Saugeen First Nation

FINANCIAL ADMINISTRATION LAW

2016

TABLE OF CONTENTS

PART I - Citation 1

PART II - Interpretation and Application 1

PART III - Administration 4

DIVISION 1 - Council 4

DIVISION 2 - Finance and Audit Committee 6

DIVISION 3 - Officers and Employees 9

DIVISION 4 - Conduct Expectations 12

PART IV - Financial Management 13

DIVISION 1 - Financial Plans and Annual Budgets 13

DIVISION 2 - Financial Institution Accounts 15

DIVISION 3 - Expenditures 16

DIVISION 4 - General Matters 18

DIVISION 5 - Borrowing 19

DIVISION 6 - Risk Management 21

DIVISION 7 - Financial Reporting 26

DIVISION 8 - Information and Information Technology 30

PART V - Capital Projects 31

PART VI - Miscellaneous 35

SCHEDULE – Avoiding And Mitigating Conflicts Of Interest 40

PART I - Interpretation 40

PART II - Councillors and Committee Members 41

PART III - Officers and Employees 44

PART IV - Contractors 45

WHEREAS:

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

B. The Chief and Council of the Saugeen First Nation considers it to be in the best interests of the First Nation to make a law for such purposes;

NOW THEREFORE the Chief and Council of the Saugeen First Nation enacts as follows:

PART I - Citation

Citation

1. This Law may be cited as the *Saugeen First Nation Financial Administration Law, 2016.*

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*;

"annual financial statements" means the annual financial statements of the First Nation referred to in Division 7 of Part IV;

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

"auditor" means the auditor of the First Nation appointed under section 73;

"band administrator" means the person appointed band administrator under section 18;

"Board" means the First Nations Financial Management Board established under the Act;

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

"borrowing member" means a first nation that has been accepted as a borrowing member under section 76 (2) of the Act and has not ceased to be a borrowing member under section 77 of the Act;

"budget" means the annual budget of the First Nation that has been approved by the Council;

"Chief" means the Chief of the First Nation;

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

"Councillor" means a person elected to the office of the First Nation Council, but does not include the Chief;

"Council" means the Chief and Council of the First Nation, which is the official government of the First Nation;

"Finance and Audit Committee" means the Finance and Audit Committee established under section 12;

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

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

"financial competency" means the ability to read and understand financial statements that present accounting issues reasonably expected to be raised by the First Nation's financial statements;

"financial records" means all records respecting the financial administration of the First Nation, including the minutes of meetings of the Council and the Finance and Audit Committee;

"First Nation" means the Saugeen First Nation;

"First Nation's financial assets" means all money and other financial assets of the First Nation;

"First Nation's lands" means all reserves of the First Nation within the meaning of the *Indian Act*;

"First Nation law" means any law, including any by-law or code, of the First Nation made by the Council or the membership of the First Nation;

"First Nation's records" means all records of the First Nation respecting its governance, management, operations and financial administration;

"fiscal year" means the fiscal year of the First Nation set out in section 23;

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

"multi-year financial plan" means the plan referred to in section 24;

"officer" means the band administrator, senior financial officer 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;

"related body" means

(a) any agency of the First Nation,

(b) any corporation in which the First Nation has a material or controlling interest,

(c) any partnership in which the First Nation or another related body of the First Nation is a partner with a material or controlling interest, or

(d) a trust of the First Nation;

"senior financial officer" means the person appointed senior financial officer under section 19;

"signing officer" means the band administrator, senior financial officer and any other employee of the First Nation designated by the Council to sign a cheque, draft, electronic transfer, security or other similar instrument;

"special purpose report" means a report described in subsection 72; and

"standards" means the standards established from time to time under the Act.

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

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

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

Interpretation

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

(a) words in the singular include the plural, and words in the plural include the singular;

(b) words importing female persons include male persons and corporations and words importing male persons include female persons and corporations;

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

(d) the expression "must" is to be construed as imperative, and the expression "may" is to be construed as permissive;

(e) unless the context indicates otherwise, "including" means "including, but not limited to", and "includes" means "includes, but not limited to"; and

(f) a reference to an enactment includes any amendment or replacement of it and every regulation made under it.

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

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

Posting of Public Notice

4.(1) If a public notice must be posted under this Law, the public notice is properly posted if a written notice is placed in a conspicuous and accessible place for public viewing in the principal administrative offices of the First Nation.

(2) Unless expressly provided otherwise, if a public notice of a meeting must be posted under this Law the notice must be posted at least fifteen (15) days before the date of the meeting.

