

Statement of Policy and Procedure	
Policy No.	SPP -01
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Delegated and Assigned Responsibilities Policy

Approved by Chief & Council on September 23, 2015

1. Policy

While the overall responsibility for financial management of the First Nation remains with the Council, it is Council's policy to give specific financial administration authority to identified departments, committees and individuals for the purpose of performing duties, making commitments, and authorizing the collection and disbursement of funds on behalf of the First Nation.

2. Purpose

The purpose of this policy is to document and specify the use of delegation and assignment authority to transfer the responsibility for making a decision or performing a duty to another functional area, officer, employee, or agent and to provide accountability with respect to financial authorization and authority to bind the First Nation to legal obligations.

3. Scope

- (1) This policy and procedure applies to the Council, committees of Council, officers, employees of the First Nation and any other persons with authority to conduct activities in connection with the Financial Administration of the First Nation.
- (2) In addition to the authorities and responsibilities identified within this policy and procedure document, the following transactions or decisions will comply with their related policies and procedures.
 - (a) Expenditures
 - (b) Procurement
 - (c) Debt
 - (d) Investments
 - (e) Capital assets
 - (f) Loans, Guarantees and Indemnities
 - (g) Local Revenue
 - (h) Insurance
 - (i) Human Resources
 - (j) Records Management
 - (k) Financial Reporting
 - (l) Integrated Planning and Budget

4. Definitions

"Authorization and Delegation Table" means a table approved by Council specifying the delegation and assignment authorities over decisions or activities in connection with the financial administration of the First Nation.

“to assign” means the transfer of duties or functions from one person to another where the former person (the assignor) retains responsibility for ensuring the activities are carried out;

“to delegate” means the transfer of the authority to carry out decisions or activities from Council to an officer where the officer receiving the delegation authority assumes full responsibility for carrying out the activities;

“officer” means the Executive Director, Finance Manager, Tax Administrator or any other employee of the First Nation designated by the Council as an officer;

“Executive Director” means the person who is responsible for leading the day to day administration or management of the First Nation and who reports directly to Council.

5. Responsibilities

(1) Council can delegate or assign to others any or all of its financial management activities or functions except:

5.1.1.approval of policies and procedures or the giving of directions respecting any financial administration matter;

5.1.2.approval of budgets, budget amendments, borrowings and financial statements;

5.1.3.approval of the Authorization and Delegation Table;

5.1.4.any matter which is the employment or statutory responsibility of the Executive Director, the Finance Manager or the Tax Administrator;

5.1.5.the appointment and removal of the Finance and Audit Committee members, including the Chairperson and Vice-Chairperson.

(2) The Executive Director can assign any or all of his or her financial management activities or functions except:

(a) maintaining and revising the Authorization and Delegation Table;

(b) ensuring those with delegated authority understand their responsibilities and have the skill and knowledge necessary for the effective exercise of the authority;

(c) establish protocols for delegation and temporary assignments to deal with absences due to illness, vacation, or other extended leaves;

(d) on a regular and periodic basis, monitoring performance of individuals’ delegated authorities to ensure that the delegated authority is being exercised in the manner intended and that there is no delegation of authority when specifically precluded under this policy.

- (3) All officers, employees, committees, contractors or agents of the First Nation are responsible when acting under delegated authority to ensure the activity or function is within the authority and limitation of their delegation and that they have followed other relevant policies and procedures.
- (4) Officers, employees, committees, contractors or agents of the First Nation may reassign functional authorities and responsibilities as long as it is made in accordance with the Authorization and Delegation Table.
- (5) Officers, employees, committees, contractors or agents will ensure that decisions or transaction approval falling outside of their scope of authority are referred to the Executive Director or otherwise as appropriate.
- (6) Regardless of the delegation of any financial administration authority by the Council, the Council remains responsible for the financial management of the First Nation.

6. Procedures

(1) Procedures for delegation

- 6.1.1. The Executive Director is responsible for preparing and updating the Authorization and Delegation Table in accordance with this policy for the First Nation.
- 6.1.2. The Executive Director will ensure an appropriate level of documentation including a signed delegation of authority statement or agreement accompanies and is maintained with the Authorization and Delegation Table.
- 6.1.3. The Executive Director will submit the Authorization, Assignment and Delegation Table to Council for approval and Council will at least annually, with a motion duly recorded in the minutes, approve the Authorization and Delegation Table.
- 6.1.4. The Executive Director will ensure that the delegation of authorities is communicated to each department head and other persons as appropriate to ensure the delegated responsibilities can be carried out effectively.
- 6.1.5. Council, Committees, Executive Director, officers, employees, contractors, or agents delegate authority only when there is assurance that the control objectives of authorization of the decision or transaction will be effectively served.

(2) Procedures for the Authorization, Assignment and Delegation Table

- (a) The Authorization and Delegation Table will include components of the financial management system that require decisional and approval authority to carry out activities, make commitments, collect and disburse funds on behalf of the First Nation.

- (b) Any delegation of authority granted will be aligned with the hierarchical organizational chart structure.
- (c) Updates made to the Authorization and Delegation Table by the Executive Director will be approved by Council. The Executive Director will submit an updated Authorization and Delegation Table to Council for approval as soon as practicable.

(3) Temporary delegation of responsibility

- (a) Short-term – Each functional area or department with authority under the Table will establish a protocol for delegation of responsibility to deal with absences due to illness, vacations, and other forms of temporary leave. Delegations of assignment are to be documented and distributed to the Executive Director.
- (b) Long-term – Any delegation of responsibility of a long-term nature will be approved by the Executive Director and appropriately documented.

(4) Procedures for monitoring and evaluation

- (a) The Executive Director will at least annually, monitor and evaluate the performance of the delegated duties and functions and if necessary make recommendations to Council for amendments to the Authorization and Delegation Table.

7. References

(1) FMB's Financial Management System Standards

7.1.1. Standard 8.1 DELEGATED/ASSIGNED RESPONSIBILITIES – Council delegation procedures

(2) FMB's Financial Administration Law Standards

- (a) Standard 8.1 FIRST NATION COUNCIL – mandated responsibility
- (b) Standard 8.2 FIRST NATION COUNCIL – delegation
- (c) Standard 11.1.6 EXECUTIVE DIRECTOR – permitted assignment
- (d) Standard 11.2.5 FINANCE MANAGER – permitted assignment

8. Attachments

Appendix A – Authorization and Delegation Table

Appendix B – Council Delegation of Duty/Function Agreement

Appendix C – Implementation notes

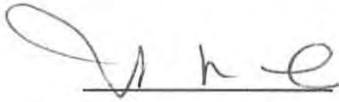
Appendix A – Authorization and Delegation Table

	Financial Administration Activity / Function	Who is Responsible	Authorization level	Authority Limit	Authority Standard
1	Annual Budget	Council / Finance & Audit Committee	Finance & Audit Committee make recommendation to Council	All	Integrated Planning Policy
2	Financial Statements	Council / Finance & Audit Committee	Finance & Audit Committee make recommendation to Council	All	Financial Reporting Policy
3	Policies & Procedures	Council / Finance & Audit Committee	Finance & Audit Committee make recommendation to Council	No delegation	Policies, Procedures Policy
4	Hiring of Officers	Council	Council responsible for hiring Executive Director, Finance Manager and Tax Administrator	No delegation	HR Policy
		Executive Director	Executive Director hires employees other than officers	No delegation	HR Policy
5	Termination & Severance - Officers	Council	Council makes decisions affecting Executive Director, Finance Manager and Tax Administrator	No delegation	HR Policy
		Executive Director	Executive Director makes decisions affecting employees other than officers	No delegation	HR Policy
6	Salary Adjustments- Officers	Council	Council makes decisions affecting Executive Director, Finance Manager and Tax Administrator	No delegation	HR Policy
		Executive Director	Executive Director makes decisions affecting employees other than officers	No delegation	HR Policy
7	Expenditures	Council	Must authorize purchases greater than \$10,000.00	No delegation	Expenditures Policy
		Executive Director	Must authorize purchases greater than \$1,000.00 and less than \$10,000.00	No delegation	Expenditures Policy
		Finance Manager	Responsible for all purchases up to \$10,000.00	Can assign to officer	Expenditures Policy
8	Professional Service Contracts	Executive Director	Must authorize contracts greater than \$10,000.00	No delegation	Procurement Policy
		Finance Manager	Responsible for contracts up to \$10,000.00	Can assign to Officer	Procurement Policy
9	External Auditor	Council / Finance & Audit Committee	Finance & Audit Committee make recommendation to Council	No delegation	Audit Policy
10	Insurance	Finance Manager	Must approve all insurance coverage and premiums.	Can assign to subordinate	Insurance Policy
11	Business Transactions	Council / Finance & Audit Committee	All new business opportunities, business ventures, partnerships etc. Finance & Audit committee make recommendation to Council.	All	Risk Management /Integrated Planning Policy
12	Divestitures	Council	Must approve divestitures greater than \$1,000.00. Finance & Audit committee make recommendation to Council	All	Tangible Capital Assets/ Integrated Planning policy

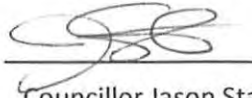
	Financial Administration Activity / Function	Who is Responsible	Authorization level	Authority Limit	Authority Standard
		Executive Director	Must approve divestitures up to \$100,000.00	Can Delegate to Finance Manager	Tangible Capital Assets/ Integrated Planning policy
13	Capital Assets	Council	Must authorize capital assets greater than \$ 100,000.00	No delegation	Tangible Capital Assets Policy and Budget
		Executive Director	Must authorize capital assets greater than \$5,000.00 and less than \$100,000.00	No delegation	Tangible Capital Assets Policy and Budget
		Finance Manager	Must authorize capital assets up to \$5,000.00	Can assign to subordinate	Tangible Capital Assets Policy and Budget
14	Capital/Operating Leases	Finance Manager	Must authorize all lease commitments	Can assign to subordinate	Tangible Capital Assets Policy and Budget
15	Cash Management – disbursements & transfers	Executive Director	Must authorize amounts greater than \$10,000.00	No delegation	Expenditure Policy
		Finance Manager	Must authorize amounts up to \$10,000.00	No delegation	Expenditure Policy
16	Bank accounts – opening/closing	Finance Manager	Must approve all new or closed accounts	No Delegation	
17	Temporary Investments	Finance Manager	Must authorize investments up to \$10,000.00	Can assign to 3 rd party or subordinate	Investment Policy
18	Financing transactions – debt issuance and debt retirement and Guarantees	Council / Finance & Audit	Must approve all debt transactions greater than \$5,000.00	Can assign to Executive Director	Debt Policy
		Executive Director	Must approve all debt transaction up to \$5,000.00	Can assign to Finance Manager	Debt Policy
19	Regulatory/Contractual filings and Reports	Finance Manager	Must approve all external Reporting	No delegation	Financial Reporting Policy
20	Payroll	Finance Manager	Must approve periodic payroll	Can assign to subordinate	Expenditure Policy
21	Expense Reports	Finance & Audit Committee Chairperson	Approve councillors expense report	No delegation	Expenditure Policy
		A member of Council	Approve Executive Director, Finance Manager expense report	No delegation	Expenditure Policy
		Executive Director	Approve Finance Manager reports	No delegation	Expenditure Policy
		Finance Manager	Approve officers	No delegation	Expenditure Policy
22	Journal Entries	Executive Director	Must approve entries not in ordinary course of business greater than \$5,000.00	No delegation	
		Finance Manager	Must approve all entries other than not in ordinary course of business greater than \$5,000.00	No delegation	

This Authorization and Delegation Table is approved by Council on the 23 day of September, 2015

A full quorum of Council consists of _5_ members of Council.



Chief Lance Roulette



Councillor Jason Starr



Councillor Michael Dumas



Councillor Randal Roulette



Councillor Brian Spence



Witness

Appendix B – Council Delegation of Duty/Function Agreement

I have read and understood the nature and limits of the duty/function delegated to me, as documented in the Delegated and Assigned Responsibilities Policy and Procedures SPP-01 dated November 1, 2015 and agree to comply with the performance standards established.

Agreed to on the 23 day of September 2015

Chief Lance Roulette

Councillor Jason Starr

Councillor Michael Dumas

Councillor Randal Roulette

Councillor Brian Spence

Witness

Appendix C – Implementation notes

- i. **First Nations that intend to adopt and implement FMB's Financial Administration Law Standards (Core Document A2) must address these requirements:**
 - a. **Section 8.1 Responsibility** – a Financial Administration Law of the First Nation makes the Council responsible for the financial administration whether or not any part of that function is assigned or delegated. Link [FMB FAL Standards \(Core Document A.2\)](#)
 - b. **Section 8.2 Delegation** – A Financial Administration Law may permit the Council to delegate functions except for limited functions such as approval of budgets, Policies & Procedures, financial statements, and appointment of the Finance and Audit Committee. Link [FMB FAL Standards \(Core Document A.2\)](#)
- ii. **First Nations intending on having their Financial Management System certified by the FMB must address the following requirements:**
 - a. **Section 8.1 of the Financial Management System Standards** established by FMB requires the establishment and implementation of documented policies and procedures for the permitted delegation of any function or duties of Council respecting their financial management system. Link [-FMB Financial Management System Standards \(Core Document B2\)](#)
 - b. **Section 8.2 of the Financial Management System Standards** established by FMB requires the establishment and implementation of documented procedures for assignment duties and responsibilities. Link [-FMB Financial Management System Standards \(Core Document B2\)](#)
- iii. The Authorization and Delegation Table included in **Appendix – A** is for illustrative purposes. It includes a common list of Council functions that are necessary for the effective operation of the financial administration of a First Nation.
- iv. The primary responsibilities and accountabilities with respect to delegation of authority will typically rest with;
 - a. the Council (includes committees of Council)
 - b. the Executive Director
 - c. the Finance Manager
 - d. Key staff with delegations
- v. Any function/activity delegated, that is, where responsibility has transferred, the person receiving the delegation must agree in writing (Appendix B). This process should be updated annually and approved by Council.

Statement of Policy and Procedure	
Policy No.	SPP-02
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Policies, Procedures and Directions Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy to create, revise, and issue policies and procedures that reflect the First Nation's accepted practices as well as meet law and regulatory requirements that affect the First Nation's financial administration processes.

2. Purpose

The purpose of this policy is to ensure that there is a standardized method of preparation, review, issuance, maintenance and revision of all policies and procedures in relation to the First Nation's financial management system.

3. Scope

This policy and procedure applies to the Council, committees of Council and all employees and any other persons with authority to conduct activities in connection with the financial administration of the First Nation.

4. Definitions

"generally accepted accounting principles" – generally accepted accounting principles ("GAAP") of the Canadian Institute of Chartered Accountants, as amended or replaced from time to time.

5. Responsibilities

All persons affected by this policy are required to understand and comply with the policies and procedures appropriate to their responsibility and interaction.

Any employee or department (document initiator) can recommend a policy and procedure.

(1) Council is responsible for the final approval of new, revised or rescinded policies and procedures.

(2) Finance and Audit Committee is responsible for:

- (a) making recommendations to Council for the issuance, revision or rescission of any policy and procedure document;
- (b) ensuring policy and procedure documents being reviewed are neither contradictory to the First Nation's Financial Administration Law nor inconsistent with GAAP;
- (c) conducting an assessment for each significant function or activity of the Nation's financial administration to determine if a policy and procedure document is required (e.g. policies and procedures that ensure the control and safeguarding of all the assets of the Nation);
- (d) conducting an assessment of the First Nation's Financial Administration Law to determine the policies or procedures required by the Law.

(3) The Executive Director is responsible for:

- (a) reviewing all policy and procedure document requests and submitting the document to the Finance and Audit Committee for review and a recommendation to Council for approval where the Executive Director supports the request;
- (b) determining if the policy and procedure document request needs to be referred to a subject matter expert for additional review;
- (c) determining if the policy and procedure document needs cross functional review from other departments within the Nation;
- (d) ensuring that the current list of policy and procedures are made available to all affected persons.

(4) The Financial Manager is responsible for:

- (a) maintaining a comprehensive list and repository of all existing policies and procedure documents;
- (b) ensuring proposed or revised policy and procedure documents are in the standardized format;
- (c) ensuring proposed or revised policy and procedure documents incorporate the requirements of the Nation's laws and regulatory requirements;
- (d) monitoring the policy and procedure document through the draft, approval, and issuance process;
- (e) serving as the policy and procedure document sponsor and providing the initial approval to the document initiator to proceed with creating a proposed document, revising an existing document or rescinding an existing policy; and
- (f) ensuring that existing policy and procedures are kept current by reviewing periodically.

(5) The document initiator is responsible for:

- (a) preparing a draft policy and procedure document (for new policies) in accordance with the standardized format established by this policy;
- (b) revising an issued policy and procedure document in accordance with the standardized format;
- (c) preparing a written request to rescind an outdated or inaccurate policy and procedure document;
- (d) submitting all policy and procedure document requests to the Financial Manager or delegated authority for review and recommendation of approval.

6. Procedures

Policy Creation

- (1) The document initiator creating the policy and procedure should be the process owner or a subject area expert.

- (2) Any employee or department may recommend a policy but in the first instance, the Financial Manager will create a list of all policies and procedures required by the Nation's financial administration law or required to adequately and effectively manage and control the financial management system and to safeguard the Nation's assets. The Financial Manager will then assign the responsibility of document initiator to a process owner or subject area expert for policies and procedures that do not exist or require revision.
- (3) The Financial Manager and the document initiator will agree on appropriate content (iterative reviews if necessary) keeping within the following format for the policy;
- (a) **Policy** – clear statement that indicates the protocol or rule affecting the specific area
 - (b) **Purpose** – The reason or rationale underlying the policy and procedure
 - (c) **Scope** – The areas, functions, individuals, or departments affected by the policy
 - (d) **Definitions** – Any specialized terms that are not otherwise defined
 - (e) **Responsibilities** – Describes who, using generic titles or positions, is responsible for implementing or maintaining the policy and procedure
 - (f) **Procedures** – Describes the steps, details, or methods to be used to implement and maintain the policy and procedures
 - (g) **References** (optional) – List of applicable documents, policies, laws and regulations
 - (h) **Attachments** (optional) - forms, reports, or records that are generated from the policy
- (4) The Financial Manager will submit final draft policy and procedure documents to the Executive Director for review and recommendation for submission to the Finance and Audit Committee.
- (5) The Finance and Audit Committee will review the draft policy and procedure documents and may recommend them, with or without amendments, to Council the final approval.
- (6) Each policy and procedure document presented to Council for approval will include a list of the persons affected by the policy and a documented record of the Finance and Audit Committee's review and recommendation.

Policy Revision

- (1) The document initiator may recommend the revision of an issued policy and procedure following steps under "Policy Creation".
- (2) Periodically, but at least every two years the Financial Manager will review issued policies and procedures or will request process owners to validate existing policy and procedures for accuracy.

Policy Rescission

- (1) A process owner may request the rescission of an issued policy and procedure, if the policy is outdated or inaccurate and approval is obtained from the Executive Director and Financial Manager.

- (2) The request to formally rescind an issued policy should be documented and provide the details of why the policy should be rescinded.

Policy Approval

- (1) Once approved by Council, a new or revised policy must be communicated and accessible to the all affected departments and persons.

Policy Maintenance

- (1) At least every two years, all issued policy and procedures documents will be reviewed for completeness, accuracy, and relevancy and revised or rescinded accordingly.

7. References and Related Authorities

- (1) FMB's Financial Management System Standards

- (a) Standard 9.1.1 Policy, Procedures and Directions
- (b) Standard 9.1.2 Consistency with the Financial Administration Law and GAAP
- (c) Standard 9.1.3 Revised council documents
- (d) Standard 9.1.4 List of council documents

- (2) FMB's Financial Administration Law Standards

- (a) Standard 8.3 Policies, Procedures and Directions

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-03
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Reporting of Compensation, Benefits and Contracts Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy and a requirement of the First Nation's Financial Administration Law to annually disclose all remuneration, expenses and benefits that each Councillor and the Executive Director (and each of the members of their respective families) receive from the First Nation.

2. Purpose

The purpose of this policy is to establish accountability, transparency and full disclosure of Council and Senior Management remuneration, expenses and benefits and those received by each of the members of their respective families.

3. Scope

This policy and procedure applies to Council, the Executive Director and their family members.

This policy and procedure does not apply to remuneration, expenses or benefits received:

- (a) in common by all First Nation members;
- (b) under a program or service universally accessible to First Nation members on published terms and conditions; or
- (c) from a trust agreement, according to the terms of the trust.

4. Definitions

"business" means any for-profit or not-for-profit corporate entity, partnership, sole proprietorship, or joint venture supplying goods or services to the First Nation.

"Contract" means a contract for goods or services between the First Nation and the Councillor or the Executive Director or a dependent of either of them and includes a contract between the First Nation and a business in which a Councillor, the Executive Director, or a family member of a Councillor or the Executive Director, has a financial interest.

"dependent child" is a child who has:

- i. not reached the age of 18 years, or
- ii. reached the age of 18 years but who is primarily dependent for financial support on the Councilor or Executive Director or on his or her spouse, as applicable.

"financial interest" means anything of economic or monetary value including but not limited to, salary or other payments for any services such as consulting fees or honoraria, equity interests (e.g. stocks or other ownership interests), or intellectual property interests (e.g. royalties).

"member of the family" of a Councilor or Executive Director is:

- i. his or her spouse,
- ii. his or her dependent children, and

- iii. the dependent children of his or her spouse

“special purpose report” means a report described in subsection [71 (4)] of the Financial Administration Law. For the purpose of this policy it refers to the annual report on remuneration, expenses, and contracts.

“spouse” is a person to whom the individual is married or with whom the individual has lived as a common law partner for at least one year in a marriage-like relationship.

5. Responsibilities

(1) Council is responsible for:

- (a) ensuring that each Councillor and the Executive Director annually report to the Senior Financial Manager all remuneration, expenses, benefits and contracts that they and their family members receive from the First Nation.

(2) The Senior Financial Manager is responsible for:

- (a) preparing an annual report separately listing the remuneration, expenses, benefits and contracts that each of the Councillors and the Executive Director and their respective family members receive from the First Nation,
- (b) including the annual report as a Special Purpose Report in the annual financial statements, and
- (c) making the Special Purpose Report available on the First Nation website or other repository for official documents to which membership has access.

6. Procedures

- (1) Within 30 days after each fiscal year end, each Councilor and the Executive Director will declare to the First Nation in writing a listing of each of their financial interests and their family member's financial interest in any business that has a contract with the First Nation or has provided products or services to the First Nation in the most recent completed fiscal year. Councillors and the Executive Director will make this declaration by completing a 'Disclosure Statement' as attached in Appendix A.
- (2) The Executive Director will collect all Disclosure Statements and submit to the Senior Financial Manager no later than the commencement of the annual audit of the First Nation for the most recent completed fiscal year.
- (3) Based on the information in the Disclosure Statements, the Senior Financial Manager or a designate will extract amounts from the general ledger to complete the Special Disclosure Report (see appendix B). Tables and columns should be used to present full aspects of the disclosures and at minimum must include compensation, benefits, expense claims received from the First Nation for each Councillor and family member as well as each Councillor's and their family member's financial interest in any business or contract supplying goods or services to the First Nation.

- (4) Commentary or footnotes can be used to provide explanations of financial interests to allow a reader to understand the disclosure.
- (5) The Special Purpose Report must include any Councillor or Executive Director that left prior to the end of the fiscal year.
- (6) If a Councillor or Executive Director worked in another capacity for the First Nation during part of a fiscal year that is being disclosed, the compensation earned and any other payments received in the other position must be included. For greater clarity a footnote will be included to explain which amounts relate to the respective roles.
- (7) The Senior Financial Manager will submit the Special Disclosure Report to the Finance and Audit Committee for review and recommendation for approval to Council.
- (8) Once approved by Council, the Senior Financial Manager will arrange for the external auditor to apply specified audit procedures on the Special Disclosure Report to validate the calculations and amounts.
- (9) The Senior Financial Manager or a designate will publish on the First Nation's website the final auditors' Report on Specified Audit Procedures Carried out on the Special Disclosure Report.

7. References and Related Authorities

- (1) FMB's Financial Management System Standards
 - (a) Standard 10.0 – Reporting of Compensation, Benefits and Contracts
- (2) FMB's Financial Administration Law Standards
 - (a) Standard 9.0 Reporting of Compensation, Benefits and Contracts
 - (b) Standard 18.5.2 – Mandatory Special Purpose Reports

8. Attachments

Appendix A – Disclosure Statement

Appendix B – Special Disclosure Report – Reporting of Remuneration, Expenses and Contracts

Appendix A – Disclosure Statement

The First Nation's policy number 003 requires completion of this Disclosure Statement by all Councillors and the Executive Director.

Definitions:

"business" means any for-profit or not-for-profit corporate entity, partnership, sole-proprietorship, or joint venture supplying goods or services to the First Nation.

"Contract" means a contract for goods or services between the First Nation and the Councillor or the Executive Director or a dependent of either of them and includes a contract between the First Nation and a business in which a Councillor, the Executive Director, or a family member of a Councillor or the Executive Director, has a financial interest.

"member of the family" of a Councilor or Executive Director is:

- i. his or her spouse,
- ii. his or her dependent children, and
- iii. the dependent children of his or her spouse

"financial interest" means anything of economic or monetary value including but not limited to, salary or other payments for any services such as consulting fees or honoraria, equity interests (e.g. stocks or other ownership interests), or intellectual property interests (e.g. royalties).¹

Disclosures:

- 1) Based on the above definitions, I am disclosing the following businesses or contracts that I and or my family members have a financial interest.

	Business Name	Financial interest of	Nature of Interest	Amount of Interest
1	[e.g. ABC Janitorial]	<input checked="" type="checkbox"/> Family member <input type="checkbox"/> Own	Owner	100%
2	[e.g. XYZ Consulting]	<input checked="" type="checkbox"/> Family member <input type="checkbox"/> Own	Contract – consulting fees	0%

- 2) Family Members Employed by the First Nation

	Employee Name	Relationship
1	[XXXX]	Spouse
2	[YYYY]	Son

¹ Excludes shares in publicly traded companies in which ownership interest is less than 20%.

I certify that I have disclosed all "financial interests" and "Family Members" as defined above.

Signature _____ Date _____

Printed Name _____

Appendix B – Special Disclosure Report – Reporting of Remuneration, Expenses and Contracts

	Name and Position	Family Member (using generic description)	Compensation	Incentive pay or honoraria	Pension	Other benefits or remuneration, including travel expenses	Total remuneration & benefits	Value of financial interests
1	Lance Roulette Chief							
2	Randy Roulette Councillor 2							
3	Jason Starr Councillor 3							
4	Brian Spence Councillor 4							
5	Michael Dumas Councillor 5							
6	Lynette Roulette Executive Director							

Statement of Policy and Procedure	
Policy No.	SPP-04
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Committee Establishment and Disbandment Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy to establish any standing committees and any special committees it deems necessary to fulfill its mandate or to assist in meeting statutory obligations.

2. Purpose

The purpose of this policy and procedure is to establish an effective governance system that ensures that committees are consistently and purposefully structured to carry out its specified functions assigned by Council or in First Nation laws.

3. Scope

This policy and procedure applies to Council, its committees and the Executive Director.

4. Definitions

"Committee" refers to a group of people appointed by Council for the purpose of advising the Council or conducting decision-making activities assigned by Council which are convened on a regular long-term basis until or unless they are suspended or disbanded by the Council.

"Standing Committee" refers to committees which are meant to have a continued existence.

"Special Committee" refers to a committee which is formed for a specific purpose whose organization is dissolved when that purpose has been accomplished.

"Terms of Reference" is a documented statement of the mandate, objectives, purpose, scope, functions and rules under which a committee is expected to operate.

5. Responsibilities

Council

(1) Subject to First Nation laws, Council is responsible for:

- (a) the establishment of any Council Committee and its mandate;
- (b) approval of the Terms of Reference for each committee;
- (c) determining the minimum qualifications and eligibility requirements of committee members and chairpersons;
- (d) the appointment of a Chairperson or the filling of a Chairperson vacancy on any Council Committee;
- (e) evaluating the effectiveness of each Committee.

Executive Director

(1) The Executive Director is responsible for:

- (a) maintaining detailed descriptions and current membership lists for each committee;
- (b) assisting Committee Chair's in preparing committee agendas.

Chairperson

(1) The Chairperson is responsible for:

- (a) chairing committee meetings and ensure they are conducted in an efficient and effective manner;
- (b) scheduling committee meetings as necessary and planning committee activities to ensure that the committee is successful in fulfilling its mandate and addressing its functions, duties and responsibilities, including working within its approved budgetary resources;
- (c) approving committee agendas;
- (d) ensuring that minutes are prepared and that they accurately reflect meeting outcomes;
- (e) identifying the necessary qualifications and eligibility criteria for committee members, subject to First Nation laws;
- (f) recruiting qualified committee member candidates and recommending them to Council;
- (g) evaluating committee members and their contributions;
- (h) recommending member appointments and removals to Council; and
- (i) reporting to Council on behalf of the committee.

Each Committee Member

(1) The Committee members are responsible for:

- (a) preparing for meetings for those committees of which he or she is a member by reading reports and background materials prepared for each meeting and acquiring adequate information necessary for decision making;
- (b) becoming knowledgeable of the committee functions;
- (c) participating fully and frankly in the discussions of the committee;
- (d) attending all committee meetings;
- (e) avoiding conflicts of interests and complying with conflicts of interest policies and procedures established by Council or under First Nation laws.

6. Procedures

Establishing / Dissolving of a Committee

- (1) Subject to First Nation laws, Council may establish or dissolve a committee, other than the Finance and Audit Committee, by passing a Band Council Resolution. Council will also establish terms of reference regarding the committee's mandate, objectives and expected outcomes.

- (2) Subject to First Nation laws, for each new committee, the Executive Director and the Chairperson will develop and recommend to Council for approval terms of reference which will include, at a minimum, the following:
- (a) composition of members, including minimum number of councillors and any requirements for specific experience, skills, knowledge or expertise;
 - (b) quorum;
 - (c) term of the committee members;
 - (d) detailed role and functions;
 - (e) voting rules; and
 - (f) meeting and reporting obligations

Appointment of Committee Member

- (1) Subject to First Nation laws, Council will appoint a committee chairperson.
- (2) Subject to First Nation laws, the Executive Director and the respective Committee Chairperson will develop and recommend to Council for approval membership qualification and eligibility criteria for each committee, including potential conflicts of interest avoidance.
- (3) The Executive Director or a designate will develop and implement a recruitment strategy to fill committee vacancies.
- (4) The Executive Director will meet with and assess the qualifications eligibility and interest of each member candidate and provide the chairperson with a list of qualifying and eligible candidates.
- (5) The Chairperson, based on consultations with the committee, will recommend to Council the appointment of new individuals to the committee.

Monitoring and evaluating Committee performance

- (1) Annually, the Chairperson will evaluate the committee's progress against its terms of reference, objectives, and stated outcomes. The results of the analysis will be presented to council and used as the basis for the following year plan for the committee.
- (2) The Chairperson will continually monitor the performance of committee members against their terms of appointment.

Removal of Committee Members

- (1) Subject to First Nation laws, committee member may be removed on the recommendation of the Committee chairperson if the committee member has committed a breach of the code of conduct, breach of confidentiality, or otherwise had breached a First Nation policy, fails to perform expected duties of a committee member, or is no longer qualified or eligible to be a committee member.

7. References and Related Authorities

(1) FMB's Financial Management System Standards

(a) Standard 11.1 – First Nation Committees – First Nation Committees generally

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-05
Department Ownership	Finance
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Finance and Audit Committee Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy and a requirement of the First Nation's Financial Administration Law to establish and maintain a Finance and Audit Committee ("the Committee") to assist Council in carrying its oversight responsibilities for financial reporting, internal control, and risk management processes.

2. Purpose

The purpose of this Policy is to set out the composition, responsibilities, and procedures in establishing and maintaining a Finance and Audit Committee.

3. Scope

This policy applies to Council, the Finance and Audit Committee, the Executive Director and the Finance Manager.

4. Definitions

"financial competency" is the ability to read and understand financial statements that present accounting issues reasonably expected to be raised by the First Nation's financial statements.

"terms of reference" is a documented statement of the mandate, objectives, purpose, scope, functions and rules under which the Committee is expected to operate.

"financial reporting risk" is the possibility of an undetected material misstatement in financial information due to the existence of ineffective internal control or fraud resulting from manipulation or alteration of accounting records, misrepresentation or intentional omissions of transactions, or intentional misapplication of accounting principles.

"fraud risk" is the potential for an employee, agent or other person connected to the financial administration of the First Nation to use deception to dishonestly make a personal gain for oneself or a loss for another. This commonly includes activities such as theft, corruption, embezzlement, or bribery etc.

"independence" – an individual has independence if the individual does not have a direct or indirect relationship with the First Nation government that could, in the opinion of council, reasonably interfere with the individual's exercise of independent judgment as a member of the finance and audit committee.

"internal control" is a process, effected by the First Nation's Council, Finance and Audit Committee, management and other personnel designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- effectiveness and efficiency of operations;
- reliability of reporting; and
- compliance with applicable laws and regulations.

5. Responsibilities

- (1) Subject to the First Nation's Financial Administration Law, the Council is responsible for:
 - (a) assigning to the Committee any responsibilities or functions in addition to those set out in the Law;
 - (b) approval of the Terms of Reference for the Committee;
 - (c) determining the minimum qualifications and eligibility requirements of the Committee members, chairpersons and vice-chairpersons;
 - (d) the appointment of the Chairperson and the Vice-Chairperson of the Committee and the filling of any vacancies in those offices;
 - (e) evaluating the effectiveness of the Committee;
 - (f) providing the Committee with the resources it might need to carry out its functions;
 - (g) requiring the Council to consider any recommendations or advice provided by the Committee; and
 - (h) Providing a non-councillor chairperson with the agendas of the Council meetings, any documents and information requested by the non-councillor chairperson respecting agenda items and permitting a non-councillor to attend and speak at Council meetings.
- (2) The Executive Director is responsible for:
 - (a) maintaining the current Committee member list;
 - (b) keeping the Chair of the Committee current in a timely fashion on major developments and provide the Committee with sufficient information on a timely basis to enable the Committee to discuss potential issues, make decisions, and fulfill its mandate;
 - (c) assisting the chair of the Committee in planning and making necessary arrangements for setting agendas, giving required meeting notices and holding meetings;
 - (d) attending each Committee meeting, unless excused by the chair for a reasonable reason or excluded from attendance by vote of the Committee as provided in the First Nation's Financial Administration Law.
- (3) The Finance Manager is responsible for:
 - (a) attending each Committee meeting, unless excused by the chair for a reasonable reason or excluded from attendance by vote of the Committee as provided in the First Nation's Financial Administration Law;
 - (b) providing technical and professional support to the Committee as requested or as required in the First Nation's Financial Administration Law.
- (4) The Finance and Audit Committee Chairperson is responsible for:
 - (a) facilitating the Committee's interaction with Senior Management;
 - (b) chairing the Committee meetings and ensuring they are conducted in an efficient and effective manner;
 - (c) planning the Committee's activities to ensure that the Committee is successful in fulfilling its mandate and addressing its functions, duties and responsibilities;

- (d) preparing the Committee's agendas;
- (e) ensuring and that minutes are recorded at each duly called meeting;
- (f) recruiting qualified Committee member candidates and recommending them to Council;
- (g) evaluating committee members and their contributions;
- (h) reporting to Council on behalf of the Committee.

