

**LÍL'WAT NATION**

**FINANCIAL ADMINISTRATION LAW,**

**2025**

[April 1, 2019 Standards]

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WHEREAS:

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

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

C. The Council of Lil'wat Nation wishes to repeal and replace the *Lil'wat Nation Financial Administration Law, 2016*.

NOW THEREFORE the Council of Lil'wat Nation enacts as follows:

## **PART I - Citation**

### **Citation**

1. This Law may be cited as the *Lil'wat Nation Financial Administration Law, 2025*.

## **PART II - Interpretation and Application**

### **Definitions**

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

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

"annual budget" means the annual budget of the Lil'wat Nation that has been approved by the Council;

"annual financial statements" means the annual financial statements of the Lil'wat Nation referred to in Division 5 of Part IV;

"auditor" means the independent auditor of the Lil'wat Nation appointed under section 55;

"borrowing member" means a first nation that is a borrowing member under the Act;

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

"Chair" means the chair of the Finance and Audit Committee appointed under section 11;

"chief administrative officer" means the person appointed chief administrative officer under section 16;

"code" means a Land Code or an Election Code adopted by the Lil'wat Nation under the *Indian Act*;

"Council" means the Council of the Lil'wat Nation and includes the Chiefs of the Lil'wat Nation;

“Councillor” means a member of the Council of the Lil’wat Nation elected in accordance with the *Lil’wat Nation Election Code* and, for greater certainty, includes the Political Chief and the Cultural Chief of the Lil’wat Nation;

“director of finance” means the person appointed director of finance under section 17;

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

“Finance and Audit Committee” means the Finance and Audit Committee established under section 10;

“financial administration” means the management, supervision, control and direction of all matters relating to the financial affairs of the Lil’wat Nation;

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

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

“financial records” means all records respecting the financial administration of the Lil’wat Nation, including the minutes of meetings of the Council and the Finance and Audit Committee;

“fiscal year” means the fiscal year of the Lil’wat Nation set out in section 23;

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

“FMB standards” means 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 standards” means the standards established from time to time by the First Nations Tax Commission under the Act;

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

“indemnify” means to pay amounts required or incurred

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

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

“Land Code” means a land code adopted by the Lil’wat Nation under the *First Nations Land Management Act*;

“Leadership Policy” means the Lil’wat Nation Leadership Policy adopted by the Council on July 26, 2011;

“life-cycle management program” means the program of inspection, review and planning for management of the Lil’wat Nation’s tangible capital assets as described in section 67;

“Lil’wat Nation” means the Lil’wat Nation, as scheduled to the Act;

“Lil’wat Nation law” means any law, including any by-law or code, of the Lil’wat Nation made by the Council or the membership of the Lil’wat Nation;

“Lil’wat Nation official” means a current or former Councillor, officer or employee of the Lil’wat Nation;

“Lil’wat Nation’s financial assets” means all money and other financial assets of the Lil’wat Nation;

“Lil’wat Nation’s lands” means all reserves of the Lil’wat Nation within the meaning of the *Indian Act*;

“Lil’wat Nation’s records” means all records of the Lil’wat Nation respecting its governance, management, operations and financial administration;

“Lil’wat Nation’s tangible capital assets” means all non-financial assets of the Lil’wat Nation having physical substance that

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

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

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

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

(e) have a historical cost as defined by the Council approved asset recognition criteria;

“local revenue account” means an account with a financial institution into which local revenues are deposited separately from other moneys of the First Nation;

“local revenue law” means a local revenue law made by the Lil’wat Nation under the Act;

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

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

“natural resources” means any material on or under the Lil’wat Nation’s lands in their natural state which when extracted has economic value;

“officer” means the chief administrative officer, director of finance, tax administrator and any other employee of the Lil’wat Nation designated by the Council as an officer;

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

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

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

“remuneration” means any salaries, wages, commissions, bonuses, fees, honoraria, dividends, and any other monetary benefits – other than the reimbursement of expenses – and non-monetary benefits;

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

“reportable expenses” includes the costs of transportation, accommodation, meals, hospitality, and incidental expenses;

“special purpose report” means a report described in section 54;

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

“strategic plan” means the plan referred to in section 24;

“tangible capital asset project” means the acquisition, construction, repair or replacement of a First Nation tangible capital asset, but does not include routine maintenance; and

“tax administrator” means the tax administrator appointed under section 18 or the Líl’wat Nation’s local revenue laws.

(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) Unless otherwise specified, all references to named enactments in this Law are to enactments of the Government of Canada.

## **Interpretation**

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

- (a) words in the singular include the plural, and words in the plural include the singular;
- (b) words importing female persons include male persons and corporations and words importing male persons include female persons and corporations;
- (c) if a word or expression is defined, other parts of speech and grammatical forms of the same word or expressions have corresponding meanings;

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

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

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

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

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

### **Calculation of Time**

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

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

(b) where there is a reference to a number of days, not expressed as “clear days”, between two events, in calculating that number of days the day on which the first event happens is excluded and the day on which the second event happens is included;

(c) where a time is expressed to begin or end at, on or within a specified day, or to continue to or until a specified day, the time includes that day;

(d) where a time is expressed to begin after or to be from a specified day, the time does not include that day; and

(e) where anything is to be done within a time after, from, of or before a specified day, the time does not include that day.

### **Conflict of Laws**

5.(1) If there is a conflict between this Law and another Lil’wat Nation law, other than a Land Code or a local revenue law, this Law prevails.

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

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

### **Scope and Application**

6. This Law applies to the financial administration of the Lil’wat Nation.

## **PART III - Administration**

### ***DIVISION 1 - Council***

#### **Responsibilities of Council**

7.(1) The Council is responsible for all matters relating to the financial administration of the Lil'wat Nation whether or not they have been assigned or delegated to an officer, employee, committee, contractor or agent by or under this Law.

(2) Subject to paragraph 5(1)(f) of the Act, this Law and any other applicable Lil'wat Nation law, the Council may delegate to any of its officers, employees, committees, contractors or agents any of its functions under this Law except the following:

- (a) the approval of Council policies;
- (b) the appointment of members, the Chair and the vice-chair of the Finance and Audit Committee;
- (c) the approval of annual budgets and financial statements of the Lil'wat Nation; and
- (d) the approval of borrowing of the Lil'wat Nation.

(3) The Council must take all reasonable steps to ensure that the Lil'wat Nation hires or retains qualified and competent personnel to carry out the financial administration activities of the Lil'wat Nation.

#### **Council Policies and Procedures**

8.(1) Subject to subsection (2) and (3), the Council may establish policies and procedures respecting any matter relating to the financial administration of the Lil'wat Nation.

