



Squiala First Nation
Financial Administration Law

[dated for reference March 6, 2013]

**SQUIALA FIRST NATION
FINANCIAL ADMINISTRATION LAW**

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FINANCIAL ADMINISTRATION LAW

WHEREAS:

- A. Pursuant to section 9 of the *First Nations Fiscal and Statistical Management Act*, the council of a first nation may make laws respecting the financial administration of the first nation; and
- B. The Council of the Squiala First Nation considers it to be in the best interests of the first nation to make a law for such purposes; and
- C. Amendments to the Squiala First Nation Land Code, dated for reference July 20, 2007, are required to enable this law to come into force and to replace requirements in Parts 5 and 6 of the Squiala First Nation Land Code for accountability to members of Squiala First Nation for management of monies derived from Squiala First Nation Land and for conflict of interest rules with respect to management of Squiala First Nation Land, required by paragraphs 6(1)(e) and (h) of the *First Nations Land Management Act*, S.C. 1999, c. 24; and
- D. The Council intends to convene a Meeting of Members and recommend the approval of the amendments referred to in Clause C in accordance with section 13 and subsection 44.1 of the Squiala First Nation Land Code.

NOW THEREFORE the Council of the Squiala First Nation enacts as follows:

PART I - Citation

Citation

1. This Law may be cited as the *Squiala First Nation Financial Administration Law*, 2013.

PART II - Interpretation and Application

Definitions

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

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

“**annual financial statements**” means the annual financial statements of the Squiala First Nation referred to in Division 7 of PART IV;

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

“**auditor**” means the auditor of the Squiala First Nation appointed under section 72;

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

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

“**budget**” means the annual budget of the Squiala First Nation that has been approved by the Council;

“**Chief**” means the Chief Councillor of the Council of the Squiala First Nation;

“Chief Executive Officer” or “CEO” means the person hired as CEO under section 18;

“Chief Financial Officer” or “CFO” means the person hired as CFO under section 19;

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

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

“Council” means the Chief and Council of the Squiala First Nation;

“Councillor” means a member of the Council of the Squiala First Nation;

“dependent” means, in relation to an individual,

- (a) the individual’s spouse,
- (b) a person under the age of majority in respect of whom the individual or the individual’s spouse is a parent or acting in a parental capacity,
- (c) a person in respect of whom the individual or the individual’s spouse is acting as guardian, or
- (d) a person, other than an employee, who is financially dependent upon the individual or the individual’s spouse

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

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

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

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

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

“fiscal year” means the fiscal year of the Squiala First Nation set out in section 24;

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

“Land Code” means the Squiala First Nation Land Code adopted by the Squiala First Nation under the *First Nations Land Management Act* dated for reference July 20, 2007;

“Land Code Amendments” means the repeal and replacement of sections 18, 20, 21, 22, subsections 19.1 – 19.13 and subparagraphs 25.4(b) and (f) of the Land Code with the following subsections:

“18.1 Conflicts of interest with respect to the management of Squiala First Nation Land will be governed by the rules set out in Schedule “A” of the *Squiala First Nation Financial Administration Law*, 2013; and

19.1 The management of monies derived from Squiala First Nation Land and accountability to Members for the management of those monies will be undertaken in accordance with the *Squiala First Nation Financial Administration Law*, 2013”,

such repeal and replacement to occur after the amendments are approved at a Meeting of Members under the Land Code.

“**local revenue account**” means the local revenue account referred to in section 14 of the Act;

“**local revenue law**” means a local revenue law made by the Squiala First Nation under the Act;

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

“**member**” means a person who is on the Band List as defined under paragraph 1 of the Squiala First Nation Membership Code proclaimed on November 28, 1997, as amended from time to time;

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

“**officer**” means the CEO, CFO, tax administrator, Band Administrator and any other employee of the Squiala First Nation designated by the Council as an officer;

“**officer of the Council**” means the chief, the Chairperson of the Finance and Audit Committee or any other officer of the Council who is appointed or elected to office by the Council;

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

“**related body**” means

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

“**resolution**” means a formal motion moved by a Councillor, seconded by another Councillor and passed by Council;

“**special purpose report**” means a report described in subsection 70(4);

“**spouse**” means, in relation to an individual, a person to whom the individual is married or with whom the individual has lived as a common law partner for at least three (3) years in a marriage-like relationship;

“Squiala First Nation” means the Squiala Indian Band, as represented by its Council, within the meaning of s. 2(1) of the *Indian Act* and a first nation within the meaning of s. 2(1) of the Act;

“Squiala First Nation’s financial assets” means all money and other financial assets of the Squiala First Nation;

“Squiala First Nation Land” has the same meaning as in the Land Code;

“Squiala First Nation Law” means any law, including any Land Code Law, bylaw or code, of the Squiala First Nation made by the Council or, if applicable, the membership of the Squiala First Nation;

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

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

“tangible capital assets” means all non-financial assets of the Squiala First Nation, including land, having physical substance that

- (a) are held for use in the production or supply of goods and services, for rental to others, for economic development or administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets,
- (b) have useful economic lives extending beyond an accounting period,
- (c) are to be used on a continuing basis, and
- (d) are not for sale in the ordinary course of operations;

“tax administrator” means the tax administrator appointed under the Squiala First Nation’s local revenue laws if any.

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

Interpretation

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

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

(4) Except as otherwise expressly provided in this law, references to a part, division, section or paragraph number are references to a part, division, section or paragraph number in this law.

Posting of Public Notice

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

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

Calculation of Time

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

- (a) where the time limited for taking an action ends or falls on a holiday, the action may be taken on the next day that is not a holiday;
- (b) where there is a reference to a number of days, not expressed as “clear days”, between two (2) 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 a provision of this law and the Land Code, the provision of the Land Code prevails.
- (2) If there is a conflict between a provision of this law and another Squiala First Nation Law, other than the Land Code or a local revenue law, the provision of this law prevails.
- (3) If there is a conflict between a provision of this law and a provision of the Act, the Act prevails.
- (4) If there is a conflict between this law and a local revenue law, the local revenue law prevails.

Scope and Application

7. This law applies to the financial administration of the Squiala First Nation including the management of monies derived from Squiala First Nation Land.

PART III - Administration

DIVISION 1 - Council

Responsibilities of Council

8. (1) The Council is responsible for all matters relating to the financial administration of the Squiala First Nation whether or not they have been assigned or delegated to an officer, employee, committee, contractor or agent by or under this law.
- (2) Subject to paragraph 5(1)(f) of the Act, this law and any other applicable Squiala First Nation Law, the Council may delegate to any of its officers, employees, committees, contractors or agents any of its functions under this law except the following:
- (a) the approval of Council policies, procedures or directions;
 - (b) the appointment of members, vice chairperson and chairperson of the Finance and Audit Committee;
 - (c) the approval of budgets and financial statements of the Squiala First Nation;
 - (d) the approval of borrowing of the Squiala First Nation.
 - (e) Council policies, procedures and directions
9. (1) Subject to subsection (2), the Council may establish policies and procedures and give directions respecting any matter relating to the financial administration of the Squiala First Nation.
- (2) The Council must establish policies or procedures or give directions respecting the acquisition, management and safeguarding of Squiala First Nation assets.
- (3) The Council must not establish any policies or procedures or give any directions relating to the financial administration of the Squiala First Nation that are in conflict with this law, the Act or GAAP.

