

**STS' AILES**  
**FINANCIAL ADMINISTRATION LAW, 2011**

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**STS'AILES  
FINANCIAL ADMINISTRATION LAW  
2011**

WHEREAS:

A. Pursuant to section 9(1)(a) 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;

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

C. The Council of Sts'ailes wishes to become a borrowing member of the First Nations Finance Authority and deems it to be in the best interests of Sts'ailes to make a financial administration law for such purposes,

NOW THEREFORE the Council of Sts'ailes, at a duly convened meeting, enacts as follows:

**CITATION**

1.(1) This law may be cited as the *Sts'ailes Financial Administration Law, 2011*.

**PART I**

**DEFINITIONS AND REFERENCES**

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

“AANDC” means Aboriginal Affairs and Northern Development Canada;

“Act” means the *First Nations Fiscal and Statistical Management Act*;

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

“annual financial statements” mean the annual financial statements of the Band, prepared by the finance manager, in accordance with section 66;

“annual report” means the annual report of the Band, prepared by the Council, in accordance with section 72;

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

“auditor” means the person appointed by the Council as the auditor for the Band in accordance with section 67;

“Band” means the Sts’ ailes, being a band named in the schedule to the Act;

“Band’s financial assets” means non-physical assets held by the Band, including any interest or any related security or collateral in any

(a) debt, receivable, account, claim or other right to payment,

(b) contract or obligation that generates or secures any thing referred to in paragraph (a), and

(c) security (other than a voting share of a corporation or an interest in a combination) backed or secured by, or representing an interest in, a thing referred to in paragraph (a) or (b) or in both paragraphs (a) and (b);

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

“budget” means the annual budget of the Band that has been approved by the Council in accordance with section 27;

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

“Chair” means the Chair of the Finance Committee, appointed by the Council in accordance with section 12;

“chief executive officer” means the person appointed by the Council as the chief executive officer in accordance with section 17;

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

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

“Councillor” means a member of the Council of the Band;

“dependent child” means, in relation to an individual, a child who

(a) has not reached the age of 18 years, or

(b) has reached the age of 18 years, but is primarily dependent for financial support in relation to an individual or their spouse.

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



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

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

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

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

“family member” means, in relation to a Councillor or to the chief executive officer, that person’s spouse, dependent children, or dependent children of the spouse;

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

“Finance Committee” means the Finance Committee established under section 11;

“finance manager” means the person appointed by the Council as the finance manager in accordance with section 19;

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

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

“financial records” mean all records respecting the financial administration of the Band, including the minutes of relevant meetings of the Council or the Finance Committee;

“fiscal year” means the 12-month period of time that the Band uses for accounting purposes, set out in section 24;

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

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

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

“human resource manager” means the person appointed by the Council as the human resource manager in accordance with section 18;

“indemnity” means

(a) a promise to make a person whole from specified losses or costs they may suffer, or

(b) payment of compensation to make a person whole from a loss they have already suffered;

“Land Code” means a land code that has been or may be adopted by the Band under the *First Nations Land Management Act*;

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

“life-cycle management program” means the program of inspection, review and planning for management of the Band’s tangible capital assets as described in section 81;

“local revenue account” means a local revenue account referred to in section 13 of the Act;

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

“local revenue” means money raised under a local revenue law;

“multi-year financial plan” means the plan prepared in accordance with section 27, and approved by the Council pursuant to section 25;

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

“officer” means the chief executive officer, human resources manager, finance manager, tax administrator and any other employee of the Band designated by the Council as an officer;

“Personnel Policy” means the Sts’ailes Personnel Policy adopted by the Council, which governs the relationship between the Band and its employees;

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

“records of the Band” mean all records respecting the governance, management, operations and financial administration of the Band;

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

“related body” means

- (a) any agency of the Band,
- (b) any corporation in which the Band has a material interest or that is controlled by the Band,
- (c) any partnership in which the Band, an agency of the Band, or a corporation of the Band is a partner, or
- (d) a trust of the Band;



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

“representative of the Band” means a current or former Councillor, officer, or designated employee of the Band;

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

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

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

“tangible capital assets” mean all non-financial assets of the Band having physical substance that

(a) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets,

(b) have useful economic lives extending beyond one accounting period,

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

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

(e) are listed in the annual audited financial statements as capital assets;

“tax administrator” means the person appointed as tax administrator under the Band’s local revenue laws; and

“Vice-Chair” means the Vice-Chair of the Finance Committee, appointed by the Council in accordance with section 12.

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

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

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

## **Interpretation**

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

- (a) words in the singular include the plural, and words in the plural include the singular;
- (b) if a word or expression is defined, other parts of speech and grammatical forms of the same word or expressions have corresponding meanings;
- (c) unless the context indicates otherwise, “including” means “including, but not limited to”, and “includes” means “includes, but not limited to”;
- (d) where a provision in this law is expressed in the present tense, the provision applies to the circumstances as they arise;
- (e) headings form no part of this law and must be construed as being inserted for convenience of reference only; and
- (f) a reference to a document or an enactment includes any amendment or replacement of it and, in the case of an enactment, includes every regulation made under it.