(2) For clarity, Council policies, procedures and directions are not valid unless they have been approved by a quorum of the Council at a duly convened meeting, with the approval records in the minutes.

(3) The Council must establish policies and procedures respecting the acquisition, management and safeguarding of Lil'wat Nation assets.

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

- (a) defining the private interests of Councillors, officers, employees, committee members, contractors and agents that could result in a conflict of interest;
- (b) requiring the disclosure of actual or potential conflicts of interest as they arise and keeping of records of such disclosures;
- (c) specifying restrictions on the acceptance of gifts and benefits by any person referred to in paragraph (a) that might reasonably be seen to have been offered in order to influence the making of a decision by that person;



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

(e) specifying how any undisclosed or any alleged but not admitted conflicts of interest of Councillors are to be addressed.

(5) The Council must not establish any policies and procedures relating to the financial administration of the Lil'wat Nation that are inconsistent with this Law, the Act, or GAAP – except as permitted in subsection 54(2) of this Law.

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

(7) The Council must ensure that all procedures made under this Law are

(a) consistent with, and made under the authority of, a policy approved by the Council, and

(b) approved by the Council or the chief administrative officer.

(8) The Council must document all Lil'wat Nation policies and procedures referred to in this Law and make them available to any person who is required to act in accordance with them or who may be directly affected by them.

### **Reporting of Remuneration and Expenses**

9. Annually the director of finance must prepare a report separately listing the remuneration paid and reportable expenses reimbursed by the Lil'wat Nation, and by any entity, to each Councillor whether such amounts are paid to the Councillor while acting in that capacity or in any other capacity.

## ***DIVISION 2 - Finance and Audit Committee***

### **Committee Established**

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

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

(3) For purposes of this section,

(a) an individual is independent if the individual does not have a direct or indirect financial relationship with the Lil'wat Nation government that could, in the opinion of the Council, reasonably interfere with the exercise of independent judgment as a member of the Finance and Audit Committee; and

(b) an individual does not have a financial relationship with the Líl'wat Nation government as a result of the individual's receipt of the following from the Líl'wat Nation:

- (i) remuneration for acting in his or her capacity as a Councillor or as a member of any Líl'wat Nation committee,
- (ii) fixed retirement compensation,
- (iii) payments or benefits paid in common to all Líl'wat Nation members,
- (iv) payments or benefits paid under a program or service universally accessible to Líl'wat Nation members on published terms and conditions, or
- (v) payments or benefits paid from a trust arrangement according to the terms of the trust.

(4) The following individuals are not eligible to be members of the Finance and Audit Committee:

- (a) an individual who is an employee of the Líl'wat Nation;
- (b) an individual who has an immediate family member who is an officer;
- (c) an individual who provides consulting, advisory or other services to the Líl'wat Nation or its related bodies as a contractor;
- (d) an individual who has a dependent who provides consulting, advisory or other services to the Líl'wat Nation or its related bodies as a contractor; or
- (e) an individual who is a partner, owner or officer of an entity which provides accounting, consulting, legal or financial services to the Líl'wat Nation or its related bodies.

(5) The Council must establish policies and procedures

- (a) setting criteria to determine if an individual is eligible to be a member of the Finance and Audit Committee and is independent,
- (b) requiring confirmation, before appointment, that each potential member of the Finance and Audit Committee is eligible to be a member and is independent, and
- (c) requiring each member of the Finance and Audit Committee annually to sign a statement confirming that the member continues to be eligible to be a member of the Finance and Audit Committee and is independent.

(6) At least two (2) of the Finance and Audit Committee members must be Councillors.

(7) Subject to subsection (10), the Finance and Audit Committee members must be appointed to hold office for staggered terms as follows:

- (a) Councillor members must be appointed to the Finance and Audit Committee for terms of not less than four (4) complete fiscal years, as soon as practicable following their election to the Council, and must serve to the end of their Council term; and

(b) non-Councillor members must be appointed to the Finance and Audit Committee in non-election years, at a point that is half-way between elections, and must serve

(i) a two (2) year term for the inaugural term after the establishment of the Finance and Audit Committee, and

(ii) four (4) year terms thereafter.

(8) A Finance and Audit Committee member may be removed from office by the Council if

(a) the member has unexcused absences from three (3) scheduled meetings of the Finance and Audit Committee;

(b) in the case of a Councillor member of the Finance and Audit Committee, the member is not re-elected to the Council;

(c) the member is convicted of a criminal offence related to theft, fraud, corruption, or breach of trust;

(d) the member is in breach of this Law, the Act, or policies, procedures or directions of the Council; or

(e) the Chair recommends removal.

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

(10) If a Finance and Audit Committee member is unable to attend or participate in a Finance and Audit Committee meeting due to personal circumstances or a conflict of interest, and the member's absence will leave the Finance and Audit Committee without a quorum, the Council may appoint an alternate member to participate as needed, provided that the person appointed as an alternative member

(a) Is a Councillor; and

(b) Satisfies all of the requirements set out in the Law for being a member of the Finance and Audit Committee.

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

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

(2) If the Council appoints a non-Councillor as Chair of the Finance and Audit Committee,

(a) the Council must send to the Chair notices and agendas of all Council meetings,

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

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

### **Finance and Audit Committee Procedures**

**12.(1)** The quorum of the Finance and Audit Committee is fifty percent (50%) of the total number of Finance and Audit Committee members, including at least one (1) Councillor.

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

(3) In the event of a tie vote in the Finance and Audit Committee, the Chair of the Finance and Audit Committee may cast a second tiebreaking vote.

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

(5) The chief administrative officer or the director of finance may be excluded from all or any part of a Finance and Audit Committee meeting by a recorded vote if

- (a) the subject matter relates to a confidential personnel or performance issue respecting the chief administrative officer or the director of finance, or

- (b) it is a meeting with the auditor.

(6) The Finance and Audit Committee must meet

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

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

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

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

(9) After consultation with the chief administrative officer, the Finance and Audit Committee may retain a consultant to assist in the performance of any of its responsibilities.

### **Financial Planning Responsibilities**

**13.(1)** The Finance and Audit Committee must carry out the following activities in respect of the financial administration of the Lil'wat Nation:

- (a) annually review and recommend to the Council for approval a strategic plan and a multi-year financial plan;

- (b) review draft annual budgets and recommend them to the Council for approval;
- (c) on an ongoing basis, monitor the financial performance of the Lil'wat Nation against the budget and report any significant variations to the Council;
- (d) review the quarterly financial statements and recommend them to the Council for approval;
- (e) review and make recommendations to the Council on the audited annual financial statements, including the audited annual financial statements respecting the local revenue account and any special purpose reports;
- (f) carry out any other activities specified by the Council that are not contrary to the Act or inconsistent with the Finance and Audit Committee's duties specified in this Law; and
- (g) perform any other duties of the Finance and Audit Committee under this Law.

