



Seabird Island

FINANCIAL ADMINISTRATION LAW

2014

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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. The Council of the Seabird Island considers it to be in the best interests of Seabird Island to make a law for such purposes;

NOW THEREFORE the Council of the Seabird Island enacts as follows:

PART I - Citation

Citation

1. This Law may be cited as the *Seabird Island Financial Administration Law, 2014*.

PART II - Interpretation and Application

Definitions

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

"Act" means the *First Nations Fiscal Management Act*;

"Administration Director" means the person appointed under section 19;

"Affiliated entity"

(a) Any agency of the First Nation;

(b) Any corporation of business in which the First Nation has a material and controlling interest;

(c) Any partnership in which the first nation or another affiliated entity of the First Nation is a partner with a material or controlling interest; or

(d) A trust of the First Nation;

"annual financial statements" means the annual financial statements of Seabird Island 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 Seabird Island appointed under section 73;

"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 budget of Seabird Island that has been approved by the Council;

“Chair” Means the chair of the Finance and Audit Committee;

“CEO” means the person appointed CEO under section 18;

“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 the Seabird Island Council;

“Council chair” means the person appointed or elected to act as the chair of the Council;

“Council vice-chair” means the person appointed or elected to act as the vice-chair of the Council;

“councillor” means a member of Seabird Island Council and includes the Chief, the Council Chair, and the Council Co-Chair;

“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” means the CEO, and all Seabird Directors including the Administration Director , Health and Social Development Director, Education Director, Corporate Affairs Director, Housing, Capital and Public Works Director, tax administrator and any other employee of Seabird Island designated by the Council as a Director;

“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 the financial affairs of Seabird Island;

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

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

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

“financially dependent” means an individual who is living in a person’s home for a period of longer than thirty (30) consecutive days in any one year and who is receiving room and board in the person’s home at no cost;

“First Nation” means the Seabird Island;

“fiscal year” means the Seabird Island fiscal year 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;

“Land Code” means the Seabird Island Land Code adopted by Seabird Island under the *First Nations Lands Management Act*;

“local revenue account” means the local revenue account for property taxes referred to in the *Act*;

“local revenue law” means a local revenue law for property taxes and related taxes as contemplated in section 5 of the *Act* and made by Seabird Island under the *Act*;

“local revenues” means money raised from property and related taxes as contemplated in section 5 of the *Act* under a local revenue law;

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

“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;

“resolution” or “motion” means a decision passed by a quorum of Council at a duly convened meeting that is recorded in the minutes of the meeting;

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

“Seabird Island lands” means Seabird Island Lands as defined in the Land Code.

“Seabird Island law” means any Seabird Island law, including any by-law or code(s), made by the Council or the membership of Seabird Island;

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

“SIB Governance Manual” means the Seabird Island Governance Manual duly approved by Council;

“special purpose report” means a report described in subsection 71(4);

“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*; and

“tax administrator” means the tax administrator appointed under the Seabird Island’s local revenue laws.

(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 employee or Director, by name of office or otherwise, also apply to any person designated by the Council to act in the employee or Director’s place or to any person assigned or delegated to act in the employee or Director’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 in the principal administrative offices of Seabird Island.

(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 fifteen (15) 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 (2) 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 Seabird Island law, other than the Land 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 Seabird Island.

PART III - Administration

DIVISION 1 - Council

Responsibilities of Council

- 8.(1) The Council is responsible for all matters relating to the financial administration of Seabird Island whether or not they have been assigned or delegated to a Director, employee, committee, contractor or agent by or under this Law.
- (2) Subject to paragraph 5(1)(f) of the Act, this Law and any other applicable Seabird Island law, the Council may delegate to any of its employees, committees, contractors or 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, the chair and the co-chair of the Finance and Audit Committee;
 - (c) the approval of budgets and financial statements of Seabird Island; and
 - (d) the approval of borrowing by Seabird Island.

(e) the approval of new capital projects; and

(f) the approval of the acquisition or disposition of tangible capital assets.

(3) Council must obtain advice, assistance or 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 Seabird Island.

(2) The Council must establish policies or procedures or give directions respecting the acquisition, management and safeguarding of Seabird Island's assets.

(3) For clarity policies and procedures and directions are not valid unless they have been approved by a resolution of Council.

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

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

(6) 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) Annually the Administration Director must prepare a report separately listing the following:

(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 Seabird Island to a councillor and to each of the dependents of the councillor;

(b) any contracts between Seabird Island and a councillor and between Seabird Island 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 Seabird Island to the CEO and to each of the dependents of the CEO; and

(d) any contracts between Seabird Island and the CEO and between Seabird Island and a dependent of the CEO 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 Seabird Island;

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

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

DIVISION 2 - Finance and Audit Committee

Interpretation

11.(1) In this Division, “Committee” means the Finance and Audit Committee.

(2) For purposes of section 12,

(a) an individual is independent if the individual does not have a direct or indirect financial relationship with Seabird Island government that could, in the opinion of Council, reasonably interfere with the exercise of independent judgment as a member of the Committee, and

(b) an individual does not have a financial relationship with Seabird Island government as a result of the individual’s receipt of the following from the First Nation:

- (i) remuneration for acting in his or her capacity as a councillor or as a member of any Seabird Island committee;
- (ii) fixed retirement compensation;
- (iii) payments or benefits paid in common to all First Nation members;
- (iv) payments or benefits paid under a program or service universally accessible to First Nation members on published terms and conditions; or
- (v) payments or benefits paid from a trust arrangement according to the terms of the trust.

Committee Established

12.(1) The Committee of Seabird Island is established to provide Council with advice and recommendations in order to support Council’s decision-making process respecting the financial administration of Seabird Island.

(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 be independent.

(3) The following individuals are not eligible to be members of the Committee:

- (a) An individual who is an employee of Seabird Island;
- (b) an individual who has an immediate family member who is a Councillor or Director of Seabird Island;
- (c) an individual who provides consulting, advisory or other services to Seabird Island or its affiliated entities as a contractor;
- (d) an individual who has a dependent who provides consulting, advisory or other services to Seabird Island or its affiliated entities as a contractor; or
- (e) an individual who is a partner, owner or officer of an entity which provides accounting, consulting, legal or financial services to Seabird Island or its affiliated entities.

