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FINANCIAL ADMINISTRATION LAW

REVIEW PROCEDURES



First Nations
**FINANCIAL
MANAGEMENT
BOARD**

www.fnfmb.com

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Table 1 - LIST OF CORE DOCUMENTS

The following table lists the core documents made available by the First Nations Financial Management Board (“the FMB”) for First Nations to utilize in developing, implementing and improving their financial management.

FINANCIAL ADMINISTRATION LAW			
<input checked="" type="checkbox"/>	A1	FINANCIAL ADMINISTRATION LAW – REVIEW PROCEDURES	Procedures to apply when requesting a compliance approval of the First Nation’s Financial Administration Law.
	A2	FINANCIAL ADMINISTRATION LAW – STANDARDS	Standards that support sound financial administration practices for a First Nation government in Canada.
	A3	SAMPLE FINANCIAL ADMINISTRATION LAW	Example of a law which meets the requirements of the A2 Financial Administration Law – Standards.
	A4	FINANCIAL ADMINISTRATION LAW – EXPLANATORY NOTES	Provides assistance on the development of a Financial Administration Law by discussing the structure and substantive content of the A3 Sample Financial Administration Law.
	A5	FINANCIAL ADMINISTRATION LAW – SELF-ASSESSMENT	Tool that can be utilized to compare existing or proposed Financial Administration Law(s) of the First Nation to the A2 Financial Administration Law – Standards.
FINANCIAL MANAGEMENT SYSTEM			
	B1	FINANCIAL MANAGEMENT SYSTEM – CERTIFICATION PROCEDURES	Procedures to apply when requesting a review of the First Nation’s financial management system.
	B2	FINANCIAL MANAGEMENT SYSTEM – STANDARDS	Standards that support sound financial practices for the operation, management, reporting and control of the financial management system of a First Nation.
FINANCIAL PERFORMANCE			
	C1	FINANCIAL PERFORMANCE – CERTIFICATION PROCEDURES	Procedures to apply when requesting a review of the First Nation’s financial performance.
	C2	FINANCIAL PERFORMANCE – STANDARDS	Standards that assess the historical financial performance of a First Nation over a five year period using up to sevensix financial ratios.
LOCAL REVENUE ACCOUNT FINANCIAL REPORTING			
	D1	LOCAL REVENUE FINANCIAL REPORTING – STANDARDS	Standards that establish requirements for the financial reporting of a First Nation’s local revenues and expenditures.
	D2	LOCAL REVENUE FINANCIAL REPORTING – ILLUSTRATIVE FINANCIAL STATEMENTS	Illustrative annual financial statements for a First Nation’s local revenues and expenditures designed to comply with the D1 Local Revenue Financial Reporting – Standards.
	D3	LOCAL REVENUE FINANCIAL REPORTING – ILLUSTRATIVE SEGMENT NOTE DISCLOSURE	Illustrative segment note disclosure for inclusion in the annual financial statements of a First Nation designed to comply with the D1 Local Revenue Financial Reporting – Standards.
	D4	LOCAL REVENUE FINANCIAL REPORTING – EXPLANATORY NOTES	Explanatory notes to accompany D1 Local Revenue Financial Reporting – Standards.

