

VERSION 5.0

MAY 4, 2020



Corporate Plan

FOR FISCAL YEAR 2020/2021

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
300 – 100 PARK ROYAL SOUTH
WEST VANCOUVER, BC V7T 1A2

Board Approved: 2020-05-01
Sent to ISC & CIRNA via email (2020-05-04)

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EXECUTIVE SUMMARY

The Board of Directors of the First Nations Financial Management Board (FMB) are pleased to present our 2020/2021 Corporate Plan (the Corporate Plan). This Corporate Plan will take into effect of the impacts of COVID 19 as it set limitation on FMB in order to partially obtain the Strategic Goals set in the Five-Year Strategic Plan “Exploring & Establishing New Horizons” that was developed in fiscal 2019-2020. The FMB will focus its efforts in the first part of the fiscal year on internal development of programs such as updating current materials and developing new program materials for sections 141 and 141.1 while continuing to provide services to our clients across the country.

The FMB will also focus on working with the *First Nations Fiscal Management Act* (FMA) institutions to collaboratively gather data to present to the Government of Canada on the COVID 19 financial impacts on First Nations communities from the loss of all their own source revenues that funds community programs.

The budget for the 2020/2021 fiscal year is \$15,143,089. It is sourced as follows:

Description	2020/2021
Funding Source	
Current Annual Base	\$11,998,746
Deferred Revenue - A Base	\$1,427,189
Deferred Revenue - DMPPP	\$1,717,154
Total Funding Source	\$15,143,089

In order to meet the FMB’s strategic and corporate goals for 2020/2021 staff will have to increase from 54 to 60.

Goals in this Corporate Plan are consistent with the Board-approved Five-Year Strategic Plan and has been updated to reflect anticipated programs and services in the new fiscal year. This Corporate Plan includes transformational change initiatives as identified by the Board in order to strengthen FMB’s organizational structure to serve clients now and into the future.

The FMB’s focus in 2020/2021 is as follows:

1. Transform the organization to meet current and future needs.
2. Continue to implement the Strategic Plan “Exploring & Establishing New Horizons”.
3. Develop and implement new standards and guidelines, allowing new clients the benefit of recent *First Nations Fiscal Management Act* legislative amendments.
4. Work with the provincial and territorial governments on legislation, regulations and agreements to allow Modern Day Treaty and self-governing First Nations access to the FMA.
5. Continue working with ISC and the Assembly of First Nations (AFN) in evolving the New Fiscal Relationship Initiative for 10-year grant agreements for First Nations and Tribal Councils, default management, governance capacity and Shared Services.
6. Determine the impacts of the COVID 19 virus on First Nations communities and provide advice

In addition, the FMB will continue its work on meeting the goals of the Five-Year Strategic Plan.

BACKGROUND

The Board of Directors undertook a Strategic Planning session in September 2019. The Board felt that the organization had grown at a rapid rate and the organizational structure needed modification to meet current and future demands. The most prominent transformation is for the Executive Chair position to transition to a Chair position with oversight capabilities and to be outward-facing. New positions including Chief Executive Officer, Government Relations Manager and a Strategic Opportunities Director will be created to expand FMB's staff and management team capabilities. The FMB's external legal representative, who has had an integral part in the development of the FMA, as well as legislative amendments and adaptation regulations, will be retiring. Therefore, the FMB will be bringing these responsibilities in-house by hiring a Corporate Legal Secretary (or corporate lawyer) as well as an additional lawyer to review FAL/FAB and NPO legal structures.

The budget for the 2020/2021 fiscal year is \$15,143,089. It includes the costs to meet the transformational strategic goals and the Five-Year Strategic Plan goals. This budget does not include costs for Governance or the Shared Services Pilot. To meet these goals, additional funds will need to come from 10-year grants and mid-year funding.

Since 2006, the FMA has been in operation to assist First Nations across Canada to help them develop, implement and build capacity in financial management. Currently there are 288 First Nations scheduled to the FMA, with 211 First Nations that have chosen to enact a Financial Administration Law for their community, 191 First Nations who have been certified by the FMB for Financial Performance, and 38 First Nations who have been certified for implementation and meeting the standards for Financial Management Systems.

The FMB's focus in the 2020/2021 fiscal year is as follows:

1. Transform the organization to meet current and future needs.
2. Continue to implement the Five-Year Strategic Plan "Exploring & Establishing New Horizons".
3. Develop and implement new standards and guidelines, allowing new clients the benefit of recent FMA legislative amendments.
4. Work with the provincial and territorial governments on legislation, regulations and agreements to allow Modern Treaty and self-governing First Nations access to the FMA.
5. Continue working with ISC and the AFN in evolving the New Fiscal Relationship Initiative for 10-year grant agreements for First Nations and Tribal Councils, default Management, governance capacity and Shared Services.
6. Determine the impacts of the COVID 19 virus on First Nations communities and provide advice.

The FMB will continue to implement the Five-Year Strategic Plan "Exploring & Establishing New Horizons" that focuses on:

1. Increasing clientele
2. Improving communications
3. Improving technology
4. Optimizing on the 10-year grants program
5. Providing shared services
6. Enhancing client services
7. Developing a governance training program
8. Being intervention ready
9. Being the Default Administrator
10. Enhancing organizational strength

In December 2018, the FMA legislative amendments received Royal Assent. Since then stakeholders have been working together to develop new adaptation regulations under sections 141 and 141.1. Once the adaption regulations are complete, Modern Treaty and self-governing First Nations under section 141 will be able to access the benefits of the FMA if the provincial or territorial agreements are modified to reflect the necessary corresponding changes. Section 141.1 will allow First Nations not-for-profit organizations the ability to also benefit from the FMA but under a modified framework. In this Corporate Plan, the FMB will start to work with the new clients as well as with ISC regarding 10-year grant agreements for aggregated First Nations organizations, such as Tribal Councils.

In the 2019/2020 fiscal year, there was interest from numerous Yukon First Nations as well as the James Bay Cree First Nation in northern Quebec on the legislated amendments to section 141. The FMB has prepared a high-level overview of the required amendments to provincial legislation and/or agreements for these First Nations. In this fiscal year, along with working with the provincial and territorial governments, the FMB will take a more in depth look to allow these First Nations the ability to access the FMA.

