



2022–2023 CORPORATE PLAN



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Key acronyms used in the FMB Corporate Plan

AFNWA	Atlantic First Nations Water Authority
CIRNAC	Crown-Indigenous Relations and Northern Affairs Canada
DMP	Default Management Prevention
FAB	Financial Administration By-Law
FAL	Financial Administration Law
FMA	<i>First Nations Fiscal Management Act</i>
FMB	First Nations Financial Management Board
FMS	Financial Management System
FNFA	First Nations Finance Authority
FNTC	First Nations Tax Commission
FP	Financial Performance
ISC	Indigenous Services Canada
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples

OUR MISSION AND VALUES

Our Mission

The First Nations Financial Management Board (“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.

Our Values

The FMB is a First Nations-led organization.

We believe that the following core values should guide the way the FMB carries out its work:



INTEGRITY

We are open and honest, and honour our commitments.



RESPONSIVE

We are responsive to the needs of our First Nations clients and our colleagues.



RELEVANCE

We strive to innovate and remain relevant to our First Nations clients.

OUR MANDATE

The *First Nations Fiscal Management Act* (“FMA”) establishes the following mandate for the FMB:

- ▶ Assist First Nations in developing the capacity to meet their financial management requirements.
- ▶ 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.
- ▶ 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.
- ▶ Provide advice, policy research and review, and evaluative services on the development of fiscal arrangements between First Nations’ governments and other governments.

MESSAGE FROM THE EXECUTIVE CHAIR

Harold G. Calla, FCPA, FCGA, CAFM
Squamish Nation (British Columbia)

This year has had many challenges for First Nations across the country, but the First Nations Financial Management Board stepped up and responded during the pandemic, and FMB clients have shown incredible resilience throughout. We continued to safely offer our services and responded to new needs including economic analysis that helped the federal government provide compensation for the loss of own-source revenues during the pandemic.

As the federal government develops the United Nations Declaration on the Rights of Indigenous Peoples Act (2021) (“UNDRIP”) action plan, Indigenous thought leadership is vital. To achieve recognition and reconciliation, systemic changes will need to be made regarding how governments at all levels see Indigenous communities fitting within the action plan.

First Nations expect a fundamental change in their relationship with Canada including a different fiscal relationship, one based on their inherent right to exercise jurisdiction, and not on dependency. They expect a true nation-to-nation relationship that shares power and enables all sectors to generate and benefit from wealth. Existing gaps in the quality of Indigenous lives, when compared to the rest of Canada, must be closed. The work the FMB has done with First Nations to date has helped to build the foundations to make this possible, and much more work still needs to be done.



The FMB along with the other *First Nations Fiscal Management Act* Institutions are developing the RoadMap Project with the valuable input of First Nations and Indigenous organizations across Canada. The RoadMap Project is a new Indigenous-led, risk-managed, optional framework for Indigenous economic and fiscal reconciliation with Canada, on terms that are consistent with UNDRIP. The main goal of RoadMap is to create a pathway to recognition and reconciliation using capacity-building tools and new financing and fiscal structures and jurisdictions. It will increase the ability of First Nations governments to raise revenues, secure financing, and make investments in economic development. In the coming year, the FMB will continue to respond to the emerging needs of First Nations as they

assume more control over service delivery for their communities.

The FMB is working to become the economic regulator of the new Atlantic First Nations Water Authority (“AFNWA”). The AFNWA has a mandate to provide safe, clean drinking water and wastewater in 17 participating First Nations communities in Atlantic Canada. This is essential work, considering how many communities do not have access to clean drinking water.

FMB will continue to advance Indigenous perspectives in professional fields. FMB is working

with the Chartered Professional Accountants (“CPA”), participating on their Sustainability Advisory Committee and calling for Indigenous inclusion and participation in standard setting. We look forward to advancing these and other initiatives in order to support economic reconciliation in its fullest sense.

Together with our client First Nations and the Government of Canada, we will walk the path of economic reconciliation together.



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Geordie Hungerford, CFA, CAIA, MBA, LLB
Gwich'in (Northwest Territories and Yukon)

Despite the challenges of COVID-19, we continue to serve our clients and have seized opportunities to work together for new solutions. The FMB has expanded its services and the number of First Nations it serves. Delivering and developing programs and services that directly assist First Nations in building sound financial and administrative governance practices at an international standard remains our top priority.

I am pleased to share that FMB has a growing number of clients we support¹, with 321 First Nations scheduled to the FMA now, more than 50% of eligible *Indian Act* First Nations. The total number of First Nations with Financial Administration Laws has expanded to 237, over 40% of eligible First Nations. In addition, 193 First Nations now have a Financial Performance (“FP”) Certificate, and 51 First Nations have achieved their Financial Management Systems (“FMS”) Certificate.

The FMB team has also grown, from 52 to 77 staff members across the country this year². This means the FMB can do more, expand our programs, and work with more First Nations, building capacity and making a difference to communities large and small. I am very proud of how our FMB team has worked ceaselessly throughout the pandemic and worked to support new FMB initiatives.



Our executive team and Board of Directors have implemented several programs to better serve First Nations, expanding our services to include more Indigenous peoples. FMB is seeking legislative amendments to grow the services we offer to include modern treaty, not-for-profit organizations, tribal councils, and treaty and self-governing Nations.

We also anticipate taking on work related to Environmental, Social and Governance (“ESG”) standard setting in Canada. FMB supports the new International Sustainability Standards Board (“ISSB”) office in Canada, which is expected to develop a much-needed set of global standards for reporting on environmental, social and

¹ Figures are at the date of writing, March 10, 2022

² Figures include two anticipated new hires to March 31, 2022

governance issues. ESG standards will impact business and investment decisions in Canada and across the globe. It is essential that these standards include Indigenous perspectives and concerns on issues such as sustainability and Free, Prior, and Informed Consent (“FPIC”).

The Default Management Prevention (“DMP”) program has been very successful this past year, bridging crucial gaps for 24 First Nations. Beginning with five First Nation clients in the pilot phase, 20 additional First Nations have joined the program and one First Nation has achieved FMS Certification. Each community has access to FMB capacity development resources to support de-escalation from default management. The FMB’s Capacity Development and Intervention team helps these communities reach their goals and supports them in building sustainable governance and finance practices.

FMS Support Services (previously “Shared Services”) is a new pilot project with a two-year horizon that will provide accounting and administration supports, which will indirectly address the problem faced by many First Nation clients in accessing human resource support. FMS Support Services will offer training and remote accounting to 10 First Nations clients across Canada. We will measure the success of this initiative through knowledge and skills transferred to those First Nations. Enhancing the skills and abilities of Indigenous financial professionals and build capacity is FMB’s goal.

As we move forward to face the challenges and grow the opportunities this year will bring, FMB will continue to build relationships across the country. The post-pandemic needs of First Nations will be greater than ever. We have planned for this and look forward to being on the ground in Indigenous communities working side by side with First Nations as soon as it is safe to do so.



EXECUTIVE SUMMARY

The FMB's total budgeted expenditures for the 2022-2023 fiscal year are \$24,228,850. This is a \$7,799,787 decrease from the \$32,028,637 proposed in November 2021 that we believed was necessary to execute on our strategic plan. The budget contained in this corporate plan therefore omits the following strategic initiatives:

1. IT modernization project and implementation of the FMB's IT Strategic Plan has been deferred by at least 12 months.
2. Seven new full-time staff positions across the Standards and Certification ("SAC"), Market Development, Laws and Stakeholder Relations ("MLS"), and Capacity Development and Intervention ("CDI") business lines, to serve Indigenous not-for-profit organizations, modern treaty and self-governing Nations, have been deferred by at least 12 months.
3. Four new full-time staff positions across the, MLS and Corporate Services business lines have been deferred by at least 12 months to respond to the reduction in the scope of activities.
4. Three new full-time staff positions in the SAC and CDI business lines, for the provision of post-Financial Management System ("FMS") Certification services, have been deferred by at least 12 months.
5. Expansion of existing office space to accommodate new staff, and the opening of a new office in the Atlantic region has been deferred by at least 12 months.

These reductions in planned hiring have been offset by the expected increase in salaries and benefits that may occur based on an independent market-based compensation and benefit study commissioned by the FMB. This study is expected to be completed in April 2022. Until that data becomes available, the FMB has assumed an overall cost of living adjustment of 5% and an additional overall increase in salaries and benefit expenses. The FMB's work necessitates that we retain staff with a high level of professional competency and in this current labour market, the FMB is committed to offering competitive levels of compensation to existing and future employees.

Some additional cost reduction measures have been applied to our budget since our proposal was made in November 2021:

1. Significant reductions were made to travel allowances for non-client facing staff to assume minimal travel and a continued a substitution of virtual for in-person meetings whenever possible.
2. Travel allowances for client-facing staff were adjusted based on past actuals from 2019-2020 and further reduced for all business lines.
3. Allowance for professional development was reduced and post-pandemic team building and staff training was further reduced.
4. DMP services will be gradually brought in-house and reliance on contracts with external service providers will be reduced.
5. All other discretionary spending has been reduced by approximately 15%.

The cost reductions outlined above are expected to allow the FMB to have break-even cash flows in the 2022-2023 fiscal year. This assumes that the entirety of any surplus funding that exists at March 31, 2022 is available for expenditure during this period. We have been informed that this is an appropriate assumption to rely upon.

For 2022-2023, the FMB will fund its operations and programs through a combination of:

- ▶ \$12,991,301 from annual base funding (“A-Base”) from Crown Indigenous Relations and Northern Affairs Canada (“CIRNAC”).
- ▶ \$2,026,516 from individual funding arrangements for proposal-based initiatives from CIRNAC and Indigenous Services Canada (“ISC”).
- ▶ \$9,211,033 from unexpended CIRNAC and ISC funding carried over from the 2021-2022 fiscal year. This amount of unexpended funding is based on our forecast to March 31, 2022 and is subject to change.

The FMB will evaluate the need for mid-year funding proposals based on the changing needs of First Nations. We will also be carefully monitoring the evolving relationships between First Nations, the Government of Canada, and the global capital markets based on implementation of United Nations Declaration on the Rights of Indigenous Peoples (“UNDRIP”) and the ripple effect of sustainability and environmental, social, and governance (“ESG”) reporting on the economic opportunities and challenges that First Nations face.

The FMB’s current five-year funding agreement expires at the end the 2021-2022 fiscal year. While the FMB has been actively pursuing new funding arrangements with its CIRNAC and ISC that will offer increased and more sustainable long-term funding, in the short-term, the FMB is prepared to enter into a two-year extension of the current funding agreement that will expire at the end of fiscal 2023-2024 at the current level of funding. We have been informed that in the short-term there will be no change in the FMB’s A-Base funding level of \$12,991,301. Until the FMB receives confirmation of an increase in funding we will prioritize those activities and growth set out in this 2022-2023 Corporate Plan.

We have been informed that the FMB’s increased funding request has been included in the 2022-2023 federal budget submission. The 5-year cash flow projections included in Appendix 2 of this Corporate Plan assume that the upcoming 2022 federal budget will contain a significant and sustained increase in A-Base funding. We will re-evaluate this assumption once we review and discuss the federal budget with CIRNAC.

Our 2022-2023 budget does not include the funding that will be required for the FMB to advance its role as economic regulator of the Atlantic First Nations Water Authority (“AFNWA”). The FMB expects to submit a separate funding proposal related to the work with the AFNWA in early 2022-2023 once the scope of the project and the funding needs have been further defined.

The 2022-2023 Corporate Plan continues to build on the strategic priorities set in the 2019-2024 Five-Year Strategic Plan, “Exploring and Establishing New Horizons,” and the four long-term strategic priorities established in the updated 2021 Strategic Plan:

1. Focus on the value of FMS to First Nations and Government; Advocate for smarter reporting.
2. Be the thought-leader for Indigenous Economic and Financial Development; Be the Strategic Nexus for UNDRIP Advocacy and Networking.
3. Prepare for Monumental Government and Industry Change Driven by UNDRIP.
4. Develop an aligned, sustainable, and values-driven HR, recruitment, and capacity development strategy.

The objectives and priorities set out in this Corporate Plan will chart the path for the FMB's work in 2022-2023. The Corporate Plan sets out the actions the FMB will undertake to continue to meet the needs of our clients while innovating in this time of unprecedented change.

