FINANCIAL ADMINISTRATION LAW, 2015

TABLE OF CONTENTS

PART I - Name of Law 1

PART II - Interpretation and Application 1

PART III - Administration 5

DIVISION 1 - Council 5

DIVISION 2 - Finance and Audit Committee 6

DIVISION 3 - Tzeachten Managers and Employees 11

DIVISION 4 - Conduct Expectations 14

PART IV - Financial Management 16

DIVISION 1 - Financial Plans and Annual Budgets 16

DIVISION 2 - Financial Institution Accounts 18

DIVISION 3 - Expenditures 19

DIVISION 4 - General Matters 22

DIVISION 5 - Borrowing 23

DIVISION 6 - Risk Management 26

DIVISION 7 - Financial Reporting 30

DIVISION 8 - Information and Information Technology 36

PART V - Capital Projects 37

PART VI - Miscellaneous 41

SCHEDULE "A" 47

Avoiding And Mitigating Conflicts Of Interest 47

PART I - Interpretation 47

PART II - Application 48

PART III - Councillors and Committee Members 48

PART IV - Employees 50

PART V - Contractors and Agents 52

PART VI - General (Confidential Information, Gifts, and Use of Services) 53

PART VII - Consequences **54**

WHEREAS:

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

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

C. The Council of Tzeachten enacted the *Tzeachten Financial Administration Law, 2011* on October 20, 2011 and received compliance approval of the law from the Board on November 23, 2011; and

D. The Council of Tzeachten now desires to repeal the *Tzeachten Financial Administration Law, 2011* and to enact the *Tzeachten Financial Administration Law, 2015* and to request compliance approval of the *Tzeachten Financial Administration Law, 2015* from the Board.

NOW THEREFORE Tzeachten Council enacts as follows:

PART I - Name of Law

Name of Law

1. This Law may be cited as the *Tzeachten Financial Administration Law, 2015.*

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*;

"affiliated entity" means

(a) any agency of Tzeachten,

(b) any corporation or business in which Tzeachten has a material or controlling interest,

(c) any partnership in which Tzeachten or another affiliated entity of Tzeachten is a partner with a material or controlling interest, or

(d) a trust of Tzeachten;

"annual financial statements" means the annual financial statements of the Tzeachten 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 for Tzeachten appointed under section 76;

"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 Tzeachten that has been approved by the Council;

"Chair" means the Chair of the Finance and Audit Committee;

"Commission" means the First Nations Tax Commission established under the Act;

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

"Council" means the Tzeachten Council;

"Councillor" means a member of the Tzeachten Council, and includes the Chief, the Council Chair, and the Council vice-Chair;

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

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

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

"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 Tzeachten's financial statements;

"financial records" means all records respecting Tzeachten's financial administration, including the minutes of meetings of the Council and the Finance and Audit Committee;

"fiscal year" means the Tzeachten fiscal year set out in section 24;

"GAAP" means generally accepted accounting principles of the Chartered Professional Accountants, as revised or replaced from time to time and includes standards developed by the Public Sector Accounting Board;

"General Manager" means the person appointed General Manager under section 18;

"Land Code" means the Tzeachten Land Code adopted by Tzeachten under the *First Nations Land Management Act*;

"Law" means this *Tzeachten Financial Administration Law, 2015*;

"local revenue law" means a local revenue law made by Tzeachten under the Act;

"local revenues" means money raised under a local revenue law;

"manager" means the General Manager, the Finance Director, Tax Administrator and any other employee of Tzeachten designated by Council as a manager;

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

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

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

"Schedule "A" means Schedule "A" - Avoiding and Mitigating Conflicts of Interest, attached to, and forming part of, this Law;

"special purpose report" means a report described in section 75;

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

"Tax Administrator" means the Tax Administrator appointed under Tzeachten's local revenue laws;

"Tzeachten" means the Tzeachten First Nation;

"Tzeachten Lands" means Tzeachten Lands as defined in the Tzeachten Land Code.

"Tzeachten law" means any Tzeachten law, including any by-law or Land Code made by the Council or the membership of Tzeachten;

"Tzeachten records" means all records of Tzeachten respecting its governance, management, operations and financial administration; and

"Tzeachten's financial assets" means all money and other financial assets of Tzeachten.

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

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

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

Interpretation

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

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

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

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

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

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

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

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

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

(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 Tzeachten law, other than a Land Code or a local revenue law, this Law prevails.

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

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

Scope and Application

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

PART III - Administration

DIVISION 1 - Council

Responsibilities of Council

8.(1) The Council is responsible for all matters relating to the financial administration of Tzeachten whether or not they have been assigned or delegated to a manager, 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 Tzeachten law, the Council may delegate to any of its managers, 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 Tzeachten budgets and financial statements; and

(d) the approval of borrowing by Tzeachten.

Council Policies, Procedures and Directions

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

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

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

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

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

Reporting of Remuneration 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 Tzeachten 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 Finance Director must prepare a report separately listing the remuneration paid and expenses reimbursed by Tzeachten, and by any entity, to each Councillor whether such amounts are paid to the Councillor while acting in that capacity or in any other capacity.

DIVISION 2 - Finance and Audit Committee

Interpretation

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

Committee Established

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

(2) Council must appoint three (3) or five (5) 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 Tzeachten 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 a Councillor; and

(b) five (5) members, at least two (2) of the Committee members must be Councillors.

(6) Each Committee member must:

(a) provide a criminal record check, the results of which are satisfactory to Council; and

(b) sign a code of conduct and agree to abide by it.