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

(5) The Council must document all its policies, procedures and directions made under 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, Expenses and Contracts

10. (1) Annually the CFO must prepare a report separately listing the following:

(a) the total amount of remuneration, expenses and benefits, including coverage under policies for insurance or medical, dental or related services, paid or provided by the Squiala First Nation to a Councillor and each of the dependents of the Councillor;

(b) any contracts between the Squiala First Nation and a Councillor and between the Squiala First Nation and a dependent of the Councillor for the supply of goods or services, including a general description of the nature of the contracts.

(c) the total amount of remuneration, expenses and benefits, including coverage under policies for insurance or medical, dental or related services, paid or provided by the Squiala First Nation to the CEO and each of the dependents of the CEO;

(d) any contracts between the Squiala First Nation and the CEO and between the Squiala First Nation and a dependent of the CEO for the supply of goods or services, including a general description of the nature of the contracts.

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

(a) in common by all members,

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

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

DIVISION 2 - Finance and Audit Committee

Interpretation

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

Committee Established

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

(2) The Council must appoint not less than three (3) members of the Committee, a majority of whom must have financial competency and, subject to subsection (4), all of whom must have independence.

- (3) The Council must establish policies or procedures or give directions
 - (a) specifying that an individual has independence if the individual does not have a direct or indirect relationship with the Squiala First Nation that could, in the opinion of Council, reasonably interfere with the individual's exercise of independent judgment as a member of the Committee;
 - (b) specifying that the independence of each member of the Committee be tracked, including the annual documented confirmation by each member of their independence;
 - (c) ensuring that all members of the Committee have independence including specifying that the following individuals do not have independence:
 - (i) an individual who is an employee of the Squiala First Nation,
 - (ii) an individual whose immediate family member is an officer of the Squiala First Nation, and
 - (iii) an individual who has a direct or indirect relationship with the Squiala First Nation by which the individual may accept any consulting, advisory, or other compensatory fee paid by the Squiala First Nation to the individual (other than remuneration paid for acting in his or her capacity as a councillor or as a member of any committee or as fixed retirement compensation), to a dependent of the individual or to an entity in which the individual is a partner, owner, member or officer and which provides accounting, consulting, legal or any financial services to the Squiala First Nation or to a related body of the Squiala First Nation.
- (4) The Council may establish a policy that permits the Council to exempt an individual from the application of the policy referred to in paragraph (3)(c) but only under the following circumstances:
 - (a) an exemption may be given on one (1) occasion only for a particular individual and the term of appointment of the individual must not be more than three (3) consecutive years; and
 - (b) the Council, in temporary and exceptional circumstances, determines in its reasonable opinion that
 - (i) the individual is able to exercise the independent judgment necessary for the individual to fulfill his or her responsibilities as a member of the Committee regardless of the individual's relationship with the Squiala First Nation, and
 - (ii) the appointment of the individual to the Committee is considered to be in the best interests of the Squiala First Nation and its members.
- (5) The Committee must have the following composition:
 - (a) subject to subsection (6), at least one (1) of the Committee members must be a Councillor, and
 - (b) at least one (1) of the Committee members must be a member who is not a Councillor.
- (6) If there are five (5) or more Councillors, at least two (2) of the Committee members must be Councillors.
- (7) Subject to subsection (8), the Committee members must be appointed to hold office for staggered terms of not less than three (3) complete fiscal years.

- (8) A Committee member may be removed from office by the Council if
 - (a) the member misses three (3) consecutively scheduled meetings of the Committee without the permission of the Chairperson, or
 - (b) a majority of the members of the Committee recommends removal.

Chairperson and Vice-Chairperson

13. (1) The Council must appoint a Chairperson and a Vice-Chairperson, one (1) of whom must be a Councillor.

- (2) If Council appoints a non-Councillor as Chairperson of the Committee,
 - (a) Council must send to the Chairperson, notices and agendas of all Council meetings,
 - (b) on request of the Chairperson, Council must provide the Chairperson with any materials or information provided to Council respecting matters before it, and
 - (c) the Chairperson may attend and speak at Council meetings regarding those matters.

Committee Procedures

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

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

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

(4) Subject to subsection (5), the CEO and the CFO must be notified of all Committee meetings and, subject to reasonable exceptions, must attend those meetings.

(5) The CEO or the CFO may be excluded from all or any part of a Committee meeting by a recorded vote if

- (a) the subject matter relates to a confidential personnel or performance issue respecting the CEO or the CFO, or
 - (b) it is a meeting with the auditor.
- (6) The Committee must meet
- (a) as necessary to conduct the business of the Committee,
 - (b) in any event, at least once every three (3) months in each fiscal year, and
 - (c) as soon as practical after it receives the audited annual financial statements and report from the auditor.

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

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

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

Financial Administration Responsibilities

15. (1) The Committee:

(a) must, if directed to do so by Council, carry out the following activities in respect of the financial administration of the Squiala First Nation:

(i) annually develop, with assistance from the CEO and CFO as appropriate, and recommend to the Council for approval, short, medium and long term

(A) strategic plans, projections and priorities,

(B) operational plans, projections and priorities,

(C) business plans, projections and priorities, and

(D) financial plans, projections and priorities;

(ii) review, and make recommendations to Council on, any proposed business or financial agreements or taxation agreements with third parties;

(iii) review, and make recommendations to Council on any proposed laws or bylaws that substantially affect the finances of the Squiala First Nation; and

(b) must carry out the following activities in respect of the financial administration of the Squiala First Nation:

(i) review draft annual budgets and multi-year financial plans and recommend them to the Council for approval;

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

(iii) review the quarterly financial statements and recommend them to the Council for approval; and

(iv) perform any other responsibilities of the Committee under this law.

(2) The Committee may, and if requested by Council, must make a report or recommendations to the Council on any matter respecting the financial administration of the Squiala First Nation that is not otherwise specified to be its responsibility under this law.

(3) Unless otherwise provided in this law or another Squiala First Nation Law, the role of the Committee is to provide Council with advice and recommendations to support its decision-making role, and the Committee does not have authority to make decisions binding on Council.