(5) Committee Members are responsible for:

- (a) preparing for meetings by reading reports and background materials prepared for each meeting and acquiring adequate information necessary for decision making;
- (b) actively participating in the Committee's deliberations;
- (c) attending all scheduled Committee meetings subject to reasonable exceptions acceptable to the Chairperson;
- (d) becoming knowledgeable of the Committee functions and statutory responsibilities under the First Nation's Financial Administration Law;
- (e) maintaining direct, open and frank communications with management, the Committee, the Auditor and other advisors as appropriate;
- (f) ensuring that they have financial competency;
- (g) ensuring that they maintain their independence as required in the First Nation's Financial Administration Law;
- (h) avoiding conflicts of interests and complying with conflict of interest policies and procedures established by Council or under First Nation laws;
- (i) reviewing and making recommendations to the Council on the terms of reference of the Committee.

6. Procedures

Appointment and Removal of Members

- (1) Subject to the First Nation's Financial Administration Law, the Council will appoint the Chairperson and Vice-Chairperson of the Finance and Audit Committee by a majority vote.
- (2) Subject to the First Nation's Financial Administration Law, the Committee will have a minimum of three (3) members (including the Chairperson) at least two (2) of whom must be Councillors of the First Nation.
- (3) The Council, upon recommendation of the Chairperson, will appoint the members of the Committee, a majority of whom must have financial competency and all of whom must have independence.

- (4) A Committee member may be removed from office by majority vote of Council in the circumstances permitted in the First Nation's Financial Administration Law.

Term Requirements

- (1) Subject to the First Nation's Financial Administration Law, when making appointments to the Committee, Council will endeavor to ensure that no more than half of the members' terms will expire in any one fiscal year.
- (2) The Executive Director will maintain a register of Finance and Audit Committee members which will, for each member, include the date of appointment or re-appointment, the term of the membership, and the term end date and which will track independence and financial competency issues for each member.
- (3) Upon any changes in the Committee membership, the Executive Director will report to Council on the term end dates for each member of the Committee.
- (4) The term of a Committee member will be as established in the First Nation's Financial Administration Law.

Committee Administration and Reporting

- (1) Subject to the First Nation's Financial Administration Law, the quorum necessary for the transaction of business at Committee meetings will be a majority of the members of the Committee.
- (2) Subject to the First Nation's Financial Administration Law, the Finance and Audit Committee will meet at least once in each quarter in the same fiscal year and otherwise as necessary but in any event as soon as practical following receipt of the audited annual financial statements and report of the auditor.
- (3) Any member of the Committee may call meetings of the Committee.
- (4) All Councillors of the Nation may attend meetings of the Committee provided, however, that no Councillor is entitled to vote at such meeting and is not counted as part of quorum for the Committee if he or she is not a member of the Committee.
- (5) The external auditor may attend and be heard at meetings of the Committee.
- (6) The Committee will maintain written records of attendance at its meetings of Committee members and of any ex-officio member such as the Executive Director, and the Finance Manager.
- (7) The Committee will provide minutes of its meetings to the Council and the Chairperson will provide reports to Council as appropriate on the substance of meetings at the next Council meeting following a Committee meeting.

7. References and Related Authorities

- (a) FMB's Financial Management System Standards

- (a) Standard 11.2 – First Nation Committees – Finance and Audit Committees

(2) FMB's Financial Administration Law Standards

- (a) Standard 10.1 – Finance and Audit Committee – Constitution
- (b) Standard 10.2 – Finance and Audit Committee – Terms of Office
- (c) Standard 10.3 – Finance and Audit Committee – Committee Officers
- (d) Standard 10.4 – Finance and Audit Committee – Committee Procedures
- (e) Standard 10.5 – Finance and Audit Committee – Committee Functions
- (f) Standard 19.2. - Auditor

8. Attachments

Appendix A – Finance and Audit Committee Terms of Reference

Appendix B – Finance Competency Guidelines

Appendix A – Sample Finance and Audit Committee Terms of Reference

Sample Finance and Audit Committee Terms of Reference

Composition:	The Finance and Audit Committee is comprised of no fewer than three members, and at least two of the members must be Councillors. Council will appoint Committee members, including a chairperson and a vice-chairperson one of whom must also be a member of Council. Each Committee member will perform their role in an objective, fair, and impartial manner. The majority of the Committee members must have financial competency and all of the members must have independence.
Quorum:	Quorum necessary for the transaction of business at Committee meetings will be majority of the voting members of the Committee.
Voting Rules:	Unless a Committee member is not permitted to participate in and vote on a motion because of a conflict of interest, every member has one vote in all Committee decisions. In the event of a tie vote, the chairperson may cast a second tie-breaking vote.
Committee Term:	Standing committee established by <i>Financial Administration Law</i> .
Member Term:	Not less than two complete fiscal years with right to be reappointed for [two] additional terms. When possible, Committee members who are not members of Council will be appointed in opposing years of Council elections, and Councillors will be appointed to the Committee in the same year as Council elections.
Chairperson:	Appointed by Council. Either the Chairperson or the Vice-Chairperson must be a Councillor.
Vice-chairperson	Appointed by Council. Either the Chairperson or the Vice-Chairperson must be a Councillor.
Mandate:	The Finance and Audit Committee is responsible to review and make recommendations to Council on the financial administration matters of the Nation. The Finance and Audit Committee will assist the Council in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the process for monitoring compliance with laws and regulations and the code of conduct.
Meetings:	The Committee will meet not less than quarterly and immediately following completion of the annual audit, with the chairperson having authority to convene additional meetings as circumstances require.

All Committee members are expected to attend each meeting, in person or via tele/video-conference. The Committee will invite members of the management, auditors, or others to attend meetings as necessary.

The Executive Director and Finance Manager must be notified of all meetings and must attend those meetings, subject to reasonable exceptions.

The auditor of the First Nation must receive notices of all meetings and may attend and be heard at such meetings.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared. The Chairperson will report key decisions and areas of discussion or concern to Council at the next Council meeting immediately following each Finance and Audit Committee meeting or in writing if the information needs attention in a timely manner.

The Executive Director or Finance Manager may be excluded from all or any part of a Committee meeting at the discretion of the Committee - decided by a recorded vote.

Responsibilities:

Financial and Accounting

- a) Review monthly financial information of the First nation;
- b) Subject to the First Nation's Financial Administration Law, draft or review draft annual budgets and multi-year financial plans and recommend them to Council for approval;
- c) Monitor the financial performance of the Nation against the budget and report any significant variations to Council;
- d) Review the quarterly and annual financial statements and recommend them to Council for approval;
- e) Make any other recommendations to Council on any matter respecting the financial administration of the First Nation;
- f) Review managements approach for safeguarding the First Nation's assets and information systems, the adequacy of staffing of key financial functions and their plan for improvements;
- g) Review with management and the external auditors emerging accounting issues and their potential impact on the First Nation's financial reporting;
- h) Review with management the First Nation's financial policies and compliance with such policies.

Audit

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

- b) Receive assurances on the independence of a proposed or appointed auditor;
- c) Review and make recommendations to Council to approve the annual audit plan of the external auditors, including the scope of the audit to be performed and the estimated audit fees to Council;
- d) Review, and make recommendations to Council respecting the audited annual financial statements, including the audited local revenue account financial statements and any special purpose reports;
- e) Review post audit or management letters containing recommendations of the external auditors and management's response;
- f) Recommend to Council pre-approval of all audit, audit-related and non-audit services to be provided to the Nation by the external auditor;
- g) Periodically review, and make recommendations to Council respecting policies, procedures and directions on reimbursable expenses and perquisites of Councillors, officers and employees;
- h) Monitor financial reporting risks and fraud risks and the effectiveness of internal control designed to mitigate those risks taking into consideration the cost of implementing any change to internal control;
- i) Review the First Nation's *Financial Administration Law* and recommend amendments to Council;
- j) Review, and make recommendations to Council on, the terms of reference of the Finance and Audit Committee.

Risk Management

- a) Review reports on the insurance coverage of the Nation and make recommendations respecting appropriate coverage;
- b) Review requests for non-budgeted funding requests to the First Nation's business enterprises and make recommendations to Council.

Other

- a) Review expenses of Councillors and Senior Management and assess the First Nation's policies with respect to expense reimbursement or allowances;
- b) Review and recommend the approval of any compensation disclosures to be included in the First Nation's annual reporting;
- c) Evaluate at least annually, the adequacy of these terms of reference.

Authority

- a) The Committee is empowered to make such inquiry and investigation and require such information and explanation from management as it considers reasonably necessary and to require management to promptly inform the

Committee of any material misstatement in the financial statements following discovery of such situation;

- b) After consultation with the Executive Director, the Committee may retain a consultant to assist in the performance of any of its responsibilities.

Appendix B – Financial Competency Guidelines

Some criteria for Council and the Finance and Audit Committee Chairperson to consider in determining whether or not a Finance and Audit Committee member is financially competent include:

- The ability to read, understand and analyze the financial statements and the notes to the financial statements;
- The ability to understand accounting policies, including any estimates used or judgments applied by management in the application of the First Nation's accounting policies, when these are explained by the First Nation's Finance Manager and the auditor;
- An understanding of the First Nation's objectives and operations that may impact the selection or application of accounting policies;
- A knowledge and understanding of the strategies that have been adopted by the First Nation and the risks inherent in any new strategies; and
- An ability to understand the First Nation's risk environment.

Statement of Policy and Procedure	
Policy No.	SPP-06
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Appointment of First Nations Officers Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy to make the appointment or removal of the Executive Director, Senior Finance Officer and Tax Administrator of the First Nation.

2. Purpose

The purpose of this policy is to provide guidance on the appointment process and responsibilities of the Executive Director, Finance Manager, and the Tax Administrator.

3. Scope

This policy and procedure applies to Council, the Executive Director, the Finance Manager and the Tax Administrator of the First Nation.

4. Definitions

"**officer**" means the Executive Director, Finance Manager, Tax Administrator or any other employee of the First Nation designated by the Council as an officer.

"**Executive Director**" means the person who is responsible for leading the day to day administration or management of the First Nation and who reports directly to Council.

5. Responsibilities

- (1) Council is responsible for appointing the Executive Director, Senior Finance Officer and Tax Administrator and any other officer connected with the financial administration of the First Nation.
- (2) The Executive Director is responsible for:
 - (a) developing and recommending to the Council for approval, human resources policies and procedures for the hiring, management and dismissal of officers and employees of the First Nation;
 - (b) preparing and recommending to the Council for approval, descriptions of the powers, duties and functions of all employees of the First Nation;
 - (c) hiring the employees of the First Nation, as the Executive Director considers necessary, and to set the terms and conditions of their employment.
 - (d) overseeing, supervising and directing the activities of all officers and employees of the First Nation;
 - (e) overseeing and administering the contracts of the First Nation;
 - (f) identifying, assessing, monitoring and reporting on financial risks and fraud risks;
 - (g) monitoring and reporting on the effectiveness of mitigating controls for the financial and fraud risks;

- (h) other duties as required by council that are not contrary to the *FSMA* or inconsistent with the Executive Director's duties under the First Nation's Financial Administration Law;
- (i) reporting directly to Council.

(3) The Senior Finance Officer is responsible for:

- (a) the day to day management of the First Nation's financial administration system;
- (b) other duties as required by the Executive Director that are not contrary to the *FSMA* or inconsistent with the Finance Manager's duties under the First Nation's Financial Administration Law;
- (c) reporting directly to the Executive Director; and
- (d) any other duties as set out in section [19.2] of the Financial Administration Law.

(4) Tax Administrator is responsible for:

- (a) the day to day management of the First Nations local revenues system;
- (b) other duties as required by the Executive Director that are not contrary to the *FSMA* or the First Nation's local revenue laws or inconsistent with the tax administrator's duties under the First Nation's Financial Administration Law;
- (c) reporting directly to the Executive Director.

6. Procedures

Appointment

- (1) Council will approve, prior to posting a job, the specific qualifications required for each position.
- (2) Council will determine the selection process for all officer positions identified by this Policy. At minimum the Council will create an officer selection committee consisting of at least [xx] competent persons, one of whom must be a Councillor. The officer selection committee will develop criteria for a selection process that will evaluate the qualifications, experience, and any other interview standards deemed appropriate for each candidate.
- (3) Initial screening will occur to assess each applicant's ability to meet the minimum stated standards. Applications of qualified candidates received for a posting will be forwarded to the selection committee to further screen the applications to select individuals to be interviewed for the position. The interview process will be consistent for all applicants.
- (4) The officer selection committee will then evaluate each candidate against the established criteria and recommend a candidate for the position to Council.

7. References and Related Authorities

- (a) FMB's Financial Management System Standards
 - (a) Standard 12.1 – Executive Director

- (b) Standard 12.2 – Finance Manager
- (c) Standard 12.3 – Tax Administrator
- (d) Standard 12.4 – Functions Documented

(2) FMB's Financial Administration Law Standards

- (a) Standard 11.1 – Executive Director
- (b) Standard 11.2 – Senior Finance Officer
- (c) Standard 11.3 – Tax Administrator
- (d) Standard 11.4 – Employees

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-07
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Organizational Chart Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy to establish an organizational structure that specifies the hierarchy and reporting relationship between various functions and levels of the First Nation to facilitate effective management of the governance, administrative and financial management systems.

2. Purpose

The purpose of this policy is to depict the prevalent hierarchy of the First Nation departments and their various working relationships between one another.

3. Scope

This policy and procedure applies to Council and all persons having a role and responsibilities in the organizational structure of the First Nation.

4. Definitions

"Executive Director" means the person who is responsible for leading the day to day administration or management of the First Nation and who reports directly to Council.

5. Responsibilities

(1) Council is responsible for:

- (a) authorizing the creation and update of the organization chart;
- (b) approving the organization chart with a recorded vote in the Council minutes;
- (c) ensuring that adequate delegated resources are available to implement and maintain the organizational structure;
- (d) ensuring that the organizational chart accurately depicts the First Nation's governance, administrative and financial management systems, and identifies the specific roles and responsibilities assigned to each level of governance and administration and to each participant in the systems including committees.

(2) The Executive Director is responsible for:

- (a) ensuring that the organizational chart is prepared, recommended to Council for approval, and kept current;
- (b) ensuring that the roles and responsibilities and reporting relationships are effectively communicated to all those affected by the organizational chart and as required by the Financial Administration Law.

6. Procedures

(1) The Executive Director or a designate, as authorized and instructed by Council, will prepare an organizational chart that accurately depicts the First Nation's governance, administrative and

financial management systems, and identifies the specific roles and responsibilities assigned to each level of governance and administration and to each participant in the systems including committees and submit to Council for approval.

- (2) The Executive Director will ensure that the chart includes definitions of the persons or classes of persons who are affected by the organization chart. The Executive Director will ensure each role identified in the organizational chart is clearly defined as evidenced by a job description in accordance with applicable Human Resource policies or other such policy that requires job descriptions to be in prepared and approved.
- (3) The Executive Director is responsible for centrally filing the organizational chart so that it can be located and retrieved as soon as practicable by all persons affected by it, and will disseminate the approved organizational chart to all those affected and/or make it readily available by other means normally used by the First Nation.
- (4) The Executive Director, on request, will provide a copy of the chart to a group of listed people.
- (5) Periodically, but at least annually, the Executive Director will update, as necessary, the organizational chart for changes in personnel and will submit recommendations, as necessary, to Council for approval, to revise roles, responsibilities, or reporting relationships.

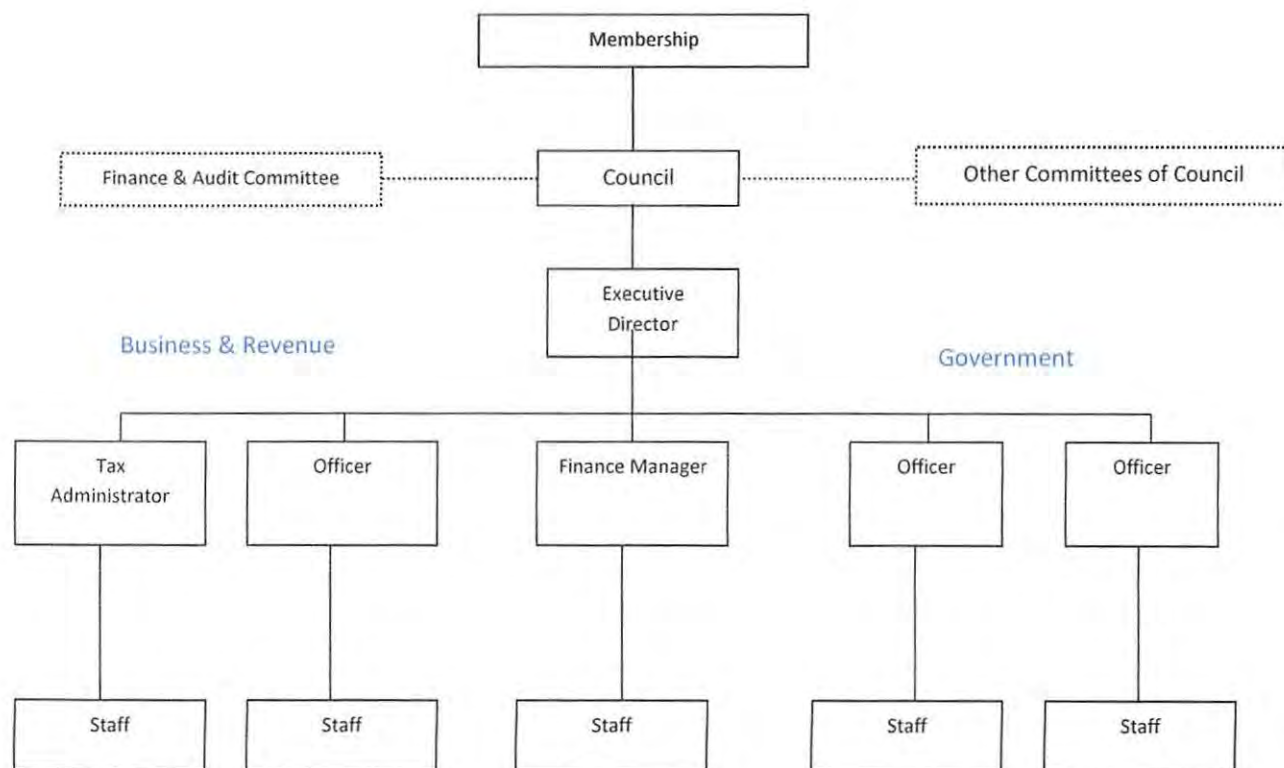
7. References and Related Authorities

- (1) FMB's Financial Management System Standards
 - (a) Standard 12.5 Organization Chart
- (2) FMB's Financial Administration Law Standards
 - (a) Standard 11.4.1 Approved functions
 - (b) Standard 11.4.2 Mandatory Organization Chart
 - (c) Standard 11.4.3 Mandatory Access

8. Attachments

Appendix A – Sample simplified organization chart

Appendix A – Sample simplified organization chart



This Organization chart is approved by Council on the ____ day of _____ 20xx

Statement of Policy and Procedure	
Policy No.	SPP-08
Department Ownership	Human Resource
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Human Resources Records Management Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy to formally create, manage, and protect human resource records in accordance with applicable laws and First Nation policy requirements.

2. Purpose

The purpose of this policy is to provide guidance to effectively manage the creation, maintenance, and confidentiality of HR records of the First Nations.

3. Scope

This policy applies to Council, the Executive Director, the Finance Manager and the Tax Administrator of the First Nation.

4. Definitions

"HR Records" are records that contain information which is directly related to an individual's hiring, job duties, compensation, performance, and general employment history. Below are examples of documents which would be considered HR Records:

- Attendance and absence Records
- Automatic bank deposit form
- Offer and/ or confirmation of employment letters
- Disability insurance adjustment forms
- Disciplinary memos issued to employee
- Job application and any attachments
- Job descriptions
- Layoff notice issued to employee
- Performance evaluations issued to employee
- Resignation letter
- Termination notice issued to employee
- Time sheets
- Training plans
- Signed code of conduct statement
- Benefit coverage information

5. Responsibilities

- (1) Council is responsible for ensuring a HR Records management system is established and implemented.
- (2) Subject to the First Nation's Financial Administration Law, the Executive Director is responsible for the leadership, planning, overall policy and the general oversight of the HR Records management, storage and retention system, and for ensuring the security and integrity of that system.
- (3) The HR employees are responsible for the implementation and the operational management of the HR Records management, storage and retention system.

6. Procedures

- (1) Management of HR Records will follow the general record management procedures of the First Nation.
- (2) Job competition files will clearly and transparently document the evaluation and selection process and will include, at a minimum, the following:
 - (a) approved Recruitment and Selection Plan;
 - (b) job advertisement;
 - (c) external recruitment firm agreement (if applicable);
 - (d) job description and required qualifications and skills;
 - (e) interview notes; and
 - (f) selection results.
- (3) A confidential employee file will be created for each new employee and will include the following HR Records:
 - (a) resume with experience and qualifications;
 - (b) results of all background checks (i.e. reference checks, criminal background check, credit check, education check);
 - (c) offer letter of employment or contract;
 - (d) performance plans and results of performance evaluations;
 - (e) current job description;
 - (f) leave and attendance records;
 - (g) salary adjustments; and
 - (h) enrolment information for benefits plans.
- (4) Access to HR Records will be restricted to HR personnel in performance of their job function and the Executive Director; however, employees can access their personal employee file upon request and in the presence of an HR person.
- (5) Upon employee termination, HR Records for that employee will be retained for three years following the date of termination. In the event of litigation, the destruction of HR Records should be suspended until the investigation, audit, or litigation is complete.

7. References and Related Authorities

(1) FMB's Financial Management System Standards

- (a) Standard 12.6.1 – Records of functions, etc.
- (b) Standard 12.6.2 – Maintenance procedure
- (c) Standard 12.6.3 – Records of qualifications / competencies
- (d) Standard 12.6.4 – Management of employee records

(2) FMB's Financial Administration Law Standards

- (a) Standard 11.4.4 – Mandatory HR Policies / Practices
- (b) Standard 20.3 – Mandatory record keeping, storage, etc.
- (c) Standard 20.5 – Mandatory requirements for confidentiality, etc.

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-09
Department Ownership	Human Resource
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Hiring Policy and Procedures

Approved by Council on September 23, 2015

1. Policy

It is Council's policy to recruit the best-qualified candidate with the skills, experience, qualifications and competencies required for the position being filled.

2. Purpose

The purpose of this policy is to set out the procedures that provide for fair, transparent and impartial hiring practices that ensure employees have the skills, experience, qualifications and competencies necessary to perform their role and allow the First Nation to meet its objectives.

3. Scope

This policy applies to the hiring of all employees, except for the Executive Director, Senior Finance Officer and the Tax Administrator.

4. Definitions

"**hiring officer**" is the manager or officer who is assigned responsibility for recruitment and selection of an individual to fill an approved vacant position, under the direction of the Executive Director.

"**officer**" is the Executive Director, Finance Manager, Tax Administrator and any other employee of the First Nation designated by the Council as an officer.

5. Responsibilities

- (1) Council is responsible for hiring all officers.
- (2) The Executive Director is responsible for supervising the process for hiring and approving the hiring of all employees, other than officers.

6. Procedures

Position Authorization

- (1) All new positions or positions for officers must be identified and approved by Council.
- (2) Existing positions, other than officers, will be authorized to be filled by the Executive Director.

Job Descriptions

- (1) The hiring officer will review and update the job description for the position being recruited to ensure it accurately describes the duties, functions and responsibilities of the position, and it accurately identifies the skills, experience, qualifications and competencies necessary to fulfill the position. Job descriptions will include:

- (a) position title;

- (b) accountability or reporting structure, line of authority;
- (c) responsibilities: nature and scope of work, including duties;
- (d) experience, abilities, knowledge and skills required; and
- (e) qualifications: education, training, licenses, certificates required.

Job Posting Procedures

- (1) In order to post an existing vacant position and proceed with the hiring process, a hiring officer must forward the position profile and job description to the HR department.
- (2) The hiring officer will develop a Recruitment and Selection Plan, which minimally identifies:
 - (a) the proposed recruitment process and schedule;
 - (b) the scope of search;
 - (c) the selection criteria and ranking methodology;
 - (d) the proposed starting compensation range for the position; and
 - (e) any resources necessary to execute the Recruitment and Selection plan.
- (3) Prior to filling an existing vacant position, the position shall be posted for a period of [xx] working days on the First Nation's official location for posting employment opportunities.
- (4) External recruitment advertising may be undertaken concurrent with the posting period at the discretion of the hiring officer.

Interview Procedures

- (1) The hiring officer has responsibility for determining the interview process and will have discretion on whether to form a hiring selection committee.
- (2) The hiring officer will maintain a record of the selection and evaluation process.
- (3) Initial screening will occur to assess each applicant's ability to meet the minimum stated standards. Applications of qualified candidates received for a posting will be forwarded to the hiring officer to further screen the applications to select individuals to be interviewed for the position. The interview process will be consistent for all applicants.
- (4) Once an applicant is determined to be the recommended candidate, the hiring officer will conduct and document reference checks, as well as any other check required in the Recruitment and Selection Plan.
- (5) The hiring officer will then prepare a Selection Summary Report including:
 - (a) a list of applicants who were interviewed;
 - (b) the name of the selected candidate and rationale;
 - (c) a summary of reference and any other checks, with any inconsistencies or issues noted and discussed; and

(d) the proposed starting date and compensation.

- (6) The Executive Director (or Council for officer level positions) will review the Selection Summary Report and may approve the proposed candidate for hire.

Hiring

- (1) The hiring officer will prepare a Letter of Offer upon approval from the Executive Director. Approval for officer level positions will be obtained from council. The Letter of Offer should include main terms of employment such as:
- (a) position title;
 - (b) the hours of work;
 - (c) salary;
 - (d) starting date;
 - (e) the probation period;
 - (f) the benefits package;
 - (g) any conditions (e.g. confidentiality agreement); and
 - (h) the termination clause (with cause, without cause and resignation).
- (2) The Letter of Offer will be signed by the hiring officer and the HR supervisor or Executive Director. Two copies of the offer of employment shall be forwarded to the prospective employee. The prospective employee shall be requested to sign and return one copy as an indication of acceptance of the terms of employment.
- (3) Upon receipt of the signed Letter of Offer, the HR department will ensure an employee personnel file is created and will request the employee be added to the payroll. The request will include the rate of pay and other forms of compensation and must be approved by the Executive Director.

7. References and Related Authorities

- (1) FMB's Financial Management System Standards
- (a) Standard 12.6.5 Hiring Policies
- (2) FMB's Financial Administration Law Standards
- (a) Standard 11.4.4 Mandatory HR Policies / Practices
 - (b) Standard 11.4.5 Mandatory Competence

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-10
Department Ownership	Human Resource
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Progressive Disciplinary and Dismissal Policy and Procedures

Approved by Council on September 23, 2015

1. Policy

It is Council's policy to use a progressive and participatory disciplinary approach for dealing with job related behavior that does not meet expected and communicated performance standards.

2. Purpose

The Purpose of this policy is to set out a process to correct and deter unacceptable conduct, behaviour or performance as well as provide flexibility to Council to deal with wide range of circumstances in employees overcoming performance problems and failing that, use progressive discipline to fairly, with due process and with substantial documentation, terminate employment of employees, who are ineffective and or unwilling to improve.

3. Scope

This policy applies to all employees of the First Nation.

4. Definitions

"officer" – is the Executive Director, Finance Manager, Tax Administrator and any other employee of the First Nation designated by the Council as an officer.

"Immediate supervisor" is an employee who has designated responsibility for managing and overseeing the work and development of other staff.

5. Responsibilities

- (1) Council has final authority and responsibility for the dismissal and discipline of officers.
- (2) The Executive Director has final authority and responsibility for the dismissal of all employees (other than Officers).
- (3) The immediate supervisor has first responsibility for discipline for employees and officers.
- (4) In the event the immediate supervisor is unable to deal with the conduct, behaviour, or performance, the next level supervisor will assume the responsibility for discipline.

6. Procedures

- (1) Employees will be informed of unacceptable conduct, behaviour, or performance and prior to the imposition of disciplinary action and will be given opportunities for improvement and as necessary re-evaluated.
- (2) Council or the Executive Director may move to dismiss an employee if circumstances determine the event warrants dismissal even if the steps in the progressive discipline process have not occurred and may also immediately but temporarily suspend an employee with pay pending investigation before moving through the discipline process.

- (3) If an employee is felt to be in violation of the Nation's expected conduct, behaviour, or performance and initial efforts for corrective action have not worked, the employee will be subject to the progressive discipline process.
- (4) All disciplinary actions will be documented and placed in the employee's personnel file.

The Progressive discipline procedures will be as follows:

Verbal Warning:

- (1) The first violation by an employee will be addressed with a verbal warning.
- (2) The direct supervisor will initiate any verbal warnings in a private meeting with the employee
- (3) The employee will be given an explanation of when and how the behaviour or action took place and will be given an opportunity to explain the situation and their actions.
- (4) The employee will be informed that further disciplinary action, up to and including termination, will follow if unacceptable behaviour continues.
- (5) The employee will be informed that the incident will not go into their file, but that it will be taken note of in order to follow up on possible further disciplinary incidents.

Written Warning:

- (1) Employee will be given a written warning regarding undesirable behaviour or action in the event that the behaviour or action had either been discussed in a previous verbal warning or the behaviour or action was serious in nature.
- (2) The employee will be given an explanation of when and how the behaviour or action took place and will be given an opportunity to explain the situation and their actions.
- (3) The employee will be informed that further disciplinary action, up to and including termination, will follow if unacceptable behaviour continues.
- (4) The employee will sign the document and will be provided with a copy of the written warning and another will be placed in the employee's personal file.

Suspension:

- (1) In case of suspension, the employee will be called to a meeting with the Executive Director and the HR supervisor and given the opportunity to state their case. If the decision is made to impose a suspension, the employee will be given written documentation regarding the suspension in relation to undesirable conduct, behaviour, or performance in the event that the behaviour or action had either been discussed in a previous verbal or written warning or the behaviour or action was considerably serious in nature.
- (2) The employee will be given a written notice of suspension which will include:
 - (a) The effective date of suspension;
 - (b) The duration of the suspension;

- (c) The reason(s) for the suspension; and
 - (d) That repetition of the behaviour or action will result in further disciplinary actions up to and including termination.
- (3) The Executive Director has discretion to suspend an employee with or without pay for a period of time, where an investigation is required into allegations of misconduct against that employee. During an investigation and if circumstance dictate, the Executive Director at any time can:
- (a) Reverse the suspension and return the employee to his or her job and compensate for any lost wages while on suspension;
 - (b) Change the nature of the suspension; or
 - (c) Take any other action appropriate to the situation.

Termination:

- (1) The Executive Director may, with reasonable cause, terminate employment by providing a Notice of Termination that details the undesirable conduct, behaviour, or performance leading to and justifying the termination.
- (2) Reasonable (just cause) for immediate dismissal can be for:
- (a) Gross misconduct including violation of rules, harassment, carelessness or recklessness resulting in endangerment to self or others, disorderly conduct, theft, under the influence of alcohol or drugs while on the job, falsifying records etc.;
 - (b) Threats of violence where an employee threatens to or causes physical harm to another employee, client or to the members of Council;
 - (c) conviction of a serious criminal code offence;
 - (d) Demonstrating chronic absenteeism or lateness;
 - (e) Repeated unsuccessful progressive disciplinary attempts including verbal and written reprimands;
 - (f) Misrepresentation or falsification of information on application of employment; or
 - (g) Contravention of the employee's duties and obligations under the First Nation's Financial Administration Law including codes of conduct and conflicts of interest.
- (3) Documentation should include information on the offence and previous disciplinary communications with the employee.

7. References and Related Authorities

- (1) FMB's Financial Management System Standards
 - (a) Standard 12.6.6 – Dismissal Policies
- (2) FMB's Financial Administration Law Standards
 - (a) Standard 11.4.4 – Mandatory HR Policies / Practices

(b) Standard 11.4.5 – Mandatory Competence

(c) Standard 12.4 – Enforcement

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-11
Department Ownership	Human Resource
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Employee Evaluation and Planning Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy to establish a formal system for evaluating employee performance that can assist management to recognize individual contributions to the First Nation and identify areas for development.

2. Purpose

The purpose of this policy is to set out an effective process of employee performance review and development which links the performance and development of individual staff to the goals and objectives of the First Nation.

3. Scope

This policy applies to all staff employed by the First Nation.

4. Definitions

"Employee Evaluation Form" is the documented form and associated resources adopted by the First Nation for the purposes of measuring the performance of employees.

"Immediate supervisor" is an employee who has designated responsibility for managing and overseeing the work and development of other staff.

"Performance improvement plan" is a plan developed by an employee's immediate supervisor, in consultation with the employee, to address the areas for improvement/development identified during the performance review process.

5. Responsibilities

(1) Council is responsible for:

- (a) evaluating the performance of the Executive Director, Finance Manager, and Tax Administrator, or establishing the process by which they will be evaluated;
- (b) establishing and implementing a plan for any training of First Nation's officers or employees required to meet the First Nation's future needs and requirements after taking into account succession and any anticipated changes in the First Nation's activities;
- (c) establishing and implementing a documented process
 1. to measure the skills and competencies of the individual First Nation's employees against their assigned employment responsibilities
 2. to determine and training requirements for those employees, and
 3. to adjust their duties and responsibilities as necessary to reflect their respective skills and competencies.

