

10-YEAR GRANT ELIGIBILITY

POLICIES AND GUIDELINES



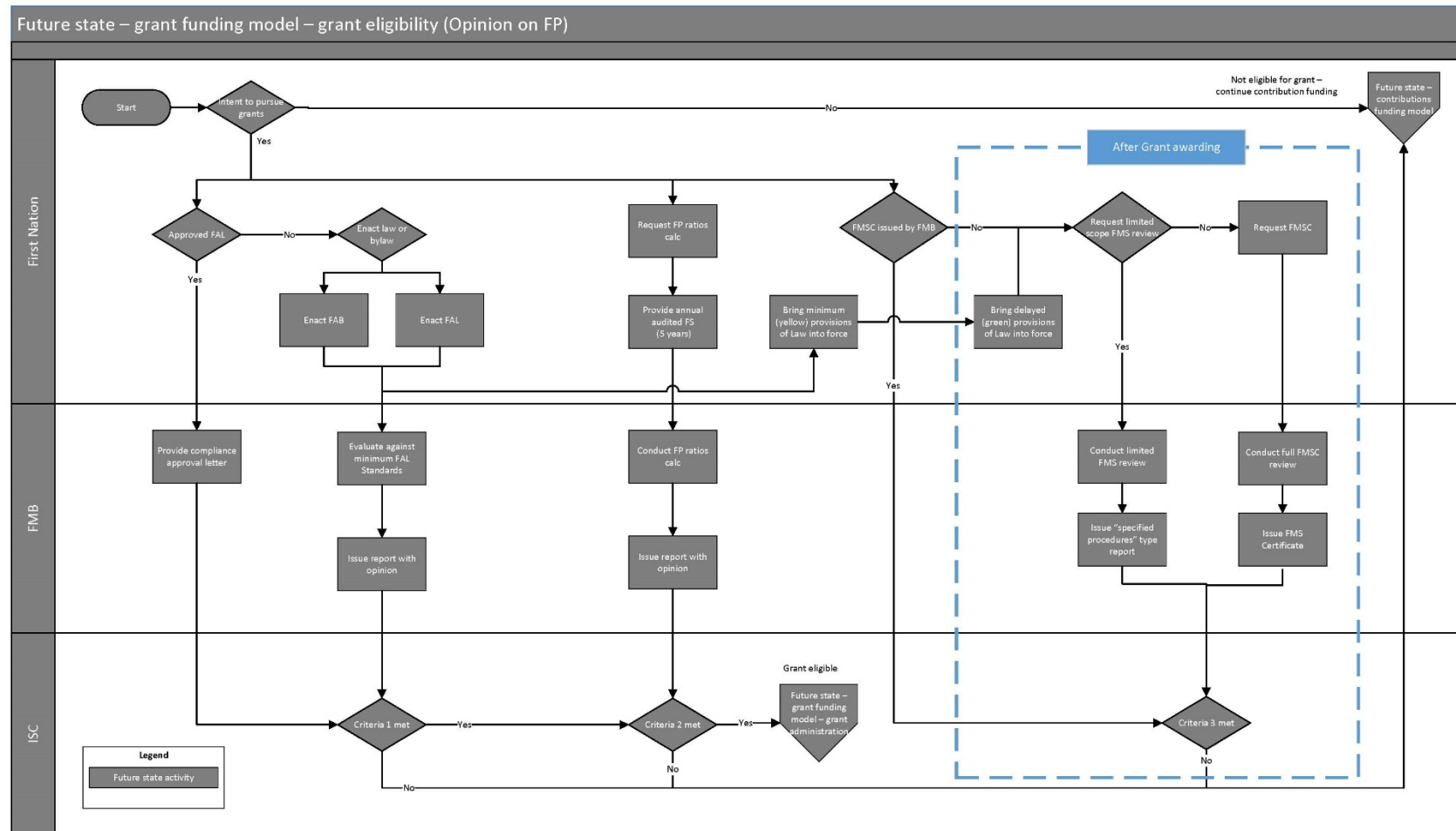
First Nations
**FINANCIAL
MANAGEMENT
BOARD**

**LE CONSEIL
DE GESTION
FINANCIÈRE** des
Premières Nations

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NOVEMBER 29, 2018

Figure 1 – Grant Eligibility Process Diagram



BACKGROUND CONTEXT

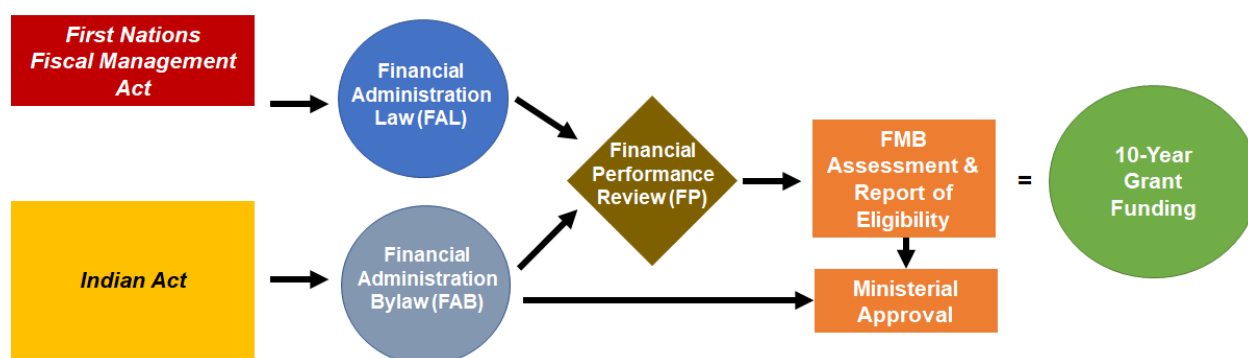
With the announcement of the New Fiscal Relationship (“NFR”) developed jointly by the Assembly of First Nations (“AFN”) and the Government of Canada, made public in December 2017, the Government of Canada through Indigenous Services Canada (“ISC”) has committed to providing 10-year grants to first nations beginning April 1, 2019. The grant funding, offered under the Policy on Transfer Payments of the Government of Canada, provides first nations with more funding flexibility by replacing all core funding currently provided to first nations by ISC. The grant would be available to first nations who demonstrate the ability to meet eligibility criteria co-developed by ISC, the AFN and the FMB. In order for a first nation to be evaluated for grant eligibility, the first nation must submit an expression of interest in writing to ISC requesting to be considered for a 10-year grant.

While ISC will make the final determination on a first nation’s grant eligibility, the FMB will provide services under a Memorandum of Understanding (“MOU”) with the Minister of Indigenous Services Canada and the Minister of Crown-Indigenous Relations (“the Ministers”) dated November 6, 2018 to evaluate and report on a grant applicant’s compliance with the eligibility criteria. The grant eligibility requirements that a first nation will need to meet are as follows:

1. Enact either a Financial Administration Law (“FAL”) under section 9 of the *First Nations Fiscal Management Act* or a Financial Administration Bylaw (“FAB”) under section 83 of the *Indian Act* that meet the FMB’s Financial Administration Law Standards and ensure that specific provisions are brought into force as set out in this document;
2. Demonstrate that a selected number of financial performance ratios as set out in this document have been met as at March 31st of the financial year preceding the effective date of the grant; and
3. Demonstrate the bringing into force and implementation of the minimum FAL or FAB provisions referenced in the eligibility criteria within 24 months of the effective date of the grant.

This grant eligibility pathway is illustrated in Figure 1 above and Figure 2 below.

Figure 2 – Grant Eligibility Pathway



The first criterion for grant eligibility requires that the First Nation develop and then enact a FAL or FAB that complies with the FMB’s FAL Standards and ensures that the minimum provisions (agreed to by ISC and the AFN) and described in this document are brought into force within the required time periods.

In the case of a new or amended FAL, the FAL must be issued a compliance approval by the FMB under section 9 of the *First Nations Fiscal Management Act* before it comes into force.

10-Year Grant Eligibility Policies and Guidelines

In the case of a new or amended FAB, and as provided under a MOU with ISC, the FMB will review the FAB and make recommendations to the Minister of Crown Indigenous Relations before the FAB will be considered for approval by the Ministers under section 83 of the *Indian Act*.

Under an MOU with ISC the FMB will review and issue a compliance opinion to the Ministers on whether the FAL or FAB meets these eligibility requirements.

To assist first nations, the FMB has prepared and made available to first nations a Sample Financial Administration Law ("Sample FAL") which meets the FMB FAL Standards and the grant eligibility criteria. This Sample FAL reflects sound financial administration practices of governments in Canada. There are two versions of this Sample FAL available – one that is suitable for first nations already raising or intending to raise local revenues under the *First Nations Fiscal Management Act* and one that avoids any reference to local revenues. Two versions of a Sample Financial Administration By-law have also been developed which meet FMB FAL Standards – one of which provides for the raising of property taxes under the *Indian Act* and one that makes no reference to property taxes. The Sample FALs and FABs both meet the requirements of the eligibility criterion respecting financial administration laws.

The second criterion for grant eligibility requires that the first nation demonstrate that its financial performance meets minimum requirements in five financial ratios referenced from the FMB's Financial Performance Standards. The independent calculation and evaluation of these ratios will be performed by the FMB upon request by ISC and based on an Expression of Interest by the First Nation. This will require the receipt of the most recent five years of audited annual financial statements from the first nation. The results of this review will be communicated in a report containing an opinion stating whether or not the first nation has met the requirements of the eligibility criterion respecting financial performance as at the relevant compliance date (i.e. March 31st of the financial year preceding the effective date of the grant).

The third criterion for grant eligibility requires the first nation to implement certain minimum provisions of its FAL or FAB within a specified time period and obtain a report from the FMB to indicate whether this implementation has occurred. This report will not provide any compliance opinion and will only report the results of an agreed-upon set of review procedures to assist ISC reach a determination of whether the first nation has met the requirements of the eligibility criterion respecting 10-year grants. The scope of this implementation evaluation and testing is outlined in this document.

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A. General Grant Eligibility Policies

1. All work that is performed must be documented and retained in accordance with the FMB's Information Management Policy and Procedures.
2. Resolutions of the Board of Directors will be prepared using the relevant approved FMB template listed in Appendix I.
3. If the first nation is requesting a Financial Performance Certificate or a Financial Management System Certificate in addition to services related to grant eligibility, the FMB must treat these discrete services as separate client engagements. The FMB's existing Procedures and Standards would apply in place of these policies and guidelines for any review for the purposes of issuing a Financial Performance Certificate or a Financial Management System Certificate. A First Nation's eligibility for a grant does not require any type of Certificate to be issued by the FMB.

FINANCIAL ADMINISTRATION LAW GRANT ELIGIBILITY REQUIREMENTS

The following policies and guidelines will apply when reviewing or approving a financial administration law made under section 9 of the *First Nations Fiscal Management Act* for the purpose of evaluating whether a first nation's FAL meets the 10-year grant eligibility criteria respecting financial administration laws.

B. FAL Grant Eligibility Policies

1. The following grant eligibility criterion respecting financial administration laws have been co-developed by Indigenous Services Canada and the Assembly of First Nations and will be applied:
 - a. A financial administration law approved under the *First Nations Fiscal Management Act* will comply with FMB's FAL Standards.
 - b. A financial administration law of a first nation must ensure that specified provisions of the law come into force no later than
 - i. the effective date of the 10-year grant for that first nation for all yellow highlighted provisions contained in Appendix A; and
 - ii. nine months after the effective date of the 10-year grant for that first nation for all green highlighted provisions contained in Appendix A
2. First Nations that have received a Financial Management System Certificate from the FMB will be considered by ISC to have met all initial eligibility criteria related to enacting and implementing a FAL.
3. A first nation may rely on an approved FAL made under section 9 of the *First Nations Fiscal Management Act* to support its efforts to meet the grant eligibility criterion respecting financial administration laws.
4. A first nation choosing to enact a 'section 9' FAL must have their official name listed on the Schedule to the *First Nations Fiscal Management Act* and will proceed in accordance with the FMB's A1 *Financial Administration Law Review Procedures* to seek assistance in the development and enactment of the FAL and FMB approval of the FAL.
5. If a first nation already has an approved FAL but needs to amend its FAL in order to meet the eligibility criteria respecting financial administration laws (e.g. the coming into force provision), the first nation will request an approval of the amendment using the procedure set out in the FMB's A1 *Financial Administration Law Review Procedures*.
6. If a first nation is a borrowing member of the First Nations Finance Authority ("the FNFA") and is seeking to amend its FAL for the purposes of meeting the eligibility criteria respecting financial administration laws, the

first nation will be encouraged, but not required, to amend its FAL as necessary to meet the FMB's current *Financial Administration Law Standards*.

7. If a first nation limits the amendment of its FAL to the "coming into force" provision for the purposes of meeting the eligibility criteria respecting financial administration laws, the scope of the FMB's review of the FAL for purposes of approving the amendment will be limited to the amendment being proposed in the context of the other provisions of the FAL - without consideration of any changes in FMB's *Financial Administration Law Standards* that came into effect after the date the first nation's FAL was last approved.
8. A first nation will provide the FMB with a council resolution based on the relevant approved FMB template listed in Appendix I requesting a compliance opinion to be issued to ISC in relation to the 10-year grant eligibility criteria respecting financial administration laws.
9. Upon receipt of a signed council resolution the FMB will appoint a reviewer to conduct a review of the FAL under the MOU to determine if the FAL meets the 10-year grant eligibility criteria respecting financial administration laws.
10. The FAL reviewer will summarise the results of the review and any recommendations in a report to the FMB's Board of Directors through the Standards, Approvals and Certification Committee ("SAC Committee").
11. The decision reached by the FMB's Board of Directors will be communicated in writing to the first nation and the Minister of Indigenous Services Canada within a reasonable amount of time. A template of this report is contained in Appendix E.

C. FAL Grant Eligibility Guidelines

1. The FMB has prepared Sample FALs which not only meet its FAL Standards but also include a sample "coming into force" provision which provide that certain required provisions of the FAL come into force within the time periods required to meet the eligibility criteria respecting financial administration laws. See template listed in Appendix I.
2. The FAL reviewer must receive a request in writing from the authorised individual named in the Council Resolution for the FMB to conduct a formal review of the FAL and issue a compliance opinion that the FAL meets the relevant eligibility criteria of the Policy respecting a financial administration law. Until such time as this formal written request is received, the FAL reviewer may provide informal review services in respect of these matters.
3. The FAL review report should be prepared by the selected reviewer using the relevant approved FMB template in Appendix I.
4. The outcome of the FMB's FAL compliance opinion decision should be communicated to the first nation verbally or by email immediately following the meeting held by the FMB's Board of Directors to approve this content.
5. A signed letter or report communicating the outcome of the FMB's FAL compliance opinion decision should be transmitted to the first nation and the Minister of Indigenous Services Canada within five business days following the meeting held by the FMB's Board of Directors.

FINANCIAL ADMINISTRATION BY-LAW GRANT ELIGIBILITY REQUIREMENTS

The following policies and guidelines will apply when reviewing a financial administration by-law made under section 83 of the *Indian Act* for the purpose of evaluating whether a first nation's FAB meets the grant eligibility criteria respecting financial administration laws.

These policies and guidelines do not apply to assistance the FMB will provide to a first nation wishing to enact, amend or repeal and replace a FAB. For these purposes see the FMB's separate Policy on Assistance to First Nations Enacting a FAB.