Calculation of Time

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

(a) where the time limited for taking an action ends or falls on a holiday, the action may be taken on the next day that is not a holiday;

(b) where there is a reference to a number of days, not expressed as "clear days", between two 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 First Nation law, other than a code, this Law prevails.

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

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 First Nation law, 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 Council policies, procedures or directions;

(b) the appointment of members, the chair and the vice-chair of the Finance and 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 may establish policies and procedures and give directions respecting any matter relating to the financial administration of the First Nation.

(2) The Council must establish policies or procedures or give directions respecting the acquisition, management and safeguarding of First Nation assets.

(3) 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.

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

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

Reporting of Remuneration and Expenses

10.(1) In this section:

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

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

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

(2) Annually the senior financial officer must prepare a report separately listing the remuneration paid and expenses reimbursed by the First Nation, and by any entity, to the Chief and each councillor whether such amounts are paid to the Chief and or councillor while acting in that capacity, or in any other capacity.

DIVISION 2 - Finance and Audit Committee

Interpretation

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

Committee Established

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

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

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

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

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

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

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

(5) If the Committee consists of

(a) three (3) members, at least one (1) of the Committee members must be the Chief or a councillor; and

(b) four (4) or more members, at least two (2) of the Committee members must consist of either the Chief and a councillor or two (2) councillors.

(6) Subject to subsection (7), the Committee members must be appointed to hold office for staggered terms of not less than three (3) complete fiscal years.

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

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

(b) the chair of the Committee recommends removal.

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

Chair and Vice-chair

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

(2) If Council appoints a non-council member as chair of the Committee,

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

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

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

Committee Procedures

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

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

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

(4) Subject to subsection (5), the band administrator and the senior financial officer must be notified of all Committee meetings and, subject to reasonable exceptions, must attend those meetings.

(5) The band administrator or the senior financial officer may be excluded from all or any part of a Committee meeting by a recorded vote if

(a) the subject matter relates to a confidential personnel or performance issue respecting the band administrator or the senior financial officer; or

(b) it is a meeting with the auditor.

(6) The Committee must meet

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

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

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

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

(9) After consultation with the band administrator, the Committee may retain a consultant to assist in the performance of any of its responsibilities.

Financial Planning Responsibilities

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

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

(i) strategic plans, projections and priorities,

(ii) operational plans, projections and priorities,

(iii) business plans, projections and priorities, and

(iv) financial plans, projections and priorities;

(b) review draft annual budgets and recommend them to the Council for approval;

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

(d) review the quarterly financial statements and recommend them to the Council for approval.

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

Audit responsibilities

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

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

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

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

(d) review and make recommendations to the Council on the audited annual financial statements, including any special purpose reports;

(e) periodically review and make recommendations to the Council on policies, procedures and directions on reimbursable expenses and perquisites of the Chief, councillors, officers and employees of the First Nation;

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

(g) conduct a review of this Law under section 103 and, where appropriate, recommend amendments to the Council; and

(h) periodically review and make recommendations to the Council on the terms of reference of the Committee.

Council Assigned Responsibilities

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

(a) to develop, and recommend to the Council for approval, performance measurements and goals designed to confirm that management activities, including financial management, occur as planned;

(b) to prepare, and recommend to the Council for approval, cash management plans;

(c) to review and report to the Council on the financial content of any First Nation reports;

(d) to review, monitor and report to the Council on the appropriateness of the First Nation's accounting and financial reporting systems, policies and practices;

(e) to 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;

(f) to monitor the collection and receipt of the First Nation's financial assets, including debts owed to the First Nation;

(g) to 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;

(h) to review the adequacy of security of information, information systems and recovery plans and, where appropriate, recommend improvements to the Council;

(i) to monitor compliance with the legal obligations of the First Nation, including legislative, regulatory and contractual obligations, and report to the Council;

(j) to review and report to the Council on the adequacy of financial administration personnel and resources;

(k) to review, monitor and report to the Council on the adequacy and appropriateness of the First Nation's insurance coverage respecting significant First Nation risks; and

(l) to review, monitor and report to the Council on material litigation and its impact on financial administration and reporting.

DIVISION 3 - Officers and Employees

Band Administrator

18.(1) The Council must appoint a person as band administrator of the First Nation and may set the terms and conditions of that appointment.

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

(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 prepare, recommend to the Council and maintain and revise as necessary the organization chart referred to in section 20;

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

(e) to monitor and report on the effectiveness of mitigating controls for the risks referred to in paragraph (d) taking into consideration the cost of implementing those controls;

(f) to perform any other duties of the band administrator 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 band administrator's duties specified in this Law or the *Saugeen First Nation Governance Law*.