(2) The Executive Director is responsible for:

- (a) monitoring and reviewing the implementation of the evaluation process and ensuring this Policy and Procedures are complied with during the performance evaluation process; and
 - (b) evaluating all officers of the First Nation, except the Finance Manager and Tax Administrator.
- (3) The HR officer or supervisor is responsible for:
 - (a) providing day to day assistance and advice to staff and supervisors about this policy and its implementation;
 - (b) providing general training for supervisors and staff to optimize effective implementation of employee performance and evaluation.

6. Procedures

Performance Planning:

- (1) Immediate supervisors are to ensure that each staff member for whom they have supervisory responsibility has an accurate and up to date position job description.
- (2) Immediate supervisors should schedule a performance planning session with individual staff members to agree on a minimum of [xx] performance objectives/goals for the next fiscal year.
- (3) Once goals have been agreed by the employee and the immediate supervisor, key performance indicators and period of achievement should be determined. This constitutes the performance plan.
- (4) The performance plan (goals, indicators, and period of achievement) should be documented in duplicate and signed off by the immediate supervisor and staff member and a copy delivered to the HR department to be retained in the employee's personnel file and one copy retained by the staff member.
- (5) The immediate supervisor and staff member should identify the training and development needs the staff member requires in order to achieve the performance objectives, taking into consideration the resources needed for achieving it. The training plan is submitted from the immediate supervisor to the Executive Director for approval. The approved training and development plan should be included in the performance plan.
- (6) The Executive Director reviews and approves all training plans to ensure future training needs and requirements for the financial management system of the First Nation is aligned with those needs and requirements.

Performance Review:

- (1) During the year (mid-point of the performance management cycle) the immediate supervisor and individual staff member should meet at least once prior to the final review to review the progress of

the goals and to identify any issues, obstacles or new/amended goals which may have become evident and may impact the achievement of the original goals and training and development plan.

- (2) At the end of the performance cycle (i.e. at or near the fiscal year end) immediate supervisors should schedule a year end performance evaluation meeting with each staff member.
- (3) In preparation of the year end performance evaluation meeting, Staff members should conduct a self-assessment reflecting on achievements and any mitigating circumstances that may have impacted on performance and training development. This should be submitted in advance to their year-end performance evaluation meeting.
- (4) The immediate supervisor will review the self-assessment and provide an objective evaluation on the achievement or non-achievement of goals taking into consideration comments made by the staff member in their self-assessment.
- (5) The immediate supervisor will prepare an employee evaluation providing an assessment against each goal agreed to at the beginning of the performance cycle.
- (6) The formal year end performance evaluation meeting should then take place to gain consensus on the staff member's performance.
- (7) The immediate supervisor and staff member sign off on the review in duplicate and the original completed document should be forwarded to the HR department to be retained in the staff member's personnel file.
- (8) If the Staff member does not agree with the outcome of the performance evaluation review, the staff member can formally request a meeting with their immediate supervisor and the Executive Director/ or the HR officer present to come to a settlement. Failing that, the staff member can decide not to sign off on the performance evaluation which will be recorded as such in the employee's personnel file, including the meeting notes of the meeting with the Executive Director/HR Officer.

Performance Management

- (1) Unsatisfactory performance will lead to immediate supervisor developing a Performance Improvement Plan. This plan will outline performance expectations, resources available to the employee, and a schedule of completion and re-evaluation.
- (2) Immediate supervisors will closely monitor employee progress in achieving the Performance Improvement Plan, and will conduct a formal Performance Evaluation at regularly planned intervals until the end of the performance improvement schedule.
- (3) Immediate supervisors will determine whether the employee has made sufficient improvement to fulfil performance expectations outlined in the performance improvement schedule.

- (4) After following a corrective plan, if the immediate supervisor determines the employee's performance continues to fail to fulfil the performance expectations, the direct supervisor may take further progressive action in accordance with the First Nation's policy and procedures.

7. References and Related Authorities

(1) FMB's Financial Management System Standards

- (a) Standard 12.7.3 – Employee Evaluation

(2) FMB's Financial Administration Law Standards

- (a) Standard 11.4.4 Mandatory HR Policies / Practices

- (b) Standard 11.4.5 Mandatory Competence

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-12
Department Ownership	Human Resource
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Code of Conduct Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy to have Councillors, Officers and any staff involved in the financial administration of the First Nation, make an annual Code of Conduct declaration.

2. Purpose

The purpose of this policy is to provide each Councillor and each Finance Department employee with a clear understanding of his/her expected conduct in the performance of their responsibilities.

3. Scope

This policy and procedure applies to all individuals involved with the financial administrative system of the first nation, including Councillors, Officers and all Finance Department.

4. Definitions

"Code of Conduct" is the Schedule – Avoiding and Mitigating Conflicts of Interest attached to and forming part of the First Nation's Financial Administration Law.

"Code of Conduct declaration" is the declaration attached to this Policy as Appendix A.

5. Responsibilities

- (1) Council members are responsible for reading and understanding the Code of Conduct and signing the Code of Conduct declaration upon commencement of their Term of Office or employment with the First Nation.
- (2) The Executive Director is responsible for ensuring that all employees are advised of and required to inform themselves of the Code of Conduct and this policy and for ensuring training/orientation' on the Code of Conduct is provided to Councillors, Officers and Employees, at least once per political term.
- (3) The Executive Director is responsible for ensuring all Officers, Employees and Contractors sign the Code of Conduct Declaration annually and submit it to the Human Resources ("HR") Department.
- (4) Immediate supervisors of employees are responsible for ensuring that new employees entering their department read and understand the Code of Conduct, sign the Code of Conduct Declaration and submit it to the HR Department.
- (5) Immediate supervisors of employees are responsible for ensuring their supervised employees sign the Code of Conduct Declaration annually and submit it to the HR Department.
- (6) When an officers or employee reports a potential conflict of interest as required in the Code of Conduct, he or she will complete and file the Conflict of Interest Disclosure Form with the Executive Director who will submit it to the HR Department.

- (7) When the Executive Director reports a potential conflict of interest as required in the Code of Conduct, the Executive Director will complete and file the Conflict of Interest Disclosure Form with the Chair of the Finance and Audit Committee who will submit it to the HR Department. All such reported disclosures will be filed individually but monitored centrally by the HR Department.

6. Procedures

- (1) At the end of each Fiscal year, the HR department will communicate, in writing, to the Councillors, Officers, and employees to request those who have not been made aware of the Code of Conduct to read and sign the Code of Conduct Declaration and submit it to the HR department.
- (2) The HR department will inform the Chair of the Finance and Audit Committee and the Executive Director of any Councillors who have not submitted a signed Declaration.
- (3) The HR department will inform the Executive Director, Finance Manager and Tax Administrator of all employees who have not submitted a Code of Conduct Declaration.
- (4) The HR department will retain the signed Code of Conduct Declaration forms in the employee's personnel file. The signed Code of Conduct Declaration forms for councillors will be held by the secretary, or equivalent, to the Council.
- (5) The HR Department will retain all Conflict of Interest Disclosure Forms in the respective officer or employee's personnel files.

7. References and Related Authorities

- (1) FMB's Financial Management System Standards
 - (a) Standard 13.0 – Conduct Expectations
 - (b) Standard 13.1 – Disclosure Procedures
 - (c) Standard 13.2 – Conduct Training
 - (d) Standard 13.3 – Compliance Declaration
- (2) FMB's Financial Administration Law Standards
 - (a) Standard 12.0 – Conduct

8. Attachments

Appendix A – Code of Conduct Declaration

Appendix B – Conflict of Interest Disclosure Form

Appendix A – Code of Conduct Declaration

I hereby confirm that I have read and understand the Conduct and Conflict of Interest Expectations set out in the First Nation's Financial Administration Law ("the Law") and the Schedule – Avoiding and Mitigating Conflicts of Interest and agree to comply fully with them.

I agree that I will adhere to the following principles and responsibilities governing my professional and ethical conduct.

To the best of my knowledge and ability:

- 1) I will comply with the Law, any other applicable First Nation law and any applicable standards.
- 2) I will act with honesty, good faith and in the best interest of the First Nation.
- 3) I will exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances;
- 4) I will avoid any real, potential, or apparent conflicts of interests.
- 5) I will act with due care, competence, and diligence, without misrepresenting material facts or allowing my independent judgement to be subordinated.
- 6) I will respect the confidentiality of information acquired in the course of my work or service except when authorized to do so in the performance of my duties or am otherwise legally obligated to disclose.
- 7) I will ensure responsible use of and control over all First Nation assets and resources entrusted to me.
- 8) I will be accountable for adhering to this declaration.

Declaration of Understanding

Print Name

Signature:

Date:

Appendix B – Sample Disclosure Form for Conflict of Interest

CONFLICT OF INTEREST DISCLOSURE FORM
<p><i>An employee has a “conflict of interest” when the employee 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 employee’s private interests.</i></p> <p><i>Private interests are defined in the FAL Schedule – Avoiding and Mitigating Conflicts of Interests and include the interests of closely associated persons or entities.</i></p> <p><i>An employee has an apparent conflict of interest if a reasonably well-informed person would perceive that the employee’s ability to exercise a power or perform a duty or function of their office or position must be affected by the employee’s private interests.</i></p> <p><i>All employees are required to declare any actual, potential or apparent conflicts of interest to the First Nation. Conflicts of interest could arise from “personal interests” which include:</i></p> <ul style="list-style-type: none">• The individuals spouse’• A person under the age of eighteen (18) years in respect of whom the individual or the individual’s spouse is a parent or acting in a parental capacity;• A person in respect of whom the individual or the individual’s spouse is acting as guardian;• 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• An entity in which the individual or the individual in combination with any other person described in this section has a controlling interest.• Close family or personal relationships with employees in a position to influence the affairs of the First Nation, or otherwise engaged in the affairs of the First Nation• Close relationships with individuals having an interest in information, competitive, intellectual or other interests of the First Nation
<p>Declaration: I disclose the following actual, potential or apparent conflicts of interest:</p>
<p>Employee name (print):</p>
<p>Employee signature:</p>
<p>Title:</p>
<p>Date:</p>

Statement of Policy and Procedure	
Policy No.	SPP-13
Department Ownership	Finance
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Annual Budget and Planning Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy to establish an annual planning and budgeting process that is integrated with the operational and long-term strategy of the First Nation.

2. Purpose

The purpose of this policy is to ensure that a comprehensive planning process is established to support the on-going decision making of the First Nation.

3. Scope

This policy applies to Council and employees of the First Nation involved in the planning and budgeting process.

4. Definitions

"annual integrated planning process" refers to the annual process whereby all planning and budgeting activities throughout every level of the organization are effectively linked, coordinated, and driven by the First Nation's vision and strategic objectives.

"Planning Documents" are the combination of a strategic (community development) plan, capital budget, multi-year financial plan, and annual budget.

5. Responsibilities

(1) Council is responsible for:

- (a) reviewing and approving the annual budget and ensuring that it was prepared in accordance with the First Nation's Financial Administration Law and other applicable First Nation laws, is based on plausible assumptions and provides for required program and services;
- (b) Reviewing and approving other Planning Documents including but not limited to a strategic (community development) plan, Capital budget, and a multi-year financial plan;
- (c) reviewing and approving any changes or amendments to the annual budget or other planning documents;
- (d) establishing specific goals and service priorities to guide resource and allocation decisions during the budget planning sessions;
- (e) ensuring that a process is in place to address membership priorities in the Strategic Plan and other Planning Documents as appropriate;
- (f) ensuring that the membership of the First Nation is informed about or involved in the annual budget, multi-year financial plan, budget deficits or extraordinary expenditures as set out in the First Nation's Financial Administration Law;

- (g) establishing general budget policies or guidelines such as requirements for balanced budget and use of cash reserves.
- (2) The Finance and Audit Committee is responsible for:
- (a) Reviewing the draft annual budget and multi-year financial plan and recommending them to Council for approval;
 - (b) Reviewing any draft amendments of the annual budget and recommending them to Council for approval;
 - (c) Reviewing information, schedules and proposed budget for rehabilitation or replacement of tangible capital assets and plans for new construction of tangible capital assets.
- (3) The Executive Director is responsible for:
- (a) arranging early budgeting planning sessions with Council and other key stakeholders essential in developing the budget;
 - (b) arranging and staffing planning sessions for the development of other key planning documents;
 - (c) ensuring that the budgeting calendar is met;
 - (d) reviewing draft budgets in consultation with the Finance and Audit Committee;
 - (e) reviewing other draft planning documents in consultation with the Finance and Audit Committee;
 - (f) Communicating the approved budget to management and line staff;
 - (g) Conducting regular financial monitoring to compare actual income and expenses to those budgeted;
 - (h) Maintain a current register of all First Nation's tangible capital assets and arrange for an annual inspection of them.
- (4) The Senior Financial Officer is responsible for:
- (a) creating a budget development calendar and ensuring deadlines are met – subject to the First Nation's Financial Administration Law;
 - (b) establishing the format for draft budgets;
 - (c) participating in budget planning sessions with Council, the Finance and Audit Committee, Executive Director and other key stakeholders;
 - (d) collaborating with department heads in setting draft expenses for their department;
 - (e) preparing the draft budget or consolidating and evaluating draft budgets from department heads for accuracy, reasonableness, applicable guidelines, and anticipated resources in accordance with Section [26] of the Financial Administration Law;

- (f) developing revenue forecasts based on reviews of fiscal transfer agreements and collaboration with other officers (i.e. Tax Administrator) on business and local revenues forecasts;
- (g) presenting draft annual budgets to the Executive Director and to the Finance and Audit Committee on an annual basis;
- (h) Implementing financial monitoring, including preparing and analyzing budgeted versus actual revenue and expense reports for the Finance and Audit Committee use and overseeing any Council approved corrective action (i.e. budget amendments), after the annual budget is approved;
- (i) Make forecasts and prepare budgets for tangible capital assets; and
- (j) Any other responsibilities as outlined in Section [88.3] of the Financial Administration Law.

6. Procedures

Annual Integrated Planning Process

- (1) An annual planning session will be held within [x] months prior to the start of the fiscal year being planned for. The planning session will generally include:
 - (a) Council members, members of the Finance and Audit Committee, the Executive Director, the Senior Financial Officer, and other representatives from Department or functional areas of business;
 - (b) establishment or communication of current year and [x] year operational goals and objectives based on priorities established by Council in consultation with membership;
 - (c) presentation of budget development calendar;
 - (d) establishment or update of key budgetary assumptions, budgetary constraints, and cost drivers for current year and the [x] year plan ;
 - (e) establishment or update of a multi-year capital plan schedule to ensure the effective management of capital assets which identifies and prioritizes expected needs, costs, and expected sources of financing;
 - (f) establishment or update of strategies, goals and objectives for the strategic plan – the plan that details the First Nation’s longer term priorities and the plan for resources needed to meet the objectives of the plan.

Budget

- (1) Based on the annual integrated planning session, the initial operating budget estimates will be prepared and the [x] year Capital budget estimates will be prepared or updated accordingly;
- (2) Budget assumptions will be documented and updated throughout the budget preparation process with budget adjustments made as required;

- (3) Capital budgeting estimates should include all capital improvement projects (purchase, construction, or renovation of physical facilities) and all capital equipment expenditures;
- (4) Human Resources will provide detailed financial information on staffing and benefits for each department;
- (5) The draft budget will be presented for discussion at a Finance and Audit Committee meeting. The Committee may accept the estimates as presented or request amendments, within the context of the operating objectives and the strategic plan;
- (6) The final draft budget recommended for approval to Council by the Finance and Audit Committee will be approved by Council no later than March 31st of the fiscal year proceeding the budget year;
- (7) The draft budget must meet the requirements of the First Nation's Financial Administration Law and the integrated planning process must comply with the schedule for planning activities set out in that Law.

Strategic Plan

- (1) Based on the annual integrated planning session, a comprehensive and holistic strategic plan will be prepared that will include :
 - (a) Developing a community vision that provides the guiding principle of the plan;
 - (b) Developing a community priorities list (e.g. housing, education, etc.);
 - (c) Setting a realistic timeframe to implement the plan;
 - (d) Identifying the requirements to implement the plan (i.e. using legislative tools of governance and public finance to support activities or the need to acquire additions to reserve, or invest in new businesses to generate additional revenues);
 - (e) Determining how the implementation of the plan will be resourced.
- (2) The plan should include community input on the vision and priorities.
- (3) The draft strategic plan will be presented for discussion at a Finance and Audit Committee meeting. The Committee may accept the plan as presented or request amendments, within the context of the operating objectives and the vision and priorities of the First Nation.
- (4) The final multi-year financial plan recommended for approval to Council by the Finance and Audit Committee will be approved by Council as a formal planning document no later than March 31st of each fiscal year.

Multi-Year Financial Plan

- (1) Based on the annual integrated planning session, a multi-year financial plan that has a planning period of five years comprised of the current fiscal year and the four succeeding fiscal years will be prepared that will also include the following:

- (a) revenue projections by major revenue type that demonstrate trends in existing revenue streams;
 - (b) in respect of projected revenues sets out separate amounts for income from taxes, fees and charges, transfers from Canada or a provincial or territorial government, grants and business operations and proceeds from borrowing;
 - (c) in respect of projected expenditures, sets out separate amounts for payments, including payments of principal and interest on debt, payments required for capital projects as defined in the Financial Administration Law, payments required to address any deficits and payments for all other purposes;
 - (d) is based on projections of revenues, expenditures and transfers between accounts;
 - (e) in respect of transfers between accounts, sets out the amounts from the tangible capital asset reserve account;
 - (f) reserves/fund balances that estimate the available reserves available to help short-term fiscal shortfalls or unanticipated or planned expenditures;
 - (g) shows all categories of restricted cash;
 - (h) indicates whether in any of the five (5) years of the plan a deficit or surplus is expected from the project of revenues and expenditures that year; and
 - (i) a cover sheet that describes the broad assumptions and judgments used in the developments of the plan.
- (2) The draft multi-year financial plan will be presented for discussion at a Finance and Audit Committee meeting. The Committee may accept the plan as presented or request amendments, within the context of the operating objectives and the strategic plan.
 - (3) The final multi-year financial plan recommended for approval to Council by the Finance and Audit Committee will be adopted as a formal planning document no later than March 31st of the each fiscal year.

Adjustments to the Plans and Budgets

- (1) An annual adjustment process in the Budget Calendar will be included to adjust the plans and budgets.
- (2) The circumstances to make adjustments to budgets are limited to substantial change in the forecasted revenues or expenses of the First Nation or in the expenditure priorities of the Council; which may include the following:
 - (a) External factors that impact funding arrangements;
 - (b) impacts related to capital project adjustments;
 - (c) unforeseen changes to budget assumptions;
 - (d) Council approved changes to priorities or operating objectives.

- (3) Proposed amendments to the strategic plan or multi-year plan will be brought forward to the next annual planning session.
- (4) Significant time-sensitive adjustments should be brought to the Finance and Audit Committee for review and recommendation to Council.
- (5) On or before June 15 of each year the Senior Financial Officer must prepare and submit to the Finance and Audit Committee for review a draft amendment of the component of the annual budget respecting the First Nation's local revenue account.
- (6) 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 First Nation's local revenue account
- (7) No later than July 15 of each year, the Council must approve the amendment of the component of the annual budget respecting the First Nation's local revenue account

7. References and Related Authorities

- (1) FMB's Financial Management System Standards
 - (a) Standard 17.0 – Budgets
 - (b) Standard 16.0 – Financial Plans
 - (c) Standard 15.0 – Integrated Planning
 - (d) Standard 23.3 – Life-cycle Planning
 - (e) Standard 23.4 – Capital Project Plans
- (2) FMB's Financial Administration Law Standards
 - (a) Standard 14.0 – Financial Plans
 - (b) Standard 15.0 – Budgets

8. Attachments

Appendix A – Sample planning process schedule template

Appendix A – Sample planning process schedule template

Task	Individual(s) responsible	Deadline
Plan and hold annual planning kickoff meeting to present major budget policies, multi-year financial plan direction and guidelines for the strategic plan.	Executive Director, Senior Financial Officer, Finance and Audit Committee, Council	November 15
Inspect and review of all tangible capital assets to establish or update information.	Executive Director	November 30
Each Department prepares a thorough analysis and projection of all expenses for the budget year	Department Heads; Senior Financial Officer	December 1
Consolidate all draft budgets including capital budget into one master budget;	Senior Financial Officer	December 15
Multi-year plan and strategic plan developed or updated.	Senior Financial Officer; Executive Director, Senior officers	December 15
Schedule of annual routine maintenance, other than rehabilitation, for tangible capital assets. Five (5), ten (10) and thirty (30) year forecasts for the estimated cost for rehabilitation or replacement of the tangible capital assets. The proposed budget for rehabilitation and replacement of tangible capital assets for the next fiscal year.	Senior Financial Officer	December 31
Senior management reviews draft budgets, multi-year plan, and strategic plan and discusses (iterative process) with Senior Financial Officer.	Executive Director; Senior Financial Officer; Tax Administrator;	January 15
Present budget, multi-year plan, and strategic plan to Finance & Audit Committee for review, discussion, and modification.	Senior Financial Officer, Executive Director, Finance & Audit Committee.	January 31

Task	Individual(s) responsible	Deadline
Incorporate Finance & Audit Committee changes to any of planning documents	Senior Financial Officer, Executive Director, Finance & Audit Committee.	February 15
Inform the membership or involve the membership in consideration of the annual budget and the multi-year financial plan as required in the Financial Administration Law or Council policy including giving notice to the membership of the Council meeting when the budget and multi-year financial plan are presented for approval.	Executive Director, Senior Financial Officer	March 1
Council receives budget/ multi-year plan / strategic plan and recommendation from the Finance and Audit Committee. Council approves budget/multi-year plan/strategic plan based on recommendation from the Finance and Audit Committee.	Finance and Audit Committee; Council	March 1
Distribute approved budget and strategic plan to Department Heads and any other appropriate staff.	Senior Financial Officer	March 15
Prepare and submit to the Finance and Audit Committee for review a draft amendment of the component of the annual budget respecting the local revenue account.	Senior Financial Officer	June 15
Finance and Audit Committee reviews the draft amendment of the component of the annual budget respecting local revenue account and recommend an amendment to the annual budget to the Council for approval.	Finance and Audit Committee	June 30
Council approves amendment of the component of the annual budget respecting the local revenue account.	Council	July 15

Statement of Policy and Procedure	
Policy No.	SPP-14
Department Ownership	Finance
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Cash Management and Banking Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy to establish effective and efficient controls for all banking activities including signing and approval authorities, opening and closing of accounts, processing transactions, borrowing funds, and entering into financial service agreements with Financial Institutions.

2. Purpose

The purpose of this policy is to specify authorities and responsibilities over banking activities and to ensure that all bank accounts with financial institutions are properly authorized and accurately reported in the books and records.

3. Scope

- (1) This policy and procedure applies to Council, the Executive Director, and the Finance Department.
- (2) In addition to the responsibilities identified within this policy and procedure document, the following transactions or decisions must comply with their related policies and procedures:
 - (a) any bank loans or other forms of debt must comply with the First Nation's debt policy;
 - (b) Accounts receivable policy;
 - (c) Accounts Payable policy.

4. Definitions

"cash" is currency, cheques, money orders, and credit card transactions.

"financial institutions" means the First Nation Finance Authority, a bank, credit union or caise populaire.

5. Responsibilities

- (1) Council is responsible for:
 - (a) approving the addition or the removal of authorized signatories for each financial institution account used by the First Nation including band controlled enterprises;
 - (b) designating the financial institutions that the First Nation may conduct banking activities with;
 - (c) approving the establishment of an operating line of credit or overdraft account.
- (2) The Senior Finance Officer is responsible for:
 - (a) representing the First Nation in dealing with financial institutions;

- (b) approving financial service agreements with financial institutions;
- (c) controlling the opening , maintenance and closing of any of the First Nations bank accounts;
- (d) ensuring that adequate segregation of duties is maintained;
- (e) ensuring physical safeguards are implemented over cash;
- (f) approving bank reconciliations;
- (g) monitoring and forecasting the First Nation's cash position;
- (h) liquidity management or managing the credit line facilities.

(3) The Finance Staff is responsible for:

- (a) receiving cheques and cash receipts and ensuring they are accurately recorded and deposited in a timely manner in the correct account at appropriate financial institution;
- (b) preparing cheques for payment from the appropriate bank account;
- (c) ensuring that all bank accounts are accurately reconciled on a timely basis and that appropriate supporting documentation is obtained for each reconciliation;
- (d) performing a reconciliation of petty cash on a regular basis.

(4) The Finance and Audit Committee is responsible for ensuring significant irregularities from the reconciliation process are investigated.

6. Procedures

Bank Relations

- (1) The Finance Manager maintains correspondence and official documents relating to the opening, maintenance, and closing of all First Nation and band owned enterprise bank accounts.
- (2) The Finance Manager is the First Nation's primary representative in dealing with financial institutions and at least annually provides the financial institution officials with necessary financial reporting information and updates on the First Nation operations and forecasts in order for the financial institutions to respond to the First Nation's financial service requirements.
- (3) The Finance Manager is the only individual authorized by Council to negotiate financial service agreements on behalf of the First Nation.

Cash receipts

- (1) The person recording cash receipts in the general ledger will not be the same individual making the deposit at the financial institution.

- (2) Cheques received by direct mail will be recorded in a receipt log and endorsed (stamped) as "for deposit only" by a designated person.
- (3) The cheque receipts log will be delivered to the Finance Department person responsible for the accounting entries. This person will reconcile the remittance/ deposit slip and the cheque receipts log.
- (4) The person making the deposit at the financial institution provides the remittance/deposit book to the Finance Department person responsible for the accounting entries.
- (5) Cash received will be recorded in a duplicate receipt book. One copy will be provided to the payee submitting the cash and the other will be forwarded to the Finance Department person responsible for the accounting entries.
- (6) All cash received will be stored in the First Nation corporate safe until it can be deposited in a financial institution which must be done as soon as practicable and at least weekly.

Petty Cash

- (1) Petty cash fund(s) must be maintained as cash on hand with the following procedures:
 - (a) the creation of a petty cash account must be approved by the Finance Manager;
 - (b) the total amount of the fund will not exceed \$300.
 - (c) The person responsible for the security of the fund will maintain an activity log, supporting documentation, and reconciliation.
 - (d) petty cash funds and supporting documentation (vouchers, receipts) must be kept in a safe location (locked drawer or safe)
 - (e) Accounts payable will replenish the fund only with complete documentation and fund reconciliation.

Cash Disbursements

- (1) No accounts payable personnel, or the person authorized to print out cheques, shall be authorized to sign cheques or approve money transfers.
- (2) No one person or employee will be allowed to enter invoices, select invoices for payment and then print and sign cheques. At minimum, this process requires at least two individuals to ensure the integrity of the accounting system remains intact.
- (3) Cheque signers will not sign blank cheques under any circumstances.
- (4) Signature plates and signature stamps shall be stored in the corporate safe at all times other than when printing cheques.

- (5) All blank cheque stock will be stored in a locked cabinet or in the corporate safe.

Bank Credit Lines

- (1) The Senior Finance Officer will authorize the draw down on any bank line of credit or overdraft facilities.

Opening a Bank Account

- (1) A written request to open a First Nation financial institution account must be reviewed and approved by the Finance Manager and must include the purpose of the account.
- (2) Once the financial institution account has been approved, the Finance Manager or designate prepares an account inventory form, which includes the following elements:
 - (a) Name of account
 - (b) Instructions regarding purpose of account
 - (c) Names of signatories and authority limits
 - (d) Address where all statements and correspondence is to be sent.
 - (e) The contact person or department at the financial institution.
- (a) The account establishment letter must be signed by any two of the following: the Executive Director, the Senior Finance Officer and any Councillor with signing authority.
- (b) The financial institution accounts will be created such that all non-deposit transactions (such as cheques, electronic transfers, etc.) require two signatures for approval according to the Delegated and Assigned Responsibilities Policy.
- (c) Once the financial institution account is opened, the Finance Manager notifies the appropriate Finance Department personnel to activate the account in the general ledger.

Closing a Bank Account

- (1) A written request to close a First Nation financial institution account must be reviewed and approved by the Finance Manager.
- (2) The request to close must include:
 - (a) Name of account
 - (b) Financial institution Account number
 - (c) Closing bank balance and statement

- (d) Approval by appropriate First Nation personnel (i.e. accountant for band owned enterprises)
- (3) Upon approval, a financial institution account closing letter will be prepared and delivered to the financial institution with instructions to transfer any remaining account balance. The letter will be signed by at least two authorized signatories of the First Nation.
- (4) Once the financial institution account has been closed, the Finance Manager notifies the appropriate Finance Department personnel to deactivate the account in the general ledger.
- (5) A list of anticipated ongoing deposits will be maintained and reviewed on a monthly basis. Any expected deposits that have not been deposited in the financial institution account(s) will be reported by the accountant to the Finance Manager immediately.

Bank Reconciliation

- (1) Each of the First Nation's financial institution accounts will be reconciled to the accounting system records on a monthly basis within 30 days of the end of the month.
- (2) Reconciliation records will be retained. Documentation to support the amounts recorded on the reconciliation, such as accounting system general ledger reports, financial institution statements, outstanding cheque reports, etc., will be included in the reconciliation file.
- (3) The employee preparing the financial institution account reconciliation will monitor and investigate adjustments that carry over from month to month.
 - (a) Outstanding cheques will be monitored and any cheques outstanding for more than 4 months will be investigated with the employee responsible for preparing cheques (i.e. Accounts Payable) to determine whether the cheque remains valid or if it should be stale-dated.
 - (b) In transit deposits will be investigated immediately if not cleared by the financial institution within one week.
 - (c) Other adjustments that are routine in nature will be entered in the financial system through the journal entry process.
 - (d) Unusual, or unresolved entries that carry over for more than one month, will be reported to the Finance Manager.
- (4) The employee preparing the reconciliation will sign it as evidence that the reconciliation is complete and that they have carried out their duties as described in this policy.
- (5) Online financial institution access will be permitted and controlled as follows:
 - (a) the employee performing account reconciliations will be granted read-only access to the account he/she has been assigned to reconcile;
 - (b) only employees with signing authority will be provided online banking access to perform transactions;

- (c) ability to complete transactions, such as electronic funds transfers, will be controlled in a similar manner as cheques. Two employees will be required to approve each transaction. Each employee will have a separate login and individual password.

Independent Review

- (1) The Finance Manager will review and approve each financial institution account's reconciliation for completeness, timeliness and accuracy. The Finance Manager will review to ensure the following:
 - (a) the reconciliation balances;
 - (b) all amounts recorded on the reconciliation are appropriately supported by documentation such as financial institution statements and financial system reports;
 - (c) adjustments are reasonable, routine in nature (e.g. financial institution fees), supported by documentation, and are not carried over for multiple months on the reconciliation;
 - (d) unusual adjustments are well explained, supported, and, if material in nature, are brought to the attention of the Finance and Audit Committee.
- (2) The Finance Manager performing the independent review will sign and date the reconciliation.

Irregularities

- (1) Irregularities, such as significant reconciliations that do not balance or unusual adjustments, will be reported by the Finance Manager to the Finance and Audit Committee as soon as practical.

7. References and Related Authorities

- (1) FMB's Financial Management System Standards
 - (a) Standard 18.1 – Financial Institution Accounts
 - (b) Standard 18.2 – Account Deposits
 - (c) Standard 18.3 – Financial Institution Account Reconciliation
- (2) FMB's Financial Administration Law Standards
 - (a) Standard 16.1 – Funds and Revenues
 - (b) Standard 16.2 – Expenditures

8. Attachments

Appendix A – Financial Institution Account Reconciliation Template

Appendix A – Financial Institution Account Reconciliation Template

[♦] First Nation

Financial Institution Account Reconciliation

Month: xxxx, 20xx

Financial Institution name: ABC Bank

Financial Institution account name: xxxx, xxxxx

Financial Institution account #: 000-0000-000

GL #: 12345

Ending bank balance \$ xxxx.xx

ADD: Deposits in transit \$xx.xx xx.xx

LESS: Outstanding cheques

Cheque No. Amount

xxx.xx

xx.xx

xxx.xx

Total outstanding cheques xxx.xx (xxx.xx)

Adjusted bank balance \$xxxx.xx

Ending general ledger (GL) balance \$ xxxx.xx

ADD/LESS: Unrecorded transactions

Monthly bank fee (x.xx)

Adjusted GL balance \$xxxx.xx

Difference: x.xx

Prepared by: _____ Title: _____ Date: _____

Approved by: _____ Title: _____ Date: _____

Statement of Policy and Procedure	
Policy No.	SPP-15
Department Ownership	Finance
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Financial Institution Account Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy that all financial institution accounts be authorized according to the provisions in the Financial Administration Law, operated solely for the identified purposes and by properly authorized person(s), reconciled in a timely manner and independently reviewed and approved, and properly recorded in the book of accounts and reported in the First Nation's financial statements.

It is Council's policy to maintain records of all financial institution transactions.

2. Purpose

The purpose of this policy is to ensure that all financial institution accounts and related transactions, excluding investment accounts, are properly authorized, controlled, recorded and reported.

3. Scope

This policy and procedure applies to Council, the Executive Director, the Finance Manager and any other First Nation employee who has been assigned financial institution account responsibilities.

4. Definitions

"Accountant/Finance Staff/Clerk" – The employee(s), reporting to the Finance Manager, who is responsible for the day-to-day financial administration of the First Nation.

5. Responsibilities

(1) Council is responsible for:

- (a) approving additions/removals from the signing authority list for each financial institution account, subject to the Financial Administration Law.