Audit Responsibilities

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

- (a) make recommendations to the Council on the selection, engagement and performance of an auditor;
- (b) receive assurances on the independence of a proposed or appointed auditor;
- (c) review, and make recommendation to the Council on, the planning, conduct and results of audit activities;
- (d) review, and make recommendations to the Council, on the audited and unaudited annual financial statements, including the audited and unaudited 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 honouraria, reimbursable expenses and other exclusive benefits of the Councillors, officers and employees of the Squiala First Nation;
- (f) monitor financial reporting risks and fraud risks and the effectiveness of mitigating controls for those risks taking into consideration the cost of implementing those controls;
- (g) conduct a review of this law under section 104 and, where appropriate, recommend amendments to the Council;
- (h) periodically review, and make recommendations to the Council on, the terms of reference of the Committee.

Council Assigned Responsibilities

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

- (a) to develop, and recommend to the Council for approval, performance measurements and goals designed to confirm that management activities, including financial management, occur as planned;
- (b) to prepare, and recommend to the Council for approval, cash management plans;
- (c) to review, and report to the Council on, the financial content of any reports of the Squiala First Nation;
- (d) to review, monitor and report to the Council on, the appropriateness of the Squiala First Nation's accounting and financial reporting systems, policies and practices;
- (e) to review, and recommend to the Council for approval, any proposed significant changes in the Squiala First Nation's accounting or financial reporting systems, policies, procedures or directions;

- (f) to monitor the collection and receipt of the Squiala First Nation's financial assets, including debts owed to the Squiala First Nation;
- (g) to review, and report to the Council on, the Squiala First Nation's risk management policies and control and information systems and, where appropriate, recommend improvements to the Council;
- (h) to review the adequacy of security of information, information systems and recovery plans and, where appropriate, recommend improvements to the Council;
- (i) to monitor compliance with the legal obligations of the Squiala First Nation, including legislative, regulatory and contractual obligations, and report to the Council;
- (j) to review, and report to the Council on, the adequacy of financial administration personnel and resources;
- (k) to review, monitor, and report to the Council on, the adequacy and appropriateness of the Squiala First Nation's insurance coverage respecting significant risks to the Squiala First Nation;
- (l) to review, monitor, and report to the Council on, material litigation and its impact on financial administration and reporting.

DIVISION 3 - Officers and Employees

Chief Executive Officer

18. (1) The Council must hire a person as the Chief Executive Officer (CEO) of the Squiala First Nation and may set the terms and conditions of that hire.

(2) Reporting to the Council, the CEO is responsible for leading the planning, organization, implementation and evaluation of the overall management of all the day-to-day operations of the Squiala First Nation 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 Squiala First Nation;
- (b) to prepare and recommend to the Council for approval, written descriptions of the powers, duties and functions of all employees of the Squiala First Nation;
- (c) to hire the employees of the Squiala First Nation, as the CEO considers necessary, and to set the terms and conditions of their employment;
- (d) to oversee, supervise and direct the activities of all officers and employees of the Squiala First Nation;
- (e) to oversee and administer the contracts of the Squiala First Nation;
- (f) to prepare, recommend to the Council and maintain and revise as necessary the organization chart referred to in section 21;
- (g) to identify, assess, monitor and report on financial reporting risks and fraud risks;

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

(i) to perform any other duties of the CEO under this law;

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

(3) The CEO may assign the performance of any of the CEO's duties or functions including those in subsection (2)

(a) to an officer or employee of the Squiala First Nation, and

(b) with the approval of the Council, to a contractor or agent of the Squiala First Nation.

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

Chief Financial Officer

19. (1) The Council must hire a person as Chief Financial Officer (CFO) of the Squiala First Nation and may set the terms and conditions of that hire.

(2) Reporting to the CEO, the CFO is responsible for the day-to-day management of the systems of the financial administration of the Squiala First Nation including the following duties:

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

(b) to prepare and maintain, with advice from the Finance and Audit Committee, the Financial Administration Manual described in subsection (3);

(c) to administer and maintain the accounts of the Squiala First Nation including the local revenue account;

(d) to prepare the draft annual budgets and any draft amendments to the component of the annual budget respecting the Squiala First Nation's local revenue account;

(e) to prepare the draft multi-year financial plan described in section 25;

(f) to prepare the monthly financial information required in section 68, the quarterly financial statements required in section 69 and the draft annual financial statements required in section 70;

(g) 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 subparagraph 15(1)(a)(i);

(h) to actively monitor compliance with any agreements and funding arrangements entered into by the Squiala First Nation;

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

- (j) to administer and supervise the maintenance of the records of all receipts and expenditures of the Squiala First Nation to facilitate the annual audit;
 - (k) to actively monitor compliance with the Act, this law, any other applicable Squiala First Nation Law, applicable standards and any policies, procedures and directions of the Council respecting the financial administration of the Squiala First Nation, other than those matters that are the responsibility of the tax administrator under this law, another Squiala First Nation Law or the Act;
 - (l) to prepare or provide any documentation and financial information required by the Council and the Finance and Audit Committee to discharge its responsibilities;
 - (m) to evaluate the financial administration systems of the Squiala First Nation and recommend improvements;
 - (n) to develop and recommend procedures for the safeguarding of assets and to ensure approved procedures are followed;
 - (o) to develop and recommend procedures for identifying and mitigating financial reporting and fraud risks and to ensure approved procedures are followed;
 - (p) to perform any other duties of the CFO under this law;
 - (q) to carry out any other activities specified by the CEO that are not inconsistent with the Act or the CFO's duties under this law.
- (3) The CFO must prepare and maintain a current Financial Administration Manual respecting the financial administration systems referred to in this law.
- (4) The Financial Administration Manual under subsection (3) must be made available to Councillors, members of the Finance and Audit Committee and all other Council committees and officers and employees of the Squiala First Nation except where limited distribution of some of or the entire Financial Administration Manual is required for security reasons.
- (5) If any part of the Financial Administration Manual under subsection (3) is relevant to the services being provided by a contractor or agent of the Squiala First Nation, that part of the Financial Administration Manual must be made available to the contractor or agent.
- (6) With the approval of the CEO, the CFO may assign the performance of any of the duties or functions of the CFO to any officer, employee, contractor or agent of the Squiala First Nation but this assignment does not relieve the CFO of the responsibility to ensure that these duties or functions are carried out properly.

Tax Administrator

20. (1) The tax administrator reports to the CEO in respect of the performance of any of the tax administrator's duties or functions under this law.
- (2) The tax administrator may hold another office or position within the Squiala First Nation.
- (3) With the approval of the CEO, 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 Squiala First 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

21. (1) The CEO must establish and maintain a current organization chart for the governance, management and administrative systems of the Squiala First Nation.