(3) The band administrator may assign the performance of any of the BA'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.

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

Senior Financial Officer

19.(1) The Council must appoint a person as senior financial officer of the First Nation and may set the terms and conditions of that appointment.

(2) Reporting to the band administrator, the senior financial officer 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 ensure the financial administration systems, policies, procedures, directions and internal controls are appropriately designed and operating effectively;

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

(c) to prepare the draft annual budgets;

(d) to prepare the monthly financial information required in section 69, the quarterly financial statements required in section 70 and the draft annual financial statements required in section 71;

(e) to prepare the financial components of reports to the Council and of any short, medium and long-term plans, projections and priorities referred to in subsection 15(1);

(f) to actively monitor compliance with any agreements and funding arrangements entered into by 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 the Act, this Law, any other applicable First Nation law, applicable standards and any policies, procedures and directions of the Council respecting the financial administration of the First Nation;

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

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

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

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

(n) to perform any other duties of the senior financial officer under this Law; and

(o) to carry out any other activities specified by the band administrator that are not contrary to the Act or inconsistent with the senior financial officer's duties under this Law.

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

Organizational Structure

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

(ii) the band administrator, the senior financial officer and 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 band administrator must provide a copy of the organization chart under subsection (1) to the Chief, a councillor, a member of a committee referred to in subparagraph (2)(d)(i), an officer, employee or contractor or agent of the First Nation and a member of the First Nation.

(4) In the course of discharging his or her responsibilities under this Law, the band administrator 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 to carry out the financial administration activities of the First Nation.

DIVISION 4 - Conduct Expectations

Conduct of the Chief and Councillors

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

(a) comply with this Law, the Act, any other applicable First Nation law 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 this law and the conflict of interest provisions set out in the *Saugeen First Nation Governance Law.*

(2) If it has been determined under this Law or by a court of competent jurisdiction that the Chief and or 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.

22.(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; or

(c) a member of a committee of the Council or the First Nation who is not the Chief or 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 First Nation law and any applicable standards;

(b) comply with all policies, procedures and directions of the Council; and

(c) avoid conflicts of interest and comply with any applicable requirements of the Schedule: Avoiding and Mitigating Conflicts of Interest, including required disclosure of potential conflicts of interest.

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

(a) the terms of employment or appointment of every officer or employee of 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 the Chief or 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, including dismissal;

(b) a contractor's contract may be terminated;

(c) the appointment of a member of a committee may be revoked; or

(d) the appointment of an agent may be revoked.

PART IV - Financial Management

DIVISION 1 - Financial Plans and Annual Budgets

Fiscal Year

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

Multi-year Financial Plan

24. No later than March 31 of each year, the Council must approve a multi-year financial plan that

(a) has a planning period of five (5) years comprised of the current fiscal year and the four (4) succeeding fiscal years;

(b) is based on the projections of revenues, expenditures and transfers between accounts;

(c) sets out projected revenues, segregated by significant category;

(d) sets out projected expenditures, segregated by significant category;

(e) in respect of transfers between accounts, sets out the amounts from the tangible capital asset reserve account;

(f) shows all categories of restricted cash; and

(g) indicates whether in any of the five (5) years of the plan a deficit or surplus is expected from the projection of revenues and expenditures for that year.

Content of Annual Budget

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

(a) anticipated revenues, segregated by significant category, with estimates of the amount of revenue from each category;

(b) anticipated expenditures, segregated by significant category, with estimates of the amount of expenditure for each category; and

(c) any anticipated annual and accumulated surplus or annual and accumulated deficit and the application of year-end surplus.

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

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

Budget and Planning Process Schedule

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

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

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

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

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

Additional Requirements for Budget Deficits

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

(a) the multi-year financial plan of the First Nation demonstrates how and when this deficit will be addressed and how it will be serviced; and

(b) the deficit does not have a negative impact on the credit worthiness of the First Nation.

Amendments to Annual Budgets

28.(1) The annual budget of the First Nation must not be changed without the approval of the Council.

(2) Subject to section 35, unless there is a substantial change in the forecasted revenues or expenses of the First Nation or in the expenditure priorities of the Council, the Council must not approve a change to the annual budget of the First Nation.

Policy for First Nation Information or Involvement

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

(a) the annual budget;

(b) the multi-year financial plan; and

(c) budget deficits or extraordinary expenditures.

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

(a) the multi-year financial plan;

(b) the annual budget; and

(c) an amendment to the annual budget.

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

DIVISION 2 - Financial Institution Accounts

Financial Institution Accounts

30.(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 band administrator or the senior financial officer.