(2) The Senior Finance Officer is responsible for:

- (a) approving the creation or termination of each financial institution account;
- (b) ensuring the safekeeping of all money received by the First Nation;
- (c) ensuring all money received by the First Nation is deposited as soon as practicable into the appropriate accounts described;
- (d) assigning banking duties to employees and ensuring that adequate segregation of duties is maintained;
- (e) providing oversight and monitoring of the deposit process;
- (f) ensuring physical safeguards are implemented for cash and blank cheques;
- (g) performing an independent review of each account reconciliation and acknowledging the same by signing and dating the reconciliation;

- (h) ensuring that a reconciliation is performed each month for every financial institution account; and
 - (i) documenting and alerting the Finance and Audit Committee of any irregularities in the reconciliation process.
- (3) The accountant/finance staff/clerk(s) is/are responsible for:
 - (a) recording revenue deposited in the accounting system; and
 - (b) ensuring all anticipated recurring deposits have been received. The accountant will alert the Finance Manager when expected receipts have not been received.
- (4) The employees assigned banking duties by the Finance Manager are responsible for:
 - (a) receiving cheques and cash;
 - (b) preparing cheques and cash for deposit to the appropriate financial institution account;
 - (c) reconciling petty cash accounts on a regular basis.
- (5) The employee delegated by the Finance Manager to prepare financial institution reconciliations is responsible for:
 - (a) preparing a reconciliation for each of the First Nation's financial institution accounts;
 - (b) ensuring that supporting documentation and records are retained for each reconciliation;
 - (c) alerting the Finance Manager of any irregularities.
- (6) The Finance and Audit Committee is responsible for ensuring an investigation takes place of any irregularities from the reconciliation process brought to their attention by the Finance Manager or any other employee.

6. Procedures

- (1) The Senior Finance Officer will develop a clear description of the purpose of each financial institution account and provide it to all employees who are responsible for depositing funds or recording revenue into the accounting system.
- (2) A local revenue account will be created to manage local revenues separately from the other sources of revenue or funding of the First Nation. Further guidance is provided in the Local Revenue Account Policy.

Cash

- (1) Cash received will be recording in a duplicate receipt book. One copy will be provided to the organization/individual submitting the cash, and the other copy will be maintained for the First Nation's records. The receipt will indicate the amount, source, date, and reason for payment.

- (2) Cash will be deposited once the total amount received reaches \$[•] or on a weekly basis, whichever occurs first.
- (3) All cash received should be securely stored in a safe (for amounts over \$[•]) or a locked cabinet until it is brought to the financial institution for deposit. Access to the secure storage should be limited to the employee responsible for making deposits.
- (4) A limited number of petty cash accounts as determined by the Finance Manager and based on business needs will be created to pay for small items when payment by cheque is not practical or possible; however, every effort will be made to pay by cheque or transfer. Petty cash accounts will be managed as follows:
 - (a) the creation of a petty cash account must be approved by the Finance Manager;
 - (b) the Finance Manager will decide the total value of the petty cash, not to exceed \$[•], and the maximum transaction that can be paid using a petty cash, not to exceed \$[•];
 - (c) each petty cash account will be assigned to a specific employee who is responsible for managing its use and maintaining all receipts to support cash spent;
 - (d) petty cash reconciliations will occur periodically as determined by the Finance Manager.

Cheques

- (1) All cheques received will be recorded in a log to track receipt. The log will include the date, source amount and reason for payment. All cheques will be deposited at the appropriate financial institution on a weekly basis, at a minimum.

Recording of Deposits

- (1) To maintain proper segregation of duties, the employee who accounts for revenue and accounts receivable in the accounting system will not be the same employee who receives cash or cheques or performs bank reconciliations on behalf of the First Nation.
- (2) A list of anticipated ongoing deposits will be maintained and reviewed on a monthly basis. Any expected deposits that have not been deposited in the financial institution account(s) will be reported by the accountant to the Finance Manager immediately.

Financial Institution Account Management

- (1) Approval of the Executive Director or Finance Manager [per Financial Administration Law] is required to open a First Nation bank account.
- (2) Approval of the Council is [per Financial Administration Law] is required to close a First Nation bank account.

- (3) A segregated 'local revenue account' will be opened and maintained. Only local revenues can be deposited in this account.
- (4) The Finance Manager is the main point of contact for all interactions with financial institutions. Arrangements will be made with the financial institution to ensure that all account statements, returned cheques or inquiries are sent to the Finance Manager or an assigned employee. The employee preparing account reconciliations will not be given this assigned responsibility.
- (5) The First Nation will maintain a current list of all financial institution accounts and a file of all financial institution mandates, letters of intent, and correspondence.
- (6) Individuals on the authorized signing authorities list for each financial institution account will be set out in the Financial Administration Law.
- (7) The financial institution accounts will be created such that all non-deposit transactions (such as cheques, electronic transfers, etc.) require two signatures for approval according to the Delegated and Assigned Responsibilities Policy and the Financial Administration Law.
- (8) Online financial institution access will be permitted and controlled as follows:
 - (a) the employee performing account reconciliations will be granted read-only access to the account he/she has been assigned to reconcile;
 - (b) only employees with signing authority will be provided online banking access to perform transactions;
 - (c) ability to complete transactions, such as electronic funds transfers, will be controlled in a similar manner as cheques. Two employees will be required to approve each transaction. Each employee will have a separate login and individual password.

Cheque stock

- (1) Blank cheques will be stored in a secure cabinet or safe with controlled or limited access and cheque stock should be sequentially pre-numbered.
- (2) Payee and amount must be presented before any of the authorized signatories can sign the cheque. No cheques will be signed if blank.

Reconciliation

- (1) Each of the First Nation's financial institution accounts will be reconciled to the accounting system records on a monthly basis.
- (2) Reconciliation records will be retained. Documentation to support the amounts recorded on the reconciliation, such as accounting system general ledger reports, financial institution statements, outstanding cheque reports, etc., will be included in the reconciliation file.
- (3) The employee preparing the financial institution account reconciliation will monitor and investigate adjustments that carry over from month to month.

- (a) outstanding cheques will be monitored and any cheques outstanding for more than four months will be investigated with the employee responsible for preparing cheques (i.e. Accounts Payable) to determine whether the cheque remains valid or if it should be stale-dated.
 - (b) 'in transit' deposits will be investigated immediately if not cleared by the financial institution within one week.
 - (c) other adjustments that are routine in nature will be entered in the financial system through the journal entry process.
 - (d) unusual, or unresolved entries that carry over for more than one month, will be reported to the Finance Manager.
- (4) The employee preparing the reconciliation will sign it as evidence that the reconciliation is complete and that they have carried out their duties as described in this policy.

Independent Review

- (1) The Finance Manager will review and approve each financial institution account's reconciliation for completeness, timeliness and accuracy. The Finance Manager will review to ensure the following:
- (a) the reconciliation balances;
 - (b) all amounts recorded on the reconciliation are appropriately supported by documentation such as financial institution statements and financial system reports;
 - (c) adjustments are reasonable, routine in nature (e.g. financial institution fees), supported by documentation, and are not carried over for multiple months on the reconciliation;
 - (d) unusual adjustments are well explained, supported, and, if material in nature, are brought to the attention of the Finance and Audit Committee.
- (2) The Finance Manager performing the independent review will sign and date the reconciliation to indicate that they have carried out their duties as described in this policy.

Irregularities

- (1) Any irregularities, such as reconciliations that do not balance or unusual adjustments, will be reported by the Finance Manager to the Finance and Audit Committee as soon as practicable.

7. References and Related Authorities

- (1) FMB's Financial Management System Standards
- (a) Standard 18.1 – Financial Institution Accounts
 - (b) Standard 18.2 – Account Deposits
 - (c) Standard 18.3 – Financial Institution Account Reconciliation
- (2) FMB's Financial Administration Law Standards
- (a) Standard 16.1 – Funds and Revenues

(b) Standard 16.2 – Expenditures

8. Attachments

Appendix A – Financial Institution Account Reconciliation Template

Appendix A – Financial Institution Account Reconciliation Template

[♦] First Nation

Financial Institution Account Reconciliation

Month: xxxx, 20xx

Financial Institution name: ABC Bank

Financial Institution account name: xxxx, xxxxx

Financial Institution account #: 000-0000-000

GL #: 12345

Ending bank balance		\$ xxxx.xx
ADD: Deposits in transit	\$xx.xx	xx.xx
LESS: Outstanding cheques		
	<u>Cheque No.</u>	<u>Amount</u>
	###	xxx.xx
	###	xx.xx
	###	xxx.xx
Total outstanding cheques	xxx.xx	(xxx.xx)
Adjusted bank balance		<u>\$xxxx.xx</u>
Ending general ledger (GL) balance		\$ xxxx.xx
ADD/LESS: Unrecorded transactions		
	Monthly bank fee	(x.xx)
Adjusted GL balance		<u>\$xxxx.xx</u>
Difference:		<u>x.xx</u>

Supporting documents attached:

- General Ledger balance report
- Bank statement
- Outstanding cheques report

Prepared by: _____ Title: _____ Date: _____

Approved by: _____ Title: _____ Date: _____

Statement of Policy and Procedure	
Policy No.	SPP-16
Department Ownership	Finance
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Expenditure Policy

Approved by Council on September 23, 2015

1. Purpose

Expenditures paid to suppliers or reimbursed to Councillors and First Nation employees will be in support of valid First Nation activities, duly authorized, accurately recorded in the financial system and sufficiently supported through original documentation.

2. Purpose

The purpose of the policy is to ensure that all expenditures from First Nation's funds are in support of valid First Nation programs and activities and that processing of payments are subject to proper approvals and budgetary controls.

3. Scope

This policy and procedure applies to the Council, committees of Council, officers, employees of the First Nation and any other persons conducting activities in connection with the Financial Administration of the First Nation.

4. Definitions

"Approved travel status" – Travel on official First Nation business that has been pre-approved by an individual's immediate supervisor. Approved travel status begins once the individual leaves their place of residence for the approved destination and ends once they return to their place of residence or their regular place of employment (e.g. the First Nation office).

5. Responsibilities

- (1) The individuals listed in the Delegation Table from the [Delegated/Assigned Responsibilities Policy] are responsible for
 - (a) Before approving an expenditure, ensuring that it is permitted under the current First Nation annual budget and as required in the Financial Administration Law,
 - (b) Reviewing reimbursable expenditure claims to ensure that the requirements of this policy have been met before approving for payment, and,
 - (c) Approving expenditures per the [Delegated/Assigned Responsibilities Policy].
- (2) The employees assigned responsibility for paying accounts will
 - (a) Ensure that all expenditures have the required approvals per this policy and the Delegated/ Assigned Responsibilities Policy before processing for payment, and

- (b) Ensure that all required documentation accompanies each payment and is retained in the financial records of the First Nation in accordance with the [Records and Information Policy].
- (3) Employees, committees and council members are responsible for
 - (a) Ensuring that all reimbursable expenditures claimed are in accordance with this policy,
 - (b) Preparing a reimbursable expenditures claim that includes all required documentation, and
 - (c) Seeking approval from the Senior Manager for items that are not addressed in this policy before proceeding.
- (4) The Senior Manager is responsible for
 - (a) Providing pre-approvals for planned expenditures that have not been specifically addressed in this policy but that he/she deems to meet the intent of the policy and as are permitted in the Financial Administration Law;
 - (b) Approving expenditures for emergency purpose that was not anticipated in the budget if the expenditure is not expressly prohibited by or under the Financial Administration Law or another First Nation law.

6. Procedures

- (1) General and Operational Expenditures
 - (a) All purchases of goods or services will be made in accordance with the [Procurement Policy] and procedure and the [Delegated/Assigned Responsibilities] policy and procedure.
 - (b) In emergency situations, the Senior Manager may approve the purchase of goods or services that were not anticipated in the budget and are not procured in accordance with the [Procurement Policy] and procedure and the [Delegated/Assigned Responsibilities] policy and procedure. The rationale for the purchases must be documented by the Senior Manager and the purchases must be reported immediately to the Finance and Audit Committee and to Council. If possible, the payment of the purchases should be in accordance with the [Procurement Policy] and procedure and the [Delegated/Assigned Responsibilities Policy] and procedure.
 - (c) Receiving documents will be reviewed and initialed by the individual receiving the goods that all goods on the document have in fact been received in satisfactory condition, and that any goods not received are clearly identified as such. The receiving documentation should be forwarded with the requisition for payment to the employee responsible for accounts payable.

- (d) If goods are received without receiving documents, the employee receiving those goods is to create a receiving slip noting what goods were received, date of receipt, delivery agent, First Nation contact person (normally the person who initiated the expenditure), and the supplier. The receiving document will be initialed by the delivery agent and the employee receiving the goods, and then forwarded with the requisition for payment to the employee responsible for accounts payable.
- (e) All requests for payments for performance of work or services or supply of good must be initiated through a requisition for payment that includes a statement certifying that
 - 1. 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 an agreement, is reasonable; or
 - 2. 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.
- (f) All requisitions for payment must identify the appropriate or trust account out of which payment is to be made and must include a statement certifying that the expenditure is not prohibited and that it is
 - 1. in accordance with the appropriation identified in the certified statement; or
 - 2. allowed without the authority of an appropriation under the Financial Administration Law.

(2) Payroll

- (a) Employee payroll will be paid on a bi-weekly basis.
- (b) Hourly employees will record their time daily and submit timesheets on a [weekly] basis to their immediate supervisor for review. Both the employee and supervisor will sign and date the time sheet to demonstrate its accuracy and approval for payment.
- (c) Supervisors of salaried employees will submit any adjustments for vacation, sick or other types of leave to the individual responsible for payroll.
- (d) Based on the weekly timesheets for hourly employees and any adjustments required from the salaried employees, a payroll authorization sheet will be created listing all payment amounts and deductions for the previous two week period. The payroll authorization report will then be authorized (through signature and date) by the Finance Manager and [if an external payroll provider is used, i.e. ADP: "submitted to the payroll service provider for payment"; or if done internally: "cheques prepared by the Finance Officer and signed according to the [Delegated/Assigned Responsibilities Policy].
- (e) Payroll reconciliations will be performed by an individual independent of the payroll process on a monthly basis. The reconciliation will compare the payroll authorization

report, input instructions to the payroll service provider, financial institution account statement and the general ledger payroll accounts. Any irregularities will be reported to the Senior Manager.

(3) Reimbursable Expenditures

- (a) Employees will clearly demonstrate and document that all amounts they are claiming for reimbursement were directly related to authorized activities performed on behalf of the First Nation.
- (b) Expenses reimbursed by hosts or other third party funding arrangements must be declared on the expense claim.
- (c) Travel authorization: Prior to travel, employees will submit a request to their immediate supervisor stating the purpose, dates, and estimated costs for the proposed travel. The immediate supervisor will review it to ensure the proposed travel is in support of official First Nation business and that there is sufficient budget available.
- (d) An employee is deemed to be on official "travel status" for an approved trip for the period when an employee departs their residence or office until he or she returns to their residence or office.
- (e) Travel expenditures eligible for reimbursement include:

Transport

- i. Commercial transport will be the preferred method of travel for distances greater than xxx. For each type of travel, the lowest price alternative will be purchased.
- ii. The standard class for rail travel will be economy or the equivalent.
- iii. The standard class of air travel will be economy.
- iv. The standard car rental will be mid-size. Gas purchases and full vehicle insurance will be reimbursed for rental cars.
- v. Business class travel will be only in exceptional circumstances and must be authorized by the Senior Manager before booking. If travel is for the Senior Manager, the Chair of the Finance and Audit Committee must authorize business class travel. In each case, the pre-authorization will be attached to the reimbursable expense claim for payment.

Private Vehicles

- vi. Private vehicle mileage will be reimbursed at a rate of 0.XX per kilometer. All other non-business related vehicle costs are the responsibility of the individual.
- vii. Individuals using a private vehicle for official travel must have the minimum insurance coverage legally required by their province of residence. The ♦ First Nation will not be held responsible for any claims, accidents or damage to a private vehicle.
- viii. The lowest priced hotel option will be selected. The standard for accommodation is a single room, in a safe environment, conveniently located and comfortably equipped.

Per Diems and Incidentals

- ix. A maximum per diem and incidental of \$ XX per day will be reimbursed for each day on approved travel status on behalf of the ♦ First Nation to cover meal expenses. Per diems may be claimed according to the following table:

Breakfast	\$(xx.xx)
Lunch	\$(xx.xx)
Dinner	\$(xx.xx)
Incidentals	\$(xx.xx)

- x. Meals will only be reimbursed for those incurred during approved travel status. (i.e. if an individual begins travelling on behalf of the First Nation at 4pm, the individual is only eligible for the 'Dinner' meal allowance on that day)
- xi. If a meal is provided as official hospitality from another individual/ organization in the course of their duties on approved travel status, a meal allowance will not be claimed by the individual on travel status.
- xii. Incidentals can only be claimed for each night away on travel status. Part days on travel status will not be eligible for incidentals.
- xiii. The purpose of the daily 'incidentals' amount is to cover general expenses during official travel. This amount covers items such as: dry cleaning, tips, personal phone calls, and other personal expenses incurred while on travel status.
- xiv. Receipts are not required for meals when per diems are claimed or for items that fall under the incidental category as noted above in statement xii.

Other Travel Expenses

- xv. Other travel and business related expenses that are directly attributable to travelling or business on the First Nation's behalf will be reimbursed, including internet access, business long-distance phone calls, parking, airport taxes, tolls, taxi fares, and public transit fares. Any other travel or business related expense will only be reimbursed with the approval of the claimant's immediate supervisor (for the Senior Manager a member of Council will approve, for Council members, the Chair of the Finance and Audit Committee will approve).

(4) Meals and Entertainment (Hospitality)

- (a) Hospitality budgets will be set at the beginning of the fiscal year through the integrated planning process. The only individuals that are entitled to a hospitality budget include the following: the Councillors, the Senior Manager, and individuals directly reporting to the Senior Manager.
- (b) Pre-approval will be obtained for any meals/expenses that are not within an individual's hospitality budget or that are over \$[X].

- (c) For meals and entertainment expenses, the individual requesting reimbursement must clearly document the purpose of the meal/event, objectives, and individuals (name, position, organization) that are in attendance. Documentation may be on the receipt(s) or in a memo attached to the expense report.
- (d) Hospitality funds are available for official First Nation business only. Restrictions on hospitality fund usage include:
 - i. Family members must not benefit from hospitality funding;
 - ii. Gifts cannot be purchased using hospitality funds. However, small tokens of a nominal value (Under \$[X]) may be given to key contacts;
 - iii. Alcohol must not be purchased using hospitality funds.
- (e) Hospitality expenses must include original supporting documentation demonstrating the goods or service received (original itemized receipts or invoices) and proof of payment.

(5) Memberships

- (a) Memberships in professional organizations that are required for an individual's position or are meeting a demonstrated need of the First Nation will be reimbursed provided that the appropriate immediate supervisor has approved each membership.
- (b) For other expenditures not listed in this policy, pre-approval is necessary from the Senior Manager before initiating the expenditure and submitting a reimbursement claim.

- (6) For reimbursable expenditures related to First Nation activities that are funded through an outside source (i.e. a Federal government contribution agreement), requirements of that source will be monitored by the Finance Manager to ensure proper adherence to all accepted terms and conditions. When the standards for reimbursable expenditures differ between the First Nation and the funding agreement, the First Nation's rates will apply.

(7) Expenditure Reporting and Documentation

- (a) For general and operational expenditures, the following should be submitted to accounting for payment:
 - i. Original contract/agreement (if applicable).
 - ii. Original invoice.
 - iii. Purchase order (if applicable).
 - iv. Receiving documents / packing slips.
 - v. For payroll: payroll authorization form, timesheets, and salaried employee adjustments.
 - vi. Requisition for payment that has signed approval according to the [Delegated/Assigned Authorities Policy] and the Financial Administration Law.

- (b) Reimbursable expense claims must be complete, sufficiently supported, and recorded on the prescribed expense claim form. Before submitting expenses to Accounting for approval and payment, the employee will ensure that they have prepared a complete claim that includes:
 - vii. The employee's signature and date signed, acknowledging that all amounts claimed are accurate and in support of First Nation official business;
 - viii. Original receipts for all amounts claimed. Depending on the nature of the claim, these can include
 - Invoices.
 - Itineraries for air/train travel.
 - Itemized restaurant bills (where per diems do not apply).
 - Support for any exchange rates used in the expense claim. Sufficient support includes receipts from exchange bureaus for money exchanged or credit card bills showing the exchange rate received. When neither is available, the Bank of Canada official rate shall be used.
 - Signed travel authorization from the employee's manager (for the Senior Manager a member of Council will approve, for Council members the Chair of the Finance and Audit Committee will approve).
 - If applicable, a signed pre-authorization supporting business class travel.
 - Proof of payment for items claimed, which includes credit card or debit receipts.
- (c) Credit card receipts alone are not sufficient, the original itemized receipt or invoice from the supplier must be included in every reimbursement or expense claim.
- (d) For all expenditures, claims with the appropriate support as described in policy statement 7b must be submitted to Accounting within 30 days of the expense being incurred.

(8) Approval for Payment

- (a) No money may be paid out of any account without a requisition for payment.
- (b) In addition to the steps below, the tax administrator must authorize payment out of a local revenue account.
- (c) Invoices received must be immediately forwarded to Accounting with a requisition for payment who will then process them to
 - i. Match with the purchase order and the receiving document,
 - ii. Ensure that all required documentation has been submitted to support payment,
 - iii. Verify mathematical accuracy,

- iv. Ensure that any taxes are correctly calculated and processed if applicable for tax exemption claims,
 - v. Confirm that funds are available to pay the invoice, and
 - vi. Identify and note the authorized general ledger account coding.
- (d) Invoices for goods or services that have not been ordered through a purchase order or contracting process, will be approved for payment by the manager of the employee (for the Senior Manager a member of council will approve, for Council members the Chair of the Finance and Audit Committee will approve) who initiated the purchase. Approval for payment will
- i. Be evidenced by a dated signature or initials on the invoice,
 - ii. Attest that the good or service has been received in accordance with the terms and conditions of the purchase, and that the invoiced amount is accurate mathematically and also for any taxes calculation, and
 - iii. Identify and note the authorized general ledger account coding.
- (e) The individual that approves the expenditure cannot be the same individual who approves the requisition for payment.
- (f) Reimbursable expense claims will be reviewed by Accounting to ensure that
- i. The expense claim is mathematically correct and that taxes are identified and accounted for correctly,
 - ii. Authorized general ledger account coding instructions are identified,
 - iii. Expenses claimed are for authorized activities,
 - iv. The claimed expenses are eligible and comply with this policy and procedure, and
 - v. Adequate and sufficient supporting documentation is attached.
- (g) Any exceptions to the above will require authorization from the Finance Manager for payment.
- (h) The Senior Finance Officer will enter invoices and reimbursable expense claims into the general ledger for payment only when they have been appropriately processed and approved according to this policy and procedure and the Financial Administration Law.
- (i) Invoices or reimbursable expense claims that are still being processed or approved at the end of an accounting period will be recorded as an accrued liability.
- (j) Claims that do not meet the requirements outlined in this policy will be denied reimbursement.

(9) Payments

- (a) Accounts payable will be paid within thirty (30) days of the receipt of an invoice or reimbursable expense claim, with the exception of those invoices or expense claims which require management approval.
- (b) Accounting will prepare cheques every [timeframe – i.e. second Thursday].
- (c) The payments package will be provided to two authorized signatories, and will be accompanied by
 - i. A listing of all payments prepared noting the payee, amount, and payment date,
 - ii. Supporting documentation for each payment (e.g. cheque, transfer) including
 - Approved invoices, expense claims, purchase orders, and receiving documents, and
 - Evidence that Accounting has completed the processing of the payment, including account coding.
- (d) Payments will be initiated / distributed by Finance immediately upon receipt of the signed payments from two authorized signatories.
- (e) All documentation supporting payment will be retained in accordance with the [Records and Information Policy]. This will include purchase orders, invoices, contracts, packing slips, reimbursable expense claims with receipts, etc.

(10) Accounts Payable employees will notify the Finance Manager immediately of any instances of

- (a) Non-compliance with policy requirements that cannot be resolved, and
- (b) Suspected fraud.

7. References

(1) FMB's Financial Management System Standards

- (a) Standard 18.4 Expenditures
- (b) Standard 18.8 Reimbursable expenses
- (c) Standard 8.1 Council delegation procedures
- (d) Standard 8.2 Assignment procedures

(2) FMB's Financial Administration Law Standards

- (a) Standard 16.2 Expenditures
- (b) Standard 8.2 Delegation

8. Attachments

Appendix A – Sample Reimbursable Expenses Claim Template

Appendix A: Sample Reimbursable Expenses Claim Template

Employee name: _____

Title: _____

Date: _____

Reason for claim:

Description of the claim and why it was necessary for the First Nation's business.

Declare any third party funding / reimbursements received as a result of this activity.

I certify that the above statements are true and that false claims are grounds for dismissal.

Receipt No.	Date	Description	Type of expense	Amount	Exchange rate	CAD amount
1, 2	Sep 1	Return flight to Toronto Aug 7-9	Airfare	\$500.00	-	\$500.00
			Taxi			
			Hotel			
			Per diem / incidentals			
			Membership			
			Etc.			
Total Claimed:				xxx.xx		\$xxx.xx
Less: travel advance (if applicable)						(\$xxx.xx)
Total to be reimbursed:						\$xxx.xx

Employee signature: _____

Date: _____

Approval signature: _____

Date: _____

Statement of Policy and Procedure	
Policy No.	SPP-17
Department Ownership	Finance
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Debt Policy

Approved by Council on September 23, 2015

1. Policy

All proposals for funding through debt obligations will be submitted to the Finance and Audit Committee for review and recommendation and to Council for review and approval and will be supported by a financing proposal. Debt obligations will be recorded, monitored, reconciled and reported to Council quarterly through the Finance and Audit Committee and any exceptions or issues identified and resolved.

2. Purpose

The purpose of this policy is to establish an effective and accountable borrowing framework for the First Nation.

3. Scope

This policy applies to the Executive Director, Finance Manager, Tax Administrator, Finance and Audit Committee, Council, and those persons with the authority to recommend or approve debt.

4. Definitions

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

5. Responsibilities

(1) Council is responsible for

- (a) Reviewing and approving any proposed debt financing, including the terms and conditions, recommended by the Finance and Audit Committee.

(2) The Finance and Audit Committee is responsible for

- (a) Reviewing any debt financing proposal report presented by the Executive Director and Finance Manager and recommending a course of action to Council;
- (b) Monitoring borrowings, loans and payments in respect of each capital project.

(3) The Executive Director is responsible for

- (c) Reviewing any debt financing proposal report prepared by the Finance Manager and recommending a course of action to the Finance and Audit Committee.

(4) The Finance Manager (in conjunction with the Tax Administrator for local revenue account related debts) is responsible for

- (d) Preparing any debt financing proposal report for each proposed financing and presenting it to the Executive Director for review and comment,
- (e) Ongoing monitoring and management of all debt obligations, including timely payments, maintaining sufficient documentation, and performing regular reconciliations of debt transactions, and
- (f) Reporting and disclosing the debt obligations in the financial statements in accordance with GAAP, the Financial Administration Law and any agreements under which the debt obligations were incurred.

6. Procedures

Determination of need and evaluation of options

- (1) The Executive Director and Finance Manager will document the requirement for the First Nation to incur a debt obligation by examining the strategic plans, multi-year financial plan, annual budget, current financial situation, and any planned activities requiring funding. Once the need and amount of funding required is determined, the Finance Manager will work with the Executive Director to outline the various financing options available to the First Nation.
- (2) The Finance Manager (and members of the finance team under the supervision of the Finance Manager as appropriate) will prepare a debt financing proposal report which includes the following:
 - (a) Need for financing and alternatives considered;
 - (b) Evaluation of available financing options;
 - (c) Recommended financing option;
 - (d) Proposed security for the financing option;
 - (e) The purpose, use and application of funds;
 - (f) Description of re-payment plans based on cash flow analysis;
 - (g) Linkage to the First Nation integrated planning process, including the strategic plan, multi-year financial plan, annual budget, and cash flow statements;
 - (h) Identification of any provisions in the Financial Administration Law or in any other applicable law that limits debt which can be incurred by the First Nation or that imposes requirements or conditions which must be met before debt may be incurred;

- (i) Requirement for consultation with members of the First Nation before any capital project-related debt is incurred by the First Nation.
- (3) The Finance Manager will consider at least the following for each financing alternative identified in the report:
 - (a) Impact on future budgets and projected cash flow;
 - (b) The cost to the First Nation;
 - (c) Level of risk involved (i.e. covenant risks, refinancing, earnings dilution, interest rate risk, project completion risk);
 - (d) First Nation's ability to service the debt and repayment schedules;
 - (e) An analysis of the terms and conditions and how these would impact the First Nation;
 - (f) Any financial reporting implications.
- (4) The Executive Director will review and approve the content of the debt financing proposal report prepared by the Finance Manager, including a recommended course of action to the Finance and Audit Committee.
- (5) The Executive Director will obtain concurrence from legal counsel on the debt financing proposal.

Approval

- (6) The Executive Director and Finance Manager will present the debt financing proposal report to the Finance and Audit Committee for their review. The Finance and Audit Committee will review the report and make a recommendation to Council on whether to incur the debt and which option it recommends.
- (7) Council will review the debt financing proposal report and accompanying recommendations. Subject to the Financial Administration Law, Council will vote on whether to approve the requirement for entering into a debt obligation. If the requirement to incur debt is approved, Council must also approve, through a Band Council Resolution, the terms and conditions of the debt financing option that will be used.

Management and monitoring of debt obligations

- (8) The Council will manage and monitor the debt obligation by:
 - (a) Ensuring the multi-year financial plan of the First Nation demonstrates how and when this deficit will be addressed and how it will be serviced;

- (b) Ensuring the deficit does not have a negative impact on the credit worthiness of the First Nation; and
 - (c) Ensuring that any financial covenants contained in lending agreements are reported upon to the appropriate stakeholders in a timely manner.
- (9) The Finance Manager will manage and monitor the debt obligation by:
- (a) Ensuring that timely payments are made according to the terms and conditions/repayment schedule of the debt obligation;
 - (b) Performing [monthly/quarterly – depending on materiality/complexity] reconciliations between the First Nation’s financial records and statements from the lender; and
 - (c) Calculating any financial covenants contained in lending agreements and evaluating whether compliance with the terms of the covenants have been met.

Reporting

- (10) The Executive Director will report to each meeting of the Finance and Audit Committee the year to date borrowings, loans and payments in respect of each capital project.
- (11) The Finance Manager will ensure that the debt obligation is reported to the Finance and Audit Committee on a quarterly basis in the financial statements in accordance with GAAP and any requirements of the Financial Administration Law.

Records management

- (12) The Finance Manager will ensure that records pertaining to the debt obligation are created, maintained and retained in accordance with the Records and Information Policy. For each debt obligation, the following will be documented:
- (a) The loan agreement and any ancillary agreements;
 - (b) The debt financing proposal report on which council based its decision;
 - (c) Documented council approval and required membership information or involvement;
 - (d) An interest and principal repayment schedule (if applicable) that includes the dates of all payments required under the loan agreement or plan for extinguishing the debt;
 - (e) The cost of borrowing including interest payments and service or other charges;
 - (f) The purpose for which the debt has been incurred;
 - (g) Reconciliations of the debt with lender records.

7. References

- (1) FMB’s Financial Management System Standards

(a) Standard 18.5 Debts

(2) FMB's Financial Administration Law Standards

(a) Standard 16.3 Borrowing

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-18
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Procurement Policy

Approved by Council on September 23, 2015

1. Policy

The procurement of goods, services and assets will be conducted with sufficient due diligence to demonstrate transparency, fairness, quality, and value for money in meeting the First Nation's requirements.

2. Purpose

The purpose of this policy is to provide guidance to the First Nation on how purchases will be planned, managed, approved and paid.

3. Scope

This policy applies to the Council, Executive Director and any other First Nation employees involved in purchasing goods, services and assets on behalf of the First Nation.

4. Definitions

"Assets" include tangible capital assets such as equipment, buildings and land that have been purchased or constructed by the First Nation.

"Best Value" refers to the optimal combinations of experience, knowledge, expertise, geographic location, performance, quality, time, initial costs, operation and maintenance, cost, life cycle costs, service, performance characteristics, spare parts availability, warranties and guarantees etc.

"Fairness" refers to giving qualified firms and individuals an equal opportunity to compete for the contract work; and to evaluating tenders and proposals in accordance with accepted practices.

"Encumbrance accounting" refers to the process of setting money aside (to hold it) for a specific purpose. Money then, is essentially earmarked for certain future purposes and cannot be re-allocated for any other purpose than stated.

"Invited tender" refers to a tender that is distributed to a certain number of contractors who are invited to bid on a specific project. Industry standards indicate that at least three contractors should be invited to ensure that the process is fair and there is sufficient competition.

"Open or public tender" is the process by which tenders are advertised publicly. Open tenders should allow any qualified potential bidders the opportunity to bid on a project.

"Requisition" refers to a purchase order used by the First Nation when documenting expenditures.

"RFP" stands for Request for Proposal, which is the process generally followed before awarding a major service contract. RFPs identify the need and leave it up to the prospective contractors to make a proposal that is appropriate.

"Sole Source" means a person or company from whom the First Nation may purchase goods and/or services.

"Tender process" refers to the process where documents outlining the requirements and

specifications of a project are put in the hands of prospective contractors or suppliers interested in submitting bids.

5. Responsibilities

- (1) The Council is responsible for:
 - (a) Ensuring effective control of procurement of goods, services and assets through documented policies and procedures.
- (2) The Executive Director is responsible for:
 - (a) Ensuring the procurement process is fair, open, and demonstrates accountability to obtain the best value for time and money;
 - (b) Communicating the policies and procedures to all parties who are affected.
- (3) The Finance Manager is responsible for:
 - (a) Developing, documenting and maintaining policies and procedures relating to the procurement process for goods, services, and assets;
 - (b) Assisting in the selection, evaluation, and monitoring of contractors and suppliers;
 - (c) Managing and monitoring expenditures and identifying and reporting on budget variances;
 - (d) Ensuring that procurement staff receives appropriate guidance and assistance in the performance of their duties.

6. Procedures

Procurement of low value items goods and services

- (1) Goods and services under the 'low' value threshold can be procured by the individuals noted in Appendix A for each threshold of value.
- (2) The responsible employee noted in Appendix A will ensure that the goods or service selected is the best value for First Nation.
- (3) The responsible employee noted in Appendix A will sign the invoice indicating that the goods or services have been received under the terms in the agreement between the First Nation and the vendor.

Procurement of moderate value goods and services

- (4) The responsible employee noted in Appendix A will perform a documented analysis of the costs and benefits of at least three options to procure the good or service.

