

**SLIAMMON FIRST NATION  
FINANCIAL ADMINISTRATION LAW, 2013**

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**SLIAMMON FIRST NATION  
FINANCIAL ADMINISTRATION LAW, 2013**

**WHEREAS:**

A. Pursuant to paragraph 9(1)(a) of the *First Nations Fiscal Management Act*, the council of a First Nation may make laws respecting the financial administration of the First Nation;

B. A First Nation must pass, and the First Nations Financial Management Board must approve, a financial administration law under paragraph 9(1)(a) of the Act before the First Nation can become a borrowing member of the First Nations Finance Authority, in accordance with sections 4 and 5 of the Act; and

C. The Council of the Sliammon First Nation would like the First Nation to become a borrowing member of the First Nations Finance Authority and deems it to be in the best interests of the First Nation to make a financial administration law for such purposes;

NOW THEREFORE the Council of the Sliammon First Nation enacts as follows:

**PART I - Citation**

**Citation**

1. This law may be cited as the *Sliammon First Nation Financial Administration Law, 2013*.

**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*;

“agent” means a person, who may or may not be an employee, who has been appointed by resolution to represent the First Nation in dealing with third parties;

“annual financial statements” means the annual financial statements of the First Nation, prepared by the CFO, in accordance with section 68;

“annual report” means the annual report of the First Nation, prepared by the Council, in accordance with section 74;

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

“Audit Committee” means the Audit Committee established under section 16;

“auditor” means the person appointed by the Council as the auditor for the First Nation in accordance with section 69;

“authorized signatory” means any or all of the CAO, CFO, tax and lands manager and any councillors whom the Council have, by resolution, designated as an authorized signatory;

“budget” means the annual budget of the First Nation that has been approved by the Council in accordance with section 31;

“capital fund” means the capital infrastructure fund established under section 37(5), the economic development fund established under section 37(6) or the capital general fund established under section 37(7);

“capital project” means the construction, rehabilitation or replacement of the First Nation’s tangible capital assets and any other major capital projects funded by local revenues in which the First Nation or its related bodies are investors;

“capital revenues” means

(a) revenues the First Nation receives from long-term lease agreements,

(b) revenues the First Nation receives from specific land claim settlements,

(c) revenues the First Nation receives from settlements related to treaty that have not been allocated to treaty-related trust funds or for a specific purpose, and

(d) a lump sum payment of five hundred thousand dollars (\$500,000) or more that the First Nation receives from any source, but does not include project, operational or block funding received or monies designated for any specific purpose,

less a five percent (5%) administration fee to be allocated to the First Nation’s general revenue;

“chief administrative officer” or “CAO” means the person appointed by the Council in accordance with section 20;

“chief financial officer” or “CFO” means the person appointed by the Council in accordance with section 22;

“committee member” means a member of a committee of the Council, including the Finance Committee, Audit Committee, or a member of a committee of the First Nation;

“contractor” means a person who is not an employee of the First Nation, but who works for the First Nation under a contract for services;

“Council” has the meaning given to that term in the Act;

**“councillor” means a member of the Council of the First Nation, and includes the Chief;**

**“dependent” means**

**(a) 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,**

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

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

**“director” means an officer or a person who manages, supervises or controls a department of the First Nation or of a related body, and includes the Executive Director of the Tla’amin Community Health Board Society;**

**“Finance Committee” means the Finance Committee established under section 12;**

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

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

**“financial management system certificate” means a certificate issued by the FMB under section 50(3) of the Act respecting the First Nation’s financial management system;**

**“financial institution” means the FNFA, a bank, or a credit union;**

**“financial records” means all records respecting the financial administration of the First Nation, including the minutes of relevant meetings of the Council, the Finance Committee or the Audit Committee;**

**“First Nation” means the Sliammon First Nation (Indian Band), being a First Nation named in the schedule to the Act;**

**“First Nation member” means an individual on the Band list of the First Nation;**

**“First Nation’s financial assets” means all money and other financial assets of the First Nation;**

**“First Nation’s lands” means all of the First Nation’s reserves, within the meaning of subsection 2(1) of the *Indian Act*, and includes all lands that are or become subject to the Land Code;**

**“First Nation’s tangible capital assets” means all non-financial assets of the First Nation 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 one accounting period,**

**(c) are to be used on a continuing basis,**

**(d) are not for sale in the ordinary course of operations, and**

**(e) have a historical or replacement cost of at least ten thousand dollars (\$10,000);**

**“fiscal year” means the fiscal year of the First Nation set out in section 28;**

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

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

**“FNFA” means the First Nations Finance Authority established under the Act;**

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

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

**“GAAP” means generally accepted accounting principles of the Canadian Institute of Chartered Accountants, as amended or replaced from time to time;**

**“GAAS” means generally accepted auditing standards of the Canadian Institute of Chartered Accountants, as amended or replaced from time to time;**

**“guarantee” means a promise or agreement by a person to be liable for the debt or obligation of another person who is primarily responsible for the debt or obligation;**

**“human resources manual” means the Sliammon First Nation Human Resources Manual adopted by the Council, which governs the relationship between the First Nation and its employees;**

**“human resources officer” means the person appointed by the CAO as the human resources officer in accordance with section 21;**

**“impress fund” means money set aside separately that is subject to being audited, and for which, by policy, the cash available to disburse plus the supporting receipts or vouchers for money already disbursed equals an authorized fixed amount known as the impress amount;**

“indemnity” means

- (a) a promise to make a person whole from specified losses or costs they may suffer, or
- (b) payment of compensation to make a person whole from a loss they have already suffered;

“Land Code” means the *Sliammon First Nation Land Code*, enacted under the *First Nations Lands Management Act*;

“law of the First Nation” means any law, bylaw, Land Code or other enactment that is made by the Council or by First Nation members;

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

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

“long-term priorities” means priorities that have been described, or are consistent with those described, in the First Nation’s community planning documents that have been approved by the Council, including the Sliammon Community Comprehensive Plan;

“multi-year financial plan” means the plan prepared in accordance with section 31, and approved by the Council pursuant to section 29;

“natural resource” means any material, in its natural state, found on or under the First Nation’s lands which, when extracted, captured or harnessed, has economic value;

“officer” means the CAO, human resources officer, CFO, tax and lands manager and any other employee of the First Nation designated by the Council as an officer;

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

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

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

“related body” means

- (a) any agency of the First Nation,
- (b) any corporation in which the First Nation has a material interest or that is controlled by the First Nation,

(c) any partnership in which the First Nation, an agency of the First Nation, or a corporation of the First Nation is a partner, or

(d) a trust of the First Nation;

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

“representative of the First Nation” means a current or former councillor, officer, or designated employee of the First Nation;

“resolution” means a motion passed and approved by a majority of the Council present at a duly convened meeting;

“SDC” means the Sliammon Development Corporation, a company duly incorporated under the laws of the Province of British Columbia, with a registered office at Sliammon Indian Reserve No. 1, British Columbia, V8A 0B6;

“special purpose report” means a report described in subsection 68(3);

“specific purpose” means a program, project or initiative that has been identified through the First Nation’s budgeting or planning activities;

“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, in a marriage-like relationship, for at least one (1) year;

“tax and lands manager” means the person appointed by the Council to administer the local revenue laws, local revenue accounts and local revenue budgets; and

“trust account” means an account into which funds are held and managed by a trustee on behalf of the First Nation.