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

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

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

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

## **Posting of Public Notice**

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

- (a) public notice is properly posted if a written notice is placed in the reception area of the band office; and
- (b) if the notice relates to a meeting, the notice must be posted at least 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;
- (e) where anything is to be done within a time after, from, of or before a specified day, the time does not include that day.

### **Conflict of Laws**

- 6.(1) If there is a conflict between this law and another law or regulation of the Band, other than a Land Code or a local revenue law, this law prevails to the extent of the conflict.
- (2) If there is a conflict between this law and the Act, the Act prevails to the extent of the conflict.
- (3) If there is a conflict between this law and the Land Code, the Land Code prevails to the extent of the conflict.
- (4) If there is a conflict between this law and a local revenue law, the local revenue law prevails to the extent of the conflict.

### **Scope and Application**

7. This law applies to the financial administration of the Band.

## **PART II ADMINISTRATION**

### *Division One – Council*

### **Responsibilities of Council**

8.(1) Council is responsible for all matters relating to the financial administration of the Band, whether or not they have been assigned or delegated to an officer, employee, committee, contractor or agent by or under this law.

(2) Subject to paragraph 5(1)(f) of the Act, this law and any other applicable law of the Band, 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 of the Finance Committee;
- (c) the appointment of the Chair and Vice-Chair of the Finance Committee;
- (d) the approval of budgets and financial statements of the Band;
- (e) the approval of borrowing of the Band.

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

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

- (a) may establish policies and procedures and give directions respecting any matter relating to the financial administration of the Band; and
- (b) must establish policies or procedures or give directions respecting the acquisition, management and safeguarding of the Band's assets.

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

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

(4) The Council must 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 finance manager must prepare, and include with the annual financial statements, a special purpose report separately listing

- (a) each Councillor,
- (b) every family member of each Councillor,

- (c) each officer,
- (d) every family member of each officer,
- (e) the chief executive officer, and
- (f) every family member of the chief executive officer,

and setting out, for each person listed above, the following information

- (g) the total amount of remuneration, expenses and benefits received from the Band; and
  - (h) any contracts with the Band for the supply of goods or services.
- (2) Subsection (1) does not require the reporting of remuneration, expenses or benefits received
- (a) in common by all members of the Band;
  - (b) under a program or service universally accessible to all members of the Band on published terms and conditions; or
  - (c) from a trust arrangement according to the terms of the trust.

### *Division Two – Finance Committee*

#### **Finance Committee Established**

- 11.(1) The Finance Committee of the Band is established.
- (2) The Council must appoint not less than three members and no more than five members to the Finance Committee, a majority of whom must be financially competent.
- (3) At least 25% of the Committee members must be Councillors.
- (4) Subject to subsection (5), the Council must appoint Finance Committee members to hold office for staggered terms, as follows:
- (a) Councillors must be appointed to the Finance Committee as soon as practicable following Council elections and must sit on the Finance Committee until the next election;
  - (b) non-Councillors must be appointed for three year terms, beginning on September 1 and ending on August 31 three years thereafter; and
  - (c) notwithstanding paragraphs (a) and (b), for their first terms only, Council must appoint Finance Committee members as soon as practicable after this law comes into effect, who will serve until

(i) the next Council election, in the case of Councillors, and

(ii) August 31 of the second full fiscal year after their appointment, in the case of non-Councillors.

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

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

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

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

(d) the Chair of the Finance Committee recommends removal.

(6) The Council may develop policies regarding the composition of the Finance Committee and the criteria for eligibility for appointments to the Finance Committee.

#### **Chair and Vice-Chair**

12. The Council must appoint a Councillor as the Chair of the Finance Committee and a Councillor as Vice-Chair of the Finance Committee.

#### **Finance Committee Procedures**

13.(1) The quorum of the Finance Committee is three members, including at least one Councillor.

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

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

(4) Subject to subsection (5), the chief executive officer and the finance manager must be notified of all Finance Committee meetings and must attend those meetings, subject to reasonable exceptions.

(5) The chief executive officer or the finance manager may be excluded from all or any part of a Finance Committee meeting if

(a) the subject matter relates to a confidential personnel or performance issue respecting the chief executive officer or the finance manager; or

(b) it is a meeting with the auditor.

(6) The Finance Committee must meet



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

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

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

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

(9) The Finance Committee may, at the discretion of the Chair, or Vice-Chair in the absence of the Chair, retain a consultant to assist in the performance of any of its responsibilities.

#### **Financial Planning Responsibilities**

14.(1) The Finance Committee must carry out the following activities in respect of the financial administration of the Band:

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

(i) strategic plans, projections and priorities,

(ii) operational plans, projections and priorities,

(iii) business plans, projections and priorities, and

(iv) financial plans, projections and priorities;

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

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

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

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

#### **Audit Responsibilities**

15. The Finance Committee must carry out the following audit activities in respect of the financial administration of the Band:

- (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 audit plan, 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 Councillors, officers and employees of the Band;
- (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 92 and, where appropriate, recommend amendments to the Council;
- (h) periodically review, and make recommendations to the Council on, the purpose and mandate of the Finance Committee; and
- (i) review, and make recommendations to the Council on, the audit plan, including the engagement letter, objectives and scope of the audit work, areas of professional judgment, applicable changes in accounting or auditing standards, materiality limit, areas of audit risk, audit timetables and audit fees.

