



First Nations
**FINANCIAL
MANAGEMENT
BOARD**

**CONSEIL
DE GESTION
FINANCIÈRE** des
Premières Nations

Proposed Amendments to FMB's Standards

FNFMB

West Vancouver, BC

September 22, 2025



Land Acknowledgement

FMB acknowledges that we are presenting from the unceded traditional territory of the Coast Salish Peoples, including the territories of the x^wməθkwəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səlilwətał/Selilwitulh (Tsleil-Waututh) Nations.



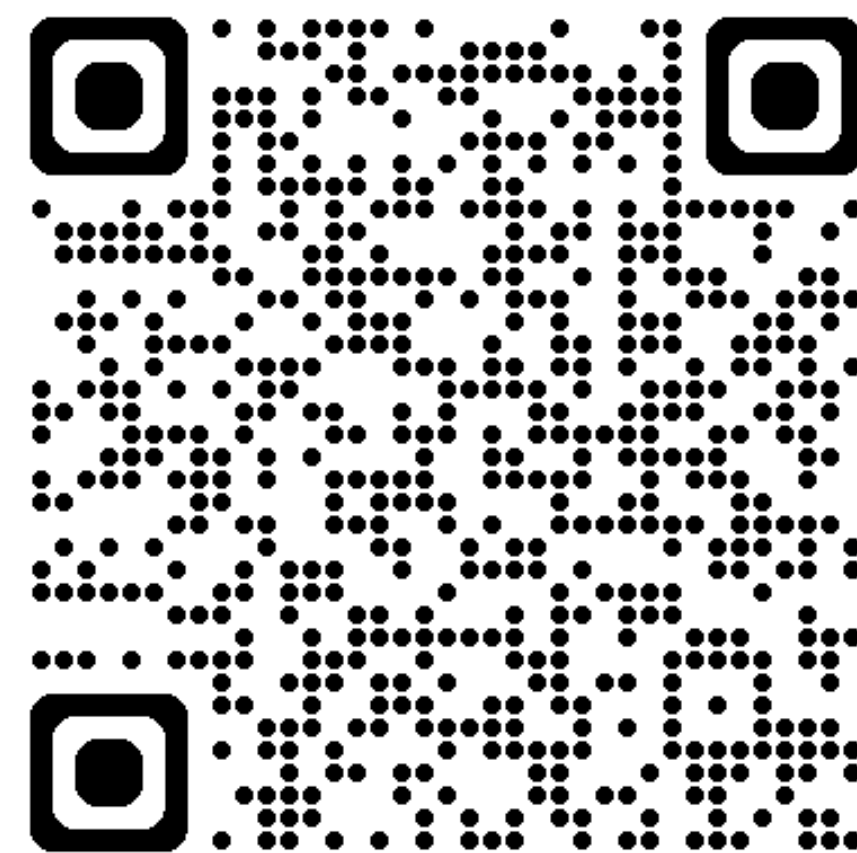
Why the Standards Need Updating

- The First Nations Financial Management Board (FMB) is updating standards for certifications to better serve First Nations.
- Financial Management System (FMS), Financial Administration Law (FAL), and Financial Performance (FP) Certification Standards were last updated in 2019.
- Since then, the FMB has collected feedback related to implementation, limitations, changes in the economic and regulatory environment, and the needs expressed by our clients for enhanced flexibility, clarity, or further guidance.



What's Changing?

- FP Standards
- FMS Standards
- FAL Standards



<https://fnfmb.com/en/services/set-standards/standards-first-nation-governments>



FP Standards

Changes to Definitions and Descriptions

Calculations and Thresholds Unchanged

Definitions to be Added:

- Intangible Assets
- Inventory
- Non-Financial Assets
- Non-Financial Liabilities

Definitions to be Enhanced:

- Interest
- Revenues
- Fiscal Growth Ratio
- Operating Margin Ratio

Context to be Added:

- Normalization Adjustments
- Comparability Adjustments



Survey Link #1

Are there any definitions
or descriptions in the
current FP Standards that
are unclear?
If so, what could we do to
improve these?

