

WE WAI KAI NATION
FINANCIAL ADMINISTRATION LAW

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WHEREAS:

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

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

NOW THEREFORE the Council of We Wai Kai Nation enacts as follows:

PART I - Citation

Citation

1. This Law may be cited as the *We Wai Kai Nation Financial Administration Law, 2012*.

PART II - Interpretation and Application

Definitions

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

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

"annual budget" means the annual budget of revenues and expenditures of We Wai Kai prepared under Part IV of this Law;

"annual financial statements" means the annual financial statements of We Wai Kai referred to in Division 7 of Part IV;

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

"auditor" means the auditor of We Wai Kai appointed under section 67;

"borrowing member" means a borrowing member as defined in the Act;

"Chair" means the chair of the Finance and Audit Committee appointed under section 13;

"Chief Administrative Officer" means the person appointed Chief Administrative Officer under section 18;

"Citizen" means an individual registered on the We Wai Kai Citizenship Roll;

"Citizenship Roll" means the names on the list for We Wai Kai maintained by We Wai Kai;

"COIP" means the We Wai Kai Conflict of Interest Policy and procedures established by the Council under subsection 9(4);

"Council" has the meaning given to that term in the Act;

“dependent” means, in relation to an individual,

- (a) the individual’s spouse,
- (b) a person under the age of majority in respect of whom the individual or the individual’s spouse is a parent or acting in a parental capacity,
- (c) a person in respect of whom the individual or the individual’s spouse is acting as guardian, or
- (d) a person, other than an employee, who is financially dependent upon the individual or the individual’s spouse
- (e) where not already included in paragraphs (a) to (d), any person who is a Dependent as that term is defined in the Land Code;

“Election Code” means the We Wai Kai Election Code;

“emergency” means exceptional circumstances, including but not limited to circumstances relating to health, safety and socio-economic issues which were not reasonably foreseen;

“Finance and Audit Committee” means the Finance and Audit Committee established under section 12;

“financial administration” means the management, supervision, control and direction of all matters relating to the financial affairs of We Wai Kai;

“Financial Administration Officer” means the person appointed Financial Administration Officer under section 19;

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

“financial competency” means the ability to read and understand financial statements that present accounting issues reasonably expected to be raised by We Wai Kai financial statements;

“financial records” means all records respecting the financial administration of We Wai Kai, including the minutes of meetings of the Council and the Finance and Audit Committee;

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

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

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

“fiscal year” means the fiscal year of We Wai Kai set out in section 24;

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

“independence” means in relation to a member of the Finance and Audit Committee or the auditor, that the individual does not have a direct or indirect relationship with We Wai Kai that

could, in the opinion of the Council, reasonably interfere with the individual's exercise of independent judgment as a member of the Finance and Audit Committee or as the auditor;

"Land Code" means the Land Code adopted by We Wai Kai under the *First Nations Land Management Act* pursuant to the Framework Agreement on First Nation Land Management;

"local revenue account" means the local revenue account referred to in section 13 of the Act;

"local revenue law" means a local revenue law made by We Wai Kai under the Act;

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

"Minister" means the federal minister of Indian Affairs and Northern Development;

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

"natural resources" means any materials on or under the land in their natural state which when extracted have economic value;

"newsletter" means the We Wai Kai newsletter prepared and distributed under the authority of the Council;

"officer" means the Chief Administrative Officer, Financial Administration Officer, Tax Administrator and any other employee of We Wai Kai designated by the Council as an officer;

"person" means, in addition to its ordinary meaning, any association, society, corporation, partnership or party and the successors, assigns and personal or other representative of such person to whom the context can apply according to law;

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

"related body" means

- (a) any agency of We Wai Kai,
- (b) any corporation in which We Wai Kai has a material interest or that is controlled by We Wai Kai,
- (c) any partnership in which We Wai Kai Nation or another related body of We Wai Kai is a partner, or
- (d) a trust of We Wai Kai Nation;

"resolution" means a formal motion moved by a member of Council, seconded by another member of Council and passed by Council;

"special purpose report" means a report described in subsection 66(4);

"spouse" means, in relation to an individual, a person to whom the individual is married or with whom the individual has lived as a common law partner for at least two (2) years in a marriage-like relationship;

“standards” means the standards established from time to time under the Act; and

“Tax Administrator” means the Tax Administrator appointed under We Wai Kai’s local revenue laws;

“We Wai Kai” means the We Wai Kai Nation, being a band named in the schedule to the Act and the body of people who comprise the entity also known as the Cape Mudge Indian Band of Indians under the *Indian Act* and for whose use and benefit in common We Wai Kai Lands have been set apart by Her Majesty the Queen;

“We Wai Kai financial assets” means all money and other financial assets of We Wai Kai;

“We Wai Kai Lands” means:

a) the following We Wai Kai Indian Reserves:

- i) Village Bay Indian Reserve #7;
- ii) Open Bay Indian Reserve #8;
- iii) Drew Harbour Indian Reserve #9;
- iv) Cape Mudge Indian Reserve #10;
- v) Quinsam Indian Reserve #12; and

b) lands set apart by Canada in the future as lands reserved for the use and benefit of We Wai Kai, within the meaning of subsection 91(24) of the *Constitution Act, 1867* and section 2(1) of the *Indian Act*;

c) any other lands over which We Wai Kai has jurisdiction either through agreement or by operation of law.

“We Wai Kai law” means any law, including any by-law or code including the Land Code, of We Wai Kai Nation made by the Council or the Citizen; and

“We Wai Kai records” means all records of We Wai Kai respecting its governance, management, operations and financial administration.

(2) Except as otherwise provided in this Law, words and expressions used in this Law have the same meaning 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 federal *Interpretation Act* apply.

(4) Except as otherwise provided in this Law, all references to named enactments in this Law are to enactments of the Government of Canada.

Interpretation

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

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

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

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

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

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

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

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

Posting of Public Notice

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

(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 We Wai Kai law, other than the Land Code or a local revenue law, this Law prevails.
- (2) If there is a conflict between this Law and the Act, the Act prevails.
- (3) If there is a conflict between this Law and a local revenue law, the local revenue law prevails.
- (4) For greater certainty, the financial administration of We Wai Kai Lands and natural resources shall be undertaken in accordance with Part VII of the Land Code and to the extent of any inconsistency with this Law or the Act the financial administration of We Wai Kai Lands and natural resources are governed in accordance with the Land Code.