(2) The organization chart under subsection (1) must be approved by Council and must include the following information:

- (a) all governance, management and administrative systems of the Squiala 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 and Audit Committee and all other committees of the Council and the Squiala First Nation,
 - (ii) the CEO, the CFO, the tax administrator and other officers of the Squiala 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 CEO must provide a copy of the organization chart under subsection (1) to a Councillor, a member of a committee referred to in subparagraph (2)(d)(i), an officer, employee or contractor or agent of the Squiala First Nation and a member.

(4) In the course of discharging his or her responsibilities under this law, the CEO 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 Squiala First Nation hires or retains qualified and competent personnel to carry out the financial administration activities of the Squiala First Nation.

DIVISION 4 - Conduct Expectations

Conduct of Councillors

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

- (a) comply with this law, the Act, any other applicable Squiala First Nation Law and any applicable standards,
- (b) act honestly, in good faith and in the best interests of the Squiala First Nation,

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

(d) avoid conflicts of interest and comply with the requirements of Schedule A: Avoiding and Mitigating Conflicts of Interest, including required disclosures of private interests.

(2) If it has been determined under this law or by a court of competent jurisdiction that a Councillor has contravened this section, 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) This section applies to

(a) an officer, employee, contractor and agent of the Squiala First Nation,

(b) a person acting under the delegated authority of the Council or the Squiala First Nation, or

(c) a member of a committee of the Council or the Squiala First Nation who is not a Councillor.

(2) When a person is exercising a power, duty or responsibility relating to the financial administration of the Squiala First Nation, that person must

(a) comply with this law, the Act, any other applicable Squiala First Nation Law and any applicable standards,

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

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

(3) The Council is responsible to ensure the relevant provision of this section is incorporated into

(a) the terms of employment or appointment of every officer or employee of the Squiala First Nation,

(b) the terms of every contract of a contractor of the Squiala First 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 Squiala First Nation.

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

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

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

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

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

PART IV - Financial Management

DIVISION 1 - Financial Plans and Annual Budgets

Fiscal Year

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

Multi-Year Financial Plan

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

- (a) has a planning period of five (5) years comprised of the current fiscal year and the four (4) succeeding fiscal years,
- (b) is based on the projections of revenues, expenditures and transfers between accounts,
- (c) in respect of projected revenues, sets out separate amounts for income from taxes, fees and charges, transfers from Canada or a provincial or territorial government, grants and business operations, and proceeds from borrowing,
- (d) in respect of projected expenditures, sets out separate amounts for payments including payments of principal and interest on debt, payments required for capital projects as defined in PART V, payments required to address any deficits and payments for all other purposes,
- (e) in respect of transfers between accounts, sets out the amounts from the tangible capital asset reserve account,
- (f) shows all categories of restricted cash, and
- (g) indicates whether in any of the five (5) years of the plan a deficit or surplus is expected from the projection of revenues and expenditures for that year.

Content of Annual Budget

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

- (a) each anticipated source of revenue and estimate the amount of revenue from each of these sources including taxes, fees and charges, transfers from Canada or a provincial or territorial government, grants and business operations, and proceeds from borrowing,
- (b) each anticipated category of expenditure and estimate the amount of expenditure for each category including those for payments of principal and interest on debt, payments required for capital projects as defined in PART V, payments required to address any deficits and payments for all other purposes, and
- (c) any anticipated annual and accumulated surplus or annual and accumulated deficit and the application of year end surplus.

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

(3) In subsection (2), "natural resources" has the same meaning as in the Land Code.

Budget and Planning Process Schedule

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

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

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

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

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

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

(5) On or before June 30 of each year, the Finance and Audit Committee must review the draft amendment of the component of the annual budget respecting the Squiala First Nation'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 Squiala First Nation'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 Squiala First Nation demonstrates how and when this deficit will be addressed and how it will be serviced, and

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

Amendments to Annual Budgets

29. Subject to section 37, the annual budget of the Squiala First Nation must not be changed without the approval of the Council upon the recommendation of the Finance and Audit Committee.

Local Revenue Account Budget Requirements

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

Policy for Squiala First Nation Information or Involvement

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

- (a) the annual budget, including any component of the annual budget respecting the Squiala First Nation's local revenue account,
- (b) the multi-year financial plan, and
- (c) budget deficits or extraordinary expenditures.

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

- (a) the multi-year financial plan,
- (b) the annual budget,
- (c) an amendment to the annual budget.

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

(4) The annual budget and multi-year financial plan must be available to members at the principal administrative offices of the Squiala First Nation during normal business hours.

DIVISION 2 - Financial Institution Accounts

Financial Institution Accounts

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

- (a) in the name of the Squiala First Nation,
- (b) opened in a financial institution, and
- (c) authorized by the CEO or the CFO.

(2) The Squiala First Nation must establish the following accounts in a financial institution:

- (a) a general account for money from any sources other than those described in paragraphs (b) to (d),
- (b) a local revenue account for money from local revenues,
- (c) a trust account if the Squiala First Nation has money held in trust, and
- (d) a tangible capital asset reserve account for money set aside for purposes of section 85.

(3) Within the general account referred to in subsection (2), the Squiala First Nation must be able to account separately for money from revenues from Squiala First Nation Land.

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

Accounts Management

33. (1) The CFO is responsible for ensuring the safekeeping of all money received by the Squiala First Nation and for ensuring the deposit of all money received by the Squiala First Nation as soon as practicable into the appropriate accounts described in section 32.

(2) No person may authorize payment of money from an account described in section 32 unless the payment relates to the subject matter for which the account was established and is otherwise authorized or permitted under this law.

DIVISION 3 - Expenditures

Prohibited Expenditures

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

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

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

Prohibited Agreements

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

No expenditure Without Appropriation

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

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

Emergency Expenditures

37. (1) The CEO 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 Squiala First Nation Law.

(2) The Council may 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 CEO the authority to borrow for the purpose of making an expenditure for an emergency purpose.

Appropriations

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

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

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

Payments After Fiscal Year End

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

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

- (a) charged against a suitable appropriation for the following fiscal year, and
- (b) reported in the financial statements for the fiscal year in which the liability was incurred.

Requisitions for Payment

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

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

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

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

(5) A requisition may apply to one (1) or more expenditures chargeable against one (1) or more appropriations.

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

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

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

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

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

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

(8) Unless otherwise directed by Council, two (2) Councillors must authorize payment out of, or sign a requisition for payment from, a trust account.

(9) Unless otherwise directed by Council, two (2) Councillors must authorize payment out of a local revenue account.

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

Form of Payment

41. Payments by the Squiala First Nation may be made by cheque, draft, electronic transfer or other similar instrument that unless otherwise directed by Council, must be signed by two (2) Councillors.

DIVISION 4 - General Matters

Advances

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

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

Holdbacks

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

Deposit Money

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

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

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

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

Interest

45. (1) All interest earned on the accounts described in 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 account must be retained in that account.

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

Refunds

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

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

Write Off of Debts

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

(a) if approved by the Council, or

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

Extinguishment of Debts

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

(a) if approved by the Council, or

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

Year-End Surplus

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

(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.