Figure 1 – STEPS TO FMB CERTIFICATION

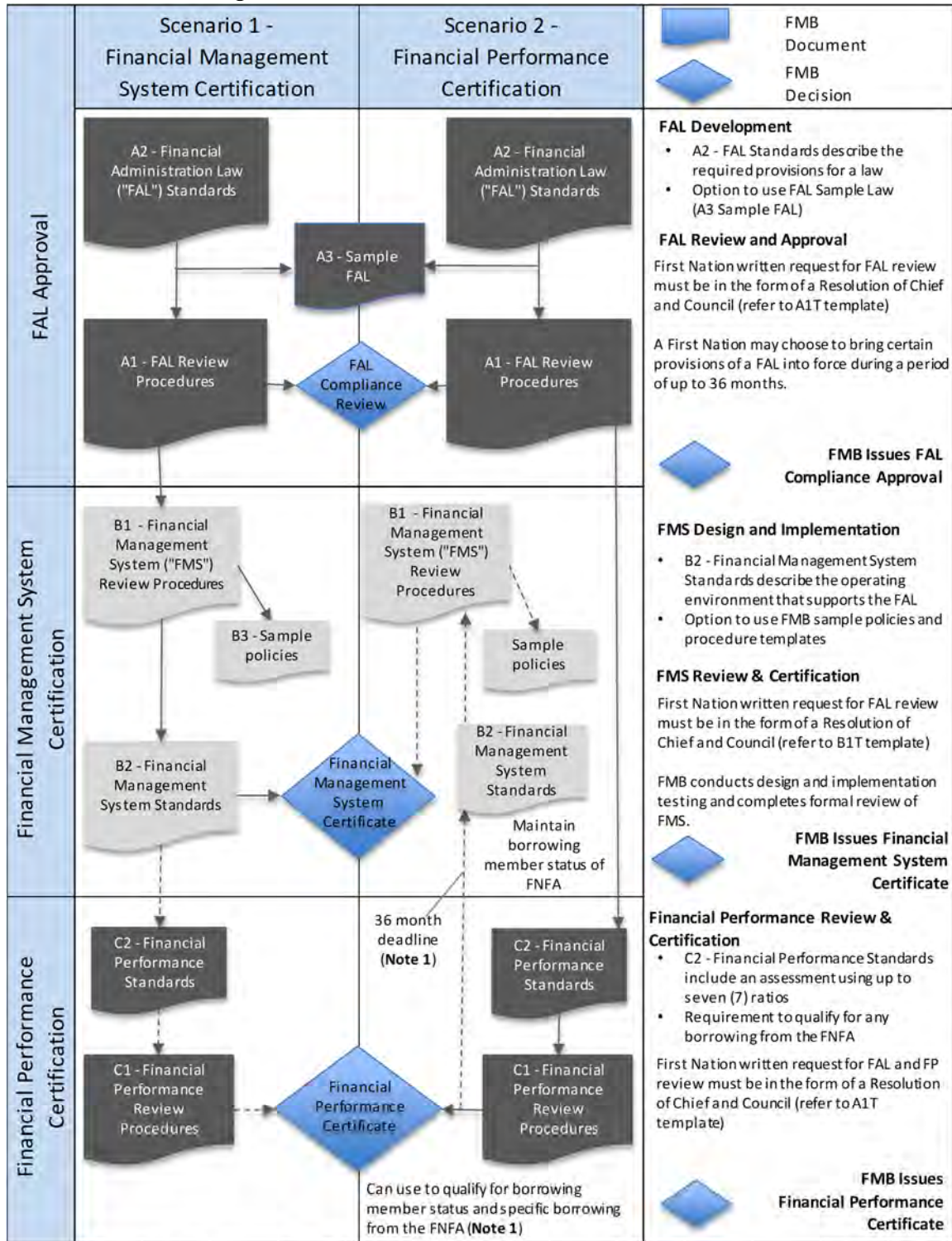


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FIRST NATIONS FINANCIAL MANAGEMENT BOARD

FINANCIAL ADMINISTRATION LAW REVIEW PROCEDURES

1.0 AUTHORITY TO ESTABLISH PROCEDURES

1.1 Act authority – Procedures respecting the compliance approval of ~~first-nation~~First Nation financial administration laws under section 9 of the *First Nations Fiscal Management Act* (“the Act”) are established by the ~~Board~~FMB under ~~sections~~subsection 55(2) of the Act.

1.2 Procedure revisions – Procedures may be amended or revised from time to time by the ~~Board~~FMB.

1.3 Access to procedures – ~~Board~~FMB procedures in effect from time to time may be accessed at the ~~Board’s~~FMB’s web site (www.fnfmb.com).