Scope and application

7. This Law applies to the financial administration of We Wai Kai.

PART III - Administration

DIVISION 1 - Council

Responsibilities of Council

8. (1) The Council is responsible for all matters relating to the financial administration of We Wai Kai whether or not they have been assigned or delegated to an officer, employee, committee, contractor or agent by or under this Law.
- (2) Subject to paragraph 5(1)(f) of the Act, this Law and any other applicable We Wai Kai law, the Council may delegate to any of its officers, employees, committees, contractors or agents any of its functions under this Law except the following:
 - (a) the approval of Council policies, procedures or directions;
 - (b) the appointment of members, chair and vice-chair of the Finance and Audit Committee;
 - (c) the approval of budgets and financial statements of We Wai Kai; and
 - (d) the approval of borrowing or guarantees of We Wai Kai.

Council Policies, Procedures and Directions

9. (1) Subject to subsection (2), the Council may establish policies and procedures and give directions respecting any matter relating to the financial administration of We Wai Kai.
- (2) The Council must establish policies or procedures or give directions respecting the acquisition, management and safeguarding of We Wai Kai assets.

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

(4) The Council must establish policies and procedures respecting the avoidance and mitigation of conflicts of interest, including the following:

(a) defining the private interests of a member of Council, officers, employees, committee members, contractors and agents that could result in a conflict of interest;

(b) requiring members of Council to annually disclose relevant information respecting their private interests which could result in a conflict of interest;

(c) requiring the disclosure, by the persons referred to in paragraph (a), of actual or potential conflicts of interests as they arise, and keeping records of such disclosures;

(d) specifying restrictions on the acceptance of gifts and benefits by any person referred to in paragraph (a) that might reasonably be seen to have been offered in order to influence the making of a decision by that person;

(e) prohibiting any person referred to in paragraph (a) who has a conflict of interest from attempting to influence a decision or from participating in the making of a decision respecting the matter in which the person has a conflict of interest; and

(f) specifying how any undisclosed or any alleged but not admitted conflicts of interest of members of Council are to be addressed.

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

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

Reporting of Remuneration, Expenses and Contracts

10. (1) Annually the Financial Administration Officer must prepare a report separately listing the following:

(a) the total amount of remuneration, expenses and benefits, including coverage under policies for insurance or medical, dental or related services, paid or provided by We Wai Kai to a member of Council and to each of the dependents of the member of Council;

(b) any contracts between We Wai Kai and a member of Council and between We Wai Kai and a dependent of the member of Council for the supply of goods or services, including a general description of the nature of the contracts;

(c) the total amount of remuneration, expenses and benefits, including coverage under policies for insurance or medical, dental or related services, paid or provided by We Wai Kai to the Chief Administrative Officer and to each of the dependents of the Chief Administrative Officer; and

(d) any contracts between We Wai Kai and the Chief Administrative Officer and between We Wai Kai and a dependent of the Chief Administrative Officer for the supply of goods or services, including a general description of the nature of the contracts.

(2) Subsection (1) does not require the reporting of remuneration, expenses or benefits received

(a) in common by all Citizens;

(b) under a program or service universally accessible to all Citizens on published terms and conditions; or

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

DIVISION 2 - Finance and Audit Committee

Interpretation

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

Committee Established

12. (1) The Finance and Audit Committee of We Wai Kai is established.

(2) The Committee shall comprise of five (5) members appointed by Council, a majority of whom must have financial competency where the test for financial competency shall be set out in a policy of Council and, subject to subsection (4), all of whom must have independence.

(3) At least two (2) of the Committee members must be a member of Council whose term of appointment shall coincide with their term of office on Council.

(4) Subject to subsections (3), (6), (8) and (9), the Committee members must be appointed to hold office for staggered terms of not less than four (4) complete fiscal years.

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

(a) specifying that the independence of each member of the Committee be tracked, including the annual documented confirmation by each member of their independence;

(b) ensuring that all members of the Committee have independence including specifying that the following individuals do not have independence:

(i) an individual who is an employee of We Wai Kai,

- (ii) an individual whose immediate family member is an officer of We Wai Kai, and
 - (iii) an individual who has a direct or indirect relationship with We Wai Kai by which the individual may accept any consulting, advisory, or other compensatory fee paid by We Wai Kai to the individual (other than remuneration paid for acting in his or her capacity as a member of Council or as a member of any committee or as fixed retirement compensation), to a dependent of the individual or to an entity in which the individual is a partner, owner, member or officer and which provides accounting, consulting, legal or any financial services to We Wai Kai or to a related body of We Wai Kai.
- (6) The Council may establish a policy that permits the Council to exempt an individual from the application of the policy referred to in paragraph (5)(b) but only under the following circumstances:
- (a) an exemption may be given on one occasion only for a particular individual and the term of appointment of the individual must not be more than two (2) consecutive years; and
 - (b) the Council, in temporary and exceptional circumstances, determines in its reasonable opinion that
 - (i) the individual is able to exercise the independent judgment necessary for the individual to fulfill his or her responsibilities as a member of the Committee regardless of the individual's relationship with We Wai Kai, and
 - (ii) the appointment of the individual to the Committee is considered to be in the best interests of We Wai Kai and its Citizens.
- (7) A Committee member may be removed from office by the Council if
- (a) the Committee member misses three (3) consecutively scheduled meetings of the Committee;
 - (b) the Committee member has three (3) unexcused absences from scheduled meetings of the Committee;
 - (c) the Committee member has been disqualified from being a Committee member in accordance with paragraph 22(2)(c) of this Law;
 - (d) the Committee member has breached a We Wai Kai law;
 - (e) the Committee member has been convicted of an indictable offence;
 - (f) the Committee member has breached the COIP; or
 - (g) the chair of the Committee recommends removal of the Committee member.
- (8) Where a member of Council was appointed to the Committee in accordance with subsection (2) and ceases to be a member of Council that person ceases to be a

Committee member and another member of Council shall be appointed to the Committee until the next election of Council.

(9) For greater certainty, for the purpose of appointing Committee members to the inaugural Finance and Audit Committee, two of the Committee members shall be appointed to hold office for a term of two years in order to establish staggered terms.

Chair and Vice-chair

13. (1) The Council must appoint a chair of the Committee who must be a member of Council.