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

### **Audit and Oversight Responsibilities**

**14.** The Finance and Audit Committee must carry out the following audit and oversight activities in respect of the financial administration of the Lil'wat Nation:

- (a) making recommendations to the Council on the selection, engagement and performance of an auditor;
- (b) receiving assurances on the independence of a proposed or appointed auditor;
- (c) reviewing and making recommendations to the Council on the planning, conduct and results of audit activities;
- (d) periodically reviewing and making recommendations to the Council on policies and procedures on reimbursable expenses and benefits of the Councillors, officers and employees of the Lil'wat Nation;
- (e) monitoring financial reporting risks and risk of fraud and the effectiveness of mitigating controls for those risks taking into consideration the cost of implementing those controls;
- (f) conducting a review of this Law under section 79 and, where appropriate, recommend amendments to the Council; and
- (g) periodically reviewing and making recommendations to the Council on the terms of reference of the Finance and Audit Committee.

### **Council Assigned Responsibilities**

**15.** Subject to paragraph 13(1)(f), the Council may assign to the Committee or another committee of the Council any other matter respecting the financial administration of the Lil'wat Nation.

### ***DIVISION 3 - Officers and Employees***

#### **Chief Administrative Officer**

**16.(1)** The Council must appoint a person as chief administrative officer of the Lil'wat Nation and may set the terms and conditions of that appointment.

(2) Reporting to the Council, the chief administrative officer is responsible for leading the planning, organization, implementation and evaluation of the overall management of all the day-to-day operations of the Lil'wat Nation, including the following duties related to the financial administration system:

- (a) preparing and recommending to the Council for approval, descriptions of the powers, duties and functions of all employees of the Lil'wat Nation;
- (b) overseeing, supervising and directing the activities of all officers and employees of the Lil'wat Nation;
- (c) recommending to the Council for approval and implementation human resource policies and procedures that facilitate effective internal financial administration controls;
- (d) overseeing and administering the contracts of the Lil'wat Nation;
- (e) working together with the director of finance, preparing the multi-year financial plan;
- (f) working together with the director of finance, identifying, assessing, monitoring and reporting on financial reporting risks and risk of fraud;
- (g) working together with the director of finance monitoring and reporting on the effectiveness of mitigating controls for the risks referred to in paragraph (f) taking into consideration the cost of implementing those controls;
- (h) overseeing the strategic planning process;
- (i) overseeing the financial administration system, including ensuring that the Council and the Finance and Audit Committee receive financial reports in accordance with this Law;
- (j) performing any other duties of the chief administrative officer under this Law; and
- (k) carrying out any other activities specified by the Council that are not contrary to the Act or inconsistent with the chief administrative officer's duties specified in this Law.

(3) The chief administrative officer may assign the performance of any of the chief administrative officer's duties or functions (except the approval of procedures made under this Law)

- (a) to an officer or employee of the Lil'wat Nation, and
- (b) with the approval of the Council, to a contractor or agent of the Lil'wat Nation.

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

### **Director of Finance**

17.(1) The Council must appoint a person as director of finance of the Lil'wat Nation and may set the terms and conditions of that appointment.

(2) Reporting to the chief administrative officer, the director of finance is responsible for the day-to-day management of the systems of the financial administration of the Lil'wat Nation, including the following duties:

- (a) ensuring the financial administration systems, policies, procedures and internal controls are appropriately designed and operating effectively;
- (b) administering and maintaining all charts of accounts of the Lil'wat Nation;
- (c) working together with the tax administrator, administering and maintaining the local revenue account;
- (d) working together with the tax administrator, preparing the draft annual budgets and any draft amendments to the component of the budget respecting the Lil'wat Nation's local revenues;
- (e) preparing the monthly financial information required in section 50, the quarterly financial statements required in section 51 and the draft annual financial statements required in sections 52 and 53;
- (f) preparing the financial components of reports to the Council;
- (g) working together with the chief administrative officer, preparing the multi-year financial plan;
- (h) working together with the chief administrative officer, identifying, assessing, monitoring and reporting on financial reporting risks and fraud risks;
- (i) working together with the chief administrative officer, monitoring and reporting on the effectiveness of mitigating controls for the risks referred to in paragraph (h), taking into consideration the cost of implementing those controls;
- (j) actively monitoring compliance with any agreements and funding arrangements entered into by the Lil'wat Nation;
- (k) administering and supervising the preparation and maintenance of financial records and the financial administration reporting systems;
- (l) actively monitoring compliance with the Act, this Law, any other applicable Lil'wat Nation law, applicable standards and any policies and procedures respecting the financial administration of the Lil'wat Nation, other than those matters that are the responsibility of the tax administrator under this Law, another Lil'wat Nation law or the Act;

- (m) evaluating the financial administration systems of the Lil'wat Nation and recommending improvements;
- (n) developing and recommending procedures for the safeguarding of assets and to ensure approved procedures are followed;
- (o) developing and recommending procedures for identifying and mitigating financial reporting and risk of fraud and ensuring approved procedures are followed;
- (p) performing any other duties of the director of finance under this Law; and
- (q) carrying out any other activities specified by the chief administrative officer that are not contrary to the Act or inconsistent with the director of finance's duties under this Law.

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

### **Tax Administrator**

**18.(1)** If the Lil'wat Nation is collecting local revenues, the Council must appoint a person as tax administrator of the Lil'wat Nation and may set the terms and conditions of that appointment.

(2) Reporting to the director of finance, the tax administrator is responsible for performing the tax administrator's duties or functions under the Lil'wat Nation's local revenue laws, the Act and this Law.

(3) In addition to any duties or functions under the Lil'wat Nation's local revenue laws and the Act, the tax administrator is responsible for the following:

- (a) working together with the director of finance managing the local revenues and the local revenue account on a day-to-day basis;
- (b) working together with the director of finance, preparing the draft annual budgets and any draft amendments to the component of the annual budget respecting local revenues;
- (c) recommending to the director of finance the local revenues components of the multi-year financial plan;
- (d) on request, providing advice to the chief administrative officer, director of finance, Finance and Audit Committee and the Council respecting local revenues matters;
- (e) monitoring compliance with the Act, the Lil'wat Nation's local revenue laws and this Law in the administration of local revenues and the local revenue account; and
- (f) performing any other duties of the tax administrator under this Law.

(4) With the approval of the chief administrative 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 Lil'wat Nation, 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**

**19.(1)** The Council must establish and maintain a current organization chart that sets out the governance, management and administrative systems of the Lil'wat Nation, including Council, Finance and Audit Committee, officer and employee positions, lines of authority, roles and responsibilities, programs and activities, and the linkages between them.