(4) The Council must establish policies or procedures or give directions requiring

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

(b) each member of the Committee annually to sign a statement confirming that the member is independent.

(5) The Council may establish a policy that permits the Council to exempt an individual from subsection (3) but only under the following circumstances:

(a) an exemption may be given on one occasion only for a particular individual and the term of appointment of the individual must not be more than three (3) consecutive years; and

(b) the Council, in temporary and exceptional circumstances, determines in its reasonable opinion that

(i) the individual is able to exercise the independent judgment necessary for the individual to fulfill his or her responsibilities as a member of the Committee regardless of the individual's relationship with Seabird Island, and

(ii) the appointment of the individual to the Committee is considered to be in the best interests of Seabird Island and its members.

(6) The Committee must consist of three (3) members and all Committee members must be councillors.

(7) Subject to subsection (8), the Committee members must be appointed to hold office for terms of not less than two (2) complete fiscal years.

(8) A Committee member may be removed from the Committee by the Council by resolution if

(a) the member misses three (3) consecutively scheduled meetings of the Committee without permission from the Chair;

(b) in the case of a Councillor member of the Committee, the member is no longer on Council;

(c) the member is convicted of a criminal offence related to theft, fraud, corruption, or breach of trust;

(d) the member is in breach of this Law, the Act, the SIB Governance Manual or policies, procedures or directions of the Council and Council determines that the breach is serious enough to warrant removal; or

(e) the chair of the Committee recommends removal and Council determines that removal is necessary.

(9) If a Committee member is removed from the Committee, resigns or dies before the member's term 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.

Chair and Co-chair

13. (1) The Council must appoint a chair and a vice-chair of the Committee, at least one of whom must be a councillor.

(2) The Chair of the Committee must be a Councillor.

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) Provided that the minimum number of three (3) Committee members is met as per subsection 12(2), if there are vacancies on the Committee, then the quorum will be calculated using the actual number of sitting Committee members.

(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.

(5) Despite subsections 14(1) to (4), if one Committee member cannot participate in a meeting or in a decision due to a conflict of interest:

(a) the meeting may continue despite the lack of quorum and the Committee members may make recommendations by consensus;

(b) Council may appoint an alternate Committee member, who is a Council member and satisfies all of the requirements of this Law and any other applicable laws, for a fixed or temporary period of time to make a decision on that particular issue; or

(c) the Committee may refer the issue back to Council.

(6) Subject to subsection (8), the CEO and the Administration Director must be notified of all Committee meetings and, subject to reasonable exceptions, must attend those meetings.

(7) Despite subsection 14(6), lack of notification or lack of attendance of any of the staff members of the Committee does not invalidate any meeting, decision or recommendation of the Committee.

(8) The CEO or the Administration Director 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 CEO or the Administration Director; or

(b) it is a meeting with the auditor.

(9) The Committee must meet:

(a) at least once every three (3) months 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.

(10) 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.

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

(12) After consultation with the CEO or Council, 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 the First Nation:

- (a) annually participate in the development, and recommend to the Council for approval, short, medium and long-term
 - (i) strategic plans, projections and priorities,
 - (ii) operational plans, projections and priorities,
 - (iii) business plans, projections and priorities, and
 - (iv) financial plans, projections and priorities;
- (b) review draft annual budgets and recommend them to the Council for approval;
- (c) at least once every quarter, and at any time when a potentially significant financial event or risk comes to their attention, review the financial performance of Seabird Island against the budget and report any significant variations to the Council; and
- (d) review the quarterly financial statements and recommend them to the Council for approval.

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

Audit responsibilities

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

- (a) make recommendations to the 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 the Council on the planning, letter of engagement, conduct and results of audit activities;
- (d) review and make recommendations to the Council on the audited annual financial statements, including the audited 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, Directors and employees of Seabird Island;

- (f) at least annually, and at any time when a potentially significant financial reporting risk or fraud risk comes to their attention, review:
 - (i) financial reporting risks and fraud risks, and
 - (ii) 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 100 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 Seabird Island:

- (a) to participate in the development of, 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 review and recommend to the Council for approval, cash management plans;
- (c) to review and report to the Council on the financial content of any Seabird Island reports;
- (d) to review, monitor and report to the Council on the appropriateness of Seabird Island's accounting and financial reporting systems, policies and practices;
- (e) to review, and recommend to the Council for approval, any proposed significant changes in Seabird Island's accounting or financial reporting systems, policies, procedures or directions;
- (f) to review the collection and receipt of Seabird Island's financial assets, including debts owed to Seabird Island;
- (g) to review and report to the Council on Seabird Island's risk management policies and control and information systems and, where appropriate, recommend improvements to the Council;
- (h) in coordination with the IT consultant or staff, to review the adequacy of security of information, information systems and recovery plans and, where appropriate, recommend improvements to the Council;
- (i) to review and report to the Council on the adequacy of financial administration personnel and resources;
- (j) to review and report to the Council on the adequacy and appropriateness of Seabird Island's insurance coverage respecting significant First Nation risks; and
- (k) where appropriate, to review and report to the Council on material litigation and its impact on financial administration and reporting.

DIVISION 3 - Directors and Employees

CEO

18.(1) The Council must appoint a person as CEO of Seabird Island and may set the terms and conditions of that appointment.