D. FAB Grant Eligibility Policies

1. The following grant eligibility criterion respecting financial administration laws have been co-developed by Indigenous Services Canada and the Assembly of First Nations and will be applied:
 - a. A financial administration by-law approved by the Minister under the *Indian Act* will comply with FMB's *Financial Administration Law Standards*.
 - b. A financial administration by-law of a first nation must ensure that specified provisions of the by-law come into force no later than
 - i. the effective date of the 10-year grant for that first nation for all yellow highlighted provisions contained in Appendix B; and
 - ii. nine months after the effective date of the 10-year grant for that first nation for all green highlighted provisions contained in Appendix B.
2. A first nation may rely on an approved FAB made under section 83 of the *Indian Act* to support its efforts to meet the eligibility criteria respecting financial administration laws.
3. If a first nation which is not scheduled under the *First Nations Fiscal Management Act* wishes to enact a FAB under the *Indian Act* it may request the informal assistance of the FMB in the development of the FAB. For these purposes see the FMB's separate Policy on Assistance to First Nations Enacting a FAB.
4. If a first nation already has an approved FAB but wishes to repeal and replace or amend its FAB in order to meet the eligibility criteria respecting financial administration laws, the first nation may request the informal assistance of the FMB to assist it in these matters. For these purposes see the FMB's separate Policy on Assistance to First Nations Enacting a FAB.
5. A first nation will provide the FMB with a signed council resolution based on the relevant approved FMB templates in Appendix I requesting a compliance opinion to be issued to ISC in relation to the 10-year grant eligibility criterion respecting financial administration by-laws.
6. Upon receipt of a signed council resolution the FMB will appoint a reviewer to conduct a review of the FAB under the MOU to determine if the FAB meets the 10-year grant eligibility criteria respecting financial administration by-laws.
7. The FAB reviewer will summarise the results of the review and any recommendations in a FAB review report to the FMB's Board of Directors through the SAC Committee. The SAC Committee will make its own recommendation to the Board of Directors using the relevant approved FMB resolution template listed in Appendix I.
8. The decision reached by the FMB's Board of Directors will be communicated in writing to the Minister of Indigenous Services Canada, the Minister of Crown Indigenous Relations and the first nation within a reasonable amount of time. A template of this report is contained in Appendix F.

E. FAB Grant Eligibility Guidelines

1. The FMB has prepared Sample FABs which not only meet its FAL Standards but also include a sample "coming into force" provision which provide that certain required provisions of the FAB come into force within the time periods required to meet the eligibility criteria respecting financial administration laws. See template listed in Appendix I.
2. The FAB reviewer must receive a request in writing from the authorised individual named in the Council Resolution for the FMB to conduct a formal review of the FAB and issue a compliance opinion that the FAB meets the relevant 10-year grant eligibility criteria respecting financial administration laws. Until such time as

this formal written request is received, the FAB reviewer may provide informal review services in respect of these matters.

3. The content of a FAB may be written in a way that differs from the exact wording contained in the Sample FAB so long as in the opinion of the Board the corresponding FAL Standards have been met in all material respects.
4. The FAB reviewer should complete a FAB Assessment Guide based on the relevant approved FMB template listed in Appendix I. The following differences should be evident when compared to a FAL:
 - a. all references to the *First Nations Fiscal Management Act* have been removed;
 - b. all references to Law have been revised to read By-law;
 - c. all terms defined under the *First Nations Fiscal Management Act* have not been used to avoid any confusion about meaning. For example, local revenues, local revenue account and local revenues law are replaced with property taxes, property tax account and property taxation by-law;
 - d. as First Nations may tax property under the *Indian Act*, references to taxation are to taxation under that Act. Some of the First Nations Tax Commission ("FNTC") requirements for such by-laws are the same as for taxation under the *First Nations Fiscal Management Act* and have been retained (e.g. property taxes must be segregated in a separate financial institution account);
 - e. neither FNTC nor FMB Standards made under the *First Nations Fiscal Management Act* are applicable to a By-law (except for purposes of the opinion to the Ministers) and requirements to comply with them have been removed (e.g. not required to comply with FMB standards of separate financial reporting of local revenues);
 - f. requirements relating to an FMB intervention under the *First Nations Fiscal Management Act* have been removed (e.g. the First Nation's council is not required to delegate to the FMB its authority referenced in section 53 of the *First Nations Fiscal Management Act*, the First Nation is not required to maintain a complete set of property tax records, not required to keep a separate accounting of "other revenues", no obligation to comply with the *First Nations Fiscal Management Act* or to resolve conflicts of laws in favour of the *First Nations Fiscal Management Act*).
5. The FAB review report should be prepared by the selected reviewer for consideration by the SAC Committee and Board of Directors using the relevant approved FMB template in Appendix I.
6. The SAC Committee will make its own recommendation to the Board of Directors using the relevant approved FMB resolution template listed in Appendix I.
7. The Board of Directors will consider the recommendations from the SAC Committee and decide whether the eligibility criterion for financial administration laws has been met using the relevant approved FMB resolution template listed in Appendix I.
8. The decision reached by the FMB's Board of Directors will be communicated in the form of a report containing a financial administration law compliance opinion that will be:
 - a. prepared using the relevant approved FMB template listed in Appendix F;
 - b. addressed to the appropriate party;
 - c. accompanied by all required enclosures necessary to demonstrate any eligibility requirements that have been met and reported upon; and
 - d. transmitted by the FMB to all parties within a reasonable amount of time.
9. In appropriate circumstances, the FMB may choose to report to the Ministers contemporaneously on both the issue of recommendations for approval of a FAB under section 83 of the *Indian Act* and a compliance opinion that the FAB is in compliance with the relevant 10-year grant eligibility criteria respecting financial administration by-laws.
10. The outcome of the FMB's review of the FAB and any advice given to the Ministers should be communicated to the first nation verbally or by email immediately following the meeting held by the FMB's Board of Directors.

11. An original signed letter or report communicating the outcome of the FMB's FAL compliance approval decision should be transmitted to the first nation and the Ministers within five business days following the meeting held by the FMB's Board of Directors to approve this content.
12. The use of electronic signatures, letterhead and secure transmittal methods should be used when issuing any records on behalf of the FMB. Original records should be prepared using a secure protected data format and retained in accordance with the FMB's Information Management Policy and Procures.

FINANCIAL PERFORMANCE GRANT ELIGIBILITY REQUIREMENTS

F. FP Grant Eligibility Policies

1. A first nation will provide the FMB with a signed council resolution based on the relevant approved FMB template listed in Appendix I. Upon receipt of a signed council resolution the FMB will appoint a reviewer to conduct a review of the First Nation's financial performance.
2. Unless stated otherwise, the financial performance grant eligibility requirements are based on the FMB's Financial Performance Standards and will consist of the following financial performance ratios:
 - a. Fiscal Growth Ratio;
 - b. Operating Margin Ratio;
 - c. Asset Maintenance Ratio;
 - d. Net Debt Ratio; and
 - e. Interest Expense Ratio.
3. A first nation must achieve the minimum required thresholds for each of the financial performance ratios listed in Appendix C.
4. An adjusted version of the Net Debt Ratio contained in the FMB's Financial Performance Standards has been developed for the purpose of evaluating financial performance for grant eligibility and is presented in Appendix C. This alternate version is intended to respond to a known issue that a small number of first nations who have used long-term debt to pay for the construction or acquisition of tangible capital assets may face and will only be calculated if the Net Debt Ratio contained in the FMB's Financial Performance Standards is not met. All other financial performance ratios will be calculated in accordance with the FMB's Financial Performance Standards.
5. The minimum level of financial performance will be calculated using the most recent five financial years of audited information.
6. The compliance date for the purpose of evaluating financial performance for grant eligibility will be March 31st of the financial year preceding the effective date of a grant.
7. The financial information used to measure a first nation's financial performance must be derived from the first nation's annual audited financial statements that are accompanied by a signed Independent Auditor's Report containing an opinion.
8. A financial performance ratio may be normalised in accordance with the FMB's Financial Performance Standards.
9. When available, restated prior year financial information will be used in place of the originally reported figures to calculate the financial performance ratios.
10. A financial performance review file shall consist of a standard collection of work papers necessary to support the FMB's conclusions and opinion over financial performance. The contents of this file will be subject to the following levels of quality assurance review:
 - a. self-review and sign off by the assigned reviewer;
 - b. independent re-performance of the financial performance ratios;

- c. review and sign off by the Senior Manager, Standards and Certification; and
 - d. review and sign off by the Director, Standards and Certification.
- 11. The financial performance reviewer will provide a financial performance review report to the FMB's Board of Directors through the SAC Committee. The SAC Committee will make its own recommendation to the Board of Directors using the relevant approved FMB resolution template listed in Appendix I.
- 12. The FMB's Board of Directors will consider the recommendations from the SAC Committee and decide whether the eligibility criterion for financial performance has been met using the relevant approved FMB resolution template listed in Appendix I.
- 13. The decision reached by the FMB's Board of Directors will be communicated in the form of a report containing a financial performance compliance opinion that is expressed as at the selected compliance date.
- 14. The grant eligibility financial performance compliance report will be:
 - a. prepared using the relevant approved FMB template listed in Appendix G;
 - b. addressed to the Minister of Indigenous Services;
 - c. accompanied by all required enclosures necessary to demonstrate any eligibility requirements that have been met and reported upon; and
 - d. transmitted by the FMB to all recipients, including any courtesy copy recipients, within a reasonable amount of time.
- 15. A courtesy copy of the grant eligibility financial performance compliance report and any enclosures will be transmitted to:
 - a. the designated representative of the first nation; and
 - b. the designated federal government official responsible for the administration of the 10-year grant eligibility criteria respecting financial performance.
- 16. A schedule will be attached to the grant eligibility financial performance compliance report to communicate matters such as the following to the users of the report:
 - a. Whether the first nation is under co-management or third-party management under the *First Nations Fiscal Management Act*;
 - b. Whether any of the financial statements used in determining the financial performance of the first nation had been restated and the reasons why;
 - c. Whether any of the audit opinions contained in any of the Independent Auditor's Reports attached to the financial statements used in determining the financial performance of the first nation had been qualified and the reasons why;
 - d. The existence of any normalisation adjustments that had been applied by the FMB when measuring the financial performance ratios of the first nation and the reasons why;
 - e. The existence of any significant estimates, judgements, transactions or balances reported or disclosed in the financial statements used in determining the financial performance of the first nation;
 - f. Any other matter of significance pertaining to the financial performance of the first nation.

G. FP Grant Eligibility Guidelines

1. The financial performance reviewer must receive a request in writing from the authorised individual named in the Council Resolution for the FMB to conduct a formal review of the First Nation's financial performance and issue a compliance opinion that the criterion of the 10-year grant eligibility criteria respecting financial performance has been met. Until such time as this formal written request is received, the financial performance reviewer may provide informal review services in accordance with the FMB's policies in section F. above.

2. The financial performance reviewer must document the results of the review using the approved FMB financial performance review templates listed in Appendix I.
3. Additional information may be requested from the first nation to supplement the information contained in the annual financial statements.
4. The Adjusted Net Debt Ratio presented and described in Appendix C should only be calculated in a situation when the Net Debt Ratio contained in the FMB's Financial Performance Standards has been demonstrated to not be met.
5. The outcome of the FMB's financial performance review and its compliance opinion should be communicated to the first nation verbally or by email immediately following the meeting held by the FMB's Board of Directors.
6. An original signed letter or report communicating the outcome of the FMB's financial performance review and its compliance opinion should be transmitted to each recipient within five business days following the meeting held by the FMB's Board of Directors to approve this content.
7. The use of electronic signatures, letterhead and secure transmittal methods should be used when issuing any records on behalf of the FMB. Original records should be prepared using a secure protected data format and retained in accordance with the FMB's Information Management Policy and Procures.

IMPLEMENTATION OF FINANCIAL ADMINISTRATION LAW / BY-LAW GRANT ELIGIBILITY REQUIREMENTS

H. Implementation of FAL / FAB Grant Eligibility Policies

1. The following grant eligibility criterion respecting the implementation of a financial administration law or by-law have been established under the 10-year grant policy and will be applied:
 - a. each of the minimum FAL or FAB provisions contained in Appendices A or B that are operative will be implemented by the first nation on or before the date they are legally brought into force;
 - b. a report will be issued by the FMB within 24 months following the effective date of the 10-year grant for the first nation which will contain the results of agreed-upon procedures designed to allow ISC to determine whether 10-year grant eligibility criterion respecting the implementation of a law or by-law have been met.
2. First Nations that have received a Financial Management System Certificate from the FMB will be considered by ISC to have met all initial 10-year grant eligibility criteria related to enacting and implementing a FAL or FAB.
3. A first nation will provide the FMB with a signed council resolution based on the relevant approved FMB template listed in Appendix I. Upon receipt of a signed council resolution the FMB will appoint a reviewer to conduct the agreed-upon procedures listed in Appendix D.
4. The purpose of the agreed-upon procedures is solely to assist ISC in assessing whether the first nation has implemented the minimum FAL or FAB provisions that make up the grant eligibility requirements. The FMB will report the results of the agreed-upon set of procedures without providing assurance or an opinion on the design, implementation or operating effectiveness of the first nation's financial management system.
5. When conducting an implementation review in accordance with these policies, the reviewer will not perform the procedures that, in the reviewer's judgment, are necessary to express an opinion. Instead, the reviewer will perform only those procedures requested by ISC which remains solely responsible for the scope and sufficiency of the agreed-upon procedures for their purpose of evaluating whether grant eligibility criterion have been met pursuant to the *10-year grant eligibility criteria respecting the implementation of minimum*

provisions of a Financial Administration Law / By-law co-developed by Indigenous Services Canada and the Assembly of First Nations.

6. The reviewer will summarise the results of the review and any recommendations in an agreed-upon procedures review report to the FMB's Board of Directors through the SAC Committee. The SAC Committee will make its own recommendation to the Board of Directors using the relevant approved FMB resolution template listed in Appendix I.
7. The Board of Directors will, after considering the recommendations from the SAC Committee, decide whether to approve the content of the report containing the results of the agreed-upon procedures using the relevant approved FMB resolution template listed in Appendix I.
8. The grant eligibility agreed-upon procedures report will be:
 - a. prepared using the relevant approved FMB template listed in Appendix H;
 - b. addressed to the Minister of Indigenous Services;
 - c. accompanied by all required enclosures necessary to demonstrate any eligibility requirements that have been met and reported upon; and
 - d. transmitted by the FMB to all recipients, including any courtesy copy recipients, within a reasonable amount of time.
9. A courtesy copy of the grant eligibility report and any enclosures will be transmitted to:
 - a. the designated representative of the first nation; and
 - b. the designated federal government official responsible for the administration of the 10-year grant eligibility criteria respecting the implementation of minimum provisions of financial administration laws / by-laws.

I. Implementation of FAL / FAB Grant Eligibility Guidelines

1. The reviewer must receive a request in writing from the authorised individual named in the Council Resolution for the FMB to conduct the agreed-upon procedures listed in Appendix D.
2. The reviewer will document the results of the agreed-upon procedures using the approved FMB agreed-upon procedures template listed in Appendix I.
3. A detailed information request list will be provided to the designated contact at the first nation at least 14 days prior to the review.
4. The results of the FMB's agreed-upon procedures should be reviewed with the authorised individual named in the Council Resolution upon completion. This is intended to avoid any disagreement on the findings and provide an opportunity for the first nation to provide any additional information that had not previously been made available and which is relevant to the procedures.
5. An original signed letter or report communicating the outcome of the FMB's agreed-upon procedures should be transmitted to each recipient within five business days following the meeting held by the FMB's Board of Directors to approve this content.
6. The use of electronic signatures, letterhead and secure transmittal methods should be used when issuing any records on behalf of the FMB. Original records should be prepared using a secure protected data format and retained in accordance with the FMB's Information Management Policy and Procures.

APPENDIX A – MINIMUM COMING INTO FORCE PROVISIONS OF A FINANCIAL ADMINISTRATION LAW

All references correspond to the version of the Sample Financial Administration Laws published by the FMB for purposes of meeting the eligibility criterion for financial administration laws made under the *First Nations Fiscal Management Act*.