The FMB will continue to work with ISC and the AFN on the New Fiscal Relationship Initiative for providing 10-year grants to First Nations and Tribal Councils and eventually to other First Nations organizations.

The Default Management Prevention Pilot Project has added another 20 First Nations to the program as the FMB's default process is being recognized as being more effective than the current ISC default program. The FMB anticipates that many First Nations may go into default management as a result of the COVID 19 virus which has literally decimated their own source revenues that all of them rely on to provide funds so that they can provide programs for their communities. The question is 'what is ISC's intention in changing the Default Management Policy?' The FMB's answer to this question is to hopefully become the main service administrator for default management prevention.

It has been over a fiscal year since the Phase I of the Governance Project has been completed. Phase I received critical acclaim from all levels of government. The FMB is looking to move forward with Phase II of the project and eventually develop training programs for Chiefs, Councils and senior management on post *Indian Act* governance. The FMB will be looking for additional funding for this project in the 2020/2021 fiscal year.

Indigenous Shared Services Pilot is a project that must go forward so that all First Nations governments across Canada can benefit from the FMA if they so choose. The Pilot will give First Nations who would probably never be able to implement a Financial Management System due to location, size and lack of capacity the opportunity to access the FMA and develop capacity. Currently, the FMB has developed a working relationship with the Nishnawbe Aski Nation (NAN) in northern Ontario in the development of a Health Authority, in which the approach is to improve financial management capacity in the communities to give the whole program credibility. There are several FMB clients, particularly the DMPPP clients, who have expressed interest in the Shared Services Pilot.

In 2020 the world is experiencing the unprecedented impact of the COVID 19 virus, which will affect everyone including First Nations communities. It is anticipated that many First Nations will experience a financial crisis as their own source revenues will be literally decimated as many First Nations rely on their own source revenues to provide funds for programs for their community. The FMB along with the other FMA institutions will provide advice and services to First Nations and the Government of Canada.

The objective of these strategic goals in the long term is to increase certifications in First Nations and First Nations organizations, increase public awareness, improve capacity development that will assist in self-determination and improve the quality of life of First Nations socially and economically.

BUDGET

The budget for the 2020/2021 Fiscal year is projected for \$15,143,089 and the breakdown is as follows;

Description	2020/2021
Funding Source	
Current Annual Base	\$11,998,746
Deferred Revenue - A Base	\$1,427,189
Deferred Revenue - DMPPP	\$1,717,154
Total Funding Source	\$15,143,089
Expense	
Salaries & Benefits	\$8,244,997
Direct Costs of Client Services	\$2,097,154
Policy Development	\$624,500
Operations & Management	\$2,414,013
Board fees & Travel	\$625,860
Program Travel	\$906,872
Capital	\$229,693
Total	\$15,143,089

Description by Business Line	
Executive	\$2,165,049
Corporate Services	\$3,809,678
Market Development, FAL & Stakeholder Relations	\$1,868,037
Standards & Certifications	\$1,797,467
Capacity Development & Intervention	\$2,737,077
Default Management Prevention	\$2,488,426
Strategic Opportunities	\$277,355
Total	\$15,143,089

See Appendix 1 on Budget Breakdown by Funding Source and five year projection

STAFFING

Employee numbers will increase from 54 to 60.

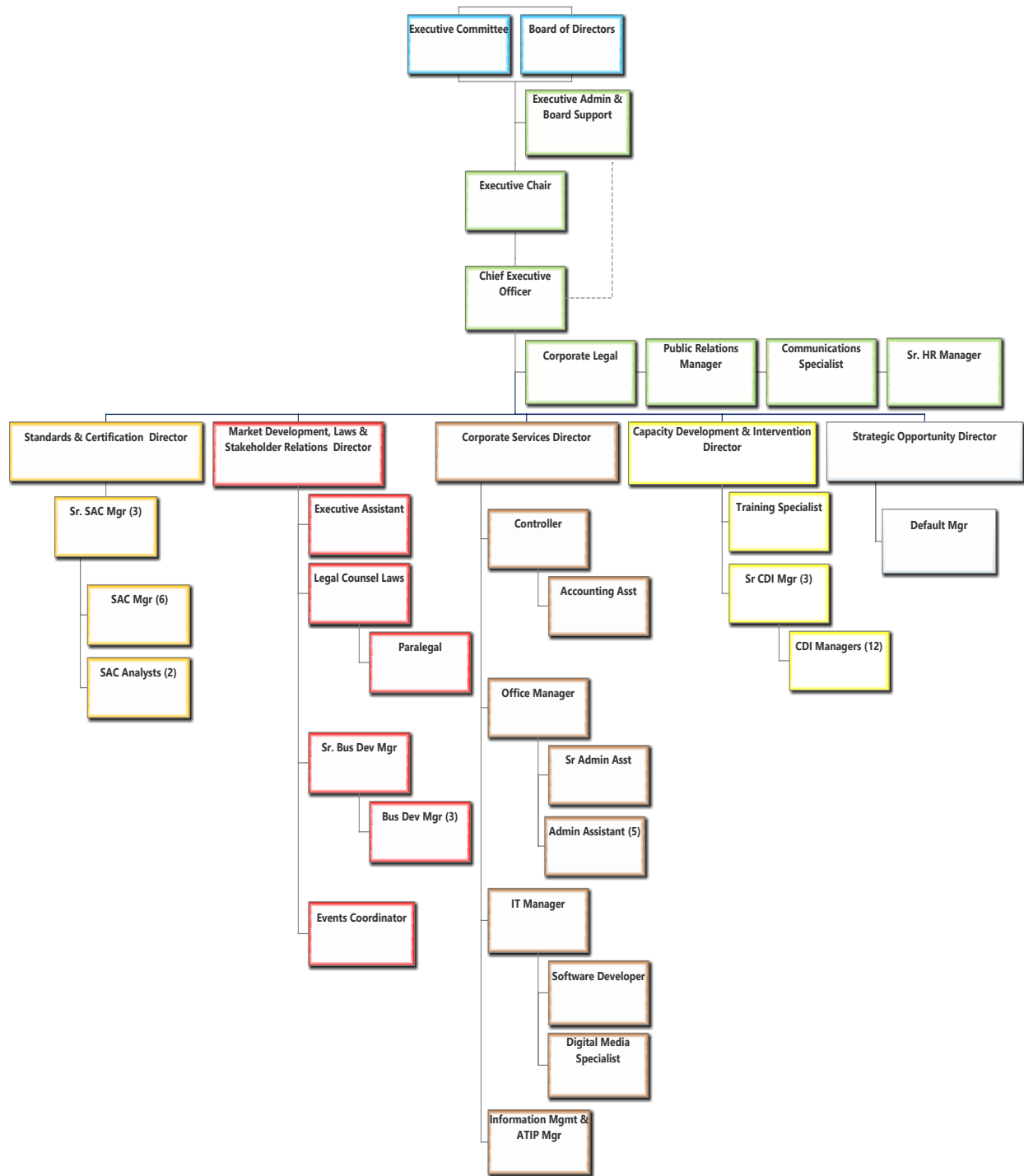
	Previous Year	Forecast years			
Fiscal Year	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Executive	3	6	7	7	7
Corporate Services	13	14	15	18	18
Marketing Development, FAL SR	9	9	15	17	17
Standards and Certification	11	12	20	23	23
Capacity Development & Intervention	14	17	25	30	30
Default Management	4	1	2	3	6
Strategic Opportunities	0	1	3	5	5
Total Staffing Requirements	54	60	87	96	101

