

LIVING BY YOUR FAL DURING CV-19



First Nations
**FINANCIAL
MANAGEMENT
BOARD**

Delegated/Assigned Responsibilities

- Temporary changes to delegated/assigned responsibilities may be needed in a crisis
 - Emergency expenditures
 - Contracting/procurement
 - Hiring/letting go
 - Reporting
- Remember to:
 - Have any changes approved by Council if outside of the band manager/CAO/Director General's delegated authority
 - Communicate changes to all those affected, including citizens



COMMITTEES

- Emergency Response Committee may be needed
 - To support the speed and efficiency of decision-making and execution during a crisis
- Remember to:
 - Have clear, written terms of reference that include composition, responsibilities, delegated authority (if any), reporting relationship, triggers for activation/de-activation
 - Have Council approve the formation, activation/de-activation and terms of reference of this committee
 - Have members of the committee sign off on their duties
 - Communicate responsibilities to all who need to know

FINANCE & AUDIT COMMITTEE

- Temporary changes to FAC responsibilities may be needed in a crisis
 - Ability to meet on timely basis during emergency
 - Additional responsibilities (eg. oversight of emergency expenditures)
- Remember to:
 - Have any changes to FAC responsibilities approved by Council
 - Indicate the time period that changes will be in effect
 - Communicate changes to all who need to know



BUDGETS

- **Emergency funding and expenditures**
 - Importance of separate tracking and reporting
 - Timeliness of reporting (daily, weekly, bi-weekly)
 - Consider having Director of Finance report directly to Council on emergency expenditures
- **Loss of own source revenues**
 - Scenario analysis on budget – if crisis goes on 4 months, 6 months, 12 months etc., how will this impact our budget and how will we adjust staffing, programs and services
- **Unused funding/deferred revenues**
 - Terms and conditions of funding agreements
- **Remember to:**
 - Have Council approve any budget amendments
 - Communicate regularly to staff, citizens any changes to budgets – buy-in is critical



DEFICITS

- Deficits may be unavoidable in a crisis
 - Council needs to decide if there is going to be a deficit, how much and for how long
 - Finance needs to do scenario analysis on budget that includes impact on any deficits and how these will be repaid short, mid & long term (multi-year financial plan is so important)
 - Accessing all available emergency funding/support is critical
- Remember to:
 - Have FAC review any changes to budget including deficits
 - Have Council approve any policy amendments on deficits
 - Have Finance dept. update financial projections regularly as situation evolves and communicate back to CAO, FAC, Council
 - Communicate budget amendments and plans for deficits to citizens and all who need to know

BORROWING

- May need increased borrowing and/or relaxed repayment terms during a crisis
 - Loss of own source revenues due to shut-down
 - Capital projects related to emergency
- Remember to:
 - Have FAC review any changes to borrowing
 - Have Council approve any new borrowing and/or changes to borrowing agreements
 - Have Finance dept. update financial projections regularly as situation evolves and communicate back to CAO, FAC, Council as it relates to borrowing needs
 - Communicate changes to borrowing to citizens and all who need to know



LOANS, GUARANTEES, INDEMNITIES

- Loans to members
 - Need to have clear policy and rules around lending, collection, writing off and forgiving debts (if allowed)
 - Includes payroll advances and making of leases and lease to buy arrangements
- Remember to:
 - Have Finance assess the impact on the First Nation's financial health of any proposed changes to loans, guarantees and indemnities policies
 - Have FAC review any proposed changes to loans, guarantees and indemnities policies
 - Have Council approve any changes to its policies around loans, guarantees, indemnities during an emergency
 - Communicate regularly to staff, citizens any changes to these policies and how long they will be in effect



FINANCE MANAGEMENT & CONTROLS

- Control around money received and spent is just as important during a crisis
 - Helps to prevent misuse of funds
 - Supports sound allocation of resources and decision-making
 - Helps to prevent ineligible emergency expenditures
- Remember to:
 - Maintain segregation of duties around expenditure approvals, payments and deposits – you may need to get creative while in self-isolation
 - Be clear through written directive/policy on reimbursable emergency expenditures and communicate to all who need to know
 - Stay on top of monthly bank reconciliations

