

**Ҷаҳам**

**FINANCIAL ADMINISTRATION LAW**

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WHEREAS:

A. Pursuant to section 9 of the *First Nations Fiscal Management Act* the Council of a first nation may make laws respecting the financial administration of the first nation; and

B. ʔaǰam Council considers it to be in the best interests of ʔaǰam to make a law for such purposes;

NOW THEREFORE ʔaǰam Council enacts as follows:

## **PART IV - Citation**

### **Citation**

1. This Law may be cited as *ʔaǰam Financial Administration Law, 2017*.

## **PART V - Interpretation and Application**

### **Definitions**

- 2.(1) Unless the context indicates the contrary, in this Law:

“ʔaǰam” means St. Mary’s First Nation as scheduled to the Act;

“ʔaǰamnik” means members of ʔaǰam;

“ʔaǰam’s financial assets” means all money and other financial assets of ʔaǰam;

“ʔaǰam’s lands” means all reserves of ʔaǰam within the meaning of the *Indian Act*;

“ʔaǰam law” means any law, including any by-law or code, of ʔaǰam made by Council or the membership of ʔaǰam;

“ʔaǰam’s records” means all records of ʔaǰam respecting its governance, management, operations and financial administration;

“Act” means the *First Nations Fiscal Management Act*;

“annual financial statements” means the annual financial statements of ʔaǰam referred to in Division 7 of Part IV;

“appropriation” means an allocation of money under a budget to the purposes for which it may be used;

“auditor” means the auditor of ʔaǰam appointed under section 77;

“Board” means the First Nations Financial Management Board established under the Act;

“Board standards” means the standards established from time to time by the Board under the Act;

“Borrowing Member” means a First Nation that has been accepted as a borrowing member under section 76 (2) of the Act and has not ceased to be a borrowing member under section 77 of the Act;

“budget” means the annual and multi-year budget of ᑭᓄᓂᓄᓂ that has been approved by the Council;

“Chief Operating Officer” means the person appointed as Chief Operating Officer under section 18;

“code” means a code adopted by ᑭᓄᓂᓄᓂ under the *First Nations Oil and Gas and Moneys Management Act* or a land code adopted by ᑭᓄᓂᓄᓂ under the *First Nations Land Management Act*;

“Commission” means the First Nations Tax Commission established under the Act;

“Commission standards” means the standards established from time to time by the Commission under the Act;

“Council” means ᑭᓄᓂᓄᓂ Council;

“Councillor” means a member of ᑭᓄᓂᓄᓂ Council and is inclusive of nasuᑭkin (Chief);

“dependent” means, in relation to an individual,

(a) the individual’s spouse,

(b) a person under the age of majority in respect of whom the individual or the individual’s spouse is a parent or acting in a parental capacity,

(c) a person in respect of whom the individual or the individual’s spouse is acting as guardian, or

(d) a person, other than an employee, who is financially dependent upon the individual or the individual’s spouse;

“Director of Finance” means Director of Finance appointed by Council under section 19;

“emergency expenditure” means an expenditure of an exceptional nature which was not anticipated in the annual budget, is not expressly prohibited by or under this Law or another ᑭᓄᓂᓄᓂ law and which cannot, without serious prejudice to the best interests of ᑭᓄᓂᓄᓂ, be postponed to allow for a budget amendment;

“Finance and Audit Committee” means the Finance and Audit Committee established under section 12;

“financial administration” means the management, supervision, control and direction of all matters relating to ᑭᓄᓂᓄᓂ financial affairs;

“financial institution” means the First Nations Finance Authority, a bank, or credit union;

“financial competency” means the ability to read and understand financial statements that present accounting issues reasonably expected to be raised by ᑭᓄᓂᓄᓂ’s financial statements;

“financial records” means all records respecting the financial administration of ᑭᓄᓂᓄᓂ, including the minutes of meetings of Council and the Finance and Audit Committee;

“fiscal year” means the fiscal year of ᐱᓄᓂᓂ set out in section 24;

“GAAP” means generally accepted accounting principles of the Chartered Professional Accountants of Canada, as revised or replaced from time to time;

“local revenue account” means an account with a financial institution into which local revenues are deposited separately from other moneys of ᐱᓄᓂᓂ;

“local revenue law” means a local revenue law made by ᐱᓄᓂᓂ under the Act;

“local revenues” means money raised under a local revenue law;

“multi-year financial plan” means the plan referred to in section 25;

“officer” means the Chief Operating Officer, Director of Finance, tax administrator and any other employee of ᐱᓄᓂᓂ designated by the Council as an officer;

“other revenues” means other revenues as defined in section 3 of the *Financing Secured by Other Revenues Regulations* made under the Act;

“record” means anything on which information is recorded or stored by any means whether graphic, electronic, mechanical or otherwise;

“related body” means

- (a) any agency of ᐱᓄᓂᓂ,
- (b) any corporation in which ᐱᓄᓂᓂ has a material interest or that is controlled by ᐱᓄᓂᓂ,
- (c) any partnership in which ᐱᓄᓂᓂ or another related body of ᐱᓄᓂᓂ is a partner, or
- (d) a trust of ᐱᓄᓂᓂ;

“representative agent” means a person who is authorized by ᐱᓄᓂᓂ to act for and under the control of ᐱᓄᓂᓂ through employment or by contract;

“special purpose report” means a report described in subsection 74(3);

“spouse” means, in relation to an individual, a person to whom the individual is married or with whom the individual has lived as a common law partner for at least one (1) year in a marriage-like relationship;

“standards” means the standards established from time to time under the Act;

“tax administrator” means the tax administrator appointed under section 20 or ᐱᓄᓂᓂ local revenue laws;

“trustee” means a person appointed by an instrument creating a trust who holds or manages the assets of another;

(2) Except as otherwise provided in this Law, words and expressions used in this Law have the same meanings as in the Act.

(3) Unless a word or expression is defined under subsection (1) or (2) or another provision of this Law, the definitions in the *Interpretation Act* apply.

(4) All references to named enactments in this Law are to enactments of the Government of Canada.

#### **Interpretation**

3.(1) In this Law, the following rules of interpretation apply:

- (a) words in the singular include the plural, and words in the plural include the singular;
- (b) words importing female persons include male persons and corporations and words importing male persons include female persons and corporations;
- (c) if a word or expression is defined, other parts of speech and grammatical forms of the same word or expressions have corresponding meanings;
- (d) the expression “must” is to be construed as imperative, and the expression “may” is to be construed as permissive;
- (e) unless the context indicates otherwise, “including” means “including, but not limited to”, and “includes” means “includes, but not limited to”; and
- (f) a reference to an enactment includes any amendment or replacement of it and every regulation made under it.

(2) This Law must be considered as always speaking and where a matter or thing is expressed in the present tense, it must be applied to the circumstances as they arise, so that effect may be given to this Law according to its true spirit, intent and meaning.

(3) Words in this Law referring to an officer, by name of office or otherwise, also apply to any person designated by the Council to act in the officer’s place or to any person assigned or delegated to act in the officer’s place under this Law.

#### **Posting of Public Notice**

4.(1) If a public notice must be posted under this Law, the public notice is properly posted if a written notice is placed in a conspicuous and accessible place for public viewing at ʔaᑭam’s administrative office.

(2) Unless expressly provided otherwise, if a public notice of a meeting must be posted under this Law the notice must be posted at least ten (10) days before the date of the meeting.

#### **Calculation of Time**

5. In this Law, time must be calculated in accordance with the following rules:

- (a) where the time limited for taking an action ends or falls on a holiday, the action may be taken on the next day that is not a holiday;
- (b) where there is a reference to a number of days, not expressed as “clear days”, between two events, in calculating that number of days the day on which the first event happens is excluded and the day on which the second event happens is included;
- (c) where a time is expressed to begin or end at, on or within a specified day, or to continue to or until a specified day, the time includes that day;
- (d) where a time is expressed to begin after or to be from a specified day, the time does not include that day; and
- (e) where anything is to be done within a time after, from, of or before a specified day, the time does not include that day.

**Conflict of Laws**

6.(1) If there is a conflict between this Law and another Ṛaḡam law, other than a code or a local revenue law, this Law prevails.

(2) If there is a conflict between this Law and the Act, the Act prevails.

(3) If there is a conflict between this Law and a local revenue law, the local revenue law prevails.

**Scope and Application**

7. This Law applies to the financial administration of Ṛaḡam.

**PART VI - Administration**

***DIVISION 7 - Council***

**Responsibilities of Council**

8.(1) Ṛaḡam Council is responsible for all matters relating to the financial administration of Ṛaḡam whether or not they have been assigned or delegated to an officer, employee, committee, contractor or representative agent by or under this Law.

(2) Subject to paragraph 5(1)(f) of the Act, this Law and any other applicable Ṛaḡam law, Ṛaḡam Council may delegate to any of its officers, employees, committees, contractors or representative agents any of its functions under this Law except the following:

- (a) the approval of Council policies, procedures or directions;
- (b) the appointment of members, chair and vice-chair of the Finance and Audit Committee;
- (c) the approval of budgets and financial statements of Ṛaḡam;

- (d) the approval of borrowing of ?aqam;
- (e) the approval of new capital projects; and
- (f) the approval of the acquisition or disposition of tangible capital assets.

(3) Obtain advice, assistance and training in order to achieve financial competency in relation to decision-making under this Law.

**Council Policies, Procedures and Directions**

9.(1) Subject to subsection (2), the Council may establish policies and procedures and give directions respecting any matter relating to the financial administration of ?aqam.

(2) The Council must establish policies or procedures respecting the acquisition, management, disposal and safeguarding of ?aqam assets.

(3) The Council must not establish any policies or procedures or give any directions relating to the financial administration of ?aqam that are in conflict with this Law, the Act or GAAP.

(4) The Council must ensure that all human resources policies and procedures are designed and implemented to facilitate effective internal financial administration controls.

(5) The Council must document all its policies, procedures and directions and make them available to any person who is required to act in accordance with them or who may be directly affected by them.

**Reporting of Remuneration, Expenses and Contracts**

10.(1) In this section:

“entity” means a corporation or a partnership, a joint venture or any other unincorporated association or organization, the financial transactions of which are consolidated in the annual financial statements of ?aqam in accordance with GAAP;

“expenses” includes the costs of transportation, accommodation, meals, hospitality and incidental expenses; and

“remuneration” means any salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary and non-monetary benefits.

(2) Subject to applicable provincial and federal privacy laws, annually the Director of Finance must prepare a report separately listing the remuneration paid and expenses reimbursed by ?aqam, and by any entity, to each Councillor whether such amounts are paid to the Councillor while acting in that capacity or in any other capacity:

- (a) the total amount of remuneration, expenses and benefits, including coverage under policies for insurance or medical, dental or related services, paid or provided by ?aqam to a Councillor and to each of the dependents of the Councillor;



(b) any contracts between ʔaḳam and a Councillor and between ʔaḳam and a dependent of the Councillor for the supply of goods or services, including a general description of the nature of the contracts;

(c) the total amount of remuneration, expenses and benefits, including coverage under policies for insurance or medical, dental or related services, paid or provided by ʔaḳam to the Chief Operating Officer and to each of the dependents of the Chief Operating Officer;

(d) any contracts between ʔaḳam and the Chief Operating Officer and between ʔaḳam and a dependent of the Chief Operating Officer for the supply of goods or services, including a general description of the nature of the contracts;

(e) the total amount of remuneration, expenses and benefits, including coverage under policies for insurance or medical, dental or related services, paid or provided by ʔaḳam to the Director of Finance and to each of the dependents of the Director of Finance; and

(f) any contracts between ʔaḳam and the Director of Finance and between ʔaḳam and a dependent of the Director of Finance for the supply of goods or services, including a general description of the nature of the contracts.

