documents Revision

Background

Improving the Financial Management System Standards to better support First Nations.

Details

- Clarified the introduction.

Deliverable

- 2nd Edition of Financial Management System Certification Procedures
 - 2nd Edition of Financial Management System Standards
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Project

Financial Performance Documents Revision

Background

Improving the Financial Performance Standards to better support First Nations.

Details

- Clarified the introduction.

Deliverable

- 2nd Edition of Financial Performance Certification Procedures
- 2nd Edition of Financial Performance Standards

2009

January

Project

Financial Administration Law Standards - Initial Development

Background

Creating Standards that enable a First Nation to create and enact its own Financial Administration Law (FAL).

Details

- Developed Standards that allow a First Nation to create its own FAL.
- These FAL Standards provide a new alternative to creating a Financial Administration Bylaw under section 83 of the *Indian Act*.
- This FAL would be enacted under the legal framework set out by the *First Nations Fiscal Management Act*.

Deliverable

1st Edition of Financial Administration Law Standards

2008

March

Project

Illustrative Local Revenue Financial Statements - Initial Development

Background

All First Nations that choose to raise local revenues under the *First Nations Fiscal Management Act* (FMA) must account for, and report on, their local revenues, separately from other moneys.

Details

- Developed sample Annual Financial Statements First Nations can use to report local revenues, as required by the FMB's Local Revenue Financial Reporting Standards drafted in March 2006.

Deliverable

1st Edition of Illustrative Local Revenue Financial Statements

2006

March

Project

Local Revenue Standards - First Draft

Background

All First Nations that choose to raise local revenues under the *First Nations Fiscal Management Act* (FMA) must account for, and report on, their local revenues, separately from other moneys.

Details

- Created the first draft of Financial Reporting Standards under section 55(1)(d) of the *First Nations Fiscal Management Act* (FMA) to support First Nations in the reporting of local revenues.

Deliverable

1st Draft of Local Revenue Standards