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OR

Visit

<https://fnfmb.com/en/services/set-standards/standard-setting-process>



FMS and FAL Standards

Finance and audit committee

Current Standard	Survey Question
<p>11.2.4 Committee established – The council demonstrates that it has carried out the following:</p> <p>b. appointed members of the committee who meet the requirements of the FAL including the following:</p> <p>i. at least one (1) councillor must be a member of a committee consisting of three (3) members and at least two (2) councillors must be members of a committee consisting of four (4) or more members,</p> <p>ii. a majority of the members must have financial competency,</p> <p>iii. all members must be independent,</p> <p>iv. all members are eligible to be members of the committee;</p> <p>c. appointed a chairperson and a vice-chairperson of the committee, one (1) of whom must be a councillor;</p> <p>f. on request of a chairperson of the committee who is not a councillor, has provided the chairperson with any materials or information provided to the council respecting the matters before it.</p>	<p>How is your FAC structured?</p> <p>Would increasing flexibility around who needs to participate in FAC be beneficial to your Nation?</p>

Finance and audit committee continued

Current Standard	Survey Question
<p>11.2.6 Term requirements – The council establishes and implements a documented policy and procedures to monitor the terms of office of members of the finance and audit committee and to take necessary actions to ensure that these terms of office</p> <p>b. are staggered to ensure the continuing effectiveness of the committee and to provide for succession planning, and</p>	<p>Are your Nation’s FAC members terms currently staggered? Is this requirement challenging to meet given electoral cycles?</p>
<p>11.2.9 Record of additional roles, etc. – The council demonstrates that it has documented in the finance and audit committee’s terms of reference the committee’s roles and responsibilities under the FAL and any additional roles and responsibilities that the council assigns to the committee.</p>	<p>Do you think Council would be comfortable with FAC taking on more responsibility with respect to fraud internal controls and investigations?</p>
<p>11.2.12 Meeting records – The finance and audit committee demonstrates that it</p> <p>c. reported to the council on the substance of those meetings within a reasonable time after each meeting.</p>	<p>Do you think it's important that Council be informed of FAC’s discussion in addition to the substance of meetings?</p>
<p>N/A – Currently, there is no FMS Standard pertaining to the monitoring of FAC.</p>	<p>Do you think that having Council monitoring FAC’s effectiveness would be beneficial to both FAC and Council?</p>

For-profit business activity

Current Standard	Survey Question
20.1.1 Risk management policy/procedures – The council establishes and implements a documented policy and procedures that ensure that the risks associated with the First Nation carrying on for-profit activities are limited or managed.	Do you think there should be different risk management considerations and policy sections for for-profit activities operated as segments vs. separate legal entities?
20.1.2 Policy/procedures content – The policy and procedures referred to in standard 20.1.1 require the following: d. the monitoring of any approved for-profit activity	Do you think it would be beneficial to distinguish monitoring activities in general from financial reporting? What kinds of monitoring and financial reporting does Council expect from for-profit activities?
20.1.3 Compliance with FAL, etc. – The council demonstrates that any for-profit activities of the First Nation (other than those being carried out by separate legal entities in which the First Nation has an interest) are being conducted in accordance with the requirements of the FAL and any applicable First Nation policies or procedures	What approach does your Nation take to operating for-profit activities operated as segments? Does this differ from the approach to operating for-profit activities as separate legal entities?

Investments

Current Standard	Survey Question
<p>20.4.3 Investment policy/procedures – The council establishes and implements a documented policy and procedures for investments that requires the following:</p> <ul style="list-style-type: none">a. risk assessments to be performed and criteria to be met with respect to risk before investing;b. approvals to be given before investing;c. reviews to be conducted to determine if the investments meet the requirements of the FAL and are consistent with the investment management strategy of the First Nation; andd. records to be kept and retained of all investment decisions.	<p>Are preservation of capital and liquidity requirements considered as part of Council’s investment decisions or strategy? If so, do you think these are important factors to consider prior to making an investment decision?</p>
<p>20.4.4 Restrictions on investments – The council demonstrates that it has established and implemented a documented policy and procedures to ensure that government transfer funds and local revenue funds may only be invested in</p> <ul style="list-style-type: none">e. investments specified in paragraph 82(3)(a), (b), (c) or (d) of the Act, andf. investments in securities issued by the First Nations Finance Authority or a municipal finance authority established by a province.	<p>What types of investments are included in Council’s approved investment strategy? Are government transfer funds invested in only the types of securities listed?</p>