Cross Reference			
Section Title	Sample FAL – With Local Revenue	Sample FAL – Without Local Revenue	Coming Into Force No Later Than
Citation	1	1	The effective date of the grant
Definitions	2 (1-4)	2 (1-4)	The effective date of the grant
Interpretation	3 (1-3)	3 (1-3)	The effective date of the grant
Posting of Public Notice	4 (1-2)	4 (1-2)	The effective date of the grant
Calculation of Time	5	5	The effective date of the grant
Conflict of Laws	6 (1-3)	6 (1-3)	The effective date of the grant
Scope and application	7	7	The effective date of the grant
Responsibilities of Council	8 (1-2)	8 (1-2)	Nine months after the effective date of the grant
Finance and Audit Committee - Interpretation	11	11	Nine months after the effective date of the grant
Committee Established	12 (1)	12 (1)	Nine months after the effective date of the grant
Senior Manager	18 (1)	18 (1)	Nine months after the effective date of the grant
Senior Financial Officer	19 (1)	19 (1)	Nine months after the effective date of the grant
Organizational Structure	21 (1)	20 (1)	Nine months after the effective date of the grant
Conduct of Councillors	22 (1)	21 (1)	Nine months after the effective date of the grant
Conduct of Officers, Employees, Contractors, etc.	23 (2,4)	22 (2,4)	Nine months after the effective date of the grant
Fiscal Year	24	23	The effective date of the grant
Multi-year Financial Plan	25	24	Nine months after the effective date of the grant
Content of Annual Budget	26	25	The effective date of the grant
Budget and Planning Process Schedule	27	26	The effective date of the grant
Amendments to Annual Budgets	29	28	The effective date of the grant
Local Revenues Budget Requirements	30	NA	The effective date of the grant
Policy for First Nation Information or Involvement	31 (1)	29 (1)	Nine months after the effective date of the grant
GAAP	69	67	The effective date of the grant

Cross Reference			
Section Title	Sample FAL – With Local Revenue	Sample FAL – Without Local Revenue	Coming Into Force No Later Than
Separate Accounting	70 (1-2)	68	The effective date of the grant
Monthly Financial Information	71 (1-2)	69 (1-2)	The effective date of the grant
Quarterly Financial Statements	72 (1-3)	70 (1-3)	The effective date of the grant
Annual Financial Statements	73 (1-6)	71 (1-5)	The effective date of the grant
Local Revenues Annual Financial Statements	74 (1-4)	NA	The effective date of the grant
Appointment of Auditor	76 (1-4)	73 (1-4)	The effective date of the grant
Auditor's Authority	77 (1-6)	74 (1-6)	The effective date of the grant
Audit Requirements	78 (1-4)	75 (1-3)	The effective date of the grant
Review of Audited Annual Financial Statements	79 (1-3)	76 (1-2)	The effective date of the grant
Access to Annual Financial Statements	80 (1-3)	77 (1-2)	The effective date of the grant
Annual Report	81 (1-4)	78 (1-4)	Nine months after the effective date of the grant
Account Records	86 (1-2)	83	The effective date of the grant
Board Standards	97 (1-2)	94 (1-2)	The effective date of the grant
Delegated Authority on Intervention	98 (1-2)	95	The effective date of the grant
Reports of Breaches and Financial Irregularities, etc.	101 (1-3)	98 (1-3)	Nine months after the effective date of the grant
Inquiry into Report	102 (1-3)	99 (1-3)	Nine months after the effective date of the grant
Protection of Parties	103 (1-4)	100 (1-4)	Nine months after the effective date of the grant
Liability for Improper Use of Money	104 (1-4)	101 (1-4)	Nine months after the effective date of the grant
Coming into Force	108 (1-2)	105 (1-2)	The effective date of the grant
SCHEDULE – Avoiding And Mitigating Conflicts Of Interest	ALL SECTIONS	ALL SECTIONS	Nine months after the effective date of the grant

APPENDIX B – MINIMUM COMING INTO FORCE PROVISIONS OF A FINANCIAL ADMINISTRATION BY-LAW

All references correspond to the version of the Sample Financial Administration By-laws published by the FMB for purposes of meeting the eligibility criterion for financial administration laws made under the *Indian Act*.

Cross Reference			
Section Title	Sample FAB – With Local Revenue	Sample FAB – Without Local Revenue	Coming Into Force No Later Than
Citation	1	1	The effective date of the grant
Definitions	2 (1-4)	2 (1-4)	The effective date of the grant
Interpretation	3 (1-3)	3 (1-3)	The effective date of the grant
Posting of Public Notice	4 (1-2)	4 (1-2)	The effective date of the grant
Calculation of Time	5	5	The effective date of the grant
Conflict of Laws	6 (1-2)	6	The effective date of the grant
Scope and application	7	7	The effective date of the grant
Responsibilities of Council	8 (1-2)	8 (1-2)	Nine months after the effective date of the grant
Finance and Audit Committee - Interpretation	11	11	Nine months after the effective date of the grant
Committee Established	12 (1)	12 (1)	Nine months after the effective date of the grant
Senior Manager	18 (1)	18 (1)	Nine months after the effective date of the grant
Senior Financial Officer	19 (1)	19 (1)	Nine months after the effective date of the grant
Organizational Structure	21 (1)	20 (1)	Nine months after the effective date of the grant
Conduct of Councillors	22 (1)	21 (1)	Nine months after the effective date of the grant
Conduct of Officers, Employees, Contractors, etc.	23 (2,4)	22 (2,4)	Nine months after the effective date of the grant
Fiscal Year	24	23	The effective date of the grant
Multi-year Financial Plan	25	24	Nine months after the effective date of the grant
Content of Annual Budget	26	25	The effective date of the grant
Budget and Planning Process Schedule	27	26	The effective date of the grant
Amendments to Annual Budgets	29	28	The effective date of the grant
Local Revenues Budget Requirements	30	N/A	The effective date of the grant
Policy for First Nation Information or Involvement	31 (1)	29 (1)	Nine months after the effective date of the grant
GAAP	68	66	The effective date of the grant
Separate Accounting	69	N/A	The effective date of the grant

Cross Reference			
Section Title	Sample FAB – With Local Revenue	Sample FAB – Without Local Revenue	Coming Into Force No Later Than
Monthly Financial Information	70 (1-2)	67 (1-2)	The effective date of the grant
Quarterly Financial Statements	71 (1-3)	68 (1-3)	The effective date of the grant
Annual Financial Statements	72 (1-6)	69 (1-5)	The effective date of the grant
Local Revenues Annual Financial Statements	73	N/A	The effective date of the grant
Appointment of Auditor	75 (1-4)	71 (1-4)	The effective date of the grant
Auditor's Authority	76 (1-6)	72 (1-6)	The effective date of the grant
Audit Requirements	77 (1-4)	73 (1-3)	The effective date of the grant
Review of Audited Annual Financial Statements	78 (1-2)	74 (1-2)	The effective date of the grant
Access to Annual Financial Statements	79 (1-2)	75 (1-2)	The effective date of the grant
Annual Report	80 (1-4)	76 (1-4)	Nine months after the effective date of the grant
Reports of Breaches and Financial Irregularities, etc.	97 (1-3)	93 (1-3)	Nine months after the effective date of the grant
Inquiry into Report	98 (1-3)	94 (1-3)	Nine months after the effective date of the grant
Protection of Parties	99 (1-4)	95 (1-4)	Nine months after the effective date of the grant
Liability for Improper Use of Money	100 (1-4)	96 (1-4)	Nine months after the effective date of the grant
Coming into Force	103 (1-3)	99 (1-3)	The effective date of the grant
SCHEDULE – Avoiding And Mitigating Conflicts Of Interest	ALL SECTIONS	ALL SECTIONS	Nine months after the effective date of the grant

APPENDIX C – FINANCIAL PERFORMANCE ELIGIBILITY REQUIREMENTS

The 10-year grant financial performance eligibility requirements consist of the following five financial performance ratios that are based on the FMB's C2 *Financial Performance Standards*. The Net Debt Ratio has been adjusted to better meet the needs of first nation grant applicants as described below.

Ratio	Ratio Formula	Required Threshold
Fiscal Growth Ratio ("FGR") The purpose of the FGR is to measure a first nation's ability to sustain and grow its financial capacity. It measures the average annual revenue growth rate expressed as a percentage.	$\frac{(TR_X - TR_{X-1})}{TR_{X-1}}$ TRX: Total revenue in year 'X' TRx-1: Total revenue from the fiscal year one year prior to year 'X'	The first nation demonstrates that its average FGR for the period under review is not lower than - 5.0%.
Operating Margin Ratio ("OMR") The purpose of the OMR is to measure a first nation's ability to sustain fiscal balance. It measures the ability of a first nation to sustain structural fiscal balance by determining the extent to which its revenues have been sufficient to meet its expenses.	$\frac{(TR - TE)}{TR}$ TR: Total revenues during the period under review TE: Total expenses during the period under review	The first nation demonstrates that its OMR for the period under review is not lower than -5.0%.
Asset Maintenance Ratio ("AMR") The purpose of the AMR is to measure a first nation's ability to sustain its investment in its tangible capital assets other than land. It measures the first nation's total tangible capital expenditures (other than for land) relative to the first nation's total amortization cost, expressed as a percentage.	$\frac{TTCE}{TAE}$ TTCE: Total tangible capital asset expenditures during the period under review TAE: Total amortization expense during the period under review	The first nation demonstrates that its AMR for the period under review is not lower than 100.0%.

Ratio	Ratio Formula	Required Threshold
Net Debt Ratio (“NDR”) The purpose of the NDR is to measure a first nation’s ability to manage its overall level of debt. It measures the size of the net debt burden in relation to one year annual revenues available to cover debt service.	$\frac{(TL_x - TFA_x)}{TR_x}$ TL: Total liabilities in year ‘X’ TFA: Total financial assets in year ‘X’ TR: Total revenues in year ‘X’	The first nation demonstrates that its weighted average NDR for the period under review does not exceed 60.0% or that its NDR for the most recent year of the period under review does not exceed 60.0%. Refer to Note 1 below for details of how the threshold for this ratio has been adjusted to better meet the needs of first nation grant applicants.
Adjusted Net Debt Ratio (“Adjusted NDR”) The purpose of the Adjusted NDR is to measure a first nation’s ability to manage its overall level of debt, excluding the impact of any long-term debt used to construct or acquire tangible capital assets. It measures the size of the adjusted net debt burden in relation to one year annual revenues available to cover debt service. Refer to Note 2 below for an explanation of why this adjusted ratio has been developed and how it is intended to better meet the needs of first nation grant applicants.	$\frac{(TL_x - TFA_x - TCA_x)}{TR_x}$ TL: Total liabilities in year ‘X’ TFA: Total financial assets in year ‘X’ TCA: Cumulative tangible capital asset purchases funded by long-term debt over the review period including and up to year ‘X’ TR: Total revenues in year ‘X’	The first nation demonstrates that its weighted average Adjusted NDR for the period under review does not exceed 60.0% or that its Adjusted NDR for the most recent year of the period under review does not exceed 60.0%.
Interest Expense Ratio (“IER”) The purpose of the IER is to measure a first nation’s ability to manage its overall level of debt. It measures the size of the first nation’s interest expense burden in relation to annual revenue.	$\frac{TIE}{TR}$ TIE: Total interest expense during the period under review TR: Total revenues during the period under review	The first nation demonstrates that its IER for the period under review does not exceed 5.0%.

(Source: C2 Financial Performance Standards, February 22, 2018)

Note 1 – Net Debt Ratio Threshold

The original NDR threshold of 50% contained in the *C2 Financial Performance Standards* has been adjusted to 60% for the purposes of grant eligibility to better reflect the risk profile of how this ratio is being used. The *C2 Financial Performance Standards* were originally developed to meet the needs of the capital markets and lending intuitions in situations where first nations were entering into long-term pooled debenture financing. Since the decision by ISC to offer a grant to a first nation does not have an equivalent risk associated to it, this threshold has been increased to 60%.

Note 2 – Adjusted Net Debt Ratio

An Adjusted version of the original NDR contained in the *C2 Financial Performance Standards* has been developed for the purposes of grant eligibility to respond to a situation that may unfairly impact some first nations. It is possible that some first nations who have previously received a Financial Performance Certificate from the FMB and used it to become borrowing members of the First Nations Finance Authority may no longer meet the original Net Debt Ratio. In many cases these borrowing members have used their long-term debt proceeds to construct or acquire on-reserve infrastructure or other tangible capital assets. This increase in debt will make it harder for the first nation to continue to meet the NDR in the *Financial Performance Standards*. In order to accommodate this unique situation, and to differentiate the use of the *Financial Performance Standards* as means of making a first nation eligible to borrow from the capital markets from their use in determining eligibility for grant funding (see Note 1 above), the Adjusted NDR has been developed that contains the following changes:

- cumulative tangible capital asset purchases financed by long-term debt has been included in the numerator of the NDR formula as a deduction from any net debt; and
- the threshold has been increased from 50.0% to 60.0%.

These two adjustments to the NDR are expected to respond to this unique issue and will reflect the lower risk profile of using this ratio for grant eligibility compared to eligibility to borrow from the capital markets.

APPENDIX D – ILLUSTRATIVE AGREED UPON PROCEDURES TO EVALUATE THE IMPLEMENTATION OF A FAL / FAB

The following are illustrative procedures only and represent a standardised version based on the requirements that exist in either a Financial Administration Law enacted under section 9 of the *First Nations Fiscal Management Act* or a Financial Administration By-law enacted under section 83 of the *Indian Act*. These procedures will be further tailored by a reviewer depending on whether a FAL or FAB has been enacted and whether the law contains references to local revenues or property tax. Refer to Appendix I for the detailed workbook template containing these tailored procedures.

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
1	Council Responsibilities	Green	Council may delegate to an officer, employee, committee, contractor or agent any function of the council respecting the financial administration of the first nation except the approval of policies or procedures or the giving of directions respecting any financial administration matter which under the FAL/FAB are the responsibility of the council.	If the First Nation has recently adopted any new FMS policies, procedures or directions, obtain a copy of the Council meeting minutes demonstrating that Council has approved the policies, procedures or directions.	1) Inquire 2) Council meeting minutes where a policy was recently approved	8.(2) (a)	8.(2) (a)	8.(2) (a)	8.(2) (a)
2	Finance and Audit Committee	Green	Council may delegate to an officer, employee, committee, contractor or agent any function of the council respecting the financial administration of the first nation except the appointment of members, the chair and the vice-chair of the Finance and Audit Committee.	If the First Nation has appointed members to a Finance and Audit Committee, obtain the Council meeting minutes documenting Council's appointment of the members of the Finance and Audit Committee.	Council meeting minutes where the FAC was established and members were appointed.	8.(2) (b)	8.(2) (b)	8.(2) (b)	8.(2) (b)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
3	Council Responsibilities	Green	Council may delegate to an officer, employee, committee, contractor or agent any function of the council respecting the financial administration of the first nation except the approval of first nation borrowing.	If the First Nation has recently borrowed, obtain a copy of the Council meeting minutes demonstrating that Council has approved the new borrowing.	1) Inquiry 2) Council meeting minutes where a borrowing was recently approved	8.(2) (d)	8.(2) (d)	8.(2) (d)	8.(2) (d)
4	Finance and Audit Committee	Green	The Finance and Audit Committee of the First Nation is established to provide Council with advice and recommendations in order to support Council's decision-making process respecting the financial administration of the First Nation.	Inquire whether the First Nation has established a Finance and Audit Committee.	Inquiry	12.(1)	12.(1)	12.(1)	12.(1)
5	Senior Manager	Green	The Council must appoint a person as senior manager of the First Nation and may set the terms and conditions of that appointment.	Obtain the organizational chart and confirm through inquiry that a senior manager has been appointed.	1) Inquiry 2) Current organizational chart	18.(1)	18.(1)	18.(1)	18.(1)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
6	Senior Financial Officer	Green	The Council must appoint a person as senior financial officer of the First Nation and may set the terms and conditions of that appointment.	Obtain the organizational chart and confirm through inquiry that a senior financial officer has been appointed.	1) Inquiry 2) Current organizational chart	19.(1)	19.(1)	19.(1)	19.(1)
7	Organizational Chart	Green	The Council must establish and maintain a current organization chart for the governance, management and administrative system of the First Nation.	Obtain a copy of the organizational chart for the First Nation and confirm that it depicts the current governance, management and administrative systems of the First Nation.	Current organizational chart	21.(1)	20.(1)	21.(1)	20.(1)
8	Conduct Expectations	Green	If there have been any breaches of the conduct expectations set out in the FAL/FAB, the following actions may be taken: a. an officer or employee may be disciplined, including dismissal; b. a contactor's contact may be terminated; c. the appointment of a member of a committee	Inquire whether there have been any breaches of the conduct expectations set out in the FAL/FAB, and confirm what actions were taken, which could include the following: a. an officer or employee may be disciplined, including	Inquiry	23.(4) (a) - (d)	22.(4) (a) - (d)	23.(4) (a) - (d)	22.(4) (a) - (d)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			may be revoked; or d. the appointment of an agent may be revoked.	dismissal; b. a contactor's contact may be terminated; c. the appointment of a member of a committee may be revoked; or d. the appointment of an agent may be revoked.					
9	Fiscal Year	Yellow	The fiscal year of the First Nation is April 1 to March 31 of the following year.	Obtain the First Nation's audited annual financial statements for the most recent year and use the financial statements to confirm that the fiscal year of the First Nation is April 1 to March 31.	Most recent audited annual financial statements	24.0	23.0	24.0	23.0
10	Multi-year Financial Plan	Green	No later than March 31 of each year, the Council must approve a multi-year financial plan.	Obtain the Council meeting minutes which demonstrate the approval of the multi- year financial plan by March 31.	1) Most recent multi-year financial plan 2) Council meeting minutes where the multi- year financial plan was approved by Council	25.0	24.0	25.0	24.0