(4) In deciding what constitutes an operating surplus to be paid to the general account under subsection (1), the Squiala First Nation must comply with the terms of any funding or transfer payment agreements relating to surplus funds.

DIVISION 5 - Borrowing

Limitations on Borrowing

50. (1) Except as specifically authorized in this law or in a local revenue law, the Squiala First Nation must not borrow money or grant security.

(2) Subject to this law, if the Squiala First Nation is authorized in this law to borrow money or grant security, the Council may authorize the CFO to borrow money or grant security in the name of the Squiala First Nation

- (a) as specifically approved by the Council, or
- (b) in accordance with the policies, procedures or directions made by the Council.

Borrowing for Ordinary Operations

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

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

Financial Agreements

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

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

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

Borrowing for Authorized Expenditures

53. (1) If the general account described in section 32 is not sufficient to meet the expenditures authorized to be made from it and the CFO recommends that money be borrowed to ensure that the general account is sufficient for these purposes, the Squiala First Nation may borrow an amount not exceeding a maximum amount specified by the Council and to be repaid within a specified period of time.

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

Borrowing Member Requirements

54. (1) This section applies to the Squiala First Nation if it becomes a borrowing member under the Act.

(2) The Squiala First Nation may only secure long-term financing secured by property tax revenues from the First Nation's Finance Authority as permitted under its local revenue law and the Act.

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

Borrowing for New Capital Projects

55. (1) The Council must establish policies or procedures or give directions respecting in what circumstances the Squiala First Nation may borrow money or grant security for new capital projects described in subsection 88(2) and the means by which members must be informed about or involved in consideration of borrowing money or granting of security for new capital projects described in subsection 88(2).

(2) Prior to deciding whether or not to borrow money or grant security for new capital projects, Council must consider a report by the CFO and CEO that identifies any risks associated with the borrowing or granting of security.

Borrowing for Repayment of Debts

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

Use of Borrowed Money

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

(2) All or some of the money borrowed for a specific purpose by the Squiala First Nation and not required to be used immediately for that purpose may be temporarily invested under subsection 63(1) until required for that purpose.

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

Execution of Security Documents

58. (1) Subject to subsection (2), a security granted by the Squiala First Nation must be signed by two (2) Councillors designated by the Council and by the CEO or the CFO.

(2) A security granted by the Squiala First Nation in respect of local revenues must be signed by two (2) Councillors designated by the Council and by the tax administrator.

Operational Controls

59. 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 Squiala First Nation's operations.

DIVISION 6 - Risk Management

Limitation on Business Activity

60. (1) Subject to subsections (2) and (3), the Squiala First Nation must not

- (a) carry on business as a proprietor,
- (b) acquire an interest in a partnership as a general partner, or
- (c) act as a trustee respecting property used for, or held in the course of, carrying on a business.

(2) The Squiala First Nation may carry on a business that

- (a) is ancillary or incidental to the provision of programs or services or other functions of the Squiala First Nation governance, or
- (b) derives income from the granting of a lease or licence of or is in respect of
 - (i) an interest in, or natural resources on or under, Squiala First Nation lands or lands owned in fee simple by or in trust for the Squiala First Nation, or
 - (ii) any other property of the Squiala First Nation.

(3) The Squiala First Nation may carry on business activities for the primary purpose of profit if, after considering a report by the CEO and CFO, the Council determines that the business activities

- (a) do not result in a material liability for the Squiala First Nation, or
- (b) do not otherwise expose the Squiala First Nation's financial assets, property or resources to significant risk.

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

(5) The Council must develop a policy for assessing material liability and significant risk for the purposes of subsection (3).

Guarantees and Indemnities

61. (1) The Squiala First Nation must not give a guarantee unless the Council has considered the report of the CFO under subsection (2).

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

(3) The Squiala First Nation must not give an indemnity unless it is

(a) authorized under section 103,

(b) necessary and incidental to and included in another agreement to which the Squiala First Nation is a party, or

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

(4) Subject to a resolution described in section 103, the Council must make policies and directions respecting guarantees and indemnities as follows:

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

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

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

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

Authority to Invest

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

(2) If a Squiala First Nation is authorized in this law to invest the Squiala First Nation's financial assets, the Council may authorize the CFO to invest the Squiala First Nation's financial assets

(a) as specifically approved by the Council, or

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

Approved Investments

63. (1) Subject to subsections (2) through (4), money in an account described in section 32 that is not immediately required for expenditures may be invested by the Squiala First Nation in one (1) or more of the following:

(a) securities issued or guaranteed by Canada, a province or the United States of America;

- (b) fixed deposits, notes, certificates and other short term paper of, or guaranteed by a financial institution including swaps in United States of America currency;
- (c) securities issued by the First Nations Finance Authority or by a local, municipal or regional government in Canada;
- (d) commercial paper issued by a Canadian company that is rated in the highest category by at least two (2) recognized security-rating institutions;
- (e) any investments 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 Squiala First Nation as permitted under the terms of the trust or under the laws of the jurisdiction in which the majority of Squiala First Nation Land is located.

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

- (a) a company that is incorporated under the laws of Canada or of a province or territory and in which the Squiala First Nation is a shareholder,
- (b) a trust in which the Squiala First Nation is a beneficiary, or
- (c) a limited partnership in which the Squiala First Nation is a partner.

(4) Despite any other provision in this section, government transfer funds and local revenue funds may only be invested in investments specified in subsection 82(3) of the Act and in investments in securities issued by the First Nations Finance Authority.

Administration of Investments and Loans

64. (1) If the Squiala First Nation is authorized to make an investment or loan under this law, the CFO may do all things necessary or advisable for the purpose of making, continuing, managing, exchanging or disposing of the investment or loan.

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

Risk Assessment and Management

65. (1) Annually, and more often if necessary, the CEO must identify and assess any significant risks to the Squiala First Nation's financial assets, the Squiala First Nation's tangible capital assets as defined in PART V and the operations of the Squiala First Nation.

(2) Annually, and more often if necessary, the CEO 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

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

(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 7 - Financial Reporting

GAAP

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

Monthly Financial Information

68. (1) At the end of each month the CFO must prepare financial information respecting the financial affairs of the Squiala First Nation in the form and with the content approved by the Council on the recommendation of the Finance and Audit Committee.

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

Quarterly Financial Statements

69. (1) At the end of each quarter of the fiscal year the CFO must prepare financial statements for the Squiala First Nation for that quarter in the form and with the content approved by the Council on the recommendation of the Finance and Audit Committee.

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

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

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

(b) reviewed and approved by the Council.

Annual Financial Statements

70. (1) At the end of each fiscal year the CFO must prepare the annual financial statements of the Squiala First Nation for that fiscal year in accordance with GAAP and to a standard that is at least comparable to that generally accepted for governments in Canada.