2.0 PURPOSE OF PROCEDURES

2.1 Purpose – The purpose of these procedures is to establish a process for the ~~Board~~FMB

- a. to provide assistance to ~~first-nations~~First Nations in the development of their laws respecting financial administration under section 9 of the Act,
- b. to review a ~~first-nation’s~~First Nation’s law or laws respecting financial administration submitted to the ~~Board~~FMB under section 9 of the Act,
- c. to determine whether a submitted law or laws respecting financial administration was made in accordance with the Act, its regulations and, in all materials respects, the *Financial Administration Law Standards*, and
- d. to issue a compliance approval of a ~~first-nation’s~~First Nation’s law or laws respecting financial administration under section 9 of the Act.

3.0 APPLICATION OF THESE PROCEDURES

3.1 Application – These procedures apply where a ~~first-nation~~First Nation is requesting the ~~Board~~FMB for compliance approval of the ~~first-nation’s~~First Nation’s law or laws respecting financial administration under section 9 of the Act.

4.0 INTERPRETATION

4.1 Definitions – Unless the context indicates otherwise, in these procedures:

“**Act**” means the *First Nations Fiscal Management Act*;

“**Board**” means the *First Nations Financial Management Board*;

“FAL” means a law or laws respecting financial administration;

“FAL reviewer” means the person appointed by the [BoardFMB](#) under section 7.1 of these procedures;

“*Financial Administration Law Standards*” means the *Financial Administration Law Standards* established by the [BoardFMB](#) under [sectionparagraph](#) 55(1)(a) of the Act;

“FMB” means the First Nations Financial Management Board.

4.2 Interpretation – In these procedures, a reference to a determination that a FAL was made in accordance with the *Financial Administration Law Standards* means a determination that the FAL was made in accordance with the Standards, in all material respects.

5.0 REQUEST FOR ASSISTANCE

5.1 Letter of cooperation – A [first-nationFirst Nation](#) may initiate a client relationship with the [BoardFMB](#) by delivering to the [BoardFMB](#) a letter of cooperation in the form and with the terms required by the [BoardFMB](#).

5.2 Written request for assistance – A [first-nationFirst Nation](#) may, by a resolution of the council of the [first-nationFirst Nation](#), authorize a named official or agent to make a written request to the [BoardFMB](#) for assistance in the development and enactment of a FAL under section 9 of the Act.

5.3 Nature of Assistance – The [BoardFMB](#) will determine, in its sole discretion, the nature of any assistance it provides to a [first-nationFirst Nation](#) under this section including, but not limited to, conducting an informal review of a draft FAL.

5.4 Template forms – The recommended template forms of resolution and letter of cooperation referred to in sections 5.1 and 5.2 are on the [Board'sFMB's](#) web site (www.fnfmb.com).

6.0 REQUEST FOR FORMAL REVIEW OF FAL

6.1 Request for formal review – After enactment of a FAL under section 9 of the Act, a [first-nationFirst Nation](#) may make a written request to the [BoardFMB](#)

- a. to conduct a formal review of its FAL to determine if it was made in accordance with the Act, its regulations and the *Financial Administration Law Standards*, and
- b. to request the [BoardFMB](#) to issue a compliance approval of its FAL under section 9 of the Act.

6.2 Required resolution – The request of a [first-nationFirst Nation](#) under section 6.1 must be accompanied by a resolution of council of the [first-nationFirst Nation](#)

- a. containing a direction and authority to a named official or agent, on behalf of the [first-nationFirst Nation](#),

- i. to seek the informal assistance of the **BoardFMB** as available and appropriate in order to develop and enact a FAL under section 9 of the Act,
 - ii. to request the formal review by the **BoardFMB** of the **first-nation'sFirst Nation's** enacted FAL to determine if it was made in accordance with the Act, its regulations and the *Financial Administration Law Standards*,
 - iii. to request the **BoardFMB** to issue a compliance approval of the FAL under section 9 of the Act, and
 - iv. to deliver to the **BoardFMB** all documents required by the **BoardFMB** to conduct a formal review of the FAL including required original and electronic copies of the FAL with evidence of enactment of the FAL in a form satisfactory to the **BoardFMB**, and
- b. authorizing the **BoardFMB**, after issuing a compliance approval of the FAL, to deliver a copy of the approved FAL to the registry referred to in **sectionssubsection 31(4)** of the Act.

6.3 Template forms – The recommended template forms for the resolution required in section 6.2 are on the **Board'sFMB's** web site (www.fnfmb.com).