(2) 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 (d);

(b) a trust account if the First Nation has money held in trust;

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

(d) a tangible capital asset reserve account for money set aside for purposes of section 87.

(3) The First Nation 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.

Accounts Management

31.(1) The senior financial officer must ensure the safekeeping of all money received by the First Nation.

(2) The senior financial officer

(a) must deposit all money received by the First Nation as soon as practicable into the appropriate accounts described in section 30; and

(b) must not authorize payment of money from an account described in section 30 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

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

Prohibited Agreements

33. The First Nation must not enter into an agreement or undertaking that requires the First Nation to expend money that is not authorized by or that contravenes this Law.

No Expenditure Without Appropriation

34.(1) Subject to subsection 35(1), money must not be paid out of any account unless the expenditure is authorized under an appropriation.

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

Emergency Expenditures

35.(1) The band administrator may approve an expenditure for an emergency purpose that was not anticipated in the budget if the expenditure is not expressly prohibited by or under this Law or another First Nation law.

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

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

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

Appropriations

36.(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.

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

Payments after Fiscal Year-end

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

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

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

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

Requisitions for Payment

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

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

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

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

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

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

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

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

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

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

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

(8) The band administrator or the senior financial officer must authorize payment out of, or sign a requisition for payment from, a trust account.

(9) The band administrator or senior financial officer may authorize a payment out of, or sign a requisition for payment from, any appropriation.

(10) Subject to subsection (8), a person who is responsible for managing an appropriation may authorize payment out of, or sign a requisition for payment from, the appropriation.

Form of Payment

39. Payments by the First Nation may be made by cheque, draft, electronic transfer or other similar instrument signed by a signing officer designated by the Council and by either the band administrator or the senior financial officer.

DIVISION 4 - General Matters

Advances

40. The band administrator or the senior financial officer may approve an advance to prepay expenses that are chargeable against an appropriation in the current fiscal year or an appropriation in the next fiscal year.

Holdbacks

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

Deposit Money

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

(a) the agreement under which the deposit has been paid; and

(b) in the absence of any provisions respecting that matter, any policy or directions of the Council.

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

Interest

43.(1) All interest earned on the accounts described in subsection 30(2), other than a trust account or tangible capital asset reserve account, must be deposited in the general account referred to in paragraph 30(2)(a).

(2) All interest earned on

(a) a trust account must be retained in that account; and

(b) the tangible capital asset reserve account must be retained in that account.

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

Refunds

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

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

Write Off of Debts

45. All or part of a debt or obligation owed to the First Nation may be written off

(a) if approved by the Council; or

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

Extinguishment of Debts

46. All or part of a debt or obligation owed to the First Nation may be forgiven only

(a) if approved by the Council; or

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

Year-end Surplus

(1) Subject to subsection (2), an operating surplus at the end of the fiscal year must be paid into the general account described in paragraph 30(2)(a).

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

DIVISION 5 - Borrowing

Limitations on Borrowing

48.(1) Except as specifically authorized in this Law or in a law made under paragraph 5(1)(d) of the Act, the First Nation must not borrow money or grant security.

(2) Subject to this Law, if the First Nation is authorized in this Law to borrow money or grant security, the Council may authorize the senior financial officer to borrow money or grant security in the name of the First Nation

(a) as specifically approved by the Council; or

(b) in accordance with the policies, procedures or directions made by the Council.

Borrowing for Ordinary Operations

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

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

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

Financial Agreements

50.(1) The First Nation may enter into the following agreements in the name of the First Nation:

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

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

(2) Unless otherwise specified by the Council, the senior financial officer may enter into any agreements referred to in subsection (1) on behalf of the First Nation.

Borrowing for Authorized Expenditures

51.(1) If the general account described in paragraph 30(2)(a) is not sufficient to meet the expenditures authorized to be made from it and the senior financial officer recommends that money be borrowed to ensure that the general account is sufficient for these purposes, the First Nation may borrow an amount not exceeding a maximum amount specified by the Council and to be repaid within a specified period of time.

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

Borrowing Member Requirements

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

Borrowing for New Capital Projects

53.(1) The Council must establish policies or procedures or give directions respecting the means by which members of the First Nation must be informed about or involved in consideration of borrowing for new capital projects described in subsection 90(2).

(2) The Council must post a public notice of each Council meeting when borrowing for new capital projects described in subsection 90(2) is presented for approval.

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

Borrowing for Repayment of Debts

54. Subject to this Law and a law made under paragraph 5(1)(d) of the Act, the First Nation may borrow money that is required for the repayment or refinancing of any debt of the First Nation, other than a debt in relation to money borrowed under subsection 51(1).