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

- (a) all governance, management and administrative systems of the First Nation;
- (b) the organization of the systems described in paragraph (a), including the linkages between them;
- (c) the specific roles and responsibilities of each level of the organization of the systems described in paragraph (a); and
- (d) all governance, management and administrative positions at each level of the organization of the systems described in paragraph (a), including
  - (i) the membership on the Council, Finance and Audit Committee and all other committees of the Council and the First Nation,
  - (ii) the chief administrative officer, the director of finance, the tax administrator and other officers of the First Nation, and
  - (iii) the principal lines of authority and the responsibility between the Council, the committees referred to in subparagraph (i) and the officers referred to in subparagraph (ii).

(3) On request, the chief administrative officer must make available to a Councillor, a member of the Finance and Audit Committee, a member of a Council committee, an officer, employee or contractor or agent of the Lil'wat Nation and a member of the Lil'wat Nation, a copy of the organization chart under subsection (1).

## ***DIVISION 4 - Conduct Expectations***

### **Policy/Procedure for Conflicts of Interest**

**20.(1)** The Council must establish policies and procedures for the avoidance, mitigation and disclosure of actual or potential conflicts of interest by Councillors, officers, employees, committee members, contractors and agents.

(2) The policies and procedures referred to in subsection (1) must provide for the following:

- (a) defining private interests that could result in a conflict of interest;
- (b) keeping records of all disclosures and declarations made relating to actual or potential conflicts of interest;
- (c) specifying restrictions on the acceptance of gifts and benefits that might reasonably be seen to have been offered in order to influence the making of a decision;

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

(e) specifying how any undisclosed or any alleged but not admitted conflicts of interest of Councillors are to be addressed.

### **Conduct of Councillors**

**21.(1)** When exercising a power, duty or responsibility relating to the financial administration of the Lil'wat Nation, a Councillor must

(a) comply with this Law, the Act, any other applicable Lil'wat Nation law, policies, procedures and any applicable standards,

(b) act honestly, in good faith and in the best interests of the Lil'wat Nation,

(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 applicable policy and procedure made under section 20 established by the Council for the avoidance and mitigation of those conflicts, including annual disclosures of private interests.

(2) Annually a Councillor must file with the chief administrative officer a written disclosure of his or her private interests which could result in a conflict of interest.

(3) If a Councillor believes he or she has a conflict of interest, the Councillor must disclose the circumstances to the council in writing as soon as practicable.

(4) If it has been determined under this Law or by a court of competent jurisdiction that a Councillor has contravened this section, the Council may take any or all of the following actions:

(a) remove the Councillor from their assigned administrative responsibilities or portfolio;

(b) withhold the Councillor's compensation or honoraria for a period of time;

(c) record the Council's displeasure in the Council minutes;

(d) take any other appropriate action authorized under any other Lil'wat Nation law, code or policy; or

(e) use any legal means available to it to remedy the situation.

### **Conduct of Officers, Employees, and Contractors, etc.**

**22.(1)** This section applies to

(a) officers, employees, contractors and agents of the Lil'wat Nation,

(b) persons acting under the delegated authority of the Council or the Lil'wat Nation, and

(c) non-Councillor members of committees of the Council or the Lil'wat Nation.

(2) If a person is exercising a power, duty or responsibility relating to the financial administration of the Lil'wat Nation, that person must

(a) comply with this Law, the Act, any other applicable Lil'wat Nation law and any applicable standards,

(b) comply with all policies and procedures of the Lil'wat Nation, and

(c) avoid conflicts of interest and comply with the applicable policy and procedure made under section 20.

(3) If an officer, employee, committee member, contractor or agent believes he or she has a conflict of interest, that person must disclose the circumstances in writing as soon as practicable to the chief administrative officer or, in the case of the chief administrative officer, to the Chair of the Finance and Audit Committee.

(4) The Council must incorporate the relevant provisions of this section into the following:

(a) the terms of employment or appointment of every officer or employee of the Lil'wat Nation;

(b) the terms of every contract of a contractor of the Lil'wat Nation;

(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 Lil'wat Nation.

(5) If a person contravenes a provision of this subsection, the following actions may be taken:

(a) an officer or employee may be disciplined, including dismissal;

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

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

(d) the appointment of an agent may be revoked; or

(e) the Lil'wat Nation may use any legal means available to it to remedy the situation.

## **PART IV - Financial Management**

### ***DIVISION 1 - Financial Plans and Annual Budgets***

#### **Fiscal Year**

**23.** The fiscal year of the Lil'wat Nation is April 1 to March 31 of the following year.

#### **Strategic Plan**

**24.(1)** The Council must

(a) approve a strategic plan that sets out the long-term vision for the Lil'wat Nation and its members; and

(b) review the strategic plan on a regular, periodic basis and revise it as necessary.

(2) The Council must take the strategic plan into account when making financial decisions which will impact members of the Lil'wat Nation or the Lil'wat Nation's financial assets.

### **Multi-year Financial Plan**

**25.(1)** The multi-year financial plan referred to in this section is to be used by the Lil'wat Nation for the purpose of informing its financial decision-making in a manner that is consistent with and supports the vision of the strategic plan.

(2) The multi-year financial plan must comply with the following:

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

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

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

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

(e) includes a five (5) year cash flow projection; and

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

(3) On or before March 14 of each year, the director of finance must prepare and submit to the Finance and Audit Committee for review a draft multi-year financial plan for the next fiscal year.

(4) On or before March 14 of each year, the Finance and Audit Committee must review the draft multi-year financial plan prepared by the director of finance and recommend a multi-year financial plan to the Council for approval.

(5) On or before March 31 of each year, the Council must approve a multi-year financial plan for the next fiscal year.

### **Annual Budget**

**26.(1)** The annual budget must encompass all the operations for which the Lil'wat Nation is responsible and must identify

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

(b) anticipated expenditures, segregated by significant category, including local revenues, with estimates of the amount of expenditure from each category; and

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

(2) On or before March 14 of each year, the director of finance must prepare and submit to the Finance and Audit Committee for review a draft annual budget for the next fiscal year.

(3) On or before March 14 of each year, the Finance and Audit Committee must review the draft annual budget prepared by the director of finance and recommend an annual budget to the Council for approval.

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

(5) On or before June 15 of each year, the director of finance must prepare and submit to the Finance and Audit Committee for review a draft amendment of the component of the budget respecting the Lil'wat Nation's local revenue accounts.

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

(7) No later than July 15 of each year, the Council must approve the amendment of the component of the budget respecting the Lil'wat Nation's local revenue account.