#### **Council Assigned Responsibilities**

16. The Council may assign to the Finance Committee the following activities in respect of the financial administration of the Band:

- (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 review, and report to the Council on, the financial content of any reports of the Band;
- (c) to review, monitor and report to the Council on the appropriateness of the Band's accounting and financial reporting systems, policies and practices;
- (d) to review, and recommend to the Council for approval, any proposed significant changes in the Band's accounting or financial reporting systems, policies, procedures or directions;

(e) to review, and report to the Council on the Band's risk management policies and control and information systems and, where appropriate, recommend improvements to the Council;

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

(g) to review, monitor, and report to the Council on the adequacy and appropriateness of the Band's insurance coverage respecting significant risks to the Band.

### *Division Three – Officers and Employees*

#### **Chief Executive Officer**

17.(1)The Council must appoint a person as chief executive officer of the Band and must set the terms and conditions of that appointment.

(2) Reporting to the Council, the chief executive officer is responsible for leading the planning, organization, implementation and overall management of all the day-to-day operations of the Band including the following duties:

(a) to oversee, supervise and direct the activities of all officers and employees of the Band;

(b) to oversee and administer the contracts;

(c) to monitor compliance with the Band's legal obligations;

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

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

(f) to liaise with legal counsel, government officials, and contractors and agents of the Band;

(g) to perform any other duties of the chief executive officer under this law;

(h) to assume the duties and responsibilities of the human resource manager, in accordance with section 18(2), if one has not been appointed by the Council; and

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

(3) The chief executive officer may assign the performance of any of the chief executive officer's duties or functions

(a) to an officer or employee of the Band, and

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

provided that the person reports directly to the chief executive officer or, in the absence of the chief executive officer, to the Council.

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

#### **Human Resource Manager**

18.(1) The Council may appoint a person as human resource manager of the Band and must set the terms and conditions of that appointment.

(2) Reporting to the chief executive officer, the human resource manager is responsible for the overall management, organization and implementation of all of the Band's human resources, in accordance with the Personnel Policy, 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 the Band;

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

(c) to pre-screen candidates and make recommendations to the chief executive officer regarding the hiring of the employees of the Band, and to set the terms and conditions of their employment;

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

(e) to perform employee evaluations in accordance with the Personnel Policy;

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

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

(3) The human resource manager may, with the approval of the chief executive officer, assign the performance of any of the human resource manager's duties or functions

(a) to an officer, employee or committee of the Band, and

(b) to a contractor or agent of the Band,

provided that the person reports directly to human resource manager or, in the absence of the human resource manager, to the chief executive officer.

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

#### **Finance Manager**

19.(1)The Council must appoint a person as finance manager of the Band and may set the terms and conditions of that appointment.

(2) Reporting to the chief executive officer, the finance manager is responsible for the day-to-day management of the systems of the financial administration of the Band including the following duties:

- (a) to administer and maintain the accounts of the Band, including the local revenue account;
- (b) to ensure that the financial administration systems, policies, procedures, directions and internal controls are appropriately designed and operating effectively;
- (c) to prepare the draft annual budgets and multi-year financial plan
- (d) to prepare the monthly financial information required in section 64, the quarterly financial statements required in section 65 and the 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 14(1);
- (f) to actively monitor compliance with any agreements and funding arrangements entered into by the Band;
- (g) to administer and supervise the preparation and maintenance of financial records and the financial administration reporting systems;
- (h) to administer and supervise the maintenance of the records of all receipts and expenditures of the Band to facilitate the annual audit;
- (i) to actively monitor compliance with all financial aspects of the Band's legal obligations, and with any policies, procedures and directions of the Council respecting the financial administration of the Band, other than those matters that are the responsibility of the tax administrator under this law, another law of the Band or the Act;
- (j) to prepare or provide any documentation and financial information required by the Council or the Finance Committee;
- (k) to evaluate the financial administration systems of the Band and recommend improvements;
- (l) to develop and recommend procedures for the safeguarding of assets, and ensure that approved procedures are followed;

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

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

(o) to carry out any other activities specified by the Council that are not inconsistent with the finance manager's duties under this law.

(3) With the approval of the chief executive officer, the finance manager may assign the performance of any of the duties or functions of the finance manager to any officer, employee, contractor or agent of the Band but this assignment does not relieve the finance manager of the responsibility to ensure that these duties or functions are carried out properly.

#### **Tax Administrator**

20.(1) The Council must, under its local revenue laws, appoint a person as tax administrator of the Band and may set the terms and conditions of that appointment.

(2) Reporting to the finance manager, the tax administrator is responsible for the day-to-day management of the local revenue system of the Band including the following duties:

(a) to administer and maintain the Band's local revenue accounts;

(b) to administer all local revenues of the Band;

(c) to prepare any draft amendments to the component of the annual budget respecting the Band's local revenue account;

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

(e) to prepare or provide any documentation and financial information required by the Council or the Finance Committee;

(f) to evaluate the local revenue system of the Band and recommend improvements;

(g) to perform any other duties of the tax administrator under this law or under the Band's local revenue laws; and

(h) to carry out any other activities specified by the Council that are not inconsistent with the tax administrator's duties under this law or under the Band's local revenue laws.