(2) Subsection (1) does not require the reporting of remuneration, expenses or benefits received

(a) in common by all members of ʔaḳam;

(b) under a program or service universally accessible to all members of ʔaḳam on published terms and conditions; or

(c) from a trust arrangement according to the terms of the trust.

(3) If the Director of Finance becomes aware of any information contained in a report completed under this section which may indicate a contravention of this Law, the Director of Finance must report this information to Council.

### ***DIVISION 8 - Finance and Audit Committee***

#### **Interpretation**

**11.** In this Division, "Committee" means the Finance and Audit Committee.

#### **Committee Established**

**12.(1)** ʔaḳam Finance and Audit Committee is established to provide Council with advice and recommendations in order to support Council's decision-making process respecting the financial administration of ʔaḳam.

(2) The Council must appoint not less than three (3) members of the Committee, a majority of whom must have financial competency and all of whom must have independence.

(3) For purposes of this section, an individual is considered to be independent if the individual does not have a direct or indirect financial relationship with ʔaḡam government that could, in the opinion of Council, reasonably interfere with the exercise of independent judgment as a member of the Committee.

(4) ʔaḡam Council must establish policies, procedures or give directions

(a) Setting criteria to determine if an individual is eligible to be a member of the Committee and is independent;

(b) requiring confirmation, before appointment, that each potential member of the Committee is eligible to be a member and is independent; and

(c) requiring each member of the Committee annually to sign a statement confirming that the member continues to meet the criteria referred to in paragraph (a).

(5) If the Committee consists of

(a) three (3) members, at least two(2) of the Committee members must be a councillor; and

(b) four (4) or more members, at least two (2) of the Committee members must be councillors.

(6) Subject to subsection (7), the Committee members must be appointed to hold office for staggered terms of not less than three (3) complete fiscal years, Councillors as Committee members will have terms concurrent with their Council terms, unless Council portfolios are altered.

(7) A Committee member may be removed from office by the Council if

(a) the member misses three (3) consecutively scheduled meetings of the Committee; or

(b) the chair of the Committee recommends removal.

(8) If a committee member is removed from office, resigns or dies before the member's term of office expires, the Council must as soon as practicable appoint a new Committee member to hold office for the remainder of the first member's term of office.

#### **Chair and Vice-chair**

**13. (1)** Council must appoint a chairperson and a vice-chair of the Committee, one of whom must be a Councillor.

(2) If Council appoints a non-Councillor as chairperson of the Committee,

(a) Council must send to the chair notices and agendas of all council meetings,

(b) on request of the chair, Council must provide the chair with any materials or information provided to council respecting matters before it, and

(c) the chair may attend and speak at Council meetings.

### **Committee Procedures**

14. (1) The quorum of the Committee is fifty percent (50%) of the total number of Committee members, including at least one (1) Councillor.

(2) Where quorum is impossible to obtain due to conflict of interest or exclusion of a member from a meeting, the decision must be referred to a quorum of Council.

(3) Except where a Committee member is not permitted to participate in a decision because of a conflict of interest, every Committee member has one (1) vote in all Committee decisions.

(4) In the event of a tie vote in the Committee, the chair of the Committee may cast a second tiebreaking vote unless they are in a position of a conflict, in which case a quorum of Council must cast the second tiebreaking vote.

(5) Subject to subsection (6), the Chief Operating Officer and the Director of Finance must be notified of all Committee meetings and, subject to reasonable exceptions, must attend those meetings.

(6) The Chief Operating Officer or the Director of Finance may be excluded from all or any part of a Committee meeting by a recorded vote if

(a) the subject matter relates to a confidential personnel or performance issue respecting the Chief Operating Officer or the Director of Finance; or

(b) it is a meeting with the auditor.

(7) The Committee must meet

(a) at least once every quarter in each fiscal year as necessary to conduct the business of the Committee; and

(b) as soon as practical after it receives the audited annual financial statements and report from the auditor.

(8) The Committee must provide minutes of its meetings to the Council and report to the Council on the substance of each Committee meeting as soon as practicable after each meeting.

(9) Subject to this Law and any directions given by the Council, the Committee may make rules for the conduct of its meetings.

(10) After consultation with the Director of Finance, the Committee may retain a consultant to assist in the performance of any of its responsibilities.

### **Financial Planning Responsibilities**

15.(1) The Committee must carry out the following activities in respect of the financial administration of ?aqam:

(a) Annually develop, and recommend to the Council for approval, short, medium and long-term financial

- (i) strategic plans, projections and priorities,
  - (ii) operational plans, projections and priorities,
  - (iii) business plans, projections and priorities, and
  - (iv) plans, projections and priorities;
- (b) review draft annual budgets and recommend them to the Council for approval;
  - (c) on an ongoing basis, monitor the financial performance of ṡaqam against the budget and report any significant variations to Council; and
  - (d) review the quarterly financial statements and recommend them to the Council for approval.

(3) The Committee may make a report or recommendations to the Council on any matter respecting the financial administration of ṡaqam that is not otherwise specified to be its responsibility under this Law.

**Finance and Audit Committee responsibilities**

**16.** The Committee must carry out the following audit activities in respect of the financial administration of ṡaqam:

- (a) make recommendations to Council on the selection, engagement and performance of an auditor;
- (b) receive assurances on the independence of a proposed or appointed auditor;
- (c) review and make recommendations to Council on the planning, conduct and results of audit activities;
- (d) review and make recommendations to the Council on the audited annual financial statements, including the audited annual local revenue account financial statements and any special purpose reports;
- (e) periodically review and make recommendations to the Council on policies, procedures and directions on reimbursable expenses and perquisites of the Councillors, officers and employees of ṡaqam;
- (f) monitor financial reporting risks and fraud risks and the effectiveness of mitigating controls for those risks taking into consideration the cost of implementing those controls;
- (g) conduct a review of this Law under section 105 and, where appropriate, recommend amendments to the Council; and
- (h) periodically review and make recommendations to the Council on the terms of reference of the Committee.

## **Council Assigned Responsibilities**

17. The Council may assign to the Committee or another committee of the Council the following activities in respect of the financial administration of ʔaᑭam:

- (a) to develop, and recommend to the Council for approval, performance measurements and goals designed to confirm that management activities, including financial management, occur as planned;
- (b) to prepare, and recommend to the Council for approval, cash management plans;
- (c) to review and report to the Council on the financial content of any ʔaᑭam reports;
- (d) to review, monitor and report to the Council on the appropriateness of ʔaᑭam accounting and financial reporting systems, policies and practices;
- (e) to review, and recommend to the Council for approval, any proposed significant changes in ʔaᑭam accounting or financial reporting systems, policies, procedures or directions;
- (f) to monitor the collection and receipt of ʔaᑭam financial assets, including debts owed to ʔaᑭam;
- (g) to review and report to the Council on ʔaᑭam risk management policies and control and information systems and, where appropriate, recommend improvements to the Council;
- (h) to review the adequacy of security of information, information systems and recovery plans and, where appropriate, recommend improvements to the Council;
- (i) to monitor compliance with the legal obligations of ʔaᑭam, including legislative, regulatory and contractual obligations, and report to the Council;
- (j) to review and report to the Council on the adequacy of financial administration personnel and resources;
- (k) to review, monitor and report to the Council on the adequacy and appropriateness of ʔaᑭam's insurance coverage respecting significant ʔaᑭam risks; and
- (l) to review, monitor and report to the Council on material litigation and its impact on financial administration and reporting.

## ***DIVISION 9 - Officers and Employees***

### **Chief Operating Officer**

18.(1) The Council must appoint a person as Chief Operating Officer of ʔaᑭam and may set the terms and conditions of that appointment.

(2) Reporting to the Council, the Chief Operating Officer is responsible for leading the planning, organization, implementation and evaluation of the overall management of all the day-to-day operations of ʔaᑭam, including the following duties:

- (a) to develop and recommend to the Council for approval, human resources policies and procedures for the hiring, management and dismissal of officers and employees of ᐃᓐᓂᓂ;
- (b) to prepare and recommend to the Council for approval, descriptions of the powers, duties and functions of all employees of ᐃᓐᓂᓂ;
- (c) to hire the employees of ᐃᓐᓂᓂ, as the Chief Operating Officer considers necessary, and to set the terms and conditions of their employment;
- (d) to oversee, supervise and direct the activities of all officers and employees of ᐃᓐᓂᓂ;
- (e) to dismiss the employees of ᐃᓐᓂᓂ, other than the Director of Finance, in accordance with human resource policies and procedures;
- (f) to oversee and administer the contracts of ᐃᓐᓂᓂ;
- (g) to prepare, recommend to the Council and maintain and revise as necessary the organization chart referred to in section 21;
- (h) to identify, assess, monitor and report on financial reporting risks and fraud risks;
- (i) to monitor and report on the effectiveness of mitigating controls for the risks referred to in paragraph (h) taking into consideration the cost of implementing those controls;
- (j) to perform any other duties of the Chief Operating Officer under this Law; and
- (k) to carry out any other activities specified by the Council that are not contrary to the Act or inconsistent with the Chief Operating Officer's duties specified in this Law.

(3) The Chief Operating Officer may assign the performance of any of the Chief Operating Officer's duties or functions

- (a) to an officer or employee of ᐃᓐᓂᓂ; and
- (b) with the approval of the Council, to a contractor or representative agent of ᐃᓐᓂᓂ.

(4) Any assignment of duties or functions under subsection (3) does not relieve the Chief Operating Officer of the responsibility to ensure that these duties or functions are carried out properly.

**Director of Finance**

19.(1) The Council must appoint a person as Director of Finance of ᐃᓐᓂᓂ and may set the terms and conditions of that appointment.

(2) Reporting to the Chief Operating Officer, the Director of Finance is responsible for the day-to-day management of the systems of the financial administration of ᐃᓐᓂᓂ, including the following duties:

- (a) to ensure the financial administration systems, policies, procedures, directions and internal controls are appropriately designed and operating effectively;

- (b) to administer and maintain Ṛaḡam's Chart of Accounts.
- (c) to prepare the draft annual budgets and, with advice and input from the tax administrator, to prepare any draft amendments to the component of the annual budget respecting Ṛaḡam's local revenues;
- (d) to prepare the monthly financial information required in section 72, the quarterly financial statements required in section 73 and the draft annual financial statements required in section 74 and section 75;
- (e) to prepare the financial components of reports to the Council and of any short, medium and long-term plans, projections and priorities referred to in subsection 15(1);
- (f) to prepare the draft annual and multi-year financial plan for review by the Finance and Audit Committee;
- (g) to actively monitor the compliance with any agreements and funding arrangements entered into by Ṛaḡam;
- (h) to actively monitor the financial administration of capital projects;
- (i) administer and supervise the preparation and maintenance of financial records and the financial administration reporting systems;
- (j) administer and supervise the maintenance of the records of all receipts and expenditures of Ṛaḡam to facilitate the annual audit;
- (k) to actively monitor compliance with the Act, this Law, any other applicable Ṛaḡam law, applicable standards and any policies, procedures and directions of the Council respecting the financial administration of Ṛaḡam;
- (l) to prepare or provide any documentation and financial information required by the Council or the Finance and Audit Committee to discharge its responsibilities;
- (m) to evaluate the financial administration systems of Ṛaḡam and recommend improvements;
- (n) to develop and recommend procedures for the safeguarding of assets and to ensure approved procedures are followed;
- (o) to develop and recommend procedures for identifying and mitigating financial reporting and fraud risks and to ensure approved procedures are followed;
- (p) to perform any other duties of the Director of Finance under this Law; and
- (q) to carry out any other activities specified by the Chief Operating Officer that are not contrary to the Act or inconsistent with the Director of Finance's duties under this Law.

(3) With the approval of the Chief Operating Officer, the Director of Finance may assign the performance of any of the duties or functions of the Director of Finance to any officer, employee,

contractor or representative agent of ᐃᓄᓂ, but this assignment does not relieve the Director of Finance of the responsibility to ensure that these duties or functions are carried out properly.