- (5) Where practical, informal quotes will be obtained through advertisements, direct solicitations to contractors/suppliers and other methods in an effort to compare prices and select the best option for the First Nation.
- (6) When appropriate, the First Nation will promote the use of local content in the procurement of goods and services in accordance with Appendix C.

Procurement of high value goods and services

- (7) Goods and services classified as high value according to Appendix A will be procured using a competitive tendering process.
- (8) When appropriate, the First Nation will promote the use of local content in the procurement of goods and services in accordance with Appendix C.
- (9) Under a competitive tendering process, the First Nation must use either an invited tender or an open tender to award a contract.
- (10) For each tendering process a RFP will be issued and will include the following components:
 - (a) Date by which proposals are due;
 - (b) Background to the requirement (e.g., context, challenges);
 - (c) Specific requirements of the proposal including any requirements set out in Council policy for the management of capital projects (e.g. course of construction insurance, performance guarantees and bonding;
 - (d) Qualifications of the ideal supplier (e.g. track record, experience, integrated services);
 - (e) Criteria and weighting (if applicable) by which proposals will be assessed;
 - (f) Planned contract award date;
 - (g) Process for entertaining questions regarding the RFP and sharing responses with other potential suppliers;
 - (h) Caveat providing the First Nation with the right to pick any proposal or none;
 - (i) A checklist of other special terms and conditions (e.g., maximum price expected, delivery dates or constraints) that would be critical for an organization to build into their response to meet the needs of the First Nation.
- (11) The Executive Director, [#] representatives from Council, and any required staff possessing relevant expertise will form a review panel and review the proposals received against the pre-determined selection criteria for the RFP. The review panel will provide Council with a recommended course of action.

- (12) To maintain consistency in the procurement process, a standard methodology will be used to evaluate each contractor/supplier (Appendix B). The methodology will include, at a minimum, an evaluation of:
- (a) How the contractor/supplier meets the RFP or tender requirements and specifications;
 - (b) The contractor/supplier's qualifications;
 - (c) The price quoted;
 - (d) Results and quality of all work the contractor/supplier has previously done for the First Nation.
- (13) Other requirements will be added to the methodology as deemed necessary by the Executive Director.
- (14) Normally an RFP process as described above will be followed to procure goods and services. Exceptions to this process (i.e. granting a sole source contract, non-competitive contract award) will be rare and limited to the following situations:
- (a) If there were no bids received during the tender call or RFP process;
 - (b) When the good or service is available only through a Sole Source;
 - (c) In an emergency situation where a delay in procuring the good or service would result in severe loss or damage to the First Nation.
- (15) Any exceptions to the procurement process will be documented to demonstrate the rationale and approval of a non-standard procurement process as noted in clause (12).

Approval, initiation and monitoring

- (16) Approval of procurement decisions should be documented on the relevant purchasing document (i.e. requisition, purchase order, or contract, depending on the nature of the procurement activity).
- (17) Once approved, the Finance Manager will ensure that an encumbrance accounting system is in place for each procurement activity over \$[●] and for each contracted procurement so that money is set aside and used specifically for those goods or services.
- (18) On a monthly basis, the Finance Manager will review the status of procurement encumbrances, noting and investigating any over budget commitments. Procurement activities over budget by \$[●] will be reported to the Executive Director.
- (19) At each Finance and Audit Committee the Executive Director will report on the status of a capital project including a comparison of expenditures to date with the project budget and a detailed description of any identified legal, financial, technical, scheduling or other problems and the manner in which it has been or will be addressed.

Documentation requirements

- (20) All procurement documents (including but not limited to requisitions, invoices, purchase orders, request for proposals or tender calls) will clearly indicate the details of the goods and services requested.
- (21) Approvals and budget appropriations and accounts from which certain goods or services may or must be purchased will be documented on relevant internal procurement documentation
- (22) A file will be created for each RFP/Tendering process that contains the results of each supplier evaluation.

Monitoring of Contractors/Suppliers

- (23) On an ongoing basis, the Executive Director will monitor the quality of the work and the working relationship with the contractor/supplier. Any issues noted will be documented in the contractor/supplier file and resolved by the Executive Director.
- (24) Performance evaluation should be tailored to job size and complexity. A review of both the project quality and the service quality should be conducted using a standard set of criteria and applying weight factors established at the time of award. Any adjustments to the criteria weighting should not be made without the [contractor/supplier's concurrence].

Encouraging new contractors/suppliers

- (25) Contracts will be reviewed on an annual basis (or other timeframe as deemed appropriate by the Executive Director for the nature and complexity of the goods/services in question) and a request for other contractors/suppliers initiated.

7. References

- (1) FMB's Financial Management System Standards
 - (a) Standard 18.6 Procurement
 - (b) Standard 18.7 Procurement of suppliers
 - (c) Standard 23.5 Contract and tendering requirements
- (2) FMB's Financial Administration Law Standards
 - (a) Standard 8.3 Policies, Procedures and Directions
 - (b) Standard 16.2.1 Expenditure Controls
 - (c) Standard 21.5 Contracts and tendering provisions

8. Attachments

Appendix A – Purchasing Approval Limits

Appendix B – Contractor/Supplier Evaluation Template

Appendix C – Local Content

Appendix A – Purchasing Approval Limits

Purchase Values <i>(amounts used for illustration only – will vary depending on the First Nation's situation)</i>		Process to be followed:	Who is responsible:
Less than \$100		Petty Cash	Petty Cash Clerk
Greater than [\$100]	Less than or equal to [\$1,000]	Low Value ²	Division Manager ¹
Greater than [\$1,000]	Less than or equal to [\$5,000]	Low Value ²	Division Manager
Greater than [\$5,000]	Less than or equal to [\$25,000]	Moderate value: Informal Quotation ³	Executive Director Finance Manager
Greater than [\$25,000]		High value: Tender Call/Request for Proposal	Council, Executive Director and Finance Manager

1. Division Manager = Department Manager or equivalent.

2. Low Value = Contractual arrangement for low value procurement process: in this, employees with appropriate authority as set out in this policy may sign an invoice indicating that the goods or services have been received and the contractor/supplier may be paid.

3. Informal Quotation = obtaining informal quotes where practicable through advertisements, direct solicitations to contractors/suppliers and other methods in effort to compare prices.

Appendix B – Sample Contractor/Supplier Evaluation Template

Supplier Evaluation				
Organization name:				
Service / goods to be provided:				
RFP / Tender reference #:				
Value of contract:				
Criteria	Details / Comments	Value	Score	
1. RFP or other requirements (list here) 1.1 xxx 1.2 xxx 1.3 xxx	<i>Describe any areas of concern or where requirements were not met....</i>	##	##	
2. Qualifications and experience	<i>Do they have the appropriate qualifications and experience to perform the work?</i>	##	##	

3.	Terms and conditions	Are their terms and conditions acceptable to the First Nation?	##	##
4.	Has the organization worked previously with the First Nation? Provide details and an evaluation of the work.	Evaluate the First Nation's previous experience with this supplier		
5.	XXXX			
6.	XXXX			
7.	XXXX			
8.	XXXX			
9.	XXXX			
10.	XXXX			
11.	Price	Evaluation of the price, results of previous criteria.		
12.	Other considerations?	Anything not covered above that should be included in evaluation the supplier i.e. inclusion of local content		
Evaluation			Score: ##/##	

Overall comments / recommendation:

%

Attachments:

- Contractor/Supplier response to RFP/Tendering
- Results of any previous contractor/supplier evaluations
- Other supporting information as required

Appendix C – Local Content

The First Nation should promote the use of local content when appropriate in the procurement of goods and services. For construction contracts on reserve lands, the First Nation may include a clause that requires the contractor to employ local labour and resources. Another option is to add a training component to the contract that requires the contractor to train local labourers. Where applicable, the tender package should also require bidders to stipulate the extent to which they will use local materials, local equipment, and provide a formal training program for local labour employed by the contractor.

Pre-tender Considerations for Local Content

Before developing the tender documents, the First Nation should establish:

- The extent of labour and trades available locally
- Quantities and firm prices of locally available materials
- Local equipment available and firm rental rates
- Training requirements and trade apprenticeships

Once the contract has been awarded, special clauses reflecting the agreed upon local content requirements will be incorporated in the contract with the successful vendor.

Statement of Policy and Procedure	
Policy No.	SPP-19
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Risk Management Policy

Approved by Council on September 23, 2015

1. Policy

The First Nation will identify, manage, and monitor risks related to the financial management system and the achievement of its goals..

2. Purpose

The purpose of this policy is to provide guidance on risk management as part of the integrated planning process and ongoing governance activities of the First Nation, including risk assessments, mitigation plans, and specific business activities that are separately evaluated, managed and monitored.

3. Scope

This policy and procedure applies to Council, the Finance and Audit Committee, the Executive Director, the Finance Manager, and all other employees involved in risk management at the First Nation.

4. Definitions

“**risk**” is defined as anything of variable uncertainty and significance that interferes with the achievement of a First Nation’s strategies and objectives.

“**risk tolerance**” means the degree of uncertainty the First Nation is willing to accept in the achievement of its goals.

5. Responsibilities

(1) Council is responsible for:

- (a) Providing input to the annual risk assessment;
- (b) Reviewing and approving the annual First Nation risk register;
- (c) Subject to the Financial Administration Law, approving:
 - i. For-profit business activities and ventures;
 - ii. The investment strategy;
 - iii. Loans, guarantees or indemnities.

(2) The Finance and Audit Committee is responsible for:

- (a) Providing input to the annual risk assessment;
- (b) Reviewing the risks register on a regular basis to ensure risks are adequately managed.

(3) The Executive Director is responsible for:

- (a) Managing the annual risk assessment process and preparing the risk register;
- (b) Reviewing and updating the risk register on a regular basis;
- (c) Immediately reporting any significant changes to the risk register to the Finance and Audit Committee;
- (d) Preparing the business case and risk assessment for any for-profit business activities or ventures.

(4) The Finance Manager is responsible for:

- (a) Ensuring all for-profit business activities are separately reported in the monthly, quarterly and annual financial statements and management reports;
- (b) Reviewing and recommending approval for loan, guarantee or indemnity requests;
- (c) Preparation of the First Nation investment strategy.

6. Procedures

General risk management approach

- (1) On an annual basis as part of the integrated planning process, a risk assessment will be performed by the Executive Director. Risks identified will include any risks that could impact the First Nation's achievement of its strategic goals or its operations in general.
- (2) Risks will be recorded in the First Nation Risk Register. The management team will analyze the potential impact and likelihood of each risk identified and develop an appropriate risk mitigation plan.
- (3) Responsibility for each risk and corresponding risk mitigation plan will be assigned to a First Nation staff member.
 - (a) The risk register will be presented to the Finance and Audit Committee for review and recommendation to council for approval on an annual basis (during the integrated planning review).
 - (b) On a quarterly basis, the Executive Director will review the risk register with the risk owners to update or adjust as required the risks or mitigation plans. Any significant changes will be reported to and reviewed by the Finance and Audit Committee and reported to the Council.

Activity-specific risk management considerations

- (c) For-profit business activity

- i. Prior to beginning any for-profit business activity, the Executive Director will lead the preparation of a business case supporting the activity. The business case should contain, at a minimum, a detailed description of the proposed activity, costs, projected revenues and benefits, funding arrangements, strategic impact, and a risk assessment (including whether the activity will result in a material liability of the First Nation or expose the First Nation's financial assets, property or resources to significant risk).
- ii. The risk assessment should address all risks related to the project and the resulting overall impacts on the First Nation.
- iii. For each risk, a detailed mitigation plan with assigned responsibility will be developed.
- iv. The complete business case and risk assessment will be presented to the Finance and Audit Committee for review and recommendation to Council for approval of the activity via a band council resolution.
- v. The Executive Director, or designate, will be responsible for ongoing monitoring of the for-profit business activity. Deviations from the approved business plan will be presented to the Finance and Audit Committee for review and recommendation to Council.
- vi. The for-profit business activity must be separately reported in the monthly, quarterly, and annual financial statements and reports.

(d) Loans, guarantees and indemnities

- i. For any loans, guarantees or indemnities, the Finance Manager must document his or her evaluation of the risks to the First Nation of extending credit to the requesting individual/group. Risks which should be considered include, but are not limited to, the following:
 - Ability of the individual or group to repay the First Nation;
 - Potential for negative impact on the First Nation's reputation;
 - Extent of other similar situations / agreements the First Nation has entered into;
 - Ability of the First Nation to honour the guarantee or indemnity should it be required to do so;
 - In the case of a program for lending to members of the First Nation, the risks associated with the program and the costs of administering the program.
- ii. Approval and management of loans, guarantees and indemnities is detailed in the [Loans, Guarantees and Indemnities Policy].

(e) Investments

- i. The Finance Manager will, with the input of the management team, the Finance and Audit Committee, and expert external advisors as required, develop a proposed investment strategy for the First Nation which describes the First Nation's short and

long term investing strategies, goals, desired returns, allowable uses of available funds, and overall investment risk tolerance.

- ii. The Finance Manager will provide the proposed investment strategy to the Finance and Audit Committee for review and recommendation to Council for approval.
- iii. The investment strategy must be reviewed annually with a report and any recommendations to the Finance and Audit Committee for review and recommendation to Council.
- iv. All investment decisions will be evaluated for fit with the investment strategy and the First Nation's overall strategic priorities. Investment decisions must be at or below the maximum risk tolerance of the First Nation.
- v. The investment strategy and all investment decisions should be approved according to the [Delegated Assigned Responsibilities Policy].
- vi. Records of all risk assessments, documented approvals, and detailed investment information will be maintained for all investment decisions.
- vii. The [Investments Policy] should be referred to for all investment related matters.

(f) Financial reporting

- i. The First Nation will follow the documented procedures in the [Financial Reporting Policy] to mitigate the risk of a material misstatement in the quarterly and annual financial statements.
- ii. Individuals involved in the financial reporting process (i.e. the Finance Manager, Controller, etc.) will have a minimum of [three] years' experience and ideally have a recognized professional accounting/financial qualification (e.g. CAFM, CA, CPA, CGA, CMA).
- iii. On a regular basis (minimum every [two] years), the individuals involved in the financial reporting process must confirm in writing that they understand their responsibilities.

(g) Insurance and Emergency Planning

- i. Separate policies have been developed to provide guidance on insurance and emergency planning. Refer to Insurance Policy and Emergencies Policy.

7. References

- (1) FMB's Financial Management System Standards
 - (a) Standard 19.0 Risk Management
- (2) FMB's Financial Administration Law Standards
 - (a) Standard 17.0 Risk Management

8. Attachments

Appendix A – Risk Register example

Appendix A – Risk Register example

#	Risk	Potential Impact	Likelihood	Mitigation / action plan	Individual responsible
<i>Risk category (i.e. financial, political, environmental, etc.)</i>					
1	<i>Provide a description of the risk and date identified</i>	<i>Provide estimates of the impact of the risk – quantitative/ qualitative as appropriate</i>	<i>An estimation of the likelihood, from low to high</i>	<i>Specific steps to either reduce or eliminate the impact/likelihood of the risk</i>	<i>Name of who will implement and monitor the action plan</i>
2					
3					
<i>Risk category (i.e. financial, political, environmental, etc.)</i>					
4					
5					
6					

Statement of Policy and Procedure	
Policy No.	SPP-20
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Loans, Guarantees and Indemnities Policy

Approved by Council on September 23, 2015

1. Policy

The First Nation will ensure that any loans, loan guarantees and indemnities given will be made in accordance with written agreements which include standard clauses, are appropriately approved, are monitored for compliance with agreement terms regularly, and are reported to the Finance and Audit Committee on a regular basis. Any loan granted to a member or to an entity in which a member of the First Nation has an interest must be part of a lending program approved by Council which is universally available to all members in a fair and transparent manner and in accordance with published terms and conditions which are accessible to all members.

2. Purpose

The purpose of this policy is to provide the First Nation with an effective and transparent process for the approval, collection and documentation of loans, loan guarantees and indemnities given by the First Nation as authorized in its Financial Administration Law.

3. Scope

This policy and procedure applies to loans, loan guarantees and/or indemnities entered into between the First Nation and Councillors, the Finance and Audit Committee, Executive Director, the Finance Manager and any other First Nation employee or member or entity in which a member of the First Nation has an interest.

4. Definitions

“Arrears” refers to an unpaid, overdue debt, or an unfulfilled obligation.

“Loan guarantee” is a promise to pay all or a part of the principal and/or interest on a debt obligation in the event of default by the borrower.

“Indemnity” refers to the right of a person to recover the amount of a financial loss or a liability to a third party..

“Loan receivable” is a financial asset of the First Nation (the lender) represented by a promise by a borrower to repay a specific amount, at a specified time or times, or on demand, usually with interest.

5. Responsibilities

(1) Subject to the Financial Administration Law, Council is responsible for:

- (a) Approving and signing loan agreements for amounts up to \$[xx];
- (b) Approving and signing loan guarantee agreements for amounts up to \$[xx];

- (c) Approving and signing indemnity agreements for amounts up to \$[xx];
- (d) Approving debt forgiveness for amounts exceeding \$[xx];
- (e) Approving the standard template, clauses, and interest rates (if applicable) to be applied to all First Nation members, any entity in which a member of the First Nation has an interest or any other party with respect to loans receivable, loan guarantees and indemnities;
- (f) Reviewing the report of the Finance Manager and the Finance and Audit Committee for a lending program to members where such program is authorized in the Financial Administration Law and, where appropriate, approving such program.

(2) The Finance and Audit Committee is responsible for:

- (a) Reviewing a report made by the Finance Manager respecting a lending program to members and making any recommendations to Council;
- (b) Monitoring the status of First Nation's loans receivable, loan guarantees and indemnities and reporting to the Council;
- (c) Monitoring the administration of any Council approved program of lending to members and any amendments thereof.

(3) The Executive Director is responsible for:

- (a) Approving employee payroll and employee expense advances up to \$[xx];
- (b) Ensuring the lending, loan guarantee and indemnity process is transparent by providing First Nation members access to the requirements, standard terms and conditions;
- (c) Ensuring the publication of the terms and conditions of any Council approved program of lending to members, providing access to the published program by all members and administering the program;
- (d) Approving the loan forgiveness report.

(4) The Finance Manager is responsible for:

- (a) Reporting to the Council, any risks associated with entering into a new program of loans to be made to members or entities in which members have an interest and the costs of administering such a program;
- (b) Approving and signing loan agreements for amounts up to \$[xx];
- (c) Preparing loan, loan guarantee and indemnity agreements using the standard clauses approved by Council;
- (d) On a monthly basis, monitoring the status of loan repayments, overseeing the loan receivable collection procedures, evaluating the likelihood of collectability and risk of loss,

approving any necessary loan valuation allowances to reflect loans receivable at the lower of cost and net recoverable value and reporting the results of this monitoring to the Finance and Audit Committee;

- (e) On a monthly basis, preparing the loan valuation allowance, write-off and forgiveness report;
- (f) Ensuring that loan receivable allowances and loan receivable write-offs and loan forgiveness are reported to the Finance and Audit Committee and accurately recorded and disclosed in the financial records and statements;
- (g) Ensuring adequate supporting documentation is retained for all loans receivable, loan guarantees and indemnities;
- (h) On an annual basis, preparing a report for the Finance and Audit Committee setting out all payments made to honour the First Nation's loan guarantees and indemnities;
- (i) On an annual basis, preparing a report for the Finance and Audit Committee setting out all loans or obligations forgiven by the First Nation.

6. Procedures

Requirements

- (1) Subject to the Financial Administration Law, any authorized loans made by the First Nation are subject to the following conditions:
 - (a) Loans available to members must be set out in a program approved by the Council which has published terms and conditions and is universally available to all members;
 - (b) Loans and all payments received from those loans must be set out in an annual report that includes details about the amounts loaned, the purposes of the loans, the names of those receiving a loan and repayments of principal and interest on the loans;
 - (c) The loan must be used for [to be determined by the First Nation].
 - (d) The principle amount must not exceed \$[xx]. Loans up to \$[xx] will be prepared and approved by the Finance Manager, while loans above \$[xx] will be approved by Council. Approval will be enacted by signing the agreement with the individual requesting the loan and will only be granted if the risk of non-payment is at an acceptable level for the First Nation.
 - (e) Instances where there is a high risk or likelihood that the individual will be unable to pay (i.e. previous instances of debt non-payment, poor credit history, unemployment or bankruptcy, etc.) over \$[xx] require Council approval.
 - (f) Interest, if charged, will be applied consistently to all loans at a risk adjusted rate of [●]% plus prime.

- (g) A binding legal written agreement will be made between the First Nation and individual requesting the loan. The agreement will contain standard clauses that are consistently applied to every individual that applies for and secures a loan from the First Nation. The following items, at a minimum, will be present in the agreement:
 - i. The name of the individual;
 - ii. Amount of the loan;
 - iii. Nature and amount of any security over the loan pledged in favour of the First Nation or provided as loan collateral;
 - iv. Interest (if applicable);
 - v. Repayment schedule.
 - (h) Approval will be enacted by signing the agreement with the individual requesting the loan.
- (2) Loan guarantees will only be granted in the following circumstances [to be determined by the First Nation]:
- (a) The amount of the loan guarantee must not exceed \$[xx]. Loan guarantees will be approved by Council upon consideration of the report of the Finance Manager. Approval will be enacted by signing the agreement with the individual requesting the loan guarantee and will only be granted if the risk of non-payment or non-fulfillment of an obligation is at an acceptable level for the First Nation.
 - (b) The report from the Finance Manager must identify any risks associated with giving the loan guarantee, evaluate the likelihood of having to honour and make payments under the guarantee, describe information collected and any judgments or estimates used to make this evaluations and assess the financial ability of the First Nation to honour the loan guarantee should it be required to do so.
 - (c) A binding legal agreement will be made between the First Nation and individual requesting the loan guarantee. The agreement will contain standard clauses that are consistently applied to every individual that applies for and secures a loan guarantee from the First Nation. The following items, at a minimum, will be present in the agreement:
 - i. Name of the individual;
 - ii. Amount of the loan guarantee;
 - iii. Duration of the loan guarantee agreement;
 - iv. Amount, maturity and repayment terms of the underlying loan or obligation; and
 - v. Purpose and use of the underlying loan (e.g. details of the asset being acquired or leased or investment being made).
 - (d) Approval will be enacted by signing the agreement with the individual requesting the loan guarantee.

- (e) The First Nation will obtain a copy of the legal [asset purchase / lease] [investment] agreement requiring the issuance of a loan guarantee and retain on file with the loan guarantee agreement.
- (3) In exceptional circumstances only, indemnities will be granted in the following circumstances [to be determined by the First Nation]:
- (a) [The First Nation must not give an indemnity unless it is:
 - i. Authorized to do so under section [103] of the Financial Administration Law ("FAL");
 - ii. Necessary and incidental to and included in another agreement to which the First Nation is a party; or
 - iii. In relation to a security granted by the First Nation that is authorized under the Financial Administration Law or another First Nation law.]
 - (b) The First Nation will obtain a copy of the [asset agreement] under loan guarantee and retain on file with the loan guarantee agreement.
- (4) Employees may request a payroll advance from the First Nation. Only [one] payroll advance will be allowed per year, once the previous year's advance has been settled. Payroll advances will be approved by the Executive Director.
- (5) Employees may request an advance for valid out-of-pocket expenses that will be incurred within the current fiscal year and that will ultimately be reimbursed by the First Nation in accordance with the current expense policy. Amounts up to \$[xx] can be approved by the Finance Manager, while amounts between \$[xx] and up to \$[yy] require Executive Director approval and amounts over \$[yy] require approval of Council.
- (6) Any leases or 'lease to buy' arrangements given or made by the First Nation are subject to the following conditions:
- (a) [to be added by the First Nation]
- (7) Standard agreement clauses for loans, loan guarantees, and indemnities (including interest provisions) will be reviewed and reported on by the Finance and Audit Committee and approved by Council as necessary and at least annually. Any deviations from the standard agreement clauses require Council approval and consultation with legal counsel.

Accessibility

- (8) Subject to the Financial Administration Law, all members must be able obtain a loan from the First Nation subject to any conditions outlined in this policy.
- (9) The Executive Director will ensure that the requirements to obtain a loan, loan guarantee or indemnity, as well as the standard terms and conditions of these agreements are accessible to all

First Nations members. This information will be available to all members who request a copy from the local office either in person, by phone or by email.

Collection

- (10) On a monthly basis, the Finance Manager will review the list of outstanding loans receivable and corresponding loan payments. The following actions will be taken to resolve overdue payments and delinquent accounts:
- (a) For loan payments that are between 30 and 60 days overdue, the individual holding the loan will be contacted in writing requesting that all overdue payments be made as soon as possible and no later than a specified date;
 - (b) For loan payments that are more than 60 days overdue, late payment interest will be charged on the outstanding loan balance in accordance with the loan agreement between the individual and the First Nation. The individual will be contacted in writing and by phone and informed that interest will accumulate until all overdue payments have been received. Contact by writing and by phone will be made on a monthly basis thereafter if payment has not been received;
 - (c) For loan payments that are more than 120 days overdue, the Finance Manager will determine whether the loan should be considered impaired and written off or sent to an external collections agency. The Finance Manager (or delegate) will inform the individual in writing and by phone that the payments in arrears have been transferred to an external agency for collection;
 - (d) Any additional financing arrangements or amendments to existing loan agreements to improve the likelihood of repayment between the First Nation and an individual with payments in arrears will be determined by the Finance Manager and approved by the Executive Director.

Debt Forgiveness

- (11) All reasonable steps should be taken to attempt to collect the outstanding balance. However, when it becomes evident that the First Nation will be unable to collect the outstanding balance, a report should be compiled by the Finance Manager and approved by the Executive Director detailing the following:
- (a) Individual and amount in arrears;
 - (b) Principal and interest outstanding on the loan;
 - (c) Length of time in arrears and measures taken to collect on payments in arrears;
 - (d) Rationale for debt forgiveness.

- (12) For amounts up to and including \$[xx], the Executive Director has authority to approve a debt forgiveness based on the Finance Manager's report and recommendations. Amounts over \$[xx] require review and recommendation by the Finance and Audit Committee and approval by Council.

Write-offs

- (13) When all reasonable steps to collect have been taken and debt has not been collected or forgiven, the Finance Manager will ensure that the loan and its outstanding principal and interest payments are reclassified in the financial statements as bad debt.

Monitoring and Reporting

- (14) All loans, loan guarantees, and indemnities will be reported annually to the Finance and Audit Committee. The annual report will contain the following information for each loan, loan guarantee, and indemnity:

- (a) Name of the individual;
- (b) Purpose of the loan, loan guarantee or indemnity;
- (c) Amount of the original loan, loan guarantee or indemnity;
- (d) Repayments of principal on loans;
- (e) Interest earned and collected on loans;
- (f) Actual payments made, if any, against loan guarantees;
- (g) Actual payments made to compensate for damages, if any, against indemnities;
- (h) List of payments in arrears by individual;
- (i) Any expected payments required as a result of the First Nation having to fulfill or honour a guarantee or indemnity agreement based on the Finance Manager's knowledge of the contracts in place and changes in their underlying financial condition.

Record Keeping

- (15) All agreements and payment records associated with loans, loan guarantees and indemnities will be stored in the First Nation's financial records in accordance with the [Records and Information Policy].
- (16) Records of debt forgiveness will be retained in the event that in future, through changed circumstances, some or all of the debt may be repaid.

7. References

- (1) FMB's Financial Management System Standards

- (a) Standard 19.2.1 Compliance with FAL
- (b) Standard 19.2.2 Additional policies
- (c) Standard 19.2.3 Policy content
- (d) Standard 19.2.4 Records procedure

(2) FMB's Financial Administration Law Standards

- (a) Standard 17.2 Guarantees and indemnities
- (b) Standard 17.4 Lending

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-21
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Investment Policy

Approved by Council on September 23, 2015

1. Policy

It is Council's policy that First Nation's investments will be managed and administered in a manner to preserve capital and generate sufficient income and growth to meet the First Nation's operational or strategic objects.

2. Purpose

The purpose of this policy is to provide a framework for management of the First Nation's investments to achieve short and long term operational and strategic objectives within an acceptable level of risk.

3. Scope

This policy and procedure applies to Council, the Finance and Audit Committee, the Executive Director and the Finance Manager.

4. Definitions

"Restricted Investments" are investments made with funds the source of which is either government transfers, local revenues, or other revenues with restrictions on use.

"Unrestricted Investments" are investments made with funds the source of which is not government transfers or local revenues.

"Portfolio rebalancing" refers to the realigning of the weightings of the First Nation's portfolio of assets and involves periodically buying or selling assets in the portfolio to maintain the original desired level of asset allocation.

5. Responsibilities

(1) Council is responsible for:

- (a) determining the First Nation's short and long term investment objectives;
- (b) selecting / de-selecting investment manager(s) and custodian(s);
- (c) approving the creation of an investment account;
- (d) approving funds to be invested; and
- (e) approving the redemption of invested funds.

(2) The Finance and Audit Committee is responsible for:

- (a) providing Council with recommendations in relation to the funds to be invested;
- (b) monitoring performance; and
- (c) the redemption of invested funds.

(3) The Executive Director is responsible for:

- (a) monitoring the performance of all parties to whom duties have been delegated;
- (b) reporting any significant changes to the investment portfolio to Council;
- (c) liaising with the Finance and Audit Committee, Investment Manager, Finance Manager, and Investment Consultants as required; and
- (d) providing the Finance and Audit Committee with recommendations in relation to selection / de-selection of the investment manager(s) and custodian, funds to be invested, monitoring performance, rebalancing portfolios, and the redemption of invested funds.

(4) The Finance Manager is responsible for:

- (a) analysis of proposals received from Investment Managers and Custodians;
- (b) overseeing rebalancing of the investment portfolios asset mix according to Council instructions;
- (c) executing transfers of funds to / from the investment account(s) according to Council instructions;
- (d) preparing an accounting for additions, withdrawals and balances in the investment account;
- (e) maintaining a record of the amount of, and market value of, the asset classes and units held within the investment portfolio; and
- (f) preparation of a quarterly investment monitoring report including investment performance and a summary of professional advisory fees attributed to the management of the portfolio;
- (g) recommending transfers, rebalancing, monitoring actions, Investment Manager changes, and any other recommendations relevant to the successful management of the investments.

6. Procedures

Selection of Investment Manager(s) and Custodian

(1) Council will select the Investment Manager(s) and Custodian. The Finance Manager may review and analyze the proposals, or Council may engage an independent consultant to facilitate the selection process of Investment Manager(s) and Custodian.

- (a) Investment Manager(s) proposals will be analyzed using a number of criteria including: experience, qualifications, investment management style, costs, past performance, volatility of returns, and any other criteria identified by Council.

- (b) Custodian proposals will be analyzed based on experience, security, service and fees.

(2) A Custodian agreement and Investment Management agreement(s) will be entered into by the First Nation. Agreements must be consistent with this policy and procedure, and must facilitate

execution of the short and long term investment strategies. The agreements must be entered into before any funds are transferred into the investment account(s).

Termination of Investment Manager(s)

(1) Council may terminate an Investment Management agreement for:

- (a) performance results;
- (b) changes in the First Nation or its investment strategy which would no longer require the services of an Investment Manager;
- (c) changes in Investment Manager personnel, firm or ownership structure, investment philosophy, style or approach which might adversely affect the potential return and / or risk level; and
- (d) failure to adhere to this policy and procedure.

Designation and transfers of investment funds

- (1) The Finance Manager will notify Council in writing when there is First Nation funds available for transfer to the investment account(s). The written notification must identify the source(s) of the available funds (i.e. government transfer, local revenues, or unrestricted) and whether they are to be invested according to the short-term or long-term strategy.
- (2) Council must approve the transfer of funds to and from the investment account(s) and authorize the creation of a new investment account if required.
- (3) The Finance Manager will transfer the approved funds into the designated investment account(s) and communicate to the Custodian and Investment Manager whether the funds are restricted or unrestricted, and whether they are to be invested over the short term or long term.
- (4) The Finance Manager will communicate and oversee approved requests to redeem investments and transfer the proceeds to the First Nation.

Permitted Investments

(1) Restricted funds may only be invested in :

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

- (d) deposits in a bank or trust company in Canada or non-equity or membership shares in a credit union; or
- (e) securities issued by the First Nations Finance Authority.

(2) Unrestricted funds may be invested in:

- (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 class of investments permitted under an Act of any province relating to trustees;
- (f) any other investments or class of investments prescribed by a regulation under the Act;
- (g) a company that is incorporated under the laws of Canada or of a province or territory and in which the First Nation is a shareholder;
- (h) a trust in which the First Nation is a beneficiary;
- (i) a limited partnership in which the First Nation is a partner; and
- (j) subject to the Financial Administration Law, a member investment program as described in section 64 of the Law.

Monitoring of Investments

- (1) The Finance Manager will reconcile the investment and custodian accounts to the general ledger and financial statements in a timely manner (either monthly or quarterly).
- (2) The Finance Manager will recalculate the investment management and custodian fees charged to ensure they are consistent with the underlying contracts.
- (3) The Finance Manager will prepare a quarterly monitoring report and provide that report to the Executive Director. The report will summarize:
 - (a) the performance of the investments under management to relevant benchmark(s);

- (b) the weighting of the investment portfolio and comparison to the target portfolio asset allocation;
 - (c) any relevant media or news articles about the Investment Manager and / or Custodian;
 - (d) any ownership and / or staffing changes within the Investment Manager organization;
 - (e) any instances of non-compliance with the FSMA, the Financial Administration Law, or this policy and procedure;
 - (f) recommendations in relation to rebalancing of the portfolio and / or de-selection of the Investment Manager, or any other recommendation(s).
- (4) The Executive Director will review the report, add his / her recommendation(s), and provide the report to the Finance and Audit Committee.
 - (5) The Finance and Audit Committee will review the quarterly monitoring report, add their recommendation(s), and provide the report to Council.
 - (6) The Council will review the quarterly monitoring report and accompanying recommendations and make any necessary decisions.
 - (7) The Investment Manager will be required to attend a Council meeting and discuss investment performance, and changes in strategy, approach or personnel.

Re-balancing of the Investment Portfolio

- (1) The Executive Director and Finance Manager will transmit any rebalancing instructions to the Custodian and Investment Manager only if first approved by the Council.