(7) Subject to subsection (9) (removal from office), the Committee members must be appointed to hold office for at least three (3) years on staggered terms for continuity.

(8) Despite subsection (7) directly above, for the first term only, one of the non-Council members must be appointed until March 31, 2012 and the other until March 31, 2013.

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

(a) is charged of an offense under the Criminal Code (that does not relate to the exercise of aboriginal rights or title);

(b) does anything that negatively affects the integrity of the Committee;

(c) has unexcused absences from two (2) scheduled meetings of the Committee in any given calendar year; or

(d) fails to perform any of their duties under the Committee terms of reference or this Law in good faith.

(10) 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.

(11) The General Manager, the Finance Director, and the Tax Administrator are ex officio and non-voting members of the Committee.

Chair, Vice-Chair and Secretary

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

(2) If Council appoints a non-Councillor 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.

(3) The Committee must appoint, designate or contract a person to act as secretary and coordinator/ recorder to the Committee to take minutes, and any non-Committee member in this role must sign a confidentiality agreement.

Committee Procedures

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

(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 General Manager and the Finance Director must be notified of all Committee meetings and, subject to reasonable exceptions, must attend those meetings.

(5) The General Manager or the Finance Director may be excluded from all or any part of a Committee meeting by a recorded vote if

(a) the subject matter relates to a confidential personnel or performance issue respecting the General Manager or the Finance Director; 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 General Manager, 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 Tzeachten:

(a) annually develop or review, 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 Tzeachten 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 provide a written report or recommendations to Council on any matter respecting the financial administration of Tzeachten that is a significant concern and 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 Tzeachten:

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

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

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

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

(e) periodically review and make recommendations to the Council on financial policies, procedures and directions on reimbursable expenses and perquisites of Tzeachten Councillors, managers and employees;

(f) review at least annually the systems for monitoring 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 regular periodic reviews of this Law under section 106 and, where appropriate, recommend amendments to the Council; and

(h) periodically review and make recommendations to Council on the terms of reference for the Committee, such recommendations to require approval by Council.

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 Tzeachten:

(a) to develop, and recommend to the Council for approval, performance measurements and goals designed to confirm that financial management activities 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 Tzeachten reports;

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

(e) to review, and recommend to the Council for approval, any proposed significant changes in the Tzeachten's accounting or financial reporting systems, policies, procedures or directions;

(f) to 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) to review and report to Council on Tzeachten'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 Council;

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

(j) to review the policies and procedures regarding security of information, information systems and recovery plans and, where appropriate, recommend improvements to the Council.

DIVISION 3 - Tzeachten Managers and Employees

General Manager

18.(1) Council must appoint, and ensure that Tzeachten continues to have, a person as Tzeachten General Manager and may set the terms and conditions of that appointment.

(2) Reporting to Council, the General Manager is responsible for leading the planning, organization, implementation and evaluation of the overall management of all the day-to-day operations of Tzeachten.

(3) For the purposes of this Law, the General Manager must carry out his or her roles and responsibilities under this Law in relation to financial administration, including the following duties:

(a) oversee, supervise and direct the activities of all Tzeachten managers and employees;

(b) oversee the development, implementation and monitoring of policies and procedures and compliance with these policies and procedures;

(c) prepare, recommend to the Council, and maintain and revise as necessary the organization chart referred to in section 21;

(d) oversee the hiring of all Tzeachten employees;

(e) oversee and administer Tzeachten contracts;

(f) work directly with the Finance and Audit Committee and Council to carry out budgeting, planning and auditing responsibilities under this Law;

(g) monitor or oversee compliance with the legal obligations of Tzeachten, including legislative, regulatory, program and contractual obligations, and report to Council;

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

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

(j) monitor and report on the effectiveness of mitigating controls for the risks referred to in subsection (i) taking into consideration the cost of implementing those controls; and

(k) carry out any other activities specified by the Council that are not contrary to the Act or inconsistent with the General Manager's duties specified in this Law.

(4) The General Manager may assign the performance of any of the General Manager's duties or functions

(a) to a manager or employee of Tzeachten; and

(b) with the approval of the Council, to a contractor or agent of Tzeachten.

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

Finance Director

19.(1) The Council must appoint, and ensure that Tzeachten continues to have, a person as the Tzeachten Finance Director and may set the terms and conditions of that appointment.

(2) Reporting to the General Manager, the Finance Director is responsible for the day-to-day management Tzeachten's financial administration system, including the following duties:

(a) ensure the financial administration system, including policies, procedures, directions and internal controls, are appropriately designed and operating effectively and, if necessary, recommend improvements to the General Manager and the Finance and Audit Committee;

(b) maintain and oversee the all charts of accounts of Tzeachten;

(c) oversee preparation of the draft annual budgets and any draft amendments;

(d) work with the Tax Administrator in preparing the annual local revenue budget and any amendments;

(e) prepare the monthly financial information required in section 71, the quarterly financial statements required in section 72 and the draft annual financial statements required in sections 73 and 74;

(f) 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);

(g) administer and supervise the preparation and maintenance of financial records and the financial administration reporting systems;

(h) under the direction of the General Manager, monitor or oversee compliance with the legal obligations of Tzeachten, including legislative, regulatory, program, funding and contractual obligations;

(i) prepare or provide any documentation and financial information required by the Council or the Finance and Audit Committee to carry out their responsibilities;

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

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

(l) perform any other duties of the Finance Director under this Law; and

(m) carry out any other activities specified by the General Manager that are not contrary to the Act or inconsistent with the Finance Director's duties under this Law.