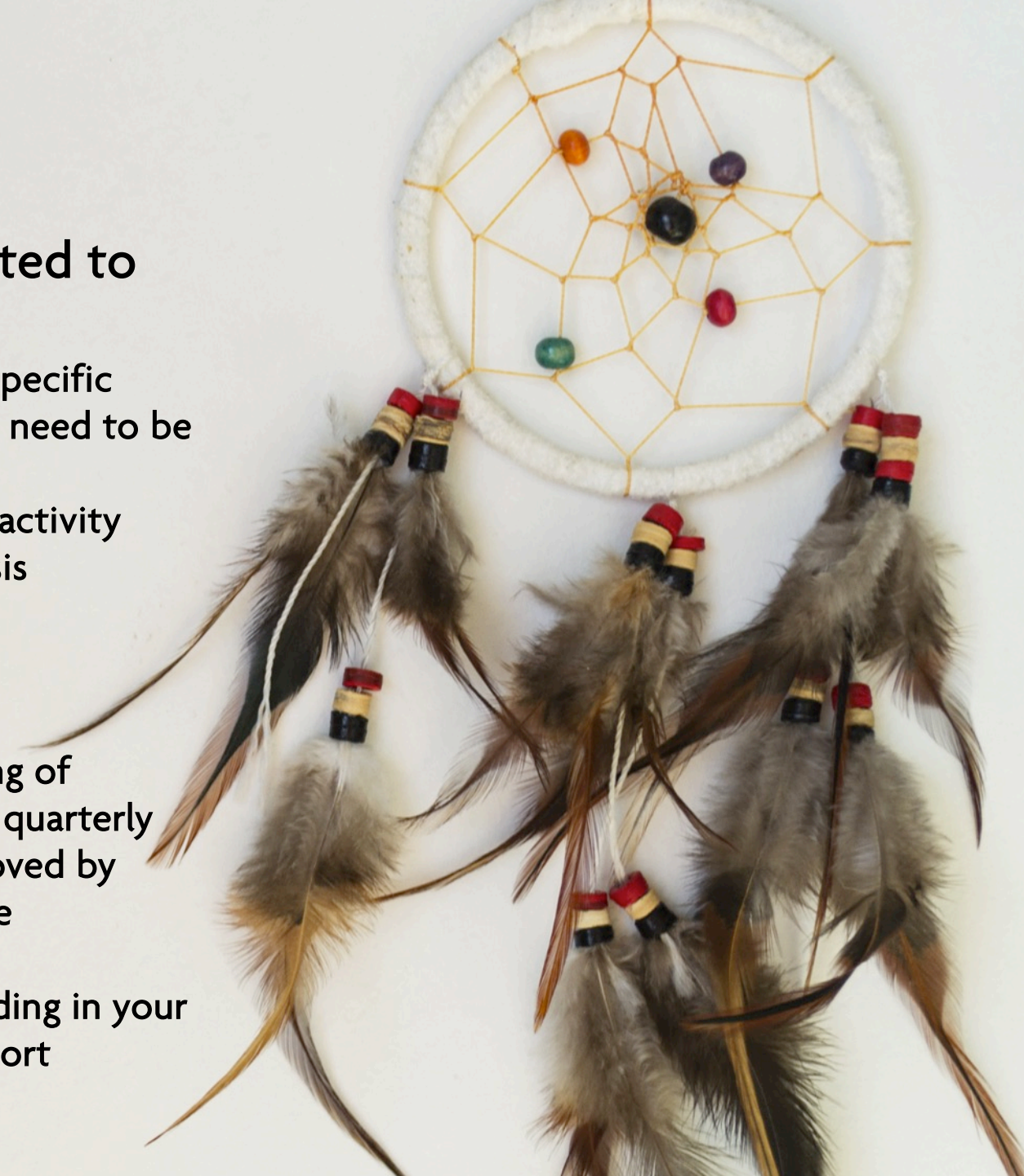
PROCUREMENT

- May need more flexibility around procurement during a crisis
 - This could mean changes to policies around spending limits, requirements for formal tendering or request for proposal processes, budget line item and accounts from which goods or services may be purchased
- Remember to:
 - Have FAC review any proposed changes to the procurement policy
 - Have Council approve any changes to the policy and time period for which changes apply
 - Communicate changes to the procurement policy to staff and all who need to know



REPORTING

- Frequency and type may need to be adapted to emergency situation
 - Unplanned expenditures to address the crisis and specific emergency funding with separate eligibility criteria need to be reported on
 - Depending on scale and time period, financial and activity reporting may need to be on weekly/bi-weekly basis
- Remember to:
 - Have Finance report to FAC and Council on list of expenditures, variance reporting and the monitoring of progressive deficits on monthly basis (FAL requires quarterly financial statements be reviewed by FAC and approved by Council but in an emergency, monthly may be more appropriate)
 - Report separately on emergency funding and spending in your annual audited financial statements and annual report