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
11	Multi-year Financial Plan	Green	No later than March 31 of each year, the Council must approve a multi-year financial plan that has a planning period of five (5) years comprised of the current fiscal year and the four (4) succeeding fiscal years	Obtain the most recent multi-year financial plan of the First Nation that was approved by Council and confirm that it has a planning period of five (5) years, comprised of the current fiscal year and the four (4) succeeding years.	Most recent multi-year financial plan	25.0 (a)	24.0 (a)	25.0 (a)	24.0 (a)
12	Multi-year Financial Plan	Green	No later than March 31 of each year, the Council must approve a multi-year financial plan that is based on the projections of revenues, expenditures and transfers between accounts.	Obtain the most recent multi-year financial plan of the First Nation that was approved by Council and confirm that it is based on the projections of revenues, expenditures and transfers between accounts.	Most recent multi-year financial plan	25.0 (b)	24.0 (b)	25.0 (b)	24.0 (b)
13	Multi-year Financial Plan	Green	No later than March 31 of each year, the Council must approve a multi-year financial plan that sets out projected revenues, segregated by significant category.	Obtain the most recent multi-year financial plan of the First Nation that was approved by Council and confirm that it sets out projected revenues, segregated by significant category.	Most recent multi-year financial plan	25.0 (c)	24.0 (c)	25.0 (c)	24.0 (c)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
14	Multi-year Financial Plan	Green	No later than March 31 of each year, the Council must approve a multi-year financial plan that sets out projected expenditure, segregated by significant category.	Obtain the most recent multi-year financial plan of the First Nation that was approved by Council and confirm that it sets out projected expenditures, segregated by significant category.	Most recent multi-year financial plan	25.0 (d)	24.0 (d)	25.0 (d)	24.0 (d)
15	Multi-year Financial Plan	Green	No later than March 31 of each year, the Council must approve a multi-year financial plan that in respect of transfers between accounts, it sets out the amounts from the tangible capital asset reserve account.	Obtain the most recent multi-year financial plan of the First Nation that was approved by Council and confirm that in respect of transfers between accounts, it sets out the amounts from the tangible capital asset reserve account.	Most recent multi-year financial plan	25.0 (e)	24.0 (e)	25.0 (e)	24.0 (e)
16	Multi-year Financial Plan	Green	No later than March 31 of each year, the Council must approve a multi-year financial plan that shows all categories of restricted cash.	Obtain the most recent multi-year financial plan of the First Nation that was approved by Council and confirm that it shows all categories of restricted cash.	Most recent multi-year financial plan	25.0 (f)	24.0 (f)	25.0 (f)	24.0 (f)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
17	Multi-year Financial Plan	Green	No later than March 31 of each year, the Council must approve a multi-year financial plan that it indicates whether in any of the five (5) years of the plan a deficit or surplus is expected from the projection of revenues and expenditure for that year.	Obtain the most recent multi-year financial plan of the First Nation that was approved by Council and confirm that it indicates whether in any of the five (5) years of the plan a deficit or surplus is expected from the projection of revenues and expenditure for that year.	Most recent multi-year financial plan	25.0 (g)	24.0 (g)	25.0 (g)	24.0 (g)
18	Annual Budget	Yellow	The annual budget must encompass all the operations for which the First Nation is responsible.	Obtain the most recent annual budget of the First Nation that was approved by Council and confirm that it includes all operations of the First Nation (i.e. a consolidated budget)	Most recent approved annual budget	26.(l)	25.(l)	26.(l)	25.(l)
19	Annual Budget	Yellow	The annual budget must identify anticipated revenues, segregated by significant category, with estimates of the amount of revenue from each category.	Obtain the most recent annual budget of the First Nation that was approved by Council and confirm that it includes estimated revenues by category	Most recent approved annual budget	26.(l) (a)	25.(l) (a)	26.(l) (a)	25.(l) (a)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
20	Annual Budget	Yellow	The annual budget must identify each anticipated significant category of expenditure and estimate the amount of expenditure for each category.	Obtain the most recent annual budget of the First Nation that was approved by Council and confirm that it includes estimated expenditures by category	Most recent approved annual budget	26.(1) (b)	25.(1) (b)	26.(1) (b)	25.(1) (b)
21	Annual Budget	Yellow	The annual budget must identify any anticipated surplus or authorized deficit and the application of year end surplus funds.	Obtain the most recent annual budget of the First Nation that was approved by Council and confirm that it includes estimated annual surplus (deficit) and accumulated surplus (deficit)	Most recent approved annual budget	26.(1) (c)	25.(1) (c)	26.(1) (c)	25.(1) (c)
22	Annual Budget	Yellow	If the First Nation derives revenue from lands, the revenue category of moneys derived from the First Nation's lands must be shown separately in the annual budget from other revenues and must include a sub-category for revenues from natural resources obtained from the First Nation's lands.	If the First Nation derives revenue from lands, obtain the most recent annual budget of the First Nation that was approved by Council and confirm that estimated revenue from lands are shown separately from other revenues.	Most recent approved annual budget	26.(2) 26.(3)	25.(2) 25.(3)	26.(2) 26.(3)	25.(2) 25.(3)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
23	Annual Budget	Yellow	On or before January 31 of each year, the senior financial officer must prepare and submit to the Finance and Audit Committee for review a draft annual budget for the next fiscal year.	N/A – As the appointment of people to the Finance and Audit Committee is not an operative component of the FAL / FAB, this provision will not be tested	N/A	27.(1)	26.(1)	27.(1)	26.(1)
24	Multi-year Financial Plan	Yellow	On or before January 31 of each year, the senior financial officer must prepare and submit to the Finance and Audit Committee for review a draft multi-year financial plan for the next fiscal year.	N/A – As the appointment of people to the Finance and Audit Committee is not an operative component of the FAL / FAB, this provision will not be tested	N/A	27.(1)	26.(1)	27.(1)	26.(1)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
25	Annual Budget	Yellow	On or before February 15 of each year, the Finance and Audit Committee must review the draft annual budget and recommend an annual budget to the Council for approval.	N/A – As the appointment of people to the Finance and Audit Committee is not an operative component of the FAL / FAB, this provision will not be tested	N/A	27.(2) (a)	26.(2) (a)	27.(2) (a)	26.(2) (a)
26	Multi-year Financial Plan	Yellow	On or before February 15 of each year, the Finance and Audit Committee must review the draft multi-year financial plan and recommend a multi-year financial plan to the Council .	N/A – As the appointment of people to the Finance and Audit Committee is not an operative component of the FAL / FAB, this provision will not be tested	N/A	27.(2) (b)	26.(2) (b)	27.(2) (b)	26.(2) (b)
27	Annual Budget	Yellow & Green	On or before March 31 of each year, the Council must review and approve the annual budget for the First Nation for the next fiscal year.	Obtain the Council meeting minutes and supporting documentation which demonstrate the review and approval by	1) Council meeting minutes where annual budget was approved by Council 2) Final budget	27.(3) 8.(2) (c)	26.(3) 8.(2) (c)	27.(3) 8.(2) (c)	26.(3) 8.(2) (c)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
				Council of the annual budget for the next fiscal year on or before March 31.	included with meeting materials				
28	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues or property taxes, on or before June 15 of each of each year, the senior financial officer must prepare and submit to the Finance and Audit Committee for review a draft amendment of the component of the annual budget respecting the First Nation's local revenues or property taxes.	Obtain the draft budget amendment for local revenue and evidence that it was submitted to the Finance and Audit Committee for review on or before June 15.	1) Draft budget amendment for local revenue 2) Evidence of draft budget amendment for local revenue being submitted to FAC for review (e.g. email distribution, meeting minutes)	27.(4)	N/A	27.(4)	N/A

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
29	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues or property taxes, on or before June 30 of each year, the Finance and Audit Committee must review the draft amendment of the a component of the annual budget respecting the First Nation's local revenues or property taxes and recommend and amendment to the annual budget to the Council for approval.	Obtain the Finance and Audit Committee minutes and supporting documentation which demonstrate the review and recommendation to Council of the draft amendment of the component of the annual budget respecting the First Nation's local revenues or property taxes on or before June 30 of each year.	1) FAC meeting minutes where draft local revenue budget amendment was reviewed by the FAC and recommended to Council 2) Draft local revenue budget amendment included with meeting materials	27.(5)	N/A	27.(5)	N/A
30	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues or property taxes, no later than July 15 of each year, the Council must approve the amendment of the component of the annual budget respecting the First Nation's local revenue or property taxes.	Obtain the Council meeting minutes and supporting documentation which demonstrate the review and approval by Council of the amendment of the component of the annual budget respecting the First Nation's local revenue or property taxes no later than July 15 of each year.	1) Council meeting minutes where the local revenue budget amendment was approved by Council 2) Final local revenue budget amendment included with meeting materials	27.(6)	N/A	27.(6)	N/A

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
31	Annual Budget	Yellow	The annual budget of the First Nation must not be changed without the approval of the Council.	If the First Nation has amended its annual budget, obtain the amended budget and the Council meeting minutes which demonstrate the review and approval by Council of the amended annual budget.	1) Council meeting minutes where the amended annual budget was approved 2) Amended budget included with meeting materials	29.(1)	28.(1)	29.(1)	28.(1)
32	Annual Budget	Yellow	Unless there is a substantial change in the forecasted revenues or expenses of the First Nation or in the expenditure priorities of the Council, the Council must not approve a change to the annual budget of the First Nation, with the exception of any amendments for emergency expenditures and amendments for local revenue or property taxation, as applicable, as described in other sections of the First Nation's FAL/FAB.	If the First Nation has amended its annual budget, obtain the amended budget and inquire about the reasons for the amendments and confirm that the budget has only been amended in circumstances where there is a substantial change in the forecasted revenues or expenditures of the First Nation or in the expenditure priorities of the Council.	1) Approved amended annual budget 2) Inquiry	29.(2)	28.(2)	29.(2)	28.(2)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
33.1	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues under the FMA, despite any other provisions of the FAL, any part of a budget relating to local revenues must be prepared, approved and amended in accordance with applicable provisions of the Act and of the FNTC standards.	Obtain a copy of the First Nation's Annual Expenditure Law for the most recent year from the FN Gazette and confirm that it has been approved by the FNTC.	Most recent Annual Expenditure Law	30.0	N/A	N/A	N/A
33.2	Local Revenue / Property Taxation	Yellow	If a First Nation is levying property tax under the Indian Act, despite any other provisions of the FAB, any part of a budget relating to property taxes must be prepared, approved and amended in accordance with applicable provisions of the First Nation's property taxation by-law.	Obtain a copy of the First Nation's Annual Property Taxation Budget By-Law for the most recent year from the FN Gazette and confirm that it has been approved by the Minister.	Most recent Annual Property Taxation Budget By-Law	N/A	N/A	30.0	N/A

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
34	Local Revenue / Property Taxation	Green	If a First Nation is levying local revenues or property taxes, the Council must establish policies or procedures or give directions respecting the means by which members of the First Nation must be informed about or involved in consideration of the component of the annual budget respecting the First Nation's local revenues or property taxes.	Obtain Council's documented policies and procedures that establish the means by which members of the First Nation must be informed about or involved in consideration of the component of the annual budget respecting the First Nation's local revenues or property taxes.	1) Policy on informing / involving members in the local revenue or property tax annual budget 2) Council meeting minutes where the policy was approved	31.(1) (a)	N/A	31.(1) (a)	N/A
35	Annual Budget	Green	The Council must establish policies or procedures or give directions respecting the means by which members of the First Nation must be informed about or involved in consideration of the annual budget, including any projected budget deficits.	Obtain Council's documented policies and procedures that establish the means by which members of the First Nation must be informed about or involved in consideration of the annual budget.	1) Policy on informing / involving members in the annual budget 2) Council meeting minutes where the policy was approved	31.(1) (a) & (c)	29.(1) (a) & (c)	31.(1) (a) & (c)	29.(1) (a) & (c)
36	Multi-year Financial Plan	Green	The Council must establish policies or procedures or give directions respecting the means by which members of the First Nation	Obtain Council's documented policies and procedures that establish the means by which members of the	1) Policy on informing / involving members in the multi-year	31.(1) (b)	29.(1) (b)	31.(1) (b)	29.(1) (b)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			must be informed about or involved in consideration of the multi-year financial plan.	First Nation must be informed about or involved in consideration of the multi-year financial plan.	financial plan 2) Council meeting minutes where the policy was approved				
37	Extraordinary Expenditures	Green	The Council must establish policies or procedures or give directions respecting the means by which members of the First Nation must be informed about or involved in consideration of extraordinary expenditures.	Obtain Council's documented policies and procedures that establish the means by which members of the First Nation must be informed about or involved in consideration of extraordinary expenditures.	1) Policy on informing / involving members in extraordinary expenditures 2) Council meeting minutes where the policy was approved	31.(1) (c)	29.(1) (c)	31.(1) (c)	29.(1) (c)
38	Annual Audited Financial Statements	Yellow	At the end of each fiscal year the senior financial officer must prepare the annual financial statements of the First Nation for that fiscal year in accordance with GAAP and to a standard that is at least comparable to that generally accepted for governments in Canada.	Obtain the First Nation's audited annual financial statements for the most recent year and use the financial statement note disclosures and auditor's report to confirm that the First Nation has complied with Canadian public sector accounting standards in the preparation of the annual financial statements.	Most recent audited annual financial statements	69.0 73.(2) 73.(3) 73.(4) (a)	67.0 71.(1) 71.(2) 71.(3) (a)	68.0 72.(1) 72.(2) 72.(3) (a)	66.0 69.(1) 69.(2) 69.(3) (a)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
39	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues or property taxes, the senior financial officer must account for local revenues / property taxation of the First Nation separately from other moneys of the First Nation.	Obtain a general ledger report (i.e. YTD income statement for the most recent month-end) from the First Nation's accounting system demonstrating separate accounting for local revenues / property taxation.	General ledger report (i.e. YTD income statement) for the most recent month-end for the local revenues / property taxation account	70.(1)	N/A	69.0	N/A
40	FNFA Borrowing Members	Yellow	If the First Nation has a loan from the First Nations Finance Authority that is secured by other revenues, the senior financial officer must account for all other revenues of the First Nation separately from other moneys of the First Nations.	If the First Nation has a loan from the First Nations Finance Authority that is secured by other revenues obtain a general ledger report (i.e. YTD income statement for the most recent month-end) from the First Nation's accounting system demonstrating separate accounting for other revenues.	General ledger report (i.e. YTD income statement) for the most recent month-end for the other revenue account	70.(2) (a)	68.0 (a)	N/A	N/A
41	FNFA Borrowing Members	Yellow	If the First Nation has a loan from the First Nations Finance Authority that is secured by other revenues, the senior financial officer must provide the First Nations Finance Authority or the Board, on its request,	If the First Nation has a loan from the First Nations Finance Authority that is secured by other revenues obtain a confirmation from FNFA that they are not	FNFA confirmation	70.(2) (b)	68.0 (b)	N/A	N/A

