

# First Nations Financial Management Board

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## *Corporate Plan 2019-2020*

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## Executive Summary

The First Nations Financial Management Board (FMB) has recently published its 5 year Strategic Plan “*Exploring & Establishing New Horizon*” (the Strategic Plan) setting out FMB’s goals for the up-coming years. The Strategic Plan examines FMB’s current environment, (focus areas) which transpire into strategic goals, which spell out the outcomes. Although the Strategic Plan is not yet fully funded at this time, the FMB will put concerted effort in Ottawa during the 2019/2020 fiscal year to ensure that FMB receives new funds for future years in order to accomplish the goals set out in the Strategic Plan.

Two years ago, the Prime Minister announced that the Government of Canada was going to dismantle the Department of Indian and Northern Affairs Canada (now called the Indigenous Services Canada (ISC)). Since the announcement, the FMB has taken an active role in working with ISC and the Assembly of First Nations (AFN) in the development of standards for Financial Administration Law (FAL) and Financial Performance ratios to determine eligibility for First Nations who wish to enter into a 10 year grant agreement with ISC.

In 2018/2019, the FMB provided ISC with 102 First Nations that meet the eligibility criteria for 10 year grant agreements. It is up to ISC to determine which First Nations enter into these historic agreements. The staff at FMB worked extremely hard on this initiative and continued to also meet the goals that were set in the 2018/2019 Corporate Plan.

The main focuses of the FMB during the 2019/2020 fiscal year are as follow:

1. To develop new standards and guidelines which will allow new clients to benefit from recent *Fiscal Management Act* (FMA) legislative amendments.
2. To complete Phase II of the Governance Project in order to offer First Nations training in First Nation Governance in order to take steps towards Self-determination.
3. To work with Provincial and Territorial Governments in moving forward on legislation and regulations to allow modern day Treaty First Nations access to the FMA.
4. Continue to work with ISC and AFN in the evolution of the New Fiscal Relationship initiative around 10 year grant agreements, default management and governance capacity.

Legislative amendments to the FMA received Royal Assent in December 2018. This now permits the FMA institutions the ability to provide services to modern day Treaty First Nations, self-government First Nations, Tribal Councils and First Nations organizations. The FMB's Strategic Plan estimates that the potential client base will literally double.

What does this mean for FMB? It means more presentations, more policy and standards development, and more capacity development services. More staff will be needed as more First Nations, modern day Treaty First Nations, self-government First Nations, Tribal Councils and First Nations organizations will be utilizing the FMA.

Throughout the 2019/2020 fiscal year, the FMB will be developing standards and guidelines for the new client base. Federal Regulations and Provincial legislation changes are needed before some of these new potential clients are able to benefit from the FMA. The Regulations are expected to be complete in the 2019/2020 fiscal year, and the Province of British Columbia has committed to amend to the *Treaty First Nation Taxation Act* and the Real Property Coordination Agreement. Preliminary work will start with meetings with First Nations in the Yukon and the James Bay Cree with respect to making changes to their legislation so that they can benefit from the FMA in the summer and Fall of 2019.

In 2018/2019 the FMB's First Nations Governance Project Phase I was very well received by First Nations and the Government of Canada. Phase II of the First Nations Governance Project will start in April 2019. Research will be conducted on certain well-established First Nations groups across Canada. The research will focus around the government practices of these groups and comparing them to the model developed in Phase I. The FMB will also begin the development phase of the policies and benchmarks of good governance practices as well as developing training programs for councils and senior band staff.

In the 2019/2020 fiscal year the FMB will continue to review and provide advice to the Minister of ISC on Financial Administration Laws (FALs) under the FMA and Financial Administration By-Laws (FABs) that are submitted under a section 83 of the *Indian Act*. The FMB will also continue to provide an opinion on the financial performance ratios of First Nations to ISC so that they can determine the eligibility of First Nations for 10 year grant agreements. As well, the Capacity Development and Intervention Team will start working with those First Nations which have signed a 10 year grant agreement to start bringing their FAL into practice in their day to day operations.

In 2018/2019 the Default Management Pilot Prevention Program (Pilot Program) was a success. Accordingly, the FMB conducted an outreach strategy to expand the program. In 2019/2020 15-20 new clients from across the country will be added to the Pilot Program and will begin working with the FMB. Developing capacity is the key to the Pilot Program. The original 5 First Nations who were in third party management are now all in recipient appointed advisory status. All participants in the Pilot Program can attest the effectiveness of this initiative.

The Government of Canada, through increased contributions, recognizes the excellent work that the FMB is delivering to First Nations by providing them the tools to improve their way of life through financial management. This recognition resulted in providing the FMB the ability to increase staffing resources from 17 employees in the 2017/2018 fiscal year to 50 employees in 2018/2019. This fiscal year we will increase our staffing to 59 employees in order to meet the growing needs of the Governance Project, default management and other initiatives of the FMB.

The Financial Management Systems (FMS) program is becoming widely accepted by First Nations as more and more First Nations are requesting to be added to the FMA Schedule. There are approximately 160 First Nations who are in the process of FMS implementation and 23 who have been certified across the country.

Staffing requirement projections for the next 5 years:

	Previous Year	Forecast year				
	Fiscal 2018/2019	Fiscal 2019/2020	Fiscal 2020/2021	Fiscal 2021/2022	Fiscal 2022/2023	Fiscal 2023/2024
Executive Services	2	2	4	5	5	5
Corporate Services	13	15	16	17	18	18
Marketing Development, FAL SR	6	8	16	17	17	17
Standards and Certification	12	12	17	21	23	23
Capacity Development & Intervention	12	12	19	25	30	30
Default Management	4	6	6	6	6	6
Governance	1	4	4	4	4	4
<b>Total Staffing Requirements</b>	<b>50</b>	<b>59</b>	<b>82</b>	<b>95</b>	<b>104</b>	<b>104</b>

Key measure projections for the next 5 years:

	Previous Year	Forecast year				
	Budget					
	Fiscal 2018/2019	Fiscal 2019/2020	Fiscal 2020/2021	Fiscal 2021/2022	Fiscal 2022/2023	Fiscal 2023/2024
Total FMB Expense	\$14,117,851	<b>\$14,881,391</b>	\$24,080,257	\$27,425,342	\$29,726,442	\$29,320,970
FALS enacted FMA (Cumulative)	183	218	243	263	283	298
FALS 10 Year Grants (No Budget)	109	184	234	269	294	304
FP Certificate Reviews (Cumulative)	138	176	206	231	255	273
FP Reviews for 10 year Grants (No Budget)	102	177	227	262	287	297
FMS Reviews (Cumulative)	23	36	53	83	113	143

In 2019/2020 the FMB's budget is estimated to be \$14,881,391, with \$10,811,391 in Annual Base funding, along with \$700,000 for default management, and a pre-approved \$1,700,000 for the Governance Phase II Project. The estimated surplus from the 2018/2019 fiscal year will also be carried over will be approximately \$2.37M. This surplus is due to the late signing of the new funding agreement and holding off on wages and operational costs during the expansion.

The 2019/2020 budget:

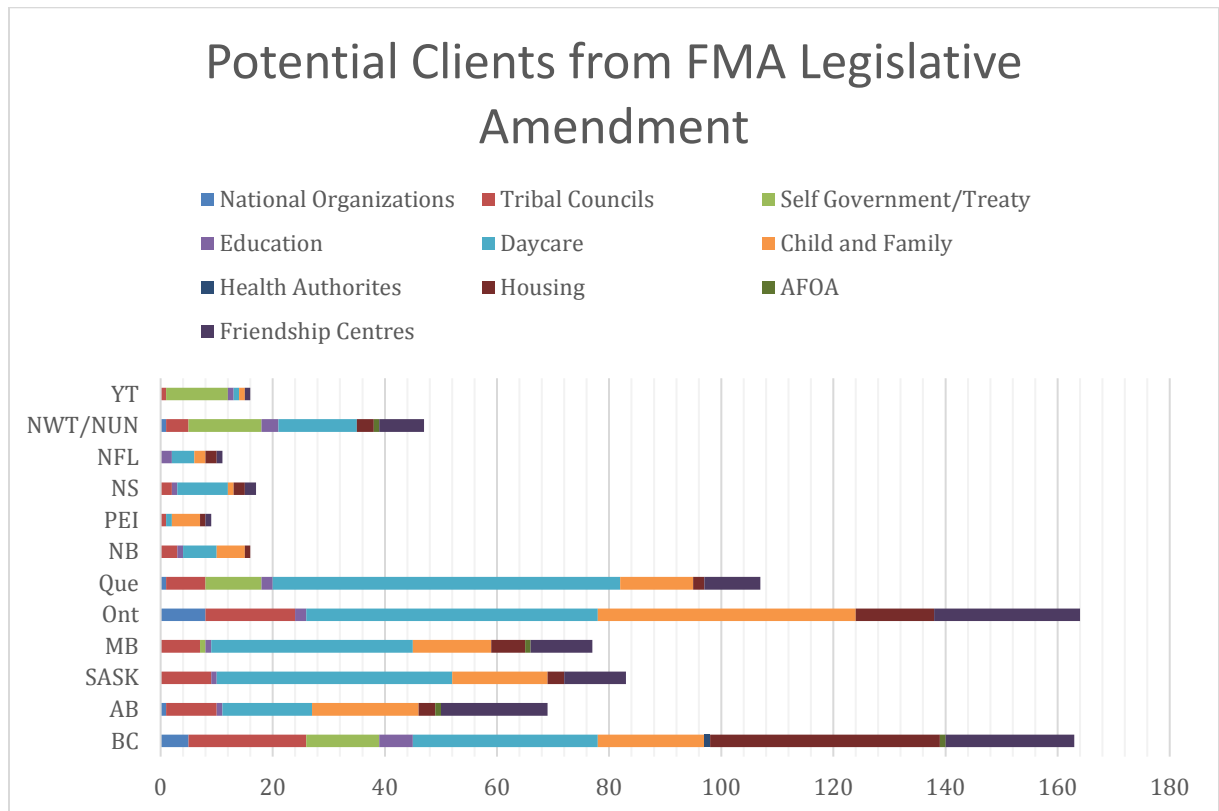
<b>Operations Budget</b>	<b>Fiscal 2018/19</b>
Annual Base 2019/2020	\$10,111,391
Default Management Prevention	700,000
Current Year Base	10,811,391
Governance Project Phase II	1,700,000
Surplus 2018/2019 Fiscal (Estimate)	2,370,000
<b>Total</b>	<b>14,881,391</b>

Projections for all Business Lines for the next 5 years:

	LOC	FAL-FMA	FAL Update	FAL 10 Yr	Self/Treaty	FN Org/Tr	FP ALL	FP 10 YR	FMS	GOV
<b>Year 1</b>	40-50	35-40	10-15	75-100	0-1	3-5	38-46	75-100	13-15	0
<b>Year 2</b>	40-50	25-30	10-15	50-75	1-3	4-6	30-39	50-75	15-20	3-5
<b>Year 3</b>	40-50	20-25	10-15	35-50	1-3	3-5	25-34	35-50	35-40	10-15
<b>Year 4</b>	40-50	20-25	10-15	25-30	1-3	3-5	24-33	25-30	35-40	10-15
<b>Year 5</b>	40-50	15-20	10-15	10-20	1-3	3-5	18-28	10-20	35-40	15-20

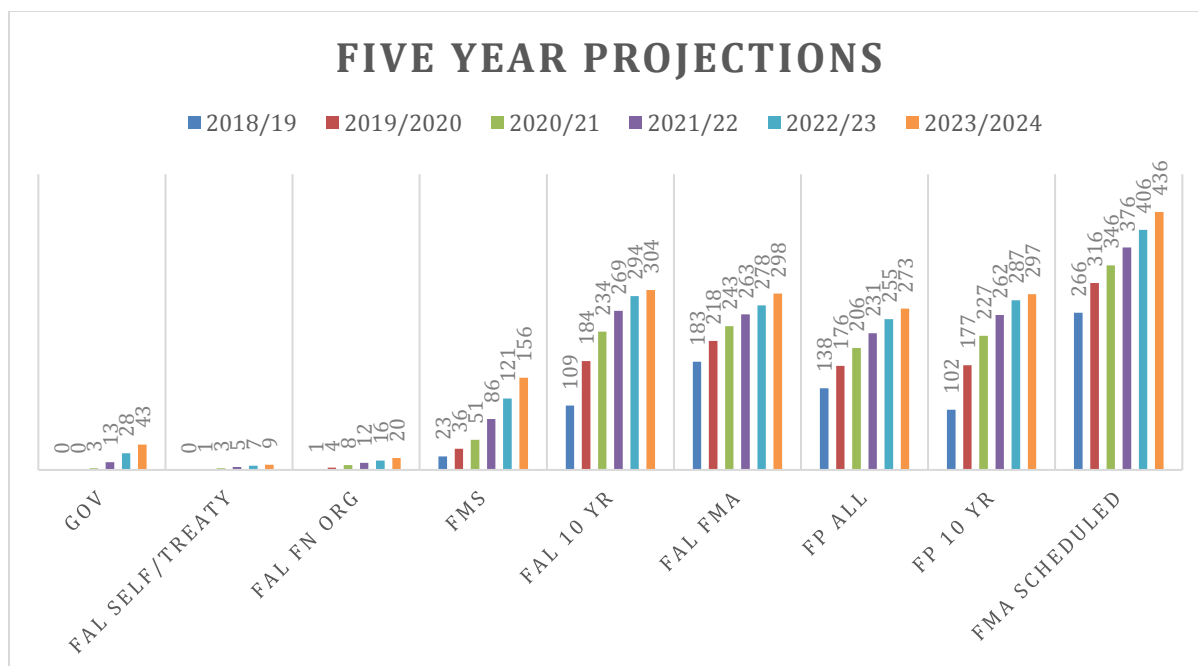
The number of First Nations participating in the FMA continues to grow. As at April 1, 2019 there were 266 First Nations that had chosen to have their official name added to the FMA Schedule. The FMB will continue to reach out to those First Nations whose names are not yet on the FMA Schedule and will continue to encourage those First Nations to strive to make their communities successful. We estimate that approximately 40-50 additional First Nations will request to be added to the FMA Schedule by the end of the 2019/2020 fiscal year.