7. References and Related Authorities

- (1) FMB's Financial Administration System Standards
 - (a) Standard 19.3 – Investments
- (2) FMB's Financial Administration Law Standards
 - (a) Standard 17.3 – Investments

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-22
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Insurance Policy

Approved by Council on September 23, 2015

1. Policy

The First Nation will obtain sufficient insurance coverage for its operations, staff and councillors as part of its overall risk management strategy.

2. Purpose

The purpose of this policy is to provide guidance on the establishment and maintenance of an insurance program to ensure material risks are addressed for the First Nation and its councillors, officers, and staff.

3. Scope

This policy and procedure applies to Council, the Finance and Audit Committee, the Executive Director, the Finance Manager, and all other employees involved in insurance matters at the First Nation.

4. Definitions

"Risk" in insurance terms is the possibility of a loss or other adverse event that has the potential to interfere with an organization's ability to fulfill its mandate, and for which an insurance claim may be submitted.¹

5. Responsibilities

(1) Council is responsible for:

- (a) Procuring and maintaining in force all insurance coverage that is appropriate and commensurate with the risks under the care or control of the First Nation based on the recommendation of the Finance and Audit Committee;
- (b) If Council chooses, procuring and maintaining insurance for the benefit of a councillor or a First Nation officer or their personal representatives against any liability arising from that person being or having been a councillor or an officer.

(2) The Finance and Audit Committee is responsible for:

- (a) Providing its insurance coverage recommendation to Council (The Finance and Audit Committee may retain external expertise to assist in its deliberations given the technical nature of insurance decisions).

(3) The Executive Director is responsible for:

¹ Insurance Bureau of Canada: http://www.ibc.ca/en/Business_Insurance/Risk_Management/

- (a) Leading and managing the risk identification and assessment process;
- (b) Selecting an insurance broker;
- (c) Evaluating options from insurance providers, as provided by the insurance broker, to address the risks that require insurance coverage;
- (d) Recommending a preferred option to the Finance and Audit Committee and council that meets the needs of the First Nation;
- (e) Monitoring insurance coverage expiration and payment dates to ensure coverage does not lapse;
- (f) On an annual basis reviewing insurance coverage to ensure that it continues to meet the needs of the First Nation.

6. Procedures

Identify significant material risks

- (1) The Executive Director, with input from members of the management team, the Finance and Audit Committee and Council, will develop a list of potential significant material risks to the First Nation's financial assets, tangible capital assets and the operations of the First Nation. This will include an examination of:
 - (a) Potential sources of liability of the First Nation arising from its operations;
 - (b) Values and use of Property and equipment;
 - (c) Values and use of Assets under control of the First Nation;
 - (d) Potential sources of Liability for individuals such as councillors, officers and staff members of the First Nation;
 - (e) Other risk areas that could result in a loss to the First Nation and could be insured.

Identify and procure insurance products

- (2) Based on the risk analysis performed, the Executive Director will identify the risks where insurance coverage is appropriate.
- (3) In accordance with the Procurement Policy, the Executive Director will review options from several different insurance providers, as provided by the First Nations insurance broker, and will make a recommendation to the Finance and Audit Committee on which to accept. The Executive Director's determination of a recommended option will take into consideration the following:
 - (a) Cost of the coverage;
 - (b) Attributes and features of the proposed coverage including what is and is not covered and any gaps or exclusions;

- (c) Independent advice on the reputation and strength of proposed insurance providers.
- (4) Where appropriate, legal advice will be sought as required to ensure that the terms and conditions of coverage sought are appropriate for the First Nation.

Approval for insurance coverage

- (5) Council will review the proposed option presented by the Finance and Audit Committee and the Executive Director and document their approval.
- (6) Once approved by Council, procurement of the insurance coverage will follow the First Nation's Procurement and Expenditure Policies.

Maintenance of insurance coverage

- (7) The Finance Manager will maintain a schedule of insurance policy expiration dates and payment dates and monitor on a regular basis to ensure that coverage does not lapse.
- (8) The Executive Director will review insurance coverage on an annual basis to ensure that it continues to adequately address the risks and meet the needs of the First Nation.

7. References

- (1) FMB's Financial Management System Standards
 - (a) Standard 19.4 Insurance
- (2) FMB's Financial Administration Law Standards
 - (a) Standard 17.5 Insurance

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-23
Department Ownership	All Departments
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Emergencies Policy

Approved by Council on September 23, 2015

1. Policy

An emergency plan addressing the key risks facing the First Nation will be documented, updated on an annual basis and communicated to all affected persons.

2. Purpose

The purpose of this policy is to provide guidance on preparing for emergencies through a documented emergency plan designed to meet the size, risk and impact of potential emergencies that could affect the First Nation and its finances.

3. Scope

This policy applies to the First Nation council, committee members, staff and First Nation members.

4. Definitions

[To be added as necessary]

5. Responsibilities

(1) Council is responsible for:

(a) Approving the emergency response plan.

(2) The Executive Director is responsible for:

(a) Creating an emergency planning committee;

(b) Ensuring that an emergency response plan is prepared and approved;

(c) Ensuring that the emergency response plan is communicated to the affected First Nation staff and members as part of its implementation along with any necessary training;

(d) Updating the emergency response plan on an annual basis.

(3) The emergency planning committee members are responsible for:

(a) Preparing the emergency plan.

6. Procedures

Analyze the current situation

(1) The Executive Director will create an emergency planning committee which will consist of the Executive Director, Finance Manager, and other key staff across all areas of the First Nation as

deemed appropriate. External groups, such as representatives from the local fire or police services, will be invited to participate as required.

- (2) The emergency planning committee will conduct a risk assessment to identify all risks that could have an impact on the operations and finances of the First Nation, including potential threats such as fires, natural disasters, and environmental risks.
- (3) For each of the risks identified, the emergency planning committee should determine the likelihood of the threat occurring and the potential impact on the First Nation's operations.

Develop the emergency plan

- (4) Based on the likelihood and impact, the Executive Director, with input from outside expertise as required, and the emergency planning committee will determine which risks will be addressed in the business continuity plan. The plan should identify critical systems or operations and how these will be managed in the event of an emergency to minimize effects on the First Nation's overall operations and finances.
- (5) Areas which should be examined and examples of issues to address for each risk include the following:
 - (a) Buildings and sites
 - i. How will operations continue if the site is inaccessible or destroyed?
 - ii. What safety precautions need to be taken in the event of damage to the building?
 - (b) Critical equipment
 - i. Are there backups in place for critical equipment (i.e. an extra item in storage)?
 - ii. How quickly can repairs be made and by whom?
 - iii. Are there outside vendors that can be used to replace an unavailable piece of equipment?
 - (c) Information Technology
 - i. Can the computer network be accessed from offsite (e.g. virtual private network)?
 - ii. Are there adequate numbers of laptops, cell/satellite phones, etc. to maintain communication remotely during an emergency?
 - iii. Are critical systems and databases regularly backed up? Is the backup stored offsite?
 - (d) People
 - i. How will the First Nation communicate with staff/members during the emergency?
 - ii. Do the critical finance and operations staff members have designated and trained back-ups?

iii. Is there an offsite location where limited but critical operations can continue during an emergency?

iv. Are there any potential health and safety issues associated with a particular risk? How would these be dealt with?

- (6) Responsibilities for each component of the emergency plan will be clearly identified and communicated with the assigned individuals. Alternates for key individuals will be identified and provided with information on their duties.
- (7) The emergency planning committee will develop an emergency notification procedure to explain how to enact the plan should an emergency occur.
- (8) Documented approval of the plan will be obtained from council.

Implement the plan

- (9) The Executive Director will develop a communication strategy to ensure all affected staff and First Nation members have access to the emergency plan.
- (10) All staff who have been assigned responsibilities within the emergency plan will be provided training to carry out their role in the event of an emergency.
- (11) The emergency plan will be tested by the emergency planning committee. Testing could include mock disaster exercises, communication and off site computing tests, fire drills, etc.
- (12) Emergency plan documentation will be maintained at all First Nation's site locations and key staff members will keep a copy at home. It should include all required information to enact the plan (i.e. Emergency contact & responsibilities lists, vendor lists, fire drill routes, etc.).

Annual review

- (13) On an annual basis, the emergency planning committee and key operational managers will review the plan and associated documentation to ensure it remains relevant and up to date. Updates will be performed and new versions of the plan and associated documentation distributed to the sites and individuals noted above.
- (14) Significant changes to the plan will be approved by Council.

7. References

- (1) FMB's Financial Management System Standards
 - (a) Standard 19.5 Emergencies

8. Attachments

Appendix A – Examples of risks to consider

Appendix B – Sample risk assessment template

Appendix C – Emergency planning resources

Appendix D – Emergency plan template

Appendix A – Examples of risks to consider

Types / Causes	Examples	
Natural Events	Flooding	Snow / ice storm
	Earthquake	Tornado
	Hurricane	Windstorm
	Landslide	
Human Events	Disease outbreak	
	Bomb threat	Extortion / embezzlement
	Computer crime / theft	Loss of key personnel
	Hazardous-material spill	Non-compliance (ignorance or willful)
	Fire	Riot / civil disorder
	Fraud	Sabotage
	Hacking	Labour strike
	Human error – administration	Theft / loss
Technological Events	Alteration of data	Explosion / Fire
	Alteration of software	Malicious code
	Disclosure	Software error
	Hardware failure	Telecom outage
	Power failure / fluctuation	Vandalism / cyber-vandalism

Appendix B – Sample risk assessment template

Risk	Description / Operations affected	Impact	Likelihood	Overall risk level	Plan required?
		1 low- 5 high	1 low- 5 high	(average of impact/likelihood)	
Fire at the ♦ First Nation office	<ul style="list-style-type: none"> - Building could be inaccessible for a long period - Financial records may be destroyed - IT systems damaged / destroyed - Threat to health and safety of staff 	5	1	3	Yes

Appendix C – Emergency plan resources

Plan creation resources:

Government of British Columbia – Community Emergency Planning Toolkit

<http://www.pep.gov.bc.ca/Community/planningtk.html>

Government of Alberta – Alberta Emergency Management Agency

http://aema.alberta.ca/tr_index.cfm

Government of Manitoba – Emergency Measures Organization

<http://www.gov.mb.ca/emo/community/index.html>

Government of Ontario – Emergency planning guidance for municipalities

<http://www.mah.gov.on.ca/AssetFactory.aspx?did=5413>

Appendix D – Emergency plan template

Sandy Bay Ojibway First Nation EMERGENCY PLAN

2015

Last updated: 23, September 2015

Approved by Council: 23 September 2015

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- 4.1 Building
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- 4.3 Records Backup

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- 6.1 Documentation
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- 6.3 Program Assessment
- 6.4 Training
- 6.5 Periodic Emergency Drills

Appendices

- First Nation contact Information (Key staff members)
- Emergency organizations contact information (i.e. Emergency Services – Fire, Police, Hospitals)
- Evacuation routes and shelters
- List of key suppliers and contact Information
- Specific plans for each major risk
- [Other appendices as appropriate for the First Nation]

1. Introduction

1.1 Purpose

The purpose of this plan is to ensure that the ♦ First Nation has the tools and resources to plan for, react to, and resolve emergency situations that could affect finances, operations, and/or the health and safety of employees.

1.2 Scope

This policy applies to all First Nation staff, committee, and Council members.

1.3 Emergency Planning Committee

The Emergency Planning Committee meets X times per year to create, maintain and improve the emergency plan to ensure it remains relevant and useful for the ♦ First Nation. Committee members represent all functions of the ♦ First Nation and include:

Name – Executive Director (Chair)	Name – Title/Information Technology
Name – Finance Manager	Name – Title/Community Relations
Name – Title/Human Resources	Name – Title/Function
Name – Title/Property Management	Name – Title/Function

1.4 External planning resources

The Emergency Planning Committee works with the following external individuals/agencies to provide advice and input in the emergency planning process:

Name – Officer, Local Police Department	Name – Title/Insurance provider
Name – Officer, Local Fire Department	Name – Title/Function
Name – Nurse, Public Health	Name – Title/Function
Name – Hydro/Electricity/Utility provider(s)	Name – Title/Function

2. Emergency Events

2.1 Risk Assessment

Based on an assessment of the risks facing the ♦ First Nation and the likely impact of those risks, the following have been identified as part of our plan:

#	Description
1	Forest fires – <i>provide detail</i>
2	Disease outbreak – <i>provide detail</i>
3	Natural disaster – <i>provide detail</i>
4	Environmental risk – <i>provide detail</i>
5	

Other requirements (regulatory, specific to the First Nation):

List

3. Emergency Operations

3.1 Authority

The following individuals/groups have the authority to declare an emergency and enact the contents of this plan:

- Council
- Name, Executive Director
- Name, Backup for Executive Director

3.2 Emergency Responsibilities

Executive Director

- o Creating an emergency planning committee;
- o Ensuring that an emergency response plan is prepared and approved;
- o Ensuring that the emergency response plan is communicated to the affected First Nation staff and members;
- o Updating the emergency response plan on an annual basis.
- o *Others, as determined by the First Nation, including 'Alternates' for key individuals...*

Emergency Planning Committee

Describe...

Other Support Staff

Individuals within the First Nation that have been assigned emergency planning responsibilities...

External Organizations

Such as Fire, Police, Health care...

3.3 Emergency Assessment and Notification

Once an emergency is declared, the following individual(s) and organization(s) will be notified:

- Individual/Organization – contact information
-
-

3.4 Emergency Declaration and Communications Plan

- Describe how First Nation staff and Council Members will be informed and what communication tools (cell phones, email, radio, etc.) will be used to do so.
- Describe how any outside parties will be informed of an emergency, if applicable.
- Describe how

3.5 Incident Response

- Describe the specific response to each of the major risks identified.

4. Facilities and Equipment

4.1 Building(s):

- Describe how the building will be protected or evacuated in an emergency, any safety precautions necessary, etc.

4.2 Information technology:

- Describe how critical systems and computer hardware/software will be protected.
- Describe what will happen if the First Nation's computers are destroyed, where backups are located.

4.3 Records back up

- State the name of the individual responsible for backing up the accounting system and other critical records such as payroll.
- Describe the backup procedures for records of key financial data (such as bank account records, computer system backups, insurance policies, etc.). State where the backups are kept, both onsite and offsite.

5. Recovery Operations

- Describe the process for recovering operations after an emergency.

6. Emergency Plan Maintenance

6.1 Documentation

- Describe how documentation will be maintained, where it will be stored, and how it will be distributed to staff.

6.2 Documentation

- Describe type and frequency of drills (quarterly). These could include mock disaster exercises, fire drills, communication and offsite computing tests, etc.

6.3 Program Assessment

This plan will be reviewed and updated by the Emergency Planning Committee on an annual basis. A revised version will be communicated to all staff, committee, and Council members. The Emergency Planning Committee will coordinate and communicate with external parties (i.e. police) as required.

6.4 Training

- Define any training requirements for staff and specific training required for any individuals assigned emergency responsibilities.

6.5 Periodic Emergency Drills

- Define frequency of emergency drill requirements for staff.

Appendices:

- First Nation contact Information (Key staff members)
- Emergency organizations contact information (i.e. Emergency Services – Fire, Police, Hospitals)
- Evacuation routes and shelters
- List of key suppliers and contact Information
- Specific plans for each major risk
- *Other appendices as appropriate for the First Nation...*

Statement of Policy and Procedure	
Policy No.	SPP-024
Department Ownership	Finance
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Financial and Operational Reporting Policy

Approved by Council on September 23, 2015

1. Policy

Financial statements and reports will be prepared on a regular basis in accordance with generally accepted accounting principles for the First Nation. An annual operations report, including the audited annual financial statements and an assessment of progress towards financial and operational goals of the First Nation, will be published following the fiscal year end and will be provided to First Nation members, council, and other organizations as required.

2. Purpose

The purpose of this policy is to establish financial reporting requirements and practices to facilitate the preparation and reporting of timely, accurate and relevant financial information on which to assess progress toward goals.

3. Scope

This policy applies to all of the financial operations and activities of the First Nation including those operations that the First Nation controls. The persons affected by this policy include the Council, Finance and Audit Committee, Executive Director, Finance Manager and managers of the First Nation.

4. Definitions

“financial reporting risk” is the possibility of an undetected material misstatement in financial information due to the existence of ineffective internal control or fraud resulting from manipulation or alteration of accounting records, misrepresentation or intentional omissions of transactions, or intentional misapplication of accounting principles.

“financial reports list” means the list of financial statements and reports that are to be prepared on a regular basis.

“fraud risk” is the potential for an employee, agent or other person connected to the financial administration of the First Nation to use deception to dishonestly make a personal gain for oneself or a loss for another. This commonly includes activities such as theft, corruption, embezzlement, or bribery etc.

“GAAP” refers to generally accepted accounting principles (“GAAP”) of the Canadian Institute of Chartered Accountants, as amended or replaced from time to time.

“internal control” is a process, effected by the First Nation’s Council, Finance and Audit Committee, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- effectiveness and efficiency of operations;
- reliability of reporting; and

- compliance with applicable laws and regulations.

5. Responsibilities

(1) Council is responsible for:

- (a) Reviewing the financial statements and reports and the Finance and Audit Committee's corresponding recommendations;
- (b) Deciding whether to approve the financial reports list, the financial statements and reports.

(2) The Finance and Audit Committee is responsible for:

- (a) Determining the financial reports list contents and frequency of reporting it requires from the First Nation's management team;
- (b) Reviewing the financial reports list, the monthly reports, quarterly and annual financial statements and reports and the Executive Director's corresponding recommendations, and making appropriate recommendations to Council.

(3) The Executive Director is responsible for:

- (a) Preparing and updating the financial reports list;
- (b) Reviewing the financial statements and reports and making appropriate recommendations to the Finance and Audit Committee;
- (c) Identifying, assessing, monitoring and reporting on financial reporting risks to the Finance and Audit Committee;
- (d) Monitoring and reporting on the effectiveness of mitigating controls for the financial reporting risks and fraud risks taking into consideration the cost of implementing these controls;
- (e) Ensuring that financial reporting risk assessment and management practices have been performed in relation to quarterly and annual financial statements;
- (f) Periodically reviewing these policies in consultation with the Finance Manager and other staff as appropriate and recommending any updates to the Finance and Audit Committee.

(4) The Finance Manager is responsible for:

- (a) Preparing the financial statements and reports in accordance with GAAP and this policy and procedure;
- (b) Assessing and managing financial reporting risk and reporting risks to the Executive Director;
- (c) Developing and recommending procedures for identifying and mitigating financial reporting risks and fraud risks and ensuring approved procedures are followed.

- (5) Managers are responsible for:
- (a) Providing all requested information in relation to the preparation of financial statements and reports and the assessment and management of financial reporting risk.

6. Procedures

Financial reports list

- (1) Council and the Finance and Audit Committee, with the assistance of the Executive Director, is responsible for preparing a list of all financial statements and reports that are to be prepared on a regular basis.
- (2) The financial reports list must include the required monthly information, as well as quarterly and annual financial statements.
- (3) Monthly reports prepared by the Finance Manager will be tailored to the needs of the First Nation's management team for monitoring purposes in the form and content recommended by the Finance and Audit Committee and approved by Council.
- (4) For each report or financial statement listed, the following information must also be identified:
 - (a) A brief description or contents of the report;
 - (b) The person responsible for its preparation;
 - (c) When it is to be made available and its frequency;
 - (d) The report's distribution.
- (5) The Finance and Audit Committee will review and update the financial reports list annually, and submit the list to Council for their review and recommendation.
- (6) Council will review and approve the financial reports list.

Financial statement preparation

- (7) The Finance Manager will prepare monthly information respecting the financial affairs of the First Nation and its quarterly and annual financial statements. Other financial reports that are listed in the approved financial reports list will be prepared by the person identified as responsible for its preparation.
- (8) Each quarterly financial statement will include the following for the First Nation and all its related bodies:
 - (a) A statement of revenue and expenditures containing a comparison to the approved annual budget;

- (b) A statement of financial position;
 - (c) Financial institution account reconciliations;
 - (d) Financial information for the local revenue account as required by the Financial Administration Law and [Local Revenue Policy];
 - (e) [If a land code is in force:] revenue categories for the First Nation's land.
- (9) Each annual financial statement will include the following for the First Nation [and all its related bodies]:
- (a) The financial information for the First Nation for the fiscal year prepared in accordance with GAAP;
 - (b) The financial information for the local revenue account that is required to meet the First Nation Financial Management Board's standards respecting audit of the local revenue account;
 - (c) The revenue categories for the First Nation's lands referred to in subsection [26 (2)] of the Financial Administration law;
 - (d) A special purpose report setting out all payments made to honour guarantees and indemnities;
 - (e) A special purpose report setting out the information required in section [10] of the Financial Administration Law (reporting of compensation, benefits and perks of councillors, Executive Director and their respective families);
 - (f) A special purpose report setting out all debts or obligations forgiven by the First Nation;
 - (g) A special purpose report setting out the information required in paragraph 64(3)(c) of the Financial Administration Law (lending program to First Nation members);
 - (h) If the First Nation has a land code in force, a report setting out moneys of the First Nation derived from First Nation lands, categorized and shown separately from other revenues and that includes a sub-category respecting revenues from natural resources obtained from First Nation lands; and
 - (i) Any other report required under the Act or an agreement.
- (10) Annual financial statements will be prepared according to a standard "financial closing and reporting process checklist".
- (11) Annual financial statements, the corresponding completed financial closing and reporting process checklist, and the highlights memo (if applicable), will be signed by the Finance Manager and presented to the Finance and Audit Committee along with his / her comment(s) and recommendation(s), no later than [45] days following the end of the fiscal year for which they were prepared.

- (12) The Finance and Audit Committee will review the annual financial statements, the accompanying information, and the Finance Manager's comment(s) and recommendation(s). Subsequently, the Finance and Audit Committee will forward the financial statements, accompanying information, and its comment(s) and recommendation(s) to Council no later than [60] days following the end of the fiscal year for which they were prepared.
- (13) Council will review the annual financial statements, the accompanying information, and the recommendation(s) of the Finance and Audit Committee and the Executive Director, and make a decision to approve or not approve the annual financial statements.
- (a) In the event that the financial statements are not approved by Council, a documented rationale will be communicated to the responsible party(ies) for corrective action. The financial statements will be re-submitted for approval within the timeframe stated by Council.
- (14) A "financial reporting record" file will be created for each annual financial statement. The financial statement record file will at a minimum contain the:
- (a) Financial statements presented to Council for approval;
 - (b) Record of, or reference to Council's decision to approve or not approve the financial statements, the Finance and Audit Committee's recommendation(s), and the Executive Director's recommendation(s);
 - (c) Completed financial closing and reporting process checklist;
 - (d) Completed highlights memo (if applicable).
- (15) The financial reporting record file will be classified as confidential and secure, and maintained according to the Records and Information Management Policy and Procedure. Retention period will be seven years.

Financial reporting risks

- (16) The Finance Manager will review the financial reporting list to ensure that all identified financial statements and reports have been prepared and submitted for review and approval by the dates specified.
- (17) Annually, as part of the evaluation process, the Executive Director will ensure that the persons engaged in the financial management system:
- (a) Have the necessary knowledge, skills and competence to perform the services for which they have been engaged;
 - (b) Confirm in writing that they understand their responsibilities.

(18) The Finance Manager will develop a “financial closing and reporting process checklist” for use at the end of each accounting period, which will include procedures to mitigate financial reporting risk. The financial closing process checklist will include the following minimum procedures:

- (a) Reconciliation / analysis of all statement of financial position accounts with approval by the Finance Manager. In those instances where the Finance Manager prepared the reconciliation or analysis, then the Executive Director will be required to approve the reconciliation or analysis (or alternatively a member of the Finance and Audit Committee);
- (b) Review of trade, loan and other receivable balances to identify late payments. Late payments followed up on and have been reviewed for collectability. Any necessary adjustment to the allowance for doubtful accounts has been prepared;
- (c) Reconciliation of general ledger balances with sub-ledger balances (e.g. trade accounts receivable, trade accounts payable, contribution receivable, etc.);
- (d) Search for unrecorded liabilities and preparation of accrual journal entries, including:
 - i. Reconciliation of supplier statements;
 - ii. Review of unmatched receiving information;
 - iii. Review of unmatched purchase orders;
 - iv. Review of numerical continuity of purchase orders;
 - v. Review of current contracts for supplies or services, including follow-up with supplier when necessary;
 - vi. Enquiries of departmental managers for any invoices, expense reports, commitments or any other knowledge of liabilities incurred at reporting date.
- (e) Analysis of revenue and expense accounts for budgetary variances and for reasonability. Where necessary, an account analysis will be prepared.
- (f) Reconciliation of payroll expense to the payroll register and bank account balance.
- (g) Preparation of non-recurring journal entries and journal entries not in the ordinary course of business, with supporting documentation.
- (h) Approval of material non-recurring journal entries and journal entries that are not in the ordinary course of business by Finance and Audit Committee.
- (i) Recurring journal entries have been prepared, approved by the Finance Manager, and recorded.
- (j) The financial statements have been reviewed for accuracy, additions, and cross-references. The financial statements agree with the general ledger.
- (k) The presentation of the financial statements has been reviewed. Necessary disclosures and reclassification entries have been prepared and have been approved by the Finance Manager.

- (l) Draft departmental financial statements have been provided to managers for their review, comment and budgetary variance explanations. Any issues or questions have been resolved.
 - (m) The Finance Manager is satisfied that the financial statements are accurate and presented in accordance with GAAP.
- (19) The Finance Manager will prepare a highlights memo for each set of quarterly and/or annual financial statements prepared. The highlights memo will, at a minimum, report
- (a) Financial Performance, specifically:
 - i. An assessment of the overall financial situation for the First Nation (i.e. surplus, deficit, adequate reserves, etc.);
 - ii. A review of progress towards financial and operational goals set during the planning process;
 - iii. Identification and explanation of material budgetary variances;
 - iv. Current ratio and any ratios required to be maintained by contract (e.g. financial covenants contained in borrowing agreements);
 - v. Doubtful accounts receivable, with changes since last quarter summarized;
 - vi. Payment status of statutory and contractual obligations. Specifically, a listing of all late payments with explanations;
 - vii. Remediation options where financial performance is not in accordance with plans.
 - (b) Exceptions to expected financial and system performance. Specifically:
 - i. Unanticipated problems preparing the financial statements and the resolution;
 - ii. Unusual or unexpected accounting balances or transactions;
 - iii. Accounting entries not in the ordinary course of business;
 - iv. Explanation of transactions where measurement or accounting treatment was uncertain or where there were choices under GAAP;
 - v. Weaknesses in, and, suggestions to improve, the financial management system;
 - vi. Instances of financial administration law or system non-compliance, fraud and / or unauthorized activities.
 - (c) Forecast to end of year. Specifically:
 - i. Forecast of annual operations and budgetary performance, and annual cash flow and expected cash surplus or financing requirement;
 - ii. Statement of assumptions used in the budget process and any changes in assumptions that affect the budget;
 - iii. Identification of emerging financial performance risks and opportunities;

- iv. Remediation options where forecast financial performance is not in accordance with plans.

- (20) Changes to the accounting software (i.e. new system or major changes to the current system set-up) require authorization from the Finance Manager and consultation and communication with the Finance and Audit Committee and Council. Changes such as the addition/deletion/ modification of general ledger accounts, customer/member accounts, or vendor accounts require approval from the Finance Manager or designate.

Fiscal year

- (21) The fiscal year for the First Nation will be the period beginning on April 1 and ending on March 31 of the following year.

Annual operations report

- (22) The Council must prepare and publish an annual operations report within the timeline specified in the Financial Administration Law that details the progress towards the financial and operational goals of the First Nation over the course of the fiscal year.
- (23) The annual operations report will contain, at a minimum, the following:
 - (a) A description of the services provided by the First Nation and its operations;
 - (b) A review of the First Nation's achievement towards its values, goals and objectives;
 - (c) A progress report on any established financial objectives and performance measures of the First Nation;
 - (d) The audited annual financial statements for the previous fiscal year including any special purpose reports prepared and approved in accordance with the [Audit Policy].
- (24) The annual operations report will be made available to all members of the First Nation [at the principal offices of the First Nation, on the First Nation website, etc.] as required by the Financial Administration Law, and provided to all Council members, to the Board, to the First Nations Finance Authority and other organizations as required.

7. References

- (1) FMB's Financial Management System Standards
 - (a) Standard 14.0 Fiscal Year
 - (b) Standard 19.6 Financial Reporting Risks
 - (c) Standard 20.0 Financial Reporting
 - (d) Standard 28.0 Annual Operations Report

(2) FMB's Financial Administration Law Standards

(a) Standard 18.0 Financial Reporting

(b) Standard 27.0 Annual Operations Report

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-25
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Information Technology Policy

Approved by Council on September 23, 2015

1. Policy

The First Nation's information systems will support its operational requirements and have appropriate safeguards and monitoring processes in place to adequately protect the First Nation's information.

2. Purpose

The purpose of this policy is to ensure that information system integrity, specifically as it relates to the financial administration system, is maintained and supports the strategic and operational requirements of the First Nation.

3. Scope

This policy applies to all staff involved in the selection, implementation, operations, or ongoing maintenance of the First Nation's information systems. This includes the Executive Director, and information technology staff.

4. Definitions

"Rollback procedure" means the ability to restore system to previous configuration prior to change, with documented procedures and steps to complete the process.

"Virtual Private Network" means a virtual private network ("VPN") which is a way to use a public telecommunication infrastructure, such as the Internet, to provide remote offices or individual users with secure access to their organization's network.

5. Responsibilities

(1) Council is responsible for:

- (a) Establishing and implementing documented procedures for information technology used by the First Nation in its operations.

(2) The Executive Director is responsible for:

- (a) Ensuring that controls are in place over information technology, whether performed by an internal staff member or outsourced to an external organization;
- (b) Monitoring the performance of internal and/or external information technology professionals.

(3) The information technology professional is responsible for:

- (a) Maintaining the integrity of information systems within the First Nation.

6. Procedures

Planning and evaluation

- (1) The Council, with the assistance of the Executive Director and input from information technology staff, will ensure that information systems are developed that support the First Nation's strategic plan and operations
- (2) When there are no individuals internally with the requisite technical skills to identify information technology requirements or evaluate options, the Executive Director will seek advice from a qualified external individual or organization.

Outsourcing

- (3) Subject to the Procurement Policy, the Executive Director is responsible for the selection of contractors providing information technology services, the definition of services in their contracts and the administration of the contracts.
- (4) Specific items which should be included in the procurement of information technology services and final contract with the chosen provider include:
 - (a) A requirement that the service provider submits regular reports of all work performed on the First Nation's information systems;
 - (b) A requirement that outsourced parties are responsible to comply with legal and regulatory requirements, including the protection of confidential and private information;
 - (c) Access by outsourced parties to First Nation information is provided on a 'need to know basis' only.

Data management

- (5) Subject to the Records and Information Policy, data retention allows access to appropriate data to specified personnel where required, depending on the type of data retained.
- (6) All sensitive, valuable, or critical information/data residing on the First Nation's information technology systems must be periodically backed-up. Backups will occur incrementally on a daily basis, with full backups on a weekly and monthly basis.
- (7) Backup tapes must be stored in a secure location with access limited to the Executive Director and limited other staff as appropriate. Ideally, tapes will be securely stored at an offsite location that is easily accessible to individuals with authorized access.
- (8) Backup tapes will be retained for a period of [X] years, according to the Records and Information Policy and any other applicable legal requirements.

Access management

- (9) All individuals requiring access to First Nation information systems will have unique user identification. Shared user IDs or passwords will not be permitted.
- (10) Requests for access to the First Nation's network, accounting system, or other access restricted information system must include a description of an employee's role and rationale for the level of access required. Signed approval must be obtained from the Executive Director (or designate).
- (11) User ID and password are required for access to the network and other critical programs/areas such as the accounting system. Automatic authentication using scripts or macros inserting user IDs and/or passwords are prohibited.
- (12) Individuals will be given access privileges to the extent necessary to fulfill their individual job function and no more. Systems and applications should not be configured with unrestricted access to all data.
- (13) When an individual or contractor is terminated or ends employment with the First Nation, their user IDs must be disabled immediately.
- (14) Support personnel must notify the user when attempting to take control of a workstation. All instances where specific software is loaded to remotely control a workstation must be removed when the support function is completed. The use of the remote control software must be in accordance to applicable agreements.

Information system security

- (15) Security tools and techniques are implemented to enable restrictions on access to programs and data.
- (16) Security tools and techniques are administered to restrict access to programs and data.
- (17) Each computer resource must have an approved antivirus ("AV") program installed. The following standards must be met:
 - (a) The AV program must not be disabled and must be configured to scan all programs and files upon execution and must have real time protection enabled. If encrypted and password protected files cannot be virus checked, it is the responsibility of the user to ensure that virus checking takes place whenever this protection is removed;
 - (b) Antivirus files must be updated on the network every two weeks or whenever a new threat is identified.
- (18) Network firewalls must be configured to support a 'least-privilege' approach to security, allowing only specific systems, services and protocols to communicate through the network perimeter. Logical and physical access to these systems must be limited strictly to those personnel with

specific training and authorization to manage the device. Additionally, the following Firewall standards must be addressed:

- (a) Firewall and proxy servers must be securely installed;
- (b) Detailed firewall logs must be maintained;
- (c) Alerts must be raised if important services or processes crash.

Change management

- (19) All new data structure and modifications to data structure will be tested before implementation.
- (20) All computers, hardware, software and communication systems used for a production environment must employ a documented change control process. The change management process should include the following activities:
 - (a) The data structure is consistent with the needs of the First Nation;
 - (b) Description and rationale for the new network, hardware, communication and systems software change and how it is consistent the needs of the First Nation;
 - (c) An assessment of any risks involved with the change;
 - (d) Roll-back considerations;
 - (e) Implementation considerations;
 - (f) A description of the testing required;
 - (g) Approval from the Executive Director;
 - (h) Communication of changes to First Nation staff as appropriate.

Monitoring

- (21) Only approved and authorized programs will be implemented onto First Nation information management systems. Periodic reviews of the workstations and the system will take place to monitor compliance with this requirement.
- (22) A log of staff, their user IDs, and their access levels within First Nation information systems will be maintained. On a quarterly basis, the Executive Director will review the log to ensure users and the associated access rights are appropriate. Access rights that will be monitored include the following:
 - (a) User access management (i.e. the accounting system);
 - (b) Third party access (i.e. outsourced information technology professionals);
 - (c) Network access and file sharing;
 - (d) Remote and VPN access.