(2) Reporting to the Council, the CEO is responsible for leading the planning, organization, implementation and evaluation of the overall management of all the day-to-day operations of Seabird Island, 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 Directors and employees of Seabird Island;
- (b) to prepare and recommend to the Council for approval, descriptions of the powers, duties and functions of all employees of Seabird Island;
- (c) to hire the employees of Seabird Island, as the CEO considers necessary, and to set the terms and conditions of their employment;
- (d) to oversee, supervise and direct the activities of all Directors and employees of Seabird Island;
- (e) to oversee and administer the contracts of Seabird Island;
- (f) to prepare, recommend to the Council and maintain and revise as necessary the organization chart referred to in section 21;
- (g) to identify, assess, review and report on financial reporting risks and fraud risks at least annually and at any time when a potentially significant financial reporting risk or fraud risk comes to his or her attention;
- (h) to monitor and report on the effectiveness of mitigating controls for the risks referred to in paragraph (g) taking into consideration the cost of implementing those controls;
- (i) to perform any other duties of the CEO under this Law; and
- (j) to carry out any other activities specified by the Council that are not contrary to the Act or inconsistent with the CEO's duties specified in this Law.

(3) The CEO may assign the performance of any of the CEO's duties or functions

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

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

Administration Director

19.(1) The Council or the CEO must appoint a person as Administration Director of Seabird Island and may set the terms and conditions of that appointment.

(2) Reporting to the CEO, the Administration Director is responsible for the day-to-day management of the systems of the financial administration of Seabird Island, 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 all accounts of Seabird Island;
- (c) to prepare the draft annual budgets and any draft amendments to the component of the annual budget respecting Seabird Island's local revenue account;
- (d) to prepare the monthly financial information required in section 69, the quarterly financial statements required in section 70 and the draft annual financial statements required in section 71;
- (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 actively monitor compliance with any agreements and funding arrangements entered into by Seabird Island;
- (g) to administer and supervise the preparation and maintenance of financial records and the financial administration reporting systems;
- (h) to administer and supervise the maintenance of the records of all receipts and expenditures of Seabird Island to facilitate the annual audit;
- (i) to actively monitor compliance with the Act, this Law, any other applicable Seabird Island law, applicable standards and any policies, procedures and directions of the Council respecting the financial administration of Seabird Island, other than those matters that are the responsibility of the tax administrator under this Law, another Seabird Island law or the Act;
- (j) to prepare or provide any documentation and financial information required by the Council or the Finance and Audit Committee to discharge its responsibilities;
- (k) to evaluate the financial administration systems of Seabird Island and recommend improvements;
- (l) to develop and recommend procedures for the safeguarding of assets and to ensure approved procedures are followed;
- (m) to develop and recommend procedures for identifying and mitigating financial reporting and fraud risks and to ensure approved procedures are followed;
- (n) to perform any other duties of the Administration Director under this Law; and
- (o) to carry out any other activities specified by the CEO that are not contrary to the Act or inconsistent with the Administration Director's duties under this Law.

(3) With the approval of the CEO, the Administration Director may assign the performance of any of the duties or functions of the Administration Director to any Director, employee, contractor or agent of Seabird Island, but this assignment does not relieve the Administration Director of the responsibility to ensure that these duties or functions are carried out properly.

Tax Administrator

20.(1) The tax administrator reports to the CEO or their designate in respect of the performance of any of the tax administrator's duties or functions under this Law.

(2) With the approval of the CEO, 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 agent of Seabird Island, 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 Seabird Island.

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

- (a) all governance, management and administrative systems of Seabird Island;
- (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 Seabird Island,
 - (ii) the CEO, the Administration Director, the tax administrator and other officers of Seabird Island, 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 CEO 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), a Director, an employee or contractor or agent of Seabird Island and a member of Seabird Island.

(4) In the course of discharging his or her responsibilities under this Law, the CEO 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 Seabird Island hires or retains qualified and competent personnel to carry out the financial administration activities of the Seabird Island.

DIVISION 4 - Conduct Expectations

Conduct of Councillors

22.(1) When exercising a power, duty or responsibility relating to the financial administration of Seabird Island, a councillor must

- (a) comply with this Law, the Act, any other applicable Seabird Island law and any applicable standards;
- (b) act honestly, in good faith and in the best interests of Seabird Island;
- (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 disclosures of private interests.

(2) If it has been determined under this Law or by a court of competent jurisdiction that a councillor has contravened this section, 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 and Council may, by resolution:

- (a) remove the Councillor from their portfolio;
- (b) withhold the Councillor's honoraria for a period of time;
- (c) record the Council's displeasure in the Council minutes; and
- (d) take any other appropriate action authorized under the Governance Policy, the Election Code, or any other Seabird Island law or policy.

Conduct of Committee Members, Officers, Employees, Contractors, etc.

23.(1) This section applies to

- (a) A committee member, Director, employee, contractor and agent of Seabird Island;
- (b) a person acting under the delegated authority of the Council or Seabird Island; or
- (c) a member of a committee of the Council or Seabird Island who is not a councillor.

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

- (a) comply with this Law, the Act, any other applicable Seabird Island 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 Director and employee of Seabird Island;
- (b) the terms of every contract of a contractor of Seabird Island;
- (c) the terms of appointment of every member of a committee who is not a councillor; and
- (d) the terms of appointment of every agent of Seabird Island.

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

- (a) A Director 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;
- (d) the appointment of an agent may be revoked;
- (e) the individual may be ordered to return, reimburse or make restitution to the appropriate party for any funds, assets, gifts or benefits that they received as a result of contravening this Law or Schedule A” and, if they decline to do so, the CEO may issue a written notice and deduct the value of these items from salary payments or reimbursements made to them;
- (f) a Director, employee, committee member, agent or contractor may be ordered to take any reasonable steps necessary to remedy the situation; and
- (g) Council or the CEO may impose any other measures set out in Seabird Island's laws or policies.

PART IV - Financial Management

DIVISION 1 - Financial Plans and Annual Budgets

Fiscal Year

24. The fiscal year of Seabird Island is April 1 to March 31 of the following year.

Multi-year Financial Plan

25. No later than March 31 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 accounts, sets out the amounts from the tangible capital asset reserve account;

(f) shows 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 Seabird Island 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 Seabird Island 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 Seabird Island lands.

(3) In subsection (2), “natural resources” means any material on or under Seabird Island lands in their natural state which when extracted has economic value.