(2) The Council must appoint a vice-chair of the Committee.

Committee Procedures

14. (1) The quorum of the Committee is three (3) Committee members, including at least one (1) member of Council.

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

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

(4) Subject to subsection (5), the Chief Administrative Officer and the Financial Administration Officer must be notified of all Committee meetings and, subject to reasonable exceptions, must attend those meetings.

(5) The Chief Administrative Officer or the Financial Administration Officer may be excluded from all or any part of a Committee meeting by a recorded vote if

(a) the subject matter relates to a confidential personnel or performance issue respecting the Chief Administrative Officer or the Financial Administration Officer; or

(b) it is a meeting with the auditor.

(6) The Committee must meet

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

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

(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 Chief Administrative Officer, 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 We Wai Kai:

(a) annually develop, and recommend to the Council for approval a

(i) long-term strategic plan, and

(ii) a multi-year financial plan;

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

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

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

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

(3) The Committee may seek advice from an independent professional in relation to any of its duties under this Law.

Audit Responsibilities

16. The Committee must carry out the following audit activities in respect of the financial administration of We Wai Kai:

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

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

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

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

(e) periodically review and make recommendations to the Council on policies, procedures and directions on reimbursable expenses and benefits of the members of Council, officers and employees of We Wai Kai;

- (f) monitor financial reporting risks and fraud risks and the effectiveness of mitigating controls for those risks taking into consideration the cost of implementing those controls;
- (g) conduct a review of this Law under section 94 and, where appropriate, recommend amendments to the Council; and
- (h) periodically review and make recommendations to the Council on the terms of reference of the Committee.

Council Assigned Responsibilities

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

- (a) to develop, and recommend to the Council for approval, performance measurements and goals designed to confirm that management activities, including financial management, occur as planned;
- (b) to prepare, and recommend to the Council for approval, cash management plans;
- (c) to review and report to the Council on the financial content of any We Wai Kai reports;
- (d) to review, monitor and report to the Council on the appropriateness of We Wai Kai's accounting and financial reporting systems, policies and practices;
- (e) to review, and recommend to the Council for approval, any proposed significant changes in We Wai Kai's accounting or financial reporting systems, policies, procedures or directions;
- (f) to monitor the collection and receipt of We Wai Kai's financial assets, including debts owed to We Wai Kai;
- (g) to review and report to the Council on We Wai Kai's risk management policies and control and information systems and, where appropriate, recommend improvements to the Council;
- (h) to review the adequacy of security of information, information systems and recovery plans and, where appropriate, recommend improvements to the Council;
- (i) to monitor compliance with the legal obligations of We Wai Kai, including legislative, regulatory and contractual obligations, and report to the Council;
- (j) to review and report to the Council on the adequacy of financial administration personnel and resources;
- (k) to review, monitor and report to the Council on the adequacy and appropriateness of We Wai Kai's insurance coverage respecting significant We Wai Kai risks; and

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

DIVISION 3 - Officers and Employees

Chief Administrative Officer

- 18. (1) The Council must appoint a person as Chief Administrative Officer of We Wai Kai and may set the terms and conditions of that appointment.

(2) Reporting to the Council, the Chief Administrative Officer is responsible for leading the planning, organization, implementation and evaluation of the overall management of all the day-to-day operations of We Wai Kai, including the following duties:

- (a) to develop and recommend to the Council for approval, human resources policies and procedures for the hiring, management and dismissal of officers and employees of We Wai Kai;

- (b) to prepare and recommend to the Council for approval, descriptions of the powers, duties and functions of all employees of We Wai Kai;

- (c) to hire the employees of We Wai Kai, as the Chief Administrative Officer considers necessary, and to set the terms and conditions of their employment;

- (d) to oversee, supervise and direct the activities of all officers and employees of We Wai Kai;

- (e) to oversee and administer the contracts of We Wai Kai;

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

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

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

- (i) to perform any other duties of the Chief Administrative Officer under this Law; and

- (j) to carry out any other activities specified by the Council that are not contrary to the Act or inconsistent with the Chief Administrative Officer's duties specified in this Law.

- (3) The Chief Administrative Officer may assign the performance of any of the Chief Administrative Officer's duties or functions

- (a) to an officer or employee of We Wai Kai; and

(b) with the approval of the Council, to a contractor or agent of We Wai Kai.

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

Financial Administration Officer

19. (1) The Council must appoint a person as Financial Administration Officer of We Wai Kai and may set the terms and conditions of that appointment.

(2) Reporting to the Chief Administrative Officer, the Financial Administration Officer is responsible for the day-to-day management of the systems of the financial administration of We Wai Kai, including the following duties:

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

(b) to administer and maintain all the accounts of We Wai Kai referenced under section 32;

(c) to prepare the draft annual budgets;

(d) to prepare the monthly financial information required in section 64, the quarterly financial statements required in section 65 and the draft annual financial statements required in section 66;

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

(f) to actively monitor compliance with any agreements and funding arrangements entered into by We Wai Kai;

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

(h) to administer and supervise the maintenance of the records of all receipts and expenditures of We Wai Kai to facilitate the annual audit;

(i) to actively monitor compliance with the Act, this Law, any other applicable We Wai Kai law, applicable standards and any policies, procedures and directions of the Council respecting the financial administration of We Wai Kai, other than those matters that are the responsibility of the Tax Administrator under this Law, another We Wai Kai law or the Act;

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

(k) to evaluate the financial administration systems of We Wai Kai and recommend improvements;

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

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

(n) to perform any other duties of the Financial Administration Officer under this Law; and

(o) to carry out any other activities specified by the Chief Administrative Officer that are not contrary to the Act or inconsistent with the Financial Administration Officer's duties under this Law.

(3) With the approval of the Chief Administrative Officer, the Financial Administration Officer may assign the performance of any of the duties or functions of the Financial Administration Officer to any officer, employee, contractor or agent of We Wai Kai, but this assignment does not relieve the Financial Administration Officer of the responsibility to ensure that these duties or functions are carried out properly.

Tax Administrator

20. Where the person appointed as the Tax Administrator is not the same person appointed as the Financial Administration Officer under this law, the Tax Administrator reports to the Financial Administration Officer in respect of the performance of any of the Tax Administrator's duties or functions under this Law.