(23) Network system performance is monitored on a regular basis.

(24) The firewalls must be monitored daily and their functionality audited semi-annually.

7. References

(1) FMB's Financial Management System Standards

(a) Standard 19.7 Information Technology Controls

(2) FMB's Financial Administration Law Standards

(b) Standard 17.6.2 Mandatory Information Technology Controls

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-26
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

External Audit Policy

Approved by Council on September 23, 2015

1. Policy

A qualified external auditor will be appointed to render an audit opinion on the annual financial statements (and special purpose reports, as applicable) of the First Nation in accordance with generally accepted audit standards as established by the Canadian Institute of Chartered Accountants. The First Nation will appropriately prepare for the audit and ensure that the external auditor has the necessary access and authorities to complete their work.

2. Purpose

The purpose of this policy is to provide guidance on the appointment of an external auditor and the management of the annual audit process within the First Nation.

3. Scope

This policy applies to Council, the Finance and Audit Committee, the Executive Director and the Finance Manager and those personnel providing service within the financial administrative system.

4. Definitions

“Engagement letter” is a written communication from the independent auditor outlining the terms and conditions of appointment and may include a letter to management (or post audit letter) reporting on audit findings.

“GAAP” means Generally Accepted Accounting Principles as established by the Canadian Institute of Chartered Accountants as modified or changed from time to time.

5. Responsibilities

(1) Council is responsible for:

- (a) Appointing (re-appointing) an auditor meeting eligibility requirements and documenting the appointment with a council resolution ;
- (b) Ensuring the engagement letter requires the auditor to confirm that the financial statements and the audit comply with the Board standards, any relevant funding agreement requirements and all applicable laws;
- (c) Approving and reviewing periodically the policies and procedures related to the external auditor’s authority to receive the information and documents required to perform the audit function;
- (d) Reviewing and approving the audited annual financial statement within 120 days after fiscal year end, and ensuring they are signed by those required in the Financial

Administration Law – Finance Manager, Chief or Council Chairperson, and Chair of the Finance and Audit Committee;

- (e) Acting on recommendations from the Finance and Audit Committee related to the audit;
- (f) Ensuring First Nation members' access to the audited financial statements and special purpose reports after they have been approved and signed as required in the Financial Administration Law.

(2) The Finance and Audit Committee is responsible for:

- (a) Providing oversight on the external audit and advising the council as required;
- (b) Making recommendations to Council on the selection, engagement and performance of an auditor;
- (c) Receiving assurances on the independence of a proposed or appointed auditor;
- (d) Ensuring that the appropriate action is taken with respect to any communication from the external auditors;
- (e) Approving the terms and conditions of the appointment of the auditor as set out in the engagement letter and ensuring that it includes the auditor's obligation to confirm that the annual financial statements and the audit of them comply with the Financial Administration Law, the FSMA and the First Nations Financial Management Board Standards and any relevant funding agreements;
- (f) Reviewing the draft annual financial statement from the Finance Manager and presenting the statements to council within [sixty days] following the end of the fiscal year for which they were prepared;
- (g) Reviewing and making recommendations to council on the planning, conduct and results of audit activities;
- (h) Reviewing and making recommendations to the Council on the audited annual financial statements, including the audited local revenue account financial statements and any special purpose reports.

(3) The Executive Director is responsible for:

- (a) Directing and facilitating any notices regarding meetings concerning the annual audit or audited financial statements;
- (b) With the Finance Manager, preparing the Auditor performance evaluation report.

(4) The Finance Manager (or Tax Administrator for the Local Revenue Account) is responsible for:

- (a) Overseeing, supervising, directing and facilitating requests for any information required by the auditor to carry out its audit responsibilities;

- (b) Preparing and providing to the Finance and Audit Committee within [forty-five] days of the fiscal year end the annual financial statements and special purpose reports for the fiscal year in accordance with GAAP and any funding agreements;
- (c) Facilitating the flow of account and other information and acting on auditor's requests during the audit;
- (d) Ensuring the accounts are properly updated to reflect audit adjustments, the account balances are reconciled to the audit statements and schedules, and a proper year end closing of the accounts is completed;
- (e) With the Executive Director, preparing the Auditor performance evaluation report.

6. Procedures

Auditor selection, engagement and performance

- (1) The Executive Director and the Finance Manager will establish evaluation criteria to be included in a Request for Proposal ("RFP") for the external audit which will be approved by the Finance and Audit Committee and include, at a minimum:
 - (a) Independence from the First Nation, its related bodies, Councillors and officers and members;
 - (b) In good standing with regulatory bodies (Canadian Institute of Chartered Accountants, 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 firm or accountant is practising;
 - (c) License to practice public accounting;
 - (d) Other considerations as appropriate (i.e. funding agreement requirements).
- (2) The Finance and Audit Committee will review and approve the RFP before it is made public.
- (3) The Finance and Audit Committee will review Management's evaluation of the proposals and their recommendation. The Finance and Audit Committee may approve the recommendation or may ask for additional information, including an in-camera (i.e. without management) interview with the recommended Auditor.
- (4) Upon approval, the Finance and Audit Committee will recommend the engagement of the selected Auditor and the engagement letter to Council.
- (5) Council will review the engagement letter with the Auditor selected to ensure it contains the content required by the Financial Administration Law and any other applicable requirements, and will proceed to sign the engagement letter in accordance with the First Nation's approved signing authorities and ensure that it is delivered to the Auditor.

- (6) Annually at the conclusion of the audit, the Executive Director and Finance Manager will prepare a performance evaluation report of the Auditor's activities, along with any Management recommendations, and present the report to the Finance and Audit Committee.
- (7) The Committee will review the Auditor performance evaluation and recommendations and take necessary steps as appropriate.
- (8) On a periodic basis, the Finance and Audit Committee and Council will review the engagement of the external auditor and determine whether an RFP should be initiated for a new auditor.

Auditor independence

- (9) The Finance and Audit Committee will ensure that the First Nation has received a letter from the Auditor, before the audit is finalized, in which the Auditor confirms their continued independence.

Audit planning

- (10) The Finance and Audit Committee will meet with the Auditor before commencement of the annual audit to review the proposed audit plan, to make any requests or to provide any feedback that the Auditor should consider when finalizing the plan and conducting the audit.
- (11) The Finance and Audit Committee will submit the finalized audit plan along with any recommendations, to Council for approval.

Preparations for the audit

- (12) The Finance Manager will keep the auditor apprised and discuss in advance of the audit of any significant accounting issues, developments or changes for the first nation that could have an impact on the audit and the audit report.
- (13) Prior to fiscal year end, the Finance Manager will issue instructions to the finance and accounting staff concerning fiscal year end procedures to help ensure the accuracy and completeness of the First Nation's financial statements and disclosures.
- (14) Additionally, finance staff, under the direction of the Finance Manager, will commence preparation before fiscal year end of necessary schedules and working papers for audit according to the audit work plan. This will also include preparation of third party confirmation letters, bank confirmations, and account balance reconciliations.
- (15) Issues arising or communicated in a mid-year review (if applicable) by the auditor will be discussed with the Finance and Audit Committee for recommended resolution. The instructions for preparation of the First Nation's financial statements will take into account any such resolutions.
- (16) The Finance and Audit Committee will be informed of any issues that could affect the audit (e.g. where the auditor believes a change in the terms of the engagement may be warranted).

Audited annual financial statements

- (17) The Finance and Audit Committee will receive and review the draft audited annual financial statements, including any special purpose reports and the Local Revenue Account financial statements.
- (18) The Committee will satisfy itself that:
- (a) The audit has been completed according to the plan;
 - (b) The financial statements are fairly presented according to GAAP;
 - (c) The auditors have provided an opinion on the financial statements and an opinion or review of any special purpose reports as required by the First Nation's Financial Administration Law;
 - (d) There are no significant unresolved issues.
- (19) The Committee will meet with the Auditor to review the draft audited financial statements. To ensure sound governance, the committee will meet with the auditor 'in camera' (without the First Nation Management team) for a part of the meeting.
- (20) When satisfied with its review of the draft audited financial statements and the resolution of any audit issues, the Finance and Audit Committee will recommend the draft audited financial statements to Council for approval.
- (21) Before publishing the audited financial statements, the following approvals are required:
- (a) Approval of council [through a band council resolution];
 - (b) Approval by signature from all of the following:
 - i. The Chief or the Chairperson of the Council of the First Nation;
 - ii. The Chairperson of the Finance and Audit Committee;
 - iii. The Finance Manager.

7. References

- (1) FMB's Financial Management System Standards
- (a) Standard 21.0 Audits
- (2) FMB's Financial Administration Law Standards
- (a) Standard 10.5.2 Audit Functions
 - (b) Standard 19.0 Audits

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-27
Department Ownership	Administration
Issue/Effective Date	August 4, 2015

Sandy Bay Ojibway First Nation

Records Management Policy

Approved by Council on September 23, 2015

1. Policy

Records are a special form of information that is created, received, and maintained by the First Nation for business purposes or legal obligations, which enable and document decision-making, and support First Nation reporting, performance and accountability requirements. Records must be created and collected, organized, retained, and safeguarded in a manner that enables their long term availability, understandability and usability.

2. Purpose

The purpose of the policy is to provide guidance on effective recordkeeping practices that enable the First Nation to create and acquire; manage; and, protect the integrity of its records that support its decision-making, and support First Nation reporting, performance and accountability requirements.

3. Scope

This policy applies to all Council members, members of the Finance and Audit Committee, officers and employees of the First Nation and any contractors or volunteers performing services on behalf of the Council. The direction provided in this policy applies to all records created and acquired by the First Nation regardless of format (i.e., both electronic and hardcopy paper records).

4. Definitions

“Classification” is the process of categorising records according to a predetermined hierarchy or scheme. Functional-based classification is the arrangement of records based on the business functions and activities of the First Nation. This allows the Council to understand the records collected and created related to each business process / activity and how that record is used.

“Information” is knowledge communicated or received and may be any documentary material regardless of communications source, information format, production mode or recording medium.

“Information Security” refers to the physical, electronic and policy instruments that are used to protect information from unauthorized access (protecting confidentiality), unauthorized use (protecting integrity), unauthorized modification (also protecting integrity) and unauthorized destruction (protecting availability).

“Record” is a special form of information, and for the purposes of this policy refers to information created, received, and maintained by the First Nation for business purposes or legal obligations, which enable and document decision-making, and support First Nation reporting, performance and accountability requirements. A record may be electronic or hardcopy paper based.

“Recordkeeping” is a framework of accountability and stewardship in which records are created or acquired, captured, and managed as a vital business asset and knowledge resource to support effective decision-making and achievement of results for the First Nation.

“Repository” refers to a preservation environment for a record. It includes specified physical or electronic storage space and the associated infrastructure required for its maintenance. Business rules for the management of records in a repository need to be established, and there must be sufficient control for the resources to be authentic, reliable, accessible and usable on a continuing basis.

5. Responsibilities

- (1) Council is responsible for:
 - (a) Establishing and implementing documented procedures for records management within the First Nation.
- (2) The Executive Director is responsible for:
 - (a) Implementing appropriate recordkeeping practices,
 - (b) Ensure appropriate safeguards of the First Nation’s records;
 - (c) Ensuring compliance with the established records retention and disposition schedule and overseeing the disposition process;
 - (d) Ensuring that employees and any contractors or volunteers performing services on behalf of the Council are fully knowledgeable of their responsibilities as they relate to recordkeeping practices.
- (3) Employees, contractors and volunteers are responsible for:
 - (a) Complying with the established records management policy.
 - (b) Immediately reporting to their supervisor any potential breach related to compliance with the record keeping policy, including the incidents in which the safeguarding of records may have been compromised.

6. Procedures

Accountability

- (1) Each record shall have a designated steward that ensures the recordkeeping framework outlined in this policy is applied to the record. All employees, contractors, or volunteer that are in custody of a record must ensure it is managed in accordance with this policy.

- (2) Permanent records such as operations manuals, policies, and procedures will be reviewed and updated by the steward periodically, but at least every two years, or more frequently as required.
- (3) Records under the stewardship of an employee or any contractor or volunteers that is departing must be formally transferred to another employee through a knowledge transfer process. This process should include information on the types of records to be transferred, how the records are organized, in which repository the records are kept, and required safeguards.

Creation and Collection

- (4) All important activities and decision making processes of the First Nation should be identified, including the records required to support those processes, to ensure accountability, preserve an audit trail, and protect the First Nation from liability.
- (5) All information at its time of creation or collection should be assessed to determine if it supports Council's business purposes or legal obligations, and enables decision-making. If determined to be a record its management should comply with the procedures outlined within this policy.
- (6) The First Nation's records shall be created using the most appropriate application so as to ensure that they adequately support the objectives for which they are created and can easily be used by those who need them to perform their duties – i.e., using MS Excel instead of MS Word to develop spreadsheets with financial figures, etc.
- (7) The First Nation's records shall contain all the information which is necessary to achieve the objectives for which each of them is created; yet their contents shall be limited to only what is necessary to achieve those objectives. This should include limiting the information collected through forms to only that which is required.
- (8) Whenever possible, the record shall contain information about one single function or activity so as to facilitate information classification, organization, retention and retrieval.
- (9) The First Nation's records shall be legible, written in plain language and adapted to their specific audience.
- (10) Only one copy of each record should be created or collected. When creating or collecting a record, individuals should first check to see if the record is already in existence. In instances of multiple copies of the same record, copies should be securely disposed in accordance with the requirements of this policy.

Organization and Classification

- (11) A classification plan structure shall be implemented based on the First Nations functions and activities, with records stored in accordance with the activity and/or function that it supports. This classification plan should be used to support the filing system for both electronic records and hardcopy paper-based records.

- (12) Records should be subject to a consistent naming convention, with the name of the record including the title, version (v. XX) and date (DD/MM/YYYY).
- (a) The title of the document should be short but meaningful.
 - (b) The title may contain multiple words, and should be ordered from most specific to less specific related to the business activity or function.
 - (c) Common words such as 'draft' or 'letter' should not be at the start of the title.
- (13) An official repository shall be identified and designated for each record, in which the record must be stored. The number of record repositories should be limited and be consistent to support the format and type of record.
- (14) Records should be made accessible, shared and re-used to the greatest extent possible, subject to technological, legal policy and security restrictions.

Maintenance, Protection and Preservation

- (15) Records must be protected and stored in the appropriate repositories in a way that preserves their long-term availability, understandability and usability.
- (a) Backups should be taken of all electronic records on a regular basis and stored in a physical location separate from the location of the original records.
 - (b) Any records that are only in hardcopy paper-based format should be assessed to determine if they need to be scanned or if other physical security measures need to be taken (e.g. use of fire/water proof cabinets) to ensure their long term availability.
- (16) Records that contain personal information or information of a confidential nature related to the Council, or a third party, such as the confidential financial information related to a business, should be labelled as CONFIDENTIAL.
- (17) Confidential records should be protected with appropriate safeguards to ensure only those with a need to know will have access to the records:
- (a) For electronic records, confidential records should be protected with controls on the document itself (such as password protection) and other administrative controls, such as restricting access to the electronic repositories in which the record is stored. Confidential records should not be emailed 'in the clear' without appropriate protection.
 - (b) For hardcopy paper-based records, confidential records should be stored in secure filing cabinets at all times unless being used, and transported in a secure manner if required to be offsite.

Retention and Disposition

- (18) The First Nation records shall be retained for the period specified in the records and information retention and disposition schedule, as outlined in Appendix A. They shall be disposed of in a manner that prevents their reconstruction (for paper based records) or recovery (for electronic records).

7. References

- (1) The FMB's Financial Management System Standards
- (a) Standard 19.0 Risk Management
 - (b) Standard 22.0 Records and Information
- (2) The FMB's Financial Administration Law Standards
- (a) Standard 20.0 Records and Information

8. Attachments

Appendix A – Document retention periods

Appendix A – Document Retention Periods

Record or information	Duration
General First Nation governance records	
All First Nation bylaws, amendments to the bylaws, the First Nation constitution, and membership resolutions	Permanent
Appointments and terms of appointments	Permanent
Applicable legislation, agreements, funding arrangements, council commitments, land codes in force, financial administration codes for oil & gas monies management	Permanent
The First Nation's Financial Administration Law	Permanent
The First Nation's Property Taxation Law or By-law	Permanent
The First Nation's Borrowing Law	Permanent
Minutes from the meetings of the Council and all council committees, annual reports, debenture records and council, committee and membership records, public notices, records of incorporation, corporate seal	Permanent
Legal files and papers	
Customer and supplier contracts and correspondence related to the terms of the contracts	7 years beyond life of contract
Contractual or other agreements (e.g., contribution, impact benefit, trust) between the First Nation and others and correspondence related to the terms of the contracts	7 years beyond life of the contract
Papers relating to major litigation including those documents relating to internal financial misconduct	5 years after expiration of the legal appeal period or as specified by legal counsel
Papers relating to minor litigation including those documents relating to internal financial misconduct	2 years after the expiration of the legal appeal period
Insurance policies including product or service liability, council and officers liability, general liability, and third-party liability, property and crime coverage	7 years after the policy has been superseded
Documents pertaining to the purchase, sale or lease of property	Permanent
Documents pertaining to equity investments or joint ventures	Permanent
Human Resources	
Personnel manuals and procedures	Permanent
Organization charts	Permanent
Where there is a pension plan (excluding RRSP plans): <ul style="list-style-type: none"> ▪ Original plan documents; ▪ records of pensionable employee service and eligibility; ▪ associated personal information including name, address, social insurance number, pay history, pension rate 	7 years after the death of the employee or employee's spouse in the case of spousal eligibility
Letters of offer and individual contracts of employment	2 years after termination of the employee
Signed Code of Conduct obligations and signed Conflict of Interest declarations	2 years after termination of the employee
Attendance records	2 years after termination

	of the employee
Financial information such as payroll history including RRSP contributions, commission and bonus history	2 years after termination of the employee
Medical information	2 years after termination of the employee
Job descriptions	2 years beyond the period to which it applies
Performance assessments	2 years beyond the period to which it applies
Applications, resumes, and correspondence related to individuals not hired	2 years beyond the period to which it applies
Financial records	
Operations manuals, procedures, and internal control guidelines	Permanent
Signed annual financial statements and corresponding signed independent auditor reports	Permanent
Internal reports, including but not limited to: <ul style="list-style-type: none"> ▪ Reviews ▪ Annual operations report ▪ Special purpose reports ▪ Internal audit reports 	10 years
Accounting documentation, including but not limited to: <ul style="list-style-type: none"> ▪ General ledgers, general journals, financial records and supporting documentation ▪ Monthly and quarterly financial statements ▪ Monthly and quarterly management reports ▪ Month / Quarter / Year-end Financial Closing and Reporting work papers ▪ Financial institution account statements and reconciliations ▪ Cancelled cheques and cash register tapes ▪ Invoices ▪ Annual budgets ▪ Multi-year financial plans 	8 years
Asset management documentation, including but not limited to: <ul style="list-style-type: none"> ▪ Tangible capital asset register ▪ Reserve fund reports ▪ Life cycle planning ▪ Capital project budgeting ▪ Contract and tendering provisions 	8 years beyond completion of the project or asset utilization
If applicable, property taxation related documentation, including but not limited to: <ul style="list-style-type: none"> ▪ Property tax working papers ▪ Tax roll ▪ Tax filings 	8 years
Operational records	
Operations manuals, policies and procedures	Permanent
Original patents, trademarks, and copyrights	7 years after the expiration of the right
Customs documents	7 years
Annual physical inventories	Permanent

Safety committee minutes, inspection reports and related action reports	10 years
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Statement of Policy and Procedure	
Policy No.	SPP-28
Department Ownership	Finance
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Tangible Capital Assets Policy

Approved by Council on September 23, 2015

1. Policy

Tangible capital assets will be managed using a life-cycle approach that effectively plans, manages, accounts for and disposes of assets according to the First Nation's asset strategy and that ensures assets are accurately reflected in the First Nation's financial statements.

2. Purpose

The purpose of this policy is to provide guidance on the planning, management, and accounting treatments for tangible capital assets over the entire asset life cycle.

3. Scope

This policy applies to the Council, Finance and Audit Committees, Executive Director, Finance Manager, and senior management of the First Nation, as well as any employees directly involved in capital asset management.

4. Definitions

"Asset recognition criteria" means the criteria to be used to set the threshold for determining whether a tangible capital asset must be included in the tangible capital asset register and in the life-cycle management program.

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

"Capital project plan" means a plan to carry out a capital project and an annual capital plan means all of the capital project plans to be budgeted for undertaken in a fiscal year.

"Cost" is the gross amount of consideration given up to acquire, construct, develop or better a tangible capital asset, and includes all costs directly attributable to acquisition, construction, development or betterment of the tangible capital asset, including installing the asset at the location and in the condition necessary for its intended use. The cost of a contributed tangible capital asset, including a tangible capital asset in lieu of a developer charge, is considered to be equal to its fair value at the date of contribution. Capital grants would not be netted against the cost of the related tangible capital asset.

"Deferred Maintenance" is maintenance that was not performed when it was scheduled, or that was delayed for a future period and may result in a decrease in service levels and can affect the life expectancy of the asset. It is noted in the asset register.

"Fair value" is the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

"GAAP" refers to generally accepted accounting principles ("GAAP") of the Canadian Institute of Chartered Accountants, as amended or replaced from time to time.

"Rehabilitation" includes alteration, extension and renovation but does not include routine maintenance.

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

"Life-cycle management program" means the program of inspection, review and planning for the management of the First Nation's tangible capital assets as described in the Financial Administration Law and this policy.

"Life cycle planning" is a key component of a life-cycle management program as it provides information for understanding the condition and assessing the performance of capital assets, anticipates the needs for replacements in the short and long term, and assesses the cost and sustainability of existing programs.

"Net book value" of a tangible capital asset is its cost, less both accumulated amortization and the amount of any write-downs.

"Residual value" is the estimated net realizable value of a tangible capital asset at the end of its useful life to the First Nation.

"Tangible capital assets" are non-financial assets having physical substance that:

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

"Useful life" is the estimate of either the period over which a tangible capital asset is expected to be used by the First Nation, or the number of production or similar units that can be obtained from the tangible capital asset by the First Nation. The life of a tangible capital asset may extend beyond the useful life of a tangible capital asset to the First Nation. The life of a tangible capital asset, other than land, is finite, and is normally the shortest of the physical, technological, commercial and legal life.

5. Responsibilities

(1) Council is responsible for:

- (a) Approving capital project plans and tangible capital asset reserve fund transactions;
- (b) Establishing a tangible capital asset reserve fund;
- (c) Establishing asset recognition criteria;
- (d) Approving the tangible capital assets register;
- (e) Approving policies and procedures for capital projects to address the issues identified in the Financial Administration Law for the proper management of capital projects;
- (f) Approving procedures for the safeguarding of tangible capital assets;
- (g) Ensuring capital project budgeting requirements are implemented.

(2) The Finance and Audit Committee is responsible for:

- (a) Reviewing on or before [January 15] the financial information provided on the life-cycle management program by the Finance Manager;
- (b) Reviewing and recommending to Council the annual budget for tangible capital assets;
- (c) Reviewing and recommending to Council procedures for the safeguarding of assets;
- (d) Reviewing status reports on the capital asset reserve fund and if necessary making a recommendation to Council relative to the funding contribution;
- (e) Monitoring at each meeting the status of all capital projects including borrowings, loans and payments for each project, comparison of expenditures to date with the project budget, details of identified problems with the project and how they will be addressed and steps taken for each capital project to comply with Council policies for management of capital projects;
- (f) Reviewing the Executive Director's recommendations on asset recognition criteria and making recommendations to Council for approval;
- (g) Reviewing any scheduled capital project plans including supplemental information and their budgets and developing recommendations for Council.

(3) The Executive Director is responsible for:

- (a) Developing the life-cycle management program in accordance with the requirements of this policy and the Financial Administration Law and making recommendations to the Finance and Audit Committee and Council on matters concerning the management of the First Nation's tangible capital assets;

- (b) Maintaining the tangible capital assets register as required in this policy and the Financial Administration Law, including arranging for an annual inspection to obtain updated information of each capital asset (e.g. physical condition, remaining useful life, etc.);
- (c) Ensuring First Nation members are informed and involved in tangible capital asset projects and borrowings for construction as required in the Financial Administration Law;
- (d) Developing and recommending to the Finance and Audit Committee the asset recognition criteria and reviewing the criteria annually for possible recommended changes;
- (e) Serving as a point of contact to retain capital project consultants to assist the Executive Director, Finance and Audit Committee and Council.

(4) The Finance Manager is responsible for:

- (a) The accurate and timely recording and reporting of tangible capital assets in the financial statements in accordance with GAAP;
- (b) Monitoring the application of this policy and updating the policy on a regular basis;
- (c) Preparing on or before [December 31] of each year the financial information related to routine maintenance and rehabilitation or replacement of tangible capital assets as required in the Financial Administration Law and this policy;
- (d) Monitoring the tangible capital asset protection insurance program and making recommendations to the Executive Director in adequate time before each annual renewal, or sooner if circumstances warrant;
- (e) Preparing the maintenance and quarterly reporting to the Finance and Audit Committee, or more frequently if necessary on the status of the capital asset reserve fund;
- (f) Developing and recommending procedures for the safeguarding of assets and ensuring approved procedures are followed;
- (g) Developing the budget for capital project plans and annual capital plan.

(5) Employees involved in the life-cycle management program are responsible for:

- (a) Maintaining tangible capital asset information and implementing asset security and safeguarding measures as provided through the application of these policies and safeguarding procedures approved by Council;
- (b) Recording and reporting periodic changes in tangible capital assets to the Executive Director;
- (c) Ensuring tangible capital assets are accurately tracked and inventoried using the pre-numbered asset control tagging system.

6. Procedures

Tangible Capital Asset Register

- (1) A detailed tangible capital asset register is to be established, maintained and kept current by the Executive Director (or assigned employee). The asset register will facilitate the life-cycle management program with maintenance, rehabilitation, and replacement activities as well as providing an accurate inventory of tangible capital assets.
- (a) The register will include the information required in the Financial Administration Law and, at a minimum, the following information:
- i. Location and intended purpose of the asset;
 - ii. Ownership and restrictions over ownership (e.g. pledges or collateral agreements);
 - iii. Date of acquisition;
 - iv. Previous inspection date;
 - v. Original expected life of the asset at the time of acquisition;
 - vi. Most recent assessment of the condition of the asset and its expected remaining useful life¹;
 - vii. Original cost to acquire or develop the asset;
 - viii. Any costs capitalised subsequent to the initial acquisition or development of the asset (e.g. additions, betterments);
 - ix. Any amounts de-recognised as a result of the sale or disposal of the asset;
 - x. Any proceeds received as a result of the sale of the asset;
 - xi. The amount of depreciation expense calculated for the current period;
 - xii. The total accumulated depreciation expense as at the end of the current period;
 - xiii. Any increase to accumulated depreciation made during the current period to reflect an impairment in the carrying value of the asset;
 - xiv. The total cost, accumulated depreciation and carrying value (i.e. net book value) of the asset as at the end of the current period;
 - xv. Estimated residual value of the asset (i.e. the estimated net realizable value of the tangible capital asset at the end of its useful life to the First Nation);
 - xvi. Insurance coverage details for the asset;
 - xvii. Any other information required by the Council.

¹ The expected remaining useful life of each asset must be re-assessed at a minimum annually. Any changes to this estimate must be accounted for prospectively as a change in estimate.

- (2) An electronic 'asset notification' record will be prepared by the Finance Department from the accounting records when an asset is acquired that captures the key information required for the tangible capital asset register as described above.
- (3) An asset tracking (i.e. serial) number will be assigned and an activity center code (for the purposes of accounting for depreciation) to each of the First Nations tangible capital assets which is to be recorded in the tangible capital asset register and communicated to the department manager for which the management of the asset is assigned.
- (4) Department managers will be provided with an annual copy of the tangible capital asset register listing the assets assigned to their respective departments. It is the responsibility of the department manager to regularly report any changes (e.g. additions, disposals, indicators of impairment, changes to estimated useful life, etc.) that are to be made to the register to the Finance Department.
- (5) The Finance Department will regularly reconcile the general ledger to the tangible capital asset register. Please refer to Appendix A for additional guidance on the Tangible Capital Asset Register.

Amortization / Depreciation

- (1) A suitable method for amortizing (or depreciating) each category of tangible capital assets should be selected to form part of the First Nation's accounting policies.
 - (a) Different methods of amortizing a tangible capital asset result in different patterns of cost recognition. The objective is to provide a systematic and rational basis for allocating the cost of a tangible capital asset, less any residual value, over its useful life. A straight-line method reflects a constant charge for the service as a function of time. A variable charge method reflects service as a function of usage. Other methods may be appropriate in certain situations.
- (2) The cost, less any residual value, of a tangible capital asset with a limited life should be amortized over its useful life in a rational and systematic manner appropriate to its nature and use by the First Nation. Amortization (or depreciation) expense should be calculated and recorded on a monthly basis.
 - (a) The amortization of the costs of tangible capital assets should be accounted for as expenses in the statement of operations.
 - (b) Land normally has an unlimited life and would not be amortized.
 - (c) Where the First Nation expects the residual value of a tangible capital asset to be significant, it would be factored into the calculation of amortization.
 - (d) The useful life of a tangible capital asset depends on its expected use by the First Nation. Factors to be considered in estimating the useful life of a tangible capital asset include:

- i. expected future usage;
 - i. effects of technological obsolescence;
 - ii. expected wear and tear from use or the passage of time;
 - iii. the maintenance program;
 - iv. studies of similar items retired; and
 - v. the condition of existing comparable items.
- (3) The amortization method and estimate of the useful life of the remaining unamortized portion of a tangible capital asset should be reviewed on a regular basis and revised when the appropriateness of a change can be clearly demonstrated.

Annual inspection and review

- (1) On or before [November 30], the Executive Director will initiate an annual inspection of the First Nation's capital asset inventory. Employees in the property management department will be assigned by the Executive Director to complete the inspection under his/her supervision. Where appropriate or necessary the Executive Director may choose to engage the services of an external specialist to assist in the valuation of certain specialised assets (e.g. land, buildings, etc.).
- (2) Any changes necessary to the tangible capital asset register will be documented by the employee noting the changes, and communicated to the Executive Director for review and approval. Once reviewed and approved by the Executive Director, the changes will be input in the tangible capital asset register by the employee responsible for the register.
- (3) The Executive Director will report to the Finance and Audit committee on the outcome of the annual inspection and review of assets, noting any significant developments or findings.
- (4) In the event that there is evidence of damage to or a loss of an asset identified during the inspection process or at any other time of the year, the Executive Director will investigate the matter and initiate the insurance claim process if applicable. The tangible capital asset register will be updated based on this new information.
- (5) When conditions indicate that a tangible capital asset no longer contributes to the First Nation's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset should be reduced to reflect the decline in the asset's value.
- (a) The net write-downs of tangible capital assets should be accounted for as expenses in the statement of operations.
 - (b) A write-down should not be reversed.

Safeguarding Assets

- (1) The Finance Manager will ensure that there is a tagging or marking identification system in place for all tangible capital assets subject to the risk of theft (e.g. equipment, vehicles, furniture, etc.). Markers should include the date of purchase and an asset identification (reference) number that identifies the asset to be property of the First Nation.
- (2) Physical security arrangements over capital assets will be reviewed annually² by the Finance Manager and the results of this review will be reported to and reviewed by the Finance and Audit Committee with any recommendations to Council.
- (3) Insurance coverage for tangible capital assets will be obtained and remain in force unless an asset is to be self-insured based on a risk management assessment that balances any potential loss with the cost of insurance, replacement value of items, etc. Insurance will be obtained in accordance with the Insurance Policy.

Maintenance of Assets

- (1) Employees in the property management department (or its equivalent) will provide the Executive Director with a quarterly update on the condition of tangible capital assets over \$[x] and preventative maintenance reports (including machine and vehicle logs) showing maintenance completed compared to scheduled maintenance. Explanations for deficiencies noted will be obtained and, where appropriate, shared with the Finance and Audit committee.
- (2) A list of any tangible capital assets identified as no longer in use will be prepared and reported to the Executive Director. Steps will be taken to decommission and appropriately dispose of the assets in accordance with any applicable laws or regulations.
- (3) All warranty and related work including inspections will be undertaken in a timely manner.
- (4) The Executive Director will recommend that any critical tangible capital assets of an unsafe nature, based on the annual review, are given a priority for replacement (or rehabilitation) in future planning.
- (5) The Executive Director, with the assistance of staff in the property management department, will ensure that appropriate staff training on the use of the particular tangible capital asset will be provided to ensure safety.
- (6) For tangible capital assets over \$[x], periodic maintenance assessments will be performed. Assessments should include:
 - (a) Any deferred maintenance;
 - (b) A description of the performance and condition of the asset;
 - (c) An overall rating based on the following scale: Excellent, Good, Fair, Poor, or Failing;

² This may occur at the same time as the physical inspection of asset condition is performed

- (d) A forecast of the maintenance, repairs, betterment, and replacement costs over the course of the remaining useful life of the asset.
- (7) The Department managers will retain a copy of the condition assessment(s) and will provide an electronic copy to the Finance Department.
- (8) The Executive Director will ensure the tangible capital asset register and accounting records are updated, and, in conjunction with the Finance Manager, will make recommendations to the Finance and Audit Committee for changes to the annual capital plan based on the results of the condition assessments performed for the year.

Life Cycle Management Program

- (1) Based on the information in the tangible capital asset register and consultations with the Executive Director and property management employees, the Finance Manager will prepare the annual capital plan by [December 31] of each year.
- (2) The annual capital plan will include short and long term forecasts for asset rehabilitation and/or replacement. The plan will include the information that the Finance Manager is required to prepare in the Financial Administration Law and, at a minimum, the following details:
 - (a) A description of each asset to be replaced or refurbished;
 - (b) The rationale for the replacement or refurbishment;
 - (c) Estimated cost, including contingencies, of each proposed acquisition or refurbishment project;
 - (d) Estimated timeframe and schedule for completion of each asset acquisition or proposed refurbishment project;
 - (e) Ongoing maintenance requirements and costs and the impact on the First Nation's budget.
- (3) The Finance and Audit Committee will review the annual capital plan, in conjunction with the tangible capital assets register. The objective of this review is to:
 - (a) Identify any means to reduce costs of each capital project;
 - (b) Understand the effect that each proposed capital project (rehabilitation, replacement) on the annual operating costs and routine maintenance costs in future years;
 - (c) Determine whether any significant savings might be affected by coordinating the scheduling of capital projects, deferring any projects, or carrying out rehabilitation projects rather than replacement projects.
- (4) The Finance and Audit Committee will review by the annual capital plan by [January 15] and report to Council on its findings and recommendations by [February 15] for review and consideration of the annual budget for the upcoming fiscal year.