(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) Except as otherwise indicated, 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) if a word or expression is defined, other parts of speech and grammatical forms of the same word or expressions have corresponding meanings;

(c) the expression “must” is to be construed as imperative, and the expression “may” is to be construed as permissive;

(d) unless the context indicates otherwise, “including” means “including, but not limited to”, and “includes” means “includes, but not limited to”;

(e) where a provision in this law is expressed in the present tense, the provision applies to the circumstances as they arise;

(f) headings form no part of this law and must be construed as being inserted for convenience of reference only; and

(g) a reference to a document or an enactment includes any amendment or replacement of it and, in the case of an enactment, includes every regulation made under it.

(2) In this law, references to a Part (e.g. Part I), section (e.g. section 1), subsection (e.g. subsection 2(1)), paragraph (e.g. paragraph 3(4)(a)) or subparagraph (e.g. subparagraph 3(4)(a)(i)) is a reference to the specified Part, section, subsection, paragraph or subparagraph of this law, except where otherwise stated.

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

(4) The provisions of this law are severable, and where any provision of this law is for any reason held to be invalid by a decision of a court of competent jurisdiction, the invalid portion must be severed from the remainder of this law and the decision that it is invalid must not affect the validity of the remaining portions of this law.

(5) This law must be construed as being remedial and must be given such fair, large and liberal construction and interpretation as best ensures the attainment of its objectives.

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

4. Unless expressly provided otherwise, if a public notice must be posted under this law,

(a) a notice of a meeting must be posted at least ten (10) days before the date of the meeting; and

(b) the public notice is properly posted if a written notice is placed in the reception area of the First Nation office.



## **Calculation of Time**

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

## **Conflict of Laws**

6.(1) If there is a conflict between this law and another law or regulation of the First Nation, other than a Land Code or a local revenue law, this law prevails to the extent of the conflict.

(2) If there is a conflict between this law and the Act, the Act prevails to the extent of the conflict.

(3) If there is a conflict between this law and the Land Code, the Land Code prevails to the extent of the conflict.

(4) If there is a conflict between this law and a local revenue law, the local revenue law prevails to the extent of the conflict.

## **Scope and Application**

7. This law applies to the financial administration of the First Nation.

## **PART III - Administration**

### ***DIVISION 1 – Council***

#### **Responsibilities of Council**

**8.(1)** The Council is responsible for all matters relating to the financial administration of the First Nation, whether or not they have been assigned or delegated to an officer, 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 law of the First Nation, the Council may delegate to any of its officers, employees, committees, contractors or agents any of its functions under this law, except the following:

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

#### **Council Policies, Procedures and Directions**

**9.(1)** Subject to subsection (2), the Council

- (a) may establish policies and procedures and give directions respecting any matter relating to the financial administration of the First Nation;
- (b) must establish policies or procedures or give directions respecting the acquisition, management and safeguarding of the First Nation's assets; and
- (c) must establish policies and procedures requiring related bodies to design and implement effective human resources and financial administration policies and procedures.

(2) The Council must not establish any policies or procedures or give any directions relating to the financial administration of the First Nation that are in conflict with this law, the Act or GAAP.

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

(4) The Council must ensure that it enters into agreements with all related bodies requiring regular financial and performance reporting to the Council.

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

(6) The Council may, by resolution, make such regulations respecting any other matter related to the financial administration of the First Nation as the Council, on the recommendation of the Finance Committee or the Audit Committee, deems necessary.

(7) Any regulation made in accordance with subsection (6) must

- (a) only be amended by resolution;
- (b) not be in conflict with this law, the Act, or GAAP; and
- (c) be documented and made available to all affected persons.

(8) The Council must request and consider a report from the Finance Committee and the Audit Committee before ratifying, amending or replacing any agreements that will materially affect the financial position of the First Nation.

(9) The Council must request and consider a report from the Finance Committee and the Audit Committee before making any law that will materially affect the financial position of the First Nation.

#### **Reporting of Remuneration, Expenses and Contracts**

**10.(1)** Annually the CFO must prepare, and include with the annual financial statements, a special purpose report separately listing

- (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 the First Nation to a councillor and to each of the dependents of the councillor;
- (b) any contracts between the First Nation and a councillor and between the First Nation 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 the First Nation to the CAO and to each of the dependents of the CAO; and
- (d) any contracts between the First Nation and the CAO and between the First Nation and a dependent of the CAO 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 First Nation members;
- (b) under a program or service universally accessible to all First Nation members on published terms and conditions; or
- (c) from a trust arrangement according to the terms of the trust.

## ***DIVISION 2 – Finance Committee and Audit Committee***

### **Interpretation**

**11.** For purposes of section 16,

(a) an individual is independent if the individual does not have a financial relationship with the First Nation government;

(b) subject to paragraph (c), an individual has a financial relationship with the First Nation government if the individual

(i) is an employee of the First Nation,

(ii) has a spouse, dependent, child, parent or grandparent who is an officer of the First Nation,

(iii) provides consulting, advisory or other services to the First Nation or its related bodies as a contractor,

(iv) has a dependent who provides consulting, advisory or other services to the First Nation or its related bodies as a contractor,

(v) is a partner, owner, officer or employee of an entity which provides accounting, consulting, legal or financial services to the First Nation or its related bodies, or

(vi) has a financial relationship which could, in the opinion of the Council, reasonably interfere with the exercise of independent judgment as a member of the Audit Committee; and

(c) an individual does not have a financial relationship with the First Nation 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 First Nation 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 established by the First Nation government according to the terms of the trust.

## **Finance Committee Established**

**12.(1)** The Finance Committee of the First Nation is established.

(2) The Council must appoint not less than three members to the Finance Committee – one of whom must be the CFO, a majority of whom must have financial competency and none of whom may be members of the Audit Committee.

(3) If the Finance Committee consists of

(a) three (3) members, at least one member must be a councillor; and

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

(4) All candidates for the Finance Committee must undergo a criminal record check, the results of which are satisfactory to the Council, before they can be considered for an appointment to the Finance Committee.

(5) Subject to subsection (6), the Council must appoint Finance Committee members, other than the CFO, to hold office as follows:

(a) councillors must be appointed to the Finance Committee as soon as practicable following Council elections and must sit on the Finance Committee until the next election; and

(b) members who are not councillors must be appointed for two (2) year terms.

(6) The Council may terminate the appointment of a member of the Finance Committee for cause, including where a member

(a) is convicted of an offence under the *Criminal Code*;

(b) has unexcused absences from three (3) consecutive Finance Committee meetings; or

(c) fails to perform any of their duties under this law in good faith and in accordance with the terms of this law.

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

(8) The Council may establish a policy authorizing the appointment of one (1) alternate member of the Finance Committee to attend meetings and to vote in the place of a member of the Finance Committee who is unable to attend the meeting or to vote on a matter due to a conflict of interest if the policy requires the alternate member to be a councillor who satisfies all of the requirements set out in this law for being a member of the Finance Committee.

### **Finance Committee Officers**

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

(2) If the Council appoints a member of the Finance Committee who is not a councillor as chair of the Finance Committee,

(a) the Council must send to the chair of the Finance Committee notices and agendas of all Council meetings;

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

(c) the chair of the Finance Committee is entitled to attend and speak at Council meetings.

### **Finance Committee Procedures**

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

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

(3) In the event of a tie vote in the Finance Committee, the chair of the Finance Committee may cast a second tie-breaking vote.

(4) The Finance Committee must keep minutes of its meetings.