#### **Tax Administrator**

**20.(1)** Council must appoint a person as tax administrator for ᐃᓄᓂ and may set the terms and conditions of that appointment.

(2) Reporting to the Chief Operating Officer, the tax administrator is responsible for performing the tax administrator's duties or functions under ᐃᓄᓂ local revenue laws, the Act and this Law.

(3) In addition to any duties or functions ᐃᓄᓂ's local revenue law and the Act, the tax administrator is responsible for the following:

- (a) to manage local revenues and the local revenue account on a day-to-day basis;
- (b) to recommend to the Chief Operating officer the draft and amended budgets for the component of the annual budget respecting local revenues;
- (c) to recommend to the Chief Operating officer the local revenues components of the multi-year financial plan;
- (d) on request, to provide advice to the Chief Operating Officer, Director of Finance, Finance and Audit committee and the Council respecting local revenues matters;
- (e) to monitor compliance with the Act, ᐃᓄᓂ's local revenue laws and this Law in the administration of local revenues and the local revenue account; and
- (f) to perform any other duties of the tax administrator under this Law.

(4) With the approval of the Chief Operating Officer, the tax administrator may assign the performance of any of the duties or functions of the tax administrator under this Law to any officer, employee, contractor or representative agent of ᐃᓄᓂ, but this assignment does not relieve the tax administrator of the responsibility to ensure that these duties or functions are carried out properly.

#### **Organizational Structure**

**21.(1)** The Council must establish and maintain a current organization chart for the governance, management and administrative systems of ᐃᓄᓂ.

(2) The organization chart under subsection (1) must include the following information:

- (a) all governance, management and administrative systems of ᐃᓄᓂ;
- (b) the organization of the systems described in paragraph (a), including the linkages between them;
- (c) the specific roles and responsibilities of each level of the organization of the systems described in paragraph (a); and



(d) all governance, management and administrative positions at each level of the organization of the systems described in paragraph (a), including

(i) the membership on the Council, Finance and Audit Committee and all other committees of the Council and ᐃᓄᓂ,

(ii) the Chief Operating Officer, the Director of Finance, the tax administrator and other officers of ᐃᓄᓂ, and

(iii) the principal lines of authority and the responsibility between the Council, the committees referred to in subparagraph (i) and the officers referred to in subparagraph (ii).

(3) On request, the Chief Operating Officer must provide a copy of the organization chart under subsection (1) to a Councillor, a member of a committee referred to in subparagraph (2)(d)(i), an officer, employee or contractor or representative agent of ᐃᓄᓂ and a member of ᐃᓄᓂ.

(4) In the course of discharging his or her responsibilities under this Law, the Chief Operating Officer must recommend to the Council for approval and implementation human resource policies and procedures that facilitate effective internal financial administration controls.

(5) The Council must take all reasonable steps to ensure that ᐃᓄᓂ hires or retains qualified and competent personnel to carry out the financial administration activities of ᐃᓄᓂ.

### ***DIVISION 10 - Conduct Expectations***

#### **Conduct of Councillors**

**22.(1)** When exercising a power, duty or responsibility relating to the financial administration of ᐃᓄᓂ, a Councillor must

(a) comply with this Law, the Act, any other applicable ᐃᓄᓂ law and any applicable standards;

(b) act honestly, in good faith and in the best interests of ᐃᓄᓂ;

(c) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances; and

(d) avoid conflicts of interest and comply with the requirements of the Schedule: Avoiding and Mitigating Conflicts of Interest, including required annual disclosures of private interests.

(2) If it has been determined under this Law by independent investigation or by a court of competent jurisdiction that a Councillor has contravened this section, the Council must post a public notice of the details of the determination for a period of not less than thirty-one (31) days as soon as practicable after the contravention was determined.

(3) Council may, in accordance with ᐃᓄᓂ laws, take further disciplinary action against a Councillor who has contravened this section.

(4) The Council must make policies or procedures in respect of disciplinary action taken against a Councillor under this section by a Councillor.

(5) The Council must make policies or procedures in respect of the independent investigation of an alleged contravention of this section by a Councillor.

**Conduct of Officers, Employees, Contractors, etc.**

**23.(1)** This section applies to

- (a) an officer, employee, contractor and representative agent of ᐃᓄᓂ;
- (b) a person acting under the delegated authority of the Council or ᐃᓄᓂ; or
- (c) a member of a committee of the Council or ᐃᓄᓂ who is not a Councillor.

(2) If a person is exercising a power, duty or responsibility relating to the financial administration of ᐃᓄᓂ, that person must:

- (a) comply with this Law, the Act, any other applicable ᐃᓄᓂ law and any applicable standards;
- (b) comply with all policies, procedures and directions of the Council; and
- (c) avoid conflicts of interest and comply with any applicable requirements of the Schedule: Avoiding and Mitigating Conflicts of Interest, including required disclosure of potential conflicts of interest.

(3) The Council must incorporate the relevant provision of this section into

- (a) the terms of employment or appointment of every officer or employee of ᐃᓄᓂ;
- (b) the terms of every contract of a contractor of ᐃᓄᓂ;
- (c) the terms of appointment of every member of a committee who is not a Councillor; and
- (d) the terms of appointment of every representative agent of ᐃᓄᓂ.

(4) If a person contravenes subsection (2), the following actions may be taken:

- (a) an officer or employee may be disciplined, including dismissal;
- (b) a contractor's contract may be terminated;
- (c) the appointment of a member of a committee may be revoked; or
- (d) the appointment of a representative agent may be revoked.

## **PART VII - Financial Management**

### ***DIVISION 7 - Financial Plans and Annual Budgets***

#### **Fiscal Year**

**24.** The fiscal year of ?aqam is April 1 to March 31 of the following year.

#### **Multi-year Financial Plan**

**25.** No later than March 31<sup>st</sup> of each year, the Council must approve a multi-year financial plan that

- (a) has a planning period of five (5) years comprised of the current fiscal year and the four (4) succeeding fiscal years;
- (b) is based on the projections of revenues, expenditures and transfers between accounts;
- (c) sets out projected revenues, segregated by significant category;
- (d) sets out projected expenditures, segregated by significant category;
- (e) in respect of transfers between funds, the amounts required for capital purposes including from the tangible capital asset reserve account;
- (f) show all categories of restricted cash; and
- (g) indicates whether in any of the five (5) years of the plan a deficit or surplus is expected from the projection of revenues and expenditures for that year.

#### **Content of Annual Budget**

**26. (1)** The annual budget must encompass all the operations for which ?aqam is responsible and must identify

- (a) anticipated revenues, segregated by significant category, with estimates of the amount of revenue from each category;
- (b) anticipated expenditures, segregated by significant category, with estimates of the amount of expenditure for each category, and
- (c) any anticipated annual and accumulated surplus or annual and accumulated deficit and the application of year-end surplus.

(2) The revenue category of moneys derived from ?aqam's lands must be shown separately in the annual budget from other revenues and must include a sub-category for revenues from natural resources obtained from ?aqam's lands.

(3) In subsection (2), "natural resources" means any material on or under ?aqam's lands in their natural state which when extracted has economic value.

### **Budget and Planning Process Schedule**

27.(1) On or before March 15 of each year, the Director of Finance must prepare and submit to the Finance and Audit Committee for review a draft annual budget for the next fiscal year.

(2) On or before March 15 of each year, the Finance and Audit Committee must review

(a) the draft annual budget and recommend an annual budget to the Council for approval; and

(b) the draft multi-year financial plan and recommend a multi-year financial plan to the Council.

(3) On or before March 31 of each year, the Council must review and approve the annual budget for ḡaqam for the next fiscal year.

(4) On or before September 30 of each year, the Director of Finance must prepare and submit to the Finance and Audit Committee for review a draft amendment of the component of the annual budget respecting ḡaqam's local revenues.

(5) On or before September 30 of each year, the Finance and Audit Committee must review the draft amendment of the component of the annual budget respecting ḡaqam's local revenues and recommend an amendment to the annual budget to the Council for approval.

(6) No later than July 15 of each year, the Council must approve the amendment of the component of the annual budget respecting ḡaqam's local revenues.

### **Additional Requirements for Budget Deficits**

28. If a draft annual budget contains a proposed deficit, the Council must ensure that

(a) no portion of the proposed deficit originates in or related to local revenues

(b) the multi-year financial plan of ḡaqam demonstrates how and when this deficit will be addressed and how it will be serviced beginning the year following the year the deficit was incurred; and

(c) the deficit does not cause ḡaqam to default on existing financial and legal obligations.

### **Amendments to Annual Budgets**

29.(1) ḡaqam annual budget must not be changed without the approval of the Council.

(2) Subject to subsection 27(6) and section 39, unless there is a substantial change in the forecasted revenues or expenses of ḡaqam or in the expenditure priorities of the Council, the Council must not approve a change to the annual budget of ḡaqam.

### **Local Revenue Account Budget Requirements**

30. Despite any other provisions of this Law, any part of a budget relating to the local revenues must be prepared, approved and amended in accordance with applicable provisions of the Act and of the Commission standards.

### **Policy for Member Information or Involvement**

31.(1) ?aqam Council must establish policies or procedures respecting the means by which members of ?aqam must be informed about or involved in consideration of

- (a) the annual budget, including any component of the annual budget respecting ?aqam's local revenue account;
- (b) the multi-year financial plan; and
- (c) budget deficits or extraordinary expenditures.

(2) The Council must post a public notice of each Council meeting when each of the following is presented for approval:

- (a) the multi-year financial plan;
- (b) the annual budget; and
- (c) an amendment to the annual budget.

(3) ?aqamnik may attend any Council meeting.

### ***DIVISION 8 - Financial Institution Accounts***

#### **Financial Institution Accounts**

32.(1) No account may be opened for the receipt and deposit of money of ?aqam unless the account is

- (a) in the name of ?aqam;
- (b) opened in a financial institution; and
- (c) authorized by the Chief Operating Officer or the Director of Finance.

(2) ?aqam must establish the following accounts in a financial institution:

- (a) a general account for money from any sources other than those described in paragraph (b); and
- (b) a local revenue account for money from local revenues.

(3) a trust account if ?aqam has money held in trust. ?aqam may establish any other accounts not referred to in subsection (2) as may be necessary and appropriate to manage ?aqam's financial assets.

#### **Accounts Management**

33.(1) The Director of Finance must ensure the safekeeping of all money received by ?aqam.

(2) The Director of Finance

(a) must deposit all money received by ʔaᓄam as soon as practicable into the appropriate accounts described in section 32; and

(b) must not authorize payment of money from an account described in section 32 unless the payment relates to the subject matter for which the account was established and is otherwise authorized or permitted under this Law.

### ***DIVISION 9 - Expenditures***

#### **Prohibited Expenditures**

34.(1) Money or financial assets in a trust account must not be used for a purpose other than that permitted under the terms of the trust.

(2) Money in a local revenue account must not be used for any purpose other than that permitted under a local revenue law.

(3) Money in a tangible capital asset reserve account must not be used for any purpose other than that described in Part V.

#### **Prohibited Agreements**

35. ʔaᓄam must not enter into an agreement or undertaking that requires ʔaᓄam to expend money that is not authorized by or that contravenes this Law, a local revenue law or Act.

#### **Payments from Accounts**

36.(1) Subject to subsection 39(1), money must not be paid out of any account unless the expenditure is authorized under an appropriation.

(2) Subsection (1) does not apply to expenditures from a trust account where the expenditure is authorized under the terms of the trust.

(3) Council must establish policies and procedures for the authorization of payments from accounts.

#### **No Expenditure without Appropriation**

37.(1) Subject to subsection 39(1), money must not be paid out of any account unless the expenditure is authorized under an appropriation.

(2) Subsection (1) does not apply to expenditures from a trust account where the expenditure is authorized under the terms of the trust.