Organizational Structure

21. (1) The Council must establish and maintain a current organization chart for the governance, management and administrative systems of We Wai Kai which must include the following information:

(a) all governance, management and administrative systems of We Wai Kai;

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

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

(d) all governance, management and administrative positions at each level of the organization of the systems described in paragraph (a), including

(i) the membership on the Council, Finance and Audit Committee and all other committees of the Council and We Wai Kai,

(ii) the Chief Administrative Officer, the Financial Administration Officer, the Tax Administrator and other officers of We Wai Kai, and

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

(2) On request, the Chief Administrative Officer must provide a copy of the organization chart under subsection (1) to a member of Council, a member of a committee referred to in subparagraph (1)(d)(i), an officer, employee or contractor or agent of We Wai Kai and, subject to any applicable privacy laws to a Citizen.

(3) In the course of discharging their responsibilities under this Law, the Chief Administrative Officer must recommend to the Council for approval and implementation human resource policies and procedures that facilitate effective internal financial administration controls.

(4) The Council must take all reasonable steps to ensure that We Wai Kai hires or retains qualified and competent personnel to carry out the financial administration activities of We Wai Kai.

DIVISION 4 - Conduct Expectations

Conduct of Members of Council

22. (1) When exercising a power, duty or responsibility relating to the financial administration of We Wai Kai, a member of Council must

(a) comply with this Law, the Act, any other applicable We Wai Kai law and any applicable standards;

(b) act honestly, in good faith and in the best interests of We Wai Kai;

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

(d) avoid conflicts of interest and comply with the requirements of the COIP, 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 member of Council has contravened this section

(a) the Council must post a public notice of the details of the determination for a period of not less than thirty-one (31) days as soon as practicable after the contravention was determined.

(b) the member of Council is disqualified from being a member of the Finance and Audit Committee

(c) it is deemed that the member of Council has breached their oath of office and in accordance with the Election Code the member of Council may be declared by the Elders Council to have become disqualified from holding office since their election.

Conduct of Officers, Employees, Contractors, etc.

23. (1) This section applies to

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

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

- (a) comply with this Law, the Act, any other applicable We Wai Kai law and any applicable standards;
- (b) comply with all policies, procedures and directions of the Council; and
- (c) avoid conflicts of interest and comply with the COIP, including required disclosure of actual and potential conflicts of interest.

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

- (a) the terms of employment or appointment of every officer or employee of We Wai Kai;
- (b) the terms of every contract of a contractor of We Wai Kai;
- (c) the terms of appointment of every member of a committee who is not a member of Council; and
- (d) the terms of appointment of every agent of We Wai Kai.

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

- (a) an officer or employee may be disciplined, including dismissal;
- (b) a contractor's contract may be terminated;
- (c) the appointment of a member of a committee may be revoked; or
- (d) the appointment of an agent may be revoked.

PART IV - Financial Management

DIVISION 1 - Financial Plans and Annual Budgets

Fiscal Year

24. The fiscal year of We Wai Kai is April 1 to March 31 of the following year.

Multi-year Financial Plan

25. No later than March 31 of each year, the Council must approve a multi-year financial plan that
- (a) has a planning period of five (5) years comprised of the current fiscal year and the four (4) succeeding fiscal years;
 - (b) is based on the projections of revenues, expenditures and transfers between accounts;
 - (c) in respect of projected revenues, sets out separate amounts for income from taxes, fees and charges, transfers from Canada or a provincial or territorial government, grants and business operations, and proceeds from borrowing;
 - (d) in respect of projected expenditures, sets out separate amounts for payments, including payments of principal and interest on debt, payments required for capital projects as defined in Part V, payments required to address any deficits and payments for all other purposes;
 - (e) in respect of transfers between accounts, sets out the amounts from the tangible capital asset reserve account;
 - (f) shows all categories of restricted cash; and
 - (g) indicates whether in any of the five (5) years of the plan a deficit or surplus is expected from the projection of revenues and expenditures for that year.

Content of Budgets

26. (1) The annual budget must encompass all the operations for which We Wai Kai is responsible and must identify
- (a) each anticipated source of revenue and estimate the amount of revenue from each of these sources, including taxes, fees and charges, transfers from Canada or a provincial or territorial government, grants and business operations, and proceeds from borrowing;
 - (b) each anticipated category of expenditure and estimate the amount of expenditure for each category, including those for payments of principal and interest on debt, payments required for capital projects as defined in Part V, payments required to address any deficits and payments for all other purposes; 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 We Wai Kai Lands must be shown separately in the annual budget from other revenues and must include a sub-category for revenues from natural resources obtained from We Wai Kai Lands.

Budget and Planning Process Schedule

27. (1) On or before February 15 of each year, the Financial Administration Officer must prepare and submit to the Finance and Audit Committee for review a draft annual budget and a draft multi-year financial plan for the next fiscal year.
- (2) On or before March 15 of each year, the Finance and Audit Committee must review
- (a) the draft annual budget and recommend an annual budget to the Council for approval; and
 - (b) the draft multi-year financial plan and recommend a multi-year financial plan to the Council.
- (3) On or before March 31 of each year, the Council must review and approve the annual budget for We Wai Kai for the next fiscal year.
- (4) As soon as practicable after the start of the fiscal year, the Tax Administrator, in consultation with the Financial Administration Officer must prepare and submit to the Finance and Audit Committee for review a draft amendment of the component of the annual budget respecting We Wai Kai's local revenue account.
- (5) As soon as practicable after the start of the fiscal year, the Finance and Audit Committee must review the draft amendment of the component of the annual budget respecting We Wai Kai's local revenue account and recommend an amendment to the annual budget to the Council for approval.
- (6) As soon as practicable after the start of the fiscal year, the Council must approve the amendment of the component of the annual budget respecting We Wai Kai's local revenue account.

Additional Requirements for Budget Deficits

28. If a draft annual budget contains a proposed deficit, the Council must ensure that
- (a) the multi-year financial plan of We Wai Kai demonstrates how and when this deficit will be addressed and how it will be serviced; and
 - (b) the deficit does not have a negative impact on the credit worthiness of We Wai Kai.

Amendments to Annual Budget

29. (1) The annual budget of We Wai Kai 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 We Wai Kai or in the expenditure priorities of the Council, the Council must not approve a change to the annual budget of We Wai Kai.