Default Management will be more oversight oriented, where a Manager will work with Capacity Development, ISC, Third Party Managers and Chief and Council.

2020 – 2021 New Positions (6)

		West Vancouver	Winnipeg	Ottawa
Description		Region 1	Region 2	Region 3
Executive Services		Chief Executive Officer		Governance Relations Manager
		Corporate Legal Secretary (Corporate Legal Counsel)		
Corporate Services		Software Developer Specialist		
Market Development FAL, Stakeholder Rel.		Legal Counsel		
Strategic Opportunities		Strategic Opportunities Director		

ORGANIZATIONAL STRUCTURE



PROJECTIONS

Cumulative results for Financial Administrative Laws/Bylaws, Financial Performance reviews, and Financial Management Systems Certifications by various client segments.

Description	Previous	Forecast Years (Cumulative)				
	Year	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
FAL Self/Treaty	0	1	3	6	9	12
FAL FN Org	0	1	4	10	18	27
FAL/FAB	217	235	255	270	290	310
FP Reviews All	179	199	229	258	289	321
FMS	39	49	99	169	239	289
FMA Scheduled	295	325	355	385	415	445

Cumulative breakdown by Client Segment by year.

Forecast by various client segments					
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
FAL Self/Treaty	1	2	3	3	3
FAL FN Org	1	3	6	8	9
FAL/FAB	18	25	20	20	20
FP Reviews All	20	30	29	31	32
FMS	10	50	70	70	50
FMA Scheduled	30	30	30	30	30

Forecasting is lowered more than 50% than normally as a result of COVID 19 and lack of Shared Services.

The projections do not include estimates for 10-year grants as the FMB cannot determine how many First Nations will submit an Expression of Interest and move forward through the process to a grant agreement. The FMB will respond to all First Nations who have an interest in the 10-year grant agreement by assisting them through the development of a Financial Administration Law/Bylaw, Financial Performance ratio analysis, and implementation of the Financial Management Systems. The FMB's concentration is moving more from FALs and Financial Performance opinions to towards monitoring and assisting the First Nations in the implementation of the FAL through the Financial Management Systems process.

The FMB estimates that new client growth will decline in FALs, FPs and FMSs as a result of the COVID 19 virus and it will become more difficult to attract new clients as those First Nations who want to benefit from the FMA are discouraged due to lacking capacity because of isolation or location, size of membership and inability to attract qualified staff. Shared Services is crucial for both the First Nation and Canada if they want the New Relationship Initiative to succeed. Shared Services is the key in providing a large number of First Nations the ability to implement good financial governance for their community.

MANDATE

In December 2018, the FMA amendments received Royal Assent. FMB's new mandate will include a sections 49, 55 and a new subsection 50.1. The new mandate looks as follows:

- 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;
- 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
- Provide advice, policy research, and review and evaluative services on the development of fiscal arrangements between First Nations' governments and other governments; and,
- The Board may review First Nations entity's Financial Management Systems, financial performance or laws or by-laws respecting financial administration to determine compliance for the following:
 - A band that is not named in the schedule;
 - A tribal council;
 - An aboriginal group that is a party to a treaty, land claims agreement or self-government agreement with Canada or with a province, or an entity established under, or as a result of, such as treaty or agreement;
 - An entity-owned or controlled by one or more First Nations or entities whose mandate is primarily to promote the well-being or advancement of Aboriginal peoples; and
 - A not-for-profit organization established to provide public services, including social welfare, housing, recreational, cultural, health or educational services, to Aboriginal groups or Aboriginal person.

OTHER RESPONSIBILITIES

The FMB has other responsibilities as part of its initiative to enhance services to First Nations other than its Core Business, which are:

Default Management – Over the past 3 years, the FMB has been conducting a pilot project on Default Management prevention with 5 First Nations that were in Third-Party Management and which now have been fully de-escalated. By the end of the 2019/2020 fiscal year, an additional 20 First Nations joined the pilot program as they have seen the benefits of implementing a Financial Management System.