Budget and Planning Process Schedule

27.(1) On or before January 31 of each year, the Administration Director must prepare and submit to the Finance and Audit Committee for review a draft annual budget and a draft multi-year financial plan for the next fiscal year.

(2) On or before February 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 Seabird Island for the next fiscal year.

(4) On or before June 15 of each year, the Administration Director must prepare and submit to the Finance and Audit Committee for review a draft amendment of the component of the annual budget respecting Seabird Island First Nation’s local revenue account.

(5) On or before June 30 of each year, the Finance and Audit Committee must review the draft amendment of the component of the annual budget respecting Seabird Island’s local revenue account 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 Seabird Island’s local revenue account.

Additional Requirements for Budget Deficits

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

- (a) the multi-year financial plan of Seabird Island demonstrates how and when this deficit will be addressed and how it will be serviced; and
- (b) they take into account any potential negative impact on the credit worthiness of Seabird Island.

Amendments to Annual Budgets

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

(2) Subject to subsection 27(6) and section 37, unless there is a substantial change in the forecasted revenues or expenses of Seabird Island or in the expenditure priorities of the Council, the Council must not approve a change to the annual budget of Seabird Island.

Local Revenue Account Budget Requirements

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

Policy for Seabird Island Information or Involvement

31.(1) The Council must establish policies or procedures or give directions respecting the means by which members of the First Nation must be informed about or involved in consideration of

- (a) the annual budget, including any component of the annual budget respecting the First Nation'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) Members of Seabird Island may attend that part of the Council meeting when the matters referred to in subsection (2) are being considered.

DIVISION 2 - Financial Institution Accounts

Financial Institution Accounts

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

- (a) in the name of Seabird Island;
- (b) opened in a financial institution; and
- (c) approved by Council through a resolution which authorizes the CEO or the Administration Director.

(2) Seabird Island must establish the following accounts in a financial institution:

- (a) a general account for money from any sources other than those described in paragraphs (b) to (e);
- (b) a local revenue account for money from local revenues;
- (c) a trust account if Seabird Island has money held in trust;
- (d) a land and resources account for money from revenues from Seabird Island's lands; and
- (e) a tangible capital asset reserve account for money set aside for purposes of section 86.

(3) Seabird Island may establish any other accounts not referred to in subsection (2) as may be necessary and appropriate to manage Seabird Island's financial assets.

Accounts Management

33.(1) The Administration Director must ensure the safekeeping of all money received by Seabird Island.

(2) The Administration Director must ensure the deposit of all money received by Seabird Island as soon as practicable into the appropriate accounts described in section 32; and

- (a) 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 3 - 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. Seabird Island must not enter into an agreement or undertaking that requires Seabird Island to expend money that is not authorized by or that contravenes this Law.

No Expenditure Without Appropriation

36.(1) Subject to subsection 37(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

37.(1) The CEO 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 Seabird Island law.

(2) The 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 CEO the authority to borrow for the purpose of making an expenditure for an emergency purpose.

Appropriations

38.(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 Seabird Island in relation to an appropriation must not exceed the amount specified in the budget for Seabird Island 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

39.(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

40.(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 CEO or the Administration Director must authorize payment out of, or sign a requisition for payment from, a trust account.

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

(10) Subject to subsection (9), the CEO or Administration Director 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.

Form of Payment

41. Payments by Seabird Island may be made by cheque, draft, electronic transfer or other similar instrument signed by any two (2) of the persons referred to in subsections 40(8) to (10).

DIVISION 4 - General Matters

Advances

42.(1) The CEO or the Administration Director 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

43. If Seabird Island withholds an amount payable under an agreement, the payment of the amount withheld must be charged to the appropriation from which the agreement must be paid even if the fiscal year for which it was appropriated has ended.

Deposit Money

44.(1) Money received by Seabird Island 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 provisions respecting that matter, any policy or directions of the 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

45.(1) All interest earned on the accounts described in subsection 32(2), other than a trust account, local revenue account, or tangible capital asset reserve 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;
- (b) the local revenue account must be retained in that account; and
- (c) the tangible capital asset reserve account must be retained in that account.

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

Refunds

46.(1) Money received by Seabird Island 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) The Council must establish policies and procedures respecting the refund of money under subsection (1).

Write Off of Debts

47. All or part of a debt or obligation owed to Seabird Island may be written off

- (a) if approved by the Council; or
- (b) if done under the authority of a policy or direction of the Council.

Extinguishment of Debts

48. All or part of a debt or obligation owed to Seabird Island may be forgiven only

- (a) if approved by the Council; or
- (b) if done under the authority of a policy or direction of the Council.

Year-end Surplus

49.(1) Subject to subsections (2) and (3), 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.

(3) An operating surplus in the tangible capital asset reserve account at the end of the fiscal year must be retained in that account.

DIVISION 5 - Borrowing

Limitations on Borrowing

50.(1) Except as specifically authorized in this Law or in a local revenue law, Seabird Island must not borrow money or grant security.

(2) Subject to this Law, if Seabird Island is authorized in this Law to borrow money or grant security, the Council may authorize the CEO to borrow money or grant security in the name of Seabird Island

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

Borrowing for Ordinary Operations

51.(1) Seabird Island 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) Seabird Island 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) Seabird Island 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 Seabird Island.

Financial Agreements

52.(1) Seabird Island may enter into the following agreements in the name of Seabird Island:

(a) for the purpose of efficient management of Seabird Island'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 Seabird Island's financial assets, agreements with financial institutions respecting currency exchange, spot and future currency, interest rate exchange and future interest rates.

(2) Unless otherwise specified by the Council, the CEO may enter into any agreements referred to in subsection (1) on behalf of Seabird Island.

Borrowing for Authorized Expenditures

53.(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 Administration Director recommends that money be borrowed to ensure that the general account is sufficient for these purposes, Seabird Island 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

54.(1) This section applies if Seabird Island is a borrowing member.

(2) Seabird Island must not obtain long-term financing secured by property tax revenues from any person other than the First Nations Finance Authority.