(5) Subject to this law and any directions given by the Council, the Finance Committee may make rules for the conduct of its meetings not inconsistent with this law.

(6) The Finance Committee may, at the discretion of the chair of the Finance Committee, retain a consultant to assist in the performance of any of its responsibilities.

### **Finance Committee Responsibilities**

15.(1) The Finance Committee must carry out the following activities in respect of the financial administration of the First Nation:

(a) annually review draft multi-year financial plans, projections, priorities and budgets, and provide comments to the CFO;

(b) provide a report to the Audit Committee respecting any issues that arise as a result of its review of the matters set out in paragraph (a);

(c) provide a report at the request of the Council under subsection 9(8) or (9); and

(d) review and make recommendations to the Council on the Finance Committee's mandate.

(2) The Finance Committee may make a report or recommendations to the Audit Committee on any matter respecting the financial administration of the First Nation, and the Audit Committee must consider and report to Council on the Finance Committee's report or recommendations. .

#### **Audit Committee Established**

**16.(1)** The Audit Committee of the First Nation is established.

(2) The Council must appoint not less than three (3) members to the Audit Committee – a majority of whom must have financial competency and none of whom may be members of the Finance Committee.

(3) Subject to subsection (7), an individual is not eligible to be a member of the Audit Committee if they are not independent.

(4) If the Audit Committee consists of

(a) three (3) members, at least one member must be a councillor; and

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

(5) All candidates for the Audit Committee must undergo a criminal record check, the results of which are satisfactory to the Council, before they can be considered for an appointment to the Audit Committee.

(6) The Council must establish policies or procedures or give directions

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

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

(7) 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 fulfil his or her responsibilities as a member of the Audit Committee regardless of the individual's relationship with the First Nation, and

(ii) the appointment of the individual to the Audit Committee is considered to be in the best interests of the First Nation and First Nation members.

(8) Subject to subsection (9), the Council must appoint Audit Committee members to hold office for staggered terms, as follows:

(a) councillors must be appointed to the Audit Committee as soon as practicable following Council elections and must sit on the Audit Committee until the next election; and

(b) members who are not councillors must be appointed for three (3) year terms, beginning on September 1 and ending on August 31 three (3) years thereafter.

(9) Notwithstanding subsection (8), for their first terms only, the Council must appoint Audit Committee members as soon as practicable after this law comes into effect, who will serve until

(a) the next Council election, in the case of councillors; and

(b) August 31 of the second full fiscal year after their appointment, in the case of members who are not councillors.

(10) The Council may terminate the appointment of a member of the Audit Committee for cause, including where a member

(a) is convicted of an offence under the *Criminal Code*;

(b) has unexcused absences from three (3) consecutive Audit Committee meetings;

(c) fails to perform any of their duties under this law in good faith and in accordance with the terms of this law; or

(d) is no longer independent.

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

(12) The Council may establish a policy authorizing the appointment of one (1) alternate member of the Audit Committee to attend meetings and to vote in the place of a member of the Audit Committee who is unable to attend the meeting or to vote on a matter due to a conflict of



interest if the policy also requires the alternate member to be a councillor who satisfies all of the requirements set out in this law for being a member of the Audit Committee.

#### **Audit Committee Officers**

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

(2) If the Council appoints a member of the Audit Committee who is not a councillor as chair of the Audit Committee,

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

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

(c) the chair of the Audit Committee is entitled to attend and speak at Council meetings.

#### **Audit Committee Procedures**

18.(1) The quorum of the Audit Committee is fifty percent (50%) of members, including at least one councillor.

(2) Unless an Audit Committee member is not permitted to participate in a decision because of a conflict of interest, every Audit Committee member has one vote in all Audit Committee decisions.

(3) In the event of a tie vote in the Audit Committee, the chair of the Audit Committee may cast a second tie-breaking vote.

(4) Subject to subsection (5), the CAO and CFO must be notified of all Audit Committee meetings and must attend those meetings, subject to reasonable exceptions.

(5) The CAO or the CFO may be excluded from all or any part of a Audit Committee meeting if

(a) the subject matter relates to a confidential personnel or performance issue respecting the CAO or the CFO; or

(b) it is a meeting with the auditor.

(6) If the CAO or CFO is excluded from all or any part of an Audit Committee meeting in accordance with subsection (5), then the remainder of the Audit Committee meeting must be held *in camera*.

**(7) The Audit Committee must meet**

**(a) at least once every three (3) months in each fiscal year as necessary to conduct the business of the Audit Committee; and**

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

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

**(9) Subject to this law and any directions given by the Council, the Audit Committee may make rules for the conduct of its meetings not inconsistent with this law.**

**(10) The Audit Committee may, at the discretion of the chair of the Audit Committee, retain a consultant to assist in the performance of any of its responsibilities.**

#### **Audit Committee Responsibilities**

**19.(1) The Audit Committee is responsible for the following matters in respect of the financial administration of the First Nation:**

**(a) on an ongoing basis, monitor the financial performance of the First Nation against the budget and report any significant variations to the Council;**

**(b) make recommendations to the Council on the selection, engagement and performance of an auditor;**

**(c) receive assurances on the independence of a proposed or appointed auditor;**

**(d) review, and make recommendations to the Council on, the planning, conduct and results of audit activities;**

**(e) review, and make recommendations to the Council, on the audited annual financial statements, including the auditor's memo or management letter, the audited local revenue account financial statements and any special purpose reports;**

**(f) review and report to the Council on the post-audit and any internal management letter concerning material findings or recommendations of the auditor and any follow up to rectify identified internal control weaknesses;**

**(g) monitor financial reporting risks and fraud risks and the effectiveness of mitigating controls for those risks taking into consideration the cost of implementing those controls;**

- (h) conduct a review of this law at least six months before the expiry of a financial management system certificate and, where appropriate, recommend amendments to the Council;
- (i) periodically review, and make recommendations to the Council on, the purpose and mandate of the Audit Committee;
- (j) review and report to the Council on any other matter the auditor brings to the Audit Committee's attention;
- (k) periodically review, and make recommendations to the Council on, policies, procedures and directions on reimbursable expenses and benefits of the councillors, officers and employees of the First Nation;
- (l) review, monitor and report to the Council on the appropriateness of the First Nation's accounting and financial reporting systems, policies and practices;
- (m) review, and recommend to the Council for approval, any proposed significant changes in the First Nation's accounting or financial reporting systems, policies, procedures or directions;
- (n) review and report to the Council on the First Nation's risk management policies and control and information systems and, where appropriate, recommend improvements to the Council;
- (o) review the adequacy of security of information, information systems and recovery plans and, where appropriate, recommend improvements to the Council;
- (p) monitor compliance with the legal obligations of the First Nation, including legislative, regulatory and contractual obligations, and report to the Council;
- (q) review and report to the Council on the adequacy of financial administration personnel and resources;
- (r) annually review and recommend to the Council, multi-year financial plans, projections and priorities based on the most recent actual receipts and expenditures;
- (s) review and oversee the development of draft annual budgets and recommend them to the Council;
- (t) review the quarterly financial statements and recommend them to the Council;
- (u) monitor the collection and receipt of the First Nation's financial assets, including debts owed to the First Nation;

- (v) review, and recommend to the Council, performance measurements and goals designed to confirm that management activities, including financial management, occur as planned;
- (w) review, and recommend to the Council, cash management plans;
- (x) review, monitor and report to the Council on the adequacy and appropriateness of the First Nation's insurance coverage respecting significant First Nation risks;
- (y) review, monitor and report to the Council on material litigation and its impact on financial administration and reporting; and
- (z) review any reports provided by the Finance Committee and report to the Council as required.