(3) With the approval of the chief executive officer, the tax administrator may assign the performance of any of the duties or functions of the tax administrator under this law to any officer, employee,



contractor or agent of the Band but this assignment does not relieve the tax administrator of the responsibility to ensure that these duties or functions are carried out properly.

### **Organizational Structure**

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

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

(a) all governance, management and administrative systems of the first nation;

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

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

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

(i) the membership on the Council, Finance Committee and all other committees of the Council and the Band,

(ii) the chief executive officer, the finance manager, the tax administrator and other officers of the Band, and

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

(3) On request, the finance manager or human resource manager must provide a copy of the organization chart under subsection (1) to a Councillor, a member of a committee, an officer, employee or contractor or agent of the Band and a member of the Band.

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

(5) The Council must take all reasonable steps to ensure that the Band hires or retains qualified and competent personnel people to carry out the financial administration activities of the Band.

### ***Division Four – Conduct Expectations***

#### **Conduct of Councillors**

22.(1) When exercising a power, duty or responsibility relating to the financial administration of the Band, a Councillor must

- (a) comply with this law, the Act, any other applicable law of the Band and any applicable standards;
- (b) act honestly, in good faith and in the best interests of the Band;
- (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 attached Schedule: Avoiding and Mitigating Conflicts of Interest.

(2) The Chief and Council must establish procedures for independent investigation of alleged breaches of this section.

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

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

23.(1) Any

- (a) officer, employee, contractor and agent of the Band,
- (b) person acting under the delegated authority of the Council or the Band, or
- (c) member of a committee of the Council or the Band who is not a Councillor,

who exercises a power, duty or responsibility relating to the financial administration of the Band must,

- (d) comply with this law, the Act, any other applicable law of the Band and any applicable standards;
- (e) comply with all policies, procedures and directions of the Council; and
- (f) avoid conflicts of interest and comply with any applicable requirements of the attached Schedule: Avoiding and Mitigating Conflicts of Interest including required disclosure of potential conflicts of interest.

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

- (a) the terms of employment or appointment of every officer or employee of the Band;
- (b) the terms of every contract of a contractor of the Band;
- (c) the terms of appointment of every member of a committee who is not a Councillor; and

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

(3) If a person contravenes subsection (1), the following actions may be taken:

(a) an officer or employee may be disciplined, up to and including dismissal, in accordance with the Personnel Policy;

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

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

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

### **PART III FINANCIAL MANAGEMENT**

#### *Division One – Financial Plans and Annual Budgets*

##### **Fiscal Year**

24. The fiscal year of the Band 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 years comprised of the current fiscal year and the four succeeding fiscal years;

(b) 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;

(c) in respect of projected expenditures, sets out separate amounts for payments including payments of principal and interest on debt, payments required for capital projects, payments required to address any deficits and payments for all other purposes;

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

(e) shows all categories of restricted cash; and

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

## **Content of Annual Budget**

**26.(1)** The annual budget must encompass all the operations for which the Band 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 Four, payments required to address any deficits and payments for all other purposes; and

(c) any anticipated annual and accumulated surpluses or annual and accumulated deficits and the application of year end surpluses.

(2) If the Band enacts a Land Code, then the revenue category of moneys derived from the Band's lands must be shown separately in the annual budget from other revenues and must include a sub-category for revenues from natural resources obtained from the Band's lands.

## **Budget and Planning Process Schedule**

**27.(1)** On or before January 31 of each year, each senior manager must prepare and submit, to the chief executive officer and to the finance manager, a preliminary work plan and budget for their department for the next fiscal year.

(2) On or before February 28 of each year, the Finance Committee must review

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

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

(c) comments submitted by members in accordance with paragraph 31(1)(b),

and may recommend to Council revisions to the budget and financial plan.

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

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

(5) On or before June 30 of each year, the Finance Committee must review the draft amendment of the component of the annual budget respecting the Band's local revenue account and recommend an amendment to the annual budget to the Council for approval.

(6) No later than July 15 of each year, the Council must approve the amendment of the component of the annual budget respecting the Band'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 the Band demonstrates how and when this deficit will be addressed and how it will be serviced; and

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

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

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

(2) Subject to subsection 27(6) and to section 36, unless there is a substantial change in the forecasted revenues or expenses of the Band or in the expenditure priorities of the Council, the Council must not approve a change to the annual budget of the Band.

#### **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.

#### **Informing and Involving Members of the Band**

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

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

(b) the multi-year financial plan;

(c) an amendment to this Law;

(d) capital projects and borrowings for the construction of new capital projects; and

(e) budget deficits or extraordinary expenditures.

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

(a) the multi-year financial plan;

(b) the annual budget; and

(c) an amendment to the annual budget.

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

### ***Division Two - Financial Institution Accounts***

#### **Financial Institution Accounts**

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

(a) in the name of the Band;

(b) opened in a financial institution; and

(c) authorized by chief executive officer and finance manager.

(2) Where moneys exist, the Band must establish the following accounts in a financial institution

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

(b) a local revenue account for money from local revenues, which funds must be kept separate from other moneys of the Band;

(c) a trust account;

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

(e) a tangible capital asset reserve fund account for money set aside for purposes of funding expenditures for capital projects carried out under Part IV.

(3) On the recommendation of the Finance Committee, Council may establish any other accounts not referred to in subsection (2) as may be necessary and appropriate to manage the Band's financial assets.