Additional staff will be required for the Market Development, FALs and Stakeholder Relations Business Line in order to accommodate projected increased presentation requests. This is largely due to new potential clients as a result of recent legislative amendments to the FMA. These legislative amendments now allow modern day Treaty First Nations, self-government First Nations, Tribal Councils and First Nations organizations to access FMB's services. It is estimated that FMB's potential client base will double.



In addition to the First Nations that are continuing their path through certification, the FMB is experiencing continued demand from First Nations that are beginning the process. As a national institution, the FMB will seek to respond to First Nations clients in all provinces and territories. It is anticipated that the upcoming 2019/2020 fiscal year will see a similar number of First Nations commencing the development of a FAL or FAB and requesting a Financial Performance Certificate.





**Figure 1 –All Business line projections**

In the 2019/2020 fiscal year we expect to issue approximately 35-40 FAL compliance approvals, 10-15 updated FAL compliance approvals, 75-100 FAL\FAB compliance opinions for 10 year grants, 38-46 Financial Performance Certificates, 75-100 financial performance reviews for 10 year grants and 13-15 FMS Certificates. This year's activity will bring the projected totals to an upper maximum of 218 approved FALs, 51 updated FALs, 176 Financial Performance Certificates and 36 FMS Certificates. For 10 year grants we are looking to reach 184 for FAL opinions and 177 Financial Performance opinions.

The projections for the Governance Training, FALs for modern day Treaty First Nations, self-government First Nations, and First Nations organizations will be have a slower start in the 2019/2020 fiscal year as the new standards and guidelines will need to be developed.

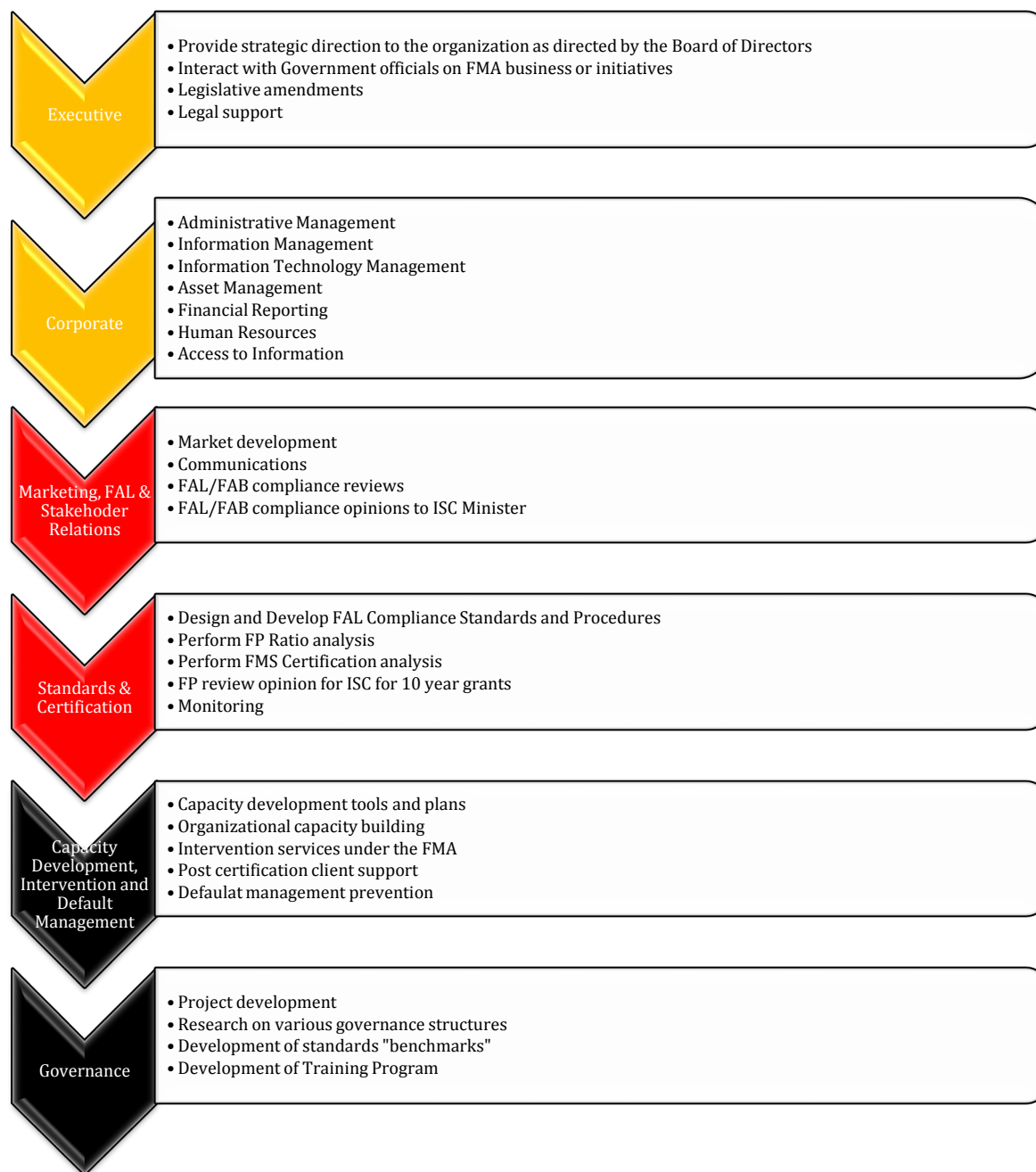
With respect to FMS Certificates, there are currently 160 First Nations who are in the FMS development and implementation process. We are expecting another 35-40 to be added to the list this fiscal year. The Capacity Development and Intervention and the Standards and Certifications Business Lines will work closely together to co-ordinate time and staff resources to ensure that those First Nations going through the FMS implementation process are reviewed and certified in a timely and supportive manner. The Capacity Development and Intervention Business Line will experience difficulty managing its caseload this year as more and more First Nations join the FMS process.

Due to the increase in demand for FMS Certifications the following increase in human resources will take effect:

Department	Current FTE	New FTE	Improved FTE
Executive Services	2	0	2
Corporate Services	13	2	15
Market Development, FAL & Stakeholder	6	2	8
Standards & Certification	12	0	12
Capacity Development & Intervention	12	0	12
Default Management	4	2	6
Governance	1	3	4
<b>Total</b>	<b>50</b>	<b>9</b>	<b>59</b>

As First Nations continue to develop their economies and take greater control over their lands and resources, their financial management needs will continue to grow in scope and complexity. The legislative purposes of the FMB can support First Nations taking a greater role in the Canadian economy or moving beyond the *Indian Act* whether on a comprehensive basis through modern treaties or sectoral self-government initiatives such as the land management initiative.

One of FMB objectives is to instill more confidence in stability, accountability, transparency and good financial and governance stewardship in First Nation governments as they move to implement their community, social, and economic strategies. The FMB will deliver on this objective through its six Business Lines:



**Table 1 - FMB Business Lines and Activities**

Strategically, the FMB has realigned its strategic objectives with the Strategic Plan and will focus its efforts during the 2019/2020 fiscal year as follows:

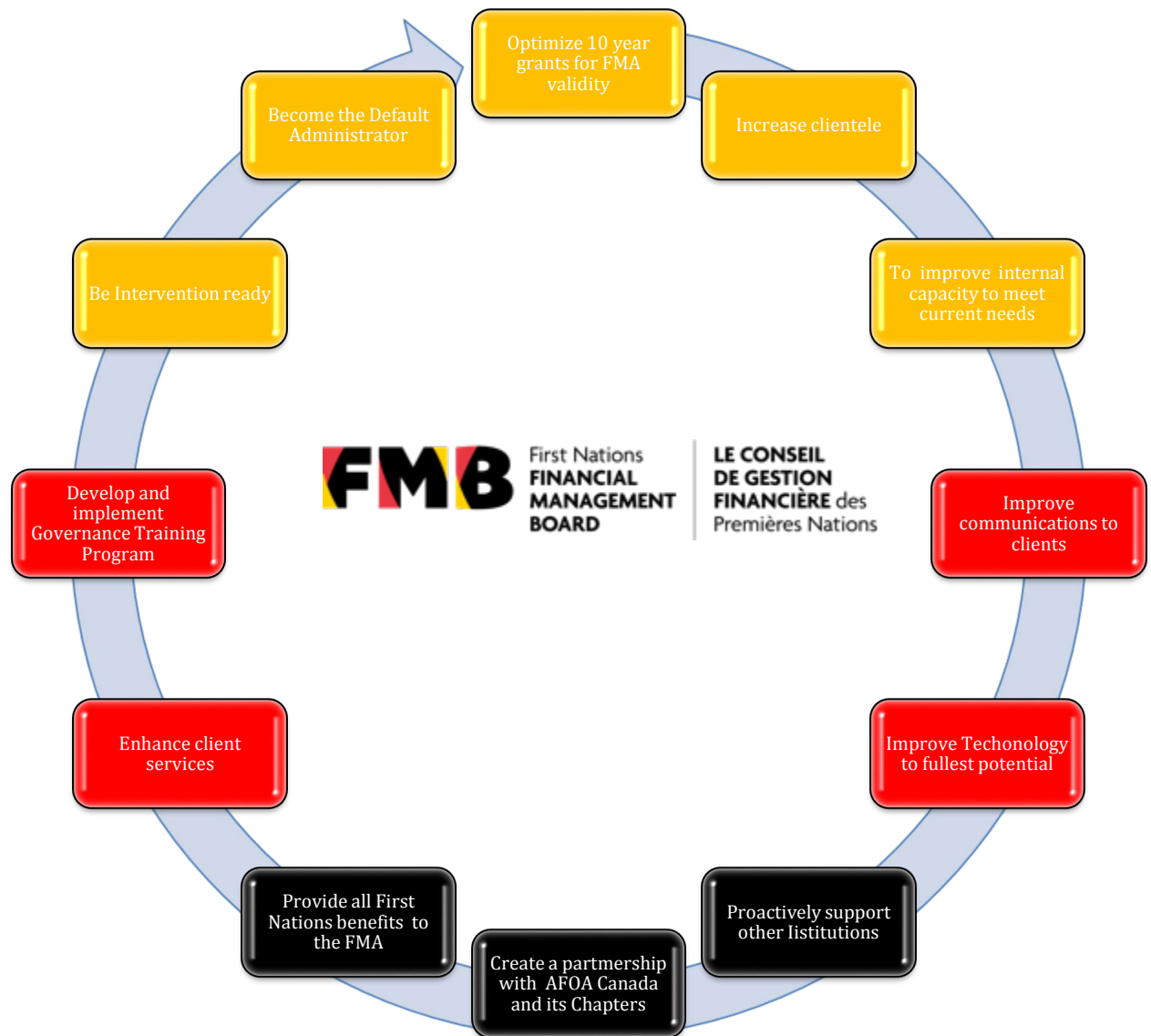


Figure 2 – 2019/2020 Strategic Goals

The budget for core activities during the 2019/2020 fiscal year is \$14,881,391. The budget is summarized below:

**Table 2 – Financial Plan**

Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>Funding Source</b>					
Current A Base	\$10,811,391	\$11,998,746	\$12,425,587	\$12,991,301	\$12,991,301
Surplus	\$2,370,000				
New Funds	\$1,700,000	\$5,902,811	\$9,058,672	\$7,922,643	\$8,440,922
Total	\$14,881,391	\$17,901,557	\$21,484,259	\$20,913,944	\$21,432,223
<b>Total Funding Source</b>	<b>\$14,881,391</b>	<b>\$17,901,557</b>	<b>\$21,484,259</b>	<b>\$20,913,944</b>	<b>\$21,432,223</b>
<b>Expense</b>					
Salaries & Benefits	\$7,148,979	\$8,908,473	\$11,724,880	\$11,959,378	\$12,198,565
Client Services	\$350,000	\$357,000	\$364,140	\$371,423	\$378,851
Policy Development	\$1,700,000	\$1,734,000	\$2,117,886	\$2,160,244	\$2,203,449
Operations & Management	\$3,502,629	\$4,574,370	\$4,760,717	\$3,855,932	\$4,033,050
Board fees & Travel	\$732,436	\$658,436	\$671,605	\$685,037	\$698,737
Program Travel	\$1,011,800	\$1,327,021	\$1,495,928	\$1,525,847	\$1,556,363
Intervention Reserve	\$100,000	\$0	\$0	\$0	\$0
Capital	\$235,547	\$240,258	\$245,063	\$249,964	\$254,963
Amortization	\$100,000	\$102,000	\$104,040	\$106,121	\$108,243
Total	\$14,881,391	\$17,901,557	\$21,484,259	\$20,913,944	\$21,432,223
<b>Description by Business Line</b>					
Executive			\$1,664,041		
Corporate Services			\$3,684,865		
Market Development, FAL & Stakeholder Relations			\$1,904,116		
Standards & Certifications			\$1,865,081		
Capacity Development & Intervention			\$2,961,382		
Default Management Prevention			\$1,101,906		
Governance			\$1,700,000		
Total			\$14,881,391		

## Mandate

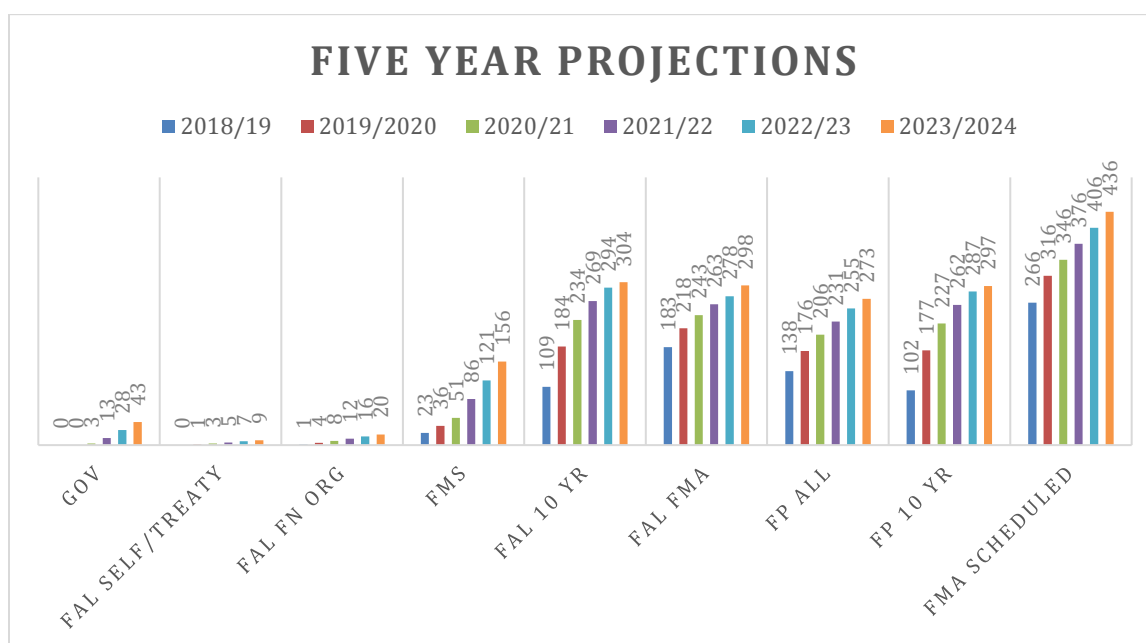
The FMB will provide the tools and guidance that will instill confidence in First Nations' financial management and reporting systems to support economic and community development.

Section 49 and 55 of the FMA establish the following legislative mandates for the FMB:

- Assist First Nations in developing the capacity to meet their financial management requirements;
- Develop and support the application of general credit rating criteria to First Nations;
- Provide review and audit services respecting First Nation financial management;
- Provide assessment and certification services respecting First Nation financial management and financial performance;
- Provide financial monitoring services respecting First Nation financial management and financial performance;
- Provide co-management and third party management services;
- Assist First Nations in their dealings with other governments respecting financial management, including matters of accountability and shared fiscal responsibility;
- Assist First Nations in the development, implementation and improvement of financial relationships with financial institutions, business partners and other governments, to enable the economic and social development of First Nations;
- Provide advice, policy research, and review and evaluative services on the development of fiscal arrangements between First Nations' governments and other governments; and,
- Set standards respecting:
  - The form and content of Financial Administration Laws;
  - Approvals of Financial Administration Laws;
  - Certification of First Nation Financial Management Systems;
  - Certification of Financial Performance; and,
  - Financial reporting for the Local Revenue Account.

## Corporate Profile

The FMB operates as a shared governance institution under Parts 3 and 6 of the FMA, which came into effect on April 1, 2006. The FMA is an optional initiative – in order to participate a First Nation must pass a Council Resolution to request the Minister of Indigenous and Northern Affairs Canada to add their community's name to the FMA Schedule. As of April 1, 2019 266 First Nations are listed on the FMA Schedule. These communities are the primary client base of the FMB. As the FMB is gaining momentum each year, we expect the number of First Nations scheduled to dramatically increase over the years to come due to the 10 year agreements and changes to legislation amendments to the FMA.



\*as of Mar 1, 2019

**Figure 3 – Projection on Number of First Nations with a FAL, a Financial Performance Certificate and Financial Management System Certificate, Governance Training and now 10 year Grant information**

The FMA sets out the purposes, functions and powers of the FMB and establishes an at-arms-length relationship between the FMB and the federal government. Accordingly, the FMB is not an agent of the Crown and has the capacity, rights, powers and privileges of a natural person.

## Corporate History

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

The FMA had all party support in both the House of Commons and the Senate during the legislative process of 2004 and 2005. It received Royal Assent on March 23, 2005 and came into force on April 1, 2006.

In order to provide access to non-taxing First Nations and to support the FMA regime, the Governor in Council (GIC) made regulations on September 29, 2011 that enabled the securitization of various other revenue streams in addition to property tax revenues.

In addition to those First Nations listed on the FMA Schedule, there have been non-scheduled and non-taxing First Nations interested in securitizing their own source revenues. Others simply wish to improve their financial management system and work with the FMB. Some First Nations have come forward to work with the FMB and are awaiting the ISC Ministerial approval process to conclude so that they can be listed on the FMA Schedule.

In August 2017 Government of Canada made an announcement that would change the history for First Nations in Canada by the dismantling of INAC. In doing so it also changed the history of the FMB. The announcement meant that FMB's work would be made a focal point for how First Nations could become eligible for 10 year grant agreements. Since then, the FMB has been working with ISC and the AFN to work through this initiative.

On December 13, 2018 the FMA legislative amendment received Royal Assent from the Parliament of Canada to now include modern day Treaty First Nations, self-government First Nations, Tribal Councils and First Nations organizations the ability to utilize the FMA. Regulations will begin to be drafted during the 2019/2020 fiscal year.

## Organizational Structure

The FMB operates under a shared governance model that makes the Board of Directors of the FMB accountable to the Minister of Indigenous Services Canada. The Board of Directors is responsible for ensuring that the FMB fulfills its legal and regulatory mandate. Under this model, the Board of Directors consists of a minimum of 9 and a maximum of 13 directors, including a Chairperson and a Vice-Chairperson. A majority of the members (10) are named by the GIC and up to 3 members are appointed by AFOA Canada.

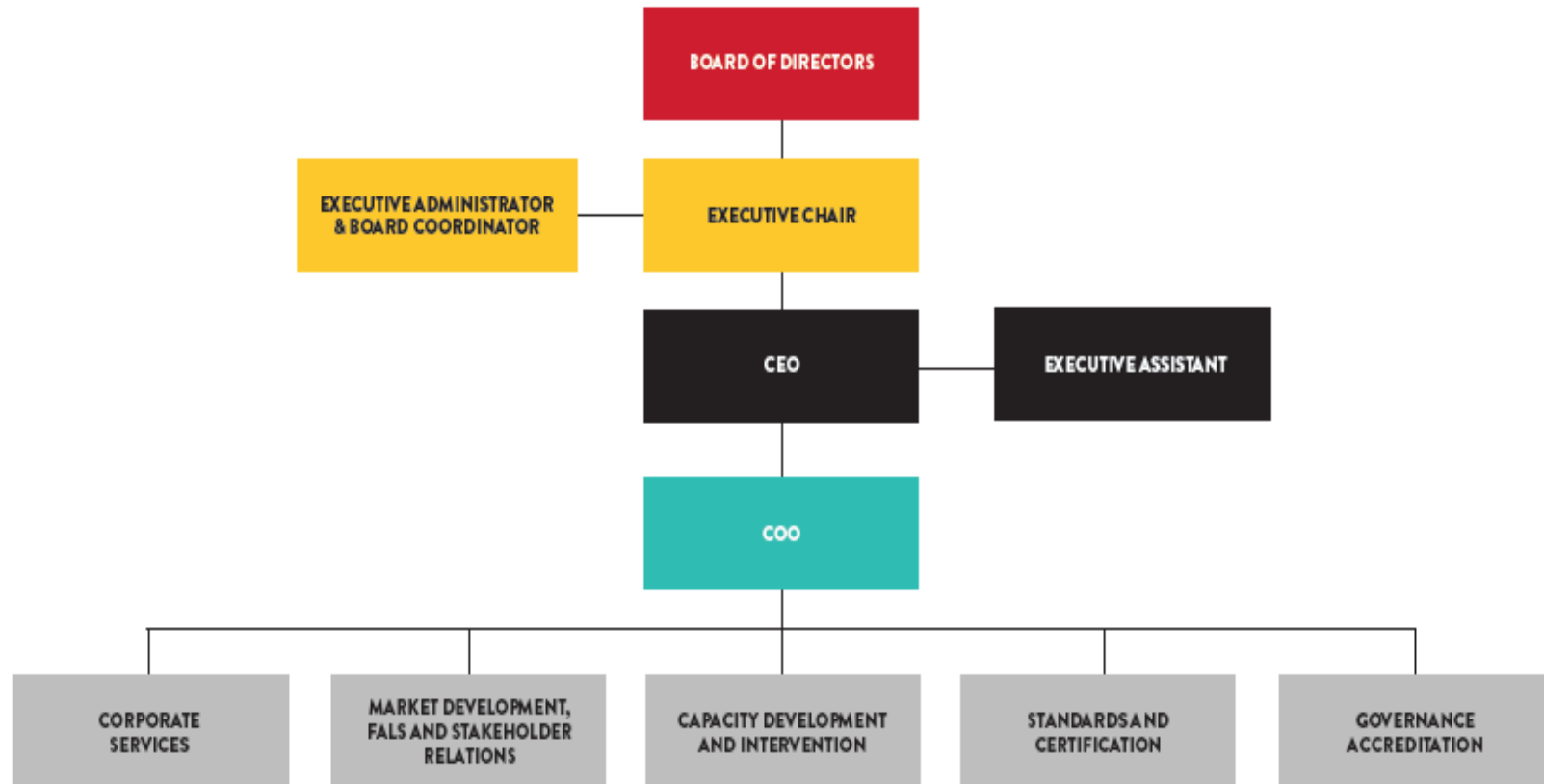


To date, the Board of Directors have formed 6 committees:

- Audit and Risk Management Committee
- Governance and Human Resources Committee
- Standards, Approvals, and Certification Committee
- Marketing and Capacity Development Committee
- Special Initiatives Committee
- Executive Committee

The current organizational chart and Board committees of the FMB are shown in Figure 4 on the following page.