(3) With the written approval of the General Manager, the Finance Director may assign the performance of any of the duties or functions of the Finance Director, but this assignment does not relieve the Finance Director of the responsibility to ensure that these duties or functions are carried out properly.

Tax Administrator

20.(1) If Tzeachten is collecting local revenues, the Council must appoint a person as Tax Administrator of Tzeachten and may set the terms and conditions of that appointment.

(2) The Tax Administrator reports to the General Manager in respect of the performance of any of the Tax Administrator's duties or functions under this Law.

(3) The Tax Administrator is responsible for carrying out all of the duties set out in the Act and all applicable local revenue laws and Tzeachten laws and policies.

(4) In addition to any duties or functions under Tzeachten's local revenue laws and the Act, the Tax Administrator is responsible for the following:

(a) to manage local revenues and the local revenue account on a day-to-day basis;

(b) to recommend to the Finance Director the draft and amended budgets for the component of the annual budget respecting local revenues;

(c) to recommend to the Finance Director the local revenues components of the multi-year financial plan;

(d) on request, to provide advice to the General Manager , Finance Director, Finance and Audit committee and the Council respecting local revenues matters;

(e) to monitor compliance with the Act, Tzeachten's local revenue laws and this Law in the administration of local revenues and the local revenue account; and

(f) to perform any other duties of the Tax Administrator under this Law.

(5) With the approval of the General Manager, the Tax Administrator may assign the performance of any of the duties or functions of the Tax Administrator under this Law to any manager, employee, contractor or agent of the Tzeachten, but this assignment does not relieve the Tax Administrator of the responsibility to ensure that these duties or functions are carried out properly.

Organizational Structure

21.(1) Council, with the assistance of the General Manager, must establish and maintain a current organization chart for the governance, management and administrative systems of Tzeachten.

(2) The organization chart under subsection (1) must be approved by Council.

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

(a) all governance, management and administrative systems of Tzeachten;

(b) the organization of the systems described in paragraph (a), including the linkages between them;

(c) job descriptions for each position in the organization;

(d) the specific roles and responsibilities of each level of the organization of the systems described in paragraph (a); and

(e) 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 of Tzeachten,

(ii) the General Manager, the Finance Director, the Tax Administrator and other Tzeachten managers, and

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

(4) On request, the General Manager must provide a copy of the organization chart under subsection (1) to a Councillor, a member of a committee referred to in subsection (2)(d)(i), a manager, employee or contractor or agent of Tzeachten and to a Tzeachten member.

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

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

*DIVISION 4 - **Conduct Expectations***

Conduct of Councillors

22.(1) When exercising a power, duty or responsibility relating to Tzeachten's financial administration, each Councillor must:

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

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

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

(d) avoid conflicts of interest and comply with the requirements of Schedule "A", including required annual disclosures of private interests.

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

Conduct of Managers, Employees, Contractors, etc.

23.(1) This section applies to:

(a) each manager, employee, committee member, contractor, and agent of Tzeachten;

(b) each member of the Finance and Audit Committee who is not a Councillor; and

(c) a person acting under the delegated authority of Council or Tzeachten.

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

(a) comply with this Law, the Act, any other applicable Tzeachten laws and 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 "A", including required disclosure of potential conflicts of interest.

(3) Council must incorporate the relevant provisions of this section into:

(a) the terms of employment or appointment of every manager and employee of Tzeachten;

(b) the terms of every contract of a contractor of Tzeachten;

(c) the terms of appointment of every member of a committee, including for appointments of members of the Finance and Audit Committee who are not Councillors; and

(d) the terms of appointment of every agent of Tzeachten.

(4) If a manager, employee, committee member, agent or contractor breaches subsection (2), in addition to any other legal, criminal or civil remedies, the General Manager may, at his or her sole discretion, impose any or all of the following consequences:

(a) the individual may be ordered to return, reimburse or make restitution to the appropriate party for any funds, assets, gifts or benefits that they received as a result of contravening this Law or Schedule

"A" and, if they decline to do so, the General Manager may issue a written notice and deduct the value of these items from salary, payments or reimbursements made to them;

(b) the employee may be disciplined, including dismissal;

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

(d) an agent's appointment may be terminated;

(e) a committee member's appointment may be terminated; and

(f) the manager, employee, committee member, agent or contractor may be ordered to take any reasonable steps necessary to remedy the situation.

(5) If the General Manager breaches subsection (2), in addition to any other legal, criminal or civil remedies, Council may, at its sole discretion, impose any of the consequences set out in subsection (4).

PART IV - Financial Management

DIVISION 1 - Financial Plans and Annual Budgets

Fiscal Year

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

Multi-year Financial Plan

25. No later than March 31 of each year, 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; and

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

Content of Annual Budget

26.(1) The annual budget must encompass all the operations for which Tzeachten 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 Tzeachten Lands under Land Code must be shown separately in the annual budget from other revenues and must include a sub-category for revenues from natural resources obtained from Tzeachten Lands under Land Code.

(3) In subsection (2), "natural resources" means any material on or under the Tzeachten Lands in their natural state which when extracted has economic value.

Budget and Planning Process Schedule

27.(1) The Finance Director must prepare a draft annual budget and a draft multi-year financial plan for the next fiscal year in sufficient time to allow review by the Finance and Audit Committee.