Table 1: 2022-2023 Objectives and Priorities

Delivery and Continuous Improvement of Existing Services

- ▶ Engage with First Nation governments that have opted to enact a Financial Administration Law and build a foundation for economic growth through Financial Management System Certification
- ▶ Work with ISC and the Assembly of First Nations to support the New Fiscal Relationship through the 10-Year Grant program
- ▶ Support First Nations in the Default Management Prevention program

New Initiatives and Services

- ▶ Develop and socialize RoadMap in collaboration with the other FMA Institutions
- ▶ Finalize current regulatory and FMA legislative initiatives and prepare for expanded service delivery to modern treaty, self-governing First Nations, and Indigenous not-for-profit organizations
- ▶ Increase FMA access through the FMS Support Services Pilot Project
- ▶ Build the FMB's data and statistical collecting and analysis capabilities
- ▶ Partner with the Atlantic First Nations Water Authority on developing a framework for the FMB as an economic regulator

Exploring and Establishing New Horizons

- ▶ Be the strategic nexus for economic reconciliation and UNDRIP
- ▶ Advocate for Indigenous perspectives in sustainability standards
- ▶ Bring an Indigenous voice to financial accounting and reporting
- ▶ Explore ways to increase the number of Indigenous finance professionals

Enhancing Organizational Strength of the FMB

- ▶ Pursue stable, sustainable long-term funding
- ▶ Embark on an information technology transformation through IT needs assessment and IT strategic plan (deferred to 2023-2024)
- ▶ Grow national staffing and footprint (deferred to 2023-2024)

A bald eagle is shown in mid-flight, its wings spread wide, holding a large fish in its talons. The eagle's head is turned to the right, and its yellow beak is visible. The background is a dense, out-of-focus forest with green leaves and moss-covered rocks.

“The First Nations Fiscal Management Act framework promotes transparency and accountability from an Indigenous governing body to its citizens, and the strong governance and fiscal management practices which give confidence to external stakeholders.”

– Harold Calla, Executive Chair of the FMB and C.T. (Manny) Jules,
Chief Commissioner of the FNTC

FMA AND FMB PROFILE

About the *First Nations Fiscal Management Act*

The FMA is optional federal legislation that is outside of the *Indian Act* and provides a new pathway for First Nations to enhance social and economic development.

The FMA was passed in 2006 with all-party support and now has 321 First Nations participating, making it the most successful legislation of its kind.

The FMB is working with the Government of Canada on a number of important legislative amendments and new regulations that will expand the organization's mandate and types of entities that it can serve.

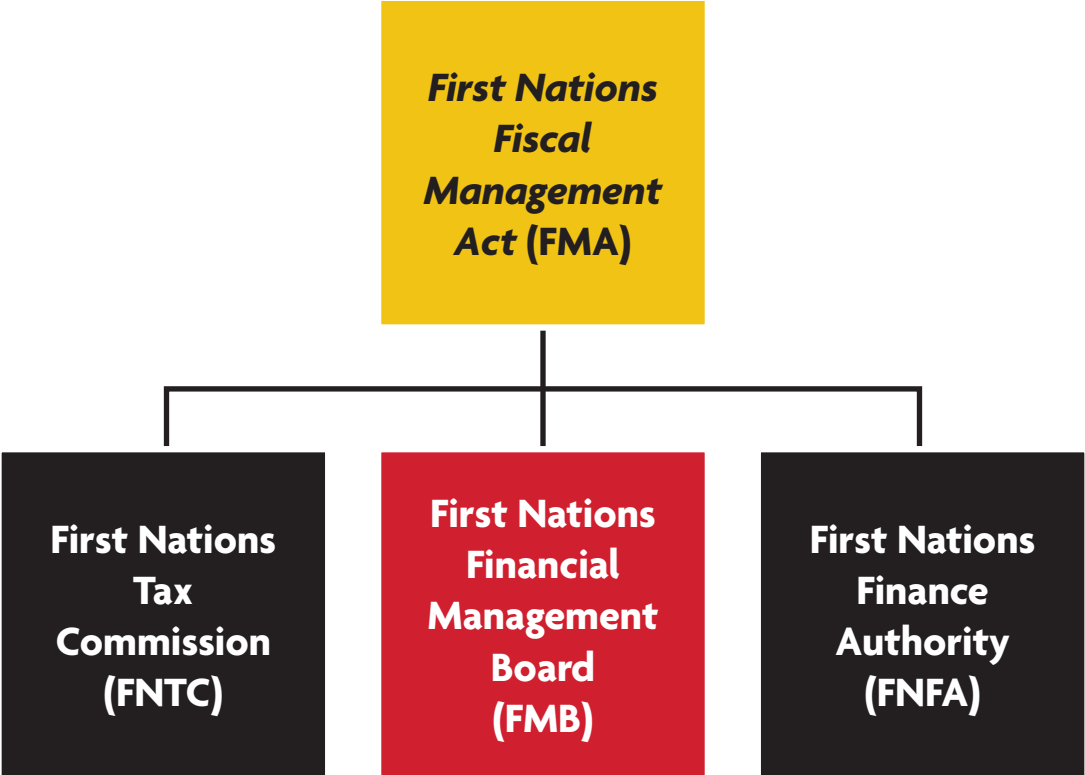
Why was the FMA Developed?

One of the primary objectives of the FMA is to support First Nations in building fiscal and financial management capacity. This will enable First Nations to leverage financing with terms similar to those available to other levels of government in Canada. More favourable borrowing terms will enable First Nations to take advantage of economic development opportunities through the use of their own revenues in the FMA borrowing program.

The FMA supports First Nations with social and economic development by:

- ▶ Assisting First Nations in capacity development and standards and certification through the FMB.
- ▶ Providing First Nations with access to borrowing through the First Nations Finance Authority.
- ▶ Enabling First Nations to collect property taxation through the First Nations Tax Commission.

Figure 1 – FMA Institutions



About the FMB

Under Parts 3 and 6 of the FMA legislation, the FMB operates as a national not-for-profit shared governance institution. The FMA also 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 provides its financial management, capacity-building and assurance services at no charge to all interested First Nations. Working with the FMB is optional.

The FMB’s services are funded by the Government of Canada through an annual funding arrangement for core operations, in addition to funding received for proposal-based initiatives.

The FMB is headquartered in West Vancouver and has offices in Winnipeg, Ottawa, and Montreal.

Success Story: FMA Helps Mi'kmaq First Nations Coalition Become Owners in Clearwater Seafoods

Mi'kmaq (Mi'kmaw, Micmac or L'nu, “the people” in Mi'kmaq) are Indigenous peoples who are among the original inhabitants of the Atlantic Provinces of Canada. Since pre-contact the Mi'kmaq have relied upon a variety of resources within their traditional territory, including ocean life.

In November 2020, Premium Brands Holding Corporation of British Columbia, and an Indigenous coalition of seven Mi'kmaw First Nations, announced an agreement to acquire all of the issued and outstanding common shares of Halifax-based Clearwater Seafoods Incorporated through a new, equally owned company in a transaction valued at approximately \$1.0 billion, including debt. This collective transaction by First Nations represents the single largest investment in the seafood industry by any Indigenous group in Canada and transforms their participation in the commercial fishing sector. First Nations

now control the largest holdings of shellfish licences and quotas in Canadian fisheries. The accomplishment shows how the FMA enables the aggregation of First Nations economic activity.

The FMB was pleased to support these seven First Nations in developing their own Financial Administration Laws – all of which meet the FMB's standards for internationally recognized finance and governance best practices. All seven First Nations also achieved Financial Performance Certification, which provided them an option to access pooled borrowing from the First Nations Finance Authority at affordable rates and terms. Membertou and Paqtnkek Mi'kmaw Nation have also achieved FMS Certification. We continue to provide capacity development support to the other First Nations on their journey to FMS Certification.



Board of Directors

The Board of Directors is comprised of 9 to 13 Board members from across Canada, appointed by the Governor in Council and Aboriginal Financial Officers Association (“AFOA”) Canada. The Governor in Council (“GIC”) has the authority to appoint nine members and AFOA Canada has the authority to appoint three members. At the time of writing, 10 of the 13 positions have been filled, with three vacant positions to be filled through the GIC appointment process.

Harold Calla, *FCPA, FCGA, CAFM*

Executive Chair

Squamish Nation, BC

- ▶ Governance & Human Resources Committee
- ▶ Standards, Approvals & Certifications Committee
- ▶ Special Initiatives Committee (Vice-Chair)
- ▶ Executive Committee (Vice-Chair)
- ▶ GIC Appointment
- ▶ Term expiry date: November 30, 2024



Dillon Johnson, *B.Com, MBA, CAFM*

Vice Chair

Tla'amin Nation, BC

- ▶ Audit & Risk Management Committee
- ▶ Governance & Human Resources Committee
- ▶ Special Initiatives Committee (Chair)
- ▶ Executive Committee
- ▶ GIC Appointment
- ▶ Term expiry date: October 16, 2026



Deanna Muise, *FCPA, FCA, TEP*

Métis, AB

- ▶ Governance & Human Resources Committee (Chair)
- ▶ Standards, Approvals & Certifications Committee
- ▶ Special Initiatives Committee
- ▶ Executive Committee (Chair)
- ▶ GIC Appointment
- ▶ Term expiry date: June 24, 2024



Amy Comegan, *FCPA, FCGA, CAFM*

Anishinaabeg of Naongashiing First Nation, ON

- ▶ Audit & Risk Management Committee (Chair)
- ▶ Capacity Development Committee
- ▶ Governance & Human Resources Committee (Vice-Chair)
- ▶ Marketing Committee
- ▶ AFOA Appointment
- ▶ Term expiry date: June 30, 2022



Caroline Davis, *FCPA, FCA*

- ▶ Audit & Risk Management Committee (Chair)
- ▶ Standards, Approvals & Certifications Committee
- ▶ Special Initiatives Committee
- ▶ Executive Committee
- ▶ GIC Appointment
- ▶ Term expiry date: March 24, 2023



Norman Grdina, *CFE, CAFM, FCPA, FCGA*

- ▶ Audit & Risk Management Committee
- ▶ Capacity Development Committee
- ▶ Standards, Approvals & Certifications Committee (Chair)
- ▶ Executive Committee
- ▶ GIC Appointment
- ▶ Term expiry date: January 1, 2023



Michael McIntyre, *CPA, CA, CAFM*

Membertou First Nation, NS

- ▶ Audit & Risk Management Committee (Vice-Chair)
- ▶ Marketing Committee (Chair)
- ▶ Executive Committee
- ▶ AFOA Appointment
- ▶ Term expiry date: June 30, 2022



Leonard Odjick

Kitigan Zibi Anishinabeg, QC

- ▶ Capacity Development Committee (Vice-Chair)
- ▶ Marketing Committee
- ▶ Standards, Approvals & Certifications Committee
- ▶ GIC Appointment
- ▶ Term expiry date: October 16, 2022

**Linda Simon, BA, MES, MBA, CAPA**

- ▶ Capacity Development Committee (Chair)
- ▶ Governance & Human Resources Committee
- ▶ Marketing Committee (Vice-Chair)
- ▶ Executive Committee
- ▶ GIC Appointment
- ▶ Term expiry date: June 30, 2023