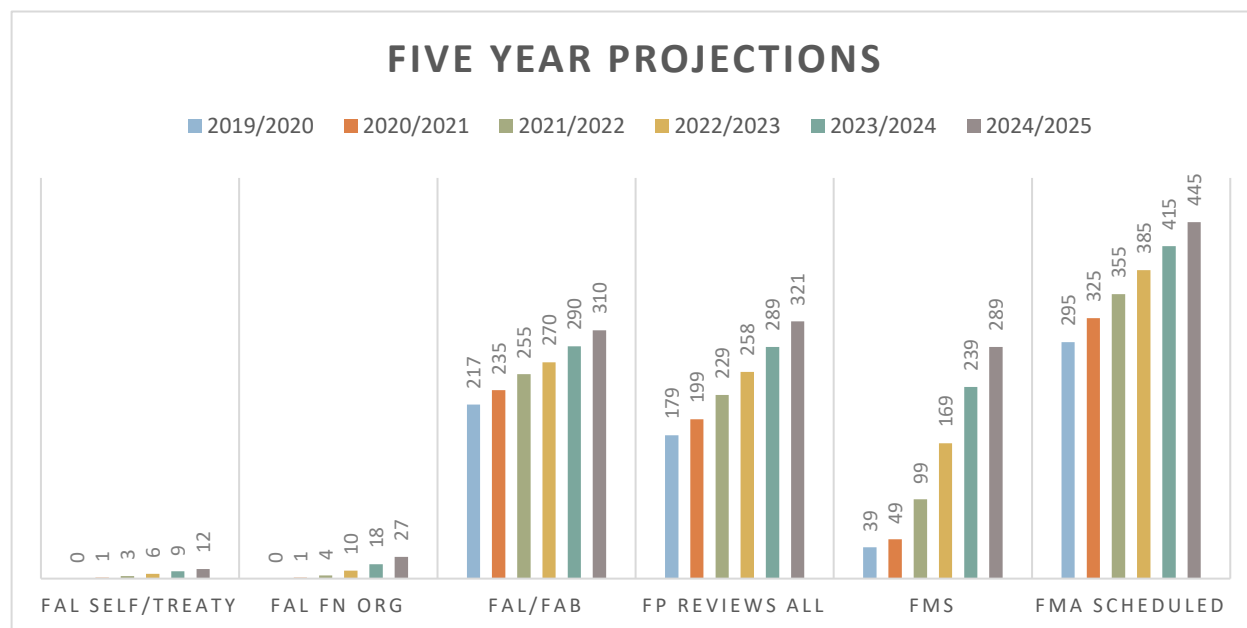
Many First Nations that are scheduled or not scheduled to the FMA may go into Default management as a result of the COVID 19 virus and these First Nation may request to work with the FMB under the Default Management Prevention approach. In the meantime, FMB will provide extra support to First Nations due to the COVID 19 virus to prevent any form of default management or more severe forms of default management by providing webinars, guidance and data collection.

10-Year Grants – A Memorandum of Understanding between ISC and the FMB was executed in 2018 wherein the FMB would develop policies for the evaluation of the 10-year grant eligibility criteria that were co-developed by ISC and the AFN. This evaluation included reviewing a FAL or FAB and the financial performance of those First Nations who chose to participate and providing an opinion to the Government of Canada on whether the 10-year grant eligibility criteria were met. Beginning in 2020/2021, the FMB expects to conduct agreed upon procedures to assist ISC to evaluate the degree to which each participating First Nation has implemented the minimum provisions of its FAL or FAB. The FMB will provide additional risk-based monitoring services to ISC over the term of the 10-year grant. The FMB's advisory role to the co-development of the 10-year grant offering is part of the New Fiscal Relationship Initiative between the Government of Canada and the AFN.

Governance Systems – In the 2019/2020 Fiscal year, the FMB completed Phase I of the Governance Project, where United Nations Declaration on the Rights of Indigenous Rights Peoples (UNDRIP) principles can be utilized by First Nations in a post *Indian Act* scenario to be effective when dealing with provincial and federal governments.

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 Band Council Resolution to request the Minister of Indigenous Services Canada to add their community's name to the FMA Schedule. As of April 1, 2020, 295 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 and First Nations organizations scheduled to dramatically increase over the years to come due to the 10-year agreements and changes to legislation amendments to the FMA.



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.

The FMB has its headquarters in West Vancouver, with offices in Winnipeg, Ottawa, Montreal and field offices in Prince George and Dartmouth. It was intended to have an office open on the East coast, but the client base is not enough to justify an office in the region.

The Board of Directors is comprised of 9-13 Board members from across Canada, who are appointed by the Governor in Council and AFOA Canada. The Governor in Council has the authority to appoint nine members and AFOA Canada has the authority to appoint 3 members.

The Executive Chair heads FMB's management team with along with the new position of the Chief Executive Officer. Departmental leadership is by the Director of Market Development, Laws and Stakeholder Relations, the Director of Standards and Certification, the Director of Capacity Development, Intervention, the Director of Corporate Services, and the new position of the Director of Strategic Opportunities.

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 the 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 made regulations on September 29, 2011 that enabled the securitization of various other revenue streams in addition to property tax revenues.

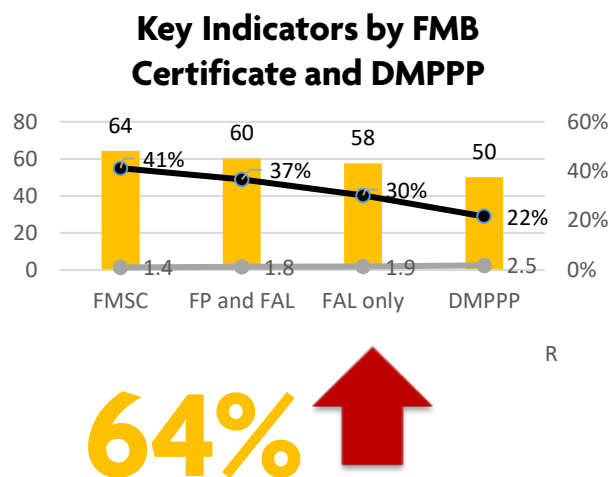
In addition to those First Nations listed on the FMA Schedule, there have been non-scheduled and non-taxing First Nations interested in securitizing their own source revenues. Others simply wish to improve their financial management system and work with the FMB. Some First Nations have come forward to 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, the 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-governing 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 and should be finalized and enacted in the 2021/2022 fiscal year.