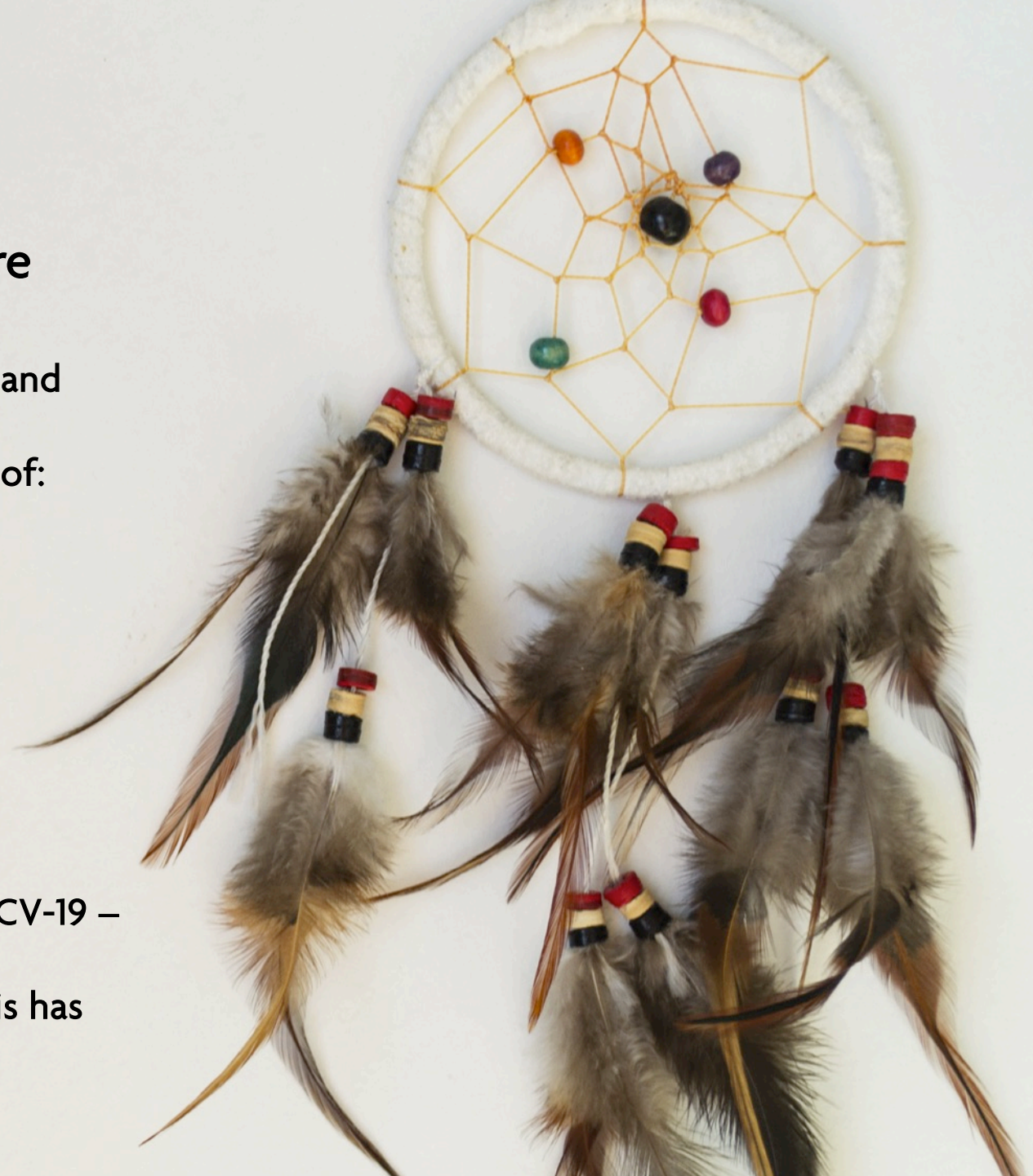


HIRING, LAY-OFFS & TERMINATIONS

- CV-19 may lead to staff changes
 - Need to identify 'essential staff'
 - Dev Corp entities' staff levels may need to be adjusted
 - New roles may be needed (eg. border patrol, social distancing monitors)
 - Succession planning in event of staff illness is needed
- Remember to:
 - Follow applicable legislative and regulatory requirements when letting go or terminating staff
 - Have clear responsibilities for contractors, staff (in contracts or job descriptions)
 - Have Council approve any changes to hiring/layoff/termination policies if needed during the emergency

COMMUNICATIONS

- Transparency and accountability even more important during a crisis
 - Citizens, staff and other stakeholders need regular and complete information updates during a crisis
 - FAL requires citizens to be involved in or informed of:
 - Strategic plan
 - Multi-year financial plan
 - Budget and budget amendments
 - Extraordinary expenditures
 - Borrowing
 - Capital projects
- Remember to:
 - Communicate, communicate, communicate during CV-19 – status boards, online postings
 - Be timely – don't wait until 6 months after the crisis has ended to inform members on how Council and the administration managed during the emergency



INFORMATION SECURITY & MANAGEMENT

- During CV-19, information management and security is critical
 - High volume of remote access to servers increases need for data and information system security measures
 - Need to have policies and procedures that protect data and records security
 - Need regular training of staff, leaders, citizens on safe cyber practices
 - Need to report to Council on cyber security and risks
- Remember to:
 - Avoid escalating privileges and access to data during the crisis
 - Consider requiring multi-factor authentication
 - Ensure regular (hourly) server backups
 - Do assessments on possible points of breach and of vulnerability and adjust as necessary



PLANNING FOR POST CV-19

- Needs assessment and scenario analysis
 - Possible updates to strategic plan, HR plan, multi-year financial plan, corporate plan, budget including borrowing
 - Office space, health care needs, education infrastructure, technology systems
- Training plans
 - Cyber systems and security, sanitation, border control
- Emergency response, business continuity plans
 - Start now if you don't already have these or revise now if they are not up to date

A glowing teepee in a snowy landscape under a night sky with the aurora borealis.

FMB is here to support you. Contact us today.

First Nations Financial Management Board

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