#### Sample Financial Competency Guidelines

Some criteria for Council and the Finance and Audit Committee Chairperson to consider in determining whether or not a Finance and Audit Committee member is financially competent include:

* The ability to read, understand and analyze the First Nation’s annual financial statements and the notes to the financial statements;
* The ability to understand accounting policies, including any estimates used or judgments applied by management in the application of the First Nation’s accounting policies, when these are explained by the First Nation’s Senior Financial Officer and the auditor;
* An understanding of the First Nation’s objectives and operations that may impact the selection or application of accounting policies;
* A knowledge and understanding of the strategies that have been adopted by the First Nation and the risks inherent in any new strategies; and
* An ability to understand the First Nation’s risk environment.