Figure 4 – FMB Organizational Chart for 2019/2020



## The FMB Management Team

### *Executive Chair - Harold Calla*

The Executive Chair is responsible for providing executive oversight of the decisions of the Board of Directors of the FMB, for supporting and implementing the vision of the Board, as well as for overseeing the strategic and corporate plans for the organization.

### *Chief Operating Officer - Brian Titus*

The Chief Operating Officer (COO) is primarily responsible for the implementation of the strategic direction of the Board and the Executive Chair. This high level position meets with Government officials, the AFN, and other institutions in the development of New Fiscal Relationships, moves initiatives forward (such as legislative amendments, the monetization of federal transfers, and pilot projects), as well as monitors and evaluates the FMB's performance. The COO reports to the Executive Chair and the Board of Directors

### *Director of Corporate Services – Mindy Smith*

The Director of Corporate Services is part of the senior management team and is primarily responsible for the management of the day-to-day operations including human resources, information management, information technology, access to information, asset management and administering contracts. The Director of Corporate Services reports to the COO.

### *Director of Market Development, FALs and Stakeholders Relations - Shayla Point*

The Director of Market Development, FALs and Stakeholders Relations is part of the senior management team and is responsible for managing the ongoing relationship with First Nations, including marketing and business development efforts to engage new clients. The Director is also responsible for providing operational support to First Nations wishing to enact a FAL, and conducts legal reviews and provides feedback to clients regarding compliance with FAL standards for FMA and non FMA scheduled bands. For non FMA Bands, the Director provides an opinion to the Minister of Indigenous Services Canada that a section 83 bylaw meets the minimal provision of a Financial Administrative Law so that a First Nations can enter into a 10 grant agreement. The Director provides the FMB Board of Directors with legal opinions and recommendations regarding FAL compliance approvals. With respect to stakeholder relations, the Director also ensures that the FMB engagement approaches (across all Business Lines) responds to client needs. Finally, the Director develops and maintains relationships with other First Nations organizations. The Director of Market Development, FALs and Stakeholder Relations reports to the COO.

#### *Director of Capacity Development, Intervention and Default Management - Suzanne Trottier*

The Director of Capacity Development, Intervention and Default Management is part of the senior management team and is responsible for managing and monitoring of capacity development for First Nations and helps develop and implement financial management systems for certification , as well as performs the duties of the Intervention Officer as required by the regulations. The Director also oversees the Default Management Program until it is determinable that it requires its own business line or not. The Director of Capacity Development, Intervention and Default Management reports to the COO.

#### *Director of Standards and Certification - Scott Munro*

The Director of Standards and Certifications is part of the senior management team and is responsible the development of standards for minimal provisions for FALs, Finance Performance Certificates and FMS Certificates. The Director provides an opinion of First Nations who are non FMA Bands to the AFN and ISC so that they can determine the eligibility of a First Nations who wants to enter into a 10 year grant agreement. The Director also works with the senior management team in various initiatives such as monetization, monitoring and re-certification. The Director of Standards and Certifications reports to the COO.

#### *Director of Governance - Mark Podlasly*

The Director of Governance is part of the senior management team and is responsible for research in best practices in First Nation Governance for the development of Standards “benchmarks” for training programs for First Nations governments who want to lead the road to self-determination. The Director of Governance reports to the COO.

## Fiscal Management Act Regulatory Regime

The FMB is part of the regulatory regime established by the FMA that enables First Nations to finance public infrastructure by pledging either (a) property tax revenue; and/or, (b) other own source revenues to repay the loan. First Nations interested in participating must first apply to be added to the FMA Schedule. *Figure 5* below describes the scenario of a First Nation pledging property tax or other revenues to repay an infrastructure or economic development loan.

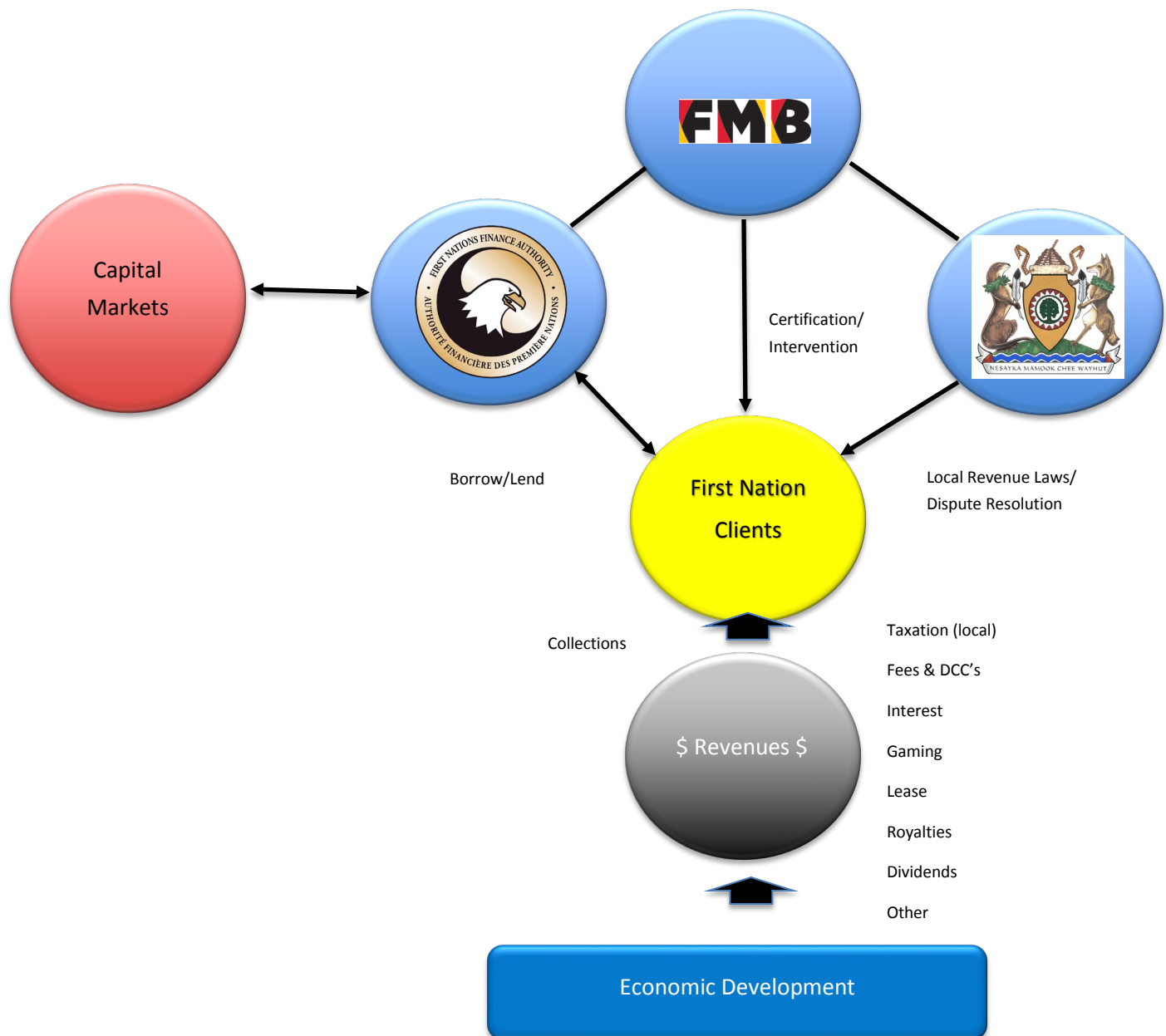


Figure 5 - An overview of the FMA regulatory regime

In the property tax scenario, investment and economic development on First Nations' lands creates a tax base. Lessees pay property taxes to a First Nation in return for the provision of services. The First Nations Tax Commission (FNTC) regulates the property tax system (including property taxation, assessment, rates and expenditure laws).

In December 2018, the legislative amendments to the FMA received Royal Assent from Parliament. The FMB will now service First Nations on the FMA Schedule as well as First Nations who are under a modern day Treaty or self-government agreement, Tribal Councils and First Nations organizations. This opens up the potential client base by literally doubling the FMB's client base. There are now over 1400 who could possibly utilize the FMA.

In order for First Nation clients to pledge property tax or other own source revenues for loans through the FMA legislative program, a First Nation must become a "borrowing member" of the First Nations Finance Authority (FNFA). Before a First Nation is eligible to be considered for membership in the FNFA, the FMB must issue a Financial Administration Law compliance review and a Financial Performance Certificate to the First Nation clients indicating that it meets the standards set by the FMB. For these purposes the FMB has issued its *Financial Performance Standards*. A Financial Performance Certificate may be used by a First Nation client to support its application to become a borrowing member of the FNFA. Every borrowing requires the First Nation client secure a new Financial Performance Certificate.

A First Nation client must obtain an FMS Certificate from FMB within 36 months after the First Nation receives proceeds for the first time from a debenture (or equivalent instrument) issued by the FNFA and before it may obtain a second loan from the FNFA. The FMB has issued the *Financial Management System Standards* for the purposes of issuing a First Nation an FMS Certificate. The FMB has also issued the *Financial Management System Certification Procedures* and the *Financial Performance Certification Procedures* to guide First Nations who are applying for a certificate from the FMB.

A First Nation client will not be issued a Financial Management System Certificate or a Financial Performance Certificate by the FMB unless the First Nation's FAL or FAB has first been reviewed and given compliance approval by the FMB. The First Nation's FAL or FAB must meet the requirements of the *Financial Administration Law Standards* before they will be given a compliance approval. The FMB has issued the *Financial Administration Law Review Procedures* to guide First Nation clients who are applying for approval of their FAL or FAB respecting financial administration.

Pursuant to section 142 of the FMA, the GIC made *“Financing Secured by Other Revenues Regulations”*, which enables a First Nation to use certain “other revenues” to secure financing from the FNFA. The regulation contemplates that a First Nation with both property tax revenues and other revenues can use either or both for borrowing. The regulation was developed by Canada in a collaborative effort with the FMA institutions. The FMB certification and intervention functions are an integral part of the process to borrow from the FNFA using “other revenues”.

The FMA provides the FMB with authority to require First Nation clients to enter co-management or third party management in three circumstances. First, the FNTC may, in certain circumstances relating to First Nation client tax laws, direct the FMB to impose co-management or third party management over the First Nation’s local revenues. Second, the FNFA has the parallel power to direct the FMB to require a First Nation client to enter co-management or third party management if a borrowing member First Nation has not met its payment obligations. Third, the FMB can self-initiate intervention, if in their opinion, there is serious risk that a First Nation will default on an obligation to the FNFA.