#### **Additional Requirements for Budget Deficits**

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

- (a) no portion of the proposed deficit originates in or relates to local revenues,
- (b) the multi-year financial plan demonstrates how and when this deficit will be addressed and how it will be serviced, and
- (c) the deficit does not have a negative impact on the credit worthiness of the Lil'wat Nation.

#### **Amendments to Budgets**

**28.(1)** The Council must approve any change to the budget.

(2) Subject to subsection 26(7) and any emergency expenditure referred to in paragraph 35(c), unless there is a substantial and unforeseen change in the forecasted revenues or expenses of the Lil'wat Nation or in the expenditure priorities of the Council, the Council must not approve a change to the annual budget of the Lil'wat Nation.

#### **Local Revenue Account Budget Requirements**

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

## **Policy for First Nation Information or Involvement**

**30.** The Council must establish policies and procedures respecting the means by which members of the Lil'wat Nation must be informed about or involved in consideration of

- (a) the strategic plan;
- (b) the multi-year financial plan;
- (c) the proposed annual budget, including
  - (i) any budget deficits, and
  - (ii) any component of the annual budget respecting the Lil'wat Nation's local revenues; and
- (d) extraordinary expenditures.

## ***DIVISION 2 - Revenues and Expenditures***

### **Financial Institution Accounts**

**31.(1)** The Lil'wat Nation must establish a separate local revenue account in a financial institution for money from local revenues.

(2) The Lil'wat Nation may establish any other accounts not referred to in subsection (1) as may be necessary and appropriate to manage the Lil'wat Nation's financial assets.

### **Local Revenue Expenditures**

**32.** Money in a local revenue account must not be used for any purpose other than that authorized in a local revenue law or as permitted under section 13.1 of the Act.

### **Budget Approved Expenditures**

**33.** The Lil'wat Nation may only expend Lil'wat Nation funds if the expenditure has been approved in the budget in effect at the time of the expenditure.

### **Required Policies and Procedures**

**34.** The Council must establish policies and procedures respecting the following matters:

- (a) effective management and control of all Lil'wat Nation cash, funds and revenues, including internal controls for financial institution accounts and asset management;
- (b) effective management of all Lil'wat Nation expenditures, including internal controls for financial institution accounts and the procurement of goods and services;
- (c) expenditures for an emergency purpose which was not anticipated in the budget but which is not expressly prohibited by or under this Law or another Lil'wat Nation law;
- (d) management of advances, holdbacks, deposits and refunds;

- (e) collection and charging of interest;
- (f) writing off and extinguishing debts; and
- (g) fiscal year-end surpluses.

### ***DIVISION 3 - Borrowing***

#### **Policies/Procedures for Borrowing**

**35.(1)** The Council must establish policies and procedures respecting the incurring of debt, granting security, debt management and use of borrowed funds by the Lil'wat Nation.

(2) The Council may approve the borrowing of money by the Lil'wat Nation in accordance with the policies and procedures of the Lil'wat Nation and this Law.

#### **Borrowing Member Requirements**

**36.(1)** This section applies if the Lil'wat Nation is a borrowing member.

(2) If the Lil'wat Nation has obtained long-term financing secured by property taxes from the FNFA, the Lil'wat Nation must not subsequently obtain long-term financing secured by property tax revenues from any other person.

(3) The Lil'wat Nation may only obtain long-term financing from the FNFA as permitted under its local revenue law and the Act.

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

(5) Money borrowed by the Lil'wat Nation from the FNFA that is secured by other revenues may only be used for the purposes set out in section 4 of the *Financing Secured by Other Revenues Regulations* made under the Act.

#### **Borrowing for New Capital Projects**

**37.** The Council must establish policies and procedures respecting the means by which members of the Lil'wat Nation must be informed about or involved in consideration of borrowing for new capital projects described in Part V.

#### **Execution of Security Documents**

**38.(1)** Subject to subsection (2), a security granted by the Lil'wat Nation must be signed by a Councillor designated by the Council and by either the chief administrative officer or the director of finance.

(2) A security granted by the Lil'wat Nation in respect of local revenues must be signed by a Councillor designated by the Council and by the tax administrator.

## ***DIVISION 4 - Risk Management***

### **Management of Business Activity**

39.(1) If the Líl'wat Nation intends to carry out for-profit activities, the Council must establish policies and procedures respecting the limitation or management of the risks associated with the Líl'wat Nation carrying on those activities.

(2) The Council may approve the Líl'wat Nation carrying on for-profit activities in accordance with the policies and procedures established by the Council.

### **Guarantees and Indemnities**

40.(1) The Líl'wat Nation must not give a guarantee unless the Council has considered the report of the director of finance under subsection (2).

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

(3) The Líl'wat Nation must not give an indemnity unless it is

(a) authorized under section 74,

(b) necessary and incidental to and included in another agreement to which the Líl'wat Nation is a party, or

(c) in relation to a security granted by the Líl'wat Nation that is authorized under this Law or another Líl'wat Nation law.

(4) Notwithstanding subsections (1), (2), and (3), the Líl'wat Nation must not give a guarantee or indemnity unless the guarantee or indemnity has been reviewed by legal counsel for the Líl'wat Nation.

(5) Subject to a resolution described in section 74, the Council must make policies and procedures 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 Líl'wat Nation and specifying the maximum amount of any indemnity which may be given by them;

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

(d) specifying the records to be maintained of all guarantees and indemnities given by the Líl'wat Nation.



## **Investments**

**41.(1)** The Líl'wat Nation may invest the Líl'wat Nation's financial assets under the conditions set out in this Law or in another Líl'wat Nation law.

(2) If the Líl'wat Nation intends to invest the Líl'wat Nation's financial assets, the Council must first approve an investment management strategy.

(3) The Council must establish policies and procedures respecting the development, approval and periodic review of an investment management strategy for the Líl'wat Nation's financial assets.

(4) If the Líl'wat Nation is authorized to invest the Líl'wat Nation's financial assets, the Council may authorize the director of finance to invest the Líl'wat Nation's financial assets

(a) as specifically approved by the Council, or

(b) in accordance with the investment management strategy approved by the Council under subsection (2).

(5) Despite any other provision in this Law, the Líl'wat Nation may only invest the following funds in investments specified in paragraph 82(3)(a), (b), (c) or (d) of the Act and in investments in securities issued by the FNFA or a municipal finance authority established by a province:

(a) government transfer funds; and

(b) local revenues.

(6) The Council must establish policies and procedures identifying the financial institutions or types of financial institutions in which the Líl'wat Nation may invest its funds.

## **Loans**

**42.(1)** The Council must establish policies and procedures respecting the Líl'wat Nation lending Líl'wat Nation's financial assets including actions to ensure effective management and collection of these loans.

(2) The Council may approve the lending of Líl'wat Nation's financial assets in accordance with the policies and procedures of the Líl'wat Nation.