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			with accounting information respecting the other revenues.	aware of any issues with regards to requests for information from the First Nation related to other revenues.					
42	Monthly Financial Reporting	Yellow	At the end of each month, the senior financial officer must prepare financial information respecting the financial affairs of the First Nation for the month.	Obtain the most recent monthly financial information package prepared by management.	Most recent monthly financial information package	71.(1)	69.(1)	70.(1)	67.(1)
43	Monthly Financial Reporting	Yellow	At the end of each month, the senior financial officer must provide the monthly financial information to the Council and the Finance and Audit Committee not more than forty-five (45) days following the end of the month for which the information was prepared.	Obtain the most recent monthly financial information package prepared by management and supporting evidence that it has been distributed to Council not more than forty-five (45) days following the end of the month for which the information was prepared (i.e. email, document on shared drive, etc.).	1) Most recent monthly financial information package 2) Evidence of distribution of monthly package to Council	71.(2)	69.(2)	70.(2)	67.(2)
44	Quarterly Financial Reporting	Yellow	At the end of each quarter of the fiscal year, the senior financial officer must prepare financial	Obtain most recent quarterly financial statements.	Most recently quarterly financial statements	72.(1)	70.(1)	71.(1)	68.(1)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			statements for the First Nation for the quarter.						
45	Quarterly Financial Reporting	Yellow	At the end of each quarter of the fiscal year, the senior financial officer must prepare financial statements for the First Nation for the quarter and must provide the quarterly financial statements to the Council and the Finance and Audit Committee for not more than forty-five (45) days after the end of the quarter of the fiscal year for which they were prepared.	Obtain the most recent quarterly financial information package prepared by management and supporting evidence that it has been distributed to Council not more than forty-five (45) days following the end of the quarter for which the information was prepared (i.e. email, document on shared drive, etc.).	1) Most recent quarterly financial information package 2) Evidence of distribution of quarterly package to Council	72.(2)	70.(2)	71.(2)	68.(2)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
46	Quarterly Financial Reporting	Yellow	The quarterly financial statements prepared by management must be reviewed by the Finance and Audit Committee and recommended to Council for approval.	N/A – As the appointment of people to the Finance and Audit Committee is not an operative component of the FAL / FAB, this provision will not be tested	N/A	72.(3) (a)	70.(3) (a)	71.(3) (a)	68.(3) (a)
47	Quarterly Financial Reporting	Yellow	The quarterly financial statements prepared by management must be reviewed and approved by the Council.	Obtain most recent quarterly financial statements and the Council meeting minutes which demonstrate the review and approval by Council of the quarterly financial statements.	1) Most recently quarterly financial statements 2) Council meeting minutes where quarterly financial statements were reviewed and approved by Council	72.(3) (b)	70.(3) (b)	71.(3) (b)	68.(3) (b)
48	Annual Audited Financial Statements	Yellow	If the First Nation derives revenue from lands, the annual financial statements must include revenue respecting moneys derived from lands, categorized and shown separately from	If the First Nation derives revenue from lands, obtain the First Nation's audited annual financial statements for the most recent year and confirm that	Most recent audited annual financial statements	73.(4) (b)	71.(3) (b)	72.(3) (b)	69.(3) (b)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			other revenues with a sub-category for any revenues from natural resources obtained from first nation lands.	that revenues from lands are shown separately from other revenues on the statement of operations or in the note disclosures or supporting schedules.					
49	Annual Audited Financial Statements	Yellow	The senior financial officer must provide draft annual financial statements to the Finance and Audit Committee for review within forty-five (45) days following the end of the fiscal year for which they were prepared.	N/A – As the appointment of people to the Finance and Audit Committee is not an operative component of the FAL / FAB, this provision will not be tested	N/A	73.(5)	71.(4)	72.(4)	69.(4)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
50	Annual Audited Financial Statements	Yellow	The Finance and Audit Committee must present draft annual financial statements to the Council for review within sixty (60) days following the end of the fiscal year for which they were prepared.	Obtain the Council meeting minutes and supporting documentation which demonstrate the presentation of the draft annual financial statements to Council within sixty (60) days following the end of fiscal year for which they were prepared.	1) Council meeting minutes where the draft annual financial statements were presented to the Council 2) Draft annual financial statements included in meeting materials	73.(6)	71.(5)	72.(5)	69.(5)
51.1	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues under the FMA and in circumstances where the First Nation collects in excess of \$400,000 in local revenues annually (or has opted to prepare separate local revenue financial statements), the senior financial officer must prepare separate annual financial statements respecting the First Nation's local revenues in accordance with Board standards respecting	If the First Nation collects in excess of \$400,000 in local revenues annually (or has opted to prepare separate local revenue financial statements), obtain the separate annual local revenue financial statements and independent auditor's report on those statements that confirm that the Board's Local Revenue Standards have been complied with.	Most recent audited separate local revenue financial statements	74.(1) 78.(2)	N/A	N/A	N/A

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			financial reporting of local revenues.						
51.2	Local Revenue / Property Taxation	Yellow	If the First Nation levies property taxes under the Indian Act, the separate annual financial statements respecting property taxes must be audited by the auditor at least once every calendar year.	If the First Nation levies property taxes under the Indian Act, obtain the separate annual property taxation financial statements and independent auditor's report on those statements that confirm that the financial statements have been prepared in accordance with the requirements of the First Nation's Financial Administration By-Law.	Most recent audited separate property tax financial statements	N/A	N/A	73.0 77.(2)	N/A

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
52	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues under the FMA, the council must establish policies and procedures respecting the annual preparation , review, audit and approval of the local revenue annual financial statements including any required deadlines for completing these activities.	Obtain the Council approved policies and procedures respecting the annual preparation , review, audit and approval of the local revenue annual financial statements and confirm that these policies and procedures are consistent with the requirements of the Board's standard and include any required deadlines for completing these activities.	1) Local revenue financial reporting policy 2) Council meeting minutes where the policy was approved by Council	74.(2) 74.(3)	N/A	N/A	N/A
53	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues under the FMA and in circumstances where the First Nation collects less than \$400,000 in local revenues annually (and has not opted to prepare separate local revenue financial statements), the First Nation may report on its local revenues in its audited annual financial statements as a distinct segment of the	If the First Nation collects less than \$400,000 in local revenues annually (and has not opted to prepare separate local revenue financial statements), obtain the First Nation's annual audited financial statements and ensure that the First Nation has disclosed local revenues and expenditures as a	Most recent audited annual financial statements	74.(4)	N/A	N/A	N/A

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			activities that appear in those statements.	distinct reporting segment in accordance with the Board's Local Revenue Standards.					
54	External Auditor	Yellow	The First Nation must appoint an auditor for each fiscal year to hold office until the later of a. the end of the Council meeting when the audited annual financial statements for that fiscal year are being considered; or b. the date the auditor's successor is appointed.	Obtain the external auditor engagement letter for the most recent year which demonstrates the appointment of the external auditor and that the external audit will hold office until the audited financial statements are approved by Council or when the auditor's successor is appointed.	External auditor engagement letter for the most recent year	76.(1) (a) - (b)	73.(1) (a) - (b)	75.(1) (a) - (b)	71.(1) (a) - (b)
55.1	External Auditor	Yellow	The terms and conditions of the appointment of the auditor must be set out in an engagement letter approved by the Finance and Audit Committee and must include the auditor's obligation a. to confirm in writing that the annual financial statements and they audit	Obtain the external auditor engagement letter for the most recent year and ensure that the terms of the engagement letter include the obligation that the auditor confirm in writing that the annual financial statements and the	External auditor engagement letter for the most recent year	76.(2) (a) - (b)	73.(2) (a) - (b)	N/A	N/A

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			of them comply with the FAL, the Act and Board standards, where applicable, or b. to identify in writing consequential non-compliance matters.	audit of them comply with the First Nation's Law, the Act and Board standards, where applicable and document those matters of consequential non-compliance.					
55.2	External Auditor	Yellow	The terms and conditions of the appointment of the auditor must be set out in an engagement letter approved by the Finance and Audit Committee and must include the auditor's obligation a. to confirm in writing that the annual financial statements and they audit of them comply with the FAL / FAB, or b. to identify in writing consequential non-compliance matters.	Obtain the external auditor engagement letter for the most recent year and ensure that the terms of the engagement letter include the obligation that the auditor confirm in writing that the annual financial statements and the audit of them comply with the First Nation's FAL / FAB and document those matters of consequential non-compliance.	External auditor engagement letter for the most recent year	N/A	N/A	75.(2) (a) - (b)	71.(2) (a) - (b)
56	External Auditor	Yellow	To be eligible for appointment as the auditor of the First Nation, an auditor must be independent of the First Nation, its related bodies,	Obtain the Council meeting minutes and / or the external auditor engagement letter for the most recent year and confirm that the	External auditor engagement letter for the most recent year	76.(3) (a)	73.(3) (a)	75.(3) (a)	71.(3) (a)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			councillors and officers and members.	auditor has confirmed their independence from the First Nation and its related bodies, councillors and officers, and members.					
57	External Auditor	Yellow	To be eligible for appointment as the auditor of the First Nation, an auditor must be a public accounting firm or public accountant: i. in good standing with the Chartered Professional Accountants of Canada, the Canadian Institute of Chartered Accountants, the Certified General Accountants Association of Canada or the Society of Management Accountants of Canada and their respective counterparts in the province or territory in which the public accounting firm or public accountant is practicing, and ii. licensed or otherwise authorized to practice public accounting in the province or territory in which the majority of the	Confirm that the Council-appointed auditor for the most recent year is licensed and in good standing with the relevant provincial CPA organisation by performing a search of the relevant CPA organisation's firm directory or member database.	Web search of Provincial CPA firm directory	76.(3) (b)	73.(3) (b)	75.(3) (b)	71.(3) (b)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			reserve lands of the First Nation are located.						
58	External Auditor	Yellow	If the auditor ceases to be independent, the auditor must as soon as practicable after becoming aware of the circumstances a. advise the First Nation in writing of the circumstances; and b. eliminate the circumstances that resulted in loss of independence or resign as the auditor.	Inquire whether in the most recent year the auditor has informed the First Nation that they have ceased to be independent. In this situation obtain evidence that as soon as practicable after becoming aware of the circumstances that the auditor advised the First Nation in writing of the circumstances and eliminated the circumstances that resulted in loss of independence or resigned as the auditor.	1) Inquiry 2) Letter from auditor informing of loss of independence	76.(4) (a) - (b)	73.(4) (a) - (b)	75.(4) (a) - (b)	71.(4) (a) - (b)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
59	External Auditor	Yellow	To conduct an audit of the annual financial statements of the First Nation, the auditor must be given access to a. all records of the First Nation for examination or inspection and given copies of these records on requests; and b. any councillor, officer, employee, contractor or agent of the First Nation to ask any questions or request any information.	Obtain the independent auditor's report attached to the most recent annual financial statements and management's statement of responsibility and confirm that there are no circumstances indicated in either the auditor's report or the statement that would indicate that the auditor did not have access to: a. all records of the First Nation for examination or inspection and given copies of these records on requests; and b. any councillor, officer, employee, contractor or agent of the First Nation to ask any questions or request any information.	Most recent audited annual financial statements	77.(1) (a) - (b) 77.(2) (a) - (b)	74.(1) (a) - (b) 74.(2) (a) - (b)	76.(1) (a) - (b) 76.(2) (a) - (b)	72.(1) (a) - (b) 72.(2) (a) - (b)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
60	External Auditor	Yellow	The auditor must be given notice of every meeting of the Finance and Audit Committee and must be given the opportunity to be heard at those meetings on issues that concern the auditor as auditor of the First Nation. The auditor may be excluded from all or any part of the meeting by a recorded vote if the subject matter relates to the retaining or dismissal of the auditor.	N/A – As the appointment of people to the Finance and Audit Committee is not an operative component of the FAL / FAB, this provision will not be tested	N/A	77.(3) (a) 77.(4) 77.(5) 77.(6)	74.(3) (a) 74.(4) 74.(5) 74.(6)	76.(3) (a) 76.(4) 76.(5) 76.(6)	72.(3) (a) 72.(4) 72.(5) 72.(6)
61	External Auditor	Yellow	The auditor must be given notice of the Council meeting where the annual audit, including the annual financial statements, will be considered and approved and must be given the opportunity to be heard at those meetings on issues that concern the auditor as auditor of the First Nation. The auditor may be excluded from all or any part of the meeting by a recorded vote if the subject matter relates to the retaining or dismissal of the auditor.	Obtain the Council meeting minutes where the most recent annual audited financial statements were considered and approved and confirm that the auditor attended that meeting or was given notice and invited to attend the meeting.	1) Council meeting minutes where the audited financial statements were approved, or 2) Notice provided to external auditor to attend the Council meeting where the financial statements were approved	77.(3) (b) 77.(6)	74.(3) (B) 74.(6)	76.(3) (b) 76.(6)	72.(3) (B) 72.(6)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
62	Annual Audited Financial Statements	Yellow	The annual financial statements of the First Nation must be audited by the auditor not more than one hundred and twenty (120) days after the fiscal-year end.	Obtain the most recent annual audited financial statements and confirm that the date of the auditor's report was not more than one hundred and twenty (120) days after the fiscal-year end.	Most recent audited annual financial statements	78.(1)	75.(1)	77.(1)	73.(1)
63	Annual Audited Financial Statements	Yellow	The auditor must conduct the audit of the annual financial statements in accordance with generally accepted auditing standards established by the Chartered Professional Accountants of Canada.	Obtain the most recent annual audited financial statements and confirm that the auditor's report indicates that the audit was conducted in accordance with generally accepted auditing standards established by CPA Canada.	Most recent audited annual financial statements	78.(3)	75.(2)	77.(3)	73.(2)
64	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues under the FMA and collects in excess of \$400,000 (or has opted to prepare separate local revenue financial statements), the audit of the local revenue financial statements must be conducted in accordance with generally accepted auditing standards	If the First Nation collects in excess of \$400,000 in local revenues annually, or chooses to prepare separate local revenue financial statements, obtain the most recent annual audited local revenue financial statements and confirm that the	Most recent audited separate local revenue financial statements	78.(3)	N/A	N/A	N/A