(2) The Finance and Audit Committee must

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

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

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

(4) To accommodate the timing of property tax assessments and taxation rates, on or before June 15 of each year, the Finance and Audit Committee must receive and review the local revenue account amendment to the annual budget.

(5) On or before June 30 of each year, the Finance and Audit Committee must forward the local revenue account amendment to the annual budget to Council for approval.

(6) No later than July 15 of each year, the Council must approve the local revenue account amendment to the annual budget.

Additional Requirements for Budget Deficits

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

(a) no portion of the proposed deficit originates in or relates to the local revenue account;

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

(c) the deficit does not have a negative impact on the credit worthiness of Tzeachten.

Amendments to Annual Budgets

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

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

Local Revenue Account Budget Requirements

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

Policy for Tzeachten Information or Involvement

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

(a) the annual budget, including any component of the annual budget respecting Tzeachten's local revenue account;

(b) the multi-year financial plan; and

(c) budget deficits or extraordinary expenditures.

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

DIVISION 2 - Financial Institution Accounts

Financial Institution Accounts

32.(1)No account may be opened for the receipt and deposit of money of Tzeachten unless the account:

(a) is in the name of Tzeachten;

(b) is opened in a financial institution;

(c) is authorized by the General Manager, and

(d) has signing authorities authorized in writing by Council.

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

(a) a general account for money from any sources other than those described in subsections (b) to (e);

(b) a local revenue account for money from local revenues;

(c) a trust account if Tzeachten has money held in trust;

(d) a land and resources account for money from revenues from Tzeachten Lands under Land Code; and

(e) a tangible capital asset reserve account for money set aside for purposes of section 90.

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

Accounts Management

33.(1) The Finance Director must ensure the accounting of all money received by Tzeachten.

(2) The Finance Director:

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

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

*DIVISION 3 - **Expenditures***

Prohibited Expenditures

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

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

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

Prohibited Agreements

35. Tzeachten must not enter into an agreement or undertaking that requires Tzeachten to expend money that is not authorized by or that contravenes this Law.

No Expenditure Without Appropriation

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

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

Emergency Expenditures

37.(1) The General Manager 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 Tzeachten law.

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

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

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

(5) For clarity, this section does not permit an expenditure from the local revenue account.

Appropriations

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

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

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

Payments after Fiscal Year-end

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

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

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

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

Requisitions for Payment

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

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

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

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

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

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

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

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

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

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

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

(8) The General Manager, or the Finance Director under written authorization from the General Manager, must authorize payment out of, or sign a requisition for payment from, a trust account.

(9) The Tax Administrator must authorize payment out of a local revenue account.

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

(11) Subject to subsections (8) and (9), a person who is responsible for managing an appropriation may authorize payment out of, or sign a requisition for payment from, the appropriation.

Form of Payment

41. Payments by Tzeachten may be made by cheque, draft, electronic transfer or other similar instrument signed by a Councillor designated by the Council and by either the General Manager or the Finance Director.

DIVISION 4 - General Matters

Advances

42.(1) The General Manager or the Finance Director may approve an advance to prepay expenses that are chargeable against an appropriation in the current fiscal year or an appropriation in the next fiscal year.

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

Holdbacks

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

Deposit Money

44.(1) Money received by Tzeachten 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 Council.

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

Interest

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

(2) All interest earned on

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

(b) the local revenue account must be retained in that account; and

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

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

Refunds

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

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

Write Off of Debts

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

(a) if approved by Council; or

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

Extinguishment of Debts

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

(a) if approved by Council; or

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

Year-end Surplus

49.(1) Subject to subsections (2) and (3), an operating surplus at the end of the fiscal year must be paid into the general account described in paragraph 32(2)(a).

(2) An operating surplus in the local revenue account at the end of the fiscal year must be retained in that account.

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

DIVISION 5 - Borrowing

Limitations on Borrowing

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

(2) Subject to this Law, if Tzeachten is authorized in this Law to borrow money or grant security, the Council may authorize the General Manager to borrow money or grant security in the name of Tzeachten

(a) as specifically approved by Council; or

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

Borrowing for Ordinary Operations

51.(1) Tzeachten 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) Tzeachten 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) Tzeachten 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 Tzeachten.

Financial Agreements

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

(a) for the purpose of efficient management of Tzeachten'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 Tzeachten'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 Council, the General Manager may enter into any agreements referred to in subsection (1) on behalf of Tzeachten.

Borrowing for Authorized Expenditures

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

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

Borrowing Member Requirements

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

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

(3) Tzeachten may only obtain long-term financing from the First Nations Finance Authority as permitted under its local revenue law and the Act.

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

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

Borrowing for New Capital Projects

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

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

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

Borrowing for Repayment of Debts

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

Use of Borrowed Money

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

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

Execution of Security Documents

58.(1) Subject to subsection (2), a security granted by Tzeachten must be signed by a Councillor designated by Council and by the General Manager.

(2) A security granted by Tzeachten in respect of local revenues must be signed by a Councillor designated by Council and by the General Manager after notification of the Tax Administrator.

Operational Controls

59. 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 Tzeachten's operations.

DIVISION 6 - Risk Management

Limitation on Business Activity

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

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

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

(c) an interest in, or natural resources on or under, Tzeachten Lands or lands owned in fee simple by or in trust for Tzeachten, or

(d) any other property of Tzeachten.

(3) Tzeachten 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 Tzeachten; or

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

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

Guarantees and Indemnities

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

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

(3) Tzeachten must not give an indemnity unless it is

(a) authorized under section 105;

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

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

(4) Subject to a resolution described in section 105, 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 Tzeachten 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 Tzeachten.