## **Permitted Loans to Líl'wat Nation Members**

**43.(1)** The Líl'wat Nation may make a loan to a member of the Líl'wat Nation if

(a) the loan is made from a program approved by the Council, and

(b) the program provides for universal accessibility, has published terms and conditions, and is transparent.

(2) If the Líl'wat Nation intends to make loans to members of the Líl'wat Nation, the Council must make policies and procedures for the effective management and operation of the program referred to in this section.

(3) The Council may approve the making of loans to members of the Lil'wat Nation in accordance with the policies and procedures referred to in subsection (2).

### **Risk Assessment and Management**

44.(1) Annually, and more often if necessary, the chief administrative officer and director of finance must identify and assess any significant risks to the Lil'wat Nation's financial assets, the Lil'wat Nation's tangible capital assets as defined in Part V and the operations of the Lil'wat Nation.

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

### **Insurance**

45.(1) After consulting with the Finance and Audit Committee, the chief administrative officer

(a) must procure and maintain in force all insurance coverage that is appropriate and commensurate with the risks identified in section 44 and any other risks associated with any assets, property or resources under the care or control of the Lil'wat Nation; and

(b) 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.

(2) The Finance and Audit Committee must report to the Council on all insurance coverage procured in accordance with subsection (1).

### **Risk of Fraud**

46. The Council must establish policy and procedures for the identification and assessment of the risk of fraud in the Lil'wat Nation.

### **Operational Controls**

47. The Council must establish policies and procedures respecting the establishment and implementation of an effective system of internal controls that ensures the orderly and efficient conduct of the Lil'wat Nation's operations.

## ***DIVISION 5 - Financial Reporting***

### **GAAP**

48. All accounting practices of the Lil'wat Nation must comply with GAAP.

### **Separate Accounting**

49.(1) The director of finance must account for local revenues of the Lil'wat Nation separately from other moneys of the Lil'wat Nation.

(2) If the Lil'wat Nation has a loan from the FNFA that is secured by other revenues, the director of finance must

(a) account for all other revenues of the Lil'wat Nation separately from other moneys of the Lil'wat Nation, and

(b) provide the FNFA or the FMB, on its request, with accounting information respecting the other revenues.

### **Monthly Financial Information**

**50.** The director of finance must prepare and provide to the Council and the Finance and Audit Committee no more than thirty (30) days following the end of each month, monthly financial information respecting the financial affairs of the Lil'wat Nation in the form and with the content approved by the Council on the recommendation of the Finance and Audit Committee.

### **Quarterly Financial Statements**

**51.(1)** No more than forty-five (45) days following the end of each quarter of the fiscal year, the director of finance must prepare and provide to the Council and the Finance and Audit Committee, financial statements for the Lil'wat Nation for that quarter in the form and with the content approved by the Council on the recommendation of the Finance and Audit Committee.

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

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

(b) reviewed and approved by the Council.

(3) If the Lil'wat Nation has a loan from the FNFA that is secured by other revenues, the director of finance must

(a) Account for and report on all other revenues of the Lil'wat Nation separately from other money of the Lil'wat Nation; and

(b) Provide the FNFA or the FMB, on its request, with information respecting the other revenues account.

### **Annual Financial Statements**

**52.(1)** This section does not apply to the annual financial statements respecting the local revenue account referred to in section 53.

(2) At the end of each fiscal year the director of finance must prepare the annual financial statements of the Lil'wat Nation for that fiscal year in accordance with GAAP.

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

(4) The annual financial statements must include all the financial information of the Lil'wat Nation for the fiscal year.

(5) The director of finance must provide draft annual financial statements to the Finance and Audit Committee for review within a reasonable period of time following the end of the fiscal year for which they were prepared.

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

(7) For purposes of this section, a reasonable period of time means a period of time which will allow the annual financial statements to be audited within the time required in subsection 58(1).

### **Local Revenues Annual Financial Statements**

**53.(1)** The director of finance must prepare, at least once each calendar year, separate annual financial statements respecting the Lil'wat Nation's local revenue account in accordance with the FMB's *Local Revenue Financial Reporting Standards*.

(2) Despite subsection (1), the Council may authorize the director of finance to prepare annual financial information respecting the local revenue account in any other form permitted in FMB standards respecting financial reporting of the local revenue account.

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

(4) The policies and procedures referred to in subsection (3) must be consistent with any requirements of the FMB's *Local Revenue Financial Reporting Standards*.

(5) The provisions of this Law, including this section, respecting separate annual financial statements for local revenues do not apply if FMB's *Local Revenue Financial Reporting Standards* permit the Lil'wat Nation to report on its local revenues in its audited annual financial statements as a distinct segment of the activities that appear in those statements and the Lil'wat Nation chooses to report on its local revenues in that manner.

### **Special Purpose Reports**

**54.(1)** The director of finance must prepare the following special purpose reports:

- (a) a report setting out all payments made to honour guarantees and indemnities for that fiscal year;
- (b) a report setting out the information required in section 9;
- (c) a report setting out all debts or obligations forgiven by Lil'wat Nation; and
- (d) any other report required under the Act or an agreement.

(2) The director of finance may prepare special purpose reports on the basis of accounting other than GAAP if necessary to comply with any reporting obligations the Lil'wat Nation has under an agreement.

## **Appointment of Auditor**

**55.(1)** The Lil'wat Nation must appoint an auditor for each fiscal year to hold office until the date the auditor's successor is appointed, subject to subsection (2). At least every three (3) years, the Lil'wat Nation must put out a request for proposals or request for quotations from potential auditors, and the Finance and Audit Committee must make a recommendation to the Council, taking into consideration input from the chief administrative officer and director of finance.

(2) The terms and conditions of the appointment of the auditor must be set out in an engagement letter approved by the Finance and Audit Committee and must include the content required by the Canadian generally accepted auditing standards.

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

(a) be independent of the Lil'wat Nation, its related bodies, Councillors and officers and members, and

(b) be a public accounting firm or public accountant

(i) in good standing with the Chartered Professional Accountants of Canada and its respective counterpart in the province or territory in which the public accounting firm or public accountant is practicing, and

(ii) licensed or otherwise authorized to practice public accounting in the province of British Columbia.

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

(a) advise the Lil'wat Nation in writing of the circumstances, and

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

## **Auditor's Authority**

**56.(1)** To conduct an audit of the annual financial statements of the Lil'wat Nation, the auditor must be given access to

(a) all records of the Lil'wat Nation for examination or inspection, and copies of these records on request, and

(b) access to any Councillor, officer, employee, contractor or agent of the Lil'wat Nation to ask any questions or request any information.