Emergencies

Current Standard	Survey Question
20.6.1 Emergency plans – The council establishes and implements documented emergency and contingency plans to address potential emergency situations that may affect the finances of the First Nation.	Does your Nation have a plan in place to ensure that the financial management system can continue to function in the event of an emergency?
20.6.2 Plan content – The plans referred to in standard 20.6.1 a. include provision for fires, natural disasters, and environmental risks, b. are appropriate to the size, risk and impact of potential emergencies, c. require periodic emergency drills, and contact lists, d. require communication of the plans to all affected persons, and e. require annual review of the plans.	<p>Does your Nation conduct a hazard risk assessment as part of emergency planning activities?</p> <p>If there is a documented plan in place? If so, how often is it tested?</p> <p>Have personnel been assigned roles and responsibilities with respect to emergency situations? If so, have they received training?</p>

Risks of fraud

Current Standard	Survey Question
20.8.1 Risk of fraud policy/procedures - The council demonstrates that it has established a documented policy and procedures for the identification and assessment of the risks of fraud to the First Nation.	Do you think that incorporating Council's expectations and commitment to integrity is an important component of fraud prevention and deterrence?
20.8.2 Compliance with FAL, etc. – The council demonstrates compliance with the requirements of the FAL or applicable First Nation policies and procedures respecting the identification and assessment of the risks of fraud to the First Nation referred to in standard 20.8.1.	Does your Nation conduct fraud risk assessments? If so, does this include an assignment of values for likelihood and impact, along with a detailed mitigation plan?
N/A – Currently, the FMS Standards do not include required content for a fraud risk management program.	What fraud risk factors are most concerning to your Nation? Are there any specific areas where your Nation could benefit from training?

Information technology

Current Standard	Survey Question
20.10.3 Information technology policy/procedures – The council establishes and implements a documented policy and procedures for information technology used by the First Nation in its operations that ensure the following objectives are met: a. resource strategy and planning - information systems are developed that support the First Nation’s strategic plan and operations;	What is the greatest challenge your Nation faces with respect to resource and strategy planning for information technology systems?
b. information systems operations – i. information systems are actively monitored for effectiveness; ii. transactions are processed in a timely manner; iii. only approved programs are used, and these programs are accessible only by trained and authorized personnel; and iv. data is retained in accordance with legal requirements in applicable laws or in agreements to which the First Nation is a party and is retrievable when needed;	How does your Nation ensure that only approved programs are used, and that appropriate access is given?

Information technology continued

Current Standard	Survey Question
c. outsourcing - selection of contractors providing information technology services, the definition of services in their contracts and the administration of their contracts is consistent with the needs of the First Nation as set out above;	<p>Does your Nation have an outsourced information technology function?</p> <p>Are there any policies and procedures in place to evaluate the adequacy of outsourced information technology support?</p>
d. information security – i. security tools and techniques are implemented to enable restrictions on access to programs and data; and ii. security tools and techniques are administered to restrict access to programs and data;	<p>Has your Nation experienced any information system security breaches in the last 12-months? If so, what tools might have prevented this breach?</p> <p>Does your Nation ensure that only certain individuals are given access to programs and data, consistent with proper segregation of duties?</p>

Information technology continued

Current Standard	Survey Question
e. change management – i. the data structure is consistent with the needs of the First Nation as set out above; ii. new data structure and modifications to data structure are tested before implementation; iii. new network, communication and systems software are consistent with the needs of the First Nation as set out above; and iv. new computer hardware is consistent with the needs of the First Nation as set out above.	Has your Nation undergone significant change in its information technology environment? If so, what were the challenges you experienced? What tools could have been implemented to streamline this process?
N/A – Segregation of duties, monitoring, and physical and environmental security are not currently reflected in the standards.	Are there individuals involved in your Nation’s financial management system who have unlimited access to all information technology assets, including online banking, accounting software, and who can alter the data within the information technology environment? If so, are there any safeguards in place to detect errors or anomalies? Does your Nation monitor the adequacy of the information technology environment on a periodic basis? If so, what is included in these monitoring efforts? What physical security tools or techniques does your Nation have in place to protect information technology assets?

Quarterly financial statements

Current Standard	Survey Question
21.6.3 Provision to finance and audit committee/council – The statements referred to in standard 21.6.1 are provided to the finance and audit committee and the council not later than forty-five (45) days after the quarter for which the statements were prepared.	<p>Does your Nation struggle to meet this 45-day deadline?</p> <p>Does Council expect to review the quarterly results within 45-days?</p>

Audited annual financial statements

Current Standard	Survey Question
22.2.1 Statements review and approval – The council demonstrates that a. it has reviewed and approved the audited annual financial statements of the First Nation within one hundred twenty (120) days after the fiscal year-end or such earlier time specified in the FAL, and b. the audited annual financial statements have been signed by the persons required in the FAL.	What challenges does your Nation face with regard to having the audited annual financial statements signed by the persons specified in the FAL?