Authority to Invest

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

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

(a) as specifically approved by Council; or

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

Approved Investments

63.(1) Money in an account described in section 32 that is not immediately required for expenditures may be invested by Tzeachten 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 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 Tzeachten as permitted under the terms of the trust or under the laws of the jurisdiction in which the majority of Tzeachten Lands are located.

(3) If Tzeachten has established an investment account under section 32, Tzeachten 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 Tzeachten is a shareholder;

(b) a trust in which Tzeachten is a beneficiary;

(c) a limited partnership in which Tzeachten is a partner; or

(d) a member investment program described in section 64.

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

(a) government transfer funds;

(b) local revenues; and

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

Permitted Investments in Tzeachten Member Activities

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

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

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

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

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

(c) all loans made from the program and all payments received from those loans must be set out in an annual report that includes details about

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

Administration of Investments and Loans

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

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

Risk Assessment and Management

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

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

Insurance

67.(1) Council must ensure that Tzeachten procures and maintains in force all insurance coverage that is appropriate and commensurate with the risks identified in section 66 and any other risks associated with any assets, property or resources under the care or control of Tzeachten.

(2) Council may purchase and maintain appropriate directors' liability insurance or other insurance for the protection of Councillors, managers, and committee members against any liability arising from present or past work with Tzeachten.

Fraud Risks

68.(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 Tzeachten assets in circumstances where the theft may result in a material omission or misstatement in financial reports.

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

(a) fraudulent financial reporting;

(b) fraudulent non-financial reporting;

(c) misappropriation of assets; and

(d) corruption and illegal acts.

*DIVISION 7 - **Financial Reporting***

GAAP

69. All Tzeachten accounting practices must comply with GAAP.

Separate Accounting

70.(1) The Finance Director must account for local revenues of Tzeachten separately from other Tzeachten moneys.

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

(a) account for all other revenues of Tzeachten separately from other Tzeachten moneys; and

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

Monthly Financial Information

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

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

Quarterly Financial Statements

72.(1) At the end of each quarter of the fiscal year the Finance Director must prepare financial statements for Tzeachten 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 Finance Director must provide the quarterly financial statements in subsection (1) to Council, the Finance and Audit Committee, and the General Manager 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

73.(1) This section does not apply to the annual financial statements respecting the local revenue account referred to in section 74(1).

(2) At the end of each fiscal year the Finance Director must prepare the annual financial statements of Tzeachten 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.

(3) The annual financial statements must be prepared in a form approved by the Council on the recommendation of the Finance and Audit Committee.

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

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

(b) the revenue categories for Tzeachten's lands referred to in subsection 26(2).

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

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

Local Revenue Account Annual Financial Statements

74.(1) The Finance Director must prepare separate annual financial statements respecting the local revenue account of Tzeachten in accordance with Board standards respecting financial reporting of the local revenue account.

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

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

Special Purpose Reports

75. The Finance Director 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 Tzeachten;

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

(e) in relation to the Tzeachten Land Code, a report setting out moneys of Tzeachten derived from Tzeachten lands, categorized and shown separately from other revenues and that includes a sub-category respecting revenues from natural resources obtained from Tzeachten lands; and

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

Appointment of Auditor

76.(1) Tzeachten 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 recommended by the Finance and Audit Committee and approved by Council 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 Tzeachten, an auditor must

(a) be independent of Tzeachten, its affiliated entities, Councillors and managers 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 Tzeachten Lands and reserves 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 Tzeachten in writing of the circumstances; and

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

Auditor's Authority

77.(1) To conduct an audit of Tzeachten's annual financial statements, the auditor must be given access to:

(a) all records of Tzeachten for examination or inspection and given copies of these records on request; and

(b) any Councillor, manager, employee, contractor or agent of Tzeachten 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 Tzeachten 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 Tzeachten.

(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 Requirement

78.(1) The annual financial statements of Tzeachten referred to in subsection 73(1) must be audited by the auditor not more than one hundred and twenty (120) days after the fiscal-year end.

(2) The separate annual financial statements respecting the local revenue account referred to in subsection 74(1) must be audited by the auditor at least once every calendar year.

(3) The auditor must conduct the audit of the annual financial statements referred to in subsections 73(1) and 74(1) in accordance with generally accepted auditing standards established by the Chartered Professional Accountants of Canada.

(4) 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 75.

Review of Audited Annual Financial Statements

79.(1) This section does not apply to the annual financial statements respecting the local revenue account referred to in section 74(1).

(2) 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.

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

Access to Annual Financial Statements

80.(1) Before the annual financial statements referred to in subsections 73(1) and 74(1) may be published or distributed, they must

(a) be approved by Council;

(b) be signed by

(i) the Chief of Tzeachten,

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

(iii) the Finance Director; and

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

(2) The audited annual financial statements referred to in subsection 73(1) must be available for inspection by members of Tzeachten at the principal administrative offices of Tzeachten during normal business hours.

(3) The audited annual financial statements referred to in subsection 74(1) must be available for inspection by any person referred to in subsection 14(2) of the Act at the principal administrative offices of Tzeachten during normal business hours.

Annual Report

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

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

(a) a description of Tzeachten's services and operations;

(b) a progress report on any established Tzeachten financial objectives and performance measures; and

(c) the audited annual financial statements referred to in subsection 78(1) for the previous fiscal year; and

(d) any special purpose reports referred to in section 75, including the auditor's report or review engagement report, as applicable.