#### **Accounts Management**

33.(1) The finance manager must exercise due diligence to ensure the safekeeping of all money received by the Band.

(2) The finance manager must ensure that all moneys received by the Band are deposited as soon as practicable into the appropriate accounts described in section 32.



(3) The chief executive officer and finance manager 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 Three – 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 fund account must not be used for any purpose other than that described in Part IV.

#### **No Expenditure Without Appropriation**

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

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

#### **Extraordinary Expenditures**

36.(1) The finance manager may approve an expenditure for an emergency purpose that was not anticipated in the budget if the expenditure is not expressly prohibited by or under this law or another law of the Band.

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

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

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

#### **Appropriations**

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

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

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

#### **Requisitions for Payment**

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

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

(b) the existence of an annual or ongoing contract for goods or services, the payments under which have been approved by the finance manager.

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

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

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

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

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

(7) The chief executive officer or the finance manager must authorize payment out of, or sign a requisition for payment from, a trust account.

(8) The tax administrator must authorize payment out of a local revenue account.

(9) Subject to subsection (8), the chief executive officer or finance manager may authorize a payment out of, or sign a requisition for payment from, any appropriation.

(10) Subject to subsections (7) and (8), a person who is responsible for managing an appropriation may authorize payment out of, or sign a requisition for payment from, the appropriation.

#### ***Division Four – General Matters***

##### **Advances**

40.(1) The chief executive officer or the finance manager may approve an advance to prepay expenses that are chargeable against an appropriation in the current fiscal year or an appropriation in the next fiscal year.

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

##### **Holdbacks**

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

##### **Deposit Money**

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

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

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

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

##### **Interest**

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

(2) All interest earned on

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

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

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

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

#### **Extinguishment of Debts**

44. All or part of a debt or obligation owed to the Band may be written off and extinguished only if approved by the Council.

#### **Year End Surplus**

45.(1) Subject to subsections (2) and (3), an operating surplus at the end of the fiscal year that is maintained in a bank account other than the general account described in section 32 may, at Council's discretion, be paid into the general account.

(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 Five – Borrowing***

#### **Limitations on Borrowing**

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

(2) Subject to this law, if the Band is authorized in this law to borrow money or grant security, the Council may authorize the borrowing of moneys or granting of security in the name of the Band.

#### **Borrowing for Ordinary Operations**

47.(1) The Band 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.

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

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

## **Financial Agreements**

48. For the purpose of efficient management of the Band's financial assets, the Council may enter into agreements with financial institutions and related services agreements in the name of the Band.

## **Borrowing for Authorized Expenditures**

49.(1) If the general account described in section 32 is not sufficient to meet the expenditures authorized to be made from it and the finance manager recommends that money be borrowed to ensure that the general account is sufficient for these purposes, the Council may, on behalf of the Band, 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 is practicable.

## **Borrowing Member Requirements**

50.(1) This section applies if the Band becomes a borrowing member under the Act.

(2) The Band may only secure long-term financing secured by property tax revenues from the FNFA as permitted under its local revenue laws and the Act.

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

## **Borrowing for Repayment of Debts**

51. The Band may not borrow money to repay or refinance a debt of the Band.

## **Use of Borrowed Money**

52.(1) Subject to this section and any local revenue law, money borrowed by the Band for a specific purpose must not be used for any other purpose.

(2) All or some of the money borrowed for a specific purpose by the Band and not required to be used immediately for that purpose may be temporarily invested in accordance with subsection 59(1) until required for that purpose.

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

## **Execution of Security Documents**

53.(1) Subject to subsection (2), a security granted by the Band must be signed by a quorum of the Council.

(2) A security granted by the Band in respect of local revenues must be signed by a quorum of 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 the Band's operations.

### ***Division Six - Risk Management***

#### **Investments in Member Activities**

55. The Band must not make a loan to member of the Band or to an entity in which a member of the Band has an interest.

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

56.(1) Subject to subsections (2) and (3), the Band must not

(a) carry on business as a proprietor;

(b) acquire an interest in a partnership as a general partner unless that partnership is a full shield limited liability partnership formed under the laws of British Columbia; or

(c) act as a trustee respecting property used for, or held in the course of, carrying on a business.

(2) The Band may carry on a business that

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

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

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

(ii) any other property of the Band.

(3) The Band may carry on business activities for the primary purpose of profit if the Council determines that the business activities

(a) do not result in a material liability for the Band; and

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

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



### **Guarantees and Indemnities**

57.(1) The Band must not give a guarantee unless the Council has considered the report of the finance manager under subsection(2).

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

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

(a) authorized under section 91;

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

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

(4) Subject to a resolution described in section 91, the Council must establish policies or procedures or give directions respecting guarantees and indemnities as follows:

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

(b) designating the persons who may give an indemnity on behalf of the Band and specifying the maximum amount of any indemnity which may be given by them;

(c) specifying any terms or conditions under which a guarantee or indemnity may be given; and

(d) specifying the records to be maintained of all guarantees and indemnities given by the Band.

### **Authority to Invest**

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

(2) Council may

(a) in accordance with Council policies or procedures, or

(b) on the recommendation of the finance manager,

invest the Band's financial assets.