Use of Borrowed Money

55.(1) Subject to this section and any law made under paragraph 5(1)(b) of the Act, 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 under subsection 61(1) until required for that purpose.

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

Execution of Security Documents

56. A security granted by the First Nation must be signed by a signing officer designated by the Council and by either the band administrator or the senior financial officer.

Operational Controls

57. 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.

DIVISION 6 - Risk Management

Limitation on Business Activity

58.(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 First Nation governance; or

(b) derives income from the granting of a lease or licence 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

59.(1) The First Nation must not give a guarantee unless the Council has considered the report of the senior financial officer under subsection (2).

(2) Before the Council authorizes a guarantee under subsection (1), the senior financial officer must prepare a report for 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 102;

(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 First Nation law.

(4) Subject to a resolution described in section 102, the Council must make policies and directions respecting guarantees and indemnities as follows:

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

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

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

(2) If the First Nation is authorized in this Law to invest the First Nation's financial assets, the Council may authorize the senior financial officer to invest the First Nation's financial assets

(a) as specifically approved by the Council; or

(b) in accordance with the policies, procedures or directions made by the Council.

Approved Investments

61.(1) Money in an account described in section 30 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 First Nations Finance Authority or by a local, municipal or regional government in Canada;

(d) commercial paper issued by a Canadian company that is rated in the highest category by at least two (2) recognized security-rating institutions;

(e) any investments a trustee may make under an enactment of a province relating to trustees; or

(f) any other investments or class of investments prescribed by a regulation under the Act.

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

(3) If the First Nation has established an investment account under section 30, 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) securities issued by the First Nations Finance Authority or by a local, municipal or regional government in Canada;

(d) a limited partnership in which the First Nation is a partner; or

(e) a member investment program described in section 62.

(4) Despite any other provision in this section, the First Nation may only invest the following in investments specified in subsection 82(3)(a), (b), (c) or (d) of the Act and in investments in securities issued by the First Nations Finance Authority or a municipal finance authority established by a province:

(a) government transfer funds; and

(b) other revenues, if the First Nation has a loan from the First Nations Finance Authority secured by other revenues.

Permitted Investments in First Nation Member Activities

62.(1) The First Nation may only make a loan to a member of the First Nation or to an entity in which a member of the First Nation 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 senior financial officer must prepare a report for Council identifying any risks associated with the program and the costs of administering the program.

(3) A program referred to in subsection (1) must satisfy the following criteria:

(a) the program must be universally available to all members of the First Nation that are eighteen (18) years of age or older;

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

(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

(i) the amounts loaned,

(ii) the purposes of the loans,

(iii) subject to applicable privacy laws, the names of those receiving a loan, and

(iv) repayments of principal and interest on the loans; and

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

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

Administration of Investments and Loans

63.(1) If the First Nation is authorized to make an investment or loan under this Law, the senior financial officer may do all things necessary or advisable for the purpose of making, continuing, exchanging or disposing of the investment or loan.

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

Risk Assessment and Management

64.(1) Annually, and more often if necessary, the band administrator, in consultation with the senior financial officer, must identify and assess any significant risks to the First Nation's financial assets, the First Nation's tangible capital assets as defined in Part V and the operations of the First Nation.

(2) Annually, and more often if necessary, the band administrator, with the support of the senior financial officer, must report to the Finance and Audit Committee on proposed plans to mitigate the risks identified in subsection (1) or, where appropriate, to manage or transfer those risks by agreement with others or by purchasing insurance.

Insurance

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

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

Fraud Risks

66.(1) In this section:

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

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

"misappropriation of assets" means the theft of First Nation assets in circumstances where the theft may result in a material omission or misstatement in financial reports.

(2) The Council must establish procedures for the identification and assessment of the following types of potential fraud in the First Nation:

(a) fraudulent financial reporting;

(b) fraudulent non-financial reporting;

(c) misappropriation of assets; and

(d) corruption and illegal acts.

DIVISION 7 - Financial Reporting

GAAP

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

Separate Accounting

68. If the First Nation has a loan from the First Nations Finance Authority that is secured by other revenues, the senior financial officer must

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

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

Monthly Financial Information

69.(1) At the end of each month, the senior financial officer must 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 Finance and Audit Committee.

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

Quarterly Financial Statements

70.(1) At the end of each quarter of the fiscal year, the senior financial officer must 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 Finance and Audit Committee.

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

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

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

(b) reviewed and approved by the Council.

Annual Financial Statements

71.(1) At the end of each fiscal year the senior financial officer 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 be prepared in a form approved by the Council on the recommendation of the Finance and Audit Committee.

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

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

(b) the revenue categories for the First Nation's lands referred to in subsection 25(2).