MEASURING THE IMPACT

What the Indicators Tell Us Today



Measuring FMB's Impact

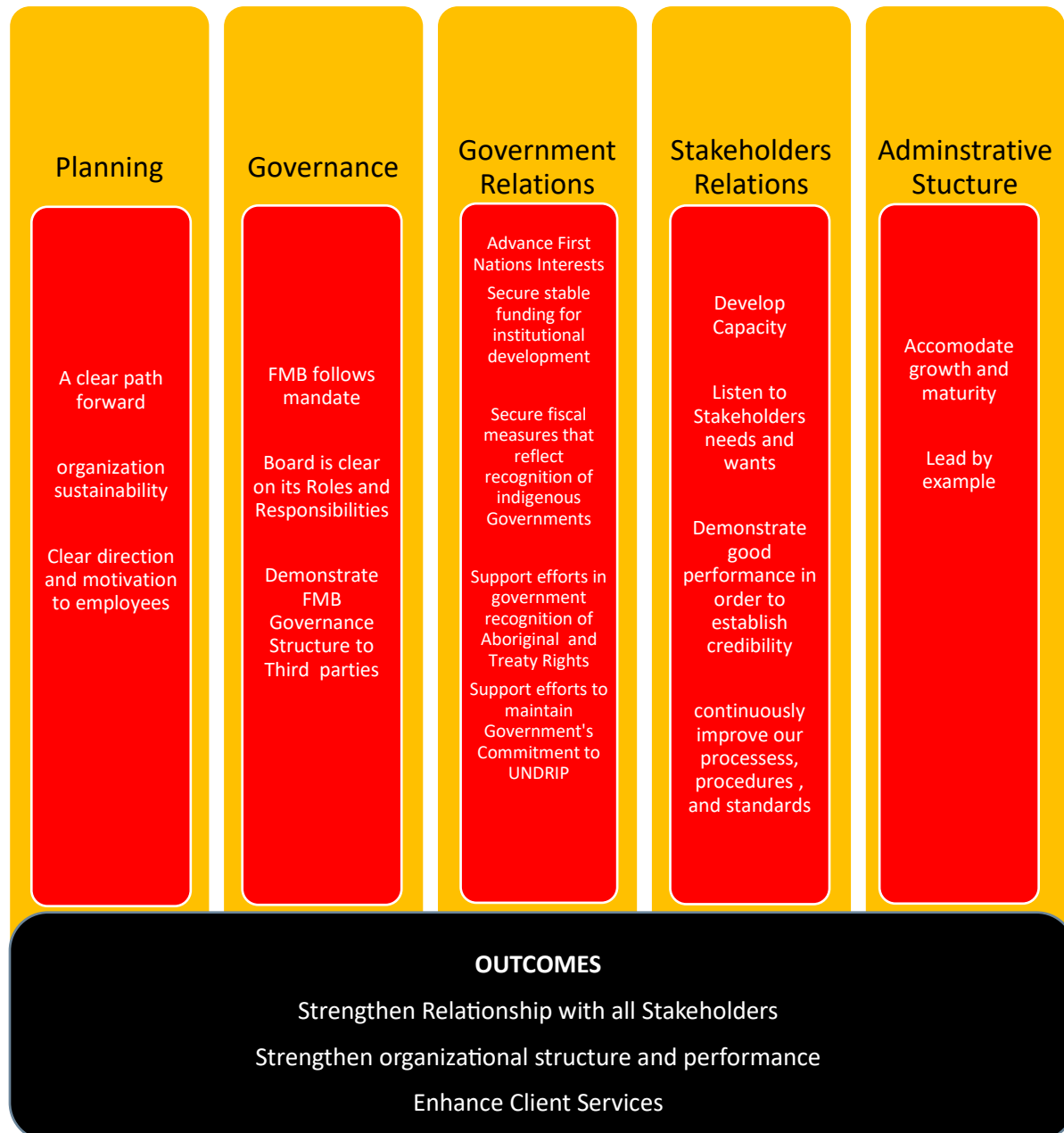
FMB and key stakeholders would benefit from measuring the impact of FMB's mandate. The Community Well-Being (CWB) index and growth in own source revenues (OSR) are just some of the indicators that could measure the impact of FMB's mandate **over time**.

Today we know that, on average, FMS* certified Nations show a higher CWB ranking and percentage of OSR than other Nations in Canada.

See Appendix two for full details

BOARD DIRECTION - 2019

In September 2019, the Board of the Directors undertook a strategic planning session identifying a need for a transformational change to the organization. With the significant recent growth of the FMB, the change will consider adapting the organizational to meet the needs of today and tomorrow. New legislative amendments (ss. 141 and 141.1), the New Fiscal Relationship Initiative, default management, governance and succession planning introduce new opportunities and challenges. The Board is also seeking a new model that transfers the executive responsibilities of the Executive Chair to a Chief Executive Officer and have the Chair remain responsible for the role of a Chair of the Board. The Board's vision is for the change to strengthen FMB's relationship with the government and the AFN, as well as to improve performance and enhance client services. The Board recognizes five focus areas to develop its strategic transformational goals that produce the outcomes and they are as follows:



BOARD DIRECTION – EXPLORING & ESTABLISHING NEW HORIZONS

In May 2019, the Board approved the 2019-2024 Five Year Strategic Plan “Exploring & Establishing New Horizons” gives direction for the FMB’s Strategic Goals. The current event of the COVID 19 virus will be added as a focus area. The Strategic Goals are:

FOCUS AREAS

- Shared services
- Capacity development
- Education program
- Default management
- Intervention preparedness
- Technology
- Other institutions
- Other communication & promotions
- Section 141 & 141.1
- 10 year grants
- Governance project
- Impacts of COVID 19

STRATEGIC GOALS

- Increase clientele
- Improve communications
- Improve technology
- Optimize on 10 year grants program
- Provide shared services
- Enhance client services
- Develop a Governance training program
- Be intervention ready
- Be the default administrator
- Enhance Organizational strength

OUTCOMES

- Increase certification in First Nations organizations under FMA
- Increase public awareness
- First Nations step towards self-determination because of FMB assistance in capacity development
- Improve the lifestyles of First Nation Communities across the country socially and economically

STRATEGIC GOALS

TRANSFORMATIONAL STRATEGIC GOAL

The Board of Directors recognizes that the growth of the FMB and the opportunities ahead will require structural change as considered at their strategic planning session in September 2019. A need to prepare for a changing landscape, political climate and new fiscal relationships, the Board in this Corporate Plan has considered strengthening senior leadership, succession planning, and leading by example.

This transformation will be the responsibility of the Executive Committee along with the support of the HR Senior Manager, Corporate Services and the CEO.