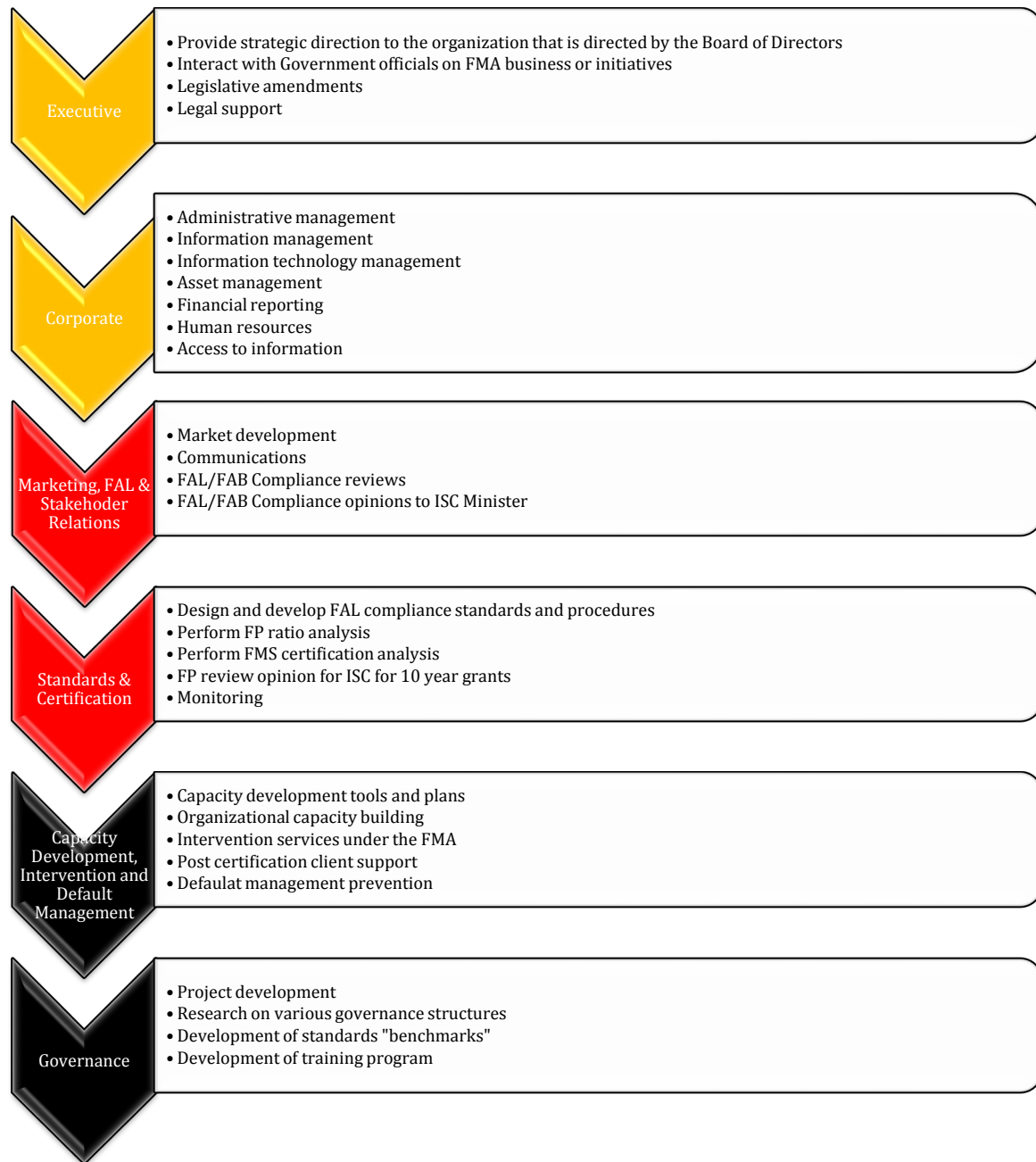
FMB certification, coupled with the intervention authority, gives the capital markets the confidence to invest in bonds issued by the FNFA and are fundamental to the benefits that flow from this access to capital. The oversight framework of the FMA was reviewed by rating agencies and investment banks, and during the review the standards and certification processes were examined, which contributed to the achievement of the investment grade credit rating given to the FNFA.

The FMB’s Financial Performance Certificate has been accepted as a proxy in ISC’s risk-based general assessment (GA). The GA works by taking an annual snapshot of a First Nation’s past performance and identifies strengths and emerging risks that may have an impact on its future performance. Within the GA process each First Nation is assessed and rated as having a low, medium or high-risk level. The GA includes factors such as governance, operating environment, planning and financial management. FMB’s Financial Performance Certificate can be used in place of the financial management aspect of the GA.

Currently there are 160 First Nation clients who are working towards an FMS Certificate and 23 who have completed and received an FMS certification. Those in the process are in various levels of completion and approximately 35-40 First Nations would be added each year.

## Business Lines

There are 6 FMB Business Lines. Activities are mapped to the Business Lines in the Table below.



**Table 3 - Activities by Business Line**



## Executive Services

The Executive Services Business Line comprises executive level decision-making capacity that works closely with the Board of Directors to ensure the Strategic Plan is being carried through. The Executive Services Business Line also has constant communications with other stakeholders such as FNFA, FNTC and ISC in the continual progression of the FMA and other initiatives, such as the New Fiscal Relationship, in which the AFN and AFOA Canada are also participating.

The Executive Services Business Line ensures the advancement of the Strategic Plan and its goals particularly the default management, shared services, governance and the New Fiscal Relationship Initiative with respect to 10 year grant agreements.

## Corporate Services

The Corporate Services Business Line is responsible for the activities that are carried out internally to provide the operational and administrative support to enable the other Business Lines to carry out objectives in an economical, efficient, and effective manner. These activities include management functions, finance, human resources, reporting, information technology, access to information, internal policy development and evaluation.

As the organization continues to grow, it has been developing and expanding its responsibilities to meet the changing needs.

## Market Development, FALs and Stakeholder Relations

The Market Development, FALs and Stakeholder Relations Business Line comprises the ground floor work for those First Nations who are interested in taking the first step in the FMB process. This usually starts when a First Nation requests a presentation to Chief and Council on what the full process entails and its benefits. FMB staff will then ask for a Letter of Cooperation from the First Nation, then present them with a sample FAL or FAB. FMB staff will then work with the First Nations and/or its legal representative to finalize its FAL or FAB.

Once the FAL or FAB has been submitted by the First Nation, the Director of Market Development, FALs and Stakeholder Relations will do a legal review of the FAL or FAB to ensure that it meets all the requirements of standards and/or meet the requirements of ISC's standards for 10 year grant agreements.

Communications will continue this year wherein the Business Line will present to attract those First Nations who are interested in the 10 year grant agreements and also want to utilize the FMA regime. Another responsibility will be reviewing and providing FABs under section 83 of the *Indian Act* and providing the ISC with an opinion on compliance that the First Nations law meet the minimum provision that FMB has prepared.

First Nation clients in the FMA will now include First Nation groups such as modern day Treaty bands, self-government First Nations, Tribal Councils and First Nations organizations; it will increase the number of requests from First Nation clients for presentations about the FMA. In the 2019/2020 fiscal year, ISC is planning to include Tribal Councils for 10 year grant agreements, in which will also increase our scope of services by developing a FAL for Tribal Councils.

Other responsibilities include keeping the relationships moving forward with First Nations during the development of the FMS process and marketing the brand of the FMB to clients and prospective clients.

### **Capacity Development, Intervention and Default Management**

The Capacity Development, Intervention and Default Management Business Line is responsible for primary interaction between the FMB and its clients for capacity development, intervention activities and default management services. The Capacity Development, Intervention and Default Management Business Line supports First Nations by building capacity for an organization as a whole by helping implement their financial management systems to meet FMB's standards.

The Default Management Prevention Pilot Program has been very successful. First Nations in the program that were in third party management have been now have been de-escalated to recipient appointed co management agreements. In the 2018/2019 fiscal year the FMB did outreach to other First Nations who were in default management and who are now under recipient appointed advisory situation. The FMB will commence work with these First Nations in the 2019/2020 fiscal year.

In the 2019/2020 fiscal year the Capacity Development, Intervention and Default Management Business Line will be working with other the other Business Lines to develop capacity development guidelines based on the new standards that are being developed for Tribal Councils and First Nations organizations.

Currently, the Capacity Development, Intervention and Default Management Business Line are working with 160 First Nations that are working towards an FMS certification process. Approximately 35-40 new First Nations start the process each year.

The FMB expects to see approximately 10-13 First Nations achieve FMS Certification during the 2019/2019 fiscal year, with this number rising in future years as the FMB's funding and resources increase.

## Standards and Certifications

The Standards and Certifications Business Line is responsible for establishing standards and improving standards for FALs, financial performance and financial management systems as well as local revenues financial reporting and providing certification services in relation to those standards. The Business Line has been actively updating standards and delivering certification services to First Nations upon their request.

The workload of the Standards and Certifications Business Line has grown in recent years, as the number of First Nations implementing their FAL and seeking FMB certification services has increased due to a large number of First Nations that are going through the FMS process.

Over the next couple of years, we expect that there will be large number of First Nations who will be developing and implementing their own financial management systems and looking for certification from the Standards and Certification Team.

As of April 1, 2019, there are 160 First Nations who are in the process of developing and implementing their financial management systems. Another 35-40 First Nations will be added to this process each year.

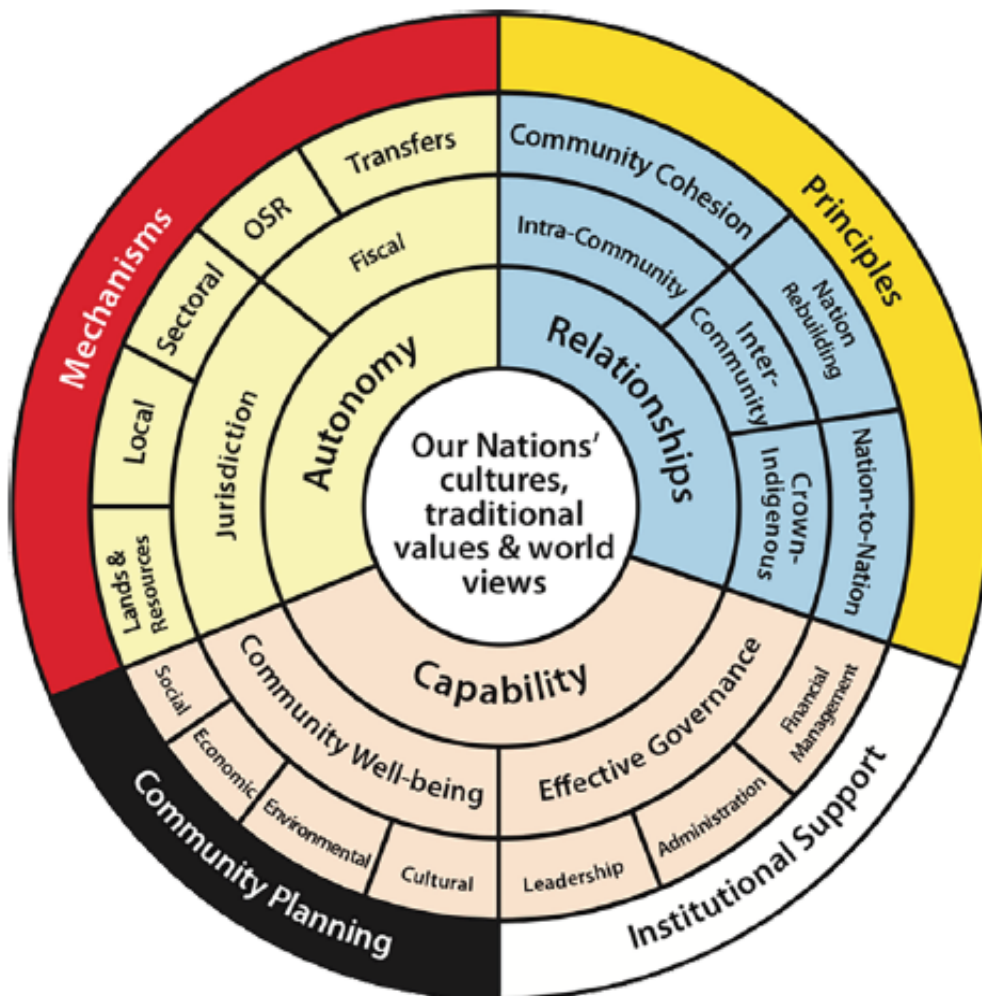
Currently it takes approximately 200 hours to do a risk based approach review of financial management systems and 40-45 hours for financial performance reviews for a First Nation that is requesting certification. Last fiscal year the Standards and Certifications Team increased its staff resources to improve the efficiency and meet client needs in the area of financial performance and FMS certifications.

Additional staff will be hired in the 2019/2020 fiscal year. As a result of the additional responsibilities of financial performance reviews for ISC with respect to 10 year grant eligibility, new Standards and Certifications Managers will be hired in Quebec and British Columbia, along with 2 analysts.

The Standards and Certifications Business Line will also have the responsibility of developing standards for First Nations organizations that will utilize the FMA under a monetarization of federal transfers Pilot Project, along with standards for Treaty modern day Treaty First Nations and self-government First Nations.

## Governance

The Governance Business Line is in the development stage to expand our mandate to include governance training. In the 2019/2020 fiscal year the FMB prepared a report called “First Nations Governance Project: Phase I” and received a lot of positive feedback from First Nations, First Nations leaders, and the Government. In the 2019/2020 fiscal year, the Governance Business Line will be working on Phase II of the Governance Project. Research and study will be conducted on First Nations organizations that have done well in governance. The research and study will lead the way for the development of standards and “benchmarks”.