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

(a) to a member of Tzeachten 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 Tzeachten 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 Tzeachten is a borrowing member.

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

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

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

Operations Manual

83.(1) The General Manager must ensure that Tzeachten prepares and maintains a current operations manual respecting every element of Tzeachten's administrative systems, including any financial administration systems referred to in this Law.

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

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

Record Keeping and Maintenance

84.(1) The General Manager must ensure that Tzeachten prepares, maintains, stores and keeps secure all of Tzeachten's records that are required under this Law or any other applicable law.

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

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

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

Confidentiality of Information

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

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

Account Records

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

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

Information Technology

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

PART V - Capital Projects

Definitions

88. In this Part:

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

"Tzeachten's tangible capital assets" means all non-financial assets of Tzeachten 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 Tzeachten's tangible capital assets as described in section 88;

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

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

Council General Duties

89. Council must take reasonable steps to ensure that

(a) Tzeachten'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 Tzeachten'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 Tzeachten Lands are located.

Tangible Capital Assets Reserve Fund

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

Reports on Capital Projects

91. At each Finance and Audit Committee meeting, the General Manager 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 subsection (ii) has been or will be addressed; and

(c) steps taken to ensure compliance with section 94 for every capital project.

Life-cycle Management Program

92.(1) The General Manager must establish and keep current a register of all Tzeachten'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 Council.

(2) On or before November 30 of each year, the General Manager must arrange for the inspection and review of the state of each of Tzeachten'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 Finance Director must prepare the following:

(a) a schedule of annual routine maintenance, other than rehabilitation, for each of Tzeachten'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 Tzeachten's tangible capital assets;

(c) the proposed budget for rehabilitation of Tzeachten'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 Tzeachten's tangible capital assets for the next fiscal year setting out

(i) each proposed replacement project and its schedule,

(ii) the description of each asset to be replaced,

(iii) the estimated cost, including contingencies, of each proposed replacement project, and

(iv) the reasons why each proposed acquisition should be regarded as a replacement for the capital asset to be replaced.

Review by Finance and Audit Committee

93.(1) On or before January 15 of each year, the Finance and Audit Committee must review the information, schedules and budget prepared under section 88 for the following purposes:

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

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

(c) to determine whether any significant savings might be 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 Tzeachten's tangible capital assets, including the proposed schedule, budget and impact on annual operating costs and routine maintenance costs in future years.

Capital Projects – Contracts and Tenders

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

Capital Project Consultants

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

Policy for Information or Involvement of Members

96. Council must establish policies or procedures or give directions for

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

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

PART VI - Miscellaneous

Board Standards

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

(2) If the Council becomes aware that Tzeachten 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 Tzeachten into compliance with the Board standard.

Delegated Authority on Intervention

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

(a) Tzeachten is

(i) making local revenue laws under subsection 5(1) of the Act, or

(ii) using its local revenues to secure a loan from the First Nations Finance Authority, and

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

the Council of Tzeachten delegates to the Board

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

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

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

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

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

the Council of Tzeachten 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 Tzeachten's other revenues under the Act.

Land Management Obligations

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

(2) If Tzeachten 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 Tzeachten's land code for being accountable to members of Tzeachten for the management of Tzeachten'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

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

Reports of Breaches and Financial Irregularities, etc.

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

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

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

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

(d) a person has failed to comply with Schedule "A",

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

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

(3) If a manager, employee, contractor or agent of Tzeachten becomes aware of any circumstances described under subsection (1), the manager, employee, contractor or agent, as the case may be, must report them to the General Manager and the Chair of the Finance and Audit Committee.

Inquiry into Report

102.(1) If a report is made to the General Manager under subsection 101(3), the General Manager 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 101, 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

103.(1) All reasonable steps must be taken by the General Manager, the members of the Finance and Audit Committee and Council to ensure that the identity of the person who makes a report under section 99 is kept confidential to the extent practicable in all the circumstances.

(2) A person who makes a report in good faith under section 101 must not be subjected to any form of reprisal by the Tzeachten or by a Councillor, manager, employee, contractor or agent of the Tzeachten as a result of making that report.

(3) Council, the General Manager 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) Council must establish policies or procedures or give directions

(a) for the recording and safeguarding of reports made under section 101 and any records prepared during the inquiry or investigation into those reports;

(b) for the inquiry or investigation into reports made under section 101; and

(c) concerning the fair treatment of a person against whom a report has been made under section 101.

Liability for Improper Use of Money

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

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

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

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

105.(1) In this section:

"indemnify" means to pay amounts required or incurred

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

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

"Tzeachten official" means a current or former Councillor, manager or employee of Tzeachten.

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

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

Periodic Review of Law

106.(1) On a regular, periodic basis established by a policy of 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 Tzeachten; and

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

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

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

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

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

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

Provision of Law to First Nations Finance Authority

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

Repeal

108. This Law repeals the *Tzeachten Financial Administration Law, 2011*.

Coming into Force

109. This Law comes into force on the day after it is approved by the Board pursuant to section 9 of the Act .

BE IT KNOWN that this Law entitled the *Tzeachten Financial Administration Law, 2015* is hereby enacted by a quorum of Council at a duly convened Council of the Tzeachten First Nation held on Oct 21. **, 2015.**

Chief Glenda Campbell

Councillor Lawrence Roberts

Councillor Melvin Williams Jr.