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			established by the Chartered Professional Accountants of Canada.	auditor's report indicates that the audit was conducted in accordance with generally accepted auditing standards established by CPA Canada.					
65	Annual Audited Financial Statements	Yellow	When conducting the audit, the auditor must provide an audit opinion of the annual financial statements.	Obtain the audited annual financial statements and ensure that the independent auditor's report is attached and that the auditor's report includes an opinion on the financial statements.	Most recent audited annual financial statements	78.(4) (a) 80.(1) (c)	75.(3) (a) 77.(1) (c)	77.(4) (a) 79.(1) (c)	73.(3) (a) 75.(1) (c)
66	Special Purpose Reports	Yellow	If the First Nation has made any payments to honour guarantees or indemnities in the most recently ended fiscal year; when conducting the audit, the auditor must provide an audit report or review engagement report on the related special purpose report.	N/A – As the provision requiring the preparation of special purpose reports is not in scope this provision will not be evaluated	Most recent special purpose report on payments made to honour guarantees or indemnities	78.(4) (b)	75.(3) (b)	77.(4) (b)	73.(3) (b)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
67	Special Purpose Reports	Yellow	If the First Nation has forgiven any debts or obligations in the most recently ended fiscal year; when conducting the audit, the auditor must provide an audit report or review engagement report on the related special purpose report.	N/A – As the provision requiring the preparation of special purpose reports is not in scope this provision will not be evaluated	Most recent special purpose report on debts or obligations forgiven by the First Nation	78.(4)(b)	75.(3)(b)	77.(4)(b)	73.(3)(b)
68	Special Purpose Reports	Yellow	When conducting the audit, the auditor must provide an audit report or review engagement report on the Councillor Remuneration special purpose report.	N/A – As the provision requiring the preparation of special purpose reports is not in scope this provision will not be evaluated	Most recent special purpose report on Councillor remuneration	78.(4)(b)	75.(3)(b)	77.(4)(b)	73.(3)(b)
69	Special Purpose Reports	Yellow	If the First Nation provided loans to members or entities in which a member of the First Nation has an interest in the most recently ended fiscal year; when conducting the audit, the auditor must provide an audit report or review engagement report on the related special purpose report.	N/A – As the provision requiring the preparation of special purpose reports is not in scope this provision will not be evaluated	Most recent special purpose report on loans to members or entities in which a member has an interest	78.(4)(b)	75.(3)(b)	77.(4)(b)	73.(3)(b)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
70	Special Purpose Reports	Yellow	If the First Nation has a land code in force; when conducting the audit, the auditor must provide an audit report or review engagement report on the related special purpose report.	N/A – As the provision requiring the preparation of special purpose reports is not in scope this provision will not be evaluated	Most recent special purpose report for compliance with the Land Code	78.(4) (b)	75.(3) (b)	77.(4) (b)	73.(3) (b)
71	Special Purpose Reports	Yellow	If the First Nation is required to prepare other special purpose reports under their Financial Administration Law or By-Law; the auditor must provide an audit report or review engagement report on the related special purpose report.	N/A – As the provision requiring the preparation of special purpose reports is not in scope this provision will not be evaluated	Most recent special purpose report, as applicable	78.(4) (b)	75.(3) (b)	77.(4) (b)	73.(3) (b)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
72	Annual Audited Financial Statements	Yellow	The audited annual financial statements must be provided to the Finance and Audit Committee for its review and consideration not more than one hundred and five (105) days after the fiscal year-end for which the statements were prepared.	N/A – As the appointment of people to the Finance and Audit Committee is not an operative component of the FAL / FAB, this provision will not be tested	N/A	79.(2)	76.(1)	78.(1)	74.(1)
73	Annual Audited Financial Statements	Yellow & Green	The Council must review and approve the audited annual financial statements not more than one hundred and twenty (120) days after the end of the fiscal year for which the statements were prepared.	Obtain the Council meeting minutes and supporting documentation which demonstrate the review and approval by Council of the audited annual financial statements not more than one hundred and twenty (120) days after the end of the fiscal year for which the statements were prepared.	Council meeting minutes from the meeting where the audited financial statements were reviewed and approved	79.(3) 80.(1) (a) 8.(2) (c)	76.(2) 77.(1) (a) 8.(2) (c)	78.(2) 79.(1) (a) 8.(2) (c)	74.(2) 75.(1) (a) 8.(2) (c)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
74	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues under the FMA and collects in excess of \$400,000 (or has opted to prepare separate local revenue financial statements), before the local revenue annual financial statements may be published or distributed, they must be approved by the Council.	If the First Nation collects in excess of \$400,000 in local revenues annually (or chooses to report local revenue in separate financial statements), obtain the Council meeting minutes and supporting documentation which demonstrate the review and approval by Council of the audited local revenue financial statements.	Council meeting minutes from the meeting where the audited local revenue financial statements were approved.	80.(1) (a)	N/A	N/A	N/A
75	Annual Audited Financial Statements	Yellow	Before the annual financial statements may be published or distributed, they must be signed by i. The Chief of the First Nation or the Council chair ii. The chair of the Finance and Audit Committee, and iii. the senior financial officer	Obtain the audited annual financial statements and ensure they have been signed by the Chief (or Council Chair) and the senior financial officer.	Most recent audited annual financial statements	80.(1) (b)	77.(1) (b)	79.(1) (b)	75.(1) (b)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
76	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues under the FMA and collects in excess of \$400,000 (or has opted to prepare separate local revenue financial statements), before the local revenue annual financial statements may be published or distributed, they must be signed by i. The Chief of the First Nation or the Council chair ii. The chair of the Finance and Audit Committee, and iii. the senior financial officer	If the First Nation collects in excess of \$400,000 in local revenues annually (or chooses to report local revenue in separate financial statements), obtain the audited local revenue financial statements and ensure they have been signed by the Chief (or Council Chair), the Chair of the Finance and Audit Committee and the senior financial officer.	Most recent audited separate local revenue financial statements	80.(1) (b)	N/A	N/A	N/A
77	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues under the FMA and collects in excess of \$400,000 (or has opted to prepare separate local revenue financial statements), before the local revenue annual financial statements may be published or distributed, they must include the auditor's audit report of the annual financial statements.	If the First Nation collects in excess of \$400,000 in local revenues annually (or chooses to report local revenue in separate financial statements), obtain the audited local revenue financial statements and ensure they include the auditor's audit report of the financial statements.	Most recent audited separate local revenue financial statements	80.(1) (c)	N/A	N/A	N/A

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
78	Annual Audited Financial Statements	Yellow	The audited annual financial statements must be available for inspection by members of the First Nation at the principal administrative offices of the First Nation during normal business hours.	Inquire whether the audited annual financial statements are available for inspection by members of the First Nation at the principal administrative offices of the First Nation during normal business hours.	Inquiry	80.(2)	77.(2)	79.(2)	75.(2)
79	Local Revenue / Property Taxation	Yellow	If a First Nation is levying local revenues under the FMA and collects in excess of \$400,000 (or has opted to prepare separate local revenue financial statements), the audited annual financial statements respecting local revenues must be available for inspection by any person referred to in subsection 14(2) of the Act at the principal administrative offices of the First Nation during normal business hours.	If the First Nation collects in excess of \$400,000 in local revenues annually (or chooses to report local revenue in separate financial statements), inquire whether the audited annual local revenue financial statements are available those listed in Section 14 (2) of the Act for inspection by at the principal administrative offices of the First Nation during normal business hours.	Inquiry	80.(3) (a)	N/A	N/A	N/A

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
80	Local Revenue / Property Taxation	Yellow	If the First Nation collects less than \$400,000 in local revenues annually and the First Nation's audited annual financial statements include a report on local revenues as a distinct segment of the activities that appear in those statements; the First Nation's audited annual financial statements must be available for inspection by any person referred to in subsection 14(2) of the Act at the principal administrative offices of the First Nation during normal business hours.	If the First Nation collects less than \$400,000 in local revenues annually (and chooses not to report local revenue in separate financial statements), inquire whether the audited annual financial statements, which include local revenue segment reporting, are available those listed in Section 14 (2) of the Act for inspection by at the principal administrative offices of the First Nation during normal business hours.	Inquiry	80.(3) (b)	N/A	N/A	N/A
81	Annual Report	Green	Not later than one hundred and eighty (180) days after the end of each fiscal year, the Council must prepare an annual report on the operations and financial performance of the First Nation for the previous fiscal year.	Obtain the First Nation's most recent Annual Report on the operations and financial performance of the First Nation and evidence demonstrating that it was prepared not later than one hundred and eighty (180) days after	Most recent Annual Report	81.(1)	78.(1)	80.(1)	76.(1)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
				the end of the fiscal year.					
82	Annual Report	Green	The annual report must include a description of the services and operations of the First Nation.	Obtain the First Nation's most recent Annual Report and confirm that it includes a description of the services and operations of the First Nation.	Most recent Annual Report	81.(2) (a)	78.(2) (a)	80.(2) (a)	76.(2) (a)
83	Annual Report	Green	The annual report must include a progress report on any established financial objectives and performance measures of the First Nation.	Obtain the First Nation's most recent Annual Report and confirm that it includes a progress report on any established financial objectives and performance measures of the First Nation.	Most recent Annual Report	81.(2) (b)	78.(2) (b)	80.(2) (b)	76.(2) (b)
84	Annual Report	Green	The annual report must include the audited annual financial statements for the previous fiscal year.	Obtain the First Nation's most recent Annual Report and confirm that it includes the audited annual financial statements for the previous fiscal year.	Most recent Annual Report	81.(2) (c)	78.(2) (c)	80.(2) (c)	76.(2) (c)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
85	Annual Report	Green	If the First Nation has made any payments to honour guarantees or indemnities in the most recently ended fiscal year; the annual report must include the related special purpose report, including the auditor's audit report or review engagement report.	If the First Nation has made any payments to honour guarantees or indemnities in the most recently ended fiscal year; obtain the First Nation's most recent Annual Report and confirm that it includes the related special purpose report, including the auditor's audit report or review engagement report.	Most recent Annual Report	81.(2) (d)	78.(2) (d)	80.(2) (d)	76.(2) (d)
86	Annual Report	Green	If the First Nation has forgiven any debts or obligations in the most recently ended fiscal year; the annual report must include the related special purpose report, including the auditor's audit report or review engagement report.	If the First Nation has forgiven any debts or obligations in the most recently ended fiscal year; obtain the First Nation's most recent Annual Report and confirm that it includes the related special purpose report, including the auditor's audit report or review engagement report.	Most recent Annual Report	81.(2) (d)	78.(2) (d)	80.(2) (d)	76.(2) (d)
87	Annual Report	Green	The annual report must include the special purpose report on Council remuneration, including the auditor's audit report or review engagement report.	Obtain the First Nation's most recent Annual Report and confirm that it includes the special purpose report on Council	Most recent Annual Report	81.(2) (d)	78.(2) (d)	80.(2) (d)	76.(2) (d)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
				remuneration, including the auditor's audit report or review engagement report.					
88	Annual Report	Green	If the First Nation provided loans to members or entities in which a member of the First Nation has an interest in the most recently ended fiscal year; the annual report must include the related special purpose report, including the auditor's audit report or review engagement report.	If the First Nation provided loans to members or entities in which a member of the First Nation has an interest in the most recently ended fiscal year; obtain the First Nation's most recent Annual Report and confirm that it includes the related special purpose report, including the auditor's audit report or review engagement report.	Most recent Annual Report	81.(2) (d)	78.(2) (d)	80.(2) (d)	76.(2) (d)
89	Annual Report	Green	If the First Nation has a land code in force; the annual report must include the related special purpose report, including the auditor's audit report or review engagement report.	If the First Nation has a land code in force; obtain the First Nation's most recent Annual Report and confirm that it includes the related special purpose report, including the auditor's audit report or review engagement report.	Most recent Annual Report	81.(2) (d)	78.(2) (d)	80.(2) (d)	76.(2) (d)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
90	Annual Report	Green	If the First Nation is required to prepare other special purpose reports under their FAL/FAB; the annual report must include the special purpose report, including the auditor's audit report or review engagement report.	If the First Nation is required to prepare other special purpose reports under their Financial Administration Law or By-Law; obtain the First Nation's most recent Annual Report and confirm that it includes the related special purpose report, including the auditor's audit report or review engagement report.	Most recent Annual Report	81.(2) (d)	78.(2) (d)	80.(2) (d)	76.(2) (d)
91	Annual Report	Green	The senior manager must provide the annual report to a member of the First Nation as soon as practicable after a request is made by the member.	Inquire and obtain evidence demonstrating that the Annual Report was made available to members of the First Nation.	Inquiry	81.(3) (a)	78.(3) (a)	80.(3)	76.(3)
92	Annual Report	Green	If the First Nation has a certificate from the Board, the senior manager must provide the annual report to the Board as soon as practicable after the report's publication.	If the First Nation has a certificate from the Board, obtain evidence that the Annual Report was made available to the Board upon request.	Most recent Annual Report	81.(3) (b)	78.(3) (b)	N/A	N/A

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
93	Annual Report	Green	If the First Nation is a borrowing member of the FNFA, the senior manager must provide the annual report to the FNFA as soon as practicable after the report's publication.	If the First Nation is a borrowing member of the FNFA, obtain evidence that the Annual Report was made available to the FNFA upon request.	Inquiry	81.(3) (c)	78.(3) (c)	N/A	N/A
94	Annual Report	Green	The Council must establish policies or procedures respecting, or give directions respecting, an accessible process and remedy available to First Nation members, who have requested but have not been provided with the annual report of the First Nation.	Obtain Council's policy and procedures respecting member access to the Annual Report, including the remedy available to First Nation members who have requested but have not been provided with the annual report of the First Nation.	1) Policy on member access to Annual Report 2) Council meeting minutes where the policy was approved	81.(4)	78.(4)	80.(4)	76.(4)
95	Annual Report	Green	The Council must establish policies or procedures respecting, or give directions respecting, an accessible process and remedy available to First Nation members, who have requested but have not been provided with the annual report of the First Nation including requiring a. the maintenance of a register for the annual report that identifies all	Obtain Council's policy that establishes procedures for the maintenance of a register for the annual report that identifies all members who have requested a copy of the annual report, the date each request was received and the date the annual report was provided to the members.	1) Policy on maintenance of annual report register 2) Council meeting minutes where the policy was approved	81.(4) (a)	78.(4) (a)	80.(4) (a)	76.(4) (a)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			members who have requested a copy of the annual report, the date each request was received and the date the annual report was provided to the members						
96	Annual Report	Green	The Council must establish policies or procedures respecting, or give directions respecting, an accessible process and remedy available to First Nation members, who have requested but have not been provided with the annual report of the First Nation including requiring b. the senior manager to report quarterly to the Finance and Audit Committee on the steps taken to ensure compliance with subsection (3) and council policy made under this subsection.	Obtain Council's policy that establishes procedures requiring the senior manager to report quarterly to the Finance and Audit Committee on the steps taken to ensure compliance with Council's policy on member access to the Annual Report.	1) Policy on quarterly reporting by the senior manager of compliance with the member access to Annual Report policy 2) Council meeting minutes where the policy was approved	81.(4) (b)	78.(4) (b)	80.(4) (b)	76.(4) (b)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
97	Local Revenue / Property Taxation	Yellow	If the First Nation levies local revenue under the FMA, the tax administrator must prepare, maintain, store and keep secure a complete set of all records respecting the local revenue system of the First Nation, including all records referred to in section 5 of the Revenue Management Implementation Regulation.	Inquire whether the tax administrator prepares, maintains, stores and keeps secure a complete set of all records respecting the local revenue system of the First Nation, including all records referred to in section 5 of the Revenue Management Implementation Regulation.	Inquiry	86.(1)	N/A	N/A	N/A
98	FNFA Borrowing Members	Yellow	If the First Nation has a loan from the First Nations Finance Authority that is secured by other revenues, the senior financial officer must prepare, maintain, store and keep secure a complete set of all records respecting other revenues of the First Nation, including all records referred to in section 5 of the Revenue Management Implementation Regulations as amended by the Financing Secured by Other Revenues Regulations.	If the First Nation has a loan from the First Nations Finance Authority that is secured by other revenues, inquire whether the senior financial officer prepares, maintains, stores and keeps secure a complete set of all records respecting other revenues of the First Nation, including all records referred to in section 5 of the Revenue Management Implementation	Inquiry	86.(2)	83.0	N/A	N/A

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
				Regulations as amended by the Financing Secured by Other Revenues Regulations.					
99	Compliance with Board Standards	Yellow	If the First Nation has a certificate issued by the Board under subsection 50(3) of the Act, the First Nation must comply with all the applicable Board standards.	If the First Nation has a certificate from the FMB, obtain a confirmation from management that they are in compliance with all applicable Board Standards.	Inquiry and confirmation from management	97.(1)	94.(1)	N/A	N/A
100	FNFA Borrowing Members	Yellow	If the First Nation is a borrowing member of the FNFA, the First Nation must comply with all the applicable Board standards.	If the First Nation is a borrowing member of the FNFA, obtain a confirmation from management that they are in compliance with all applicable Board Standards.	Inquiry and confirmation from management	97.(1)	94.(1)	N/A	N/A
101	Compliance with Board Standards	Yellow	If the First Nation has a certificate issued by the Board under subsection 50(3) of the Act and Council becomes aware that the First Nation is not complying with all applicable Board standards,	If the First Nation has a certification from the FMB and there are instances of non-compliance with Board Standards, confirm that management has an action plan in place to	Inquiry	97.(2)	94.(2)	N/A	N/A

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			the Council must as soon as practicable take the required actions to bring the First Nation into compliance with the Board standard.	address the non-compliance.					
102	FNFA Borrowing Members	Yellow	If the First Nation is a borrowing member of the FNFA and the Council becomes aware that the First Nation is not complying with all applicable Board standards, the Council must as soon as practicable take the required actions to bring the First Nation into compliance with the Board standard.	If the First Nation is a borrowing member of the FNFA and there are instances of non-compliance with Board Standards, confirm that management has an action plan in place to address the non-compliance.	Inquiry	97.(2)	94.(2)	N/A	N/A