## Strategic Goals for 2019/2020

### Strategic Goal #1 – Increase Clientele

On December 13, 2018, legislative amendments to the FMA received Royal Assent from Parliament. This means that the FMB's client base will expand from 634 perspective clients to well over 1400. First Nations organizations who fall in the categories of First Nations, modern day Treaty, self-government, Tribal Councils and First Nations organizations. The entire FMB team will carry this out pursuant to the following actions and measures:

#### *Action One: Conduct framework development for new clients*

- Develop a new client segment on the regulation results from legislative amendments to the FMA
- Hire staff for the Standards and Certification team for program development
- Develop new standards for FAL, FP and FMS for new client segment
  - modern day Treaty/self government First Nations
  - Tribal Councils
  - First Nations organizations
- Develop capacity development toolkit and new client segment
- Hire firm to work with Territorial and Provincial government and First Nations to amend their legislation to adapt to the amended FMA
- Start work on Territorial or First Nation legislation and Provincial legislation changes to include modern day Treaty

#### *Action Two: Conduct business development outreach to include new clients resulting from FMA legislative amendments*

- 110-130 presentations to all perspective First Nation clients
- Participation at 6-10 First Nations events
- Partnership with other FMA Institutions and FNLM in National Conference
- Meet with First Nations in Yukon and James Bay Cree on FMA amendments
- Hire staff to meet new demand on business development
- Meet with Tribal Councils, modern day Treaty/self government First Nations, Tribal Councils and First Nations organizations

#### *Action Three: Conduct FAL, FP, and FMS reviews on clients*

- 40-50 Letters of Cooperation
- 35-40 Financial Administrative Laws (including Financial Administration Bylaws) reviewed
- 10-15 Financial Administrative Laws updates
- 75-100 Financial Administration Reviews for 10 year grants
- 0-1 Self-Government/Modern day Treaty FAL reviews
- 0-1 Tribal Council/First Nations organization legal framework reviews

- 38-46 Financial Performance reviews for all client segments
- 75-100 Financial Performance review for 10 year grants
- 15-17 Financial Management Systems reviews

## Strategic Goal #2 – Improve Communications to Clients

This strategic goal is what will make the FMB successful in obtaining other goals such as increasing the total number of certifications. This will be carried out by the entire team but primarily the Market Development, FALs and Stakeholder Relations Business Line. This work will be carried out pursuant to the following actions and measures:

*Action One: Develop and implement the Communication Strategy that utilizes a focus group*

- Create plain language documents
- Utilize technology to its fullest by using all media avenues
- Conduct a focus group session
- Modify communication to reflect outcomes from the focus group session

*Action Two: Implement the Communication Strategy*

- Hire a Senior Business Development Manager
- Hire an Events Coordinator
- Communicate services offered by FMB to modern day Treaty/self-government First Nations
- Communicate to First Nations about the Governance Program
- Collaborate with other FMA institutions and the Land Advisory Board with a follow up National Conference

## Strategic Goal #3 – Improve Technology to its Fullest Potential

This strategic goal is to build/maintain the foundation for FMB's technology platform to be able to provide services to clients. This will be carried out by the Corporate Services Team and will be carried out pursuant to the following actions and measures:

*Action One: Develop IT Strategy for FMB*

- Complete inventory of current Technological assets
- Conduct a IT Audit
- Prepare IT Strategy with costing

## Strategic Goal #4 – Optimize 10 year grants to increase validity of FMA

This strategic goal is to increase the number of First Nations eligible to enter the FNFA's borrowing pool and provide proof that FMB certification is an achievable outcome. The new 10 year grant agreements is a great opportunity to persuade those First Nations who are not in the FMA to become scheduled under the FMA. This goal will be carried out jointly by the Market Development, FALs and Stakeholder Relations Business Line and the Standards and Certifications Business Line and will be carried out pursuant to the following actions and measures:

### *Action One: Increase number of First Nation clients for 10 year grants*

- Actively pursue clients who have submitted an expression of interest for 10 year grants who are not in the FMA
- Review approximately 75-100 First Nations for 10 Grants for FAL/FAB
- Review approximately 75-100 First Nations for FP ratio analysis

### *Action Two: Be the advisory body to the AFN and ISC on the New Fiscal Relationship Initiative*

- Actively participate in various discussions with AFN/ISC/CIRNA on New Fiscal Relationship Initiative
- Maintain relationships with AFN, ISC and First Nations communities

## Strategic Goal #5 – Create Partnership with AFOA Canada and Regional Chapters

This strategic goal is to strengthen our relationship with AFOA Canada to better utilize each other's mandate to provide optimal service to First Nations clients. This will be carried out by the entire team and it will be carried out pursuant to the following actions and measures:

### *Action One: MOU with AFOA Canada implemented*

- Develop curriculum on FMB Standards for CAPA and CAFM programs

### *Action Two: MOU with AFOA Regions*

- AFOA Regions to develop programs and deliver workshops for First Nations and First Nations organizations for training on FMS practices

## Strategic Goal #6 – To provide all First Nations the benefit of the FMA through Shared Services

This strategic goal is to manage the growth in caseloads of staff within the Capacity Development Business Line and the Standards and Certifications Business Line by becoming more efficient and building capacity within. This will be carried out by Corporate Services and it will be carried out pursuant to the following actions and measures:

### *Action One: conduct a legal analysis of Shared Services*

- Legal opinion on possible scenario for liability
- Recommendation on legal framework

### *Action Two: Conduct outreach for pilot subjects*

- Communicate with ISC regions on possible clients for Shared Services Pilot Project
- Conduct outreach with First Nations about participating in a Shared Services Pilot Project
- Conduct outreach with First Nations who are also participating in the Default Management Pilot Prevention Program to participate in the Shared Services Pilot Project
- Have communities commit through a Letter of Cooperation

### *Action Three: Start Pilot Project (Depends on funding)*

- Start a Shared Services Pilot Project as indicated on FMB's study "Research into Support Services"

## Strategic Goal #7 – Enhance Client Services

This strategic goal is to enhance client services for First Nations. This will be carried out by the Executive Chair and the Capacity Development, Intervention and Default Management Business Line and will be carried out pursuant to the following actions and measures:

### *Action One: Conduct outreach to achieve social license*

- At the National Conference, the Institutions will create a Fiscal Management, Lands and Governance Chiefs Caucus group made up of a coalition of the willing from the FMA participants. This group will speak on behalf of the First Nations under the FMA and FNLAB at a national level.

### *Action Two: Develop post-certification monitoring and capacity development programs*

- Develop monitoring guidelines



- Test post certification services on FMS clients
- Modify post certification guidelines

## Strategic Goal #8 – Develop and Implement a Governance Training Program

This strategic goal is to provide First Nations the tools and training for self-determination. The Director of Governance will carry out these tasks. This will come from separate funding and will be carried out pursuant to the following actions and measures:

*Action One: Pilot Phase I Self Determination Governance (SDG) Framework as strategic planning tool for First Nations to transition out of the Indian Act to an UNDRIP – defined future*

- Engage six First Nations and/or organizations in the identified regions of the framework to validate the framework
- Complete report on elements of the SGC framework already being applied by specific First Nations or First Nations organizations
- Identify First Nations and First Nations organizations ready to use the SDG Framework as a tool to begin planning for transition out of the *Indian Act*

*Action Two: Develop self-determination education materials and training programs for interested First Nations and First Nations organizations*

- Develop First Nations benchmarks and standards for evaluating self-determination and governance readiness
- Identify existing training and education options to achieve First Nations self-determination and governance benchmarks
- Develop and deliver self-determination and governance curriculum, manual and training options

*Action Three: Map out comprehensive eco-system of First Nations-led institutions supporting fiscal and governance self-determination including Nations reconstituting*

- Provide overview of existing First Nations-led shared services institutions, capacity , First Nations adoption, prospects for growth
- Identify/prioritize institution and service gaps

## Strategic Goal #9 – Be Intervention Ready

This strategic goal is ensure the FMA institutions, rating agencies and financial markets that safeguards are in place in case of a default in payment happens from a First Nation that is a borrowing partner. This will be carried out by the Capacity Development, Intervention and Default Management Business Line pursuant to the following actions and measures:

### *Action One: Develop Intervention model for new First Nation clients*

- Prepare a legal opinion on issues with the new client segments
- Develop a policy for Intervention to address the new client segment

### *Action Two: Remedy parked issues from current policy*

- Revisit parked issues
- Introduce current Intervention Policy to other institutions and remedy if needed

### *Action Three: Put Intervention Trustee into position*

- Develop Terms of Reference for Intervention Trustee
- Develop a RFQ for Intervention Trustee
- Retain Intervention Trustee

## Strategic Goal #10 – Become the Default Administrator for First Nations

This strategic goal is the evolution of the Default Management Prevention Pilot Project that has taken place over the past couple of years. It is a new service that FMB can offer First Nations who fall into default management on essential services. The Capacity Development, Intervention and Default Management Business Line will carry out this work pursuant to the following actions and measures:

### *Action One: Complete the Pilot Project*

- Work closely with the Pilot Project subjects to complete and implement financial management systems
- Prepare a report on the findings of the Pilot Project

### *Action Two: Provide Default Management Services to willing First Nations*

- Implement services to First Nations that have opted into receive services from FMB under the new Default Management Prevention Program

*Action Three: Start development of curriculum*

- Through an MOU with AFOA Canada to develop curriculum with respect to a Default Management Program

**Strategic Goal #11 – To improve Internal Capacity to meet Current Needs**

This strategic goal is to ensure that the FMB administrative practices remain current and leading edge. The Corporate Services Business Line will carry out this work pursuant to the following actions and measures:

*Action One: To Practice what we preach*

- Top employee recognition
- Develop HR Strategy
- Employee Retention Strategy
- Achieve and maintain internal FMS certification
- Ensure strong finance management practices
- Update Board Manual

*Action Two: Implement Cross Training*

- Develop criteria around cross training
- CDI and SAC to cross train to increase staff pool and learn the FMS's other functions

**Strategic Goal #12 – Proactively Support Other Institutions**

This strategic goal is improve our relationship with the other institutions in order to improve our Services to the First Nation clients. The entire FMB team will carry this out pursuant to the following actions and measures:

*Action One: Improve and maintain relationship*

- Conduct semi-annual meeting with other institutions
- Develop monitoring guidelines for other or new institutions
- Provide support to other or new institutions by developing standards and guidelines

*Action Two: Increase capacity for staff*

- Provide staff with secondment opportunities to other institutions

## Analysis of External Environment

A number of external environment strategic issues have been identified in Table below:

**Table 4 - External environment strategic issues**

Strategic Issue	Description	Action
Building capacity and/or meeting the required timeframe for Financial Management System certification	<ul style="list-style-type: none"> <li>Currently most, if not all FALs contain “coming into force” provisions within a 36-months timeframe. Currently, there are 160 First Nations in the FMS process, in which 6 have become FMS certified within the 36 month deadline (or close to it).</li> <li>Certification requires dedication and significant time commitment.</li> <li>Building capacity requires human and financial resources.</li> <li>Turnover in employees within First Nation finance administration regime.</li> </ul>	<ul style="list-style-type: none"> <li>Increase Human Resources both in Capacity Development, Intervention and Default Management and Standards and Certifications Business Lines</li> <li>Continue to employ a risk-based approach to FMS certification</li> <li>Employ a new service delivery model to better coordinate capacity development and FMS certification services.</li> </ul>
Business development	<ul style="list-style-type: none"> <li>ISC announced the dismantling of INAC and replacing it with 10 year grant agreements. The AFN and ISC are looking to FMB to take part in the development of the provisions for eligibility.</li> <li>Being listed on the FMA Schedule does not necessarily indicate a willingness to develop a FAL or to get certified.</li> <li>The FNFA wants to see 100 borrowing members by March 31, 2020. Currently they are 65 borrowing members.</li> <li>The FNFA wants to reach \$2 Billion dollars in their portfolio in the next few years.</li> <li>The FMB provides services to First Nations in different circumstances.</li> </ul>	<ul style="list-style-type: none"> <li>Work with DISC and AFN on the development of the FAL Provisions, FP Ratio's and Default Management Prevention</li> <li>Communicate the benefits of FMB certification and the FMA regime.</li> <li>Continue the working relationship of the Major Projects Coalition to attract clients</li> <li>To Communicate with FNFA on a regular basis</li> <li>FMA and FNLM Conference to attract new clients</li> </ul>
Competition	<ul style="list-style-type: none"> <li>Some First Nations are choosing conventional lenders which do not require certification and have offered competitive rates.</li> <li>Other groups have profited from providing refinancing or debt restructuring services to First Nations in exchange for significant fees.</li> <li>Some First Nations have pursued certification from other for-profit standard-setting organizations (e.g. ISO).</li> </ul>	<ul style="list-style-type: none"> <li>Communicate the benefits of FMB certification and that FMB services are free of charge. No hidden fees.</li> <li>As the FNFA borrowing pool grows, rates will become even more favourable.</li> <li>FMB certification is risk mitigation when looking to commercial lenders for risk lending.</li> </ul>

## Assessment of Corporate Resources

The Table below summarizes some corporate strengths and weaknesses.