#### **Emergency Expenditures**

38.(1) The Chief Operating Officer may approve an expenditure for an emergency purpose that was not anticipated in the budget if the expenditure is not expressly prohibited by or under this Law or another ʔaᓄam law.

(2) ʔaqam Council must establish policies and procedures to authorize expenditures under subsection (1).

(3) The expenditure under subsection (1) must be reported to the Council as soon as practicable and the Council must amend the budget to include the expenditure.

(4) Subsection (1) does not give the Chief Operating Officer the authority to borrow for the purpose of making an expenditure for an emergency purpose.

(5) For clarity, this section does not authorize an expenditure of local revenues.

### **Appropriations**

**39.(1)** An amount that is appropriated in a budget must not be expended for any purpose other than that described in the appropriation.

(2) The total amount expended by ʔaqam in relation to an appropriation must not exceed the amount specified in the budget for ʔaqam for that appropriation.

(3) Every person who is responsible for managing an appropriation must establish and maintain a current record of commitments chargeable to that appropriation.

### **Payments after Fiscal Year-end**

**40.(1)** Money appropriated in a budget for a fiscal year must not be expended after the end of the fiscal year except to discharge a liability incurred in that fiscal year.

(2) If the liabilities for an appropriation under subsection (1) exceed the unexpended balance of the appropriation at the end of the fiscal year, the excess must be

(a) charged against a suitable appropriation for the following fiscal year; and

(b) reported in the financial statements for the fiscal year in which the liability was incurred.

### **Requisitions for Payment**

**41.(1)** No money may be paid out of any account without a requisition for payment as required under this section.

(2) No requisition may be made or given for a payment of money unless it is a lawful charge against an appropriation or an authorized use of money in a trust.

(3) No requisition may be made or given for payment of money that results in expenditures from a trust account in excess of the unexpended balance of the trust account.

(4) No requisition may be made or given for payment of money that reduces the balance available in an appropriation or trust account so that it is not sufficient to meet the commitments chargeable against it.

(5) A requisition may apply to one or more expenditures chargeable against one or more appropriations.

(6) A requisition must identify the appropriation or trust account out of which payment is to be made and must include a statement certifying that the expenditure is not prohibited under this section and that it is

(a) in accordance with the appropriation identified in the certified statement; or

(b) allowed without the authority of an appropriation under this Law.

(7) If a requisition is for the payment of performance of work or services or the supply of goods, the requisition must include a statement certifying that

(a) the work or services have been performed or the goods supplied, any conditions in an agreement respecting the work, services or goods have been met and the price charged or amount to be paid is in accordance with an agreement or, if not specified by agreement, is reasonable; or

(b) if payment is to be made before completion of the work or services, delivery of the goods or satisfaction of any conditions in an agreement, the payment is in accordance with the agreement.

(8) The Chief Operating Officer and/or the Director of Finance must authorize payment out of, or sign a requisition for payment from, a trust account pursuant to their level of authorization as set by Council from time to time.

(9) The tax administrator must authorize payment out of a local revenue account.

(10) Subject to subsection (9), the Chief Operating Officer or Director of Finance may authorize a payment out of, or sign a requisition for payment from, any appropriation.

(11) Subject to subsections (8) and (9), a person who is responsible for managing an appropriation may authorize payment out of, or sign a requisition for payment from, the appropriation pursuant to their level of authorization as set by Council from time to time.

#### **Form of Payment**

42.(1) Payments by ʔaqam may be made by credit card, cheque, draft, electronic transfer or other similar instrument.

(2) The Council must establish policies and procedures for the authorization of payments by credit card, cheque, draft, electronic transfer or other similar instrument.

### ***DIVISION 10 - General Matters***

#### **Advances**

43.(1) The Chief Operating Officer or Director of Finance may approve an advance to prepay expenses that are chargeable against an appropriation in the current fiscal year or an appropriation in the next fiscal year.



(2) The Tax Administrator may approve an advance to prepay expenses that are chargeable against an appropriation from the local revenue account in the current fiscal year or an appropriation from that account in the next fiscal year.

#### **Holdbacks**

44. If ṭaqam withholds an amount payable under an agreement, the payment of the amount withheld must be charged to the liability created through initial payments. This liability is recognized and appropriations made in the respective fiscal year of the agreed appropriations.

#### **Deposit Money**

45. (1) Money received by ṭaqam as a deposit to ensure the doing of any act or thing must be held and disposed of in accordance with:

- (a) the agreement under which the deposit has been paid; and
- (b) in the absence of any provision respecting that matter, any policy or directions of Council.

(2) The Council must make policies or procedures or give directions in respect of the disposition of deposit money referred to in subsection (1).

#### **Interest**

46. (1) All interest earned on the accounts described in subsection 32(2), other than a trust account, local revenue account, must be deposited in the general account referred to in paragraph 32(2)(a).

(2) All interest earned on

- (a) a trust account must be retained in that account; and
- (b) the local revenue account must be retained in that account.

(3) Subject to the *Interest Act*, ṭaqam may charge interest at a rate set from time to time by Council on any debts or payments owed to ṭaqam that are overdue.

#### **Refunds**

47. (1) Money received by ṭaqam that is paid or collected in error or for a purpose that is not fulfilled may be refunded in full or in part as circumstances require.

(2) Council must establish policies and procedures respecting the refund of money under subsection (1).

#### **Write Off of Debts**

48. All or part of a debt or obligation owed to ṭaqam may be written off

- (a) as recommended by the Finance and Audit Committee;

- (b) if approved by Council;
- (c) if appropriate allowance has been set aside to cover written off amounts; or
- (d) if done under the authority of a policy or direction of Council.

#### **Extinguishment of Debts**

**49.** All or part of a debt or obligation owed to ?aqam may be forgiven

- (a) only if approved by Council;
- (b) only if done under the authority of a policy or direction of Council; and
- (c) if the debtor is deceased and there is insufficient funds available from their estate.

#### **Year-end Surplus**

**50.** (1) Subject to subsection (2), an operating surplus at the end of the fiscal year must be paid into the general account described in paragraph 32(2)(a).

(2) An operating surplus in the local revenue account at the end of the fiscal year must be retained in that account, must not be comingled with other ?aqam funds and must not be used for purposes not authorized in a local revenue law.

### ***DIVISION 11 - Borrowing***

#### **Limitations on Borrowing**

**51.(1)** Except as specifically authorized in this Law or in a local revenue law, ?aqam must not borrow money or grant security.

(2) Subject to this Law, if ?aqam is authorized in this Law to borrow money or grant security, the Council may authorize the Director of Finance to borrow money or grant security in the name of ?aqam

- (a) as specifically approved by the Council; or
  - (b) in accordance with the policies and procedures made by the Council.
- (3) Proceeds of borrowing must only be used for the intended purpose of the borrowing.
- (4) There must be a secured funding source to service the debt.

#### **Borrowing for Ordinary Operations**

**52.(1)** ?aqam may incur trade accounts or other current liabilities payable within normal terms of trade for expenditures provided for in the budget for the fiscal year if the debt will be repaid from money appropriated under an appropriation for the fiscal year or is in respect of an expenditure that may be made without the authority of an appropriation under this Law.

(2) ?aqam may enter into agreements with financial institutions for overdrafts or lines of credit and, for the purpose of securing any overdrafts or lines of credit, may grant security to the financial institution in a form, amount and on terms and conditions that the Council approves.

(3) ?aqam may enter into a general security agreement or a lease for the use or acquisition of lands, materials or equipment required for the operation, management or administration of ?aqam.

#### **Financial Agreements**

53.(1) ?aqam may enter into the following agreements in the name of ?aqam:

(a) for the purpose of efficient management of ?aqam's financial assets, agreements with financial institutions and related services agreements; and

(b) for the purpose of reducing risks or maximizing benefits in relation to the borrowing, lending or investing of ?aqam's financial assets, agreements with financial institutions respecting currency exchange, spot and future currency, interest rate exchange and future interest rates.

(2) Council, Chief Operating Officer or Director of Finance may enter into any agreements referred to in subsection (1) on behalf of ?aqam.

#### **Borrowing for Authorized Expenditures**

54.(1) If the general account described in paragraph 32(2)(a) is not sufficient to meet the expenditures authorized to be made from it and the Director of Finance recommends that money be borrowed to ensure that the general account is sufficient for these purposes, ?aqam may borrow an amount not exceeding a maximum amount specified by the Council and to be repaid within a specified period of time.

(2) Despite the repayment terms specified in subsection (1), if the money borrowed under subsection (1) is no longer required for the purpose for which it was borrowed, the money must be repaid as soon as possible.

#### **Borrowing Member Requirements**

55.(1) This section applies if ?aqam is a borrowing member.

(2) If ?aqam has obtained long-term financing secured by property taxes from the First Nations Finance Authority, ?aqam must not subsequently obtain long-term financing secured by property tax revenues from any other person.

(3) ?aqam may only obtain long-term financing referred to in subsection (2) as permitted under its local revenue law and the Act.

(4) Money borrowed under subsection (2) may only be used for the purposes permitted under the Act.

(5) Money borrowed by ?aqam from the First Nations Finance Authority that is secured by other revenues may only be used for the purposes set out in section 4 of the *Financing Secured by Other Revenues Regulations* made under the Act.

### **Borrowing for New Capital Projects**

56.(1) Council must establish policies or procedures respecting the means by which members of ᐱᓄᓂ must be informed about or involved in consideration of borrowing for new capital projects described in subsection 93(2).

(2) The Council must post a public notice of each Council meeting when borrowing for new capital projects described in subsection 93(2) is presented for approval.

(3) Borrowing for new capital projects and infrastructure must be repaid within the reasonable life expectancy of the capital project, work or service for which the money was borrowed.

### **Borrowing for Repayment of Debts**

57. Subject to this Law and a local revenue law, ᐱᓄᓂ may borrow money that is required for the repayment or refinancing of any debt of ᐱᓄᓂ, other than a debt in relation to money borrowed under subsection 53(1), or a debt owed to the First Nations Finance Authority.

### **Use of Borrowed Money**

58.(1) Subject to this section and any local revenue law, money borrowed by ᐱᓄᓂ for a specific purpose must not be used for any other purpose.

(2) All or some of the money borrowed for a specific purpose by ᐱᓄᓂ and not required to be used immediately for that purpose may be temporarily invested under subsection 66(1) until required for that purpose.

(3) If some of the money borrowed for a specific purpose is no longer required for that purpose, that money must be applied to repay the debt from the borrowing.

### **Execution of Security Documents**

59.(1) Subject to subsection (2), a security granted by ᐱᓄᓂ must be signed by a Councillor designated by the Council and by the Chief Operating Officer or the Director of Finance.

(2) A security granted by ᐱᓄᓂ in respect of local revenues must be signed by a Councillor designated by the Council and by the tax administrator.

### **Operational Controls**

60. Council must establish policies or procedures respecting the establishment and implementation of an effective system of internal controls that ensures the orderly and efficient conduct of ᐱᓄᓂ'ᓄ operations.

## ***DIVISION 12 - Risk Management***

### **Limitation on Business Activity**

61.(1) Subject to subsections (2) and (3), ᐱᓄᓂ must not

- (a) carry on business as a proprietor;
  - (b) acquire an interest in a partnership as a general partner; or
  - (c) act as a trustee respecting property used for, or held in the course of, carrying on a business.
- (2) ?a?am may carry on a business that
- (a) is ancillary or incidental to the provision of programs or services or other functions of ?a?am governance; or
  - (b) derives income from the granting of a lease or license of or is in respect of
    - (i) an interest in, or natural resources on or under, ?a?am's lands or lands owned in fee simple by or in trust for ?a?am, or
    - (ii) any other property of ?a?am.
- (3) ?a?am may carry on business activities for the primary purpose of profit if Council determines that the business activities
- (a) do not result in a material liability for ?a?am; or
  - (b) do not otherwise expose ?a?am's financial assets, property or resources to significant risk.