**Louis LeDoux, BEd**

Mistawasis Nêhiyawak, SK

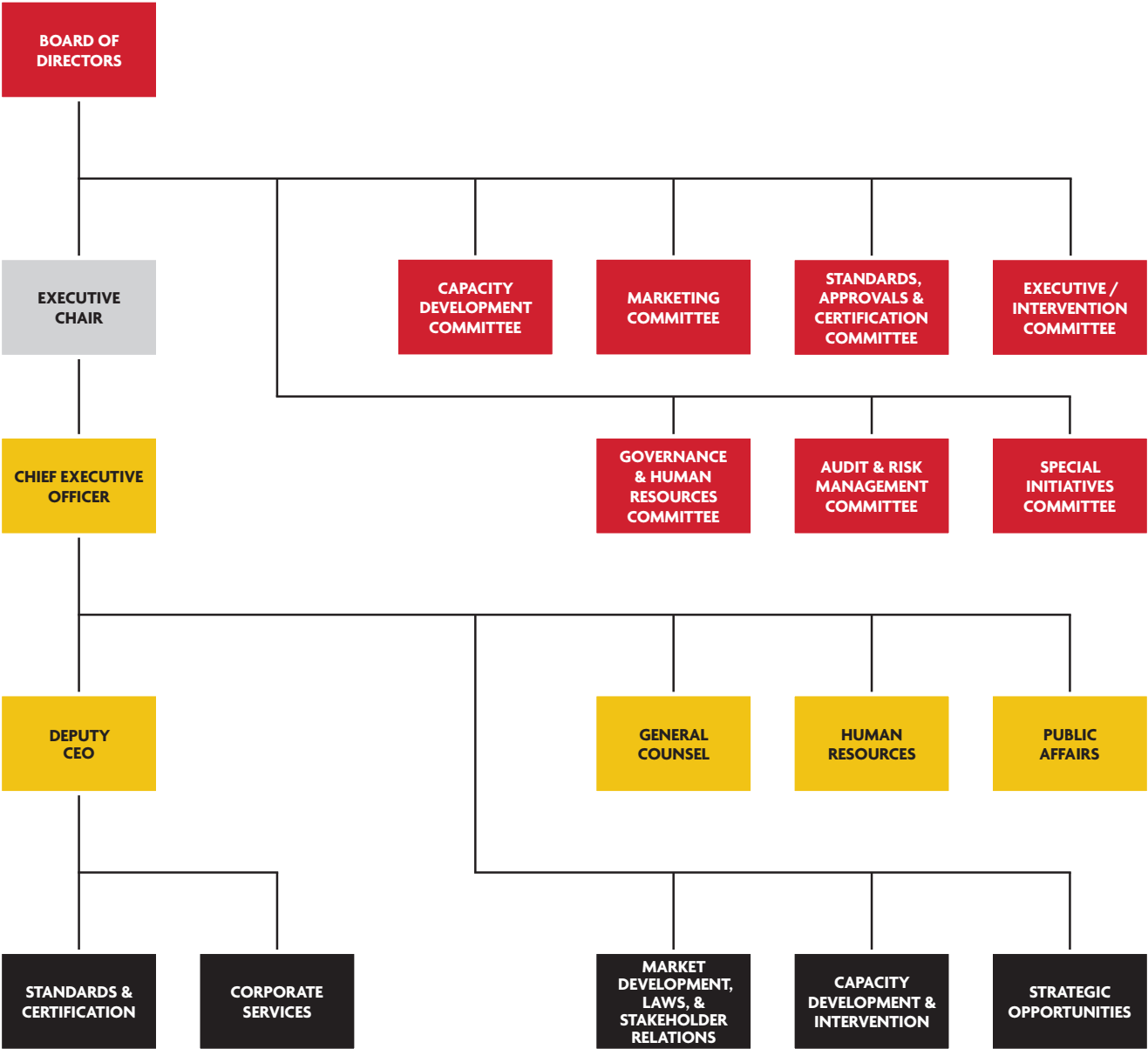
- ▶ Capacity Development Committee
- ▶ Marketing Committee
- ▶ Standards, Approvals & Certifications Committee
- ▶ AFOA Appointment
- ▶ Term expiry date: February 24, 2025



Organizational Structure

The Executive Chair and the Board provide direction to the Chief Executive Officer, who works closely with the newly created position of Deputy Chief Executive Officer. The FMB's five business lines and departments are presented in Figure 2 as part of the FMB's organizational chart.

Figure 2 – Organizational Chart





Business Lines, Departments and Services

MARKET DEVELOPMENT, LAWS, AND STAKEHOLDER RELATIONS

- ▶ Develop new markets for FMB services and increase the FMB client base
- ▶ Perform outreach and develop and maintain relationships with clients and stakeholders
- ▶ Support First Nations to develop a Financial Administration Law (“FAL”) or Financial Administration By-Law (“FAB”)
- ▶ Provide FAL compliance approval legal opinions and recommendations to the Board
- ▶ Provide FAB compliance opinions for recommendation for Ministerial approval
- ▶ Support First Nations on their journey to FP Certification and FMS Certification
- ▶ Support First Nations seeking 10-Year Grant eligibility

CAPACITY DEVELOPMENT AND INTERVENTION

- ▶ Support First Nations leading up to the Financial Management System (“FMS”) Certification process
- ▶ Develop and deliver financial management capacity development tools and services
- ▶ Develop strong governance and finance practices to assist First Nations in getting out of and staying out of default management
- ▶ Develop procedures for intervention under the FMA

STANDARDS AND CERTIFICATION

- ▶ Develop and maintain standards for First Nations governments and not-for-profit organizations
- ▶ Develop and maintain procedures for the certification of First Nations in accordance with FMB Standards
- ▶ Provide certification reports and recommendations to the Board of Directors
- ▶ Support First Nations seeking 10-Year Grant eligibility

STRATEGIC OPPORTUNITIES

- ▶ Advance nation-to-nation relationships based on effective and meaningful Crown-Indigenous principles
- ▶ Stimulate creative interactions between governance, community capability, and fiscal and government autonomy
- ▶ Support the creation and growth of pilot projects to accelerate the devolution of federal government services and the start-up of new First Nations service organizations in collaboration with ISC, CIRNAC, and other federal government departments

Internal Departments and Services

PUBLIC AFFAIRS

- ▶ Manage internal and external communications
- ▶ Develop and maintain the FMB's web and print materials
- ▶ Intergovernmental affairs

GENERAL COUNSEL

- ▶ Legislative amendments and regulation development
- ▶ Monitor the FMB's compliance with all relevant legislation and regulations
- ▶ Provide legal advice and policy research and development

CORPORATE SERVICES

- ▶ Provide records and information management services
- ▶ Provide financial planning and reporting services
- ▶ Provide strategic and corporate planning services
- ▶ Provide administrative support to all business functions, including office and facilities management
- ▶ Develop and maintain organizational policies and procedures
- ▶ Support IT security, IT project management, and network administration
- ▶ Provide IT help desk and digital media services
- ▶ Provide payroll, employee benefits, and compensation management services

HUMAN RESOURCES

- ▶ Provide employment-related functions, including recruitment and performance management
- ▶ Develop and provide employee training and onboarding
- ▶ Develop and maintain human resource related policies and procedures
- ▶ Develop employee wellbeing initiatives

HIGHLIGHTS OF THE FMB'S ACTIVITIES FROM 2021–2022¹

4

Financial
Management System
Certifications

7

Financial
Performance
Certifications

9

Financial
Administration Law
Updates

12

FAL/FAB
Compliance
Approvals

Hiring and virtual onboarding of

34

NEW STAFF MEMBERS

(including 2 new hires expected
by March 31, 2022)



**HOUSING AND
INFRASTRUCTURE
RESEARCH
Report**

FMB's staff is

56%

INDIGENOUS

Published
introductory
chapter of
ROADMAP



**RESPONDED TO OVER 30
EOIs FOR 10-YEAR GRANT**

- ▶ Hosted 2 10-Year Grant webinars in English and French
- ▶ 17 FAL/FAB Compliance Opinions for 10-Year Grant
- ▶ 14 Financial Performance Compliance Opinions for 10-Year Grant



Projected to complete
**15 AGREED-UPON PROCEDURES
REVIEWS FOR 10-YEAR
GRANT RECIPIENTS**

4

Agreements signed with
First Nations to kick
off the **FMS SUPPORT
SERVICES PROGRAM**

¹ As at March 10, 2022

HIGHLIGHTS OF THE FMB'S ACTIVITIES FROM 2021–2022¹ (CON'T)

50+

RESPONSES TO INQUIRIES FROM FIRST NATIONS for the Own-Source Revenue in Indigenous Communities Initiative ("OSRICI")

One of the first organizations to pledge support for **PROJECT EUREKA**



Virtual **FIRST NATIONS LEADING THE WAY** Conference on March 28-29, 2022



1,100+

VIRTUAL CAPACITY DEVELOPMENT WORKSHOPS

VISION
QUEST

WORLD PREMIERE of
Vision Quest documentary
on APTN in August 2021

NEW NPO STANDARDS
published in
September 2021

Began discussions with AFNWA on the **FMB TAKING ON THE ROLE OF ECONOMIC REGULATOR**



Pursued becoming a **PRE-APPROVED TRAINING OFFICE FOR CPA BC**

1

First Nation participating in the DMP program
ACHIEVED FP CERTIFICATION

¹ As at March 10, 2022



EXISTING PROGRAMS & SERVICES

The FMB has established a strong track record in executing its mandate and supporting First Nations in the development of capacity in finance and administrative governance. The FMB considers its core services to include:

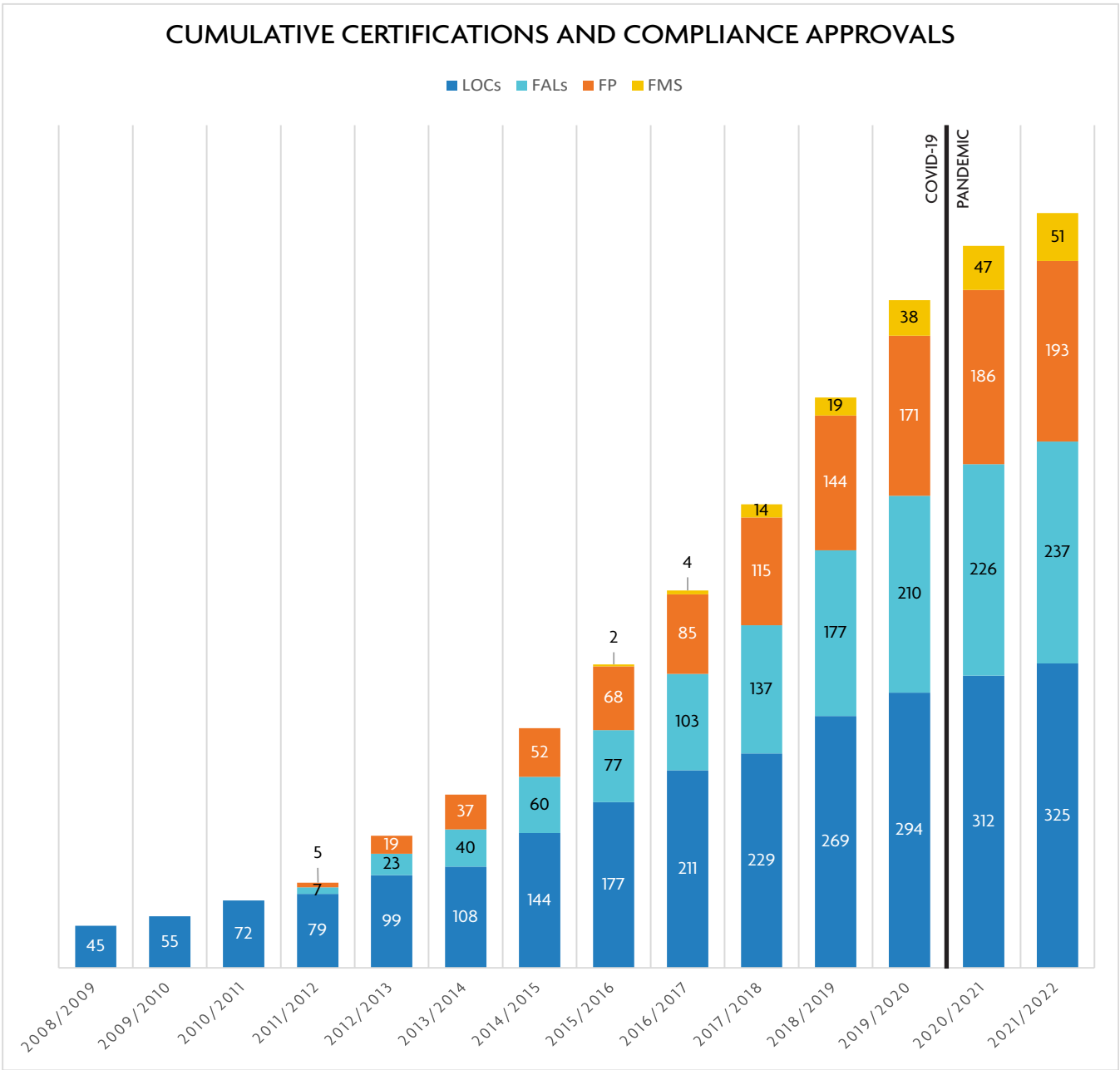
- ▶ Financial Administration Law and Financial Administration By-Law development support and compliance opinions
- ▶ Financial Performance Certification
- ▶ Financial Management System Certification
- ▶ 10-Year Grant eligibility analyses, monitoring and reporting
- ▶ Capacity development support, including default management prevention

First Nations are choosing to work with the FMB in record levels. Currently there are²:

- ▶ 321 First Nations scheduled to the FMA
- ▶ 237 First Nations that have chosen to enact a FAL for their community
- ▶ 193 First Nations that have been certified by the FMB for Financial Performance
- ▶ 51 First Nations that have been certified for implementation and meeting the standards for FMS

The 2022-2023 year ahead presents the FMB with opportunities to meet the continued and growing demand from First Nations already participating in the FMA, while also promoting the benefits to First Nations not yet scheduled to the FMA.