Table 4 - Assessment of Corporate Resources

Strategic Issue	Description	Action
How will the FMB support First Nations efforts in capacity development?	<ul style="list-style-type: none"> <li>• More than 138 First Nations have achieved Financial Performance certification and some have become borrowing members. These First Nations are now required to achieve FMS certification.</li> <li>• There are currently 160 First Nations going through the FMS process. This is expected to grow by an additional 35-40 First Nations in 2019/2020.</li> <li>• Under the 10 year grants initiative with ISC, First Nations will require assistance in implementing their FAL by implementing an FMS system.</li> <li>• A First Nation's FAL needs to be updated to the current FAL Standards prior to FMS Certification.</li> <li>• Each FMS certification requires a significant commitment of resources on the part of the FMB.</li> <li>• The FMA now includes services to modern day Treaty, self-government First Nations, Tribal Councils and First Nations Organizations.</li> <li>• The FMB is looking to expand its services to include Governance for those First Nations who are looking to move out of the <i>Indian Act</i> and into self determination.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase staff resources in the Standards and Certifications and Market Development, FALs and Stakeholder Relations Business Lines.</li> <li>• Additional staff will be required to start working with First Nations and Tribal Councils who are implementing their FMS system.</li> <li>• Continue to provide direct financial support to First Nations to implement their FMS work plans.</li> <li>• Support advancement of Shared Services Pilot Project.</li> <li>• Develop and implement Standards and Guidelines for new client segment.</li> </ul>
How does the New Fiscal Relationship Initiative affect FMB and First Nations under the FMA Regime?	<ul style="list-style-type: none"> <li>• ISC is looking to have 10 year grant agreements with First Nations in 2019/2020 and estimate of approximately 75-100 in 2020/2021. Tribal Councils will also be offered 10 year grant agreements.</li> <li>• The FMA Institutions and the Lands Advisory Board feel that they are not adequately represented at the AFN/ISC/CIRNA discussions on the New Fiscal Relationship Initiative and how it affects the institutions or what the role of the institutions will be.</li> <li>• Participating in ISC/CIRNA and AFN discussions on the topic around New Fiscal Relationship Initiative.</li> </ul>	<ul style="list-style-type: none"> <li>• Additional staff will be required in Standards and Certifications to prepare for increased demand from new type of 10 year grants (Tribal Councils and First Nations organizations e.g. BCFNHA).</li> <li>• Continue to review and provide opinion of FAL and FP analysis for ISC on eligibility status of First Nation.</li> </ul>

	<ul style="list-style-type: none"> <li>The FMB has taken the initiative with ISC to develop and implement a Governance Project that will provide toolkits and training to willing First Nations who are looking to move into self determination.</li> </ul>	<ul style="list-style-type: none"> <li>Develop standards for Tribal Councils and provide ISC the minimum provisions for legal framework.</li> <li>Develop monitoring criteria for First Nations 10 year grants.</li> <li>Get involved in the AFN/DISC Special Advisory Committee.</li> <li>Development of a Chiefs Caucus Group that is made up of 350 First Nations who are participating in the FMA and the Land Advisory Board.</li> </ul>
How will the FMB respond to requests to provide additional services in the future?	<ul style="list-style-type: none"> <li>The FMB may be able to provide additional services, consistent with its legislative mandate, such as support for First Nations to exit default management, as well as providing, shared services and services to self-governing First Nations.</li> <li>The establishment of an FMB Section 141 working group to include Treaty bands and self-government First Nations and possibly Tribal Councils under the FMA regime.</li> </ul>	<ul style="list-style-type: none"> <li>Develop Default Management Program and implement.</li> <li>Development of Phase II of the Governance Project will result in development of best practices "benchmarks", materials and training programs.</li> <li>Pursue Shared Services model Pilot Project with ISC.</li> <li>Work with the federal government, FMA institutions, provincial governments and First Nations to develop option(s) for self-governing First Nations to participate in the FMA.</li> </ul>

## Objectives, Strategies and Performance Measures

The objective of the FMB is to provide tools and services to First Nations that will enable them to exercise greater control over their economic future and maximize the benefits of the FMA as well as other self-government initiatives aimed at supporting economic development. More specifically, the services offered by the FMB are meant to achieve the following objectives:

- Support First Nation access to lower cost of capital through market accepted standards and certification processes;
- Strengthen First Nation financial administration by promoting sound, stable, and transparent financial stewardship of First Nation assets;
- Promote financial relationships between First Nations and other governments that are appropriate, effective, efficient, and mutually beneficial and Reflect UNDRIP; and
- Respond to private sector requirements for investment on First Nation lands.

The FMB has six Business Lines to achieve these objectives. The Business Lines and the objectives for each are presented in the Table below:

Business Line	Activities
Market Development, FALs and Stakeholder Relations	<ul style="list-style-type: none"> <li>• Support First Nations in developing FALs that comply with the FAL standards</li> <li>• Provide services to ISC with respect to FAL/FAB reviews for 10 grant agreements</li> <li>• Provide compliance approval of First Nations FALs and FABs</li> <li>• Provide compliance approval of legal framework for new client segments</li> <li>• Provide presentations to all clients who request to meet</li> <li>• Provide First Nations with a Letter of Cooperation who request to join the FMA Schedule</li> <li>• Outreach activities to increase client base and develop new markets</li> <li>• Effective communications to clients</li> <li>• Outreach to stakeholders</li> <li>• Oversee access to information requests</li> <li>• Advisory to ISC and AFN</li> </ul>
Capacity Development, Intervention and Default Management	<ul style="list-style-type: none"> <li>• Develop and deliver financial management capacity development tools and services</li> <li>• Develop policy and guidelines on default management</li> <li>• Develop procedures for intervention</li> <li>• Intervene on a First Nation's financial administration in accordance with the FMA</li> <li>• Wrap up Default Management Prevention Pilot Project</li> <li>• Implement Default Management Prevention Program nationally</li> <li>• Advisory to ISC and AFN</li> </ul>
Standards and Certifications	<ul style="list-style-type: none"> <li>• Develop and maintain standards for FALs, financial performance, financial management systems, and local revenue financial reporting</li> <li>• Develop and maintain standards for FAL and financial performance provisions for ISC for 10 year grant agreements</li> <li>• Develop and maintain standards for new client segment as a result of the legislative amendments</li> <li>• Develop a monitoring system for Annual Reports of First Nations under the 10 year grant agreements</li> <li>• Develop a monitoring system for FNFA</li> <li>• Develop recertification guidelines</li> <li>• Develop and maintain procedures for certification of First Nations against the FMB standards</li> <li>• Certify First Nations for financial performance and financial management systems based on standards</li> <li>• Advisory to ISC and AFN</li> </ul>
Governance	<ul style="list-style-type: none"> <li>• Develop standards "benchmark" for Governance for First Nations who looking to move into self-determination</li> <li>• Development of toolkits and training programs for First Nations governance</li> <li>• Advisory to ISC and AFN</li> </ul>
Corporate Services	<ul style="list-style-type: none"> <li>• Provide internal financial management services</li> <li>• Provide budgeting assistance to Business Lines</li> </ul>



	<ul style="list-style-type: none"> <li>• Provide internal administrative support services</li> <li>• Provide human resources services</li> <li>• Annual reporting</li> <li>• Provide information technology services</li> <li>• Monitor FMB compliance with all relevant legislation and regulations</li> <li>• Work with Special Project Initiatives on Natural Resource</li> <li>• Gather documentation for access to information requests</li> </ul>
Executive Services	<ul style="list-style-type: none"> <li>• To strategically lead the organization based on direction provided by the Board of Directors</li> <li>• To maintain relationship with key stakeholders (FMA Institutions, LAB, AFN, ISC) both in a professional and political atmosphere</li> <li>• To maintain relationship with First Nations across the country</li> <li>• New initiatives (Shared Services)</li> <li>• Legislative amendments</li> <li>• To advocate the advancement of the Strategic Plan</li> <li>• Advisory to the ISC and AFN</li> </ul>

Table 5 - FMB Business Lines and Activities

## Market Development, FALs and Stakeholder Relations

In 2019/2020, the Market Development, FALs and Stakeholder Relations Business Line will:

Actions to meet Strategic Goals	Performance Measure
<ul style="list-style-type: none"> <li>• Conduct outreach, presentations and business development</li> </ul>	<ul style="list-style-type: none"> <li>• 110-130 presentations to First Nations across Canada</li> <li>• 6-8 presentations to other organizations</li> <li>• Participation at 6-10 First Nation events</li> <li>• Participate in National Conference "Leading the Way"</li> <li>• Meet with First Nations in the Yukon</li> <li>• Meet with First Nations in James Bay Cree</li> </ul>

Actions to meet Strategic Goals	Performance Measure
<ul style="list-style-type: none"> <li>Obtain Letters of Cooperation from First Nation communities who request to join the FMA Schedule</li> </ul>	<ul style="list-style-type: none"> <li>40-50 signed Letters of Cooperation</li> </ul>
<ul style="list-style-type: none"> <li>Provide compliance approvals of First Nations FALs</li> </ul>	<ul style="list-style-type: none"> <li>35-40 reviewed and approved</li> <li>10-15 updated FALs approved</li> <li>0-1 reviews and approved on legal framework for First Nations organizations and Tribal Councils</li> <li>0-1 reviews and opinion on legal framework for 10 year grant</li> </ul>
<ul style="list-style-type: none"> <li>Outreach with stakeholders regularly on various matters</li> </ul>	<ul style="list-style-type: none"> <li>2-4 meetings</li> </ul>
<ul style="list-style-type: none"> <li>Develop and implement Communication Strategy that utilizes a focus group</li> </ul>	<ul style="list-style-type: none"> <li>Create plain language documents</li> <li>Utilize technology to its fullest by using all media avenues</li> <li>Conduct a focus group session</li> <li>Modify communications to reflect outcomes from the focus group</li> </ul>
<ul style="list-style-type: none"> <li>Implement Communications Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Hire a Senior Business Development Manager</li> <li>Hire an Events Co-coordinator</li> <li>Communicate services offered by FMB to modern day Treaty/self government First Nations</li> <li>Communicate to First Nations about Governance Program</li> <li>Collaborate with other FMA institutions and LAB on National Conference</li> </ul>
<ul style="list-style-type: none"> <li>Increase number of First Nations clients from 10 year grant agreements</li> </ul>	<ul style="list-style-type: none"> <li>Actively pursue clients who have submitted an expression of interest for 10 year grant agreements who are not on the FMA Schedule</li> <li>75-100 First Nations for 10 year grant agreements for FAL/FAB</li> </ul>

## Capacity Development, Intervention and Default Management

In 2019/2020, the Capacity Development, Intervention and Default Management Business Line will:

Actions to meet Strategic Goals	Performance Measure
<ul style="list-style-type: none"> <li>• Provide direct capacity support</li> </ul>	<ul style="list-style-type: none"> <li>• Have approximately 13-15 First Nations ready for certification reviews</li> </ul>
<ul style="list-style-type: none"> <li>• Increase clientele</li> </ul>	<ul style="list-style-type: none"> <li>• Modify current service standards to fit modern day Treaty and self government First Nations</li> <li>• Develop services for Tribal Councils</li> <li>• Develop services for First Nations organizations</li> <li>• Post certification client support</li> </ul>
<ul style="list-style-type: none"> <li>• Become the Default Management administrator for First Nations</li> </ul>	<ul style="list-style-type: none"> <li>• Complete the Pilot Project</li> <li>• Provide default management services to willing First Nations</li> <li>• Provide training workshops to clients</li> <li>• Develop curriculum on Default Management Program for AFOA Canada</li> </ul>
<ul style="list-style-type: none"> <li>• Conduct workshops</li> </ul>	<ul style="list-style-type: none"> <li>• 5 regional workshops</li> <li>• Work with AFOA Regions on workshops</li> </ul>
<ul style="list-style-type: none"> <li>• Continue to conduct and finish Default Management Prevention Pilot Project</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to provide guidance in the default management to First Nations under the Pilot Project</li> </ul>
<ul style="list-style-type: none"> <li>• Maintain program material</li> </ul>	<ul style="list-style-type: none"> <li>• Complete review of tools, templates, workshops and align with FMB amendments</li> </ul>
<ul style="list-style-type: none"> <li>• Be Intervention ready</li> </ul>	<ul style="list-style-type: none"> <li>• Develop Intervention model for new First Nation client segment</li> </ul>