Action: Conduct transformational restructure

- Develop, modify and approve new job descriptions and hire executive positions
- Update the Accountability Framework
- Transition the Executive Chair to a conventional Chair

STRATEGIC GOAL #1 – INCREASE CLIENTELE

On December 13, 2018, legislative amendments to the FMA received Royal Assent from Parliament (see section 50.1). This means that the FMB's potential client base will expand from 634 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 will have the opportunity to benefit from the FMA. The entire FMB team will carry this goal out pursuant to the following actions and measures:

Action: Develop standards and processes for new client segments

Action: Conduct business development outreach to include new clients resulting from legislative amendments

Action: Conduct Financial Administration Laws/Bylaws, Financial Performance and Financial Management System reviews

Action: Work in partnership with the Nishnawbe Aski Nation (NAN) Health Transformation project, where NAN affiliated First Nation communities and the NAN pursue to develop a new Health Authority that will work with FMB to implement 10-year grants and the FMS for its 49 participating communities and itself

STRATEGIC GOAL #2 – IMPROVE COMMUNICATIONS

As the number of First Nation clients increases and with new legislation that will include new client segments, it is important to effectively communicate the FMB's message on its purpose and to showcase its successes. The Executive Team will carry out this responsibility. This work will have the following actions:

Action: To continue to implement the Communication Strategy

STRATEGIC GOAL #3 – IMPROVE TECHNOLOGY

Build and maintain the FMB's technology platform for support of services to internal and external clients. A Corporate Services mandate includes the following actions:

Action: Implement IT Strategy for FMB

STRATEGIC GOAL #4 – OPTIMIZE 10 YEAR GRANT PROGRAM

Increase the number of First Nations eligible to the FNFA's borrowing pool and the FMB certification program. The 10-year grant program is an opportunity for unscheduled First Nations participating in the program to consider scheduling under the FMA. The entire FMB team will carry this goal out pursuant to the following actions and measures:

Action: Continue to provide assistance to First Nations and Tribal Councils who are interested in the 10-year grant program

Action: Perform monitoring services

Action: Provide guidance to those First Nations who are not under the FMA to implement their Financial Administrative By-law

STRATEGIC GOAL #5 – SHARED SERVICES OPPORTUNITY

Consider a service to First Nations communities, particularly those participating in FMB's Default Management Prevention Pilot Project, that provides expertise and financial management support as needed, organizational and internal development and benefits through economies of scale. Undertaken by Strategic Opportunities in close collaboration with the Capacity Development and Intervention business line with the following actions:

Action: Continue to conduct outreach for pilot subjects

Action: Start Pilot Project (dependent upon funding)

STRATEGIC GOAL #6 – ENHANCE CLIENT SERVICES

Pursue a broader outreach with senior client leaders and other institutions to identify opportunities that may further benefit current and future clients and all First Nations in Canada. Undertaken by the Capacity Development and Intervention business line with the following actions:

Action: Research and develop a report with other FMA institutions on the economic impacts that the COVID 19 virus caused to First Nations communities that will be submitted for information to the Government of Canada

Action: Develop a comprehensive database of financial information that can be readily made available in result of situations such as the COVID 19 virus

Action: Provide support and guidance to First Nations as result of the COVID 19 virus

STRATEGIC GOAL #7 – GOVERNANCE TRAINING PROGRAM

Continue to pursue Phase II of the Governance program to provide First Nations with the tools and training for self-determination. The Director of Strategic Opportunities will undertake these tasks. This initiative will require separate funding and if received, will require the following actions:

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

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

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

Action: Work with the NAN Health Transformation Project around governance to determine self-determination

STRATEGIC GOAL #8 – BE INTERVENTION READY

Provide assurance to the FMA institutions, rating agencies and financial markets, that safeguards are in place should a client default on a payment as a borrowing partner. The Capacity Development and Intervention business line will undertake the following actions:

Action: Implement Intervention Policy

Action: Conduct a mock intervention with the FNFA

STRATEGIC GOAL #9 – BE THE DEFAULT ADMINISTRATOR

Build on the success of the recent Default Management Prevention Pilot Project. Offer services to First Nations currently assessed as in default management by the government. The Strategic Opportunities business line will continue supporting this program with the following action:

Action: Provide default management services to First Nations opting into the program

STRATEGIC GOAL #10 – MAINTAIN ORGANIZATIONAL STRENGTH

Ensure that FMB administrative practices remain current and leading edge. The Corporate Services business line will meet this goal by undertaking the following actions:

Action: Lead by example

- Begin the FMS process following approval of standards for First Nations not-for-profit organizations
- Update current policies, as required
- Promote efficient administration and management of records
- Support the organization with effective and efficient financial strategic and operational services
- Grow and maintain an effective workforce within a structured high-performance environment

BUSINESS LINE GOALS

EXECUTIVE

Transformational Strategic Goal

Action: Conduct transformational restructure

- Develop, modify and approve new job descriptions and hire
 - Chief Executive Officer
 - Corporate Legal Secretary (Corporate Legal Counsel)
 - Government Relations Manager
 - Director of Strategic Opportunities
 - Legal Counsel for MLS
- Update the Accountability Framework
 - Review and revise committee structure
 - Develop Executive business line to reflect changes from transformational restructure
- Transition the Executive Chair to a conventional Chair
 - Chair will engage with government(s) and stakeholders to support evolving fiscal, economic, governance, recognition and reconciliation initiatives
 - Chair will also represent the Board of Directors in an oversight role in support of the Board's legislative management responsibilities
- Grow and maintain an effective workforce within a structured high-performance environment
- Hire staff across all business lines

Increase Clientele

Action: Work in partnership with the NAN Health Transformation project, where NAN affiliated First Nation communities and the NAN pursue to develop a new Health Authority that will work with FMB to implement 10-year grants and the FMS for its 49 participating communities and itself.