(3) Seabird Island may only obtain long-term financing from the First Nations Finance Authority 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 Seabird Island 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

55.(1) The Council must establish policies or procedures or give directions respecting the means by which members of Seabird Island must be informed about or involved in consideration of borrowing for new capital projects described in subsection 89(2).

(2) The Council must post a public notice of each Council meeting when borrowing for new capital projects described in subsection 89(2) is presented for approval.

(3) Members of Seabird Island may attend that part of the Council meeting when the matters referred to in subsection (2) are being considered.

Borrowing for Repayment of Debts

56. Subject to this Law and a local revenue law, Seabird Island may borrow money that is required for the repayment or refinancing of any debt of Seabird Island, other than a debt in relation to money borrowed under subsection 53(1).

Use of Borrowed Money

57.(1) Subject to this section and any local revenue law, money borrowed by Seabird Island 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 Seabird Island and not required to be used immediately for that purpose may be temporarily invested under subsection 63(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

58.(1) Subject to subsection (2), a security granted by Seabird Island must be signed by a councillor designated by the Council and by the CEO or the CEO's designate.

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

Operational Controls

59. The Council must establish policies or procedures or give directions respecting the establishment and implementation of an effective system of internal controls that ensures the orderly and efficient conduct of Seabird Island's operations.

DIVISION 6 - Risk Management

Limitation on Business Activity

60.(1) Subject to subsections (2) and (3), Seabird Island 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) Seabird Island may carry on a business that

(a) is ancillary or incidental to the provision of programs or services or other functions of Seabird Island governance; or

(b) derives income from the granting of a lease or licence or permit of or is in respect of

(i) an interest in, or natural resources on or under, Seabird Island's lands or lands owned in fee simple by, or in trust for, Seabird Island, or

(ii) any other property of Seabird Island.

(3) Seabird Island may carry on business activities for the primary purpose of profit if the Council determines that the business activities

(a) do not result in a material liability for Seabird Island; or

(b) do not otherwise expose Seabird Island's financial assets, property or resources to significant risk.

(4) The Council may impose terms and conditions on the conduct of any business activity permitted under this section in order to manage any risks associated with that activity.

Guarantees and Indemnities

61.(1) Seabird Island must not give a guarantee unless the Council has considered the report of the Administration Director under subsection (2).

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

(3) Seabird Island must not give an indemnity unless it is

(a) authorized under section 99;

(b) necessary and incidental to and included in another agreement to which Seabird Island is a party; or

(c) in relation to a security granted by Seabird Island that is authorized under this Law or another Seabird Island law.

(4) Subject to a resolution described in section 99, the 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 Seabird Island 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 Seabird Island.

Authority to Invest

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

(2) If Seabird Island is authorized in this Law to invest Seabird Island's financial assets, the Council may authorize the Administration Director to invest Seabird Island'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

63.(1) Money in an account described in section 32 that is not immediately required for expenditures may be invested by Seabird Island 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 investment a trustee may make under an enactment 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 Seabird Island as permitted under the terms of the trust or under the laws of the jurisdiction in which the majority of the Seabird Island 's lands are located.

(3) If Seabird Island has established an investment account under section 32, Seabird Island 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 Seabird Island is a shareholder;
- (b) a trust in which Seabird Island is a beneficiary;
- (c) a limited partnership in which Seabird Island is a partner; or
- (d) a member investment program described in section 64.

(4) Despite any other provision in this section, Seabird Island may only invest the following in investments specified in subsection 82(3) of the Act and in investments in securities issued by the First Nations Finance Authority:

- (a) government transfer funds;
- (b) local revenues; and
- (c) other revenues, if Seabird Island has a loan from the First Nations Finance Authority secured by other revenues.

Permitted Investments in Seabird Island Member Activities

64.(1) Seabird Island may only make a loan to a member of Seabird Island or to an entity in which a member of Seabird Island has an interest if the loan is made from a program of Seabird Island 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 Administration Director 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 satisfy the following criteria:

- (a) the program must be universally available to all members of Seabird Island;
- (b) the terms and conditions of the program must be published and accessible to all members of Seabird Island;
- (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 the 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

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

(2) If Seabird Island is authorized to make a loan under this Law, the Council must establish policies or procedures or give directions 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

66.(1) Annually, and more often if necessary, the CEO or his or her designate must identify and assess any significant risks to Seabird Island's financial assets, Seabird Island's tangible capital assets as defined in Part V and the operations of Seabird Island.

(2) Annually, and more often if necessary, the CEO or his or her designate 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

67.(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 66 and any other risks associated with any assets, property or resources under the care or control of Seabird Island.

(2) The Council must purchase and maintain insurance for the benefit of a councillor or Directors or their personal representatives against any liability arising from that person being or having been a councillor or an officer and may purchase and maintain similar insurance for Committee members on committees which have potential liability risks.

DIVISION 7 - Financial Reporting

GAAP

68. All Seabird Island accounting practices must comply with GAAP.

Monthly Financial Information

69.(1) At the end of each month, the Administration Director must prepare financial information respecting Seabird Island's financial affairs in the form and with the content approved by the Council on the recommendation of the Finance and Audit Committee.

(2) The Administration Director must provide the financial information in subsection (1) to the Council, the CEO and the Finance and Audit Committee not more than forty-five (45) days following the end of the month for which the information was prepared.

Quarterly Financial Statements

70.(1) At the end of each quarter of the fiscal year, the Administration Director must prepare financial statements for Seabird Island for that quarter in the form and with the content approved by the Council on the recommendation of the Finance and Audit Committee.

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

(3) The quarterly financial statements in subsection (1) must be

(a) reviewed by the Finance and Audit Committee and recommended to Council for approval; and

(b) reviewed and approved by the Council.

(4) If Seabird Island has a loan from the First Nations Finance Authority that is secured by other revenues, the Administration Director must

(a) account for and report on all other revenues of Seabird Island separately from other money of the First Nation; and

(b) provide the First Nations Finance Authority or the Board, on its request, with information respecting the other revenues account.