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
103	Financial Misconduct	Green	If any person, councillor, officer, employee, contractor or agent has reason to believe that a. an expenditure, liability or other transaction of the First Nation is not authorized by or under this FAL/FAB or another First Nation law b. there has been a theft, misappropriation or other misuse or irregularity in the funds, accounts, assets, liabilities and financial obligations of the First Nation c. a provision of this FAL/FAB has been contravened, or d. a person has failed to comply with the Schedule that forms part of this FAL/FAB, the person may disclose the circumstances to the senior manager or chair of the Finance and Audit Committee (as appropriate). If a report is made, the senior manager or chair of the Finance and Audit Committee must inquire	Inquire whether there have been any reported instances of alleged financial misconduct or non-compliance with the First Nation's FAL/FAB. In circumstances where a report has been received, obtain the report and inquire what about the process undertaken to review and evaluate the report. Obtain supporting evidence that the report was presented to Council as soon as practicable after its receipt.	1) Inquiry 2) Report on alleged financial misconduct or non-compliance with the FAL/FAB 3) Council meeting minutes from the meeting where the report was presented	101.(1) (a) - (d) 101.(2) 101.(3) 102.(1) 102.(2)	98.(1) (a) - (d) 98.(2) 98.(3) 99.(1) 99.(2)	97.(1) (a) - (d) 97.(2) 97.(3) 98.(1) 98.(2)	93.(1) (a) - (d) 93.(2) 93.(3) 94.(1) 94.(2)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			into the circumstances reported and report the findings to the Finance and Audit Committee as soon as practicable.						
104	Financial Misconduct	Green	If there have been any reports of alleged financial misconduct or non-compliance with the First Nation's FAL/FAB reported to the Finance and Audit Committee, the Finance and Audit Committee may make a further inquiry into any findings reported to it, but, in any event, must make a report to the Council respecting any circumstances reported to	Inquire whether there have been any reported instances of alleged financial misconduct or non-compliance with the First Nation's FAL/FAB. In circumstances where a report has been received, obtain supporting evidence to confirm that a report has been made to the Council respecting any	1) Inquiry 2) Council meeting minutes from the meeting where the report was presented to Council on the alleged misconduct or non-compliance with the FAL/FAB	102.(3)	99.(3)	98.(3)	94.(3)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			the Finance and Audit Committee under this section, including the Committee's recommendation, if any.	circumstances including any recommendations.					
105	Financial Misconduct	Green	If there have been any reports of alleged financial misconduct or non-compliance with the First Nation's FAL/FAB , all reasonable steps must be taken by the senior manager, the members of the Finance and Audit Committee and the councillors to ensure that the identify of the person who made the report is kept confidential to the extent practicable in all the circumstances.	Inquire whether there have been any reported instances of alleged financial misconduct or non-compliance with the First Nation's FAL/FAB. In circumstances where a report has been received, inquire about the steps taken to ensure that the identity of the person making the report was kept confidential to the extent possible.	Inquiry	103.(1)	100.(1)	99.(1)	95.(1)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
106	Financial Misconduct	Green	If there have been any reports of alleged financial misconduct or non-compliance with the First Nation's FAL/FAB, the senior manager and the chair of the Finance and Audit Committee must take all necessary steps to ensure that the person who made the report in good faith must not be subjected to any form of reprisal by the First Nation or by a councillor, officer, employee, contractor or agent of the First Nation as a result of making that report and report any suspected contravention to the Council.	Inquire whether there have been any reported instances of alleged financial misconduct or non-compliance with the First Nation's FAL/FAB. In circumstances where a report has been received, inquire about the steps taken by the senior manager to ensure that the person making the report was protected from any form of reprisal by the First Nation or by a councillor, officer, employee, contractor or agent of the First Nation as a result of making that report.	Inquiry	103.(2) 103.(3)	100.(2) 100.(3)	99.(2) 99.(3)	95.(2) 95.(2)
107	Financial Misconduct	Green	The Council must establish policies or procedures or give directions for the recording and safeguarding of reports of alleged financial misconduct or non-compliance with the First Nation's FAL/FAB and any records prepared during the inquiry or investigation into those reports.	Obtain the Council-approved policies and procedures for the recording and safeguarding of reports of financial misconduct or non-compliance with the First Nation's FAL/FAB and any records prepared during the inquiry or	1) Policy on recording and safeguarding reports of financial misconduct or non-compliance 2) Council meeting minutes where the policy was approved	103.(4) (a)	100.(4) (a)	99.(4) (a)	95.(4) (a)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
				investigation into those reports.					
108	Financial Misconduct	Green	The Council must establish policies or procedures or give directions for the inquiry or investigation into reports of alleged financial misconduct or non-compliance with the First Nation's FAL/FAB.	Obtain the Council-approved policies and procedures for the for the inquiry or investigation into reports of financial misconduct or non-compliance with the First Nation's FAL/FAB.	1) Policy on inquiry and investigation into reports of financial misconduct or non-compliance 2) Council meeting minutes where the policy was approved	103.(4) (b)	100.(4) (b)	99.(4) (b)	95.(4) (b)
109	Financial Misconduct	Green	The Council must establish policies or procedures or give directions concerning the fair treatment of a person against whom a report of alleged financial misconduct or non-compliance with the First Nation's FAL/FAB has been made.	Obtain the Council-approved policies and procedures concerning the fair treatment of a person against whom a report of financial misconduct or non-compliance with the First Nation's FAL/FAB has been made.	1) Policy on fair treatment of a person against whom a report of financial misconduct or non-compliance has been made 2) Council meeting minutes where the policy was approved	103.(4) (c)	100.(4) (c)	99.(4) (c)	95.(4) (c)

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Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
110	Conflicts of Interest	Green	A councillor must file a written disclosure of the following information with the senior manager: (a) the names of the councillor's spouse and any persons or entities referred to in subsection 2(3); (b) the employer of the councillor and the councillor's spouse; (c) real property owned by the councillor or the councillor's spouse; and (d) business interests and material investments of the councillor or the councillor's spouse, including in an entity referred to in paragraph 2(3)(e).	Obtain the most recent written conflict of interest disclosures for all members of Council that include the following information: (a) the names of the councillor's spouse and any persons or entities referred to in subsection 2(3); (b) the employer of the councillor and the councillor's spouse; (c) real property owned by the councillor or the councillor's spouse; and (d) business interests and material investments of the councillor or the councillor's spouse, including in an entity referred to in paragraph 2(3)(e).	Most recent conflict of interest disclosures for all Councillors	S5.(2) (a) - (d)	S5.(2) (a) - (d)	S5.(2) (a) - (d)	S5.(2) (a) - (d)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
111	Conflicts of Interest	Green	A councillor must file a written disclosure under subsection (2) on the following occasions: (a) within thirty (30) days of being elected to the Council; (b) as soon as practical after a material change in the information previously disclosed; and (c) on April 15 of each year that the councillor holds office.	Obtain the most recent written conflict of interest disclosures for all members of Council and ensure that they have been prepared: (a) within thirty (30) days of being elected to the Council; (b) as soon as practical after a material change in the information previously disclosed; and (c) on April 15 of each year that the councillor holds office.	Most recent conflict of interest disclosures for all Councillors	S5.(3) (a) - (c)	S5.(3) (a) - (c)	S5.(3) (a) - (c)	S5.(3) (a) - (c)
112	Conflicts of Interest	Green	The senior manager must establish and maintain a register to track all of the information disclosed by councillors under the FAL/FAB Schedule "Avoiding and Mitigating Conflicts of Interest".	Obtain and confirm the existence and maintenance of a register of all information disclosed by Councillors and committee members under the conflict of interest disclosures as well as information disclosed by Councillors and committee members under the receipt of	Register of conflict of interest information collected from Councillors and committee members	S.5.(4) S10.(2) (a) - (b)	S.5.(4) S10.(2) (a) - (b)	S.5.(4) S10.(2) (a) - (b)	S.5.(4) S10.(2) (a) - (b)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
				gifts and benefits disclosures.					
113	Conflicts of Interest	Green	On request of a member of the First Nation or any person engaged in any aspect of the financial administration of the First Nation, the senior manager must permit that member or person to view the register which tracks all information disclosed by councillors under the FAL/FAB Schedule "Avoiding and Mitigating Conflicts of Interest".	Inquire whether there have been any instances of members requesting access to register of information disclosed by Councillors and committee members under the FAL/FAB Schedule "Avoiding and Mitigating Conflicts of Interest" and whether they were granted access to those records.	Inquiry	S.5.(5)	S.5.(5)	S.5.(5)	S.5.(5)
114	Conflicts of Interest	Green	Where a gift with a value greater than _____ dollars (\$ _____) is given to a councillor or a person referred to in subsection (1), the councillor must make a written disclosure of the gift to the senior manager under section 5, and the gift must be treated as the property of the First Nation. This	Inquire whether there have been any gifts or benefits over \$ _____ received by a Councillor, committee members or a person referred to in subsection (1). In circumstances where a gift has been received, obtain a copy of the written disclosure of	Sample of a recent written disclosure of a gift received by a Councillor or committee member over \$ ____.	S6.(3) S6.(4) S10.(2) (a) - (b)	S6.(3) S6.(4) S10.(2) (a) - (b)	S6.(3) S6.(4) S10.(2) (a) - (b)	S6.(3) S6.(4) S10.(2) (a) - (b)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			requirement does not apply to a gift received during a public cultural event of the First Nation.	the gift. This requirement does not apply to a gift received during a public cultural event of the First Nation.					
115	Conflicts of Interest	Green	As soon as a councillor becomes aware of circumstances in which the councillor has a conflict of interest, the councillor must disclose the circumstances of the conflict of interest at the next Council meeting.	Inquire whether there have been any recent instances of a Councillor or committee member declaring a new conflict of interest. Obtain the Council meeting minutes which demonstrate that the new conflict of interest was disclosed at the meeting.	1) Inquiry 2) Council or other committee meeting minutes where a new conflict of interest was disclosed by a Councillor or committee member	S8.(1) S10.(2) (a) - (b)	S8.(1) S10.(2) (a) - (b)	S8.(1) S10.(2) (a) - (b)	S8.(1) S10.(2) (a) - (b)
116	Conflicts of Interest	Green	A councillor must leave any part of a Council meeting where the circumstances in which the councillor has a conflict of interest are being discussed or voted on and the minutes must record the councillor's disclosure and note the councillor's absence from the Council meeting.	Inquire whether there have been any recent instances requiring a Councillor or committee member to leave a meeting due to a conflict of interest. Obtain the meeting minutes which record the councillor or committee member's disclosure and note	1) Inquiry 2) Council or other committee meeting minutes where a Councillor or committee member left the meeting due to a conflict of interest	S8.(2) S8.(3) S10.(2) (a) - (b)	S8.(2) S8.(3) S10.(2) (a) - (b)	S8.(2) S8.(3) S10.(2) (a) - (b)	S8.(2) S8.(3) S10.(2) (a) - (b)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
				their absence from the meeting when the circumstances in which the councillor has a conflict of interest were being discussed or voted on.					
117	Conflicts of Interest	Green	If a councillor has reason to believe that another councillor has a conflict of interest or an apparent conflict of interest in respect of a matter before the Council, the councillor may request clarification of the circumstances at a Council meeting. If, as a result of a clarification discussion the councillor does not acknowledge the conflict of interest or apparent conflict of interest and take the actions required by the Schedule, the Council must determine whether the councillor has a conflict of interest or an apparent conflict of interest. The minutes of the Council meeting must	Inquire whether there have been any instances of a Councillor or committee member requesting another Councillor or committee member to clarify a potential conflict of interest. Obtain the meeting minutes which demonstrate that the potential conflict of interest was discussed at the meeting and the resolution.	1) Inquiry 2) Council or other committee meeting minutes where a Councillor or committee member requested another Councillor or committee member to clarify a potential conflict of interest	S9.(1) S9.(2) S9.(3) S10.(2) (a) - (b)	S9.(1) S9.(2) S9.(3) S10.(2) (a) - (b)	S9.(1) S9.(2) S9.(3) S10.(2) (a) - (b)	S9.(1) S9.(2) S9.(3) S10.(2) (a) - (b)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			record any determination made by the Council.						
118	Conflicts of Interest	Green	The senior manager must ensure that every officer and employee is informed of their obligations under this Part and must take steps to ensure that employees comply with these obligations.	Inquire with management about how officers and employees are information about their obligations under the FAL/FAB Schedule 'Avoiding and Mitigating Conflicts of Interest'	Inquiry	S12.(4)	S12.(4)	S12.(4)	S12.(4)
119	Conflicts of Interest	Green	If an officer or employee believes he or she has a conflict of interest, the officer or employee must (a) disclose the circumstances in writing as soon as practical to the senior manager or, in the case of the senior manager, to the chair of the Finance and Audit Committee; and	Where applicable, obtain a sample of a written conflict of interest disclosure by an employee and an officer.	Sample of a recent conflict of interest disclosure by an employee and an officer	S13.0 (a)	S13.0 (a)	S13.0 (a)	S13.0 (a)

10-Year Grant Eligibility Policies and Guidelines

Proced. #	Topic	Yellow / Green	Standardized requirement (from Sample FAL / FAB)	Procedure	Supporting Documents Required	Sample FAL with local revenue	Sample FAL without local revenue	Sample FAB with property taxation	Sample FAB without property taxation
			(b) refrain from participating in any discussions or decision-making respecting the circumstances of the conflict of interest until advised by the senior manager or the chair, as the case may be, on actions to be taken to avoid or mitigate the conflict of interest.						
120	Conflicts of Interest	Green	If an officer or employee is permitted under their terms of employment to have outside employment or business interests, the officer or employee must disclose these employment or business interests in writing to the senior manager or, in the case of the senior manager, to the chair of the Finance and Audit Committee.	Where applicable, obtain a sample of a written disclosure of an employee and/or officer's outside employment or business interests.	Sample of a recent disclosure by an employee / officer of outside employment or business interest	S15.(1)	S15.(1)	S15.(1)	S15.(1)

APPENDIX E – SAMPLE REPORT ON FINANCIAL ADMINISTRATION LAW COMPLIANCE FOR 10-YEAR GRANT ELIGIBILITY

To the Minister of Indigenous Services

On November 6, 2018, the First Nations Financial Management Board (“the Board”), the Minister of Indigenous Services, and the Minister of Crown-Indigenous Relations entered into a Memorandum of Understanding (“the MOU”) to provide a basis for the Board to review, assesses, and provide reports on first nations’ eligibility for 10-Year Grants.

On request, the Board has completed its review, in accordance with section 9 of the *First Nations Fiscal Management Act* and section 3.5 of the MOU, of the *[Name of First Nation Law - Citation]*, to determine if the law was, in the opinion of the Board, in compliance with the *10-year grant eligibility criteria respecting Financial Administration Laws co-developed by Indigenous Services Canada and the Assembly of First Nations*.

The Board conducted its review in accordance with its *Financial Administration Law Policies for 10-Year Grant Eligibility* (“the Policies”) established pursuant to the MOU. These Policies require that the review be planned and performed to obtain reasonable assurance about whether the *[Name of First Nation Law - Citation]* was in compliance, in all material respects, with the *10-year grant eligibility criteria respecting Financial Administration Laws co-developed by Indigenous Services Canada and the Assembly of First Nations*.

On the basis of its review and after consideration of its findings, the Board is of the opinion that the *[Name of First Nation Law - Citation]* is in compliance, in all material respects, with the *10-year grant eligibility criteria respecting Financial Administration Laws co-developed by Indigenous Services Canada and the Assembly of First Nations*.

This Report is provided to the Minister of Indigenous Services under the MOU solely for the purpose of enabling the *[Name of First Nation]* to satisfy certain grant eligibility requirements defined in the *10-year grant eligibility criteria respecting Financial Administration Laws co-developed by Indigenous Services Canada and the Assembly of First Nations*. The Report must not be used or relied upon by the Minister of Indigenous Services or by any other person for any other purpose and the Board accepts no responsibility for any loss or damages resulting from any unauthorized use of or reliance on this Report.