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

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

- (a) the financial information of the Squiala First Nation for the fiscal year;
- (b) the financial information for the local revenue account that is required to meet the Board standards respecting audit of the local revenue account;
- (c) the revenue categories for Squiala First Nation Land referred to in subsection 26(2).
- (4) The annual financial statements must include the following special purpose reports:
 - (a) a report setting out all payments made to honour guarantees and indemnities for that fiscal year;
 - (b) a report setting out the information required in section 10;
 - (c) a report setting out all debts or obligations forgiven by the Squiala First Nation;
 - (d) a report setting out moneys of the Squiala First Nation derived from Squiala First Nation Land, categorized and shown separately from other revenues and that includes a sub-category respecting revenues from natural resources obtained from Squiala First Nation Land;
 - (e) any other report required under the Act or an agreement.
- (5) The CFO must provide draft annual financial statements to the Finance and Audit Committee for review within forty-five (45) days following the end of the fiscal year for which they were prepared.
- (6) The Finance and Audit Committee must present draft annual financial statements to the Council for review within sixty (60) days following the end of the fiscal year for which they were prepared.

Audit Requirements

- 71. (1) The annual financial statements of the Squiala First Nation must be audited by the auditor.
- (2) The auditor must conduct the audit of the annual financial statements in accordance with generally accepted auditing standards established by the Canadian Institute of Chartered Accountants.
- (3) The auditor must conduct that part of the annual financial statements respecting the local revenue account in accordance with Board standards for the audit of local revenue accounts and must report on that account separately from other accounts.
- (4) When conducting the audit, the auditor must provide
 - (a) an audit opinion of the annual financial statements, and
 - (b) an audit opinion or review comments on the special purpose reports referred to in subsection 70(4).

Appointment of Auditor

- 72. (1) The Council must appoint an auditor for each fiscal year to hold office until the later of
 - (a) the end of the Council meeting when the audited annual financial statements for that fiscal year are being considered, or

- (b) the date the auditor's successor is appointed.
- (2) The terms and conditions of the appointment of the auditor must be set out in an engagement letter approved by the Finance and Audit Committee and must include the auditor's obligation to confirm that the annual financial statements and the audit of them comply with this law, the Act, and Board standards.
- (3) To be eligible for appointment as the auditor of the Squiala First Nation, an auditor must
 - (a) be independent of the Squiala First 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 Canadian Institute of Chartered Accountants, the Certified General Accountants Association of Canada or the Society of Management Accountants of Canada and their respective counterparts in the province or territory in which the public accounting firm or public accountant is practicing, and
 - (ii) licensed or otherwise authorized to practice public accounting in the province or territory in which the majority of Squiala First Nation Land is located.
- (4) If the auditor ceases to be independent, the auditor must as soon as practicable after becoming aware of the circumstances
 - (a) advise the Squiala First Nation in writing of the circumstances, and
 - (b) eliminate the circumstances that resulted in loss of independence or resign as the auditor.

Auditor's Authority

- 73.** (1) To conduct an audit of the annual financial statements of the Squiala First Nation, the auditor must be given access to
- (a) all records of the Squiala First Nation for examination or inspection and given copies of these records on request, and
 - (b) any Councillor, officer, employee, contractor or agent of the Squiala First Nation to ask any questions or request any information.
- (2) On request of the auditor, every person referred to in paragraph (1)(b) must
- (a) make available all records referred to in paragraph (1)(a) that are in that person's care or control, and
 - (b) provide the auditor with full information and explanation about the affairs of the Squiala First Nation as necessary for the performance of the auditor's duties.
- (3) The auditor must be given notice of
- (a) every meeting of the Finance and Audit Committee,

(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 the members of the Squiala First Nation where the financial administration of the Squiala First Nation will be considered.

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

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

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

Review of Audited Annual Financial Statements

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

(2) The Finance and Audit Committee must make a recommendation to Council regarding approval of the audited annual financial statements not more than one hundred fifteen (115) days after the fiscal year end for which the statements were prepared.

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

Access to Annual Financial Statements

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

(a) be approved by the Council,

(b) be signed by

(i) the chief of the Squiala First Nation,

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

(iii) the CFO, and

(c) include the auditor's audit report of the annual financial statements and the auditor's audit opinion or review comments of the special purpose reports referred to in subsection 70(4).

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

(3) The audit report relating to the local revenue account must be available for inspection by any person referred to in subsection 14(2) of the Act at the principal administrative offices of the Squiala First Nation during normal business hours.

Annual Report

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

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

- (a) a description of the services and operations of the Squiala First Nation including land management activities;
- (b) a progress report on any established financial objectives and performance measures of the Squiala First Nation;
- (c) the audited annual financial statements of the Squiala First Nation for the previous fiscal year including special purpose reports.

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

- (a) be made available to the members at the principal administrative offices of the Squiala First Nation, and
- (b) be provided to the Board and the First Nations Finance Authority.

DIVISION 8 - Information and Information Technology

Ownership of Records

77. (1) All records that are produced by or on behalf of the Squiala First Nation or kept, used or received by any person on behalf of the Squiala First Nation are the property of the Squiala First Nation.

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

Operations Manual

78. (1) The CEO must prepare and maintain a current Operations Manual respecting the Squiala First Nation's administrative systems, other than any financial administration systems included in the Financial Administration Manual prepared by the CFO under subsection 19(3).

(2) The Operations Manual under subsection (1) must be made available to Councillors, members of the Finance and Audit Committee and all other Council committees and officers and employees of the Squiala First Nation.

(3) If any part of the Operations Manual under subsection (1) is relevant to the services being provided by a contractor or agent of the Squiala First Nation, that part of the Operations Manual must be made available to the contractor or agent.

Record Keeping and Maintenance

79. (1) The CEO must ensure that the Squiala First Nation prepares, maintains, stores and keeps secure all the Squiala First Nation's records that are required under this law or any other applicable law.

(2) No Squiala First Nation's record may be destroyed or disposed of except as permitted and in accordance with the policies, procedures or directions of the Council.

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

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

Local Revenue Account Records

80. The tax administrator must prepare, maintain, store and keep secure a complete set of all records respecting the local revenue system of the Squiala First Nation, including all records referred to in section 5 of the Local Revenue Management Implementation Regulations.

Confidentiality of Information

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

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

Information Technology

82. The Council must establish policies or procedures or give directions respecting information technology used by the Squiala First Nation in its operations to ensure the integrity of the Squiala First Nation's financial administration system and its data base.