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

### ***DIVISION 3 – Officers and Employees***

#### **CAO**

**20.(1)** The Council must appoint a person as CAO of the First Nation and must set the terms and conditions of that appointment.

(2) Reporting to the Council, the CAO is responsible for leading the planning, organization, implementation and overall management of all the day-to-day operations of the First Nation including the following duties:

- (a) to oversee, supervise and direct the activities of all officers and employees of the First Nation;
- (b) to oversee and administer the contracts of the First Nation;
- (c) to liaise with legal counsel, government officials, and contractors and agents of the First Nation;
- (d) to hire the employees of the First Nation as the CAO considers necessary, at the recommendation of the human resources officer;
- (e) to perform any other duties of the CAO under this law;
- (f) to assume the duties and responsibilities of the human resources officer, if one has not been appointed by the CAO;

(g) to carry out any other activities specified by the Council that are not contrary to the Act or inconsistent with the CAO's duties specified in this law;

(h) to identify, assess, monitor and report on financial reporting risks and fraud risks; and

(i) to monitor and report on the effectiveness of mitigating controls for the risks referred to in paragraph (h), taking into consideration the cost of implementing those controls.

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

(a) to an officer or employee of the First Nation; and

(b) with the approval of the Council, to a contractor or agent of the First Nation, provided that the person reports directly to the CAO or, in the absence of the CAO, to the Council.

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

#### **Human Resources Officer**

21.(1) The CAO may appoint a person as human resources officer of the First Nation and must set the terms and conditions of that appointment.

(2) Reporting to the CAO, the human resources officer is responsible for the overall management, organization and implementation of all of the First Nation's human resources, in accordance with the human resources manual, including the following duties:

(a) to develop human resources policies and procedures for the hiring, management and dismissal of officers and employees of the First Nation for the CAO to review and recommend to Council for approval;

(b) to prepare and recommend to the Council for approval, the powers, duties and functions of all employees of the First Nation;

(c) to pre-screen candidates and make recommendations to the CAO regarding the hiring of the employees of the First Nation and the terms and conditions of their employment;

(d) to prepare, recommend to the Council and maintain and revise as necessary the organization chart referred to in section 24;

(e) to perform employee evaluations in accordance with the human resources manual;

(f) to perform any other duties of the human resources officer under this law; and

(g) to carry out any other activities specified by the Council that are not contrary to the Act or inconsistent with the human resource officer's duties specified in this law.

(3) The human resources officer may, with the approval of the CAO, assign the performance of any of the human resources officer's duties or functions

(a) to an officer, employee or committee of the First Nation; and

(b) to a contractor or agent of the First Nation, provided that the person reports directly to human resources officer or, in the absence of the human resources officer, to the CAO.

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

## **CFO**

**22. (1)** The CAO must appoint a person as CFO of the First Nation and may set the terms and conditions of that appointment.

(2) Reporting to the CAO, the CFO is responsible for the day-to-day management of the systems of the financial administration of the First Nation including the following duties:

(a) to administer and maintain all accounts of the First Nation;

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

(c) to prepare the draft annual budgets and amendments, including the local revenue account;

(d) to prepare the monthly financial information required in section 66, the quarterly financial statements required in section 67 and the annual financial statements required in section 68;

(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 subsections 15(1) and 19(1);

(f) to actively monitor compliance with any agreements and funding arrangements entered into by the First Nation;

(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 the First Nation to facilitate the annual audit;

(i) to actively monitor compliance with all financial aspects of the First Nation's legal obligations, and with any policies, procedures and directions of the Council respecting the financial administration of the First Nation, other than those matters that are the

responsibility of the tax and lands manager under this law, another law of the First Nation or the Act;

(j) to prepare or provide any documentation and financial information required by the Council, the Finance Committee or the Audit Committee to discharge its responsibilities;

(k) to evaluate the financial administration systems of the First Nation and recommend improvements;

(l) to develop and recommend procedures for the safeguarding of assets, and ensure that approved procedures are followed;

(m) to develop and recommend procedures for identifying and mitigating financial reporting and fraud risks, and ensure that approved procedures are followed;

(n) to perform any other duties of the CFO under this law; and

(o) to carry out any other activities specified by the CAO that are not contrary to the Act or inconsistent with the CFO's duties under this law.

(3) With the approval of the CAO, the CFO may assign the performance of any of the duties or functions of the CFO to any officer, employee, contractor or agent of the First Nation but this assignment does not relieve the CFO of the responsibility to ensure that these duties or functions are carried out properly.

#### **Tax and Lands Manager**

23.(1) The Council must, under its local revenue laws, appoint a person as tax and lands manager of the First Nation and may set the terms and conditions of that appointment.

(2) Reporting to the CAO, the tax and lands manager is responsible for the following duties:

(a) to actively monitor compliance with the First Nation's legal obligations, and with any policies, procedures and directions of the Council respecting the First Nation's local revenue system, other than those matters that are the responsibility of the CFO under this law, another law of the First Nation or the Act;

(b) to evaluate the local revenue system of the First Nation and recommend improvements;

(c) to perform any other duties of the tax and lands manager under this law or under the First Nation's local revenue laws; and

(d) to carry out any other activities specified by the Council that are not inconsistent with the tax and lands manager's duties under this law or under the First Nation's local revenue laws.

(3) With the approval of the CAO, the tax and lands manager may assign the performance of any of the duties or functions of the tax and lands manager under this law to any officer,

employee, contractor or agent of the First Nation but this assignment does not relieve the tax and lands manager of the responsibility to ensure that these duties or functions are carried out properly.

### **Organizational Structure**

24.(1) The Council must establish and maintain a current organization chart for the governance, management and administrative systems of the First Nation.

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

(a) all governance, management and administrative systems of the First Nation;

(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 Committee, Audit Committee and all other committees of the Council and the First Nation,

(ii) the CAO, the CFO, the tax and lands manager, the human resources officer and any other officers of the First Nation, 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 CAO must provide a copy of the organization chart under subsection (1) to a councillor, a member of a committee, an officer, an employee or contractor or agent of the First Nation or a First Nation member.

(4) In the course of discharging his or her responsibilities under this law, the CAO 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 the First Nation hires or retains qualified and competent personnel people to carry out the financial administration activities of the First Nation.

### ***DIVISION 4 – Conduct Expectations***



## **Conduct of Councillors**

**25.(1)** When exercising a power, duty or responsibility relating to the financial administration of the First Nation, a councillor must

- (a) comply with this law, the Act, any other applicable law of the First Nation and any applicable standards;
- (b) act honestly, in good faith and in the best interests of the First Nation;
- (c) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances; and
- (d) avoid conflicts of interest, comply with policies and procedures made under section 27 and annually disclose relevant information respecting their private interests which could result in a conflict of interest.

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

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

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

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

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

- (a) comply with this law, the Act, any other applicable law of the First Nation and any applicable standards;
- (b) comply with all policies, procedures and directions of the Council; and
- (c) avoid conflicts of interest, comply with policies and procedures made under section 27 and disclose as soon as practicable any circumstances which could result in a conflict of interest.

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

- (a) the terms of employment or appointment of every officer or employee of the First Nation;
  - (b) the terms of every contract of a contractor of the First Nation;
  - (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 the First Nation.
- (4) If a person contravenes subsection (2), the following actions may be taken:
- (a) an officer or employee may be disciplined, up to and including dismissal, in accordance with the human resources manual;
  - (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 an agent may be revoked.