Annual Financial Statements

71.(1) At the end of each fiscal year the Administration Director must prepare the annual financial statements of Seabird Island 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 be prepared in a form approved by the Council on the recommendation of the Finance and Audit Committee.

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

(a) the financial information of Seabird Island for the fiscal year;

(b) the financial information for the local revenue account that is required to meet the Board standards respecting financial reporting of the local revenue account; and

(c) the revenue categories for Seabird Island lands referred to in subsection 26(2).

(4) 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 all debts or obligations forgiven by Seabird Island;

(d) a report setting out the information required in paragraph 64(3)(c);

(e) if the First Nation has a land code in force, a report setting out moneys of the First Nation derived from First Nation lands, categorized and shown separately from other revenues and that includes a sub-category respecting revenues from natural resources obtained from First Nation lands; and

(f) any other report required under the Act or an agreement.

(5) The Administration Director must provide draft annual financial statements to the Finance and Audit Committee and CEO for review within forty-five (45) days following the end of the fiscal year for which they were prepared.

(6) The Finance and Audit Committee must provide any comments on the draft annual financial statements to the Council for review within sixty (60) days following the end of the fiscal year for which they were prepared.

Audit Requirements

72.(1) The annual financial statements of Seabird Island must be audited by the auditor not more than one hundred and twenty (120) days after the fiscal-year end.

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

(3) 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.

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

- (a) an audit opinion of the annual financial statements; and
- (b) an audit opinion or review comments on the special purpose reports referred to in subsection 71(4).

Appointment of Auditor

73.(1) Seabird Island 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; or
- (b) to the extent they are not in compliance, to identify in writing consequential non-compliance matters.

(3) To be eligible for appointment as the auditor of Seabird Island, an auditor must

- (a) be independent of Seabird Island, its affiliated entities, councillors and Directors 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 of British Columbia

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

- (a) advise Seabird Island in writing of the circumstances; and
- (b) eliminate the circumstances that resulted in loss of independence or resign as the auditor.

Auditor's Authority

74.(1) To conduct an audit of Seabird Island's annual financial statements, the auditor must be given access to

- (a) all records of Seabird Island for examination or inspection and given copies of these records on request; and
- (b) any councillor, Director, employee, contractor or agent of Seabird Island 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 Seabird Island as necessary for the performance of the auditor's duties.

(3) The auditor must be given notice and provided the agenda for:

- (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 Seabird Island.

(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 the Council by a recorded vote if the subject matter relates to the retaining or dismissal of the auditor.

Review of Audited Annual Financial Statements

75.(1) The audited annual financial statements must be provided to the Finance and Audit Committee 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 end of the fiscal year for which the statements were prepared.

Access to Annual Financial Statements

76.(1) Before the annual financial statements may be published or distributed, they must

- (a) be approved by the Council;
- (b) be signed by
 - (i) the Chief of Seabird Island,
 - (ii) the CEO,
 - (iii) the chair of the Finance and Audit Committee, 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 71(4).

(2) The audited annual financial statements and special purpose reports must be available for inspection by Seabird Island members at the principal administrative offices of Seabird Island during normal business hours.

(3) The audited annual financial statements of the local revenue account, including the audit report, must be available for inspection by any person referred to in subsection 14(2) of the Act at the principal administrative offices of Seabird Island during normal business hours.

Annual Report

77.(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 Seabird Island 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 Seabird Island;
- (b) a progress report on any established financial objectives and performance measures of Seabird Island; and
- (c) the audited annual financial statements of Seabird Island for the previous fiscal year, including special purpose reports.

(3) The CEO must provide the annual report referred to in subsection (1)

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

(4) The Council must establish policies or procedures respecting, or give directions respecting, an accessible process and remedy available to Seabird Island members who have requested but have not been provided with the Seabird Island annual report 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 CEO to report quarterly to the Finance and Audit Committee on the steps taken to ensure compliance with subsection (3) and council policy made under this subsection.

DIVISION 8 - Information and Information Technology

Ownership of Records

78.(1) All records that are produced by or on behalf of Seabird Island or kept, used or received by any person on behalf of Seabird Island are the property of Seabird Island.

(2) The Council must establish policies or procedures or give directions to ensure that the records referred to in subsection (1) remain the property of Seabird Island.

Operations Manual

79.(1) The CEO must prepare and maintain a current operations manual respecting every element of Seabird Island's administrative systems, including any financial administration systems referred to in this Law.

(2) The operations manual under subsection (1) must be made available to councillors, members of the Finance and Audit Committee and all other Council committees and Directors and employees of Seabird Island.

(3) If any part of the operations manual under subsection (1) is relevant to the services being provided by a contractor or agent of Seabird Island, that part of the operations manual must be made available to the contractor or agent.

Record Keeping and Maintenance

80.(1) The CEO must ensure that Seabird Island prepares, maintains, stores and keeps secure all of Seabird Island's records that are required under this Law or any other applicable law.

(2) Seabird Island's records may not be destroyed or disposed of except as permitted by, and in accordance with, the applicable law, the policies, procedures, retention schedule or directions of the Council.

(3) All financial records of Seabird Island 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 Seabird Island's records.

Account Records

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

(2) The Administration Director must prepare, maintain, store and keep secure a complete set of all records respecting other revenues of Seabird Island, including all records referred to in section 5 of the *Local Revenue Management Implementation Regulations* as amended by the *Financing Secured by Other Revenues Regulations*.

Confidentiality of Information

82.(1) No person may be given access to Seabird Island's records containing confidential information except as permitted by, and in accordance with, the policies, procedures and directions of the Council.

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

Information Technology

83. The Council must establish policies or procedures or give directions respecting information technology used by Seabird Island in its operations to ensure the integrity of Seabird Island's financial administration system and its database.

PART V - Capital Projects

Definitions

84. In this Part:

“**capital project**” means the construction, rehabilitation or replacement of Seabird Island's tangible capital assets and any other major capital projects funded by local revenues in which Seabird Island or its affiliated entities are investors;

“**Seabird Island tangible capital assets**” means all non-financial assets of Seabird Island having physical substance that

- (a) 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,
- (b) have useful economic lives extending beyond an accounting period,
- (c) are to be used on a continuing basis, and
- (d) 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 Seabird Island's tangible capital assets as described in section 88;

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

“**replacement**” includes substitution, in whole or in part, with another of the First Nation's tangible capital assets.