Dated in the District Municipality of West Vancouver, British Columbia this [XX] day of [MONTH, 20XX].

FIRST NATIONS FINANCIAL MANAGEMENT BOARD

Per: [Name], Chief Operating Officer

APPENDIX F – SAMPLE REPORT ON FINANCIAL ADMINISTRATION BY-LAW MINISTERIAL ADVICE FOR 10-YEAR GRANT ELIGIBILITY

To the Minister of Indigenous Services and the Minister of Crown-Indigenous Relations

On November 6, 2018, the First Nations Financial Management Board (“the Board”) and the Minister of Indigenous Services and the Minister of Crown-Indigenous Relations (“the Ministers”) entered into a Memorandum of Understanding (“the MOU”) to provide a basis for the Board to review, assesses, and provide reports on first nations’ eligibility for 10-Year Grants.

On request, the Board has completed its review, in accordance with section 3.5 of the MOU, of the *[Name of First Nation Law - Citation]* to determine if the law was, in the opinion of the Board, in compliance with the *10-year grant eligibility criteria respecting Financial Administration By-laws co-developed by Indigenous Services Canada and the Assembly of First Nations*.

The Board conducted its review in accordance with its *Financial Administration By-law Policies for 10-Year Grant Eligibility* (“the Policies”) established pursuant to the MOU. These Policies require that the review be planned and performed to obtain reasonable assurance about whether the *[Name of First Nation Law - Citation]* was in compliance, in all material respects, with the *10-year grant eligibility criteria respecting Financial Administration By-laws co-developed by Indigenous Services Canada and the Assembly of First Nations*.

On the basis of its review and after consideration of its findings, the Board is of the opinion that the *[Name of First Nation] Financial Administration By-law, [YYYY]*, if approved by the Minister of Crown-Indigenous Relations under section 83 of the *Indian Act*, is in compliance, in all material respects, with the *10-year grant eligibility criteria respecting Financial Administration By-laws co-developed by Indigenous Services Canada and the Assembly of First Nations*.

This Report is provided to the Ministers under the MOU solely for the purpose of enabling the *[Name of First Nation]* to satisfy certain grant eligibility requirements defined in the *10-year grant eligibility criteria respecting Financial Administration By-laws co-developed by Indigenous Services Canada and the Assembly of First Nations*. The Report must not be used or relied upon by the Ministers or by any other person for any other purpose and the Board accepts no responsibility for any loss or damages resulting from any unauthorized use of or reliance on this Report.

Dated in the District Municipality of West Vancouver, British Columbia this [XX] day of [MONTH, 20XX].

FIRST NATIONS FINANCIAL MANAGEMENT BOARD

Per: [Name], Chief Operating Officer

APPENDIX G – SAMPLE REPORT ON FINANCIAL PERFORMANCE COMPLIANCE FOR 10-YEAR GRANT ELIGIBILITY

To the Minister of Indigenous Services

On November 6, 2018, the First Nations Financial Management Board (“the Board”), the Minister of Indigenous Services, and the Minister of Crown-Indigenous Relations entered into a Memorandum of Understanding (“the MOU”) to provide a basis for the Board to review, assesses, and provide reports on First Nation’s eligibility for 10-Year Grants.

On request, the Board has completed its review, in accordance with section 3.5 of the MOU, of the Financial Performance (defined below) of [Name of First Nation] to determine if [Name of First Nation] was, in the opinion of the Board, in compliance with the *10-year grant eligibility criteria respecting Financial Performance co-developed by Indigenous Services Canada and the Assembly of First Nations*.

This review was performed solely to assist the Minister of Indigenous Services in evaluating whether the 10-year grant eligibility criteria respecting Financial Performance co-developed by Indigenous Services Canada and the Assembly of First Nations have been met.

In the context of this Report, “Financial Performance” is the first nation’s demonstration of certain quantitative elements as provided for by the *criteria respecting Financial Performance co-developed by Indigenous Services Canada and the Assembly of First Nations*. [Name of First Nation] management is responsible for all elements of Financial Performance whereas the Board’s responsibility under the MOU is to express an opinion, based upon its review of those elements, as to the extent to which the [Name of First Nation] is in compliance with the *10-year grant eligibility criteria respecting Financial Performance co-developed by Indigenous Services Canada and the Assembly of First Nations* as at March 31, [20XX]. This opinion cannot be relied upon for any assurance that the [Name of First Nation]’s Financial Performance will continue to comply with the *10-year grant eligibility criteria respecting Financial Performance co-developed by Indigenous Services Canada and the Assembly of First Nations*.

The Board conducted its review in accordance with its *Financial Performance Policies and Guidelines for 10-Year Grant Eligibility* (“the Policies”). The Policies require that the review be planned and performed to obtain reasonable assurance about whether the [Name of First Nation] was in compliance with the *10-year grant eligibility criteria respecting Financial Performance co-developed by Indigenous Services Canada and the Assembly of First Nations* as at March 31, [20XX]. The review included obtaining an understanding of the first nation’s business and risk, referencing information derived from the first nation’s audited annual financial statements, and performing such other procedures considered necessary in the circumstances. The Board has not audited or otherwise attempted to verify the underlying financial information upon which the review is based. Attached to this Report is a Schedule describing matters arising from the Board’s review. The Board believes that its review provides a reasonable basis for its opinion.

On the basis of its review and after consideration of its findings, the Board as at March 31, [20XX] is of the opinion that the Financial Performance of the [Name of First Nation] was in compliance with the *10-year grant eligibility criteria respecting Financial Performance co-developed by Indigenous Services Canada and the Assembly of First Nations*.

This Report and attached Schedule are provided to the Minister of Indigenous Services under the MOU solely for the purpose of enabling the [Name of First Nation] to satisfy the *10-year grant eligibility criteria respecting Financial Performance co-developed by Indigenous Services Canada and the Assembly of First Nations*. It must not be used or relied upon by the Minister of Indigenous Services or by any other person for any other purpose and the Board accepts no responsibility for any loss or damages resulting from any unauthorized use of or reliance on this Report.

Dated in the District Municipality of West Vancouver, British Columbia this [XX] day of [MONTH, 20XX].

FIRST NATIONS FINANCIAL MANAGEMENT BOARD

Per: [Name], Chief Operating Officer

APPENDIX H – SAMPLE REPORT ON RESULTS OF AGREED-UPON PROCEDURES FOR 10-YEAR GRANT ELIGIBILITY

To the Minister of Indigenous Services

On November 6, 2018, the First Nations Financial Management Board (“the Board”) and the Minister of Indigenous Services and the Minister of Crown-Indigenous Relations entered into a Memorandum of Understanding (“the MOU”) to provide a basis for the Board to review, assesses, and provide reports on First Nation’s eligibility for 10-Year Grants.

On request, the Board has performed the agreed-upon procedures described below, in accordance with section 3.5 of the MOU. Our procedures were conducted in accordance with the *Agreed-Upon Procedures for 10-Year Grant Eligibility* (“the Policies”) established pursuant to the MOU.

The procedures were performed solely to assist the Minister of Indigenous Services in evaluating whether the *10-year grant eligibility criteria respecting the implementation of minimum provisions of a Financial Administration [Law / By-law] co-developed by Indigenous Services Canada and the Assembly of First Nations* have been met. The agreed-upon procedures and related findings are listed in the attached Schedule.

This report relates only to the provisions of the *[Name of First Nation Law or By-law - Citation]* that were in force and operative at the time of our review, and does not extend to the financial management system of [Name of First Nation] taken as a whole.

The procedures we performed do not constitute a Financial Management System Certification. Were we to have performed additional procedures or undertaken a Financial Management System Certification, other matters may have come to our attention which we would have reported to you.

The sufficiency of these procedures is solely the responsibility of Indigenous Services Canada. Accordingly, we make no representations regarding the sufficiency of these procedures either for the purpose for which this Report has been requested or for any other purpose. Further, we have addressed solely the provisions of the *[Name of First Nation Law or By-law - Citation]* that were in force and operative at the time of our review and make no representations regarding the effectiveness of the [Name of First Nation]’s financial management system or regarding whether any material facts have been omitted.

This Report is solely for the information and use of the Minister of Indigenous Services Canada in connection with the assessment of whether the *10-year grant eligibility criteria respecting the implementation of minimum provisions of a Financial Administration [Law / By-law] co-developed by Indigenous Services Canada and the Assembly of First Nations* have been met, and is not intended and should not be used for any other purpose. Consequently, the Report should not be distributed to other parties without our prior written consent. Any use that a third party, including the [Name of First Nation], makes of this Report, or any reliance or decisions made based on it, are the responsibility of such third party. We accept no responsibility for any loss or damages suffered by any third party, including the [Name of First Nation], as a result of decisions made or actions taken based on this Report.

Dated in the District Municipality of West Vancouver, British Columbia this [XX] day of [MONTH, 20XX].

FIRST NATIONS FINANCIAL MANAGEMENT BOARD

10-Year Grant Eligibility Policies and Guidelines

Per: [Name], Chief Operating Officer

Schedule to Report On Results of Agreed-Upon Procedures for 10-Year Grant Eligibility






[To insert a description of each agreed-upon procedure followed by a description of the findings]






[Example Procedure: Determine whether the approved audited annual financial statements of the first nation, as well as the separate local revenue financial statements, if applicable, have been made available to members.]










[Example Finding: The FMB observed on [date] that the most recent annual financial statements of [First Nation] for the financial year ending March 31, 20[●], together with a signed Independent Auditor's Report dated [date], were presented and publicly available on the [First Nation]'s web site – [URL].

We were unable to observe any copy of the separate annual local revenue financial statements of the [First Nation] for the most recent or any previous taxation year on the [First Nation]'s web site. We were informed by [Name, Title] that no such separate annual local revenue financial statements have been prepared by management. Based on a review of the most recent Local Revenue Expenditure Law dated [date] contained in the First Nations Gazette, the [First Nation] planned to levy and collect \$500,000 of local revenues during the most recent taxation year.]




APPENDIX I – TEMPLATES

Name of Template	When To Use	Record Number
Council Resolution – Existing FAL	When requesting the FMB to conduct a review of an existing FAL to determine grant eligibility	DOC/2018/04104  FAL 1A - Council Resolution ~ Reque
Council Resolution – Amend Existing FAL (with local revenues)	When requesting the FMB to conduct a review of an amended FAL (with local revenues) to determine grant eligibility	DOC/2018/04102  FAL 1B - Council Resolution Template
Council Resolution – Amend Existing FAL (without local revenues)	When requesting the FMB to conduct a review of an amended FAL (without local revenues) to determine grant eligibility	DOC/2018/04103  FAL 1C - Council Resolution Template
Council Resolution - FAB	When requesting the FMB to conduct a review of a FAB to determine grant eligibility	DOC/2018/03659  FAB 2 - Council Resolution Template
Resolution of Board of Directors – Compliance Approval of FAL – FAL Standards	When approving a FAL under section 9 of the FNFMA	[●]
Resolution of Board of Directors – Compliance Opinion over FAB – FAL Standards	When reaching an opinion that a FAB meets the FAL Standards	[●]
Resolution of Board of Directors – Compliance Opinion of FAL / FAB – Grant Eligibility	When reaching an opinion that a FAL or FAB meets the 10-year grant eligibility criteria	[●]
Resolution of Board of Directors – Compliance Opinion of Financial Performance – Grant Eligibility	When reaching an opinion that the minimum financial performance grant eligibility criteria have been met	DOC/2018/05864  100-09 BoD Resolution - FP Gar
Resolution of Standards, Approvals and Certification Committee – Compliance Approval of FAL – FAL Standards	When recommending to the Board of Directors that a new or amended FAL meets the FAL Standards	[●]
Resolution of Standards, Approvals and Certification Committee – Compliance Opinion over FAB – FAL Standards	When recommending to the Board of Directors that a new or amended FAB meets the FAL Standards	[●]

Resolution of Standards, Approvals and Certification Committee – Compliance Opinion of FAL / FAB – Grant Eligibility	When recommending to the Board of Directors that a FAL / FAB meets the grant eligibility criteria	[●]
Resolution of Standards, Approvals and Certification Committee – Compliance Opinion of Financial Performance – Grant Eligibility	When recommending to the Board of Directors that a First Nation's Financial Performance meets the grant eligibility criteria	DOC/2018/05828  100-08 SAC Committee Resolution
Sample FAL – With Local Revenue	When a first nation who is Scheduled to the FNFMA is raising local revenue and wishes to meet grant eligibility criteria	DOC/2018/03656  FAL 2A - 2018 Sample Financial Ad
Sample FAL – Without Local Revenue	When a first nation who is Scheduled to the FNFMA and is not raising local revenue and wishes to meet grant eligibility criteria	DOC/2018/03654  FAL 2B - 2018 Sample Financial Ad
Sample FAB – With Property Tax	When a first nation who is not Scheduled to the FNFMA is raising property tax and wishes to meet grant eligibility criteria	DOC/2018/03649  FAB 3A - 2018 Sample Financial Ad
Sample FAB – Without Property Tax	When a first nation who is not Scheduled to the FNFMA and is not raising property tax and wishes to meet grant eligibility criteria	DOC/2018/03651  FAB 3B - 2018 Sample Financial Ad
FAL Assessment Guide – With Local Revenue	When conducting an informal review of a FAL (with local revenue) to determine the extent of compliance with FAL Standards	DOC/2015/06754[v2]  A5 - Financial Administration Law
FAL Assessment Guide – Without Local Revenue	When conducting an informal review of a FAL (without local revenue) to determine the extent of compliance with FAL Standards	DOC/2016/01285[v2]  A5 - Financial Administration Law
FAB Assessment Guide – With Property Tax	When conducting an informal review of a FAB (with property tax) to determine the extent of compliance with FAL Standards	DOC/2018/04157  FAB 4A - Section 83 Financial Administra
FAB Assessment Guide – Without Property Tax	When conducting an informal review of a FAB (without property tax) to determine the extent of compliance with FAL Standards	DOC/2018/04158

		 FAB 4B - Section 83 Financial Administra
FAL Review Report – No Amendment	When summarising the results of a review of a FAL that has not been amended to the Board of Directors	DOC/2018/04153  FAL 3A - Review Report to Board Ten
FAL Review Report – With Amendment	When summarising the results of a review of a FAL that has been amended to the Board of Directors	DOC/2018/04154  FAL 3B - Review Report to Board Ten
FAB Review Report	When summarising the results of a FAB review to the Board of Directors	DOC/2018/04156  FAB 4 - Review Report to Board Ten
Report on FAL Review	When issuing an opinion to the Minister of Indigenous Services whether a FAL meets the FAL Standards and grant eligibility requirements	DOC/2018/05796  [Compliance Approval Date - YYYY
Report on FAB Review	When issuing an opinion to the Ministers whether a FAB meets the FAL Standards and grant eligibility requirements	DOC/2018/05810  [Compliance Approval Date - YYYY
Financial Performance Ratios Workbook – Grant Eligibility	When calculating the financial performance ratios	DOC/2018/04950  100-04 Financial Performance Ratio R
Financial Performance Review Memo	When summarising the results of a financial performance review	DOC/2018/04947  100-03 Financial Performance Review
Report on Financial Performance Review and Schedule – Eligibility Criteria Met	When issuing an opinion to the Minister of Indigenous Services that the financial performance grant eligibility requirements have been met	DOC/2018/04948  [Compliance Approval Date - ~ D
Report on Financial Performance Review and Schedule – Eligibility Criteria Not Met	When issuing an opinion to the Minister of Indigenous Services that the financial performance grant	DOC/2018/05473

10-Year Grant Eligibility Policies and Guidelines

	eligibility requirements have not been met	 [Reporting Date - YYY-MM-DD] Financ
Agreed-Upon Workbook	Procedures When conducting agreed-upon procedures to determine whether minimum provisions of a FAL / FAB have been implemented	DOC/2018/03646  10-Year Grant Specified Procedure
Report on Procedures	Agreed-Upon When reporting the results of the agreed-upon procedures to the Minister of Indigenous Services to confirm whether the minimum provisions of a FAL / FAB have been implemented	DOC/2018/05811  [Report Date - YYY-MM-DD] Financ