Figure 3 – Cumulative Certifications and Compliance Approvals



² As at March 10, 2022

Figure 4 – FMB Client Map



321 – SCHEDULED TO FMA

237 – FAL APPROVED

193 – FP CERTIFIED

51 – FMS CERTIFIED

Northwest Territories		Alberta		Manitoba		Quebec		Newfoundland and Labrador	
FAL	5	FAL	11	FAL	28	FAL	9	FAL	4
FP	3	FP	8	FP	20	FP	9	FP	4
FMS	0	FMS	1	FMS	5	FMS	1	FMS	1

British Columbia		Saskatchewan		Ontario		New Brunswick		Nova Scotia	
FAL	103	FAL	27	FAL	32	FAL	6	FAL	12
FP	87	FP	20	FP	27	FP	3	FP	12
FMS	29	FMS	3	FMS	7	FMS	0	FMS	4

* Total numbers to January 27, 2022



The FMB Impact

The FMB's framework for transparent and accountable fiscal management supports Indigenous governing bodies to govern themselves in a way that promotes certainty, which fosters business development and attracts private sector investment by reducing business risk. Many First Nations governments have already used the tools and frameworks provided by the FMA to promote economic sustainability. The FMB's research from 2014-2019 demonstrated that FMS-certified First Nations governments increased their own source revenue by an average of 64% during that time. Those revenues support stronger communities, diminish reliance on social services, and enhance self-determination.

Further, the Tulo Centre of Indigenous Economics identifies the pillars of the FMS as key success factors for maximizing economic opportunities. Their economic modelling finds projects in communities with financial management systems have expected economic outcomes that are 72% greater on average.



FMS Certification: A Foundation for Economic Growth

While 237 First Nations have adopted a FAL with the support of the FMB, only 20% of those First Nations have so far achieved FMS Certification. FMS Certification demonstrates that a First Nation has brought their FAL to life and is a way for First Nations to build a strong foundation for economic growth through building capacity. FMS Certification has a measurable impact on a First Nation government’s success in creating wealth and wellbeing for the people it serves.

One of the FMB’s key priorities for 2022-2023 will be to continuously engage with the First Nation governments that have opted to enact a FAL and work with them towards FMS Certification. The journey to FMS Certification requires significant resources and investment in capacity by the First Nation government. Historically, it has taken an average of four years for a First Nation government to achieve FMS Certification. The FMB will continue to look for and develop solutions to address the barriers to FMS Certification, with a particular focus on increasing our internal capacity and updating our practices so we have the resources to support all First Nations interested in pursuing FMS Certification.

Increasingly, the FMB’s FMS-certified clients are asking for opportunities to work with the FMB beyond certification. In 2022-2023, the FMB will look to expand its internal resources to provide post-FMS Certification services so that FMS-certified First Nations can continue to benefit from the tools and resources provided by the FMB.

Figure 5 – Certification Pathway

FMS Certification Requires an Increased Investment of Time and Resources



Reforming Default Management

The FMB's default management prevention process has been recognized as being more effective than the current federal default management program. With assistance through the FMB's Default Management Prevention ("DMP") program, First Nation governments have access to the FMB's capacity development resources to assist in achieving de-escalation from default management.

The DMP program began as a pilot with five First Nations and has since grown to a program serving 24 First Nations. All five of the original DMP pilot project participants have been taken out of third-party management since participating in the program. During 2021-2022, despite the ongoing challenges of the pandemic and virtual service delivery, many First Nations continued to be active in the program and one First Nation participating in the DMP program achieved FP Certification. In 2022-2023 we anticipate significant demand from DMP participants for capacity development support delivered in person. In 2022-2023, the FMB plans to grow its own internal capacity to reduce the reliance on external services providers and bring more of the DMP services in-house, which will in turn reduce the overall costs of the program.

The DMP program is currently funded through ISC proposal-based funding and will continue to be funded by ISC in 2022-2023 through a combination of carry-forward of unexpended funds from 2021-2022 and new program funding. The FMB's preliminary 2022-2023 funding proposal to CIRNAC and ISC, in late 2021, proposed the transfer of funding for the DMP program from ISC proposal-based funding to CIRNAC A-Base funding to recognize that the DMP program has evolved beyond a pilot project and has become one of the FMB's core services. Increased funding for the DMP program will allow the FMB to expand this program over time to all interested First Nations in the federal default management program.

Supporting the New Fiscal Relationship between First Nations and Canada

Since the inception of the 10-Year Grant program in 2018, 117 First Nations have seen the benefits of a long-term funding arrangement with Canada and have signed on to a 10-Year Grant funding arrangement. The number of First Nations interested in 10-Year Grants is expected to grow with the announcement in Canada's Budget 2021 of an annual escalator provision. In 2022-2023, the FMB will continue to support the New Fiscal Relationship Initiative between ISC and the AFN through its Memorandum of Understanding with ISC.

The FMB's work on the 10-Year Grant program is currently funded through ISC proposal-based funding and will continue to be funded by ISC in 2022-2023. The FMB's preliminary 2022-2023 funding request to CIRNAC and ISC in late 2021 proposed the transfer of 10-Year Grant funding from ISC proposal-based funding to CIRNAC A-Base funding in recognition that the 10-Year Grant services provided by the FMB are aligned with the FMB's core services and will be needed for the long term.

Managing the Ongoing Impact of COVID-19 on Client Service Delivery

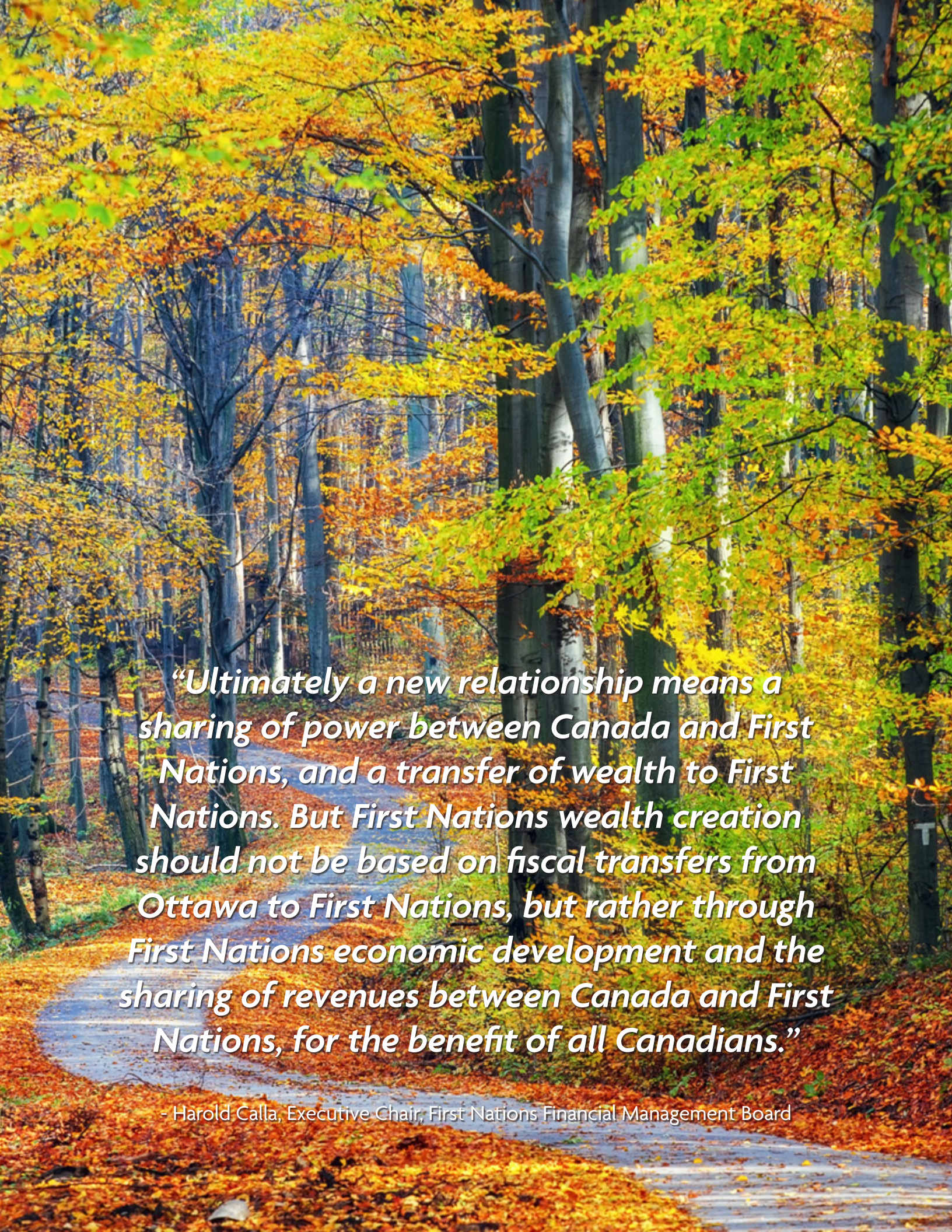
The onset of the global COVID-19 pandemic in March 2020 required a shift in the FMB’s operations and client service delivery to a virtual platform. Over the past two years, the FMB has demonstrated its ability to successfully pivot to remote client service delivery while continuing to remain a relevant and trusted thought leader. Travel restrictions and office closures will continue to impact the delivery of FMB services until provincial health orders are revised or rescinded. In the new COVID-19 reality, the FMB is constantly evaluating how to adapt the way our services are delivered to remain responsive to the needs of First Nations. While the restrictions around travel and in-person meetings have constrained the FMB’s ability to build relationships and deliver the volume and type of services that we would otherwise want to, the FMB estimates that in 2022-2023 new client growth and demand for review and certification services will remain consistent with the 2021-2022 year. Post-pandemic, and following the return to community travel, we foresee a greater need for in-person outreach and relationship building; the FMB’s 2022-2023 budget reflects this need for increased travel.

2022–2023 Client Service Projections

The FMB estimates that new client growth and demand for review and certification services will remain consistent with the 2021-2022 year as a result of the ongoing COVID-19 pandemic. These client service projections are presented in Table 2 below.

Table 2 – Annual Client Service Forecast

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
FAL & FAB Compliance Opinions	22	25	25	25	25
FP Certification Reviews	17	20	15	15	15
FMS Certification Reviews	10	15	20	20	20

A photograph of a forest path in autumn. The path is covered in fallen yellow and orange leaves. The trees are tall and thin, with their leaves also in shades of yellow and orange. The background is slightly blurred, showing more trees and foliage.

“Ultimately a new relationship means a sharing of power between Canada and First Nations, and a transfer of wealth to First Nations. But First Nations wealth creation should not be based on fiscal transfers from Ottawa to First Nations, but rather through First Nations economic development and the sharing of revenues between Canada and First Nations, for the benefit of all Canadians.”

- Harold Calla, Executive Chair, First Nations Financial Management Board

ROADMAP

The RoadMap Project is a collaborative effort by the FMA Institutions to provide a potential path for Canada and First Nations to greater Indigenous self-governance made possible by Indigenous-led institutions that will provide a framework to replace existing colonial structures.

RoadMap is an optional pathway to deliver on the promise of UNDRIP by supporting First Nations as they move from managing poverty to creating wealth. RoadMap means thinking beyond the status quo to imagine a future that is better for all Canadians. RoadMap means managing risk to empower real solutions. RoadMap means implementable options for First Nations governments and the Government of Canada. RoadMap means more First Nations capacity, more self-determination, and more socioeconomic growth.

As Indigenous governing bodies prepare themselves to enter a new fiscal relationship, the FMA Institutions will focus on six key areas of support:

- ▶ **Statistics and Data** to better inform decision making
- ▶ **Infrastructure** to provide the financing and supports to get projects built better and faster
- ▶ **Economic Development** tools for wealth generation in Indigenous communities
- ▶ **Expanding Jurisdiction and Fiscal Powers** to increase options and assert First Nations powers
- ▶ **Service Areas and Economic Opportunities** so that First Nations can achieve economies of scale in key service areas
- ▶ **Governance** to strengthen and enhance the capacities of First Nations governments to provide a strong foundation for growth

There is a growing acceptance by First Nations and federal government officials that the FMB's FMS Certification can be a tool to meet the desire for ongoing or periodic assurance over the processes that support transparency and accountability.

