



***“Demystifying the Finance Audit Committee”***



First Nations  
**FINANCIAL  
MANAGEMENT  
BOARD**

**CONSEIL  
DE GESTION  
FINANCIÈRE** des  
Premières Nations

# Outline



**BENEFITS**



**ROLES AND  
RESPONSIBILITIES**



**STRUCTURE**



## **BENEFITS**

[Demystifying the Finance & Audit Committee](#)

# Benefits



Provides forward-thinking oversight of your Nation's investments



Supports Council in making informed decisions



Reinforces Council's financial responsibility, accountability, transparency



# ROLES AND RESPONSIBILITIES

# Roles and Responsibilities – Finance & Audit Committee

## Audit and Finance Oversight



## Financial Responsibilities

- Financial Planning
- Financial Performance
- Financial Statements

## Audit Responsibilities

- External Auditor
- Audited Financials
- Risk Management
- Internal Controls

# Roles and Responsibilities – Finance & Audit Committee

## Financial

Financial Planning – Budget, 5-yr financial plan

Financial Performance – Quarterly and annual

Annual Financial Statements and Special Purpose Reports

Recommend

Monitor

Review

# Roles and Responsibilities – Finance & Audit Committee

## Audit

External Audit Selection, Engagement, Performance

Planning, Conduct and Results of Audit Activities

Audited Annual Financial Statements  
and Other Reports

Reporting Risks and Mitigating Controls

Recommend

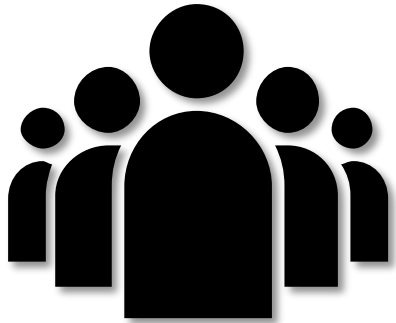
Monitor

Review



# Roles and Responsibilities – Council

Community  
Leaders



Oversight  
Responsibility

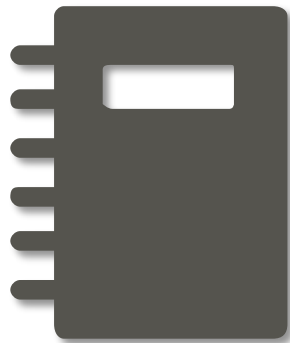


Approvers

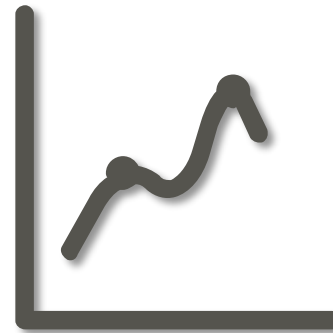


# Roles and Responsibilities – Senior Manager, Senior Finance Officer

Financial Strategy, Plan and Report Development



Internal Control Development and Compliance

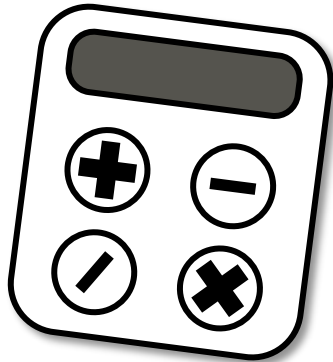


Financial Operations Risk Management Planning



# Roles and Responsibilities – External Auditor

Financial  
Statement Audit



Compliance  
Audit



Performance  
Audit





# STRUCTURE

# Structure - Overview

## Reporting

- Report to Council
- Chair and Vice-Chair are appointed by Council (one must be Councillor)

## Membership

- Minimum 3 members (at least 1 Councillor)
- For 4 or more members (at least 2 Councillors)

## Qualification Criteria

- Majority of members must have financial competency
- All members are independent

# Structure – Financial Competency

- Financial literacy or related financial management expertise
- Qualification requirements interpreted by Council

## Sample Financial Competency criteria

- The ability to read and understand a set of financial statements;
- An understanding of internal controls and procedures for financial reporting and risk management processes;
- An understanding of the First Nation's strategic objectives;
- The ability to assess the general application of accounting policies and principles

# Structure – Independence

- No direct or indirect relationship with the first nation government

- Council required to make policies or procedures for independence criteria
  - Establishing independence eligibility criteria in compliance with FMB Standards
    - Senior Manager, Finance Manager, Finance department ineligible
    - Councillors and Other employees may be eligible
  - Requiring confirmation from candidate about independence
  - Requiring annual conflict of interest disclosure statement
- No direct or indirect relationship with the first nation government

# Keys to Success – Finance and Audit Committee