### **Approved Investments**

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

- (a) securities issued or guaranteed by Canada, or a province,
- (b) fixed deposits, notes, certificates and other short term paper of, or guaranteed by a financial institution,
- (c) securities issued by the FNFA or by a local, municipal or regional government in Canada,
- (d) commercial paper issued by a Canadian company that is rated in the highest category by at least two recognized security-rating institutions,
- (e) any class of investments permitted under an Act of a province relating to trustees,
- (f) any other investments or class of investments prescribed by a regulation under the Act.

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

(3) If the Band has established an investment account under section 32, the Band may invest money in that account in

- (a) a company that is incorporated under the laws of Canada or of a province or territory and in which the Band is a shareholder;
- (b) a trust in which the Band is a beneficiary;
- (c) a limited partnership in which the Band is a partner; or
- (d) a limited liability partnership in which a Band is a partner.

(4) Despite any other provision in this section, government transfer funds and local revenue funds may only be invested in the following, all of which must mature or be callable within five years, and 25% of which must be callable within 90 days

- (a) securities issued or guaranteed by Canada or a province,
- (b) investments guaranteed by a bank, trust company, credit union or the FNFA, or
- (c) deposits in a bank or trust company in Canada or non-equity or membership shares in a credit union.

#### **Administration of Investments**

60. The Council, on the recommendation of the finance manager, may do all things necessary or advisable for the purpose of making, continuing, exchanging or disposing of the investment.

#### **Risk Assessment and Management**

61.(1) Annually, and more often if necessary, the chief executive officer, with input from the officers, must identify and assess any significant risks to the Band's

- (a) financial assets;
- (b) tangible capital assets; and
- (c) operations.

(2) Annually, and more often if necessary, the chief executive officer must report to the Finance 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 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 ownership, care or control of the Band.

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

### ***Division Seven – Financial Reporting***

#### **Accounting Practices**

63. All accounting practices of the Band must comply with GAAP.

#### **Monthly Financial Information**

64. No more than 45 days following the end of each month, the finance manager must

- (a) prepare financial information respecting the financial affairs of the Band, in the form and with the content approved by the Council on the recommendation of the Finance Committee; and
- (b) provide the information in paragraph (a) to the Council and the Finance Committee.

#### **Quarterly Financial Statements**

65.(1) No more than 45 days after the end of each quarter of the fiscal year, the finance manager must

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

(b) provide the information in paragraph (1)(a) to the Council and the Finance Committee.

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

(a) reviewed by the Finance Committee; and

(b) reviewed and approved by the Council.

#### **Annual Financial Statements**

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

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

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

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

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

(c) if the Band has enacted a Land Code, the revenue categories for the Band'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 extinguished by the Band in accordance with section 44;

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

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

#### **Appointment of Auditor**

**67.(1)** The Band must appoint an auditor for each fiscal year to hold office until the later of

- (a) the date the Council approves the audited annual financial statements for that fiscal year; 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 signed by a quorum of the Council and must include the auditor's obligation to confirm that the annual financial statements and the audit of them comply with this law, the Act, and FMB standards, and all other applicable laws.

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

- (a) a member 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 British Columbia;
- (b) licensed or otherwise authorized to practice public accounting in British Columbia; and
- (c) independent of the Band.

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

- (a) advise the Band 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 auditor must audit the annual financial statements of the Band, in accordance with GAAS and with any applicable AANDC reporting requirements.

(2) The auditor must conduct the audit of 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.

(3) 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 66(4).

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

69.(1) To conduct an audit of the annual financial statements of the Band, the auditor must be given access to

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

(b) any Councillor, officer, employee, contractor or agent of the Band to ask any questions or request any information.

(2) On request of the auditor, every person referred to in paragraph (1)(b) must

(a) make available all records referred to in paragraph (1)(a) that are in that person's care or control; and

(b) provide the auditor with full information and explanation about the affairs of the Band as necessary for the performance of the auditor's duties.

(3) The auditor must be given notice and minutes of

(a) every meeting of the Finance Committee;

(b) every Council meeting where matters relating to the annual audit, including the approval of the annual financial statements, will be considered; and

(c) every meeting of members of the Band where the financial administration of the Band will be considered.

(4) Notice under subsection (3)

(a) must be provided at least three days in advance of the meeting, except under exigent circumstances;

(b) may be written or verbal; and

(c) may be given in person, by mail, over the telephone, or by email.

(5) Subject to subsection (6), the auditor may attend any meeting for which the auditor must be given notice under this section and must be given the opportunity to be heard at those meetings on any subject that concerns the auditor as auditor of the Band.

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

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



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

70.(1) The audited annual financial statements must be provided to the Finance Committee for its review and consideration no later than 115 days after the fiscal year end for which the statements were prepared.

(2) The Council must review and approve the audited annual financial statements no later than 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; and

(b) be signed by

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

(ii) the Chair of the Finance Committee, and

(iii) the finance manager.

(2) The audited annual financial statements and special purpose reports must be available for inspection by members of the Band at the principal administrative offices of the Band during normal business hours.

(3) In accordance with section 14(2) of the Act, the audit report relating to the local revenue account must be available at the principal administrative offices of the Band during normal business hours for inspection by

(a) the members of the Band,

(b) any other persons who have an interest in, or the right to occupy, possess or use, the Band's reserve lands,

(c) the FNTC, the FMB, and the FNFA,

(d) the Minister responsible for AANDC, and,

(e) any other persons entitled to notice under section 14(2) of the Act, as amended or replaced from time to time.