First Nations communities will need the governance and financial management tools provided by the FMB to ensure they are ready for and able to take advantage of opportunities that will flow from UNDRIP. The FMB's FMS Certification supports free, prior, and informed consent and economic participation by First Nations communities through the development of systems that support strong community engagement, administrative continuity, multi-year business and strategic plans, and other long-term financial planning.

The 2022-2023 fiscal year will see the FMB pursue the RoadMap Project through:

1. **Engagement** of First Nations governments, organizations, and thought leaders in RoadMap
2. **Development and Publication** of policy proposals as RoadMap "chapters"
3. **Proposed Legislative and Policy Changes** to support new fiscal options for First Nations and the expansion of the FMA

The themes of the RoadMap Project are linked to and drive many of the new initiatives and priorities contained in this 2022-2023 Corporate Plan.



NEW INITIATIVES & SERVICES

Throughout its 15-year history, the FMB has earned a reputation for excellence and expertise in assisting First Nations to successfully achieve their financial objectives. This has created a unique situation, in that assistance from the FMB is now being sought not only for our core services, but for our innovative ideas and thought leadership rooted in developing economic opportunities for First Nations.

Expanding FMB Services with Amendments to the FMA and Regulation Development

Together with the other FMA Institutions, the FMB is proposing legislative amendments to expand the types of services that can be provided under the FMA. These include proposals to expand the FMB’s mandate under section 49 of the FMA to include:

- ▶ Non-FMA scheduled First Nations, modern treaty and self-governing First Nations, tribal councils, not-for-profit organizations and First Nation government business enterprises;
- ▶ Research and testing around innovative proposals and assisting First Nations to develop proposals that help implement calls to action contained in the Truth and Reconciliation Commission’s final report;
- ▶ A data collection role; and
- ▶ Assisting clients to implement laws and by-laws respecting financial administration and, on request, monitoring and reporting on implementation.

The FMB’s ongoing work to pursue an expanded role under the FMA is currently funded through CIRNAC A-Base funding. Carrying out the activities under this expanded role would be subject to the FMB receiving an increase in A-Base funding from CIRNAC.

Other legislative amendments being proposed include the creation of the new Financial Management System Support Services business line and a move away from contribution funding to statutory funding. It is expected that these legislative amendments will be considered in fiscal 2022-2023.

Participating in the Co-Development of New Regulations for FMA Participation by Modern Treaty and Self-Governing First Nations

Section 141 of the FMA permits the Government of Canada to enact separate regulations that would adapt the FMA in a manner that would allow modern treaty and self-governing First Nations to also access the services of the FMA Institutions, in particular the borrowing pool of the FNFA. For more than 10 years, the FMA Institutions have actively participated in a working group consisting of modern treaty and self-governing First Nations, the federal government of Canada, the provincial government of British Columbia, and the other FMA Institutions to co-develop new section 141 regulations. In this 2022-2023 Corporate Plan, the FMB will continue to participate in the co-development of these new regulations with the objective of bringing this work to completion.

To prepare for the anticipated enactment of the new regulations and delivery of services to this new client segment, the FMB is actively developing new standards and procedures for modern treaty and self-governing First Nations through its existing authority under section 50.1 of the FMA. This standards development work will continue in 2022-2023 in parallel to regulation development.

With regulation development ongoing, the FMB anticipates there will be limited demand in 2022-2023 for Financial Administration Law compliance reviews from this new client segment. We expect to see a gradual increase in demand over the next five years once the regulations are enacted.

Table 3 - Annual Forecast of FAL Compliance Reviews for Modern Treaty and Self-Governing First Nations

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
FAL Compliance Opinions	0	2	3	3	3

Creating New Opportunities Under the FMA for Indigenous Not-For-Profit Organizations

Section 141.1 of the FMA permits the Government of Canada to enact separate regulations that would adapt the FMA in a manner that would allow Indigenous not-for-profit organizations (“NPO”s) the ability to further benefit from the FMA under a modified framework. These new regulations are expected to permit the FMB to certify an NPO which in turn would be eligible to become a borrowing member of the FNFA. The FMB will continue to participate in the co-development of these regulations with the objective of bringing this work to completion.

In fiscal 2021-2022, the FMB published a new set of financial management standards and financial performance measures specifically tailored for Indigenous NPOs. The new NPO Standards became effective September 1, 2021 and were developed under the FMB’s existing authority under section 50.1 of the FMA.

With regulation development ongoing, the FMB anticipates there will be limited demand in 2022-2023 for financial administration by-law compliance reviews from this new client segment. We expect to see a gradual increase in demand over the next five years once the regulations are enacted.

Table 4 - Annual Forecast of Compliance Reviews for Indigenous Not-for-Profit Organizations

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Compliance Opinions	0	2	8	9	10

Increasing FMA Access to All First Nations by Piloting a New Indigenous FMS Support Services Program

Through its Indigenous FMS Support Services Pilot (previously “Shared Services Pilot”), the FMB is looking to break down barriers preventing First Nations from accessing the benefits of the FMA. Some First Nations may be discouraged from FMA participation because of lack of capacity due to isolation or location, size of membership, and inability to attract qualified staff.

Support Services is the key in providing more First Nations with the ability to implement good financial governance for their community. The Indigenous FMS Support Services Pilot will support First Nations governments across Canada in accessing the benefits of the FMA, if they so choose. The Support Services delivered by the FMB will give First Nations, who may not be able to implement a financial management the opportunity to access the benefits of the FMA by developing capacity and providing support in accounting and other areas of financial administration. Support Services is crucial for the success of the New Fiscal Relationship initiative.

In 2021-2022, the FMB entered into agreements with four First Nations to provide shared services through the FMS Support Services program and there are plans to support between eight and ten interested First Nations over the length of the pilot program. The FMB will grow the FMS Support Services program by doubling the number of employees dedicated to this program in 2022-2023. The FMS Support Services program is a pilot project currently funded through ISC proposal-based funding and will continue to be funded by ISC in 2022-2023.

Measuring the Impact of COVID-19 on First Nations

First Nations communities continue to be impacted by the COVID-19 global pandemic. Many have experienced significant financial impact due to the decrease in own-source revenues that are heavily relied upon to fund and subsidize programs and services for their communities. The impact COVID-19 has had on First Nations reinforces the important role the FMB plays through the programs it provides, its advocacy at the government level, and its thought leadership role. Programs like the FMB's Default Management Prevention program and the FMS Support Services pilot project are needed now more than ever.

With the COVID-19 crisis, the FMB did ground-breaking work to determine the size of the economy of *Indian Act* First Nations and to measure the impact of the pandemic on these entities. Our research indicates that First Nations' business revenue decreased by an estimated \$142.3 million in the second quarter of the 2020 calendar year and a total decrease of \$1.9 billion was forecast for the 2020-2021 fiscal year. This timely research was used to inform the federal government's economic response to the pandemic. Following the release of the FMB's research report, the Fall Economic Statement 2020 announced that \$332.8 million would be committed in 2021-2022 to support First Nations, Inuit, and Métis communities by offsetting declines in own-source revenues and help ensure that Indigenous communities can continue to provide the same level of core community programs and services to their members.



Reliable and Timely First Nations Statistics and Data - Informed Policy Decisions

The inability of the federal government to measure the economic impact of the ongoing pandemic on First Nations has highlighted the lack of accessible and reliable data on the financial condition of First Nation governments. The decision by the federal government to eliminate the First Nations Statistical Institute has resulted in a void of First Nations data.

The publication of the First Nations Revenue Research Report proved that it is possible to collect reliable economic data on Indigenous governments and citizens. Further, this report demonstrated the need for and interest in this data. As a direct result of this report, the FMB, the FNTC, the FNFA, the Tulo Centre of Indigenous Economics, the Bank of Canada, and Statistics Canada entered into a Memorandum of Understanding to work in partnership to address the data gap in Indigenous government financial statistics within the Canadian Government Finance Statistics program.

First Nations statistics and data are needed to make informed policy decisions. This data could:

- ▶ Provide economic information that Indigenous and other levels of governments can trust,
- ▶ Enable formula-based transfers and equalization frameworks, and
- ▶ Better inform policy decisions for Indigenous governments, as well as federal and provincial governments.

This data should be readily available, and its collection should be based on First Nations principles of ownership, control, access, and possession.

Subject to proposed FMA Legislative Amendments, 2022-2023 will see an expansion of the FMB's mandate to take on a data collection role. The current funding levels will constrain the FMB's ability to expand internal capacity and perform this new role.

Partnering with the Atlantic First Nations Water Authority to Explore New Pathways in Economic Regulation of Indigenous Utilities

On June 23, 2020 the Minister of ISC and the AFNWA announced the signing of a framework agreement that creates a path for the transfer of water and wastewater services for 17 First Nation communities in Atlantic Canada from ISC to the AFNWA.

The FMB has been invited by AFNWA and ISC to consider taking on a new regulatory role that would provide oversight of the AFNWA. The independent regulatory role is in response to the recognition that the utility needs to be transparent and accountable to the federal government and the First Nations communities it will serve. Subject to approval of a separate funding proposal to be advanced in early 2022-2023, the FMB will pursue this new partnership with AFNWA.

Staffing Projections for 2022–2023 for New Initiatives and Pilot Projects

The FMB plans to grow its internal capacity in 2022-2023 to support the new initiatives, services, and pilot projects noted in this section.

Table 5 – Staffing projections for 2022-2023 for new initiatives by Business Line

New FTEs in 2022/2023 for New Initiatives & Pilots	Total
FMS Support Services Pilot	4
Total: FMS Support Services Pilot	4
FMA Amendments: NPO & Modern Treaty Nations (subject to funding)	0
FMA Amendments: FMS Post-Certification	2
FMA Amendments: Data Collection	2
Total: FMA Amendments	4
Strategic Opportunities (including RoadMap)	7
Total: Strategic Opportunities	7
Atlantic First Nations Water Authority Pilot	TBD
Total: AFNWA	TBD
TOTAL FTEs FOR NEW INITIATIVES	15



EXPLORING & ESTABLISHING NEW HORIZONS

Many new and exciting opportunities are currently presenting themselves to First Nations for the first time and the FMB has an important role in providing First Nations with the capacity to maximize these opportunities to their fullest extent. The FMB's 2021 Strategic Plan calls for the FMB to be a thought leader for Indigenous economic and financial development.

The FMB owes its success to listening to FMA-scheduled First Nations and delivering the administrative governance services and solutions they need. Through a grassroots approach, the FMB has now reached a critical mass of stakeholders that grants the FMB its social licence. FMA institution-led events like the First Nations Leading the Way Conference have an attendance and reach rivalling the AFN.

The FMB and the FMA approach are now getting international attention. In 2022-2023, the FMB is invited to speak at and participate in events in Australia and Southeast Asia, demonstrating that Canada is leading the way in Indigenous-led solutions and thought leadership.

The FMA Institutions Have Critical Mass

321

The number of First Nations governments participating in the FMA – out of 579 *Indian Act* First Nations.

Be the Strategic Nexus for Economic Reconciliation and UNDRIP

Industry, the media, educational institutions, institutional investors, professional bodies, and governments of all levels have expressed a new interest in understanding and assisting First Nations in their aspirations for self-determination and inclusion in the Canadian economy. There is tremendous goodwill but also a lack of understanding of who to engage with and how. There is a need for Indigenous-led organizations, like the FMB, to help these organizations through their reconciliation journey, to assist in their understanding and education and to help them develop their own reconciliation action plans. The 2022-2023 fiscal year will see the FMB continue to cultivate strategic partnerships and relationships. The FMB has particular strength in connecting with the accounting, assurance, actuarial and law professions; business schools; industry; and capital markets.

Project Eureka

On November 3, 2021 at the 2021 United Nations Climate Change Conference (“COP26”), the Chair of the Trustees of the International Financial Reporting Standards Foundation announced that Montreal would be the location of one of several regional supporting offices for a new ISSB, with headquarters in Frankfurt

“We are thrilled Canada will host one of the central offices for the ISSB and grateful to be recognized for our country's diverse and strong talent, financial sector expertise, and climate leadership,” said the Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance, in a statement responding to the announcement.

“The ISSB and its new Montreal offices will be the global sustainability disclosure standard setter,” she stated. “Canada looks forward to working with the IFRS Foundation and our international partners to stand up the ISSB, without delay, and begin the important work of setting global sustainability standards.”