PART V - Squiala First Nation's Tangible Capital Assets

Definitions

83. In this Part:

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

"life-cycle management program" means the program of inspection, review and planning for management of the Squiala First Nation's tangible capital assets as described in section 87;

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

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

Council General Duties

84. The Council must take reasonable steps to ensure that

- (a) the Squiala First Nation's tangible capital assets are maintained in a good and safe condition and to the same standard as a prudent owner of those assets,
- (b) the rehabilitation or replacement of the Squiala First Nation's tangible capital assets is in accordance with a life-cycle management program described in this Part, and
- (c) capital projects for the construction of buildings or other improvements are financed, planned and constructed in accordance with procedures and to standards, that generally apply to the financing, planning and construction of public buildings and other improvements of organized communities in the region in which the majority of Squiala First Nation Land is located.

Tangible Capital Assets Reserve Fund

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

Reports on Capital Projects

86. At each Finance and Audit Committee meeting, the CEO must report on the following subjects:

- (a) year to date borrowings, loans and payments in respect of each capital project;
- (b) the status of a capital project including
 - (i) a comparison of expenditures to date with the project budget,
 - (ii) a detailed description of any identified legal, financial, technical, scheduling or other problems, and
 - (iii) the manner in which a problem identified in subparagraph (ii) has been or will be addressed;
- (c) steps taken to ensure compliance with section 89 for every capital project.

Life-Cycle Management Program

87. (1) The CEO must establish and keep current a register of all the Squiala First Nation's tangible capital assets that identifies each of these assets and includes the following information:

- (a) location and purpose of the asset;
- (b) ownership and restrictions over ownership of the asset;
- (c) year of acquisition;
- (d) last inspection date of the asset;
- (e) expected life of the asset at the time of acquisition;

- (f) assessment of condition of the asset and its remaining useful life;
- (g) estimated residual value of the asset;
- (h) insurance coverage for the asset;
- (i) any other information required by the Council.

(2) On or before November 30 of each year, the CEO must arrange for the inspection and review of the state of each of the Squiala First Nation's tangible capital assets to establish or update information respecting the following matters:

- (a) its present use;
- (b) its condition and state of repair;
- (c) its suitability for its present use;
- (d) its estimated remaining life;
- (e) its estimated replacement cost;
- (f) estimated dates and costs of its required future rehabilitation;
- (g) a comparison of annual operating and maintenance costs, other than rehabilitation costs, for the last five (5) fiscal years;
- (h) maintenance records for all periods up to the date of inspection;
- (i) property and liability insurance covering the capital asset and its use or operation.

(3) On or before December 31 of each year, the CFO must prepare the following:

- (a) a schedule of annual routine maintenance, other than rehabilitation, for each of the Squiala First Nation's tangible capital assets for the next fiscal year;
- (b) five (5), ten (10) and thirty (30) year forecasts of the estimated cost for rehabilitation or replacement of the Squiala First Nation's tangible capital assets;
- (c) the proposed budget for rehabilitation of the Squiala First Nation's tangible capital assets for the next fiscal year, setting out
 - (i) each proposed rehabilitation project and its schedule,
 - (ii) the estimated cost, including contingencies of each proposed rehabilitation project, and
 - (iii) the estimated amounts and timing of money that is required to carry out each proposed rehabilitation project;
- (d) the proposed budget for replacement of the Squiala First Nation's tangible capital assets for the next fiscal year setting out

- (i) each proposed replacement project and its schedule,
 - (ii) the description of each asset to be replaced,
 - (iii) the estimated cost, including contingencies, of each proposed replacement project, and
 - (iv) the reasons why each proposed acquisition should be regarded as a replacement for the capital asset to be replaced;
- (e) the proposed budget for new construction or acquisition of Squiala First Nation's tangible capital assets in the next fiscal year and five (5), ten (10), and thirty (30) year forecasts of the estimated cost for new construction or acquisition of Squiala First Nation's tangible capital assets.

Review by Finance and Audit Committee

88. (1) On or before January 15 of each year, the Finance and Audit Committee must review the information, schedules and budget prepared under section 87 for the following purposes:

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

(2) On or before January 15 of each year, the Finance and Audit Committee must review any plans for new construction or acquisition of Squiala First Nation's tangible capital assets including

- (a) the proposed schedule, budget and impact on annual operating costs and routine maintenance costs in future years,
- (b) the budget and information prepared under paragraph 87(3)(e), and
- (c) a report from the CFO and CEO regarding the need for and risks associated with borrowing or granting security for the construction or acquisition of new Squiala First Nation's tangible capital assets.

Capital Projects – Contracts and Tenders

89. (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,
- (h) holdbacks, work approvals, payment and audit procedures.

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

Capital Project Consultants

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

Policy for Information or Involvement of Members

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

- (a) the provision of information to members respecting capital projects, or
- (b) the involvement of members in consideration of capital projects.

PART VI - Borrowing Member Requirements

Application

92. This Part applies to the Squiala First Nation if it is a borrowing member as defined in the Act.

Compliance with Standards

93. (1) The Squiala First Nation must comply with the all applicable Board standards.

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

PART VII - Land Management

Application

94. This Part applies to the Squiala First Nation so long as the Land Code is in effect.

Obligations

95. (1) The Squiala First Nation must comply with the *First Nations Land Management Act* and the Land Code.

(2) The council must establish and implement any other policy or policies not otherwise required by this law that are necessary to ensure its financial administration systems satisfy paragraph 6(1)(e) of the *First Nations Land Management Act*.

PART VIII - Oil and Gas and Moneys Management

Application

96. This section applies to the Squiala First Nation if it enacts a financial code under the *First Nations Oil and Gas and Moneys Management Act*.

Obligations

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

PART IX - Miscellaneous

Reports of Breaches and Financial Irregularities, etc.

98. (1) Subject to subsections (2) and (3), if any person has reason to believe that
- (a) an expenditure, liability or other transaction of the Squiala First Nation is not authorized by or under this law or another Squiala First Nation Law,
 - (b) there has been a theft, misappropriation or other misuse or irregularity in the funds, accounts, assets, liabilities and financial obligations of the Squiala First Nation,
 - (c) a provision of this law has been contravened, or
 - (d) a person has failed to comply with Schedule A of this law,

the person may report the circumstances to the Chairperson of the Finance and Audit Committee.

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

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

Inquiry into Report

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

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

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

Protection of Parties

100. (1) All reasonable steps must be taken by the CEO, 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 98 is kept confidential to the extent practicable in all the circumstances.

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

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

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

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

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

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

Referral to Adjudicator

101. If the person who makes a report under section 98 is not satisfied that the inquiry and report under section 99 have resolved the matter raised in the report, that person may notify Council that the person wishes to refer the matter to an adjudicator under section 35 of the Land Code and the appointment of an adjudicator and an adjudication of the matter will be held in accordance with that section of the Land Code.

Liability for Improper Use of Money

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

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

(3) An amount owed to the Squiala First Nation under subsections (1) or (2) may be recovered for the Squiala First Nation by the Squiala First Nation, a member or a person who holds a security under a borrowing made by the Squiala First Nation.