**Guarantees and Indemnities**

62.(1) ?a?am must not give a guarantee unless the Council has considered the report of the Director of Finance under subsection (2).

(2) Before the Council authorizes a guarantee under subsection (1), the Director of Finance must prepare a report for the Committee to review and provide to Council identifying any risks associated with giving the guarantee and assessing the ability of ?a?am to honour the guarantee should it be required to do so.

- (3) ?a?am must not give an indemnity unless it is
- (a) authorized under section 104;
  - (b) necessary and incidental to and included in another agreement to which ?a?am is a party; or
  - (c) in relation to a security granted by ?a?am that is authorized under this Law or another ?a?am law.

(4) Subject to a resolution described in section 104, Council must make policies and directions respecting guarantees and indemnities as follows:

- (a) specifying circumstances under which an indemnity may be given without Council approval;

- (b) designating the persons who may give an indemnity on behalf of ᐱᓐᓇᓄᓐ and specifying the maximum amount of any indemnity which may be given by them;
- (c) specifying any terms or conditions under which a guarantee or indemnity may be given; and
- (d) specifying the records to be maintained of all guarantees and indemnities given by ᐱᓐᓇᓄᓐ.

**Authority to Invest**

63.(1) Except as specifically authorized in this Law or another ᐱᓐᓇᓄᓐ law, ᐱᓐᓇᓄᓐ must not invest ᐱᓐᓇᓄᓐ's financial assets.

(2) If ᐱᓐᓇᓄᓐ is authorized in this Law to invest ᐱᓐᓇᓄᓐ's financial assets, the Council may authorize the Director of Finance to invest ᐱᓐᓇᓄᓐ's financial assets

- (a) as specifically approved by the Council; or
- (b) in accordance with the policies, procedures or directions made by the Council.

**Approved Investments**

64.(1) Money in an account described in section 32 that is not immediately required for expenditures may be invested by ᐱᓐᓇᓄᓐ in one or more of the following:

- (a) securities issued or guaranteed by Canada, a province or the United States of America;
- (b) fixed deposits, notes, certificates and other short-term paper of, or guaranteed by, a financial institution, including swaps in United States of America currency;
- (c) securities issued by the First Nations Finance Authority or by a local, municipal or regional government in Canada;
- (d) commercial paper issued by a Canadian company that is rated in the highest category by at least two (2) recognized security-rating institutions;
- (e) any class of investments permitted under an Act of a province relating to trustees; or
- (f) any other investments or class of investments prescribed by a regulation under the Act.

(2) Subject to the terms of the trust, money held in trust that is not immediately required for expenditures may be invested by ᐱᓐᓇᓄᓐ as permitted under the terms of the trust or under the laws of the jurisdiction in which the majority of ᐱᓐᓇᓄᓐ's lands are located.

(3) If ᐱᓐᓇᓄᓐ has established an investment account under section 32, ᐱᓐᓇᓄᓐ may invest money in that account in

- (a) a company that is incorporated under the laws of Canada or of a province or territory and in which ᐱᓐᓇᓄᓐ is a shareholder;
- (b) a trust in which ᐱᓐᓇᓄᓐ is a beneficiary; or

(c) a limited partnership in which ᐱᐱᐱ is a partner.

(4) Despite any other provision in this section, government transfer funds and local revenue funds and other revenues may only be invested by ᐱᐱᐱ in investments specified in subsection 82(3)(a), (b), (c), or (d) of the Act and in investments in securities issued by the First Nations Finance Authority.

#### **Loans for ᐱᐱᐱ Activities**

65.(1) ᐱᐱᐱ may only make a loan to a member of ᐱᐱᐱ or to an entity in which a member of ᐱᐱᐱ has an interest if the loan is made from a program of ᐱᐱᐱ that has been approved by the Council and that meets the requirements of this section.

(2) Before the Council establishes a program under this section, the Director of Finance must prepare a report for Council identifying any risks associated with the program and the costs of administering the program.

(3) A program referred to in subsection (1) must, subject to provincial and federal privacy laws, satisfy the following criteria:

(a) the program must be universally available to all members of ᐱᐱᐱ;

(b) the terms and conditions of the program must be published and accessible to all members of ᐱᐱᐱ;

(c) all loans made from the program and all payments received from those loans must be set out in an annual report that includes details about the amounts loaned, the purposes of the loans, the names of those receiving a loan and repayments of principal and interest on loans; and

(d) all loans must be recorded in a written agreement that provides for proper security for repayment and sets out the terms for repayment of principal and interest.

(4) The Council must make policies or procedures or give directions for the operation of the program referred to in this section.

#### **Administration of Investments and Loans**

66.(1) If ᐱᐱᐱ is authorized to make an investment or loan under this Law, the Director of Finance may do all things necessary or advisable for the purpose of making, continuing, exchanging or disposing of the investment or loan.

(2) If ᐱᐱᐱ is authorized to make a loan under this Law, the Council must establish policies or procedures respecting the terms and conditions under which loans may be made, including a requirement that all loans be recorded in a written agreement that provides for proper security for repayment and sets out the terms for repayment of principal and interest.

#### **Risk Assessment and Management**

67.(1) Annually, and more often if necessary, ᐱᐱᐱ must identify and assess any significant risks to ᐱᐱᐱ's financial assets, ᐱᐱᐱ's tangible capital assets as defined in Part V and the operations of ᐱᐱᐱ.

(2) Annually, and more often if necessary, the Chief Operating Officer must report to the Finance and Audit Committee on proposed plans to mitigate the risks identified in subsection (1) or, where appropriate, to manage or transfer those risks by agreement with others or by purchasing insurance.

#### **Insurance**

**68.** (1) On recommendation of the Finance and Audit Committee, the Council must procure and maintain in force all insurance coverage that is appropriate and commensurate with the risks identified in section 64 and any other risks associated with any assets, property or resources under the care or control of ?aqam.

(2) On the recommendation of the Finance and Audit Committee, the Council must purchase and maintain insurance for the benefit of a Councillor or an officer or their personal representatives against any liability arising from that person being or having been a Councillor or an officer.

#### **Fraud Risk**

**69.**(1) In this section:

“fraudulent financial reporting” means an intentional act in financial reporting that is designed to deceive users of financial reports and that may result in a material omission from or misstatement of financial reports;

“fraudulent non-financial reporting” means an intentional act in non-financial reporting that is designed to deceive users of non-financial reports; and

“misappropriation of assets” means the theft of ?aqam assets in circumstances where the theft may result in a material omission or misstatement in financial reports.

(2) Council must establish procedures for the identification and assessment of the following types of potential fraud in ?aqam:

- (a) fraudulent financial reporting;
- (b) fraudulent non-financial reporting;
- (c) misappropriation of assets; and
- (d) corruption and illegal acts.

### ***DIVISION 13 - Financial Reporting***

#### **GAAP**

**70.** All accounting practices of ?aqam must comply with GAAP.

#### **Separate Accounting**

**71.** (1) The Director of Finance must account for local revenues of ?aqam separately from other moneys of ?aqam.



(2) If ʔaǰam has a loan from the First Nations Finance Authority that is secured by other revenues, the Director of Finance must

- (a) account for all other revenues of ʔaǰam separately from other moneys of ʔaǰam; and
- (b) provide the First Nations Finance Authority or the Board, on its request, with accounting information respecting the other revenues.

#### **Monthly Financial Information**

**72.(1)** The Director of Finance must prepare and provide, each month, financial information in respect of ʔaǰam and departmental financial affairs to the Councillors and the Finance and Audit Committee.

(2) The Chief Operating Officer and/or Director of Finance must provide any significant risks associated to ʔaǰam financial affairs to the Finance and Audit Committee and/or Council when outside of the quarterly review cycle.

#### **Quarterly Financial Statements**

**73.(1)** At the end of each quarter of the fiscal year the Director of Finance must prepare financial statements for ʔaǰam for that quarter in compliance with GAAP.

(2) The Director of Finance must provide the quarterly financial statements in subsection (1) to the Finance and Audit Committee not more than forty-five (45) days after the end of the quarter of the fiscal year for which they were prepared.

(3) Director of Finance will present quarterly Financial Statements at the next scheduled Council meeting.

(4) The quarterly financial statements in subsection (1) must be reviewed by the Finance and Audit Committee and must be approved by Council.

#### **Annual Financial Statements**

**74.(1)** At the end of each fiscal year the Director of Finance must prepare the annual financial statements of ʔaǰam for that fiscal year in accordance with GAAP and to a standard that is at least comparable to that generally accepted for governments in Canada.

(2) The annual financial statements must include the following information:

- (a) the financial information of ʔaǰam for the fiscal year;
- (b) the financial information for the local revenue account that is required to meet the Board standards respecting audit of the local revenue account; and
- (c) the revenue categories for ʔaǰam's lands referred to in subsection 26(2).

(3) The annual financial statements must include the following special purpose reports:

- (a) a report setting out all payments made to honour guarantees and indemnities for that fiscal year;
- (b) a report setting out the information required in section 10;
- (c) a report setting out the information required in paragraph 67(3)(c);
- (d) a report setting out all debts or obligations forgiven by ?aqam;
- (e) a report setting out moneys of ?aqam derived from ?aqam land code activities, categorized and shown separately from other revenues and that includes a sub-category respecting revenues from natural resources obtained from ?aqam lands; and
- (f) any other report required under the Act or an agreement.

(4) The Director of Finance must provide draft annual financial statements to the Finance and Audit Committee for review within seventy-five (75) days following the end of the fiscal year for which they were prepared.

(5) Audited annual financial statements are to be presented to Council for review within ninety (90) days following the end of the fiscal year for which they were prepared.

#### **Local Revenues Annual Financial Statements**

**75.(1)** The Director of Finance must prepare separate annual financial statements respecting ?aqam's local revenues in accordance with Board standards respecting financial reporting of local revenues.

(2) The council must establish policies and procedures respecting the annual preparation, review, audit and approval of the annual financial statements referred to in subsection (1) including any required deadlines for completing these activities.

(3) The policies and procedures referred to in subsection (2) must be consistent with any requirements of the Board standards respecting financial reporting of local revenues.

(4) The provisions of this Law, including this section, respecting separate annual financial statements for local revenues do not apply if Board standards respecting financial reporting of local revenues permit ?aqam to report on its local revenues in its audited annual financial statements as a distinct segment of the activities that appear in those statements and ?aqam chooses to report on its local revenues in that manner.

#### **Audit Requirements**

**76.(1)** The annual financial statements of ?aqam referred to in subsection 74 must be audited by the auditor not more than one hundred and twenty (120) days after the fiscal-year end.

(2) The separate annual financial statements respecting local revenues referred to in subsection 75 must be audited by the auditor at least once every calendar year.

(3) The auditor must conduct the audit of the annual financial statements in accordance with generally accepted auditing standards established by the Canadian Institute of Chartered Accountants.

(4) The auditor must conduct that part of the annual financial statements respecting the local revenue account in accordance with Board standards for the audit of local revenue accounts and must report on that account separately from other accounts.

(5) When conducting the audit, the auditor must provide

(a) an audit opinion of the annual financial statements; and

(b) an audit opinion or review engagement report on the special purpose reports referred to in section 74.

#### **Appointment of Auditor**

77.(1) ?aqam must appoint an auditor for each fiscal year to hold office until the later of

(a) the end of the Council meeting when the audited annual financial statements for that fiscal year are being considered; or

(b) the date the auditor's successor is appointed.

(2) The terms and conditions of the appointment of the auditor must be set out in an engagement letter approved by the Finance and Audit Committee and must include the auditor's obligation

(a) to confirm in writing that the annual financial statements and the audit of them comply with this Law, the Act, and Board standards, where applicable, or

(b) to identify in writing consequential non-compliance matters.