The Deputy Prime Minister met in person with the Chair of the IFRS Foundation at COP26 on the day the Montreal office was announced.

Project Eureka presents the FMB with an opportunity to advocate for Indigenous perspectives to inform future sustainability standards.



Advocating for Indigenous Perspectives in Sustainability Standards

The creation of a new ISSB announced at COP26 demonstrates the overwhelming desire by shareholders, investors, capital market participants, and financial regulators to see consistent and high-quality standards for reporting the impact of environmental, social, and corporate governance (“ESG”) matters. There is an Indigenous component at the heart of each element of ESG, given the disproportionate impacts that resource exploitation and colonization have had on First Nations. The FMB believes that ESG should in fact become “ESGI”.

The creation of new international sustainability standards and reporting represents an enormous opportunity for the FMB and other Indigenous organizations to influence capital markets, by ensuring that UNDRIP and reconciliation principles are included in investment and financial reporting and decision-making. UNDRIP and the implementation by corporate Canada of the Truth and Reconciliation Commission’s Call to Action #92 may be mechanisms to:

- ▶ Create better and cheaper access to capital,
- ▶ Improve economic opportunities (including project participation and contracting),
- ▶ Enhance access to equitable and inclusive employment opportunities, and
- ▶ Increase Indigenous peoples’ influence in Corporate Canada.

By attracting and retaining Indigenous professionals, the FMB is able to engage with domestic and international sustainability standard setters. By participating in the public consultation processes, and by proactively communicating informed points of view, the FMB is creating pathways for economic reconciliation to occur.

Bringing an Indigenous Voice to Financial Accounting and Reporting

The FMB has observed what appears to be a wide diversity in the application of Public Sector Accounting Standards and the availability of annual financial statements of First Nation governments to citizens and key stakeholders. Of particular concern is the timeliness of audited financial statements being made available to First Nation citizens and the frequency of qualified financial statement audit reports received by First Nation governments. Unlike provincial governments and the federal government, there is no First Nations Auditor General to raise such issues on behalf of First Nations citizens. The FMB can and should play an active role in determining the causes for these perceived variations in financial accounting and reporting.

The FMB can engage with the audit profession across Canada to ensure their audit work is attentive to the needs of First Nation community members and citizens. At the same time, the FMB can facilitate discussions on the need for special purpose reporting to meet statutory requirements associated with funding provided by ISC.

In 2022-2023, the FMB can be a leading voice that represents the views of First Nation governments in the development of new or amended accounting standards by participating in the standard setting due process. The FMB has a good working relationship with the Public Sector Accounting Board, the Public Sector Accounting Discussion Group, and the CPA Canada Sustainability Advisory Committee and continues to seek out further opportunities to have Indigenous perspectives represented in the private and public sectors. The creation of a new national Indigenous advisory body that can engage directly with domestic and international standard setting boards and security regulators is being explored.

Increasing the Number of Indigenous Finance Professionals

Canada has a stunning lack of Indigenous professionals in accounting, assurance, financial management, investment management, and corporate finance. The FMB is undertaking outreach initiatives and cultivating partnerships with post-secondary educational institutions, CPA Canada, and CPA provincial bodies to encourage Indigenous people to enter the finance and accounting professions. In 2022-2023, the FMB is leading these efforts by working to become a pre-approved training office with CPABC. We are also working with Indigenous leaders and high school administrators in the provincial education systems to eliminate systemic barriers that Indigenous students face in an effort to increase the pipeline of future Indigenous finance and accounting professionals.





ENHANCING ORGANIZATIONAL STRENGTH OF THE FMB

In recent years, the FMB has pursued a strategic objective of transformational change within the organization. This change, coupled with increasing demand and support for the FMB's services and the need to be responsive to requests from other FMA Institutions and government stakeholders, has seen the FMB grow at a tremendous pace. The FMB has proven it is ready and willing to respond to this increased demand. We are attracting and retaining talent in a highly competitive labour market and since April 1, 2021, the FMB has grown from an organization of 52 employees to a projected 77 at March 31, 2022. The FMB is committed to cultivating an Indigenous-focused workplace culture that is effective, collaborative, rewarding, and fun. The FMB will strive to become the Indigenous economic and financial development workplace of choice.

One of the FMB's key priorities is the expansion of the FMB's internal capacity and administrative support systems to build the organization we need to accomplish our long-term strategic objectives. Our November 2021 funding proposal identified the following organizational needs; however, due to funding constraints, many of these activities will be deferred to 2023-2024 or beyond.

Figure 6 – Enhancing Organizational Strength of the FMB



Pursuing Stable, Sustainable, Long-Term Funding

The FMB receives funding from CIRNAC and ISC to fund its operations and programs through an annual funding arrangement for core operations (Annual Base, or “A-Base”) and individual funding arrangements for proposal-based initiatives. The FMB's five-year A-Base funding agreement with CIRNAC expires at the end the 2021-2022 fiscal year. The FMB has been actively pursuing new funding arrangements with CIRNAC and ISC that will offer more stability in the long term. A detailed budget proposal for an increased amount of A-Base funding, which included the carry-forward of unspent prior year funding, was presented to CIRNAC and ISC in late 2021. We have since been informed that in the short term there will be no change in the FMB's A-Base funding level. This has required the FMB to defer many of its strategic activities as outlined in Figure 6 above. The delay in stabilizing the FMB's recent growth and having the necessary systems and specialized human resources in place creates both a retention and a burn out risk for key employees. A renewed focus on employee wellbeing and ability to implement any salary adjustments from the independent market-based review will be important mitigating factors.

We understand that the FMB's proposal for increased A-Base funding has been included in CIRNAC's 2022-2023 federal budget submission. This 2022-2023 Corporate Plan and budget reflects the current level of funding available to the FMB for fiscal 2022-2023. It is highly dependent on the use of \$9,211,033 of non-recurring prior year surplus funds. Salaries and benefits in fiscal 2022-2023 will be \$15,491,595 which is \$2,500,294 more than the current A-Base funding level. Without an increase in A-Base funding, the FMB will be forced to reduce the size of its workforce by March 2023. The FMB will be delaying the timing of our growth, and further, our ability to respond to new opportunities in the short term will be constrained.

In 2022-2023, the FMB will continue to pursue a statutory funding model through legislative amendments. Stable and sustainable multi-year funding is needed to enable the FMB's long-term planning and manage growth.

COVID-19

In the new COVID-19 reality, the FMB is constantly evaluating what changes are needed for us to continue to thrive as an organization and support our employees. COVID-19 has required the FMB's workforce to shift to remote working and has placed special demands on our Human Resource and Corporate Services functions, due to frequently changing regulations and restrictions on the workplace environment. In 2022-2023 the FMB expects to see some of these changes become long-lasting:

- ▶ Transition to hybrid work arrangements,
- ▶ Continued substitution of in-person meetings with virtual meetings (in response to a new hybrid workplace, efforts will be made to reduce the FMB's carbon footprint associated with travel and to maximize our use of financial resources),
- ▶ More employee wellbeing initiatives.

Information Technology Transformation

The rapid shift from in-person to remote and virtual ways of working have brought to light areas where our information technology systems need to be upgraded. The FMB needs to modernize its IT systems to serve the current scale and needs of the organization. The FMB anticipates the need to engage independent, qualified IT consultants to obtain advice and to lead any systems implementation and integration work. Due to budget constraints, our accompanying budget proposal includes only the preliminary funding needed to begin this process. The majority of activities related to IT systems transformation have been deferred to 2023-2024 and beyond. Activities include:

- ▶ Implement any recommendations resulting from an IT Security Audit, which is scheduled for substantial completion in 2021-2022;
- ▶ Complete the development of the FMB's first-ever IT Strategic Plan, which is currently underway in 2021-2022, and begin implementation of this plan; and
- ▶ Use our previous IT Needs Assessment to inform an IT system evaluation and selection for an overall IT system modernization and renewal.

Staffing Projections for 2022–2023

To carry out the work set out in the 2022-2023 Corporate Plan, the FMB will increase the number of full-time positions by 20 to a total of 107 in the 2022-2023 fiscal year. This is forecast to increase to 140 by the end of the five-year period, as presented in Table 6 below.

Table 6 – Staffing Projections for 2022-2023

	Previous Year (Note 1)	Forecast Years				
	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Executive (HR, Legal, Public Affairs)	12	14	14	14	14	14
Corporate Services	18	18	23	24	24	24
Marketing Laws, and Stakeholder Relations	17	17	20	20	20	20
Standards and Certification	12	15	19	21	23	23
Capacity Development & Intervention	16	17	23	29	29	29
Default Management Prevention	5	6	6	6	6	6
FMS Support Services Pilot	4	8	8	8	8	8
Strategic Opportunities	3	12	14	16	16	16
Total Staffing Requirements	87	107	127	138	140	140
AFNWA Pilot	0	TBD	TBD	TBD	TBD	TBD

Note 1: The FMB's 2021-2022 Corporate Plan projected a headcount of 95 for 2021-2022. The revised headcount for 2021-2022 is 87, with 10 of these positions projected to be vacant at March 31, 2022.

2022–2023 OBJECTIVES AND PRIORITIES

The objectives and priorities set out in this Corporate Plan will chart the path for the FMB's work in 2022–2023. The Corporate Plan sets out actions the FMB will undertake to continue to meet the needs of our clients while innovating in this time of unprecedented change. The strategic objectives and priorities for 2022–2023 are drawn from a number of sources:

- ▶ Delivery and continuous improvement of the FMB's core services and mandate
- ▶ Continued implementation of the priorities identified in the FMB's past strategic plans and strategic planning sessions
- ▶ The RoadMap Project
- ▶ New and emerging trends and opportunities
- ▶ IT needs assessment and IT strategic plan

Many of the activities set out in the 2022–2023 Corporate Plan are dependent on increased funding from CIRNAC and ISC and the expansion of the FMB's mandate under the proposed legislative amendments. The achievement of the related goals will be subject to the FMB receiving an increase in funding and the expansion of the FMB's mandate. Further, the 2022–2023 Corporate Plan envisions a return to travel and in-person client service delivery. The FMB's ability to deliver on the goals set out in this section will be impacted in the event of continued travel restrictions and office closures.



Strategic Direction

The FMB's overall strategic direction comes from its Board of Directors. On an annual basis, the Board and senior staff undertake a strategic planning session to revisit the plans and priorities for the coming year. With considerable growth in the past few years, the goal of the fiscal 2021-2022 session was to review current services and future opportunities. The planning session identified areas of focus and priorities for the FMB in administration and staff, First Nations community focus, communication and outreach, data management, external relationships, professional reputation, and brand.

The objectives and priorities contained in this 2022-2023 Corporate Plan reflect the areas of focus and priorities from the 2021-2022 strategic planning session, and they continue to be guided by the FMB's previous long-term Board-approved Strategic Plans from 2021 and 2019.

The FMB's 2021 Board-approved Strategic Planning session identified four long-term strategic priorities that guide our work ahead:

1. Focus on the value of FMS to First Nations and government; advocate for smarter reporting.
2. Be the thought leader for Indigenous economic and financial development; be the strategic nexus for UNDRIP advocacy and networking.
3. Prepare for monumental government and industry change driven by UNDRIP.
4. Develop an aligned, sustainable, and values-driven HR, recruitment, and capacity development strategy.

The Board-approved the 2019-2024 Five-Year Strategic Plan “Exploring and Establishing New Horizons” identified 10 strategic goals:



























1. Increase clientele
2. Improve communications
3. Improve technology
4. Optimize on 10-Year Grant program
5. Provide support services
6. Enhance client services
7. Develop a governance training program
8. Be intervention ready
9. Be the default administrator
10. Enhance organizational strength

2022–2023 Objectives and Priorities: Delivering and Enhancing Existing Services

The 2022–2023 year ahead presents the FMB with opportunities to meet the continued and growing demand from First Nations already participating in the FMA, while also promoting the benefits of the FMA to First Nations not yet scheduled. The goals and activities noted below in Table 7 further support one of the FMB's key priorities for 2022–2023; to support First Nations in their FMS Certification journey to build a foundation for economic growth.