- Develop and implement a Memorandum of Understanding (MOU) on FMB and NAN's relationship
- Develop and implement a service contract around FMB's participation outside of FMB's mandate

Improve Communications

Action: Implement the Communication Strategy

- Transition communications function to a corporate wide service
- Communicate to First Nations the successes of FMB clients including certifications, and Default Management Prevention Pilot Program
- Communicate new initiatives to current and potential clients including Governance and Shared Services programs
- Communicate about the relationships that FMB has with other organizations
- Develop a Communication Plan for the documentary "Vision Quest"
- Collaborate with other FMA Institutions and the Lands Advisory Board on the third national 'Leading the Way' conference

MARKETING, FALS, STAKEHOLDER RELATIONS

Increase Clientele

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

- Present to 40-50 prospective First Nations clients
- Participate at 1 First Nations event
- Participate in 1 First Nations organization event
- Participate in other FMA Institutions and FNLM national conferences
- Meet with Tribal Councils, Modern Day Treaty/self-governing First Nations, Tribal Councils and First Nations organizations
- Write letters to First Nations organizations to make them aware of which services they can access under the FMA
- Outreach to 10-year grant client segments with the goal of conversion to the FMA
- Develop a strategy on Business Development for Modern Day Treaties and First Nation Organization

Action: Develop new standards and process for new client segments

- Start working on the manner and form for Modern Day Treaties with legal representatives
- Develop process for legal review on not for profit organizations based on NPO Standards and current section 141 draft regulation

Action: Conduct FAL reviews for clients

- Receive 15-20 Letters of Co-operation
- Review 15-18 Financial Administration Laws and Financial Administration Bylaws
- Review 10-15 Financial Administration Law updates

Action: Work in partnership with the NAN Health Transformation project, where NAN affiliated First Nation communities and the NAN pursue to develop a new Health Authority that will work with FMB to implement 10-year grants and the FMS for its 49 participating communities and itself.

- Meet with First Nations that are affiliated with the NAN based on the MOU for either the 10-year grants or to join the FMA regime

CAPACITY DEVELOPMENT AND INTERVENTION

Increase Clientele

Action: Develop standards and Processes for new client segments

- Develop/update/adapt suite of sample policies for First Nations organizations
- Revise/improve four existing workshops
- Develop 9 new workshops/presentation/materials

Action: Conduct FAL, FP and FMS reviews on clients

- Transition 7-10 Financial Management Systems clients and update as required

Action: Work in partnership with the NAN Health Transformation project, where NAN affiliated First Nation communities and the NAN pursue to develop a new Health Authority that will work with FMB to implement 10-year grants and the FMS for its 49 participating communities and itself

- Work with the NAN who have opted into working with the FMB under the NAN Health Transformation Project either under the 10-year grants or the FMA regime

Enhance Client Services

Action: Provide support and guidance as a result of the COVID 19 virus

- Develop workshop with input from other business lines on how FMB Standards and FMS relate to circumstances that evolved from emergency situations such as the COVID 19 virus
- Conduct webinar
- Provide support and guidance to First Nations on Government assistance that is available a result of the COVID 19 virus

Be Intervention Ready

Action: Continue to prepare for possible intervention

- Provide current Intervention Policy to other institutions and update as required
- Conduct a mock intervention with the FNFA

STANDARDS AND CERTIFICATION

Increase Clientele

Action: Develop framework for the new client segments

- Outreach to the new client segment
- Develop and publish new standards for not-for-profit organizations following the FMB's Standard Setting Guidelines
- Develop and publish new standards for Modern Day Treaty and self governing First Nations following the FMB's standard setting guidelines
- Develop the process for Financial Performance and Financial Management System certification for Modern Day Treaty and self governing First Nations
- Develop the process for Financial Performance and Financial Management System certification for First Nation organizations

Action: Conduct Financial Performance and Financial Management System reviews on clients

- Review 15-20 Financial Performance client files for certification
- Review 7-10 Financial Management Systems client files for certification
- Conduct agreed upon procedures under MOU with ISC to test 10-year grant eligibility for those First Nations that entered grants effective April 1, 2019
- Continue to provide Financial Performance monitoring services to the FNFA under the signed MOU
- Continue to provide Financial Performance monitoring services to ISC under the signed MOU

Enhance Client Services

Action: Research and develop a report with other FMA institutions on the economic impacts that the COVID 19 virus caused on First Nations communities which will be submitted for information to the Government of Canada

- Work with FMA institutions on establishing pertinent aggregate data categories
- Compile report on the economic impacts of the COVID 19 virus on First Nations

Action: Develop a comprehensive database of financial information that can be readily made available in result of situations such as the COVID 19 virus

- Develop a database of information on all First Nations that FMB serves as clients under the FMA

CORPORATE SERVICES

Transformation

Action: Collaborate with business lines

- Review and revise committee structure

Information Technology

Action: Implement IT Strategy for FMB

- Implement new financial software
- Address resourcing risk with IT services
- Continually improve technology in support of the Board and business lines
- Research ERP System
- Maintain the webpage to reflect current events

Organizational Strength

Action: Lead by example

- Begin Financial Management System process following approval of standards for First Nations organizations
- Update current policies and procedures, as required
- Promote efficient administration and management of records
- Support the organization with effective and efficient financial strategic and operational services
- Grow and maintain an effective workforce within a structured high-performance environment

STRATEGIC OPPORTUNITIES

Indigenous Shared Services

Action: Continue to conduct outreach for pilot participants

- Communicate with ISC regions on possible clients for Shared Services Pilot Project particularly as they relate to the Default Management Prevention Pilot Project
- Continue to conduct outreach with Default Management Prevention Pilot Project participating First Nations and possibly other FMB clients about participating in an FMB Shared Services Pilot Project
- Have FMB clients commit through a Letter of Cooperation

Action: Start Pilot Project (dependent upon funding)

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

Governance

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

- Actively participate in various discussions with AFN/ISC/CIRNA/Justice on First Nations governance matters
- 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: 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: Map out comprehensive eco-system of First Nations-led institutions supporting fiscal and governance self-determination including Nations reconstituting

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

Action: Work with the NAN Health Transformation Project around governance to move forward on self-determination

- Provide NAN support to review of current funding agreements, assist in the negotiations and assist in implementing self determination as per NAN MOU
- Provide support to the other FMB business lines in the development of the workplan for the NAN communities to begin the FMB process from the FAL/FAB, FP and FMS

Default Management

Action: Provide default management prevention services to First Nations opting into the program