Council General Duties

85. The Council must take reasonable steps to ensure that

- (a) Seabird Island's tangible capital assets are maintained in a good and safe condition and to the same standard as a prudent owner of those assets;
- (b) the rehabilitation or replacement of Seabird Island's tangible capital assets is in accordance with a life-cycle management program described in this Part; and
- (c) 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 Seabird Island's lands are located.

Tangible Capital Assets Reserve Fund

86. The 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

87. At each Finance and Audit Committee meeting, the CEO 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 90 for every capital project.

Life-cycle Management Program

88.(1) The CEO or his or her designate must establish and keep current a register of all Seabird Island'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 November 30 of each year, the CEO or designate must arrange for the inspection and review of the state of each of Seabird Island'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 December 31 of each year, the Administration Director must prepare the following:

- (a) a schedule of annual routine maintenance, other than rehabilitation, for each of Seabird Island's tangible capital assets for the next fiscal year;
- (b) five (5), ten (10) and thirty (30) year forecasts of the estimated cost for rehabilitation or replacement of Seabird Island's tangible capital assets;
- (c) the proposed budget for rehabilitation of Seabird Island's tangible capital assets for the next fiscal year, setting out
 - (i) each proposed rehabilitation 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 project; and
- (d) the proposed budget for replacement of Seabird Island'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

89.(1) On or before January 15 of each year, the Finance and Audit Committee must review the information, schedules and budget prepared under section 88 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 affected by coordinating the scheduling of projects, deferring any projects or carrying out rehabilitation projects rather than replacement projects.

(2) On or before January 15 of each year, the Finance and Audit Committee must review any plans for new construction of Seabird Island'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

90.(1) The Council must establish policies or procedures or give directions 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 Seabird Island capital projects must be managed in accordance with the policies, procedures or directions referred to in subsection (1).

Capital Project Consultants

91. Subject to budgets approved by Council, the CEO may retain the services of a professional engineer or other consultant to assist the Administration Director, Finance and Audit Committee and Council to carry out their obligations under this Part.

Policy for Information or Involvement of Members

92. The Council must establish policies or procedures or give directions for

- (a) the provision of information to members of Seabird Island respecting capital projects; or
- (b) the involvement of members of Seabird Island in consideration of capital projects.

PART VI - Miscellaneous

Board Standards and Authority

93.(1) If Seabird Island is a borrowing member or has a certificate issued by the Board under section 50(3) of the Act, Seabird Island must comply with all the applicable Board standards.

(2) If a Councillor, employee, Committee member or contractor becomes aware that Seabird Island is not complying with a Board standard referred to in subsection (1), they must notify Council in writing, and the Council must as soon as practicable take the required actions to bring Seabird Island into compliance with the Board standard.

(3) Without limiting section 53 of the Act, if Seabird Island is a borrowing member and the Board gives notice to the First Nation that third-party management of Seabird Island's local revenues is required, the Council delegates to the Board

- (a) the powers and authorities described in section 53(2) of the Act, and
- (b) any other of the council's powers required to give effect to third-party management of Seabird Island's local revenues under the Act.

(4) Without limiting section 53 of the Act as adapted by the Financing Secured by Other Revenues Regulations, if the Seabird Island is a borrowing member and the Board gives notice to the First Nation that third-party management of Seabird Island's other revenues is required, the Council delegates to the Board

- (a) the powers and authorities described in section 53(2) of the Act as adapted by the Financing Secured by Other Revenues Regulations, and
- (b) any other of the council's powers required to give effect to third-party management of Seabird Island's other revenues under the Act.

Land Management Obligations

94.(1) Seabird Island must comply with the *First Nations Land Management Act* and the *Seabird Island Land Code*.

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

Reports of Breaches and Financial Irregularities, etc.

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

- (a) an expenditure, liability or other transaction of Seabird Island is not authorized by or under this Law or another Seabird Island law,
- (b) there has been a theft, misappropriation or other misuse or irregularity in the funds, accounts, assets, liabilities and financial obligations of Seabird Island,
- (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 CEO or chair of the Finance and Audit Committee both of whom must share with each other any information of this nature that they receive.

(2) If a councillor becomes aware of any circumstances described under subsection (1), the councillor must report them as soon as possible in writing to the chair of the Finance and Audit Committee and to the rest of Council.

(3) If a Director, employee, contractor or agent of Seabird Island becomes aware of any circumstances described under subsection (1), the Director, employee, contractor or agent, as the case may be, must report them in writing to the Chief, the CEO or the chair of the Finance and Audit Committee, each of whom will share any such comments received with the others.

Inquiry into Report

96.(1) If a report is made to the under subsection 95(3), the CEO must inquire into the circumstances reported and report the findings to the Finance and Audit Committee and Council as soon as practicable.

(2) If a report is made to the chair of the Finance and Audit Committee under section 95, 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 Council and the CEO respecting any circumstances reported to the Finance and Audit Committee under this section, including the Committee's recommendations, if any.

Protection of Parties

97.(1) All reasonable steps must be taken by the CEO, the members of the Finance and Audit Committee and the councillors to ensure that the identity of the person who makes a report under section 95 is kept confidential to the extent practicable in all the circumstances.

(2) A person who makes a report in good faith under section 95 must not be subjected to any form of reprisal by Seabird Island or by a councillor, Director, employee, contractor or agent of Seabird Island as a result of making that report.

(3) The CEO 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 or give directions

(a) for the recording and safeguarding of reports made under section 95 and any records prepared during the inquiry or investigation into those reports;

(b) for the inquiry or investigation into reports made under section 95; and

(c) concerning the fair treatment of a person against whom a report has been made under section 95.