Table 7: 2022–2023 Objectives and Priorities: Delivering and Enhancing Existing Services

		Accountable Business Line					
		✓ - Indicates lead ✓ - Indicates supporting					
2022–2023 Goals		Exec	MLS	CDI	SAC	SO	CS
1	Respond to all First Nation requests for new or updated law compliance approvals (FALs) and compliance opinions (FABs)		✓				
2	Respond to requests for and provide capacity development support to FMA-scheduled First Nations and 10-Year Grant recipients			✓			
3	Respond to First Nation requests for assessment of 10-Year Grant eligibility, perform agreed-upon procedures, perform annual monitoring activities and report to ISC within agreed-upon timelines		✓		✓		
4	Respond to and conduct reviews for all requests for Financial Performance Certification in accordance with the Financial Performance Certification Review Guidelines				✓		
5	Respond to and conduct reviews for all requests for Financial Management System Certification in accordance with the Financial Management System Certification Review Guidelines				✓		
6	Provide capacity development to First Nations in the Default Management Prevention program			✓			
7	Review and identify improvements to FMB Standards in accordance with the established Standard-Setting Guidelines	✓			✓		
8	Conduct annual monitoring for FNFA debenture participants in accordance with MOU with FNFA and established monitoring guidelines				✓		
9	Conduct business development outreach to prospective clients including presentations, webinars, and attendance at First Nations events	✓	✓	✓	✓	✓	

		Accountable Business Line					
		 - Indicates lead  - Indicates supporting					
2022-2023 Goals		Exec	MLS	CDI	SAC	SO	CS
10	Review and update FMB's communication strategy, materials, and website with a focus on highlighting the successes of FMB clients and FMB initiatives						
11	Develop and implement a plan for survey and research with existing client base to identify areas for improvement, new services, or thought leadership opportunities						
12	Conduct proactive and targeted outreach to re-engage FAL clients to work towards FP Certification and/or FMS Certification						
13	Collaborate with other FMA Institutions and the Land Advisory Board on the annual national Leading the Way Conference						
14	Review mock intervention materials and MOU in collaboration with FNFA to ensure preparedness for actual intervention						
15	Collaborate with other First Nations institutions to further the economic and social development of First Nations						

Supports the following strategic objectives:

- ▶ Increasing clientele
- ▶ Improving communications
- ▶ Being the default administrator
- ▶ Enhancing client services
- ▶ Optimizing on the 10-Year Grant program
- ▶ Being intervention ready
- ▶ Focus on the value of an FMS to First Nation governments; advocate for smarter reporting
- ▶ Prepare for monumental government and industry change driven by UNDRIP
- ▶ Be a thought leader for Indigenous economic and financial development; be the strategic nexus for UNDRIP advocacy and networking

2022–2023 Objectives and Priorities: New Initiatives and Services

Over the 15-year history of the FMB, our innovative ideas and thought leadership in developing new economic opportunities for First Nations have been recognized and in turn have created opportunities for the FMB to pursue these activities. The 2022-2023 goals and activities noted in Table 8 below relate to these new initiatives and services.

Table 8: 2022-2023 Objectives and Priorities: New Initiatives and Services

		Accountable Business Line					
		✓ - Indicates lead					
		✓ - Indicates supporting					
2022-2023 Goals		Exec	MLS	CDI	SAC	SO	CS
16	Contribute to the development of current regulatory and legislative initiatives	✓			✓		
17	Prepare for service delivery for new client segment of modern treaty and self-governing First Nations and not-for-profit organizations (subject to funding and mandate expansion)	✓	✓	✓	✓		
18	Develop and implement a work plan for the ongoing provision of services to FMS-certified First Nations		✓	✓	✓	✓	
19	Continue with the Support Services Pilot Project with selected group of participants			✓			
20	Develop and socialize RoadMap	✓	✓			✓	
21	Develop and execute a stakeholder engagement plan in accordance with Board Strategic Plan	✓	✓			✓	
22	Build FMB's data and statistical collecting and analysis abilities (subject to funding and mandate expansion)				✓	✓	
23	Continue to work with AFNWA on developing a framework for the FMB as an economic regulator (subject to funding)	✓			✓	✓	
24	Communicate to First Nations and other levels of government the successes of FMB clients and FMB initiatives	✓	✓	✓	✓	✓	








Supports the following strategic objectives:

- ▶ Increasing clientele
- ▶ Improving communications
- ▶ Providing support services
- ▶ Developing a governance training program (transition to RoadMap)
- ▶ Focus on the value of an FMS to First Nation governments; advocate for smarter reporting
- ▶ Prepare for monumental government and industry change driven by UNDRIP
- ▶ Be a thought leader for Indigenous economic and financial development; be the strategic nexus for UNDRIP advocacy and networking

2022–2023 Objectives and Priorities: Exploring and Establishing New Horizons

The 2022-2023 goals and activities noted in Table 9 below support the FMB's continued pursuit of strategic partnerships and relationships while establishing itself as a centre of expertise for Indigenous economic and financial development.

Table 9: 2022-2023 Objectives and Priorities: Exploring and Establishing New Horizons

		Accountable Business Line					
		 - Indicates lead  - Indicates supporting					
2022-2023 Goals		Exec	MLS	CDI	SAC	SO	CS
25	Promote the inclusion of Indigenous perspectives and views in new accounting, sustainability, securities, investment, and other standards, including participation in requests for comment						
26	Advocate for inclusion of Indigenous interests (including TRC recommendations and UNDRIP principles) in legislation, government, industry, education, and professional organizations to further the economic and social development of First Nations						















Supports the following strategic objectives:

















- ▶ Prepare for monumental government and industry change driven by UNDRIP
- ▶ Be a thought leader for Indigenous economic and financial development; be the strategic nexus for UNDRIP advocacy and networking

2022–2023 Objectives and Priorities: Enhancing Organizational Strength of the FMB

The 2022-2023 goals and activities noted in Table 10 below support one of the FMB's key priorities for 2022-2023; to expand its own internal capacity and administrative support systems to build the organization needed to accomplish our long-term strategic objectives.

Table 10: 2022-2023 Objectives and Priorities: Enhancing Organizational Strength of the FMB

		Accountable Business Line					
		 - Indicates lead  - Indicates supporting					
2022-2023 Goals		Exec	MLS	CDI	SAC	SO	CS
27	Respond to and implement recommendations from IT security audit and maintain best practices in IT security (subject to funding)						
28	Complete the IT strategic planning process and develop a work plan for IT modernization in line with the new IT Strategic Plan (subject to funding)						
29	Conduct an external special examination of the FMB's books, records, systems, and practices						
30	Continue to develop and implement a comprehensive HR strategy focused on retention and recruitment, particularly for Indigenous staff						
31	Improve and update training and onboarding materials (subject to funding)						
32	Apply to become a Pre-Approved Training Office for the Chartered Professional Accountant program						
33	Advocate with our federal government funders for a more sustainable and long-term funding model						
34	Develop and begin implementation of a work plan to establish an internal FMB Policy Handbook (subject to funding)						

		Accountable Business Line					
		 - Indicates lead  - Indicates supporting					
2022-2023 Goals		Exec	MLS	CDI	SAC	SO	CS
35	Enhance Indigenous culture within the organization by drawing on community-based experiences and traditional knowledge						
36	Update office space forecast to plan for future growth of employees within all regions, including carrying out any planned office space changes (subject to funding)						
37	Staff the FMB in accordance with the increases envisioned in the Corporate Plan, with considerations for regional and French language representation (subject to funding)						
Supports the following strategic objectives: <ul style="list-style-type: none"> ▶ Improving technology ▶ Enhancing organizational strength ▶ Developing an aligned, sustainable, and values-driven talent retention, recruitment and capacity development strategy 							

APPENDIX 1: PROGRESS REPORT ON 2021–2022 GOALS

The FMB's 2021-2022 Corporate Plan envisioned a gradual return of travel to First Nations communities and office re-opening. COVID-19 and the continued restrictions on travel and in-person meetings have impacted our ability to meet some of the goals set out in the 2021-2022 Corporate Plan. Circumstances beyond our control, such as the wildfires and flooding in British Columbia, have further impacted the delivery of client services.

Table 11: 2021-2022 Goals Update

Goal Description		Anticipated Level of Completion
STRATEGIC PLAN GOAL 1: INCREASING CLIENTELE		
Action: Conduct business development outreach and support FAL and FAB preparation		
1	Present to 70-75 prospective First Nations clients	On target to complete ●
2	Receive 20-25 Letters of Cooperation	On target to complete ●
3	Review 20-22 New FALs or FABs (Laws)	On target to complete ●
4	Participate in 2 First Nations events	On target to complete ●
5	Participate in 2 other First Nations organization events	On target to complete ●
6	Outreach to CDI clients to support FMS Certification	On target to complete ●
7	Outreach to FAL clients to support FP Certification	On target to complete ●
8	Communicate to First Nations the successes of FMB clients including certifications, and Default Management Prevention Pilot Program	On target to complete ●
STRATEGIC PLAN GOAL 2: IMPROVING COMMUNICATIONS		
Action: Update and implement the Communications Strategy		
9	Communicate new initiatives to current and potential clients, including Support Services programs	On target to complete ●
10	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	On target to complete ●
11	Collaborate with other FMA institutions and the Land Advisory Board on the fourth national 'Leading the Way' conference	On target to complete ●
STRATEGIC PLAN GOAL 3: IMPROVING TECHNOLOGY		
Action: Develop and implement an IT strategy and safeguard IT systems		
12	Conduct an IT security audit	On target to complete ●
13	Develop an IT strategic plan that includes records management, enterprise resource planning, and ATIP readiness	In process; behind target 🔄
14	Begin implementation of the IT strategic plan	Deferred to 2022-23 ○

Goal Description		Anticipated Level of Completion
STRATEGIC PLAN GOAL 4: OPTIMIZING ON THE 10 YEAR GRANT PROGRAM		
15	Provide capacity development to 10-Year Grant recipients	On target to complete ●
16	Respond to Expressions of Interest from 10-Year Grant clients	On target to complete ●
17	Conduct Agreed-Upon-Procedures engagements for all 10-Year Grant recipients	On target to complete ●
STRATEGIC PLAN GOAL 5: PROVIDING SUPPORT SERVICES		
18	Embark on the Support Services Pilot Project	On target to complete ●
STRATEGIC PLAN GOAL 6: ENHANCING CLIENT SERVICES Action: Participate, collaborate and contribute to the development of new regulations and standards; work with Canada and the FMA Institutions and stakeholders to amend the FMA regime		
19	For Modern Day Treaty and Self-Governing First Nations (Section 141), present FAL standards and procedures to Board for review	Completion deferred to 2022-23 ○
20	For First Nations Not-for-Profit Organizations (Section 141.1), present NPO standards and procedures to Board for review	On target to complete ●
STRATEGIC PLAN GOAL 6: ENHANCING CLIENT SERVICES Action: Conduct review in accordance with FMB's procedures and guidelines		
21	Conduct financial performance reviews	On target to complete ●
22	Conduct FMS reviews	In process; behind target ○
23	Conduct annual monitoring in accordance with MOU and monitoring guidelines for FNFA debenture participants	On target to complete ●
24	Conduct annual monitoring in accordance with MOU and monitoring guidelines for 10-Year Grant recipients	On target to complete ●
STRATEGIC PLAN GOAL 6: ENHANCING CLIENT SERVICES Action: Prepare clients for Financial Management Certification		
25	Transition 10-13 FMS clients from CD to SAC for FMS review	In process; behind target ○
26	Respond to FAL updates	On target to complete ●
STRATEGIC PLAN GOAL 6: ENHANCING CLIENT SERVICES Action: Plan and roll-out a stakeholder engagement strategy		
27	Develop and execute a stakeholder engagement plan in accordance with Board Strategic Plan	On target to complete ●
28	Advocate for inclusion of Indigenous interests (including TRC recommendations and UNDRIP principles) in legislation, government, industry, education, and professional organizations	On target to complete ●

Goal Description		Anticipated Level of Completion
STRATEGIC PLAN GOAL 6: ENHANCING CLIENT SERVICES		
Action: Support clients following FMS certification		
29	Develop post-certification services	On target to complete ●
STRATEGIC PLAN GOAL 7: BEING INTERVENTION READY		
30	Conduct mock intervention and lead actual intervention	Complete ●
STRATEGIC PLAN GOAL 8: BEING THE DEFAULT ADMINISTRATOR		
31	Continue working with DMPPP clients	On target to complete ●
STRATEGIC PLAN GOAL 9: ENHANCING ORGANIZATIONAL STRENGTH		
Action: Stabilize staffing and improve corporate culture		
32	Develop and implement a comprehensive HR strategy focused on retention and recruitment, particularly for Indigenous staff	On target to complete ●
STRATEGIC PLAN GOAL 10: PROACTIVELY SUPPORT OTHER INSTITUTIONS		
33	Support other First Nations Institutions to further First Nations economic development	On target to complete ●

APPENDIX 2: 2022–2023 BUDGET AND 5-YEAR FINANCIAL PLAN

The FMB's total budgeted expenditures for the 2022-2023 fiscal year are \$24,228,850. For 2022-2023, the FMB will fund its operations and programs through a combination of \$12,991,301 of A-Base from CIRNAC, \$2,026,516 of individual funding arrangements for proposal-based initiatives from CIRNAC and ISC, and \$9,211,033 of non-recurring unexpended CIRNAC and ISC funding carried over from the 2021-2022 fiscal year.