### **Annual Report**

72.(1) Not later than 120 days after the end of each fiscal year, the Council must prepare an annual report on the operations and financial performance of the Band for the previous fiscal year.

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

(a) a description of the services and operations of the Band;

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

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

(3) The annual report referred to in subsection (1) must be

(a) made available to members of the Band at the principal administrative offices of the Band; and

(b) provided to the FMB and the FNFA.

### ***Division Eight – Information and Information Technology***

#### **Ownership of Records**

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

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

#### **Operations Manual**

74.(1) The chief executive officer must prepare and maintain a current operations manual respecting every element of the Band's administrative systems, including any financial administration systems referred to in this law.

(2) The operations manual under subsection (1) must be made available to Councillors, members of the Finance Committee and all other Council committees and officers and employees of the Band, subject to reasonable exceptions determined at the discretion of the chief executive officer.

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

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

75.(1) The chief executive officer must ensure that the Band prepares, maintains, stores and keeps secure all records of the Band that are required under this law or any other applicable law.

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

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

#### **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 the Band, 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 records of the Band containing confidential information except as permitted in and in accordance with the policies, procedures and directions of the Council, and all applicable laws.

(2) All persons who have access to records of the Band 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 the Band in its operations to ensure the integrity of the Band's financial administration system and its database.

## **PART IV CAPITAL PROJECTS**

#### **Council Duties**

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

(2) The Council must take reasonable steps to ensure that

(a) The Band's tangible capital assets are maintained in a good and safe condition;

(b) the rehabilitation, maintenance or replacement of the Band's tangible capital assets is done in accordance with section 81; and

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

#### **Reports on Capital Projects**

80. At least quarterly, the chief executive officer must report to the Finance Committee on the following subjects:

- (a) the status of a capital project including
  - (i) year to date borrowings, loans and payments,
  - (ii) a comparison of expenditures to date with the project budget,
  - (iii) a detailed description of any identified legal, financial, technical, scheduling or other problems, and
  - (iv) the manner in which a problem identified in subparagraph (iii) has been or will be addressed,
- (b) steps taken to ensure compliance with section 81 for every capital project.

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

81.(1) The chief executive officer must establish and keep current a register of all the Band'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 executive officer must arrange for the inspection and review of the state of each of the Band's tangible capital assets to establish or update information respecting the following matters, as applicable

- (a) its present use;
- (b) its condition and state of repair;
- (c) its suitability for its present use;
- (d) its estimated remaining life; and
- (e) its estimated replacement cost.

(3) On or before January 25 of each year, the finance manager must prepare and provide to the Finance Committee the following:

- (a) a schedule of annual routine maintenance, other than rehabilitation, for each of the Band's tangible capital assets for the next fiscal year;
- (b) 5 and 10 year forecasts of the estimated cost for maintenance, rehabilitation, or replacement of the Band's tangible capital assets;
- (c) the proposed budget for rehabilitation of the Band'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,
- (d) the proposed budget for replacement of the Band'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 Committee**

**82.(1)** Each year, on or before the earlier of:

(a) February 15, or

(b) AANDC's deadline for submitting a capital plan or capital plan update,

the Finance Committee must review the information, schedules and budget prepared under section 81 for the following purposes

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

(d) 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

(e) 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) The Finance Committee must review, and make recommendations to the Council regarding, any plans for new construction of the Band'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**

**83.(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 of the Band's capital projects must be managed in accordance with the policies, procedures or directions referred to in subsection (1).

#### **Capital Project Consultants**

84. The chief executive officer may retain the services of a professional engineer or other consultant to assist the chief executive officer, the Finance Committee and the Council to carry out their obligations under this Part.

## **PART V MISCELLANEOUS**

#### **Compliance with Standards**

85.(1) The Band must comply with all applicable FMB standards.

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

#### **Land Management Obligations**

86. If the Band implements a Land Code, then

- (a) the Band must comply with that Land Code;
- (b) the Band must comply with the *First Nations Land Management Act*; and
- (c) the Council must develop and implement a policy that
  - (i) is consistent with the Land Code, and
  - (ii) provides a means for the Band to be accountable to the members of the Band regarding the management of the Band's lands and moneys earned from the Band's lands, in accordance with paragraph 6(1)(e) of the *First Nations Land Management Act*.

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

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

- (a) an expenditure, liability or other transaction of the Band is not authorized by or under this law or another law of the Band,
- (b) there has been a theft, misappropriation or other misuse or irregularity in the funds, accounts, assets, liabilities and financial obligations of the Band,
- (c) a provision of this law has been contravened, or

(d) a person has failed to comply with the attached Schedule: Avoiding and Mitigating Conflicts of Interest,

the person may disclose the circumstances to the Chair of the Finance Committee or the chief executive officer.

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

(3) If an officer, employee, contractor or agent of the Band 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 chief executive officer or the Chair of the Finance Committee.

#### **Inquiry into Report**

88.(1) If a report is made to the chief executive officer under section 87, the chief executive officer must inquire into the circumstances reported and report the findings to the Finance Committee as soon as practicable.