Annual report publication

Current Standard	Survey Question
23.2 Annual report publication – The council demonstrates that it has published the annual report of the First Nation by the earlier of a. the time specified in the FAL, or b. one hundred eighty (180) days after the fiscal year-end	Would having a date of September 30 rather than 180-days make this standard requirement clearer?

Life-cycle planning

Current Standard	Survey Question
25.4 Life-cycle planning – The council demonstrates that it has implemented a documented life-cycle management program for First Nation tangible capital assets as required in the FAL and in applicable First Nation policies and procedures.	Which FAL components are most challenging to meet with regard to life-cycle management?

Internal system assessment

Current Standard	Survey Question
<p>29.2.2 Procedure content – The procedures referred to in standard 29.2.1 require the following:</p> <p>a. internal assessments must be conducted of critical or significant activities and processes at least once each fiscal year;</p> <p>b. the assessor must be independent of the operations area or activity being assessed; and</p> <p>c. records must be made and retained of both the internal assessment findings and the resolutions of any concerns identified in those findings.</p>	<p>Does your Nation have policies and procedures in place for the establishment of trusts or other long-term investments?</p> <p>If your Nation has received settlement monies, were there challenges when determining the best course of action (i.e. establishing a trust or other long-term investment instrument)?</p>
<p>N/A – Currently, the FMS Standards do not require compliance with the FAL with respect to informing or involving citizens about long-term investment decisions.</p>	<p>What tools has your Nation used to involve or inform citizens about long-term investment decisions?</p>

NEW PROPOSED STANDARDS – Free, Prior and Informed Consent

Current Standard	Survey Question
N/A – currently there are no FMS Standards pertaining to FPIC.	Does your Nation have policies and procedures in place supporting FPIC principles?
	If your Nation has had to go through an FPIC process, what challenges or obstacles did you face?
	Has your Nation felt equipped to evaluate whether external parties are adhering to all FPIC requirements?
	Are there FPIC activities your Nation undertakes to ensure citizens are involved in major decisions?



Survey Link #2

Each survey question discussed throughout this webinar is available by scanning the QR code or visiting our website.

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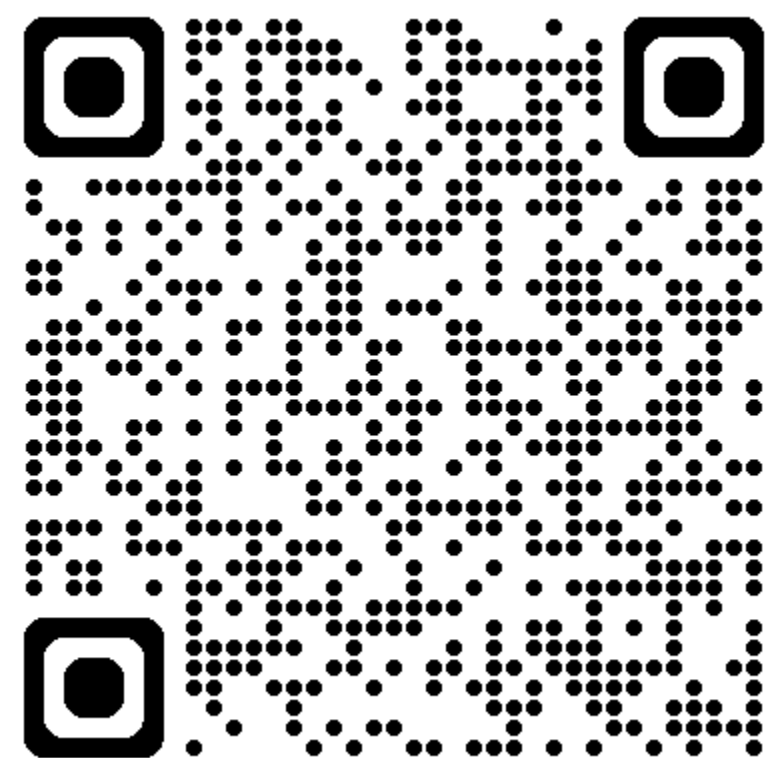
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OR

Visit

<https://fnfmb.com/en/services/set-standards/standard-setting-process>

Let's talk!



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