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

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

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

(3) The auditor must be given notice of

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

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

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

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

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

### **Assurance Requirements**

**57.(1)** The auditor must provide an audit report on the annual financial statements referred to in section 52 not more than one hundred and twenty (120) days after the fiscal year-end.

(2) The separate annual financial statements respecting local revenues referred to in section 54 must be audited by the auditor at least once every calendar year.

(3) The auditor must conduct the audit of the annual financial statements referred to in both sections 52 and 53 in accordance with Canadian generally accepted auditing standards.

(4) The auditor must provide an audit report or a review engagement report on the special purpose reports referred to in section 54.

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

**58.(1)** This section does not apply to the annual financial statements respecting local revenues referred to in section 53.

(2) The audited annual financial statements referred to in both sections 52 and 53 must be provided to the Finance and Audit Committee for its review and consideration no more than one hundred and five (105) days after the fiscal year-end for which the statements were prepared.

(3) The Council must review and approve the audited annual financial statements no more than one hundred and twenty (120) days after the fiscal year-end for which the statements were prepared.

### **Access to Annual Financial Statements**

**59.(1)** Before the annual financial statements referred to in both sections 52 and 53 may be published or distributed, they must

- (a) be approved by the Council,
- (b) be signed by
  - (i) the Political Chief of the Lil'wat Nation,
  - (ii) the Chair,
  - (iii) chief administrative officer, and
  - (iv) director of finance; and
- (c) include the auditor's audit report of the annual financial statements.

(2) The audited annual financial statements referred to in section 52 must be available for inspection by members of the First Nation at the principal administrative offices of the First Nation during normal business hours.

(3) The following documents must be available for inspection by any person referred to in subsection 14(2) of the Act at the principal administrative offices of the Lil'wat Nation during normal business hours:

- (a) the audited annual financial statements respecting local revenues referred to in section 53; or
- (b) the audited annual financial statements referred to in section 52 if those statements include a report on local revenues as a distinct segment of the activities that appear in those statements.

## **Annual Report**

**60.(1)** No more than one hundred and eighty (180) days after the end of each fiscal year, the Council must publish an annual report on the operations and financial performance of the Lil'wat Nation for the previous fiscal year, which report must include

- (a) a description of the services and operations of the Lil'wat Nation;
- (b) a progress report on any established objectives and performance measures of the Lil'wat Nation;
- (c) the audited annual financial statements referred to in sections 52 and 53 for the previous year; and
- (d) any special purpose reports referred to in section 54, including the auditor's review comments..

(2) The chief administrative officer must provide the annual report referred to in subsection (1)

- (a) to a member of the Lil'wat Nation as soon as practicable after a request is made by the member, and

(b) to the FNFA as soon as practicable after the report's publication, if the Lil'wat Nation is a borrowing member.

(3) The chief administrative officer must establish and maintain a register for the annual report that identifies all members of the Lil'wat Nation who have requested a copy of the annual report, the audited annual financial statements and special purpose report and which includes

(a) the date each request was received; and

(b) the date the annual report was provided to the member.

(4) If the chief administrative officer does not provide a copy of the annual report to a member within a reasonable time after the member's request, the member may apply to the Council to request a copy.

## ***DIVISION 6 - Information and Information Technology***

### **Ownership of Records**

**61.** The Council must establish policies and procedures to ensure that all records that are produced by or on behalf of the Lil'wat Nation or kept, used or received by any person on behalf of the Lil'wat Nation are the property of the Lil'wat Nation.

### **Record Keeping**

**62.** The Council must establish policies and procedures respecting

(a) the preparation, maintenance, security, storage, access to and disposal of records of the Lil'wat Nation, and

(b) the confidentiality, control and release of Lil'wat Nation information that is in the possession of the Lil'wat Nation, the Council, Councillors, committee members, employees, contractors or agents of the Lil'wat Nation.

### **Account Records**

**63.(1)** The tax administrator must prepare, maintain, store and keep secure a complete set of all records respecting the local revenue system of the Lil'wat Nation, including all records referred to in section 5 of the *Revenue Management Implementation Regulations*.

(2) If the Lil'wat Nation has a loan from the FNFA that is secured by other revenues, the director of finance must prepare, maintain, store and keep secure a complete set of all records respecting other revenues of the Lil'wat Nation, including all records referred to in section 5 of the *Revenue Management Implementation Regulations* as amended by the *Financing Secured by Other Revenues Regulations*.

### **Information Technology**

**64.** The Council must establish policies and procedures respecting information technology used by the Lil'wat Nation in its operations to ensure the integrity of the Lil'wat Nation's financial administration system and its database.



## **PART V - Tangible Capital Assets**

### **Council General Duties**

**65.** The Council must take reasonable steps to ensure that Líl'wat Nation tangible capital assets are

- (a) recorded in an assets register,
- (b) adequately safeguarded,
- (c) maintained in accordance with a life-cycle management program described in this Part, and
- (d) planned, financed, managed and constructed to acceptable community standards.

### **Tangible Capital Assets Reserve Fund**

**66.** The Council must establish and manage a tangible capital assets reserve fund to be applied for the purpose of funding expenditures for tangible capital asset projects carried out under this Part.

### **Life-cycle Management Program**

**67.(1)** The Council must establish a life-cycle management program for Líl'wat Nation tangible capital assets which includes the following:

- (a) the development, maintenance and updating of an assets register for Líl'wat Nation tangible capital assets;
- (b) the regular, periodic inspection of Líl'wat Nation tangible capital assets;
- (c) for routine maintenance of Líl'wat Nation tangible capital assets, preparation of the following:
  - (i) a plan for annual scheduling of required maintenance for the next fiscal year;
  - (ii) short and long-term forecasting of estimated costs; and
  - (iii) a budget for required annual maintenance for the next fiscal year; and
- (d) for tangible capital asset projects, preparation of the following:
  - (i) a plan for annual scheduling of projects for the next fiscal year; and
  - (ii) short and long-term forecasting of estimated costs of projects; and
- (e) the annual review by the Finance and Audit Committee of the proposed scheduling and budgets for routine maintenance and tangible capital asset projects.

(2) The Council must establish policies and procedures respecting

- (a) a life-cycle management program for Lil'wat Nation tangible capital assets, and
- (b) tangible capital asset projects.

### **Tangible Capital Asset Projects Management**

68.(1) The Council must establish policies and procedures respecting procurement, contract and risk management and administration of tangible capital asset projects.

(2) All tangible capital asset projects must be managed in accordance with the policies and procedures referred to in subsection (1).

### **Policy for Information or Involvement of Lil'wat Nation Members**

69. The Council must establish policies and procedures respecting the means by which Lil'wat Nation members must be informed about or involved in consideration of tangible capital asset projects.