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 FNTC standards.

Citizen Involvement

31. (1) Between February 16 and March 14 of each year, the Citizens may
- (a) attend the principal administrative offices of We Wai Kai to review
 - (i) the annual budget for the next fiscal year, and
 - (ii) the multi-year financial plan for the next fiscal year; and
 - (b) provide written comments on these documents to the Finance and Audit Committee.
- (2) The Council must provide notice in accordance with subsection (5) 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) Citizens may attend that part of the Council meeting when the matters referred to in subsection (2) are being considered.
- (4) As soon as practicable, the Council must provide notice in accordance with subsection (5) to the Citizens of
- (a) amendments to the budget, including budget deficits and extraordinary expenditures,
 - (b) capital projects,
 - (c) borrowing for new capital projects, and
 - (d) proposed amendments to this Law,
- (5) Notice shall be provided by
- (a) posting the notice in the principal administrative offices of We Wai Kai, and
 - (b) publishing the notice in the newsletter, and

- (i) mailing the newsletter to Citizens living on We Wai Kai Lands, and
- (ii) making the newsletter available to Citizens living off We Wai Kai Lands by email or on We Wai Kai's website.

DIVISION 2 - Financial Institution Accounts

Financial Institution Accounts

- 32.** (1) No account may be opened for the receipt and deposit of money of We Wai Kai unless the account is
- (a) in the name of We Wai Kai Nation;
 - (b) opened in a financial institution; and
 - (c) authorized by the Chief Administrative Officer or the Financial Administration Officer.
- (2) We Wai Kai must establish the following accounts in a financial institution:
- (a) a general account for money from any sources other than those described in paragraphs (b) to (e);
 - (b) a local revenue account for money from local revenues;
 - (c) a trust account if We Wai Kai has money held in trust;
 - (d) a land and resources account for money from revenues from We Wai Kai's Lands and Natural Resources collected and managed in accordance with the Land Code; and
 - (e) a tangible capital asset reserve account for money set aside for purposes of section 80.
- (3) We Wai Kai may establish any other accounts not referred to in subsection (2) as may be necessary and appropriate to manage We Wai Kai's financial assets.

Accounts Management

- 33.** (1) The Financial Administration Officer must take all reasonable steps to ensure the safekeeping of all money received by We Wai Kai.
- (2) The Financial Administration Officer
- (a) must deposit all money received by We Wai Kai 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. We Wai Kai must not enter into an agreement or undertaking that requires We Wai Kai 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.

Extraordinary and Emergency Expenditures

37. (1) Notwithstanding section 29 and 36(1), the Chief Administrative Officer may approve an expenditure for an emergency purpose that was not anticipated in the annual budget if the expenditure is not expressly prohibited by or under this Law or another We Wai Kai law.
- (2) The Council must establish policies and procedures to authorize expenditures under subsection (2).
- (3) The expenditure under subsection (2) must be reported to the Council as soon as practicable and the Council must amend the annual budget to include the expenditure.
- (4) Subsection (1) and subsection (2) do not give the Council or the Chief Administrative Officer the authority to increase borrowing limits on the existing credit of We Wai Kai or undertake any new borrowing for the purpose of making an expenditure for an emergency purpose.

Appropriations

38. (1) An amount that is appropriated in a budget must not be expended for any purpose other than that described in the appropriation.
- (2) The total amount expended by We Wai Kai in relation to an appropriation must not exceed the amount specified in the budget for We Wai Kai 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 Council must authorize payment out of a trust account.

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

(10) Subject to subsections (8) and (9), the Chief Administrative Officer or Financial Administration Officer 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. (1) Payments by We Wai Kai may be made by cheque, draft, electronic transfer or other similar instrument.

(2) Council shall, by resolution, designate officers of We Wai Kai to authorize payments and sign cheques on behalf of We Wai Kai.

(3) All payments to be made on behalf of We Wai Kai shall be authorized or signed by at least two (2) authorized signing officers.

DIVISION 4 - General Matters

Cash Management

42. The Council must make policies or procedures or give directions respecting effective cash management.

Bad Debts

43. All or part of a debt or obligation owed to We Wai Kai may be written off

(a) if approved by the Council; or

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

Extinguishment of Debts

44. All or part of a debt or obligation owed to We Wai Kai may be forgiven only

(a) if approved by the Council; or

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

Year-end Surplus

45. (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).
- (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

46. (1) Except as specifically authorized in this Law or in a local revenue law, We Wai Kai must not borrow money or grant security.
- (2) Subject to this Law, if We Wai Kai is authorized in this Law to borrow money or grant security, the Council may authorize the Financial Administration Officer to borrow money or grant security in the name of We Wai Kai
- (a) as specifically approved by the Council;
- (b) in accordance with any other We Wai Kai law; or
- (c) in accordance with the policies, procedures or directions made by the Council.

Borrowing for Ordinary Operations

47. (1) We Wai Kai 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) We Wai Kai 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) We Wai Kai 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 We Wai Kai.

Financial Agreements

48. (1) We Wai Kai may enter into the following agreements in the name of We Wai Kai:
- (a) for the purpose of efficient management of We Wai Kai'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 We Wai Kai's financial assets, agreements with financial institutions respecting currency exchange, spot and future currency, interest rate exchange and future interest rates.

(2) Unless otherwise specified by the Council, the Financial Administration Officer may enter into any agreements referred to in subsection (1) on behalf of We Wai Kai.

Borrowing for Authorized Expenditures

49. (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 Financial Administration Officer recommends that money be borrowed to ensure that the general account is sufficient for these purposes, We Wai Kai may borrow an amount not exceeding a maximum amount specified by the Council and to be repaid within a specified period of time.

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

Borrowing Member Requirements

50. (1) If We Wai Kai becomes a borrowing member, then

(a) it must not obtain long-term financing secured by property tax revenues from any person other than the FNFA;

(b) it may only obtain long-term financing referred to in paragraph (a) as permitted under its local revenue law and the Act; and.

(c) it must comply with all the terms and conditions of any agreement with the FNFA to become a borrowing member.

(2) Money borrowed under subsection (1) may only be used for the purposes permitted under the Act.

Borrowing for Repayment of Debts

51. Subject to this Law and a local revenue law, We Wai Kai may borrow money that is required for the repayment or refinancing of any debt of We Wai Kai, other than a debt in relation to money borrowed under subsection 49(1).