7.0 FORMAL REVIEW AND REPORT TO **BOARDFMB**

7.1 Conduct of formal review – The **BoardFMB** will appoint a person from its list of approved FAL reviewers to conduct the formal review of a **first-nation'sFirst Nation's** FAL when requested by a **first-nationFirst Nation** under these procedures.

7.2 Report to the **BoardFMB** – The FAL reviewer who has conducted a formal review of a **first-nation'sFirst Nation's** FAL under these procedures will deliver a report to the **BoardFMB** setting out the reviewer's findings.

7.3 Determination by the **BoardFMB** – The **BoardFMB** will consider the report of the FAL reviewer to determine if the **first-nation'sFirst Nation's** FAL was made in accordance with the Act, its regulations and the *Financial Administration Law Standards*.

8.0 COMPLIANCE APPROVAL

8.1 Meeting Standards – If the **BoardFMB** determines that the **first-nation'sFirst Nation's** FAL was made in accordance with the Act, its regulations and the *Financial Administration Law Standards*, the **BoardFMB** will

- a. advise the **first-nationFirst Nation** in writing that it has reviewed the FAL and determined that it was made in accordance with the Act, its regulations and the *Standards*, and
- b. issue a compliance approval of the FAL under section 9 of the Act.

8.2 Failing to meet Standards – If the **BoardFMB** determines that the **first-nation'sFirst Nation's** FAL was not made in accordance with the Act, its regulations or the *Financial Administration Law Standards*, the **BoardFMB** will advise the **first-nationFirst Nation** in writing of its determination, including any requirements that have not been met, and may indicate at a general level how any identified failures may be rectified.

8.3 Limits on authority to approve – The **BoardFMB** may not issue a compliance approval of a **first-nation'sFirst Nation's** FAL for purposes of section 9 of the Act if the **BoardFMB** determines that it was not made in accordance with the Act, its regulations or the *Financial Administration Law Standards*.

9.0 RECONSIDERATION OF **BOARDFMB** DETERMINATION

9.1 Request reconsideration – A **first-nationFirst Nation** that has been advised under section 8.2 that its FAL was not made in accordance with the Act, its regulations or the *Financial Administration Law Standards* may, within **sixty (60)** days of being so advised, request the **BoardFMB** to reconsider its determination.

9.2 Requirements for request – A request made under section 9.1 must be made in writing and must include new information or reasons for the **BoardFMB** to reconsider its determination.

9.3 Discretion to reconsider – On receipt of a request for reconsideration, the **BoardFMB** may decide, in its sole discretion, if the request sets out a basis for the **BoardFMB** to reconsider its determination and will advise the **first-nationFirst Nation** in writing of its decision as soon as practical.

9.4 Reconsideration – If the **BoardFMB** decides to reconsider its determination, the **BoardFMB** will advise the **first-nationFirst Nation** in writing of the results of its reconsideration as soon as practical.

10.0 REVIEW OF AMENDMENTS TO FAL

10.1 Application to amendments of FAL – These procedures apply to a request by a **first-nationFirst Nation** to conduct a formal review of an amendment to its FAL to determine if it is made in accordance with the Act, its regulations and the *Financial Administration Law Standards* and to request the **BoardFMB** to issue a compliance approval of the amendment to its FAL under section 9 of the Act.

11.0 **BOARDFMB** REPORT TO INSTITUTIONS

11.1 Report of compliance approval – With consent or on request of a **first-nationFirst Nation**, the **BoardFMB** will advise the First Nations Finance Authority and the First Nations Tax Commission when the **BoardFMB** issues a compliance approval of a **first-nation'sFirst Nation's** FAL or an amendment to its FAL under section 9 of the Act.

11.2 Filing with registry – After the **BoardFMB** issues a compliance approval of a **first-nation'sFirst Nation's** FAL or an amendment to its FAL under section 9 of the Act, the **BoardFMB** will, with

consent or on request of a ~~first nation~~First Nation, submit a copy of the FAL or amendment to the FAL to the registry referred to in ~~sections~~subsection 31(4) of the Act.



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