(4) The senior financial officer must provide draft annual financial statements to the Finance and Audit Committee for review within sixty (60) days following the end of the fiscal year for which they were prepared.

(5) The Finance and 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.

Special Purpose Reports

72. The senior financial officer must prepare 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;

(d) a report setting out the information required in paragraph 62(3)(c);

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

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

Appointment of Auditor

73.(1) The First Nation must appoint an auditor for each fiscal year to hold office until the later of

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

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

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

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

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

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

(a) be independent of the First Nation, its related bodies, the Chief, councillors, officers and members; and

(b) be a public accounting firm or public accountant

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

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

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

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

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

Auditor's Authority

74.(1) To conduct an audit of 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) the Chief, 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 of

(a) every meeting of the Finance and Audit Committee; and

(b) the Council meeting where the annual audit, including the annual financial statements, will be considered and approved.

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

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

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

Audit Requirements

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

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

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

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

(b) an audit report or review engagement report on the special purpose reports referred to in section 72.

Review of Audited Annual Financial Statements

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

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

Access to Annual Financial Statements

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

(a) be approved by the Council;

(b) be signed by

(i) the Chief of the First Nation,

(ii) the chair of the Finance and Audit Committee, and

(iii) the senior financial officer; and

(c) include the auditor's audit report of the annual financial statements.

(2) The audited annual financial statements must be available for inspection by members of the First Nation at the principal administrative offices of the First Nation during normal business hours.

Annual Report

78.(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;

(c) the audited annual financial statements of the First Nation for the previous fiscal year; and

(d) any special purpose reports referred to in section 72, including the auditor's report or review engagement report, as applicable.

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

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

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

(c) to the First Nations Finance Authority as soon as practicable after the report's publication, if 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 including requiring

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

(b) the band administrator to report quarterly to the Finance and Audit Committee on the steps taken to ensure compliance with subsection (3) and council policy made under this subsection.

DIVISION 8 - Information and Information Technology

Ownership of Records

79.(1) All records 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

80.(1) The band administrator 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 the Chief, councillors, members of the Finance and Audit Committee and all other Council committees and officers and employees of the First Nation.

(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

81.(1) The band administrator must ensure that the First Nation prepares, maintains, stores and keeps secure all of the First Nation's records that are required under this Law or any other applicable law.

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

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

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

Confidentiality of Information

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

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

Account Records

83. If the First Nation has a loan from the First Nations Finance Authority that is secured by other revenues, the senior financial officer officer 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 *Revenue Management Implementation Regulations* as amended by the *Financing Secured by Other Revenues Regulations*.

Information Technology

84. 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

Definitions

85. In this Part:

"capital project" means the construction, rehabilitation or replacement of the First Nation's tangible capital assets and any other major capital projects in which the First Nation or its related bodies are investors;

"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 an accounting period,

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

(d) are not for sale in the ordinary course of operations;

"life-cycle management program" means the program of inspection, review and planning for management of the First Nation's tangible capital assets as described in section 89;

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

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

Council General Duties

86. 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 or replacement of the First Nation's tangible capital assets is in accordance with a life-cycle management program described in this Part; and

(c) capital projects for the construction of buildings or other improvements are financed, planned and constructed in accordance with procedures and to standards that generally apply to the financing, planning and construction of public buildings and other improvements of organized communities in the region in which the majority of the First Nation's lands are located.

Tangible Capital Assets Reserve Fund

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

Reports on Capital Projects

88. At each Finance and Audit Committee meeting, the band administrator must report on the following subjects:

(a) year to date borrowings, loans and payments in respect of each capital project;

(b) the status of a capital project, including

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

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

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

(c) steps taken to ensure compliance with section 91 for every capital project.

Life-cycle Management Program

89.(1) The band administrator, with the support of the senior financial officer, 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 November 30 of each year, the band administrator, with the support of the senior financial officer, 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:

(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 band administrator, with the support of the senior financial officer, must prepare 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), ten (10) and thirty (30) year forecasts of the estimated cost for 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 Finance and Audit Committee

90.(1) On or before January 15 of each year, the Finance and Audit Committee must review the information, schedules and budget prepared under section 89 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 Finance and Audit Committee must review 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 – Contracts and Tenders

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

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

(b) project costing, budgeting, financing and approval;

(c) project and contractor bidding requirements;

(d) tender, contract form and contract acceptance;

(e) course of construction insurance;

(f) project performance guarantees and bonding;

(g) project control, including contract management; and

(h) holdbacks, work approvals, payment and audit procedures.