	<ul style="list-style-type: none"> <li>• Remedy parked issues from current policy</li> <li>• Put Intervention Trustee into position</li> </ul>
<ul style="list-style-type: none"> <li>• To provide all First Nations the benefit of the FMA through Shared Services</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct outreach for Pilot Project</li> <li>• Participate in development of Pilot Project</li> </ul>
<ul style="list-style-type: none"> <li>• Enhance client services</li> </ul>	<ul style="list-style-type: none"> <li>• Develop post-certification monitoring and capacity development program</li> </ul>

## Standards and Certifications

In 2019/2020 the Standards and Certifications Business Line will:

Actions to meet Strategic Goals	Performance Measure
<ul style="list-style-type: none"> <li>• Increase clientele</li> </ul>	<ul style="list-style-type: none"> <li>• 38-46 financial performance reviews for all client segments</li> <li>• 15-17 FMS reviews</li> <li>• Develop a new segment on the regulations results from legislative amendments to FMA</li> <li>• Hire staff – 1 Senior Manager for First Nations organizations and Tribal Councils</li> <li>• Hire Staff – 2 Managers to handle increase</li> <li>• Develop standards for FAL, financial performance and FMS for new client segment</li> </ul>
<ul style="list-style-type: none"> <li>• Optimize on 10 year grants to increase validity of the FMA</li> </ul>	<ul style="list-style-type: none"> <li>• Review approximately 75-100 First Nations for financial performance reviews for 10 year grant agreements</li> </ul>

	<ul style="list-style-type: none"> <li>• Actively participate in various discussions with AFN/ISC/CIRNA on New Fiscal Relationship Initiative</li> <li>• Develop and submit standards to AFN and ISC for Tribal Councils</li> <li>• Conduct 0-10 financial performance reviews and provide an opinion to ISC and AFN for eligibility of Tribal Councils with respect to 10 year grant agreements</li> <li>• Provide services to ISC around financial performance monitoring from First Nations' annual reports</li> </ul>
<ul style="list-style-type: none"> <li>• Monitoring program for Financial Performance Certificates</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and implement financial performance standards for monitoring FNFA borrowing members</li> </ul>
<ul style="list-style-type: none"> <li>• Proactively support the other FMA institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Develop monitoring guidelines for other or new institutions</li> <li>• Provide support to other or new institutions by developing standards and guidelines</li> </ul>
<ul style="list-style-type: none"> <li>• FMS monitoring pilot project</li> </ul>	<ul style="list-style-type: none"> <li>• Develop criteria around the monitoring pilot project</li> <li>• Conduct outreach of 2-3 First Nations who have an FMS certificate</li> <li>• Conduct monitoring on First Nations and prepare report</li> <li>• Review report with COO and present to the Board on the findings of the Pilot Project</li> </ul>

## Corporate Services

In 2019/2020 the Corporate Services Business Line will:

Action to meet Strategic Goals	Performance Measure
<ul style="list-style-type: none"> <li>Prepare annual budget with all senior level staff</li> </ul>	<ul style="list-style-type: none"> <li>Prepare annual budget that is approved by the Board of Directors for ISC submission with the Corporate Plan</li> </ul>
<ul style="list-style-type: none"> <li>Improve internal capacity to meet current needs</li> </ul>	<ul style="list-style-type: none"> <li>Employee recognition system</li> <li>Develop HR Strategy</li> <li>Employee Retention Strategy</li> <li>Start to implement FMS process for the organization</li> <li>Ensure strong finance practices</li> <li>Update Board Manual</li> <li>Develop criteria for cross training</li> <li>Cross train between CDI and SAC staff</li> <li>Pursue secondment opportunities with other institutions</li> </ul>
<ul style="list-style-type: none"> <li>Provide notice, undertake logistics for Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> </ul>
<ul style="list-style-type: none"> <li>Improve technology to its fullest potential</li> </ul>	<ul style="list-style-type: none"> <li>Develop IT Strategy Maintain technology system</li> </ul>
<ul style="list-style-type: none"> <li>Information management</li> </ul>	<ul style="list-style-type: none"> <li>Maintain data management systems and modify if necessary</li> <li>Prepare Annual Report</li> </ul>
<ul style="list-style-type: none"> <li>Human Resources services</li> </ul>	<ul style="list-style-type: none"> <li>Review the current policies</li> <li>Develop a HR handbook</li> <li>Work with staff on implementing individual development plans</li> <li>Provide training to staff</li> <li>Provide training on all policies</li> <li>Provide fully functional HR services</li> <li>Wage review</li> </ul>

Action to meet Strategic Goals	Performance Measure
<ul style="list-style-type: none"> <li>Finance</li> </ul>	<ul style="list-style-type: none"> <li>Review and amend the current Finance Policy to meet current standards</li> <li>Maintain reporting deadlines</li> <li>Report results with senior level management</li> <li>Implement new system</li> <li>Conduct internal audit</li> </ul>
<ul style="list-style-type: none"> <li>ATIP</li> </ul>	<ul style="list-style-type: none"> <li>Maintain policy</li> <li>Annual Report and submission</li> </ul>
<ul style="list-style-type: none"> <li>Capital assets</li> </ul>	<ul style="list-style-type: none"> <li>Set up new office location in Vancouver</li> <li>Set up new location in Winnipeg</li> <li>Update capital asset listing</li> </ul>

### Governance Services

In 2019/2020 the Governance Business Line will:

Action to meet Strategic Goals	Performance Measure
<ul style="list-style-type: none"> <li>Develop and implement a Governance Training Program</li> </ul>	<ul style="list-style-type: none"> <li>Pilot Phase I Self Determination Governance (SDG) Framework as strategy tool for First Nations to transition out of the <i>Indian Act</i> to an UNDRIP-defined future</li> <li>Develop self-determination education materials and training program for interested First Nations and First Nations organizations</li> <li>Map out comprehensive eco-system of First Nations-led institutions supporting fiscal and governance self-determination including First Nations reconstituting</li> </ul>

## Executive Services

In 2019/2020 the Executive Services Business Line will:

Action to meet Strategic Goals	Performance Measure
<ul style="list-style-type: none"> <li>Make preparations for strategic planning session to provide input for the annual Corporate Plan and Budget</li> </ul>	<ul style="list-style-type: none"> <li>Annual Corporate Plan that is approved by the Board of Directors for ISC submission</li> </ul>
<ul style="list-style-type: none"> <li>Prepare annual budget with all senior level staff</li> </ul>	<ul style="list-style-type: none"> <li>Prepare annual budget that is approved by the Board of Directors for ISC submission with the Corporate Plan</li> </ul>
<ul style="list-style-type: none"> <li>Provide notice, undertake logistics for Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> </ul>
<ul style="list-style-type: none"> <li>Optimize on 10 year grant to increase validity of FMA</li> </ul>	<ul style="list-style-type: none"> <li>Be the advisory body to AFN and ISC on New Fiscal Relationship Initiative by participating in various discussions and maintain relationship</li> </ul>
<ul style="list-style-type: none"> <li>Create partnership with AFOA Canada and Regional Chapters</li> </ul>	<ul style="list-style-type: none"> <li>MOU with AFOA Canada implemented for curriculum development for CAPA and CAFM programs</li> <li>MOU with AFOA Regions to develop programs and deliver workshops for First Nations and First Nations organizations</li> </ul>
<ul style="list-style-type: none"> <li>Provide all First Nations the benefit of the FMA through shared services</li> </ul>	<ul style="list-style-type: none"> <li>Conduct legal analysis of Shared Services</li> <li>Recommend legal framework</li> <li>Pursue ISC on Pilot Project for Shared Services</li> </ul>



Action to meet Strategic Goals	Performance Measure
<ul style="list-style-type: none"> <li>Enhance client services</li> </ul>	<ul style="list-style-type: none"> <li>Conduct outreach to achieve social license</li> <li>Create a Chiefs Caucus Group made up FMA Institutions and the Lands Advisory Board</li> <li>Work with the province of BC to amend provincial legislation and regulations to meet FMA legislative changes</li> <li>Present to chiefs in the Yukon on the FMA</li> <li>Start to do legal review of Yukon Treaty Agreements</li> <li>Present to chiefs at James Bay Cree</li> <li>Start to do legal review of James Bay Cree</li> <li>Meet with Territorial and Provincial governments about changes that are needed to be made to allow access to the FMA</li> </ul>

## Financial Plan

The Table below shows FMB's financial plan by activity:

Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>Funding Source</b>					
Current A Base	\$10,811,391	\$11,998,746	\$12,425,587	\$12,991,301	\$12,991,301
Surplus	\$2,370,000				
New Funds	\$1,700,000	\$5,902,811	\$9,058,672	\$7,922,643	\$8,440,922
Total	\$14,881,391	\$17,901,557	\$21,484,259	\$20,913,944	\$21,432,223
<b>Total Funding Source</b>	<b>\$14,881,391</b>	<b>\$17,901,557</b>	<b>\$21,484,259</b>	<b>\$20,913,944</b>	<b>-\$21,432,223</b>
<b>Expense</b>					
Salaries & Benefits	\$7,148,979	\$8,908,473	\$11,724,880	\$11,959,378	\$12,198,565
Client Services	\$350,000	\$357,000	\$364,140	\$371,423	\$378,851
Policy Development	\$1,700,000	\$1,734,000	\$2,117,886	\$2,160,244	\$2,203,449
Operations & Management	\$3,502,629	\$4,574,370	\$4,760,717	\$3,855,932	\$4,033,050
Board fees & Travel	\$732,436	\$658,436	\$671,605	\$685,037	\$698,737
Program Travel	\$1,011,800	\$1,327,021	\$1,495,928	\$1,525,847	\$1,556,363
Intervention Reserve	\$100,000	\$0	\$0	\$0	\$0
Capital	\$235,547	\$240,258	\$245,063	\$249,964	\$254,963
Amortization	\$100,000	\$102,000	\$104,040	\$106,121	\$108,243
Total	\$14,881,391	\$17,901,557	\$21,484,259	\$20,913,944	\$21,432,223
<b>Description by Business Line</b>					
Executive Services			\$1,664,041		
Corporate Services			\$3,684,865		
Market Development, FALs & Stakeholder Relations			\$1,904,116		
Standards & Certifications			\$1,865,081		
Capacity Development & Intervention			\$2,961,382		
Default Management			\$1,101,906		
Governance			\$1,700,000		
Total			\$14,881,391		

Table 6 - Financial Plan

## Number of Employees

The Table below outlines the staff resources that are required in 2019/2020:

Department	Current FTE	New FTE	Improved FTE
Executive Services	2	0	2
Corporate Services	13	1	14
Market Development, FALs & Stakeholder	6	2	8
Standards & Certifications	12	0	12
Capacity Development & Intervention	12	0	12
Default Management	4	1	5
Governance (Contract)	1	3	4
<b>Total</b>	<b>50</b>	<b>7</b>	<b>57</b>

Table 7 - Number of employees

## Projections

	LOC	FAL-FMA	FAL Update	FAL 10 Yr	Self/Treaty	FN Org/Tr	FP ALL	FP 10 YR	FMS	GOV
<b>Year 1</b>	40-50	35-40	10-15	75-100	0-1	3-5	38-46	75-100	13-15	0
<b>Year 2</b>	40-50	25-30	10-15	50-75	1-3	4-6	30-39	50-75	15-20	3-5
<b>Year 3</b>	40-50	20-25	10-15	35-50	1-3	3-5	25-34	35-50	35-40	10-15
<b>Year 4</b>	40-50	20-25	10-15	25-30	1-3	3-5	24-33	25-30	35-40	10-15
<b>Year 5</b>	40-50	15-20	10-15	10-20	1-3	3-5	18-28	10-20	35-40	15-20