(5) If, upon investigation, it is determined that a person has not acted in good faith in making a report under section 95, the following actions may be taken by Council or the CEO:

(a) a director or employee may be disciplined, up to and including dismissal, in accordance with Seabird Island policies;

(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

98.(1) A councillor who votes for a resolution authorizing an amount to be expended, invested or used contrary to this Law or Seabird Island's local revenue law is personally liable to Seabird Island for that amount.

(2) Subsection (1) does not apply if the councillor relied on information provided by a Director or employee of Seabird Island and the Director or employee was guilty of dishonesty, gross negligence or malicious or willful misconduct when providing the information.

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

(4) It is a good defence to any action brought against a Director or employee of Seabird Island for unauthorized expenditure, investment or use of Seabird Island's financial assets if it is proved that the Director 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

99.(1) In this section:

“**indemnify**” means pay amounts required or incurred to

- (a) 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) satisfy a judgment, award or penalty imposed in an action or prosecution referred to in paragraph (a);

“**Seabird Island official**” means a current or former councillor, Director or employee of Seabird Island.

(2) Subject to subsection (3), the Council may by resolution indemnify or provide for the indemnification of a named Seabird Island official, a category of Seabird Island official or all Seabird Island officials in accordance with the terms specified in the resolution.

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

Periodic Review of Law

100.(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 the First Nation; and
- (b) to identify any amendments to this Law that may better serve this objective.

(2) The Council must establish policies or procedures or give directions for

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

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

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

Provision of Law to First Nations Finance Authority

101. If Seabird Island intends to apply to become a borrowing member, the Council must provide a copy of this Law to the First Nations Finance Authority as soon as practicable after the Board approves the Law.

Coming into Force

102. (1) This section and the operative portions of sections 1-7, 24, 26, 27, 29, 30, 68-76, 81 and 93 come into force the day after this Law is approved by the Board under section 9 of the Act.

(2) Subject to subsection (1), this Law comes into force on the day that is thirty six (36) months after the date when Seabird Island becomes a borrowing member of the First Nations Finance Authority.

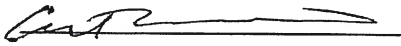
THIS LAW IS HEREBY DULY ENACTED by Council on the 25th day of September, 2014, at Agassiz, in the Province of British Columbia at a duly called and conducted Council meeting at which the required quorum of (6) members of Council was present throughout.



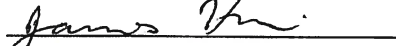
Chief Clement Seymour



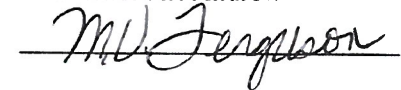
Councillor Carol Hope



Councillor Art Andrew



Councillor James Harris



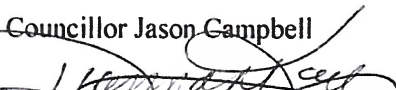
Councillor Marie Vivian Ferguson



Councillor Marcia (Marcie) Peters

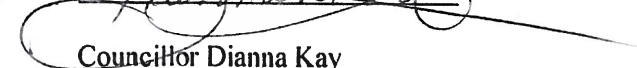


Councillor Rod Peters



Councillor Jason Campbell

Councillor Alexis Grace



Councillor Dianna Kay

SCHEDULE – Avoiding And Mitigating Conflicts Of Interest

PART I - Interpretation

Interpretation

1.(1) In this Schedule, “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 Seabird Island 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 Seabird Island 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*;
- (b) a lease under the Seabird Island Land Code or
- (c) Seabird Island’s traditional land holding system pursuant to a band council resolution.

(2) A councillor must file a written disclosure of the following information with the CEO and the rest of Council:

- (a) the names of the councillor’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 councillor’s 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 CEO must establish and maintain a register of all information disclosed by a councillor under this section and section 6.

(5) On request of a member of Seabird Island or any person engaged in any aspect of the financial administration of Seabird Island, the CEO 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 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 Seabird Island;

(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 Seabird Island to another person.

(3) Where a gift with a value greater than two hundred dollars (\$200.00) 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 CEO under section 5, and the gift must be treated as the property of Seabird Island, unless otherwise approved by Council Resolution.

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

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 Seabird Island.

(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 - Directors and Employees

Application

11. This Part applies to all Director and employees of Seabird Island.

General Obligations

12.(1) In the performance of their duties and functions, a Director or employee must act honestly and in good faith and in the best interests of Seabird Island.

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

(3) A Director 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 CEO must ensure that every Director and employee is informed of their obligations under this Part and must take steps to ensure that employees comply with these obligations.

Disclosure of Conflict of Interest

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

(a) disclose the circumstances in writing as soon as practical to the CEO or, in the case of the CEO, 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 CEO 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) A Director 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 Seabird Island;

(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 Seabird Island to another person.

Outside Employment and Business Interests

15.(1) If a Director or employee is permitted under their terms of employment to have outside employment or business interests, the Director or employee must disclose these employment or business interests in writing to the CEO or, in the case of the CEO, to Council and to the chair of the Finance and Audit Committee.

(2) A Director 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) A Director or employee must keep confidential all information that the Director 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 Seabird Island.

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

(3) A Director 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 Director's or employee's private interests or those of relatives, friends or associates.

Seabird Island Property and Services

17.(1) Directors and employees must not use any personal property or services of Seabird Island 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) Directors and employees must not acquire any personal property of Seabird Island 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 Seabird Island, other than a person who has an employment contract with Seabird Island.

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

Contractor Acting as Director or Employee

19. If a contractor is retained to exercise the powers or perform the duties or functions of a Director or employee, the contractor must comply with Part III of this Schedule as if the contractor were a Director or employee of Seabird Island.

General Obligations

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

(a) in its dealings with Seabird Island; and

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

(2) A contractor must not attempt to obtain preferential treatment from Seabird Island by offering gifts or benefits that a councillor, committee member, Director or employee is prohibited from accepting under this Schedule.

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

(3) A contractor must not make use of any information received in the course of performing its duties or functions to benefit the contractor's interests or those of the contractor's relatives, friends or associates.

Business Opportunities

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

Seabird Island Property and Services

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