Councillor Catherine R. Hall

Councillor Leslie Joe

A quorum consists of 3 Council Members

SCHEDULE "A"

Avoiding And Mitigating Conflicts Of Interest

PART I - Interpretation

Interpretation

1. (1) In this Schedule, "this Law" means the Financial Administration Law to which this Schedule is attached and forms a part.

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

(3) Sections 3 (Interpretation) and 5 (Calculation of time) 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) An individual has a "conflict of interest" when the individual makes a decision or performs a duty or function and at the same time knows or ought reasonably to have known that there is an opportunity to benefit the individual's private interests.

(2) An individual has an "apparent conflict of interest" if a reasonably well-informed person would perceive that the individual's ability to make a decision or perform a duty or function would obviously be affected by the individual's private interests.

(3) An individual's "private interests" means the individual's personal and business interests and includes the personal and business interests of

(a) the individual's spouse;

(b) the individual's girlfriend, boyfriend or partner;

(c) 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;

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

(e) 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; or

(f) a business or entity in which the individual or the individual in combination with any other person described in this subsection has a significant interest.

(4) An individual's "private interests" may include the personal or business interests of the individual's siblings, parents or other members of their immediate family if:

(a) there is any significant influence over the individual by the immediate family member; or

(b) if there is any potential benefit to the individual arising from decisions made involving the interests of the immediate family member.

(5) Despite subsections (1) to (4), 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 Tzeachten members (for example, a decision about a distribution or benefit to all Tzeachten members); or

(b) are so remote or insignificant that they could not be reasonably regarded as likely to influence the individual in making a decision or in performing a duty or function.

PART II - Application

Application of this Schedule

3. (1) This Schedule, and specifically Part VI, applies to all Tzeachten Councillors, members of the Finance and Audit Committee and any committee dealing with Tzeachten finance and audit matters, employees, contractors and agents as set out in the specific sections below.

(2) Part III of this Schedule applies specifically to Councillors and Committee members.

(3) Part IV of this Schedule applies specifically to employees, including managers.

(4) Part V of this Schedule applies specifically to contractors and agents.

PART III - Councillors and Committee Members

Application of this Part

4. This Part applies to all Tzeachten Councillors including when they are acting as members of the Finance and Audit Committee.

General Obligations to Avoid Conflict of Interest

5.(1) Councillors and Finance and Audit Committee members must act honestly and in good faith and in the best interests of Tzeachten.

(2) Councillors and Finance and Audit Committee members must avoid circumstances that could result in them having a conflict of interest or an apparent conflict of interest.

(3) Councillors and Finance and Audit Committee members 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

6. (1) In subsection (2)(c) below "real property" means any real property in a Tzeachten Reserve and includes an interest in a Tzeachten reserve held under a certificate of possession under the Indian Act or the Tzeachten Land Code.

(2) All Councillors must file a written disclosure of the following information with Tzeachten's General Manager:

(a) the names of the Councillor's spouse and any persons or entities referred to in subsection 2(2) of this Schedule;

(b) the employer of the Councillor and the Councillor's spouse; and

(c) real property held by the Councillor's spouse on a Tzeachten Reserve.

(3) All Councillors must file a written disclosure under subsection (2) on the following occasions:

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

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

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

(4) The General Manager must establish and maintain a register of all information disclosed by a Councillor under this section and section 7.

(5) On request by a member of the Tzeachten or any person engaged in any aspect of the financial administration of Tzeachten, the General Manager must permit that member or person to view the register referred to in subsection (4).

Procedure for Addressing Conflict of Interest

7. (1) As soon as a Councillor or Finance and Audit Committee member becomes aware of circumstances in which they have a conflict of interest or an apparent conflict of interest, they must disclose the circumstances of the potential conflict of interest to the Chair of the Finance and Audit Committee and at the next Council meeting or Finance and Audit Committee meeting.

(2) As soon as practicable after receiving a disclosure of an actual or apparent conflict of interest, the Finance and Audit Committee must make recommendations to Council and Council must determine:

(a) whether or not the situation is a conflict of interest; and

(b) if it is a conflict of interest, what must be done to avoid or mitigate the situation.

(3) Until a determination is made under subsection (2), Councillors and Committee members must leave any part of a Council or Committee meeting where the circumstances in which they have an actual or apparent conflict of interest are being discussed or voted on.

(4) The minutes of a Council or Committee meeting must record the disclosure under subsection (1) and note the Councillor's or Committee member's absence from the meeting when the circumstances in which they have an actual or apparent conflict of interest were being discussed or voted on.

(5) Except in accordance with a determination made under subsection (2)(b), a Councillor or Committee member must not take part in any discussions or vote on any decision respecting the circumstances in which they have an actual or apparent conflict of interest.

(6) A Councillor or Committee member must not influence or attempt to influence in any way before, during or after a Council or Committee meeting, any discussion or vote on any decision respecting the circumstances in which they have an actual or apparent conflict of interest.

Procedure for Undisclosed Conflict of Interest

8. (1) If a Councillor or Finance and Audit Committee member has reason to believe that another Councillor or Committee member has an undisclosed conflict of interest or an apparent conflict of interest in respect of a matter before Council or the Committee, the Councillor or Committee member:

(a) may request clarification of the circumstances at the next Council or Committee meeting; and

(b) must report the matter to the Chair of the Finance and Audit Committee as per subsection 101(2) of the Law.

(2) If a Councillor or Committee member is alleged to have an actual or apparent conflict of interest but that Councillor does not agree, Council or the Committee must determine whether there is an actual or apparent conflict of interest before Council or the Committee considers the matter referred to in subsection (1).