The FMB's current five-year funding agreement with CIRNAC and ISC expires at the end the 2021-2022 fiscal year. While the FMB has been actively pursuing new funding arrangements with its funders that will offer increased and more sustainable long-term funding, in the short-term, the FMB is prepared to enter into a two-year extension of the current funding agreement that will expire at the end of fiscal 2023-2024 at the current level of funding.

The FMB presented a preliminary 2022-2023 budget proposal of \$32,028,637 to CIRNAC and ISC in late 2021. This proposal included a \$7,428,772 increase in A-Base funding to implement the FMB's strategic plan and to transition the DMP and 10-Year Grant programs into its core services. We were subsequently informed that, in the short-term, there will be no change in the FMB's A-Base funding level of \$12,991,301. As a result, the 2022-2023 budget of \$24,228,850 presented in this Corporate Plan was scaled down to reflect this funding constraint. We have been informed, however, that the FMB's increased funding request has been included in the 2022-2023 federal budget submission. Until the FMB receives confirmation of an increase in funding through the federal budget, some of the activities and growth set out in this 2022-2023 Corporate Plan will be on hold or will be deferred to future periods. In addition, our ability to respond to opportunities in the short term will be constrained. Some of the activities on hold and subject to increased funding include the development and provision of services to modern treaty, self-governing First Nations, and NPOs, the expansion of the FMB's national footprint and staffing, and back-office IT modernization.

Our 2022-2023 budget does not include the funding that will be required for the FMB to advance its role as economic regulator of the AFNWA. The FMB expects to submit a separate funding proposal related to the work with the AFNWA in early 2022-2023 once the scope of the project and the funding needs have been further defined.

2022–2023 BUDGET BY FUNDING SOURCE & PROGRAM

Budget By Funding Source / Program	A-Base & 10-Year Grant	DMP	Support Services	Strategic Opp (incl. RoadMap & Data Collection)	Project Eureka	TOTAL
CIRNAC Annual Base - New	\$ 11,135,022	-	-	\$ 1,856,279	-	\$ 12,991,301
CIRNAC Annual Base - Deferred (Projected)	5,806,073	-	-	-	-	5,806,073
CIRNAC Program Funding - New	-	-	-	-	333,333	333,333
CIRNAC Program Funding - Deferred (Projected)	-	-	-	232,121	-	232,121
ISC Program Funding - New	1,255,000	161,416	276,767	-	-	1,693,183
ISC Program Funding - Deferred (Projected)	-	1,928,575	1,244,264	-	-	3,172,839
TOTAL FUNDING AVAILABLE	\$ 18,196,095	\$ 2,089,991	\$ 1,521,031	\$ 2,088,400	\$ 333,333	\$ 24,228,850
Expenditures By Object						
Salaries & Benefits	\$ 12,045,743	\$ 952,358	\$ 969,574	\$ 1,523,920	-	\$ 15,491,595
Direct Client Service Delivery	384,250	851,063	-	-	-	1,235,313
Advisory & Professional Fees	1,008,095	-	65,800	327,250	333,333	1,734,478
Program Travel	1,085,680	113,945	195,067	218,480	-	1,613,172
Operations & Administrative Costs	2,615,170	154,625	216,090	18,750	-	3,004,635
Board Fees & Travel	619,932	-	-	-	-	619,932
Capital	437,225	18,000	74,500	-	-	529,725
TOTAL EXPENDITURES	\$ 18,196,095	\$ 2,089,991	\$ 1,521,031	\$ 2,088,400	\$ 333,333	\$ 24,228,850

FIVE-YEAR BUDGET FORECAST

Table 12 – Total Available Funding

Funding Source	Year 1: 2022-2023	Year 2: 2023-2024 (Note 1)	Year 3: 2024-2025	Year 4: 2025-2026	Year 5: 2026-2027
CIRNAC Annual Base - New	\$ 12,991,301	\$ 25,241,789	\$ 29,846,169	\$ 30,743,693	\$ 31,693,777
CIRNAC Annual Base - Deferred (Projected)	5,806,073	-	-	-	-
CIRNAC Program Funding - New	333,333	333,333	333,333	-	-
CIRNAC Program Funding - Deferred (Projected)	232,121	-	-	-	-
ISC Program Funding - New	1,693,183	3,975,067	1,886,440	1,942,505	2,000,252
ISC Program Funding - Deferred (Projected)	3,172,839	-	-	-	-
TOTAL AVAILABLE FUNDING	\$ 24,228,850	\$ 29,550,189	\$ 32,065,942	\$ 32,686,198	\$ 33,694,029

Note 1 – The five-year budget forecast presented in Table 12 above assumes that the FMB will receive an increase of \$12,250,488 (94%) in A-Base funding at the beginning of Year 2 – FY 2023-2024.

Table 13 - Total Expenditures by Object

Expenditure By Object	Year 1: 2022-2023	Year 2: 2023-2024	Year 3: 2024-2025	Year 4: 2025-2026	Year 5: 2026-2027
Salaries & Benefits	\$ 15,491,595	\$ 20,338,992	\$ 22,580,008	\$ 23,497,068	\$ 24,201,980
Direct Client Service Delivery	1,235,313	531,440	544,328	550,908	557,685
Advisory & Professional Fees	1,734,478	1,232,612	1,253,772	942,235	964,684
Program Travel	1,613,172	2,321,264	2,751,395	2,972,092	3,058,735
Operations & Administrative Costs	3,004,635	3,630,217	3,924,833	3,800,458	3,991,716
Board Fees & Travel	619,932	683,336	697,878	712,856	728,284
Capital	529,725	812,328	313,728	210,581	190,945
TOTAL EXPENDITURES	\$ 24,228,850	\$ 29,550,189	\$ 32,065,942	\$ 32,686,198	\$ 33,694,029

Table 14 - Total Expenditure by Business Line

Expenditure By Business Line / Program	Year 1: 2022-2023	Year 2: 2023-2024	Year 3: 2024-2025	Year 4: 2025-2026	Year 5: 2026-2027
Executive	\$ 3,814,932	\$ 3,897,435	\$ 3,985,774	\$ 4,077,304	\$ 4,186,119
Corporate Service	5,217,172	6,801,946	6,779,190	6,653,084	6,916,427
Standards And Certifications	2,227,505	3,186,314	3,569,317	3,921,780	4,036,403
Market Development, Laws, and Stakeholder Relations	3,574,039	4,394,171	4,567,034	4,690,575	4,817,822
Capacity Development & Intervention	3,362,447	4,860,796	6,205,695	6,519,216	6,713,053
Default Management	2,089,991	1,348,422	1,388,478	1,429,737	1,472,233
Shared Services	1,521,031	1,832,008	1,886,440	1,942,505	2,000,252
Strategic Opportunities	2,421,733	3,229,097	3,684,014	3,451,997	3,551,720
TOTAL EXPENDITURES	\$ 24,228,850	\$ 29,550,189	\$ 32,065,942	\$ 32,686,198	\$ 33,694,029

2022–2023 Budget and Five-Year Plan Assumptions and Estimates

The FMB's 2022-2023 budget and five-year plan includes the following key assumptions and estimates:

- ▶ Contributions to Intervention Reserve Fund: Due to funding constraints the 2022-2023 budget and 5-year plan does not contemplate any increase to the FMB's Intervention Reserve Fund.
- ▶ Increase in A-Base Funding: Our five-year financial plan assumes that the FMB will receive an increase of \$12,250,488 (94%) in A-Base funding in 2023-2024 with continued increases over the remaining 5-year period.
- ▶ Carry-forward and expenditure of 2021-2022 unexpended funding: We have been informed by both CIRNAC and ISC that projected unexpended funding from fiscal 2021-2022 has been approved for carry-forward and expenditure in 2022-2023 on the same terms as 2021-2022. These amounts are shown as deferred funding in the 2022-2023 budget and will be subject to change based on the actual financial results for the 2021-2022 fiscal year.
- ▶ ISC program funding: We have been informed by ISC that they are seeking to re-profile \$5,668,250 in program funding related to the 10-Year Grant Program, DMP Program and Support Services Pilot Project. We have been informed that \$1,693,183 will be available to the FMB in 2022-2023 and the remaining \$3,975,067 in 2023-2024. For the purpose of the five-year plan, we have assumed that beginning in 2024-2025 the 10-Year Grant and DMP programs will be funded as part of CIRNAC A-Base funding, with Support Services receiving continued funding from ISC.
- ▶ Core service levels: The 2022-2023 budget assumes law and certification activity levels similar to 2021-2022. A significant increase in demand for law and certification services may impact the FMB's ability to provide these services without an increase in funding.
- ▶ 10-Year Grant: The 2022-2023 budget and five-year plan assume no material change to the scope of 10-Year Grant program services provided by the FMB.
- ▶ Project Eureka: The 2022-2023 budget and five-year plan assume the first \$333,333 cash call of the three-year Project Eureka total commitment of \$1,000,000 will occur in fiscal 2022-2023. This represents a delay of one year compared to the FMB's original funding request. The FMB has requested that this funding commitment be reprofiled by one year.

- ▶ **AFNWA Pilot Project:** The AFNWA pilot project has not been included in the 2022-2023 budget and five-year plan. A separate funding proposal will be advanced in early 2022-2023 for this work.
- ▶ **Cost of living adjustment:** A 5% cost of living adjustment, in line with recent Bank of Canada forecasts, has been applied to all salaries for 2022-2023, with the rate decreasing to 4% in 2023-2024, and 3% in 2024-2025 and beyond.
- ▶ **Salary survey adjustment:** An adjustment has been applied to salaries for 2022-2023 to account for a potential increase resulting from a 2021-2022 independent salary study that is currently in progress. The expected completion date of the salary study is April 2022, and the results may further impact the budget.
- ▶ **Inflation:** An inflation rate of 5% in 2022-2023, in line with recent Bank of Canada forecasts, has been applied to relevant expenditures (other than salaries) to account for increasing inflation, with the rate decreasing to 4% in 2023-2024, and 3% in 2024-2025 and beyond.
- ▶ **Timing of new hires during the year:** For new positions in 2022-2023 where the timing of hiring is unknown, the salary and benefit cost for these new hires has been estimated at half a year to account for different start dates.
- ▶ **Return to travel:** Budget 2022-2023 assumes there will be a full return to travel by client-facing staff to build relationships with our clients and stakeholders. For non-client facing staff, the budget assumes the substitution of in-person meetings for virtual meetings whenever possible.
- ▶ **Deferral of activities due to funding constraints:**
 - ◊ **Provision of services to modern-treaty, self-governing First Nations and NPOs:** The 2022-2023 budget does not include any costs related to the expansion of the FMB's services to modern-treaty, self-governing First Nations and NPOs. The costs related to the development and provision of these services has been deferred to 2023-2024 and beyond.
 - ◊ **Expansion of National footprint and staffing:** The expansion of the FMB's National presence through new office locations and staffing at these locations has been deferred to 2023-2024 and beyond. Expansion of existing office locations has been limited in 2022-2023.
 - ◊ **Back-office IT modernization:** Budget 2022-2023 assumes the continuation of this project through the retention of independent qualified IT consultants to develop a project plan and budget for the FMB's IT transformation. Additional amounts have been budgeted beyond 2022-2023 for implementation and technology investment.





First Nations Financial Management Board

Head Office:

100 Park Royal, Suite 300
West Vancouver, BC V7T 1A2

Winnipeg Office:

125 Garry Street, Suite 850
Winnipeg, MB R3C 3P2

Ottawa Office:

170 Laurier Ave W, Suite 608
Ottawa, ON K1P 5V5

Montreal Office:

1410 rue Stanley, Suite 1015
Montreal, QC H3A 1P8

Toll Free: 1-877-925-6665
Telephone: 604-925-6665
Fax: 604-925-6662
fnfmb.com

    @FNFMB



First Nations
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CONSEIL
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