## **PART VI - Reporting Breaches**

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

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

- (a) an expenditure, liability or other transaction of the Lil'wat Nation is not authorized by or under this Law or another Lil'wat Nation law,
- (b) there has been a theft, misappropriation or other misuse or irregularity in the funds, accounts, assets, liabilities and financial obligations of the Lil'wat Nation,
- (c) a provision of this Law has been contravened, or
- (d) a person has failed to comply with applicable policies and procedures referred to in section 21,

the person may disclose the circumstances to the Chair, the Political Chief, a member of the Finance and Audit Committee, the chief administrative officer, or the director of finance.

(2) If a Councillor becomes aware of any circumstances described under subsection (1), the Councillor must report them to the Chair, the Political Chief, a member of the Finance and Audit Committee, the chief administrative officer, or the director of finance.

(3) If an officer, employee, contractor or agent of the Lil'wat Nation becomes aware of any circumstances described under subsection (1), the officer, employee, contractor or agent, as the case may be, must report them to the Chair, the Political Chief, a member of the Finance and Audit Committee, the chief administrative officer, or the director of finance.

## **Inquiry into Report**

**71.(1)** A person to whom a report is made under section 70, must inquire into the circumstances reported and report the findings to the Finance and Audit Committee as soon as practicable.

(2) A person who receives a report under section 70 may refer the investigation to an independent third party.

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

## **Protection of Parties**

**72.(1)** All reasonable steps must be taken by the chief administrative officer, the members of the Finance and Audit Committee and the Councillors to ensure that the identity of the person who makes a report under section 70 is kept confidential to the extent practicable in all the circumstances.

(2) A person who makes a report in good faith under section 70 must not be subjected to any form of reprisal by the Lil'wat Nation or by a Councillor, officer, employee, contractor or agent of the Lil'wat Nation as a result of making that report.

(3) The chief administrative officer and the Chair 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 and procedures

(a) for the recording and safeguarding of reports made under section 70 and any records prepared during the inquiry or investigation into those reports;

(b) for the inquiry or investigation into reports made under section 70; and

(c) concerning the fair treatment of a person against whom a report has been made under section 70.

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

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

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

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

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

### **Indemnification against Proceedings**

**74.** (1) Subject to subsection (2), the Council may by resolution indemnify or provide for the indemnification of a named Lil'wat Nation official, a category of Lil'wat Nation official or all Lil'wat Nation officials in accordance with the terms specified in the resolution.

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

## **PART VII - Miscellaneous**

### **FMB Standards**

**75.**(1) If the Lil'wat Nation is a borrowing member or has a certificate issued by the FMB under subsection 50(3) of the Act, the Lil'wat Nation must comply with all the applicable FMB standards.

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

### **Delegated Authority for Local Revenues**

**76.**(1) This section applies to the Lil'wat Nation only if it is

- (a) making local revenue laws under subsection 5(1) of the Act, or
- (b) using its local revenues to secure a loan from the FNFA.

(2) Without limiting section 53 of the Act, if the FMB gives notice to the Lil'wat Nation under section 53 of the Act that third-party management of the Lil'wat Nation's local revenues is required, the Council of the Lil'wat Nation delegates to the FMB

- (a) the powers and authorities described in subsection 53(2) of the Act, and
- (b) any other of the Council's powers required to give effect to third-party management of the Lil'wat Nation's local revenues and local revenue account under the Act.

### **Delegated Authority for Other Revenues**

**77.**(1) This section applies to the Lil'wat Nation only if it is using its other revenues to secure a loan from the Lil'wat Nations Finance Authority.

(2) Without limiting section 53 of the Act as adapted by the *Financing Secured by Other Revenues Regulations*, if the FMB gives notice to the Lil'wat Nation under section 53 of the Act that third-party management of the Lil'wat Nation's other revenues is required, the Council of the Lil'wat Nation delegates to the FMB

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

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

### **Policy for Member Information or Involvement**

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

(a) the strategic plan;

(b) the multi-year financial plan;

(c) the annual budget, including any component of the annual budget respecting the Lil'wat Nation's local revenue account;

(d) an amendment to the annual budget;

(e) annual budget deficits or extraordinary expenditures;

(f) capital projects;

(g) borrowing for new capital projects; and

(h) proposed amendments to this Law.

(2) A notice provided under subsection (1) must state whether and how the members may be involved in the decision under consideration.

### **Periodic Review and Changes of Law**

**79.(1)** At least annually, as part of the year-end process, the Finance and Audit Committee must conduct a review of this Law

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

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

(2) The Council must establish policies and procedures respecting the means by which members of the Lil'wat Nation must be informed about or involved in consideration of proposed amendments of this Law.

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

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

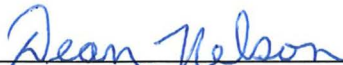
### **Repeal**

**80.** The *Lil'wat Nation Financial Administration Law, 2016* is repealed.

## Coming into Force

81. This Law comes into force on the day after it is approved by the FMB under section 9 of the Act.

**THIS LAW IS HEREBY DULY ENACTED** by Council on the 25<sup>th</sup> day of February 2025, at Mount Currie, in the Province of British Columbia at a duly called and conducted Council meeting at which the required quorum of seven (7) members of Council was present throughout.

  
Kúkwpi7 Skalúlmecw Dean Nelson, Political Chief


Kúkwpi7 Gélpcał R. Ashley Joseph, Cultural Chief

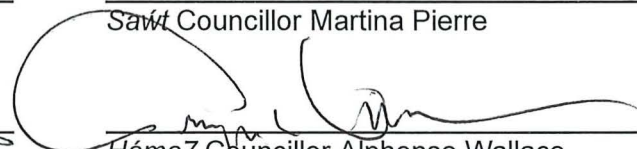
Sík Sík Councillor Joshua (Stksik) Anderson

  
N'eqwk Councillor Troy Leonard Bikadi

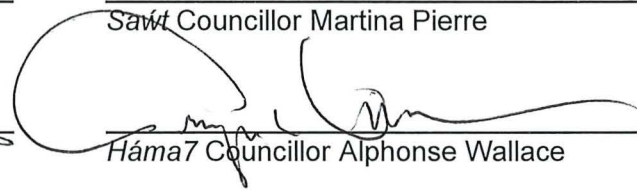
Kík7ak Councillor Helena Edmonds

  
Xzulmalus Councillor Roxanne Joe

  
Lhpatq Councillor Maxine Joseph (Bruce)

  
Sawt Councillor Martina Pierre

  
Tsámam Councillor Rilla Sampson

  
Háma7 Councillor Alphonse Wallace

  
Sneqwéma Councillor Renee Wallace

Qaqawam Councillor Christopher Wells

Nimtsvq Councillor James Williams