(4) It is a good defence to any action brought against an officer or employee of the Squiala First Nation for unauthorized expenditure, investment or use of Squiala First Nation 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

103. (1) In this section:

“indemnify” means to pay amounts required or incurred

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

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

“Squiala First Nation official” means a current or former Councillor, officer or employee of the Squiala First Nation.

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

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

Periodic Review of Law

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

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

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

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

(a) the provision of information to members of the Squiala First Nation respecting any proposed amendment of this law, or

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

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

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

Provision of Law to First Nations Finance Authority

105. As soon as practical after the Board approves this law, the Council must provide a copy of the law to the First Nations Finance Authority.

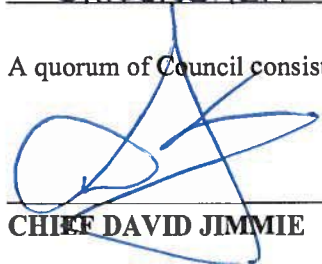
Coming into Force

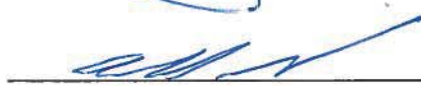
106. (1) This section and sections 1, 2, 3, 4, 5, 6, 7, 11, 14, 15, 16, 17, 18, 24, 26, 27, 28, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39, 40, 41, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 98, 99, 100, 101, subsections 12(1), 12(5)–12(8), 18(1), 19(1), 104(2)–(4) and Schedule A of this law shall come into force the day after the date this law is approved by the Board under section 9 of the Act or the day after the date the Land Code Amendments are in effect in accordance with the Land Code, whichever is later.

(2) Subject to subsection (1), this law comes into force on the day that is thirty-six (36) months after the date the Squiala First Nation is accepted as a borrowing member of the FNFA, or earlier by resolution of Council.

THIS LAW IS HEREBY DULY ENACTED by Council on the 6 day of MARCH, 2013, at
CHILLIWACK, in the Province of British Columbia.

A quorum of Council consists of two (2) members of Council.



CHIEF DAVID JIMMIE

COUNCILLOR ALLEN JIMMIE

COUNCILLOR STEPHEN JIMMIE

SCHEDULE A – AVOIDING AND MITIGATING CONFLICTS OF INTEREST

INTERPRETATION

Interpretation

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

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

(3) Except as otherwise expressly provided in this Schedule, references to a part, section or paragraph number are references to a part, section or paragraph number in this Schedule.

(4) Sections 2 and 4 of this law apply to this Schedule.

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

(6) For greater certainty, this Schedule also applies to conflicts of interest in the management of Squiala First Nation Land.

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’s “private interests” mean 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 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

(3) 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 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 I - Councillors and Committee Members

Application

3. This Part applies to all Councillors of the Squiala 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.

(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 Squiala First Nation Land.

(2) A Councillor must file a written disclosure of the following information with the CEO

(a) the names of the Councillor’s spouse and any persons or entities referred to in section 13,

(b) the employer of the Councillor and the Councillor’s spouse,

(c) real property owned by the Councillor or the Councillor’s spouse,

(d) business interests and material investments of the Councillor or the Councillor’s spouse, including in an entity referred to in section 13.

(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,

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

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

Gifts and Benefits

6. (1) A Councillor or a person referred to in paragraphs 2(2)(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 Squiala First Nation,
 - (b) has a value of less than \$50,
 - (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 Squiala First Nation to another person.
- (3) If a gift or benefit does not fall within the exceptions in subsection (2), the Councillor must make a disclosure of the gift to the CEO under section 5 and the gift must be treated as the property of the Squiala 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.
 - (c) Councillors must only use confidential information referred to in subsection (1) for the specific purposes for which it was provided to the Councillors.
- (2) 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.

(6) A decision for which disclosure is required under subsection (1) is not invalid and is non-voidable, and the Councillor is not accountable to the Squiala First Nation or its members for any benefit received from the decision, because of the Councillor's interest in the decision, if

- (a) the disclosure and handling of the conflict of interest was made in accordance with subsections (1) to (5);
- (b) the Council approved the decision; and
- (c) the decision was reasonable and fair to the Squiala First Nation when it was approved.

(7) If Council is unable to vote on a proposed law or resolution due to a conflict of interest, Council may, by resolution, refer the matter to a meeting of members and the members may enact the law or resolution in accordance with the procedure specified in a Squiala First Nation Law or in the resolution referring the matter to the members.

Procedure for Undisclosed Conflict of Interest

9. (1) If a Councillor has reason to believe that he or she or another Councillor has a 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 and the Councillor does not acknowledge the conflict of interest and take the actions required under section 8, the Council must determine whether the Councillor has a 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, the Councillor must comply with section 8.

Obligations of Committee or Board Members or Other Bodies of Squiala First Nation

10. (1) This section applies to all members of Council committees or other committees, boards or bodies of the Squiala First Nation.

(2) Sections 4 and 6 to 9 apply to a member of a Council committee or other committees, boards or bodies of the Squiala First Nation and all references in those sections to

- (a) a Councillor are considered to be references to a member of a Council committee or other committees, boards or bodies of the Squiala First Nation, and
- (b) a Council meeting are considered to be references to a Committee meeting or other committees, boards or bodies of the Squiala First Nation.

(3) If a board, committee or other body is unable to act due to a conflict of interest, the board, committee or other body will, as appropriate, refer the matter to Council and Council may decide the matter.

PART II - Officers and Employees

Application

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

(2) An officer or employee must avoid circumstances that could result in the officer or employee having a conflict of interest and must avoid taking steps that they know or should reasonably know could put a Councillor in a 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 CEO 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. (1) 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 CEO or, in the case of the CEO, to the chairperson 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 CEO or the chairperson, 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 Squiala First Nation,
- (b) has a value of less than \$50,
- (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 Squiala 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 CEO or, in the case of the CEO, to the chairperson 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.

(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.

Squiala First Nation Property and Services

17. (1) Officers and employees must not use any personal property or services of the Squiala 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) Officer and employees must not acquire any personal property of the Squiala First Nation unless it is done in accordance with policies or directions of the Council.

PART III - Contractors

Application

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

General Obligations

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

(a) in its dealings with the Squiala First Nation, and

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

(2) A contractor must not attempt to obtain preferential treatment from the Squiala 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 Squiala 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 Squiala First Nation and which the contractor becomes aware of while performing services for the Squiala First Nation unless the Squiala First Nation has determined not to pursue the opportunity.

Squiala First Nation Property and Services

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

PART IV - Penalties

Penalty

24. In addition to any other penalty that may be prescribed by law for breach of this Schedule, an individual is liable and must account to Squiala First Nation for any benefit to himself, or persons or entities described in paragraphs 2(2)(a) to 2(2)(e), resulting from a violation of this Schedule.