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

Capital Project Consultants

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

Policy for Information or Involvement of Members

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

(a) the provision of information to members of the First Nation respecting capital projects; or

(b) the involvement of members of the First Nation in consideration of capital projects.

PART VI - Miscellaneous

Board Standards

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

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

Delegated Authority on Intervention

95. Without limiting section 53 of the Act as adapted by the *Financing Secured by Other Revenues Regulations*, if

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

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

the Council of the First Nation delegates to the Board

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

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

Land Management Obligations

96.(1) If the First Nation has a land code under the *First Nations Land Management Act,* the First Nation must comply with the *First Nations Land Management Act* and any land code made by the First Nation as required or permitted under that Act.

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

Oil and Gas Obligations

97. If the First Nation has a financial code under the *First Nations Oil and Gas and Moneys Management Act,* the First Nation must comply with that Act and any financial code made by the First Nation as required or permitted under that Act.

Reports of Breaches and Financial Irregularities, etc.

98.(1) Subject to subsections (2) and (3), 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 First Nation law,

(b) there has been a 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 Schedule that forms part of this Law,

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

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

(3) If an officer, employee, contractor or agent of the First Nation becomes aware of any circumstances described under subsection (1), the officer, employee, contractor or agent, as the case may be, must report them to the band administrator or the chair of the Finance and Audit Committee.

Inquiry into Report

99.(1) If a report is made to the band administrator under subsection 98(3), the band administrator must inquire into the circumstances reported and report the findings to the Finance and Audit Committee as soon as practicable.

(2) If a report is made to the chair of the Finance and Audit Committee under section 98, the chair must inquire into the circumstances reported and report the findings to the Finance and Audit Committee as soon as practicable.

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

Protection of Parties

100.(1) All reasonable steps must be taken by the band administrator, the members of the Finance and Audit Committee and the Chief and or councillor to ensure that the identity of the person who makes a report under section 98 is kept confidential to the extent practicable in all the circumstances.

(2) A person who makes a report in good faith under section 98 must not be subjected to any form of reprisal by the First Nation, the Chief, a councillor, officer, employee, contractor or agent of the First Nation as a result of making that report.

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

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

(a) for the recording and safeguarding of reports made under section 98 and any records prepared during the inquiry or investigation into those reports;

(b) for the inquiry or investigation into reports made under section 98; and

(c) concerning the fair treatment of a person against whom a report has been made under section 98.

Liability for Improper Use of Money

101.(1) The Chief or a councillor who votes for a resolution authorizing an amount to be expended, invested or used contrary to this Law or a law made under paragraph 5(1)(b) or (d) of the Act is personally liable to the First Nation for that amount.

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

(3) An amount owed to the First Nation under subsection (1) may be recovered for the First Nation by the First Nation, a member of the First Nation 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

102.(1) In this section:

"indemnify" means pay amounts required or incurred to

(a) defend an action or prosecution brought against a person in connection with the exercise or intended exercise of the person's powers or the performance or intended performance of the person's duties or functions, or

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

"First Nation official" means a current or former Chief or councillor, officer or employee of the First Nation.

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

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

Periodic Review and Changes of Law

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

(a) to determine if it facilitates effective and sound financial administration of the First Nation; and

(b) to identify any amendments to this Law that may better serve this objective.

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

(a) the provision of information to members of the First Nation respecting any proposed amendment of this Law; or

(b) the involvement of members of the First Nation in consideration of an amendment to this Law.

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

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

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

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

Provision of Law to First Nations Finance Authority

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

Coming into Force

105. (1) This section and the operative portions of sections 1-7, 23, 25, 26, 28, 67-71, 73-77, 83, 94 and 95 come into force the day after this Law is approved by the Board under section 9 of the Act.

(2) Subject to subsection (1), this Law comes into force on the day that is 12 months after the date when the First Nation becomes a borrowing member of the First Nations Finance Authority.

THIS LAW IS HEREBY DULY ENACTED by Council on the 28th day of Nov, 2016, at Saugeen, in the Province of Ontario at a duly called and conducted Council meeting at which the required quorum of Five (5) members of Council was present throughout.

Chief Lester Anoquot

Councillor Randy Roote

Councillor Sonya Roote

Councillor Ken Roote

Councillor Lorne Madawoub

Councillor Spencer Ritchie

Councillor Steven Vanloffeld

Councillor Cheree Urscheler

Councillor Clint Root

Councillor Mike Henry

SCHEDULE – Avoiding And Mitigating Conflicts Of Interest

PART I - Interpretation

Interpretation

1.(1) In this Schedule:

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

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

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

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

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

Definition of Conflict of Interest

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

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

(3) In this Schedule, an individual's "private interests" means the individual's personal and business interests and include the personal and business interests of

(a) the individual's spouse,

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

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

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

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

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

(a) are the same as those of a broad class of members of the First Nation of which the individual is a member; or

(b) are so remote or insignificant that they could not be reasonably regarded as likely to influence the individual in the exercise of a power or performance of a duty or function.