(3) To be eligible for appointment as the auditor of ?aqam, an auditor must

(a) be independent of ?aqam, its related bodies, Councillors and officers and members; and

(b) be a public accounting firm or public accountant

(i) in good standing with the Canadian Institute of Chartered Accountants, the Certified General Accountants Association of Canada or the Society of Management Accountants of Canada and their respective counterparts in the province or territory in which the public accounting firm or public accountant is practicing; and

(ii) licensed or otherwise authorized to practice public accounting in the province or territory in which the majority of the reserve lands of ?aqam are located.

(4) If the auditor ceases to be independent, the auditor must as soon as practicable after becoming aware of the circumstances

(a) advise ?aqam in writing of the circumstances; and

(b) eliminate the circumstances that resulted in loss of independence or resign as the auditor.

### **Auditor's Authority**

78.(1) To conduct an audit of the annual financial statements of ʔaḳam, the auditor must be given access to

- (a) all records of ʔaḳam for examination or inspection and given copies of these records on request; and
- (b) any Councillor, officer, employee, contractor or representative agent of ʔaḳam to ask any questions or request any information.

(2) On request of the auditor, every person referred to in paragraph (1)(b) must

- (a) make available all records referred to in paragraph (1)(a) that are in that person's care or control; and
- (b) provide the auditor with full information and explanation about the affairs of ʔaḳam as necessary for the performance of the auditor's duties.

(3) The auditor must be given notice of

- (a) every meeting of the Finance and Audit Committee; and
- (b) the Council meeting where the annual audit, including the annual financial statements, will be considered and approved.

(4) Subject to subsection (6), the auditor may attend any meeting for which he or she must be given notice under this section or to which the auditor has been invited and must be given the opportunity to be heard at those meetings on issues that concern the auditor as auditor of ʔaḳam.

(5) The auditor may communicate with the Finance and Audit Committee, as the auditor considers appropriate, to discuss any subject that the auditor recommends be considered by the Committee.

(6) The auditor may be excluded from all or any part of a meeting of the Finance and Audit Committee or Council by a recorded vote if the subject matter relates to the retaining or dismissal of the auditor.

(7) If the auditor may attend or call a meeting of the Finance and Audit Committee or a Council meeting, he or she may do so by telephone or by other communications medium if all the participants in the meeting are able to communicate with each other.

### **Review of Audited Annual Financial Statements**

79.(1) The audited annual financial statements must be provided to the Finance and Audit Committee and/or Council for its review and consideration not more than one hundred and five (105) days after the fiscal year-end for which the statements were prepared.

(2) The Council must review and approve the audited annual financial statements not more than one hundred and twenty (120) days after the fiscal year-end for which the statements were prepared.

### Access to Annual Financial Statements

80.(1) Before the annual financial statements referred to in section 74 and section 75 may be published or distributed, they must

- (a) be approved by quorum of Council;
- (b) be signed by
  - (i) Nasu?kin (Chief ?aqam, and
  - (ii) Chair of the Finance and Audit Committee;
  - (iii) Director of Finance; and
- (c) include the auditor's audit report of the annual financial statements and the auditor's audit opinion or review comments of the special purpose reports referred to in subsection 74(3).

(2) Council must provide members of ?aqam and any person referred to in subsection 14(2) of the Act with access to the audited annual financial statements, including financial statements respecting local revenues, and special purpose reports, or statements with distinct segmentation.

### Annual Report

81.(1) Not later than one hundred and eighty (180) days after the end of each fiscal year, the Council must prepare an annual report on the operations and financial performance of ?aqam and related bodies for the previous fiscal year.

(2) The annual report referred to in subsection (1) must include the following:

- (a) a description of the services and operations of ?aqam;
- (b) a progress report on any established financial objectives and performance measures of ?aqam; and
- (c) the full audited annual financial statements referred to in section 74 for the previous fiscal year, and
- (d) any special purpose reports referred to in subsection 74(3), including the auditor's report or review engagement report, as applicable.

(3) The Chief Operating Officer must provide the annual report referred to in subsection (1)

- (a) to a member of ?aqam as soon as practicable after a request is made by the member;
- (b) to the Board as soon as practicable after the report's publication, if ?aqam has a certificate issued by the Board under subsection 50(3) of the Act; and
- (c) to the First Nations Finance Authority as soon as practicable after the report's publication, if ?aqam is a borrowing member.

(4) The Council must establish policies or procedures respecting, or give directions respecting, an accessible process and remedy available to ᐱᐱᐱ members who have requested but have not been provided with the annual report of ᐱᐱᐱ including requiring

(a) the maintenance of a register for the annual report that identifies all members who have requested a copy of the annual report, the date each request was received and the date the annual report was provided to the member; and

(b) the Chief Operating Officer to report quarterly to the Finance and Audit Committee on the steps taken if there are non compliance issues to ensure compliance with subsection (3) and council policy made under this subsection.

### ***DIVISION 14 - Information and Information Technology***

#### **Ownership of Records**

**82.(1)** All records that are produced by or on behalf of ᐱᐱᐱ or kept, used or received by any person on behalf of ᐱᐱᐱ are the property of ᐱᐱᐱ.

(2) Council must establish policies or procedures to ensure that the records referred to in subsection (1) remain the property of ᐱᐱᐱ.

#### **Policy and Law Manual**

**83.(1)** The Chief Operating Officer must prepare and maintain a current policy and law manual respecting every policy and law related to ᐱᐱᐱ's administrative systems, including any financial administration systems referred to in this Law.

(2) The policy and law manual under subsection (1) must be made available to Councillors, members of the Finance and Audit Committee and all other Council committees and officers and employees of ᐱᐱᐱ.

(3) If any part of the policy and law manual under subsection (1) is relevant to the services being provided by a contractor or representative agent of ᐱᐱᐱ, that part of the policy and law manual must be made available to the contractor or representative agent.

#### **Record Keeping and Maintenance**

**84.(1)** The Chief Operating Officer must ensure that ᐱᐱᐱ prepares, maintains, stores and keeps secure all of ᐱᐱᐱ's records that are required under this Law or any other applicable law.

(2) ᐱᐱᐱ's records may not be destroyed or disposed of except as permitted and in accordance with the policies, procedures or directions of the Council.

(3) All financial records of ᐱᐱᐱ must be stored for at least seven (7) years after they were created.

(4) The Council must establish policies and procedures or give directions respecting access of any persons to ᐱᐱᐱ's records.

### **Local Revenue Account Records**

85. (1) The tax administrator must prepare, maintain, store and keep secure a complete set of all records respecting the local revenue system of ᐱᐱᐱ, including all records referred to in section 5 of the *Revenue Management Implementation Regulations*.

(2) If ᐱᐱᐱ has a loan from the First Nations Finance Authority that is secured by other revenues, the Director of Finance must prepare, maintain, store and keep secure a complete set of all records respecting other revenues of ᐱᐱᐱ, including all records referred to in section 5 of the *Revenue Management Implementation Regulations* as amended by the *Financing Secured by Other Revenues Regulations*.

### **Confidentiality of Information**

86. (1) No person may be given access to ᐱᐱᐱ'ᐱ records containing confidential information except in compliance with applicable policies and procedures of Council.

(2) All persons who have access to ᐱᐱᐱ'ᐱ records must comply with all policies, procedures or directions of Council respecting the confidentiality, control use, copying or release of that record or information contained in those records.

### **Information Technology**

87. The Council must establish policies or procedures respecting information technology used by ᐱᐱᐱ in its operations to ensure the integrity of ᐱᐱᐱ'ᐱ financial administration system and its database.

## **PART VIII - Capital Projects**

### **Definitions**

88. In this Part:

“capital project” means the construction, rehabilitation or replacement of ᐱᐱᐱ'ᐱ tangible capital assets and any other major capital projects in which ᐱᐱᐱ or its related bodies are investors;

“ᐱᐱᐱ'ᐱ tangible capital assets” means all non-financial assets of ᐱᐱᐱ having physical substance that

- (a) have a current value or grouped value of over ten thousand dollars (\$10,000),
- (b) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets,
- (c) have useful economic lives extending beyond an accounting period,
- (d) are to be used on a continuing basis, and
- (e) are not for sale in the ordinary course of operations;

“life-cycle management program” means the program of inspection, review and planning for management of ᐃᓐᓇᓄᓐ’s tangible capital assets as described in section 92;

“rehabilitation” includes alteration, extension and renovation but does not include routine maintenance;

“replacement” includes substitution, in whole or in part, with another of ᐃᓐᓇᓄᓐ’s tangible capital assets.

#### **Council General Duties**

**89.** Council must take reasonable steps to ensure that

- (a) prior to approval of a capital project, a forecast is prepared for estimating annual operations, maintenance and replacement costs;
- (b) ᐃᓐᓇᓄᓐ’s tangible capital assets are maintained in a good and safe condition and to the same standard as a prudent owner of those assets;
- (c) the rehabilitation or replacement of ᐃᓐᓇᓄᓐ’s tangible capital assets is in accordance with a life-cycle management program described in this Part; and
- (d) capital projects for the construction of buildings or other improvements are financed, planned and constructed in accordance with procedures and to standards that generally apply to the financing, planning and construction of public buildings and other improvements of organized communities in the region in which the majority of ᐃᓐᓇᓄᓐ’s lands are located.

#### **Tangible Capital Assets Reserve Fund**

**90.** Council must establish a tangible capital asset reserve fund for the purpose of funding expenditures for capital projects carried out under this Part.

#### **Reports on Capital projects Projects**

**91.** At each Finance and Audit Committee meeting, the Chief Operating Officer or Director of Finance, or both, must report on the following subjects:

- (a) year to date borrowings, loans and payments in respect of each capital project;
- (b) the status of a capital project, including
  - (i) a comparison of expenditures to date with the project budget,
  - (ii) a detailed description of any identified legal, financial, technical, scheduling or other problems, and
  - (iii) the manner in which a problem identified in subparagraph (ii) has been or will be addressed; and
- (c) steps taken to ensure compliance with section 94 for every capital project.



## Life-cycle Management Program

92.(1) The Director of Finance must establish and keep current a register of all ṭaqam's tangible capital assets that identifies each of these assets and includes the following information:

- (a) location and purpose of the asset;
- (b) ownership and restrictions over ownership of the asset;
- (c) year of acquisition;
- (d) last inspection date of the asset;
- (e) expected life of the asset at the time of acquisition;
- (f) assessment of condition of the asset and its remaining useful life;
- (g) estimated residual value of the asset;
- (h) insurance coverage for the asset; and
- (i) any other information required by the Council.

(2) On or before March 31st of each year, the Director of Finance, in conjunction with Director of Operations, must arrange for the inspection and review of the state of each of ṭaqam's tangible capital assets to establish or update information respecting the following matters:

- (a) its present use;
- (b) its condition and state of repair;
- (c) its suitability for its present use;
- (d) its estimated remaining life;
- (e) its estimated replacement cost;
- (f) estimated dates and costs of its required future rehabilitation;
- (g) a comparison of annual operating and maintenance costs, other than rehabilitation costs, for the last five (5) fiscal years;
- (h) maintenance records for all periods up to the date of inspection; and
- (i) property and liability insurance covering the capital asset and its use or operation.

(3) On or before March 31st of each year, the Director of Finance must prepare the following:

- (a) a schedule of annual routine maintenance, other than rehabilitation, for each of ṭaqam's tangible capital assets for the next fiscal year;

- (b) five (5), ten (10) and twenty-five (25) year forecasts of the estimated cost for rehabilitation or replacement of Ṣaqam's tangible capital assets;
- (c) the proposed budget for rehabilitation or disposal of Ṣaqam's tangible capital assets for the next fiscal year, setting out
  - (i) each proposed rehabilitation or disposal project and its schedule,
  - (ii) the estimated cost, including contingencies, of each proposed rehabilitation project, and
  - (iii) the estimated amounts and timing of money that is required to carry out each proposed rehabilitation or disposal project; and
- (d) the proposed budget for replacement of Ṣaqam's tangible capital assets for the next fiscal year setting out
  - (i) each proposed replacement project and its schedule,
  - (ii) the description of each asset to be replaced,
  - (iii) the estimated cost, including contingencies, of each proposed replacement project, and
  - (iv) the reasons why each proposed acquisition should be regarded as a replacement for the capital asset to be replaced.