- Examine the effects on the COVID 19 virus on default management clients under the Pilot Program
- Introduce proposal to expand the Pilot Program on Default Management Prevention Pilot Project to provide services to those who are currently working with FMB or under the 10-year Grant program
- Continue to implement services to twenty additional participating First Nations
- Reintroduce work on a new federal policy on default management prevention

Appendix One

Budget Breakdown by Funding Source

Budget Breakdown by Funding Source

Expense	2020/2021	Annual Base	Surplus	DMPPP
Salaries & Benefits	\$8,244,997	\$8,423,732	\$0	
Client Services	\$2,097,154	\$349,510		\$1,717,154
Policy Development	\$624,500	\$95,160	\$487,340	
Operations & Management	\$2,414,013	\$2,167,244	\$140,217	
Board fees & Travel	\$625,860	\$593,100	\$32,760	
Program Travel	\$906,872	\$300,000	\$606,872	
Capital	\$229,693	\$70,000	\$160,000	
Amortization	\$0	\$0		
Total	\$15,143,089	\$11,998,746	\$1,427,189	\$1,717,154

Annual Base is based on ISC Funding formula for the FMB Agreement.

Amortization under the ISC Funding Agreement is not an allowable expenditure.

Five Year Budget Forecast

Description	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Funding Source					
Current A Base	\$11,998,746	\$27,425,342	\$29,726,352	\$29,320,970	\$30,007,390
Deferred Revenue - A Base	\$1,427,189				
Deferred Revenue - DMPPP	\$1,717,154				
Total Funding Source	\$15,143,089	\$27,425,342	\$29,726,352	\$29,320,970	\$30,007,390
Expense					
Salaries & Benefits	\$8,244,997	\$12,312,414	\$13,837,929	\$14,114,688	\$14,396,982
Direct Costs of Client Services	\$2,097,154	\$1,072,530	\$1,093,891	\$1,115,860	\$1,138,177
Policy Development	\$624,500	\$1,916,580	\$2,190,697	\$2,234,511	\$2,279,201
Operations & Management	\$2,414,013	\$8,795,094	\$9,065,856	\$8,247,173	\$8,512,117
Board fees & Travel	\$625,860	\$815,719	\$832,034	\$848,675	\$865,648
Program Travel	\$906,872	\$1,995,922	\$2,178,520	\$2,222,090	\$2,266,532
Capital	\$229,693	\$264,803	\$270,099	\$275,501	\$281,011
Total	\$15,143,089	\$27,173,062	\$29,469,026	\$29,058,498	\$29,739,668

Appendix Two

FMB Impact Flyer

Measuring the Impact FMB Mandate



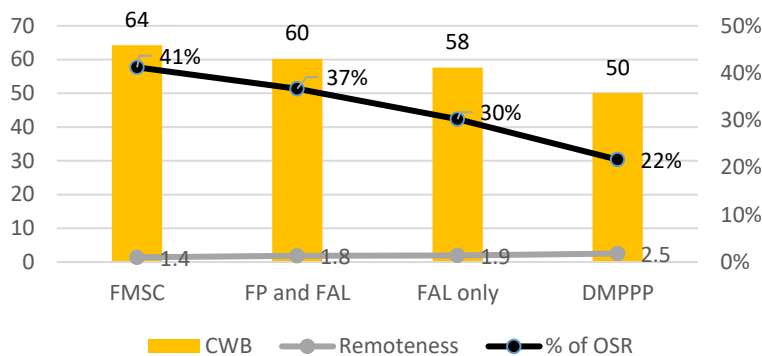
Measuring FMB's Impact

FMB and key stakeholders would benefit from measuring the impact of FMB's mandate. The Community Well-Being (CWB) index and growth in own source revenues (OSR) are just some of the indicators that could measure the impact of FMB's mandate **over time**.

Today we know that, on average, FMS* certified Nations show a higher CWB ranking and percentage of OSR than other Nations in Canada.

What the Indicators Tell Us Today

Key Indicators by FMB Certificate and DMPPP



What We Know So Far

64% 

Over the past five years, our FMS* certified clients have increased their OSR by an average of 64%. How does that compare to the average growth of other First Nations governments?

Next Steps

- ▶ FMB sees the need for further research to assess the impact our mandate has and continues to have on First Nations governments.
- ▶ Part of this research will assess the most relevant indicators for FMB to determine and measure the impact of our mandate on First Nations governments.

*FMS = financial management system

Measuring the Impact FMB's Mandate (cont'd)



Definitions

CWB – Community Well-Being Index (source: Statistics Canada census 2016): measures socio-economic well-being for communities across Canada over time and has 4 components: education, labour force activity, income and housing.

Comparable CWB indicators based on 2016 Statistics Canada data:

- Canada-wide: **77.5**
- First Nations communities: **58**
- FMB client average: **60** with a range of 46 to 87

Remoteness (source: Indigenous and Northern Affairs First Nations Profiles): Zones 1 to 3 have year-round access; Zone 1 – Within 50 Km of nearest service centre; Zone 2 – Between 50 and 350 Km from nearest service centre; Zone 3 – Over 350 Km from nearest service centre; Zone 4 – No year round access to service centre.

OSR – Own Source Revenue (source: audited financial statements 2013/14 - 2017/18 on Indigenous Services Canada website as at August 26, 2019): Calculated using the sum of all revenue sources excluding federal and/or provincial government transfers, grants, program funding and CMHC. OSR most commonly included revenues from:

- Equity pickup from GBEs
- Rental income
- IBAs
- Band-owned trusts
- Gain on investments
- “Band generated revenue” and “Band contracts”
- Tobacco tax
- “Other”, if explained more fully in the notes and related to OSR
- Gaming revenue

No differentiation was made between active and passive OSR. The OSR calculation required professional judgement since the audited financial statements contained varying degrees of detail. To be used as a general indicator only.

Percentage of Own Source Revenues (source: audited financial statements 2017/18 on Indigenous Services Canada website as at August 26, 2019): Own-source revenues as a percentage of total revenues. FMB client average is 35% and range is 91% and 5%.

- FMSC: Financial Management System Certificate
- FP: Financial Performance Certificate
- FAL: Financial Administration Law
- DMPPP: Default Management Prevention Pilot Project