Use of Borrowed Money

52. (1) Subject to this section and any local revenue law, money borrowed by We Wai Kai 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 We Wai Kai 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

53. (1) Subject to subsection (2), a security granted by We Wai Kai must be signed by a quorum of Council and by the Chief Administrative Officer and the Financial Administration Officer.

(2) A security granted by We Wai Kai in respect of local revenues must be signed by a member of Council designated by the Council and by the Tax Administrator.

Operational Controls

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

DIVISION 6 - Risk Management

Limitation on Business Activity

55. (1) Subject to subsections (2) and (3), We Wai Kai 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) We Wai Kai may carry on a business that

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

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

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

(ii) any other property of We Wai Kai.

(3) We Wai Kai 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 We Wai Kai; or

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

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

Guarantees and Indemnities

56. (1) We Wai Kai must not give a guarantee unless the Council has considered the report of the Financial Administration Officer under subsection (2).

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

(3)We Wai Kai must not give an indemnity unless it is

(a) authorized under section 93;

(b)necessary and incidental to and included in another agreement to which We Wai Kai is a party; or

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

(4)Subject to section 93, 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 We Wai Kai 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 We Wai Kai.

Authority to Invest

57. (1) Except as specifically authorized in this Law or another We Wai Kai law, We Wai Kai must not invest We Wai Kai's financial assets.

(2)If We Wai Kai is authorized in this Law to invest We Wai Kai's financial assets, the Council may authorize the Financial Administration Officer to invest We Wai Kai's financial assets

(a) as specifically approved by the Council; or

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

Approved Investments

58. (1) Money in an account described in section 32 that is not immediately required for expenditures may be invested by We Wai Kai in one or more of the following:

- (a) securities issued or guaranteed by Canada, a province or the United States of America;
- (b) fixed deposits, notes, certificates and other short-term paper of, or guaranteed by, a financial institution, including swaps in United States of America currency;
- (c) securities issued by the FNFA or by a local, municipal or regional government in Canada;
- (d) commercial paper issued by a Canadian company that is rated in the highest category by at least two (2) recognized security-rating institutions;
- (e) any class of investments permitted under an Act 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 We Wai Kai as permitted under the terms of the trust or under the laws of the jurisdiction in which the majority of We Wai Kai's lands are located.

(3) For greater certainty lands and natural resource revenues raised under the authority of the Land Code may only be invested in accordance with the Land Code.

(4) If We Wai Kai has established an investment account under section 32, We Wai Kai 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 We Wai Kai is a shareholder;
- (b) a trust in which We Wai Kai is a beneficiary;
- (c) a limited partnership in which We Wai Kai is a partner; or
- (d) a Citizen investment program described in section 59.

(5) Despite any other provision in this section, government transfer funds and local revenue funds may only be invested in

- (a) securities issued or guaranteed by Canada or a province;
- (b) securities of a local, municipal or regional government in Canada;
- (c) investments guaranteed by a bank, trust company or credit union;

(d) deposits in a bank or trust company in Canada or non-equity or membership shares in a credit union; or

(e) securities issued by the FNFA.

Permitted Investments in We Wai Kai Citizen Activities

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

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

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

(a) the program must be universally available to all Citizens of We Wai Kai;

(b) the terms and conditions of the program must be published and accessible to all Citizens of We Wai Kai;

(c) all loans made from the program and all payments received from those loans must be set out in an annual report that includes details about the amounts loaned, the purposes of the loans, the names of those receiving a loan and repayments of principal and interest on the loans; and

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

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

Administration of Investments and Loans

60. (1) If We Wai Kai is authorized to make an investment or loan under this Law, the Financial Administration Officer may do all things necessary or advisable for the purpose of making, continuing, exchanging or disposing of the investment or loan.

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

Risk Assessment and Management

61. (1) Annually, and more often if necessary, the Chief Administrative Officer must identify and assess any significant risks to We Wai Kai's financial assets, We Wai Kai's tangible capital assets as defined in Part V and the operations of We Wai Kai.

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

Insurance

62. (1) On recommendation of the Finance and Audit Committee, the Council must procure and maintain in force all insurance coverage that is appropriate and commensurate with the risks identified in section 61 and any other risks associated with any assets, property or resources under the care or control of We Wai Kai.

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

DIVISION 7 - Financial Reporting

Internal Control

63. The Council shall establish policies and procedures respecting the establishment of an effective system of internal controls that ensures the reliable reporting of the First Nation's financial results.

Monthly Financial Information

64. Not more than twenty days (20) days following the end of each month, the Financial Administration Officer shall prepare and provide to the Council and the Finance and Audit Committee, financial information respecting the financial affairs of We Wai Kai in the form and with the content approved by the Council on the recommendation of the Finance and Audit Committee.

Quarterly Financial Statements

65. (1) Not more than twenty days (20) days following the end of each quarter, the Financial Administration Officer shall prepare and provide to the Council and the Finance and Audit Committee, quarterly financial statements for We Wai Kai 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 quarterly financial statements in subsection (1) must as soon as practically possible after having been received be

(a) reviewed by the Finance and Audit Committee; and

(b) reviewed and approved by the Council.

Annual Financial Statements

66. (1) At the end of each fiscal year the Financial Administration Officer must prepare the annual financial statements of We Wai Kai 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 providing similar public services.

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

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

(a) the financial information of We Wai Kai for the fiscal year;

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

(c) the revenue categories for We Wai Kai's lands referred to in subsection 26(2).

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

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

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

(c) a report setting out all debts or obligations forgiven by We Wai Kai;

(d) a report setting out the information required in paragraph 59(3)(c);

(e) a report setting out moneys of We Wai Kai derived from We Wai Kai Lands, categorized and shown separately from other revenues and that includes a sub-category respecting revenues from natural resources obtained from We Wai Kai Lands; and

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

(5) The Financial Administration Officer 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.

Appointment of Auditor

67. (1) We Wai Kai must appoint an auditor for each fiscal year to hold office until the later of

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

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

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

auditor's obligation to confirm that the annual financial statements and the audit of them comply with this Law, the Act and FMB standards.