#### **Conflict of Interest**

27. (1) The Council must establish policies and procedures for conflict of interest that require

- (a) councillors to annually disclose relevant information respecting their private interests which could result in a conflict of interest, and
- (b) officers, employees, committee members, contractors and agents to disclose as soon as practicable any circumstances which could result in a conflict of interest.

(2) The Council must establish policies and procedures for the avoidance and mitigation of conflicts of interest including the following:

- (a) defining the private interests of councillors, officers, employees, committee members, contractors and agents that could result in a conflict of interest;
- (b) requiring the disclosure of actual or potential conflicts of interest as they arise and keeping of records of such disclosures;
- (c) specifying restrictions on the acceptance of gifts and benefits by any person referred to in paragraph (a) that might reasonable be seen to have been offered in order to influence the making of a decision by that person;
- (d) prohibiting any person referred to in paragraph (a) who has a conflict of interest from attempting to influence a decision or from participating in the making of a decision respecting the matter in which the person has a conflict of interest; and

(e) specifying how any undisclosed or any alleged but not admitted conflicts of interest of councillors are to be addressed.

## **PART IV - Financial Management**

### ***DIVISION 1 – Financial Plans and Annual Budgets***

#### **Fiscal Year**

28. The fiscal year of the First Nation is April 1 to March 31 of the following year.

#### **Multi-Year Financial Plan**

29. 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 transferred from any capital fund;
- (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**

30.(1) The annual budget must encompass all the operations for which the First Nation is responsible and must identify

- (a) each anticipated source of revenue or receipts and estimate the amount of revenue or receipts from each of these sources;
- (b) each anticipated category of expenditure or disbursements and estimate the amount of expenditure or disbursements for each category; and
- (c) any anticipated annual and accumulated surpluses or deficits and the application of year end surpluses.

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

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

31.(1) On or before January 31 of each year, each director must prepare and submit, to the CAO and to the CFO, a preliminary budget for the operation of their program for the next fiscal year, in accordance with the policies and procedures established by the Council from time to time.

(2) On or before February 15 of each year, the CFO must prepare and submit to the Finance Committee for review a draft annual budget and a draft multi-year financial plan for the next fiscal year.

(3) On or before February 28 of each year, the CFO must submit to the Audit Committee, and the 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.

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

(5) On or before June 15 of each year, the CFO must prepare and submit to the Finance Committee for review a draft amendment of the component of the annual budget respecting the First Nation's local revenue account.

(6) On or before June 30 of each year, the CFO must submit to the Audit Committee, and the Audit Committee must review, the draft amendment of the component of the annual budget respecting the First Nation's local revenue account and recommend an amendment to the annual budget to the Council for approval.

(7) No later than July 15 of each year, the Council must approve the amendment of the component of the annual budget respecting the First Nation's local revenue account.

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

32.(1) The Council must make all reasonable efforts to ensure that a draft annual budget contains no proposed deficits.

(2) If, after the Council has followed all established practices and procedures and has exercised due diligence, a draft annual budget contains a proposed deficit, the Council must

ensure that the multi-year financial plan of the First Nation demonstrates how and when this deficit will be addressed and how it will be serviced.

#### **Amendments to Annual Budgets**

33. The annual budget of the First Nation must not be changed without the approval of the Council.

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

34. 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 FNTC standards.

#### **Informing and Involving First Nation Members**

35.(1) The Council must post a public notice of each Council meeting, in accordance with section 4, when each of the following is presented for approval:

- (a) the multi-year financial plan;
- (b) the annual budget;
- (c) an amendment to the annual budget, including budget deficits and extraordinary expenditures; and
- (d) capital projects; and
- (e) borrowing for new capital projects.

(2) First Nation members may attend that part of the Council meeting when the matters referred to in subsection (1) are being considered, and the Council must consider any comments made by First Nation members in attendance before making a final decision.

(3) A notice provided under subsection (1) must state whether and how First Nation members may be involved in the decision under consideration.

### ***DIVISION 2 - Financial Institution Accounts***

#### **Financial Institution Accounts**

36.(1) No account may be opened for the receipt and deposit of money of the First Nation unless the account is

- (a) in the name of the First Nation;
- (b) opened in a financial institution; and

(c) authorized by the CAO and the CFO.

(2) Where moneys exist, the First Nation 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, which funds must be kept separate from other moneys of the First Nation;

(c) a trust account;

(d) a land and resources account for money from revenues from the First Nation's lands; and

(e) the capital funds described in section 37.

(3) The CAO and the CFO may establish any other accounts not referred to in subsection (2) as may be necessary and appropriate to manage the First Nation's financial assets.

#### **Establishment of Capital Funds**

37.(1) The First Nation must maintain the three capital funds set out in subsections (5), (6) and (7) for the purpose of ensuring that capital revenues are invested in accordance with the First Nation's long-term priorities, with an objective of providing economic security for future generations of Sliammon people.

(2) The Council must establish policies or procedures

(a) ensuring that each proposed advance from the capital funds follows a diligent review process; and

(b) requiring all proposed advances to be reviewed by the Audit Committee.

(3) Advances from the capital funds must be made as follows:

(a) no advance over five hundred thousand dollars (\$500,000) may be made from a capital fund for an infrastructure or tangible capital asset project unless it has been approved by a majority of First Nation members at a duly constituted general meeting; and

(b) no advance over one million dollars (\$1,000,000) may be made from a capital fund for an infrastructure or tangible capital asset project unless it has been approved by a majority of First Nation members in a duly constituted referendum.

(4) All annual earnings generated by a capital fund must be reinvested into that capital fund.

(5) The First Nation's capital infrastructure fund is established and must be maintained on the following terms and conditions:

(a) moneys held in this fund are to be used for future infrastructure development; and

(b) any advance from this fund must bear interest at a rate equivalent to one percent (1%) below the Bank of Canada's prime rate at the time in which the advance is made, but in no case less than zero percent (0%), for a term not to exceed thirty (30) years.

(6) The First Nation's economic development fund is established and must be maintained on the following terms and conditions:

(a) moneys held in this fund are to be used for economic development or business ventures proposed or endorsed by the SDC that the Council deems to be economically beneficial to the First Nation or related entities; and

(b) any advance from this fund must bear interest at a rate equivalent to one percent (1%) below the Bank of Canada's prime rate at the time in which the advance is made, but in no case less than zero percent (0%), for a term not to exceed five (5) years.

(7) The First Nation's capital general fund is established and must be maintained on the following terms and conditions:

(a) moneys held in this fund are to be used for investing in capital projects that are not contemplated by the funds described in subsections (5) and (6); and

(b) any advance from this fund must bear interest at a rate equivalent to one percent (1%) below the Bank of Canada's prime rate at the time in which the advance is made, but in no case less than zero percent (0%), for a term that would be acceptable to other creditors.

(8) As soon as practicable, the Council must, by resolution, allocate all capital revenues into one or more of the capital funds established under this section.

#### **Accounts Management**

38.(1) The CFO must exercise reasonable due diligence to ensure the safekeeping of all money received by the First Nation.

(2) The CFO must ensure that all moneys received by the First Nation are deposited as soon as practicable into the appropriate accounts described in section 36.

(3) The Council must not authorize payment of money from an account described in section 36 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**

39.(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 capital fund must not be used for any purpose other than that permitted under section 37.