PART II - Councillors and Committee Members

Application

3. This Part applies to the Chief and all councillors of the First Nation and, where applicable, to all members of Council committees.

General Obligations

4.(1) The Chief and all councillors must avoid circumstances that could result in the councillor having a conflict of interest or an apparent conflict of interest.

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

Disclosure of Interests

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

(a) a certificate of possession under the *Indian Act*; or

(b) the First Nation's traditional land holding system pursuant to a band council resolution.

(3) the Chief and each councillor must file a written disclosure of the following information with the Band Administrator:

(a) the names of the Chief's and each councillor's spouse and any persons or entities referred to in subsection 2(3);

(b) the employer of the Chief and each councillor and the Chief and each councillor's spouse;

(c) real property owned by the the Chief and each councillor or the Chief's and each councillor's spouse; and

(d) business interests and material investments of the Chief and each councillor or the Chief's and each councillor's spouse, including in an entity referred to in paragraph 2(3)(e).

(4) the Chief and each councillor must file a written disclosure under subsection (3) on the following occasions:

(a) within thirty (30) days of being elected to the Council;

(b) as soon as practical after a material change in the information previously disclosed; and

(c) on April 15 of each year that the the Chief and each councillor holds office.

(5) The senior financial officer must establish and maintain a register of all information disclosed by the Chief and each councillor under this section and section 6.

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

Gifts and Benefits

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

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

(a) would be considered within

(i) normal protocol exchanges or social obligations associated with the Chief's or councillor's office,

(ii) normal exchanges common to business relationships, or

(iii) normal exchanges common at public cultural events of the First Nation;

(b) is of nominal value;

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

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

(3) Where a gift with a value greater than five hundred dollars ($500.00) is given to the Chief or a councillor or a person referred to in subsection (1), the Chief or councillor must make a written disclosure of the gift to the Band administrator under section 5, and the gift must be treated as the property of the First Nation.

(4) Subsection (3) does not apply to a gift received during a public cultural event of the First Nation.

Confidential Information

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

(a) to members of the public; or

(b) to members of the First Nation.

(3) The Chief and all councillors must only use confidential information referred to in subsection (1) for the specific purposes for which it was provided to the Chief and all councillors.

(4) The Chief and all councillors must not make use of any information received in the course of exercising their powers or performing their duties or functions to benefit the Chief and all councillor's private interests or those of relatives, friends or associates.

Procedure for Addressing Conflict of Interest

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

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

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

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

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

Procedure for Undisclosed Conflict of Interest

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

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

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

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

Obligations of Committee Members

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

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

(a) The Chief or a councillor are considered to be references to a member of a Council committee; and

(b) a Council meeting are considered to be references to a committee meeting.

PART III - Officers and Employees

Application

11. This Part applies to all officers and employees of the First Nation.

General Obligations

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

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

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

(4) The band administrator must ensure that every officer and employee is informed of their obligations under this Part and must take steps to ensure that employees comply with these obligations.

Disclosure of Conflict of Interest

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

(a) disclose the circumstances in writing as soon as practical to the band administrator or, in the case of the band administrator, to the chair of the Finance and Audit Committee; and

(b) refrain from participating in any discussions or decision-making respecting the circumstances of the conflict of interest until advised by the band administrator or the chair, as the case may be, on actions to be taken to avoid or mitigate the conflict of interest.

Gifts or Benefits

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

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

(a) would be considered within

(i) normal exchanges common to business relationships, or

(ii) normal exchanges common at public cultural events of the First Nation;

(b) is of nominal value;

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

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

Outside Employment and Business Interests

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

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

Confidential Information

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

(a) to members of the public; or

(b) to members of the First Nation.

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

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

First Nation Property and Services

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

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

PART IV - Contractors

Application

18.(1) This Part applies to all contractors of the First Nation, other than a person who has an employment contract with the First Nation.

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

Contractor Acting as Officer or Employee

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

General Obligations

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

(a) in its dealings with the First Nation; and

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

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

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

Confidential Information

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

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

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

Business Opportunities

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

First Nation Property and Services

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

Contractor Acting as Officer or Employee

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

General Obligations

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

(a) in its dealings with the First Nation; and

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

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

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

Confidential Information

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

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

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

Business Opportunities

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

First Nation Property and Services

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