(3) To be eligible for appointment as the auditor of We Wai Kai, an auditor must

(a) be independent of We Wai Kai, its related bodies, members of Council and officers and Citizens; and

(b) be a public accounting firm or public accountant

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

(ii) licensed or otherwise authorized to practice public accounting in the province or territory in which the majority of We Wai Kai Lands 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 We Wai Kai in writing of the circumstances; and

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

Audit Requirements

68. (1) The annual financial statements of We Wai Kai must be audited by the auditor.

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

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

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

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

(b) an audit opinion or review comments on the special purpose reports referred to in subsection 71(4).

Auditor's Authority

69. (1) To conduct an audit of We Wai Kai's annual financial statements, the auditor must be given access to:

- (a) all records of We Wai Kai for examination or inspection and given copies of these records on request; and
 - (b) any member of Council, manager, employee, contractor or agent of We Wai Kai 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 We Wai Kai as necessary for the performance of the auditor's duties.
- (3) The auditor must be given notice and provided the agenda for every meeting of the Finance and Audit Committee.
- (4) The auditor may request to attend any scheduled Finance and Audit Committee meeting or portion of a meeting and the Finance and Audit Committee must review and respond to any such requests.
- (5) At a minimum, the auditor must be invited to attend and participate in all Finance and Audit Committee meetings at which the Finance and Audit Committee is considering matters relating to the annual audit, including the annual financial statements and the audit report.
- (6) Subject to reasonable exceptions (such as a meeting to discuss the retention or dismissal of an auditor), the auditor must be invited to attend and to speak at all Council meetings at which Council is considering matters relating to the annual audit, including the annual financial statements and the audit report.
- (7) The auditor must be invited to attend and to speak at any meeting between Council and Citizens that concerns the auditor as auditor of We Wai Kai.
- (8) The auditor may contact the chair of the Audit and Finance Committee or Council to request a meeting with the Finance and Audit Committee to discuss any subject that concerns the We Wai Kai audit.

Review of Audited Annual Financial Statements

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

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

- (a) be approved by the Council;
 - (b) be signed by
 - (i) the Chief of We Wai Kai,
 - (ii) the chair of the Finance and Audit Committee,
 - (iii) the Financial Administration Officer;
 - (iv) the Chief Administrative Officer; and
 - (c) include the auditor's audit report of the annual financial statements and the auditor's audit opinion or review comments of the special purpose reports referred to in subsection 66(4).
- (2) Upon acceptance by Resolution and signed in accordance with subsection 71(1), the annual financial statements shall be recorded in the Council minutes as reviewed and approved.
- (3) The audited annual financial statements and special purpose reports must be available for inspection by Citizens at the principal administrative offices of We Wai Kai during normal business hours.
- (4) the following persons shall also have access to the audit report;
- (a) any other persons who have an interest in, or the right to occupy, possess or use We Wai Kai Lands;
 - (b) the FNTC,
 - (c) the FMB;
 - (d) the FNFA and
 - (e) the Minister.

Annual Report

72. (1) Not later than one hundred and twenty (120) days after the end of each fiscal year, the Council must prepare an annual report on the operations and financial performance of We Wai Kai for the previous fiscal year.
- (2) The annual report referred to in subsection (1) must include the following:
- (a) a description of the services and operations of We Wai Kai;
 - (b) a progress report on any established financial objectives and performance measures of We Wai Kai; and
 - (c) the audited annual financial statements of We Wai Kai for the previous fiscal year, including special purpose reports.

- (3) The annual report referred to in subsection (1) must
- (a) be made available to the Citizens at the principal administrative offices of We Wai Kai; and
 - (b) be provided to the FMB and the FNFA.

DIVISION 8 - Information and Information Technology

Ownership of Records

73. (1) All records that are produced by or on behalf of We Wai Kai or kept, used or received by any person on behalf of We Wai Kai are the property of We Wai Kai.
- (2) The Council must establish policies or procedures or give directions to ensure that the records referred to in subsection (1) remain the property of We Wai Kai.

Operations Manual

74. (1) The Chief Administrative Officer must prepare and maintain a current operations manual respecting every element of We Wai Kai'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 members of Council, members of the Finance and Audit Committee and all other Council committees and officers and employees of We Wai Kai.
- (3) If any part of the operations manual under subsection (1) is relevant to the services being provided by a contractor or agent of We Wai Kai, that part of the operations manual must be made available to the contractor or agent.

Record Keeping and Maintenance

75. (1) The Chief Administrative Officer must ensure that We Wai Kai prepares, maintains, stores and keeps secure all of We Wai Kai's records that are required under this Law or any other applicable law.
- (2) We Wai Kai'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 financial records must be stored for at least seven (7) years after they were created.
- (4) The Council must establish policies and procedures or give directions respecting access of any persons to We Wai Kai's records.

Local Revenue Account Records

76. The Tax Administrator must prepare, maintain, store and keep secure a complete set of all records respecting the local revenue system of We Wai Kai, including all records referred to in section 5 of the *Local Revenue Management Implementation Regulations*.

Confidentiality of Information

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

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

Information Technology

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

PART V - Capital Projects

Definitions

79. In this Part:

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

"life-cycle management program" means the program of inspection, review and planning for management of We Wai Kai's tangible capital assets as described in section 83;

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

"replacement" includes substitution, in whole or in part, with another of We Wai Kai's tangible capital assets; and

"We Wai Kai's tangible capital assets" means all non-financial assets of We Wai Kai having physical substance with a replacement value of not less than fifteen thousand dollars (\$15,000.00) and 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.

Council General Duties

80. The Council must take reasonable steps to ensure that
- (a) We Wai Kai'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 We Wai Kai'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 We Wai Kai Lands are located.

Tangible Capital Assets Reserve Fund

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

Reports on Capital Projects

82. At each Finance and Audit Committee meeting, the Chief Administrative Officer must report on the following subjects:
- (a) year to date borrowings, loans and payments in respect of each capital project;
 - (b) the status of a capital project, including
 - (i) a comparison of expenditures to date with the project budget,
 - (ii) a detailed description of any identified legal, financial, technical, scheduling or other problems, and
 - (iii) the manner in which a problem identified in subparagraph (ii) has been or will be addressed; and
 - (c) steps taken to ensure compliance with section 85 for every capital project.