### **No Expenditure Without Appropriation**

40.(1) Subject to sections 41 and 42, 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.

### **Extraordinary Expenditures**

41. Notwithstanding subsection 40(1), the Council may authorize an initial expenditure of up to five percent (5%) of the annual budget for a reasonable purpose that was not and could not have been anticipated in the budget if the expenditure is not expressly prohibited by or under this law or another law of the First Nation, and, subject to further review, the Council may authorize a further expenditure, provided that the total expenditure under this section is no more than ten percent (10%) of the annual budget.

### **Emergency Expenditures**

42.(1) Notwithstanding subsection 40(1), the Council may authorize an expenditure of up to twenty percent (20%) of the annual budget 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 law of the First Nation.

(2) As soon as practicable after making an expenditure under subsection (1), the Council must review the expenditure and, where the Council deems it to be necessary and advisable, the Council may authorize a further expenditure for that emergency purpose.

### **Appropriations**

43.(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 the First Nation in relation to an appropriation must not exceed the amount specified in the budget for the First Nation for that appropriation.



## **Payments After Fiscal Year End**

44. 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.

## **Requisitions for Payment**

45.(1) No money may be paid out of any account without

(a) a requisition for each payment as required under this section; or

(b) the existence of an annual or ongoing contract for goods or services, the payments under which have been approved by the CFO or the Council in accordance with the budget.

(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 reduces the balance available in an appropriation or trust account so that it will not be sufficient to meet the commitments chargeable against it.

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

(5) A requisition must identify the appropriation or trust account out of which payment is to be made and must be signed by the applicable director.

(6) If a requisition is for the payment of performance of work or services or the supply of goods, the requisition must include a statement by a director confirming 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.

(7) The Council must authorize payment out of, or sign a requisition for payment from, a trust account, a local revenue account, any account described in section 36 and any appropriation.

## **Form of Payment**

46. Payments by the First Nation may be made by impress fund, cheque, draft, electronic transfer or other similar instrument signed or authorized by any two authorized signatories.

## ***DIVISION 4 – General Matters***

### **Financial Management Practices and Controls**

47. The Council must, through its financial policies and procedures, establish and follow sound financial management practices and controls.

### **Write Off and Extinguishment of Debts**

48.(1) The CFO may write off or extinguish all or part of a debt or obligation of up to five hundred dollars (\$500) that is owed to the First Nation so long as it does not conflict with this law, any other applicable law or instrument, or the policies, procedures or directions of the Council.

(2) All or part of a debt or obligation in excess of five hundred dollars (\$500) that is owed to the First Nation may be written off or extinguished only

(a) if approved by the Council, or

(b) if done under the authority of a policy or direction of the Council.

## ***DIVISION 5 – Borrowing***

### **Limitations on Borrowing**

49.(1) Except as specifically authorized in this law or in a local revenue law, the First Nation must not borrow money or grant security.

(2) The Council may authorize

(a) a councillor and the CAO, or

(b) a councillor and the CFO

to borrow moneys or grant security in the name of the First Nation, as specifically approved by the Council, or in accordance with the policies, procedures or directions made by the Council.

### **Financial Agreements**

50. If recommended by the Audit Committee for the purpose of efficient management of the First Nation's financial assets, the Council may enter into agreements with financial institutions and related services agreements in the name of the First Nation.

## **Borrowing Member Requirements**

**51.(1)** This section applies if the First Nation is a borrowing member.

(2) The First Nation must not obtain long-term financing secured by property tax revenues from any person other than the FNFA.

(3) The First Nation may only obtain long-term financing from the FNFA 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 the First Nation from the FNFA 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 Repayment of Debts**

**52.** The First Nation may not borrow money to repay or refinance a debt of the First Nation, unless the CFO prepares a report stating it is in the best interest of the First Nation to do so.

## **Use of Borrowed Money**

**53.(1)** Subject to this section and any local revenue law, money borrowed by the First Nation 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 the First Nation and not required to be used immediately for that purpose may be temporarily invested in accordance with subsection 59(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 as soon as is practicable.

## **Execution of Security Documents**

**54.(1)** Subject to subsection (2), a security granted by the First Nation must be signed by the Chief, the CAO and the CFO.

(2) A security granted by the First Nation in respect of local revenues must be signed by

(a) a quorum of the Council;

(b) the CAO;

(c) the CFO; and

(d) the tax and lands manager.

### **Operational Controls**

55.(1) 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 the First Nation's operations.

(2) The Council must review the auditor's opinion on the adequacy of the accounting procedures and internal control measures employed to preserve and protect the First Nation's financial assets and must consider all of the auditor's recommendations.

## ***DIVISION 6 - Risk Management***

### **Risk-Management of For-Profit Activities**

56.(1) Subject to subsections (2) and (3), the First Nation 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) The First Nation may carry on a business that

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

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

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

(ii) any other property of the First Nation.

(3) The First Nation 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 the First Nation; or

(b) do not otherwise expose the First Nation'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**

57.(1) The First Nation must not give a guarantee unless the Council has considered the report of the CFO under subsection (2).

(2) Before the Council authorizes a guarantee under subsection (1), the CFO must, after consulting with and receiving recommendations from the Audit Committee, prepare a report for the Council identifying any risks associated with giving the guarantee and assessing the ability of the First Nation to honour the guarantee should it be required to do so.

(3) The First Nation must not give an indemnity unless it is

(a) authorized under section 93;

(b) necessary and incidental to and included in another agreement to which the First Nation is a party; or

(c) in relation to a security granted by the First Nation that is authorized under this law or another law of the First Nation.

(4) Subject to a resolution described in section 93, the Council must establish policies or procedures or give directions respecting guarantees and indemnities as follows:

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

(b) designating the persons who may give an indemnity on behalf of the First Nation 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 the First Nation.

### **Authority to Invest**

58.(1) Except as specifically authorized in this law or another law of the First Nation, the First Nation must not invest the First Nation's financial assets.

(2) The Council may authorize the CFO to invest the First Nation's financial assets

(a) as specifically approved by the Council; or

(b) on the recommendation of the Audit Committee and, where the Audit Committee deems necessary, with the advice of a financial planner.

### **Approved Investments**

**59.(1)** Money in an account described in section 36 that is not immediately required for expenditures may be invested by the First Nation 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 FNFA 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 recognized security-rating institutions;
- (e) any class of investments permitted under a statute of a province relating to trustees; or
- (f) any other investments or class of investments prescribed by a regulation under the Act.

(2) If the First Nation has established an investment account under section 36, the First Nation 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 the First Nation is a shareholder;
- (b) a trust in which the First Nation is a beneficiary;
- (c) a limited partnership in which the First Nation is a partner; or
- (d) a First Nation member investment program described in section 60.

(3) Despite any other provision in this section, the First Nation may only invest the following in investments specified in subsection 82(3) of the Act and in investments in securities issued by the FNFA:

- (a) government transfer funds;
- (b) local revenues; and
- (c) other revenues, if the First Nation has a loan from the FNFA secured by other revenues.

### **Investments in First Nation Member Activities**

**60.(1)** The First Nation may only make a loan to a First Nation member or to an entity in which a First Nation member has an interest if the loan is made from a program of the First Nation 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 CFO must prepare a report for the 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 First Nation members;

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

(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**

**61.(1)** The Council, on the recommendation of the Audit Committee and in accordance with this law, may do all things necessary or advisable for the purpose of making, continuing, exchanging or disposing of an investment or loan.