**Review by Finance and Audit Committee**

93.(1) On or before March 31st of each year, the Finance and Audit Committee must review the information, schedules and budget prepared under section 92 for the following purposes:

- (a) to identify any means to reduce the costs of each rehabilitation or replacement project included in the proposed budgets;
- (b) to know the effect that each rehabilitation or replacement project included in the proposed budgets will have on the annual operating costs and routine maintenance costs in future years; and
- (c) to determine whether any significant savings might be effected by coordinating the scheduling of projects, deferring any projects or carrying out rehabilitation projects rather than replacement projects.

(2) On or before March 31st of each year, the Finance and Audit Committee must review any plans for new construction of Ṣaqam's tangible capital assets, including the proposed schedule, budget and impact on annual operating costs and routine maintenance costs in future years.

**Capital Projects – Contracts and Tenders**

94.(1) The Council must establish policies or procedures respecting the management of capital projects, including the following:

- (a) project planning, design, engineering, safety and environmental requirements;

- (b) project costing, budgeting, financing and approval;
- (c) project and contractor bidding requirements;
- (d) tender, contract form and contract acceptance;
- (e) course of construction insurance;
- (f) project performance guarantees and bonding;
- (g) project control, including contract management; and
- (h) holdbacks, work approvals, payment and audit procedures.

(2) All ʔaǰam capital projects must be managed in accordance with the policies, procedures or directions referred to in subsection (1).

#### **Capital Project Consultants**

95. The Chief Operating Officer may retain the services of a professional engineer or other consultant to assist the Chief Operating Officer, Finance and Audit Committee and Council to carry out their obligations under this Part.

#### **Involvement of Members**

96. The Council must post a public notice describing each proposed capital project and each Council meeting when a proposed capital project is presented for approval.

### **PART IX - Borrowing Member Requirements**

#### **Board Standards**

97. If ʔaǰam is a borrowing member as defined in the Act or has a certificate issued by the Board under subsection 50(3) of the Act, ʔaǰam must comply with all the applicable Board standards.

(2) If Council becomes aware that ʔaǰam is not complying with a Board standard referred to in subsection (1), the Council must as soon as practicable take the required actions to bring ʔaǰam into compliance with the Board standard.

#### **Delegated Authority on Intervention**

98.(1) Without limiting section 53 of the Act, if

- (a) ʔaǰam is
  - (i) making local revenue laws under subsection 5(1) of the Act, or
  - (ii) using its local revenues to secure a loan from the First Nations Finance Authority, and

(b) the Board gives notice to ᐱᓄᓄᓄ under section 53 of the Act that third-party management of ᐱᓄᓄᓄ 's local revenues is required, the Council of ᐱᓄᓄᓄ delegates to the Board

(i) the powers and authorities described in subsection 53(2) of the Act, and

(ii) any other of the Council's powers required to give effect to third-party management of ᐱᓄᓄᓄ' s local revenues and local revenue account under the Act.

(2) Without limiting section 53 of the Act as adapted by the *Financing Secured by Other Revenues Regulations*, if

(a) ᐱᓄᓄᓄ is using its other revenues to secure a loan from the First Nations Finance Authority, and

(b) the Board gives notice to ᐱᓄᓄᓄ under section 53 of the Act that third-party management of ᐱᓄᓄᓄ 's other revenues is required, the Council of ᐱᓄᓄᓄ delegates to the Board

(i) the powers and authorities described in subsection 53(2) of the Act as adapted by the *Financing Secured by Other Revenues Regulations*, and

(ii) any other of the Council's powers required to give effect to third-party management of ᐱᓄᓄᓄ' s other revenues under the Act.

#### **Land Management Obligations**

99.(1) ᐱᓄᓄᓄ must comply with the *First Nations Land Management Act* and any land code made by ᐱᓄᓄᓄ as required or permitted under that Act.

(2) The Council must establish and implement a policy that provides a method consistent with the requirements of ᐱᓄᓄᓄ' s land code for being accountable to members of ᐱᓄᓄᓄ for the management of ᐱᓄᓄᓄ' s lands and for moneys earned from those lands to satisfy paragraph 6(1)(e) of the *First Nations Land Management Act*.

### **PART X - Miscellaneous**

#### **Reports of Breaches and Financial Irregularities, etc.**

100.(1) Subject to subsections (2) and (3), if any person has reason to believe that

(a) an expenditure, liability or other transaction of ᐱᓄᓄᓄ is not authorized by or under this Law or another ᐱᓄᓄᓄ law,

(b) there has been a theft, misappropriation or other misuse or irregularity in the funds, accounts, assets, liabilities and financial obligations of ᐱᓄᓄᓄ,

(c) a provision of this Law has been contravened, or

(d) a person has failed to comply with the Schedule that forms part of this Law,

the person may disclose the circumstances to the chair of the Finance and Audit Committee.

(2) If a Councillor becomes aware of any circumstances described under subsection (1), the Councillor must report them to the chair of the Finance and Audit Committee.

(3) If an officer, employee, contractor or representative agent of ʔaḡam becomes aware of any circumstances described under subsection (1), the officer, employee, contractor or representative agent, as the case may be, must report them to the Chief Operating Officer or the chair of the Finance and Audit Committee.

#### **Inquiry into Report**

**101.(1)** If a report is made to the Chief Operating Officer under subsection 100(3), the Chief Operating Officer must inquire into the circumstances reported and report the findings to the Finance and Audit Committee as soon as practicable.

(2) If a report is made to the chair of the Finance and Audit Committee under section 100(3), the chair must inquire into the circumstances reported and report the findings to the Finance and Audit Committee as soon as practicable.

(3) The Finance and Audit Committee may make a further inquiry into any findings reported to it under this section but, in any event, must make a report to the Council respecting any circumstances reported to the Finance and Audit Committee under this section, including the Committee's recommendations, if any.

#### **Protection of Parties**

**102.(1)** All reasonable steps must be taken by the Chief Operating Officer, the members of the Finance and Audit Committee and the Council to ensure that the identity of the person who makes a report under section 100 is kept confidential to the extent practicable in all the circumstances.

(2) A person who makes a report in good faith under section 100 must not be subjected to any form of reprisal by ʔaḡam or by a Councillor, officer, employee, contractor or representative agent of ʔaḡam as a result of making that report.

(3) The Chief Operating Officer and the chair of the Finance and Audit Committee must take all necessary steps to ensure that subsection (2) is not contravened and must report any contravention or suspected contravention to the Council.

(4) The Council must establish policies or procedures

(a) for the recording and safeguarding of reports made under section 100 and any records prepared during the inquiry or investigation into those reports;

(b) for the inquiry or investigation into reports made under section 100; and

(c) concerning the fair treatment of a person against whom a report has been made under section 100.

(5) Council must make policies or procedures in respect of the independent investigation of an alleged contravention of the requirement to act in good faith in making a report under section 100.

(6) If, upon independent investigation, it is determined that a person has not acted in good faith in making a report under section 100, the following actions may be taken:

- (a) an officer or employee may be disciplined, up to and including dismissal, in accordance with policy;
- (b) a contractor's contract may be terminated;
- (c) the appointment of a member of a committee may be revoked; and
- (d) the appointment of a representative agent may be revoked.

**Liability for Improper Use of Money**

**103.(1)** A Councillor who votes for a resolution authorizing an amount to be expended, invested or used contrary to this Law or ?aqam's local revenue law is personally liable to ?aqam for that amount.

(2) Subsection (1) does not apply if the Councillor relied on information provided by an officer or employee of ?aqam and the officer or employee was guilty of dishonesty, gross negligence or malicious or willful misconduct when providing the information.

(3) An amount owed to ?aqam under subsection (1) may be recovered for ?aqam by ?aqam, a member of ?aqam or a person who holds a security under a borrowing made by ?aqam.

(4) It is a good defence to any action brought against an officer or employee of ?aqam for unauthorized expenditure, investment or use of ?aqam's financial assets if it is proved that the officer or employee gave a written and signed warning to the Council that in his or her opinion, the expenditure, investment or use would be unlawful.

**Indemnification against Proceedings**

**104.(1)** In this section:

"indemnify" means to pay amounts required or incurred

- (a) to defend an action or prosecution brought against a person in connection with the exercise or intended exercise of the person's powers or the performance or intended performance of the person's duties or functions, or
- (b) to satisfy a judgment, award or penalty imposed in an action or prosecution referred to in paragraph (a);

"?aqam official" means a current or former Councillor, officer or employee of ?aqam.

(2) Subject to subsection (4), Council must by resolution provide the Chief Operating Officer and the Director of Finance with an indemnification in accordance with the terms specified in the resolution including the circumstances and maximum amount, which may be given.

(3) Council may by resolution indemnify or provide for the indemnification of any other named ?aqam official, a category of ?aqam official or all ?aqam officials in accordance with the terms specified in the resolution.

(4) The Council may not pay a fine that is imposed as a result of a ʔaḡam official's conviction for an offence unless the offence is a strict or absolute liability offence.

#### **Periodic Review of Law**

**105.(1)** On a regular, periodic basis established by a policy of the Council, the Finance and Audit Committee must conduct a review of this Law

- (a) to determine if it facilitates effective and sound financial administration of ʔaḡam; and
- (b) to identify any amendments to this Law that may better serve this objective.

(2) Council must establish policies or procedures for

- (a) the provision of information to members of ʔaḡam respecting any proposed amendment of this Law; or
- (b) the involvement of members of ʔaḡam in consideration of an amendment to this Law.

(3) Council must post a public notice of each Council meeting when a proposed amendment to this Law is presented for approval.

(4) Members of ʔaḡam may attend that part of the Council meeting when the matter referred to in subsection (3) is being considered.

(5) If ʔaḡam is a borrowing member, it may only repeal this Law if it replaces it at the same time with another financial administration law which has been reviewed by the Board and issued a compliance approval under section 9 of the Act.

(6) Any amendment of this Law must be reviewed by the Board and issued a compliance approval under section 9 of the Act.

#### **Provision of Law to First Nations Finance Authority**

**106.** As soon as practical after the Board approves this Law, the Council must provide a copy of the Law to the First Nations Finance Authority.

**Coming into Force**

**107.** This Law comes into force on the date after it is approved by the Board under section 9 of the Act.

**THIS LAW IS HEREBY DULY ENACTED** by Council on the 7th day of December, 2017, at Cranbrook, in the Province of British Columbia at a duly called and conducted Council meeting at which the required quorum of three (five) members of Council was present throughout.

Signature: 

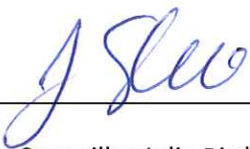
Title and name: Nasu?kin Joe Pierre

Signature: 

Title and name: Councillor Codie Morigeau

Signature: 

Title and name: Councillor Corrie Walkley

Signature: 

Title and name: Councillor Julie Birdstone

Signature: 

Title and name: Councillor Vickie Thomas



## **SCHEDULE – Avoiding And Mitigating Conflicts Of Interest**

### **PART I - Interpretation**

#### **Interpretation**

1.(1) In this Schedule:

“Spouse” means, in relation to an individual, a person to whom the individual is married or with whom the individual has lived as a common law partner for at least one (1) year in a marriage-like relationship; and

“this Law” means the Financial Administration Law to which this Schedule is attached and forms a part.

(2) Except as otherwise expressly provided in this Schedule, words and expressions used in this Schedule have the same meanings as in this Law.

(3) Sections 3 and 5 of this Law apply to this Schedule.

(4) If there is a conflict between a provision of this Schedule and this Law, the provision of this Law applies.