Life-cycle Management Program

83. (1) The Chief Administrative Officer must establish and keep current a register of all We Wai Kai's tangible capital assets that identifies each of these assets and includes the following information:
- (a) location and purpose of the asset;
 - (b) ownership and restrictions over ownership of the asset;
 - (c) year of acquisition;

- (d) last inspection date of the asset;
- (e) expected life of the asset at the time of acquisition;
- (f) assessment of condition of the asset and its remaining useful life;
- (g) estimated residual value of the asset;
- (h) insurance coverage for the asset; and
- (i) any other information required by the Council.

(2) On or before November 30 of each year, the Chief Administrative Officer must arrange for the inspection and review of the state of each of We Wai Kai'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 Financial Administration Officer must prepare the following:

- (a) a schedule of annual routine maintenance, other than rehabilitation, for each of We Wai Kai's tangible capital assets for the next fiscal year;
- (b) short and long term forecasts of the estimated cost for rehabilitation or replacement of We Wai Kai's tangible capital assets;
- (c) the proposed budget for rehabilitation of We Wai Kai'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 We Wai Kai'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

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

- (a) to identify any means to reduce the costs of each rehabilitation or replacement project included in the proposed budgets;
- (b) to know the effect that each rehabilitation or replacement project included in the proposed budgets will have on the annual operating costs and routine maintenance costs in future years; and
- (c) to determine whether any significant savings might be effected by coordinating the scheduling of projects, deferring any projects or carrying out rehabilitation projects rather than replacement projects.

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

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

- (a) project planning, design, engineering, safety and environmental requirements;
- (b) project costing, budgeting, financing and approval;
- (c) project and contractor bidding requirements;
- (d) tender, contract form and contract acceptance;
- (e) course of construction insurance;

- (f) project performance guarantees and bonding;
- (g) project control, including contract management; and
- (h) holdbacks, work approvals, payment and audit procedures.

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

Capital Project Consultants

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

PART VI - Borrowing Member Requirements

Compliance with Standards

87. (1) If We Wai Kai becomes a borrowing member then We Wai Kai must comply with all the applicable FMB standards.
- (2) If the Council becomes aware that We Wai Kai is not complying with a FMB standard referred to in subsection (1), the Council must as soon as practicable take the required actions to bring We Wai Kai into compliance with the FMB standard.

PART VII - Land Management

Obligations

88. (1) The First Nation must comply with the *First Nations Land Management Act* and the Land Code.
- (2) The Council must establish and implement a policy that provides a method consistent with the requirements of the *Land Code* for being accountable to Citizens for the management of We Wai Kai Lands and for moneys earned from We Wai Kai Lands to satisfy paragraph 6(1)(e) of the *First Nations Land Management Act*.

PART VIII - General

Reports of Breaches and Financial Irregularities, etc.

89. (1) Subject to subsections (2) and (3), if any person has reason to believe that
- (a) an expenditure, liability or other transaction of We Wai Kai is not authorized by or under this Law or another We Wai Kai law,
 - (b) there has been a theft, misappropriation or other misuse or irregularity in the funds, accounts, assets, liabilities and financial obligations of We Wai Kai,

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

(d) a person has failed to comply with the COIP,

the person may disclose the circumstances to the chair of the Finance and Audit Committee or to the Chief Administrative Officer.

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

(3) If an officer, employee, contractor or agent of We Wai Kai becomes aware of any circumstances described under subsection (1), the officer, employee, contractor or agent, as the case may be, must report them to the chair of the Finance and Audit Committee or to the Chief Administrative Officer.

(4) Where in accordance with subsections (1), (2) or (3) a complaint is brought to the attention of either the chair of the Finance and Audit Committee or the Chief Administrative Officer, the chair of the Finance and Audit Committee or the Chief Administrative Officer shall, as the case may be, forward the complaint to the Financial Administration Officer, Council and the auditor unless the complaint is with respect to the Financial Administration Officer or the auditor in which case the complaint shall not be forwarded to the Financial Administration Officer or the auditor as the situation requires.

Inquiry into Report

90. (1) If a report is made to the Chief Administrative Officer under section 89, the Chief Administrative Officer 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 89, 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

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

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

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

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

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

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

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

Liability for Improper Use of Money

92. (1) A member of Council who votes for a resolution authorizing an amount to be expended, invested or used contrary to this Law or We Wai Kai's local revenue law is personally liable to We Wai Kai for that amount.

(2) Subsection (1) does not apply if the member of Council relied on information provided by an officer or employee of We Wai Kai and the officer or employee was guilty of dishonesty, gross negligence or malicious or willful misconduct when providing the information.

(3) An amount owed to We Wai Kai under subsection (1) may be recovered for We Wai Kai by We Wai Kai, a Citizen or a person who holds a security under a borrowing made by We Wai Kai.

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

Indemnification against Proceedings

93. (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);

“We Wai Kai official” means a current or former member of Council, officer or employee of We Wai Kai.

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

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

Periodic Review of Law

94. (1) The Finance and Audit Committee must conduct a review of this Law at least every two years

(a) to determine if it facilitates effective and sound financial administration of We Wai Kai; and

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

Provision of Law to FNFA

95. As soon as practical after the FMB approves the Financial Administration Law of We Wai Kai, the Council must provide a copy of the Law to the FNFA.

Coming into Force

96. (1) Subject to subsection (2) this Law comes into force the day after the date this Law is approved by the FMB under section 9 of the Act.

(2) Part V (Capital Projects) of this Law comes into force the sooner of

(a) thirty-six (36) months after the date We Wai Kai becomes a borrowing member, or

(b) on a day or days to be fixed by resolution of the Council.

BE IT KNOWN that this law entitled, *We Wai Kai Nation Financial Administration Law* was:

Read a first time by Council at a duly convened meeting on October 11 2011;

Read a second time by Council at a duly convened meeting on April 2 2012;


Read a third time by Council at a duly convened meeting on June 11 2012; and

THAT THIS LAW IS HEREBY DULY ENACTED by Council on the 11th day of June, 2012, at Campbell River, in the Province of British Columbia.

A quorum of Council consists of Five (5) members of Council.




Chief Ralph Dick



Councillor Cindy Inrig

Councillor Brian Assu



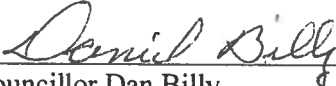
Councillor Ted Lewis



Councillor Ted Assu



Councillor Jody Wilson Raybould



Councillor Dan Billy



Councillor Keith Wilson

Councillor Jonathan Chickite