(2) 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**

**62.** Annually, and more often if necessary, the Audit Committee, with input from the CAO and the CFO, must identify and assess

(a) any significant risks to the First Nation's financial assets;

(b) any significant risks to the First Nation's tangible capital assets as defined in section 2;

(c) any significant risks to the First Nation's operations; and

(d) the adequacy of the First Nation's insurance coverage.

#### **Insurance**

63.(1) On recommendation of the Audit Committee, the Council must procure and maintain in force all insurance coverage that is appropriate and commensurate with the risks identified in section 62 and any other risks associated with any assets, property or resources under the ownership, care or control of the First Nation.

(2) The Council may purchase and maintain insurance for the benefit of a councillor or an officer or their personal representatives against any liability arising from that person being or having been a councillor or an officer.

### ***DIVISION 7 – Financial Reporting***

#### **Accounting Practices**

64. All accounting practices of the First Nation must comply with GAAP.

#### **Financial Activity Reports**

65. At any time, the Council may pass a motion requesting an officer to prepare, and provide to the Council at the next Council meeting, a financial activity report, in a form and with the content approved by the Council on the recommendation of the Audit Committee.

#### **Monthly Financial Information**

66. No more than forty-five (45) days following the end of each month, the CFO must

(a) prepare financial information respecting the financial affairs of the First Nation, in the form and with the content approved by the Council on the recommendation of the Audit Committee; and

(b) provide the information in paragraph (a) to the Council and the Audit Committee.

#### **Quarterly Financial Statements**

67.(1) No more than forty-five (45) days after the end of each quarter of the fiscal year, the CFO must

(a) prepare financial statements for the First Nation for that quarter in the form and with the content approved by the Council on the recommendation of the Audit Committee; and

(b) provide the information in paragraph (a) to the Council and the Audit Committee.

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



(a) reviewed by the Audit Committee; and

(b) reviewed and approved by the Council.

(3) If the First Nation has a loan from the FNFA that is secured by other revenues, the CFO must

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

(b) provide the FNFA or the Board, on its request, with information respecting the other revenues account.

### **Annual Financial Statements**

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

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

(a) the financial information of the First Nation and its related bodies for the fiscal year;

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

(c) the revenue categories for the First Nation's lands referred to in subsection 30(2).

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

(a) a report setting out all payments made to honour guarantees and indemnities for that fiscal year;

(b) a report setting out the information required in section 10;

(c) a report setting out all debts or obligations forgiven by the First Nation in accordance with section 48;

(d) a report setting out the information required in paragraph 60(3)(c);

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

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

(4) Where possible, the CFO must provide draft annual financial statements to the Audit Committee for review within sixty (60) days following the end of the fiscal year for which they were prepared.

(5) The Audit Committee must present draft annual financial statements to the Council for review within ninety (90) days following the end of the fiscal year for which they were prepared.

#### **Appointment of Auditor**

**69.(1)** At an annual general meeting, the Council must, by resolution, appoint an auditor to hold office for each fiscal year until 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 signed by the Council and must include the auditor's obligation to confirm that the annual financial statements and the audit of them comply with this law, the Act, FMB standards and all other applicable laws.

(3) To be eligible for appointment as the auditor of the First Nation, an auditor must

(a) 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 firm or accountant is practicing, and

(ii) licensed or otherwise authorized to practice public accounting in British Columbia.

(b) be independent of the First Nation, its related bodies, councillors, officers and First Nation members.

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

(a) advise the First Nation in writing of the circumstances; and

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

#### **Audit Requirements**

**70.(1)** The auditor must audit the annual financial statements of the First Nation in accordance with GAAS.

(2) The auditor must conduct the audit of that part of the annual financial statements respecting the local revenue account in accordance with the FMB's standards respecting financial reporting of the local revenue account and must report on that account separately from other accounts.

(3) When conducting the audit, the auditor must provide to the Council a management letter containing

- (a) an audit opinion of the annual financial statements;
- (b) an audit opinion or review comments on the special purpose reports referred to in subsection 68(3); and
- (c) a general review and opinion of the adequacy of the accounting procedures and internal control measures employed to preserve and protect the First Nation's financial assets.

#### **Auditor's Authority**

**71.(1)** To conduct an audit of the annual financial statements of the First Nation, the auditor must be given access to

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

(3) The auditor must be given notice and minutes of, and any other communication relating to

- (a) every meeting of the Finance Committee and Audit Committee;
- (b) every Council meeting where matters relating to the annual audit, including the approval of the annual financial statements, will be considered; and
- (c) every meeting of First Nation members where the financial administration of the First Nation will be considered.

(4) Notice under subsection (3) must be the same as that provided to a councillor or First Nation member, as the case may be.

(5) Subject to subsection (7), the auditor may attend any meeting for which the auditor must be given notice under this section and must be given the opportunity to be heard at those

meetings on any subject that concerns the auditor as auditor of the First Nation.

(6) The auditor may call a meeting of the Audit Committee to discuss any subject that concerns the audit of the First Nation.

(7) The auditor may be excluded, by a recorded vote, from all or any part of a meeting of the Audit Committee or the Council to which the auditor has been invited, if the subject matter relates to the retaining or dismissal of the auditor.

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

72.(1) The audited annual financial statements must be provided to the Audit Committee for its review and consideration no later 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 no later than July 29 of the fiscal year for which the statements were prepared.

#### **Access to Annual Financial Statements**

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

(a) be approved by the Council;

(b) be signed by

(i) a quorum of the Council, including the Chief,

(ii) the chair of the Audit Committee, and

(iii) the CFO; 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 section 68(3).

(2) The audited annual financial statements and special purpose reports must be

(a) presented to the First Nation members at the annual general meeting; and

(b) available for inspection by First Nation members at the principal administrative offices of the First Nation 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 the First Nation during normal business hours.

## **Annual Report**

74.(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 the First Nation 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 the First Nation;

(b) a progress report on any established financial objectives and performance measures of the First Nation; and

(c) the audited annual financial statements of the First Nation for the previous fiscal year including special purpose reports.

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

(a) to a First Nation member as soon as practicable after a request is made by the First Nation member;

(b) to the Board as soon as practicable after the report's publication, if the First Nation has a certificate issued by the Board under section 50(3) of the Act; and

(c) to the FNFA as soon as practicable after the report's publication, if the First Nation is a borrowing member.

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

## ***DIVISION 8 – Information and Information Technology***

### **Ownership of Records**

75.(1) All records of the First Nation that are produced by or on behalf of the First Nation or kept, used or received by any person on behalf of the First Nation are the property of the First Nation.

(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 the First Nation.

### **Operations Manual**

76.(1) The CAO must prepare and maintain a current operations manual respecting every element of the First Nation'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 Committee, Audit Committee and all other Council committees and officers and employees of the First Nation, subject to reasonable exceptions determined at the discretion of the CAO.

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

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

77.(1) The CFO must ensure that the First Nation prepares, maintains, stores and keeps secure all records of the First Nation that are required under this law or any other applicable law.

(2) No record of the First Nation may be destroyed or disposed of except as permitted and in accordance with this law, any other applicable law, and the policies, procedures or directions of the Council.

(3) Subject to subsection (4), all financial records must be stored for at least seven (7) years after they were created.

(4) The First Nation must keep an original copy of every set of audited annual financial statements in its financial records.

(5) The Council must establish policies and procedures or give directions respecting access of any person to the First Nation's records.