#### **Definition of Conflict of Interest**

2.(1) In this Schedule, an individual has a “conflict of interest” when the individual exercises a power or performs a duty or function and at the same time knows or ought reasonably to have known that in the exercise of the power or performance of the duty or function there is an opportunity to benefit the individual’s private interests.

(2) In this Schedule, an individual has an “apparent conflict of interest” if a reasonably well-informed person would perceive that the individual’s ability to exercise a power or perform a duty or function of their office or position must be affected by the individual’s private interests.

(3) In this Schedule, an individual’s “private interests” means the individual’s personal and business interests and include the personal and business interests of

(a) the individual’s spouse;

(b) a person under the age of eighteen (18) years in respect of whom the individual or the individual’s spouse is a parent or acting in a parental capacity;

(c) a person in respect of whom the individual or the individual’s spouse is acting as guardian;

(d) a person, other than an employee, who is financially dependent upon the individual or the individual’s spouse or on whom the individual is financially dependent; and

(e) an entity in which the individual or the individual in combination with any other person described in this subsection has a controlling interest.

(4) Despite subsections (1) and (2), an individual's private interests do not give rise to a conflict of interest if those interests

- (a) are the same as those of a broad class of members of ᑭᓄᓐ of which the individual is a member; or
- (b) are so remote or insignificant that they could not be reasonably regarded as likely to influence the individual in the exercise of a power or performance of a duty or function.

## **PART II - Councillors and Committee Members**

### **Application**

3. This Part applies to all Councillors of ᑭᓄᓐ and, where applicable, to all members of Council committees.

### **General Obligations**

4.(1) Councillors must avoid circumstances that could result in the Councillor having a conflict of interest or an apparent conflict of interest.

(2) Councillors must avoid placing themselves in circumstances where their ability to exercise a power or perform a duty or function could be influenced by the interests of any person to whom they owe a private obligation or who expects to receive some benefit or preferential treatment from them.

### **Disclosure of Interests**

5.(1) In paragraph (2)(c) "real property" includes an interest in a reserve held under

- (a) a certificate of possession under the *Indian Act*; or
- (b) ᑭᓄᓐ's traditional land holding system pursuant to a band council resolution.

(2) Subject to applicable provincial and federal privacy laws, Councillor must file a written disclosure of the following information with the Chief Operating Officer:

- (a) the names of the Councilor's spouse and any persons or entities referred to in subsection 2(3);
  - (b) the employer of the Councillor and the Councillor's spouse;
  - (c) real property owned by the Councillor or the Councillors spouse; and
  - (d) business interests and material investments of the Councillor or the Councillor's spouse, including in an entity referred to in paragraph 2(3)(e).
- (3) A Councillor must file a written disclosure under subsection (2) on the following occasions:
- (a) within thirty (30) days of being elected to the Council;
  - (b) as soon as practical after a material change in the information previously disclosed; and

(c) on April 15 of each year that the Councillor holds office.

(4) The Chief Operating Officer must establish and maintain a register of all information disclosed by a Councillor under this section and section 6 and, upon request of an officer, employee or member of ?aqam alleging a conflict of interest in relation to information contained in the register, must review the register and prepare a report to the Council setting out the alleged conflict and any applicable information contained in the register.

(5) On request of a member of the First Nation or any person engaged in any aspect of the financial administration of the First Nation, the Chief Operating Officer must permit that member or person to view the register referred to in subsection (4).

#### **Gifts and Benefits**

6.(1) A Councillor or a person referred to in paragraphs 2(3)(a) to (d) in relation to that Councillor must not accept a gift or benefit that might reasonably be seen to have been given to influence the Councillor in the exercise of the Councillor's powers or performance of the Councillor's duties or functions.

(2) Despite subsection (1), a gift or benefit may be accepted if the gift or benefit

(a) would be considered within

(i) normal protocol exchanges, cultural or social obligations associated with the Councillor's office;

(ii) normal exchanges common to business relationships; or

(iii) normal exchanges common at public cultural events of ?aqam;

(b) is of nominal value;

(c) is given by a close friend or relative as an element of that relationship; or

(d) is of a type that the policies or directions of the Council have determined would be acceptable if offered by ?aqam to another person.

(3) Where a gift with a value greater than five hundred dollars (\$500.00) is given to a Councillor or a person referred to in subsection (1), the Councillor must make a written disclosure of the gift to the Chief Operating Officer under section 5, and the gift must be treated as the property of ?aqam.

(4) Subsection (3) does not apply to a gift received during a public cultural event of ?aqam.

#### **Confidential Information**

7.(1) Councillors must keep confidential all information that the Councillors receive while performing their duties or functions unless the information is generally available

(a) to members of the public; or

(b) to members of ʔaḳam.

(2) Councillors must only use confidential information referred to in subsection (1) for the specific purposes for which it was provided to the Councillors.

(3) Councillors must not make use of any information received in the course of exercising their powers or performing their duties or functions to benefit the Councillor's private interests or those of relatives, friends or associates.

#### **Procedure for Addressing Conflict of Interest**

**8.(1)** As soon as a Councillor becomes aware of circumstances in which the Councillor has a conflict of interest, the Councillor must disclose the circumstances of the conflict of interest at the next Council meeting.

(2) A Councillor must leave any part of a Council meeting where the circumstances in which the Councillor has a conflict of interest are being discussed or voted on.

(3) The minutes of a Council meeting must record the Councillor's disclosure under subsection (1) and note the Councillor's absence from the Council meeting when the circumstances in which the Councillor has a conflict of interest were being discussed or voted on.

(4) A Councillor must not take part in any discussions or vote on any decision respecting the circumstances in which the Councillor has a conflict of interest.

(5) A Councillor must not influence or attempt to influence in any way before, during or after a Council meeting any discussion or vote on any decision respecting the circumstances in which the Councillor has a conflict of interest.

#### **Procedure for Undisclosed Conflict of Interest**

**9.(1)** If a Councillor has reason to believe that another Councillor has a conflict of interest or an apparent conflict of interest in respect of a matter before the Council, the Councillor may request clarification of the circumstances at a Council meeting.

(2) If, as a result of a clarification discussion under subsection (1), a Councillor is alleged to have a conflict of interest or an apparent conflict of interest and the Councillor does not acknowledge the conflict of interest or apparent conflict of interest and take the actions required under section 8, the Council must determine whether the Councillor has a conflict of interest or an apparent conflict of interest before the Council considers the matter referred to in subsection (1).

(3) The minutes of the Council meeting must record any determination made by the Council under subsection (2).

(4) If the Council determines under subsection (2) that a Councillor has a conflict of interest or an apparent conflict of interest, the Councillor must comply with section 8.

#### **Obligations of Committee Members**

**10.(1)** This section applies to all members of Council committees.

(2) Sections 4 and 6 to 9 apply to a member of a Council committee and all references in those sections to

- (a) a Councillor are considered to be references to a member of a Council committee; and
- (b) a Council meeting are considered to be references to a committee meeting.

### **PART III - Officers and Employees**

#### **Application**

11. This Part applies to all officers and employees of ᐅᐱᑖᐱ.

#### **General Obligations**

12.(1) In the performance of their duties and functions, an officer or employee must act honestly and in good faith and in the best interests of ᐅᐱᑖᐱ.

(2) An officer or employee must avoid circumstances that could result in the officer or employee having a conflict of interest or an apparent conflict of interest.

(3) An officer or employee must avoid placing themselves in circumstances where their ability to exercise a power or perform a duty or function of their office or position could be influenced by the interests of any person to whom they owe a private obligation or who expects to receive some benefit or preferential treatment from them.

(4) The Chief Operating Officer must ensure that every officer and employee is informed of his or her obligations under this Part and must take steps to ensure that employees comply with these obligations.

#### **Disclosure of Conflict of Interest**

13. If an officer or employee believes he or she has a conflict of interest, the officer or employee must

- (a) disclose the circumstances in writing as soon as practical to the Chief Operating Officer or, in the case of the Chief Operating Officer, to the chair of the Finance and Audit Committee; and
- (b) refrain from participating in any discussions or decision-making respecting the circumstances of the conflict of interest until advised by the Chief Operating Officer or the chair, as the case may be, on actions to be taken to avoid or mitigate the conflict of interest.

#### **Gifts or Benefits**

14.(1) An officer or employee or a member of their family must not accept a gift or benefit that might reasonably be seen to have been given to influence the officer or employee in the exercise of their powers or performance of their duties or functions.

(2) Despite subsection (1), a gift or benefit may be accepted if the gift or benefit

- (a) would be considered within
  - (i) normal exchanges common to business relationships, or
  - (ii) normal exchanges common at public cultural events of ᑭᓱᓴᓴ;
- (b) is of nominal value; or
- (c) is given by a close friend or relative as an element of that relationship.

#### **Outside Employment and Business Interests**

15.(1) If an officer or employee is permitted under their terms of employment to have outside employment or business interests, the officer or employee must disclose these employment or business interests in writing to the Chief Operating Officer or, in the case of the Chief Operating Officer, to the chair of the Finance and Audit Committee.

(2) An officer or employee must ensure that any permitted outside employment or business interests do not unduly interfere with the exercise of their powers or performance of their duties and functions and that these activities are conducted on their own time and with their own resources.

#### **Confidential Information**

16.(1) An officer or employee must keep confidential all information that the officer or employee receives while exercising their powers or performing their duties or functions unless the information is generally available

- (a) to members of the public; or
- (b) to members of ᑭᓱᓴᓴ.

(2) An officer or employee must only use any confidential information referred to in subsection (1) for the specific purposes for which it was provided to the officer or employee.

(3) An officer or employee must not make use of any information received in the course of exercising their powers or performing their duties or functions to benefit the officer or employee's private interests or those of relatives, friends or associates.

#### **ᑭᓱᓴᓴ Property and Services**

17.(1) Officers and employees must not use any personal property or services of ᑭᓱᓴᓴ for any purposes unrelated to performance of their duties or functions unless that use is otherwise acceptable under the policies or directions of the Council.

(2) Officers and employees must not acquire any personal property of ᑭᓱᓴᓴ unless it is done in accordance with policies or directions of the Council.

## **PART IV - Contractors**

### **Application**

**18.(1)** This Part applies to all contractors of ?aqam, other than a person who has an employment contract with ?aqam.

(2) In this Part, a reference to a contractor includes a reference to each employee or representative agent of the contractor who is engaged to perform duties or functions under the contract with ?aqam.

### **Contractor Acting as Officer or Employee**

**19.** If a contractor is retained to exercise the powers or perform the duties or functions of an officer or employee, the contractor must comply with Part III of this Schedule as if the contractor were an officer or employee of ?aqam.

### **General Obligations**

**20.(1)** A contractor must act at all times with integrity and honesty

(a) in its dealings with ?aqam; and

(b) in its dealing with any third party when the contractor is representing or acting on behalf of ?aqam.

(2) A contractor must not attempt to obtain preferential treatment from ?aqam by offering gifts or benefits that a Councillor, committee member, officer or employee is prohibited from accepting under this Schedule.

(3) A contractor must ensure that every employee or representative agent of the contractor who is engaged to perform duties or functions under the contract with ?aqam is informed of their obligations under this Part and must take steps to ensure that these employees or representative agents comply with these obligations.

### **Confidential Information**

**21.(1)** A contractor must keep confidential all information that the contractor receives in the course of performing their duties or functions unless the information is generally available to members of the public.

(2) A contractor must only use any confidential information referred to in subsection (1) for the specific purposes for which it was provided to the contractor.

### **Business Opportunities**

**22.** A contractor must not take advantage of a business or investment opportunity being considered by ?aqam and which the contractor becomes aware of while performing services for ?aqam unless ?aqam has determined not to pursue the opportunity.

### ᐃᓄᓄᓄ Property and Services

**23.** If a contractor has been provided the use of any property or services of ᐃᓄᓄᓄ in order to perform services for ᐃᓄᓄᓄ, the contractor must not use the property or services for any purposes unrelated to performance of those services.