(2) If a report is made to the Chair of the Finance Committee under section 87, the Chair must inquire into the circumstances reported and report the findings to the Finance Committee as soon as practicable.

(3) The Finance 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 Committee under this section including the Committee's recommendations, if any.

#### **Protection of Parties**

89.(1) All reasonable steps must be taken by the chief executive officer, the members of the Finance Committee and the Council to ensure that the identity of the person who makes a report under section 87 is kept confidential to the extent practicable in all the circumstances.

(2) A person who makes a report in good faith under section 87 must not be subjected to any form of reprisal by the Band or by a Councillor, officer, employee, contractor or agent of the Band as a result of making that report.

(3) The chief executive officer and the Chair of the Finance Committee must take all necessary steps to ensure that subsection (2) is not contravened and must report any contravention or suspected contravention to the Council.

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

(a) the recording and safeguarding of reports made under section 87 and any records prepared during the inquiry or investigation into those reports;

(b) the inquiry or investigation into reports made under section 87; and

(c) the fair treatment of a person against whom a report has been made under section 87.

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

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

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

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

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

#### **Indemnification Against Proceedings**

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

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

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

92. At least six months before the expiry of a Financial Management System Certificate issued by the FMB, the Finance Committee, working with the chief executive officer, the finance manager and the tax administrator, must conduct a review of this law

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

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

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

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

#### **Coming Into Force**

94. This law comes into force the day after it receives final approval by the FMB, pursuant to section 9 of the *First Nations Fiscal and Statistical Management Act*.

THIS LAW IS HEREBY DULY ENACTED by Council on the 24th day of October , 2011, at  
Sts'ailes in the Province of British Columbia.

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

  
\_\_\_\_\_  
Chief Willie Charlie

  
\_\_\_\_\_  
Councillor Jason Felix

  
\_\_\_\_\_  
Councillor Tim Felix

\_\_\_\_\_  
Councillor Ralph Leon

  
\_\_\_\_\_  
Councillor Harvey Paul

  
\_\_\_\_\_  
Councillor Sherry Point

  
\_\_\_\_\_  
Councillor Cheryl Charlie

  
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Councillor Kelsey Charlie

  
\_\_\_\_\_  
Councillor Lloyd Charlie

  
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Councillor Terry Felix



## **SCHEDULE—AVOIDING AND MITIGATING CONFLICTS OF INTEREST**

### **PART I—INTERPRETATION**

#### **Interpretation**

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

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

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

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

#### **Definition of Conflict of Interest**

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

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

(3) In this Schedule, an individual’s “private interests” means the individual’s personal and business interests and include the personal and business interests of

(a) the individual’s spouse;

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

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

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

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



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

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

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

## **PART II—COUNCILLORS AND COMMITTEE MEMBERS**

### **Application**

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

### **General Obligations**

4.(1) Councillors must avoid circumstances that could result in the Councillor having a conflict of interest or an apparent conflict of interest.

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

### **Disclosure of Interests**

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

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

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

(2) A Councillor must file a written disclosure of the following information with the chief executive officer:

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

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

(c) real property owned by the Councillor or the Councillor's spouse; and

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

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

- (a) within thirty (30) days of being elected to the Council;
- (b) as soon as practical after a material change in the information previously disclosed; and
- (c) on April 15 of each year that the Councillor holds office.

(4) The chief executive officer must establish and maintain a register of all information disclosed by a Councillor under this section and section 6.

(5) On request of a member of the First Nation or any person engaged in any aspect of the financial administration of the First Nation, the chief executive officer must permit that member or person to view the register referred to in subsection (4).

#### **Gifts and Benefits**

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

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

(a) would be considered within

- (i) normal protocol exchanges or social obligations associated with the Councillor's office;
- (ii) normal exchanges common to business relationships; or
- (iii) normal exchanges common at public cultural events of the First Nation;

(b) is of nominal value;

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

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

(3) Where a gift with a value greater than one hundred dollars (\$100.00) is given to a Councillor or a person referred to in subsection (1), the Councillor must make a written disclosure of the gift to the chief executive officer under section 5, and the gift must be treated as the property of the First Nation.

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

#### **Confidential Information**

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

(a) to members of the public; or

(b) to members of the First Nation.

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

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

**Procedure for Addressing Conflict of Interest**

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

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

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

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

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

**Procedure for Undisclosed Conflict of Interest**

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

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

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

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

#### **Obligations of Committee Members**

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

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

(a) a Councillor are considered to be references to a member of a Council committee; and

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

### **PART III—OFFICERS AND EMPLOYEES**

#### **Application**

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

#### **General Obligations**

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

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

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

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

#### **Disclosure of Conflict of Interest**

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

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

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

### **Gifts or Benefits**

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

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

(a) would be considered within

(i) normal exchanges common to business relationships, or

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

(b) is of nominal value;

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

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

### **Outside Employment and Business Interests**

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

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

### **Confidential Information**

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

(a) to members of the public; or

(b) to members of the First Nation.

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

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

## **First Nation Property and Services**

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

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

## **PART IV—CONTRACTORS**

### **Application**

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

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

### **Contractor Acting as Officer or Employee**

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

### **General Obligations**

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

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

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

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

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

### **Confidential Information**



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

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

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

#### **Business Opportunities**

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

#### **First Nation Property and Services**

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