(3) The minutes of the Council or Committee meeting must record any determination made by Council or the Committee under subsection **Error! Reference source not found.**.

(4) If Council or the Committee determines under subsection **Error! Reference source not found.** that there is an actual or apparent conflict of interest, the Councillor or Committee member must comply with section 7.

PART IV - Employees

Application

9. This Part applies to all Tzeachten employees including managers.

General Obligations

10. (1) In the performance of their duties and functions and in relation to Tzeachten, all individuals described in section 9 must:

(a) act honestly and in good faith and in the best interests of Tzeachten;

(b) avoid circumstances that could result in them having a conflict of interest or an apparent conflict of interest; and

(c) 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.

(2) The General Manager must ensure that every 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

11. (1) If an employee believes he or she has a conflict of interest, they must

(a) disclose the circumstances in writing as soon as practical to the General Manager or, in the case of the General Manager, to Council; and

(b) refrain from participating in any meeting, discussion, administrative processes, or recommendation respecting the circumstances of the conflict of interest until advised by the General Manager or Council, as the case may be, on actions to be taken to avoid or mitigate the conflict of interest.

(2) As soon as practicable after receiving a disclosure of an actual or apparent conflict of interest, the General Manager or--in the case of the General Manager, Council--must determine:

(a) whether or not the situation is a conflict of interest; and

(b) if it is a conflict of interest, what must be done to avoid or mitigate the situation.

(3) The General Manager or--in the case of the General Manager, Council--must record in the personnel file of the employee any disclosure made under subsection (1) and any determination by Council under subsection (2).

(4) Except in accordance with a determination made under subsection (2)(b), an employee must not take part in any meeting, discussion, administrative processes, or recommendation where the circumstances in which they have an actual or apparent conflict of interest are being discussed or reviewed.

(5) An employee must not influence or attempt to influence in any way any meeting, discussion,, administrative processes, or recommendation respecting the circumstances in which they have an actual or apparent conflict of interest.

Procedure for Undisclosed Conflict of Interest

12. (1) If the General Manager or--in the case of the General Manager, Council-- becomes aware that an employee has an undisclosed conflict of interest or an apparent conflict of interest in respect of a matter, the General Manager or--in the case of the General Manager, Council:

(a) may request clarification of the circumstances; and

(b) must report the matter to the Chair of the Finance and Audit Committee as per subsection 101(3) of the Law.

(2) If an employee is alleged to have an actual or apparent conflict of interest but that individual does not agree, the General Manager – or in the case of the General Manager, a Councillor--must make a recommendation to the Chair of the Finance and Audit Committee and to Council, and Council must determine:

(a) whether or not the situation is a conflict of interest; and

(b) if it is a conflict of interest, what must be done to avoid or mitigate the situation,

and must provide a copy of this determination to the Chair of the Finance and Audit Committee.

(3) If Council determines under subsection (2) that there is an actual or apparent conflict of interest,

(a) the General Manager must record the determination as per subsection 11(3), and

(b) the employee must comply with section 7.

Outside Employment and Business Interests

13.(1) If an employee or committee member is permitted under their terms of employment or appointment to have outside employment or business interests, the employee or committee member must disclose these employment or business interests in writing to the General Manager or--in the case of the General Manager or committee member--, to Council and the Chair of the committee.

(2) Employees and committee members 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.

PART V - Contractors and Agents

Application

14.(1) This Part applies to all contractors and agents of Tzeachten, other than a person who has an employment contract with Tzeachten.

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

Contractor Acting as Employee

15. If a contractor is retained to exercise the powers or perform the duties or functions of an employee, the contractor must comply with Part IV of this Schedule as if the contractor were an employee of Tzeachten.

General Obligations

16.(1) A contractor or agent must act at all times with integrity and honesty

(a) in its dealings with Tzeachten; and

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

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

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

Business Opportunities

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

PART VI - General (Confidential Information, Gifts, and Use of Services

Confidential Information

18. All present and past Councillors, employees, committee members, contractors and agents must

(a) keep confidential all confidential information that they receive while performing their duties or functions for Tzeachten;

(b) only use confidential information referred to in paragraph (a) for the specific purposes for which it was provided to them; and

(c) not make use of any information received in the course of exercising their powers or performing their duties or functions to benefit their own private interests or those of relatives, friends or associates.

Gifts and Benefits

19. (1) A Councillor, employee, committee member, contractor, agent, or a person referred to in subsections 2(3)(a) to (f) of this Schedule in relation to a Councillor, must not accept a gift or benefit that might reasonably be seen to influence their decision-making 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 protocol exchanges or cultural or social obligations associated with the Councillor's office;
(ii) normal exchanges common to business relationships; or
(iii) normal exchanges common at cultural or community events;

(b) is of nominal value; or

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

Tzeachten Property and Services

20. If a Councillor, employee, committee member, contractor or agent has been provided the use of any property or services of Tzeachten in order to perform services for Tzeachten, they must not use the property or services for personal benefit for themselves or their families.

PART VII - Consequences

21. If an employee, contractor or agent breaches this Schedule, in addition to any other legal, criminal or civil remedies, the General Manager may, at his or her sole discretion, impose any or all of the consequences set out in section 23 of the Law.

22. If the General Manager or a member of the Finance and Audit Committee who is not a Councillor breaches this Schedule, in addition to any other legal, criminal or civil remedies, Council may, at its sole discretion, impose any or all of the consequences set out in section 23 of the Law.