#### **Account Records**

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

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

#### **Confidentiality of Information**

79.(1) No person may be given access to records of the First Nation containing confidential information except as permitted in and in accordance with the policies, procedures and directions of the Council, and all applicable laws.

(2) All persons who have access to records of the First Nation 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**

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

## **PART V - Capital Projects**

### **Council General Duties**

**81.** The Council must take reasonable steps to ensure that

(a) the First Nation'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, maintenance or replacement of the First Nation's tangible capital assets is done in accordance with section 83; and

(c) capital projects for the construction of buildings or other improvements are financed, planned, managed 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 the First Nation's lands are located.

### **Reports on Capital Projects**

**82.** At least quarterly, the CFO must report to the Audit Committee on the following subjects:

(a) the status of a capital project including

(i) year to date borrowings, loans and payments,

(ii) a comparison of expenditures to date with the project budget,

(iii) a detailed description of any identified legal, financial, technical, scheduling or other problems, and

(iv) the manner in which a problem identified in subparagraph (iii) has been or will be addressed; and

(b) steps taken to ensure compliance with section 85 for every capital project.

### **Life-Cycle of Tangible Capital Assets Management Program**

**83.(1) The CAO must establish and keep current a register of all the First Nation'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 December 31 of each year, the CAO must arrange for the inspection and review of the state of each of the First Nation's tangible capital assets to establish or update information respecting the following matters, as applicable:**

- (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 CFO must prepare and provide to the Audit Committee the following:**



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

(b) five (5) and ten (10) year forecasts and, where applicable, thirty (30) year forecasts of the estimated cost for maintenance, rehabilitation, or replacement of the First Nation's tangible capital assets;

(c) the proposed budget for rehabilitation of the First Nation'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 the First Nation'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 Audit Committee**

**84.(1)** Each year, on or before January 15, the Audit Committee must review the information, schedules and budget prepared under section 83 for the following purposes:

(a) to identify any means to reduce the costs of each rehabilitation or replacement project included in the proposed budgets;

(b) to know the effect that each rehabilitation or replacement project included in the proposed budgets will have on the annual operating costs and routine maintenance costs in future years; and

(c) to determine whether any significant savings might be effected by coordinating the scheduling of projects, deferring any projects or carrying out rehabilitation projects rather than replacement projects.

(2) On or before January 15 of each year, the Audit Committee must review, and make recommendations to the Council regarding, any plans for new construction of the First Nation's tangible capital assets including the proposed schedule, budget and impact on annual operating costs and routine maintenance costs in future years.

#### **Capital Projects – Management**

**85.(1)** The Audit Committee must develop and recommend to the Council for its approval and the Council must approve 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 of the First Nation's capital projects must be managed in accordance with the policies, procedures or directions referred to in subsection (1).

#### **Capital Project Consultants**

**86.** The CAO may retain the services of a professional engineer or other consultant to assist the CAO, the Audit Committee and the Council to carry out their obligations under this Part.

### **PART VI - Miscellaneous**

#### **Compliance with Standards**

**87.(1)** If the First Nation is a borrowing member or has a certificate issued by the FMB under section 50(3) of the Act, the First Nation must comply with all the applicable FMB standards.

(2) If the Council becomes aware that the First Nation is not complying with an FMB standard referred to in subsection (1), the Council must as soon as practicable take any required actions to bring the First Nation into compliance with the FMB standard.

## **Land Management Obligations**

**88.(1)** The First Nation must comply with the Land Code and with *First Nations Land Management Act*.

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

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

**89.(1)** Subject to subsection (2), if any person has reason to believe that

(a) an expenditure, liability or other transaction of the First Nation is not authorized by or under this law or another law of the First Nation,

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

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

(d) a person has failed to comply with the policies and procedures respecting conflict of interest made under section 27,

the person may disclose the circumstances to the auditor, the Chief, the chair of the Audit Committee, the CFO or the CAO, whoever is most appropriate under the circumstances.

(2) If a councillor, officer, employee, contractor or agent of the First Nation becomes aware of any circumstances described under subsection (1), the councillor, officer, employee, contractor or agent, as the case may be, must report them to the auditor, the Chief, the chair of the Audit Committee, the CFO or the CAO, whoever is most appropriate under the circumstances.

## **Inquiry into Report**

**90.(1)** If a report is made to under section 89, the person to whom the report is made must inquire into the circumstances reported and report the findings to the chair of the Audit Committee as soon as practicable.

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

## **Protection of Parties**

**91.(1)** All reasonable steps must be taken by the CAO, the CFO, the auditor, the members of the Audit Committee and the Council to ensure that the identity of the person who makes a report under section 89 is kept confidential to the extent practicable in all the circumstances.

(2) A person who makes a report in good faith under section 89 must not be subjected to any form of reprisal by the First Nation or by a councillor, officer, employee, contractor or agent of the First Nation as a result of making that report.

(3) The CAO and the chair of the 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 for

(a) the recording and safeguarding of reports made under section 89 and any records prepared during the inquiry or investigation into those reports;

(b) the inquiry or investigation into reports made under section 89; and

(c) the fair treatment of a person against whom a report has been made under section 89.

#### **Liability for Improper Use of Money**

**92.(1)** A councillor who votes for a resolution authorizing an amount to be expended, invested or used contrary to this law or to a local revenue law is personally liable to the First Nation for that amount.

(2) Subsection (1) does not apply if the councillor relied on information provided by an officer or employee of the First Nation and the officer or employee was guilty of dishonesty, negligence or malicious or wilful misconduct when providing the information.

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

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

#### **Indemnification Against Proceedings**

**93.(1)** Subject to subsection (2), the Council may, by resolution, provide an indemnity to a named representative of the First Nation, a category of representatives of the First Nation or all representatives of the First Nation in accordance with the terms specified in the resolution.

(2) The Council may not pay a fine that is imposed as a result of the conviction of a representative of the First Nation for an offence, unless the offence is a strict or absolute liability offence.

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

**94.(1)** On a regular, periodic basis established by a policy of the Council, the Finance Committee and the 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 First Nation members respecting any proposed amendment of this Law; and

(b) the involvement of First Nation members in the process for considering 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) First Nation members may attend that part of the Council meeting when a proposed amendment to this Law is being considered.

#### **Provision of Law to FNFA**

**95.** As soon as practical after the FMB approves this law, the Council must provide a copy of this law to the FNFA.

#### **Coming Into Force**

**96.** This Law comes into force on the day after it receives final approval by the FMB, pursuant to section 9 of the Act.

#### **Amendment**

**97.** This Law may be amended by resolution of the Council, but any such amendment shall not come into force until it has been approved by the FMB.

THIS LAW IS HEREBY DULY ENACTED by the Council on the 5th day of DECEMBER 2013 at Powell River, in the Province of British Columbia.

A quorum of Council consists of six (6) members of Council.

  
\_\_\_\_\_  
Chief Clint Williams

  
\_\_\_\_\_  
Councillor Vern Piele

NOT PRESENT  
\_\_\_\_\_  
Councillor Denise Smith

NOT PRESENT  
\_\_\_\_\_  
Councillor Gloria Francis

\_\_\_\_\_  
Councillor Dillon Johnson

  
\_\_\_\_\_  
Councillor Walter Paul

NOT PRESENT  
\_\_\_\_\_  
Councillor Bruce Point

\_\_\_\_\_  
Councillor Eugene Louie

  
\_\_\_\_\_  
Councillor John Hackett

  
\_\_\_\_\_  
Councillor Larry Louie