Capital Projects

- (1) The Executive Director, with input from the Finance Manager, will develop an annual capital plan for all capital project that exceed \$[x] in cumulative value. The plan will include a business case for the capital project, that will contain, at a minimum, the following:
 - (a) The financial viability of the project (i.e. how it will be financed, what the expected return on investment will be, etc.);
 - (b) Project operating requirements (e.g. annual operating and maintenance costs, cash flow considerations, etc.);
 - (c) Evaluation of all other options considered;
 - (d) A project risk assessment.
- (2) The annual capital plan will be integrated with the First Nation's strategic plan (see [Integrated Planning Policy] for further details).
- (3) The Executive Director will coordinate project planning, design, engineering, tendering, bid selection, and environmental requirements for each capital project in accordance with Council policies and procedures for management of capital projects. Capital project consultants, including engineers, may be engaged to carry out these obligations at the discretion of the Executive Director.
- (4) The Finance Manager will coordinate project costing, budgeting, financing and approval for each capital project in accordance with Council policies and procedures for management of capital projects.
- (5) To coordinate project management of each capital project, an ad hoc working committee - project planning and implementation - may be established as necessary with the Executive Director and Finance Manager as members.
- (6) The annual capital plan and recommendations from the working committee will be provided to the Finance and Audit Committee. Scope adjustments, modifications and other significant adjustments made to the projects will be identified and a rationale provided.
- (7) The Finance and Audit committee will review the annual capital plan on or before [January 15] and forward their recommendation to Council for approval.
- (8) The Council must take reasonable steps to ensure that capital projects for 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 builds and other improvements of organized communities in the region in which the majority of the First Nation's lands are located. The Executive Director will report to the Finance and Audit Committee on steps taken to ensure these results are met for every capital project.

Construction management

- (1) The Executive Director will procure appropriate course of construction insurance for each capital project in accordance with the Insurance Policy and will require contractors to have project performance guarantees or bonding for each project or as otherwise permitted or required in the Council policies and procedures for management of capital projects.
- (2) Depending upon the size of the project, an independent project manager may be retained to provide contract management and control.
- (3) The Finance Manager will process contractor progress payments, manage construction holdbacks and payment as required in the Council policy and procedure on management of capital projects and will organize audit procedures in conjunction with the annual audit.
- (4) The Finance Manager will report to every meeting of the Finance and Audit Committee on each capital project respecting
 - (a) Year to date borrowings, loans and payments;
 - (b) The status of the project including
 - i. A comparison of the expenditures to date against the project budget,
 - ii. A detailed description of any identified problems with the project, and
 - iii. The manner in which a problem identified has been or will be addressed, and
 - (c) Steps taken to ensure compliance with Council policies and procedures for management of capital projects.
- (5) Work approvals, including change orders, will be signed off by the project manager or designate and forwarded to the finance office for retention and clearance against the contractor's invoice.

Life Cycle Policy Directives

- (1) All assets that meet the definition of a tangible capital asset, meet the Council approved asset recognition criteria, fall within the categories outlined in Appendix A based on their nature, characteristics and useful life, shall be recorded in the accounts of the First Nation in accordance with this policy.

Acquisition of Tangible Capital Assets

- (1) Department managers will identify to the Executive Director the asset to be acquired as part of the annual budget and annual capital plan. It is recognized however that unforeseen asset acquisitions will occasionally be necessary.

- (2) The acquisitions of tangible capital assets are subject to the Delegated and Assigned Responsibilities Policy and the Procurement.
- (3) Subject to the Delegated Authorities Policy, all purchases or leases of capital assets are to be made in accordance with the annual budget, annual capital plan, and Council resolution.
- (4) Any significant variance between budgeted and actual cost of the tangible capital asset is to be reported to the Executive Director and the Finance and Audit Committee.
- (5) Following acquisition and delivery of a tangible capital asset, the Finance Department will ensure the asset is reflected in the accounting records and the financial statements of the First Nation. An asset tracking number will be assigned and the asset added to the Tangible Capital Asset Register of the First Nation.

Tangible Capital Asset Reserve Fund

- (1) The Council will establish a Tangible Capital Asset Reserve Fund to be applied for the purposes of construction, acquisition, maintenance, rehabilitation and replacement of the First Nation's tangible capital assets.
- (2) The Finance Manager and the Finance Department will manage the Tangible Capital Asset Reserve Fund.
- (3) All withdrawals from the tangible capital asset reserve fund must be approved via a Band Council Resolution at a duly convened Council meeting and in accordance with the annual budget and approved annual capital plan.
- (4) Council must ensure, with advice from the Finance and Audit Committee, that the tangible capital asset reserve fund maintains a minimum balance of the total book value of the First Nation's tangible capital assets.
- (5) Contributions are to be budgeted and made to the tangible capital asset reserve fund on an annual basis based on the above minimum balance requirement and those amounts required in the annual budget and annual capital plan.

Disposal of Tangible Capital Assets

- (1) Department managers will identify to the Executive Director the asset to be disposed of, and the method of disposal, as part of the annual budget and capital plan. It is recognized however that unforeseen asset disposals will occasionally be necessary.
- (2) The fair market value must be determined for all disposals as a prior condition of approval. The Executive Director shall have the authority to determine the fair market value for all disposals. The Executive Director will consult with external specialists in establishing the fair market value, where appropriate.

- (3) All disposals of the First Nation's tangible capital assets with a fair market value in excess of \$[x] must be approved via a Band Council Resolution at a duly convened Council meeting prior to disposal of said assets, on the recommendation of the Executive Director and the Finance and Audit Committee.
- (4) All proceeds from the sale or disposal of the First Nation's tangible capital assets are to be deposited in the Tangible Capital Asset Reserve Fund.
- (5) The difference between the net proceeds on disposal of a tangible capital asset and the net book value of the asset should be accounted for as a revenue or expense in the statement of operations.
- (6) Any item determined to be of no value or unsafe must be disposed of as waste in an appropriate manner that meets all regulatory or statutory requirements.
- (7) Members of the First Nation shall have an equal opportunity to purchase surplus assets through a competitive disposal process.
- (8) All items to be sold are on an "as is, where is" basis with no warranties or guarantees expressed or implied.

7. References

- (1) FMB's Financial Management System Standards
 - (a) Standard 23.0 Tangible Capital Assets Including Capital Projects
- (2) FMB's Financial Administration Law Standards
 - (a) Standard 21.0 Tangible Capital Assets Including Capital Projects

8. Attachments

Appendix A – Tangible capital asset categories

Appendix B – Presentation and disclosure requirements

Appendix A – Tangible capital asset categories

The following table lists capital asset categories and examples of assets and costs included in each category. This is not intended to be a complete list and is for illustrative purposes only. The decision by the First Nation to capitalise costs as tangible fixed assets must be made in reference to GAAP accounting requirements, specifically those contained in PS 3150, *Tangible capital assets*.

Capital Asset Category	Examples of Capital Assets
Land	<ul style="list-style-type: none"> land acquired for parks and recreation and recreation, conservation purposes, building sites and other programs land purchased for construction of road surface, drainage areas and allowances or future expansions
Land improvement	<ul style="list-style-type: none"> fencing and gates, parking lots, paths and trails, landscaping, swimming pools and playgrounds Site preparation in advance of commercial or residential development
Buildings	<ul style="list-style-type: none"> buildings with fireproofed structural steel frames with reinforced concrete or masonry floors and roofs buildings with reinforced concrete frames and concrete or masonry floors and roofs buildings with masonry or concrete exterior walls, and wood or steel roof and floor structures, except for concrete slabs on grade operational storage facilities, sheds, small buildings, salt sheds, asphalt tanks, inventory storage buildings and pump houses
Building improvements	<ul style="list-style-type: none"> major repairs or upgrades that increase the value or useful life of the building or which reduce future operating costs such as structural changes, installation or upgrade of heating and cooling systems, plumbing, electrical, telephone systems
Leasehold and occupancy improvements	<ul style="list-style-type: none"> improvements that increase the functionality of leased or similar accommodations (refer to the assets listed under the "building improvements" category)
Operating equipment	<ul style="list-style-type: none"> equipment specific to maintenance, shop and sanitation, laboratories, medical, dental, safety, appliances, scientific research, hospitals, education and communication such as forklifts, welding machines, utility trailers, security systems, snowploughs, radios, freezers, refrigerators, washers, meters, defibrillators

Capital Asset Category	Examples of Capital Assets
Heavy equipment	<ul style="list-style-type: none"> power and construction equipment such as graders, tractors, cranes, drill rigs, caterpillars, and trucks one tonne and over
Vehicles	<ul style="list-style-type: none"> used primarily for transportation purposes such as automobiles, trucks under one tonne, vans, boats, all-terrain vehicles, snowmobiles, motorcycles, and ambulances
Marine vessels - vessels and towers	<ul style="list-style-type: none"> construction and replacement of vessels and towers
Computer software	<ul style="list-style-type: none"> off the shelf software and related upgrades, software licenses after removing any maintenance or similar charges
Computer hardware	<ul style="list-style-type: none"> servers, voice logging equipment, scanners, printers, hard drives, external hard drives, and plotters
Office furniture and equipment	<ul style="list-style-type: none"> desks, tables, chairs, filing cabinets, fax machines, photocopiers, videoconferencing stations, projectors, and digital cameras
Assets under construction	<ul style="list-style-type: none"> roads, buildings or other tangible capital assets that are under construction and have not yet been placed into service
Roads/Streets	<ul style="list-style-type: none"> roads or streets light systems (traffic, pedestrian), signals for railways, new signage initiative, traffic calming (e.g. rumble strips, speed bumps)
Water and sewer infrastructure	<ul style="list-style-type: none"> dams, drainage facilities, docks, sewer systems, sewage lagoons, marinas, reservoirs, pumping facilities, tanks and associated infrastructure
Other infrastructure	<ul style="list-style-type: none"> landfills, tanker bases, helipad, dump stations

Appendix B – Presentation and disclosure requirements

The following requirements relate to the preparation of the First Nation's annual financial statements in accordance with GAAP and are based on PS 3150, *Tangible capital assets*. Readers are advised to consult with the current version of this accounting standard for the most recent accounting and disclosure requirements.

The financial statements should disclose, for each major category of tangible capital assets and in total:

- (a) cost at the beginning and end of the period;
- (b) additions in the period;
- (c) disposals in the period;
- (d) the amount of any write-downs in the period;
- (e) the amount of amortization of the costs of tangible capital assets for the period;
- (f) accumulated amortization at the beginning and end of the period; and
- (g) net carrying amount at the beginning and end of the period. [APRIL 2005]

Major categories of tangible capital assets would be determined by type of asset, such as land, buildings, equipment, roads, water and other utility systems, and bridges.

Financial statements should also disclose the following information about tangible capital assets:

- (a) the amortization method used, including the amortization period or rate for each major category of tangible capital asset;
- (b) the net book value of tangible capital assets not being amortized because they are under construction or development or have been removed from service;
- (c) the nature and amount of contributed tangible capital assets received in the period and recognized in the financial statements;
- (d) the nature and use of tangible capital assets recognized at nominal value;
- (e) the nature of the works of art and historical treasures held by the government; and
- (f) the amount of interest capitalized in the period.

Statement of Policy and Procedure	
Policy No.	SPP-29
Department Ownership	Finance
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Financial Management System Improvement Policy

Approved by Council on September 23, 2015

1. Policy

Areas for improvement in the financial management system will be managed, tracked and resolved on an ongoing basis as identified by the Finance Manager and annually through internal assessments of critical activities.

2. Purpose

The purpose of this policy is to provide guidance on the First Nation's continual improvement of its financial management system.

3. Scope

This policy applies to the Finance Manager, Finance and Audit Committee, and the Financial Management System Assessment Committee.

4. Definitions

"Internal Assessment" is a review of an activity/process by an independent First Nation staff member (i.e. an individual not responsible for or involved in the activity) to determine the effectiveness and sufficiency of controls related to the specific activity or process.

5. Responsibilities

- (1) If the First Nation is a borrowing member, the Council is responsible for: ensuring that the First Nation takes measures as soon as practicable to rectify any gaps or areas of non-compliance between the First Nation's financial management systems and practices and the First Nations Financial Management Board Standards.
- (2) The Finance and Audit Committee is responsible for:
 - (a) Designating members of the Financial Management System Assessment Committee;
 - (b) Scheduling the dates for required meetings of the Financial Management System Assessment Committee;
 - (c) Reviewing reports from the Financial Management System Assessment Committee;
 - (d) Reporting to Council as soon as practicable any gaps or areas of non-compliance between the First Nation's financial management systems and practices and the First Nations Financial Management Board Standards and monitoring actions taken to bring the First Nation into compliance.
- (3) The Financial Management System Assessment Committee is responsible for:

- (a) Planning, scheduling, and conducting internal assessments;
 - (b) Ensuring issues or concerns identified through the internal assessment process are resolved;
 - (c) Holding an annual meeting to review the financial management system for the previous fiscal year;
 - (d) [If the First Nation is a borrowing member] Performing self-assessments of the First Nation's financial management systems and practices against the First Nation Financial Management Board's Standards and monitoring to ensure that any gaps or areas of non-compliance are rectified as soon as possible;
 - (e) Reporting to council, the Finance and Audit Committee, and the internal/external auditors on the results of their reviews.
- (4) The Finance Manager is responsible for:
- (a) Ensuring issues and concerns regarding the financial management system are collected, tracked, managed, reported and resolved as required in this policy;
 - (b) Participating in the Financial Management System Assessment Committee.

6. Procedures

Financial Management System Assessment Committee

- (1) The Financial Management System Assessment Committee ("the Assessment Committee") will be composed of the Finance Manager, Executive Director, and other finance and operations staff designated by the Finance and Audit Committee.
- (2) The Assessment Committee will meet at least once annually.
- (3) Annually on a date scheduled by the Finance and Audit Committee, the Assessment Committee will review the financial management system for the period of the previous four quarters and up to the date of the meeting.
- (4) The Assessment Committee agenda items will include, but are not limited to, the following:
 - (a) Review of the system's processes and procedures;
 - (b) Review of applicable laws for compliance;
 - (c) Review of external and internal assessment results;
 - (d) Review of identified process improvement opportunities including their resolution;
 - (e) Review of all committees' terms of reference;
 - (f) Review of the First Nation's corporate and personnel organization charts.

- (5) The Assessment Committee must prepare a report for distribution to the Finance and Audit Committee and internal/external auditors that includes the following:
- (a) A statement of whether the financial management system has, during the review period, been operated in compliance with all applicable laws, policies, procedures and directions;
 - (b) Recommendations for any changes to those laws, policies, procedures and directions that, in the opinion of the Committee, would be beneficial to the financial management system.

Internal Assessments

- (6) At the beginning of each fiscal year, the Assessment Committee will prepare an assessment plan which identifies critical or significant activities which should undergo an internal assessment in the current year. The criteria for identifying these issues are as follows:
- (a) Risk – likelihood and potential impact if the process/controls in a specific area are not functioning properly;
 - (b) Activities with previously identified problems – Any areas that have been identified in past internal assessments with recurring issues will be considered for review in the current year.
- (7) The assessment plan will contain a schedule and timeframe for completion of each internal assessment identified.
- (8) The assessment plan proposed by the Assessment Committee will be approved by the Finance and Audit Committee. Approval will be documented in the Finance and Audit Committee minutes.
- (9) The individual performing the internal assessment ("the Assessor") will be independent of the operations or activities being assessed. This individual will be assigned by the Assessment Committee and can be a First Nation staff member so long as the individual is independent of the operation or activity under review.
- (10) A documented report will be prepared by the Assessor for each internal assessment performed. The report will contain the Assessor's findings and resolutions of any concerns identified in the findings.
- (11) Reports will be issued to the Finance Manager, to individuals responsible for the area/activities assessed, the Assessment Committee and the Finance and Audit Committee.

Continual improvement process

- (12) The Finance Manager will be responsible for ensuring that any concerns or issues regarding the financial management system of the First Nation and brought to his/her attention are tracked, managed, and resolved on an ongoing basis.
- (13) Based on the Finance Manager's analysis of the concern or issue, the following steps will be taken:

- (a) For items that relate to improvements in efficiency and/or effectiveness, the Finance Manager will consider the cost versus benefit of implementing the changes and act accordingly;
 - (b) For any other issues, such as minor instances of non-compliance with policy, the Finance Manager will take the necessary steps to remediate and will report the findings and actions taken to the Executive Director;
 - (c) All items will be tracked and records maintained of all actions taken.
- (14) On a yearly basis, a report of the concerns or issues raised, actions taken, and any remaining potential process improvement opportunities will be submitted to the Assessment Committee.

Review of Financial Administration Law

- (15) Annually, the Finance and Audit Committee will review the Financial Administration Law
- (a) To determine if it facilitates effective and sound financial administration of the First Nation, and
 - (b) To identify any amendments to this Law that may better serve this objective.
- (16) The Finance and Audit Committee will report to the Council on the results of its review including any recommendations it makes for amendments to the Financial Administration Law.

Membership information or involvement

- (17) In the event that recommendations from the Finance and Audit Committee require amendments to the Financial Administration Law, Council will ensure that First Nation members are provided the information or involved in consideration of any proposed amendments to the Law as required in the Financial Administration Law.

Requirements Specific to Borrowing Members

- (18) The Assessment Committee will determine whether the First Nation is in compliance with the First Nations Financial Management Board Standards. This will be performed through a self-assessment that compares the First Nation's financial management systems and practices to the First Nations Financial Management Board's Standards.
- (19) The self-assessment should include the following:
- (a) Identification of all significant activities and a schedule of critical dates for completion of these activities;
 - (b) Assignment of the responsibilities and authority for all significant activities;
 - (c) A description of all records to be maintained including records of response to any non-compliance.

- (20) Any gaps or areas of non-compliance between the First Nation's financial management systems and practices and the First Nations Financial Management Board Standards will be corrected as soon as possible.
- (21) The results of the self-assessment exercise and actions being taken to remediate the gaps or areas of non-compliance identified will be reported to the Finance and Audit Committee by the Finance Manager.
- (22) In addition to the self-assessment process to be conducted by the Assessment Committee as set out in this policy, if the Finance Manager becomes aware at any time of any circumstances that could be considered a gap or area of non-compliance between the First Nation's financial management systems and practices and the First Nations Financial Management Board Standards, the Finance Manager will report these circumstances to the Finance and Audit Committee as soon as practicable along with the actions to be taken to remedy those circumstances.

7. References

- (1) The FMB's Financial Management System Standards
 - (a) Standard 24.0 Borrowing Member Requirements
 - (b) Standard 27.0 Financial Management System Improvement
- (2) The FMB's Financial Administration Law Standards
 - (a) Standard 26.0 FAL Review
 - (b) Standard 22.0 Borrowing Member Issues

8. Attachments

None

Statement of Policy and Procedure	
Policy No.	SPP-30
Department Ownership	Administration
Issue/Effective Date	November 1, 2015

Sandy Bay Ojibway First Nation

Whistleblower Policy

Approved by Council on September 23, 2015

1. Policy

All Councillors, officers and employees of the First Nation and all contractors and agents engaged in financial administration activities have the responsibility to report instances misconduct to the Executive Director or Chairperson of the Finance and Audit Committee. The identity of individuals who report misconduct will be protected from disclosure to the extent practicable in the circumstances, individuals who report in good faith will be protected from reprisals, persons against whom an allegation of misconduct is made will be treated fairly and allegations of misconduct will be fully investigated as efficiently as possible and resolved as appropriate.

2. Purpose

The purpose of this policy is to ensure there is a procedure to report, investigate, and act upon allegations of wrongdoing within the financial management system and to provide protection to persons who come forward with these reports in good faith.

3. Scope

This policy applies to Council, officers, employees, contractors, agents and members of the First Nation.

4. Definitions

“Misconduct or Wrongdoing” includes any breach of the First Nation’s Financial Administration Law and its conflict of interest provisions, Council policies or procedures made under the Financial Administration Law and includes, but is not limited to the following:

- Questionable accounting practices and inadequate internal accounting controls;
- Misleading or coercion of auditors;
- Preparation of fraudulent or misleading financial information;
- Fraud – intentional deception for personal gain;
- Material misrepresentation in disclosures made by or on behalf of the First Nation;
- Theft – theft of First Nation physical or intellectual property;
- Misappropriation of funds – use of the First Nation’s funds for personal gain or unauthorized uses;
- Unethical behaviour including breach of conflict of interest or code of conduct policies;
- Illegal activities;
- Gross mismanagement – A deliberate act or an omission demonstrating wilful disregard for the efficient and effective management of the First Nation’s resources;
- An expenditure, liability or other transaction of the First Nation that is not authorized by or under the Financial Administration Law.

5. Responsibilities

(1) Council is responsible for:

- (a) Ensuring that this policy is communicated to all affected and interested persons;
- (b) Investigating reported misconduct concerning members of the Finance and Audit Committee;
- (c) Ensuring that the identity of the person who makes a report of misconduct in good faith is kept confidential to the extent practical in all circumstances and not subject to reprisals for making the report;
- (d) Approving policies and procedures required in the Financial Administration Law in respect of such matters;
- (e) Supporting and fostering an ethical environment.

(2) The Finance and Audit Committee is responsible for:

- (a) Reviewing any reports provided to it respecting inquiries into the circumstances of the reported misconduct, conducting any further inquiry it considers necessary and providing a report to the Council, along with any recommendations;
- (b) Taking all reasonable steps to ensure that the identity of the person who makes a report of misconduct is kept confidential to the extent practical in all circumstances;
- (c) Taking necessary steps to ensure to ensure that persons who have reported instances of wrongdoing remain protected against any reprisals including but not limited to discrimination, retaliation, threats, harassment or loss of employment or employment opportunities ;
- (d) Making recommendations to the Council on how to address and remediate reported instances of wrongdoing;
- (e) Supporting and fostering an ethical environment.

(3) The Chair of the Finance and Audit Committee is responsible for:

- (a) Receiving reports of misconduct, making an appropriate and expeditious inquiry into the matter and reporting to the Finance and Audit Committee as soon as practicable;
- (b) Taking all reasonable steps to ensure that the identity of the person who makes a report of misconduct is kept confidential to the extent practical in all circumstances;
- (c) Taking necessary steps to ensure to ensure that persons who have reported instances of wrongdoing remain protected against any reprisals including but not limited to discrimination, retaliation, threats, harassment or loss of employment or employment opportunities;

- (d) Reporting to Council any contravention or suspected contravention of the prohibition against reprisals.

(4) The Executive Director is responsible for:

- (a) Communicating the Whistleblower Policy to all affected and interested persons;
- (b) Ensuring all employees, consultants and contractors have signed the Whistleblower Policy to acknowledge that they have read, understood, and will abide by the policy;
- (c) Providing a confidential reporting procedure(s) to report violations;
- (d) Receiving reports of misconduct, making an appropriate and expeditious inquiry into the matter and reporting to the Finance and Audit Committee as soon as practicable;
- (e) Taking all reasonable steps to ensure that the identity of the person who makes a report of misconduct is kept confidential to the extent practical in all circumstances;
- (f) Taking necessary steps to ensure that persons who have reported instances of wrongdoing remain protected against any reprisals including but not limited to discrimination, retaliation, threats, harassment or loss of employment or employment opportunities;
- (g) Reporting to Council any contravention or suspected contravention of the prohibition against reprisals.
- (h) Securing related records;
- (i) Fostering an open and supportive ethical environment.

6. Procedures

Fostering an open and ethical working environment

- (1) The Executive Director will communicate this policy to all employees.
- (2) Each individual employed or contracted with, or acting as an agent for the First Nation in respect of the financial administration of the First Nation will be required to sign the agreement in Appendix A to indicate that they have read, understood and accepted its contents before employment or appointment begins.
- (3) On an annual basis, all employees and consultants will sign and date their acknowledgement of the Whistleblower policy agreement.
- (4) The identity of any person who raises a concern of wrongdoing will remain confidential to the extent practically possible.

- (5) A person reporting a breach in good faith will receive fair and unbiased treatment throughout the investigative process and will be protected from reprisals. Council will ensure that the person is protected from any discrimination, threats, retaliation or harassment.
- (6) A person against whom a report has been made will receive fair and unbiased treatment. Where a preliminary inquiry into a report indicates a possible finding of misconduct, the person against whom the report has been made will be given an appropriate opportunity to answer the allegation in a manner consistent with the other provisions of this policy.
- (7) On an annual basis, the Finance and Audit Committee will provide Council with a report on the effectiveness of this policy and the Code of Conduct policy. Statistics regarding the number of cases reported, investigated, resolved and outstanding will be included in the report, as well as any lessons learned or proposed changes to the policies.

Methods to report suspected wrongdoing

- (8) Council has established the following procedures to receive, retain, investigate and act on complaints and concerns of councillors, officers, employees, contractors and agents of the First Nation regarding instances of misconduct or wrongdoing.
- (9) The Executive Director will ensure that the procedures noted above will be included in the contracts of contractors and the appointment of agents and committee members.
- (10) Both the Executive Director and the Chair of the Finance and Audit Committee are authorized to receive and inquire into reports of misconduct or wrongdoing.
- (11) The Executive Director and the Chair of the Finance and Audit Committee will report their respecting findings of an inquiry into a report of misconduct or wrongdoing that they receive.
- (12) The Finance and Audit Committee is authorized to inquire further into any findings reported to it by the Executive Director and the Chair of the Finance and Audit Committee.
- (13) Any report received by a First Nation's officers, employees, contractors or agents from any source inside or outside the First Nation should be immediately forwarded to the Chair of the Finance and Audit Committee Chairperson. Councillors should report directly to the Chair of the Finance and Audit Committee.
- (14) First Nation officers, employees, contractors or agents should forward their reports to the Executive Director or the Chair of the Finance and Audit Committee.
- (15) Instances of wrongdoing can be reported directly to the Chair of the Finance and Audit Committee in the following ways
 - (a) In writing to the attention of the Chair of the Finance and Audit Committee: [Mr./ Mrs. X, Street, City, Postal Code].

- (b) Via email: [fiananceandauditcommittee@firstnation.ca];
- (c) Via telephone to the Chairperson of the Finance and Audit Committee at [1-888-XXX-XXXX].
- (d) Anonymously in writing to the Chairperson of the Finance and Audit Committee.

(16) Instances of wrongdoing can be reported directly to the Executive Director in the following ways:
(the same information needs to be in place for the Executive Director given that he has the same role)

Inquiring into reported wrongdoing

(17) Promptly upon receipt of a report, the Executive Director or Chair of the Finance and Audit Committee, as the case may be, will:

- (a) Confirm in writing to the party who has reported an alleged misconduct that the report has been received;
- (b) Ensure that the identity of the person(s) making the report is kept confidential to the extent possible and that individuals who report in good faith are protected from reprisals;
- (c) Include the report on a confidential written docket, summarizing in reasonable detail:
 - i. The nature of the report (including specific allegations made and the names of the persons involved);
 - ii. The date of receipt of the report;
 - iii. The current status of any inquiry;
 - iv. The report made to the Finance and Audit Committee;
 - v. Any final resolution of the reported wrongdoing.
- (d) Decide upon the appropriate action to be taken when conducting the inquiry and start the inquiry as soon as possible. The inquiry should seek to confirm or refute the facts presented.;
- (e) When the alleged incident is of significant risk (to the operations, reputation, etc. of the First Nation), related to potential criminal acts by individuals, or of high financial value to the First Nation, the Executive Director or the Chair of the Finance and Audit Committee may retain external expertise to conduct the inquiry;
- (f) Within a period of eight weeks from the moment the report has been received, inform the party who reported the alleged irregularity of the status of the inquiry and steps that have been taken or will be taken following the results of the inquiry;
- (g) If the inquiry cannot be completed with the eight week time frame, inform in writing the person who reported the alleged irregularity and indicate a new time frame for the conclusion of the inquiry;
- (h) Report on the progress of current inquiries at each Finance and Audit Committee meeting;

- (i) Upon completion of the inquiry, report to the Finance and Audit Committee on the conduct of the inquiry and the result of the inquiry and recommend actions to be taken.
- (18) Upon receipt of the report from the Chair of the Finance and Audit Committee or the Executive Director, the Finance and Audit Committee will determine if it will conduct any further inquiry into the matter but in any event will make a report to the Council of the circumstances reporting to the Committee including the Committee's recommendations if any.
- (19) The Finance and Audit Committee will actively monitor inquiries to ensure they are conducted in accordance with this policy.
- (20) If the reported wrongdoing concerns a member of the Finance and Audit Committee, the Council will inquire into the matter or retain external expertise to conduct the inquiry.

Responding to wrongdoing and initiating remedial actions

- (21) After considering the final report of the results of an inquiry, the Finance and Audit Committee will recommend a course of action to Council which will make a decision to resolve the issue as soon as practical.
- (22) Resolution actions will be commensurate with the severity of the wrongdoing incurred, and can include reprimands, leave without pay, termination, revocation of appointment or other remediation as determined by the Council and subject to the provisions of the [Disciplinary and Dismissal Policy].
- (23) Police will be contacted if activities of a criminal nature are identified.
- (24) Recovery of First Nation funds, either expended or forfeited, as a result of the wrongdoing as described in the Financial Administration Law will be tracked and collected from the responsible individual(s).

7. References

- (1) The FMB's Financial Management System Standards
 - (a) Standard 26.1 Reporting policies
 - (b) Standard 26.2 Reporting procedures
- (2) The FMB's Financial Administration Law Standards
 - (a) Standard 25.1 Reporting misconduct
 - (b) Standard 25.2 Obligation to report
 - (c) Standard 25.3 Protection for whistleblowers

(d) Standard 25.4 Procedural requirements

8. Attachments

Appendix A – Acknowledgement and Agreement Regarding the Whistleblower Policy

Appendix A – Acknowledgement and Agreement Regarding the Whistleblower Policy

This is to acknowledge that I have received and read a copy of the [♦] First Nation's Whistleblower Policy. I understand that the integrity of the financial information and other information of the First Nation is vital.

I further understand that the First Nation is committed to a work environment free of discrimination, retaliation, threats or harassment for employees and contractors who has raised concerns regarding financial misconduct or wrongdoing and that the First Nation specifically prohibits reprisals against any person who makes a good faith report regarding such concerns. Accordingly, I specifically agree that to the extent I have concerns of financial misconduct or wrongdoing that I reasonably believe to be in violation of the First Nation's laws or policies, I will immediately report such conduct in accordance with the First Nation's Whistleblower Policy.

I confirm that I have read this policy and understand the expectations of me contained herein.

_____ Employee's/Contractor's Signature

_____ Employee's/Contractor's Name [printed]

_____ Date

Statement of Policy and Procedure	
Policy No.	SPP-31
Department Ownership	Administration
Issue/Effective Date	August 4, 2015

Sandy Bay Ojibway First Nation

Information Privacy Policy

Approved by Council on September 23, 2015

1. Policy

Ensuring the privacy of personal information provided to the First Nation by individuals is essential to not only ensure compliance with legislative requirements such as those outlined in the *Personal Information Protection and Electronic Documents Act* or substantially similar provincial legislation, but also to ensure continued stakeholder confidence in the First Nation and that accountability is maintained.

2. Purpose

The purpose of this policy is to provide guidance on the implementation and maintenance of appropriate information privacy practices within the First Nation related to the collection, use, disclosure, retention, and safeguarding of personal information.

3. Scope

This policy applies to all Council members, members of the Finance and Audit Committee, officers and employees of the First Nation and any contractors or volunteers performing services on behalf of the Council. The direction provided in this policy applies to all personal information created and acquired by the First Nation regardless of format (i.e., both electronic and hardcopy paper records).

4. Definitions

“Personal information” refers to all information that reveals factual or subjective elements of knowledge about an identifiable individual. In addition to the basic elements that are commonly used to identify and interact with an individual - such as the individual’s name, gender, physical characteristics, address, contact information and identification and file numbers - it also includes criminal, medical, financial, family and educational history as well as evaluative information and other details of the individual’s life.

“Privacy Protection” refers to the decisions made by a First Nation in regards to the acceptable ways to collect, create, use, share/disclose, retain, protect and dispose of the personal information that it needs for its administrative and operational needs.

5. Responsibilities

(1) Council is responsible for:

- (a) Establishing and implementing documented procedures for privacy and the management of personal information within the First Nation;
- (b) Appointing a Privacy Officer to manage and oversee the First Nation’s compliance with privacy requirements; and this policy.

(2) The Executive Director is responsible for:

- (a) Ensuring compliance with the established information privacy policy.

(3) The Privacy Officer is responsible for:

- (a) Developing and maintaining standards, policies and procedures that support the objectives of the First Nation's privacy program;
- (b) Ensuring that all the activities of the First Nation are conducted in compliance with the established privacy standards, policies and procedures and in accordance with the generally accepted privacy principles. For this, the Privacy Officer will:
 - i. Provide training and awareness on privacy protection.
 - ii. Ensure that community members are aware of their rights as they relate to privacy, including their right of access to, and the right to request the correction of, all the personal information which is kept about them by the First Nation.
 - iii. Act as an expert resource on privacy matters within the First Nation.
 - iv. Conduct periodic reviews of the First Nation's activities that involve the collection, use, disclosure, retention, and safeguarding of personal information.
- (a) Investigating all complaints regarding the collection/creation, accuracy, use, sharing/disclosure, protection, retention and destruction of personal information and reporting the results to the appropriate managers and, where warranted, to Council;
- (c) Recommending changes to policies, procedures and practices in response to the issues raised in the complaints;
- (d) Responding in writing to the requests for access to, and correction of personal information submitted by employees and community members within thirty calendar days from the date of the receipt.

(4) Employees, contractors and volunteers are responsible for:

- (a) Complying with the established information privacy policy.
- (b) Immediately reporting to their supervisor privacy breaches of which they become aware.

6. Procedures

Accountability

- (1) The First Nation must appoint a Privacy Officer to ensure the principles outlined in this policy are appropriately implemented.
- (2) The First Nation is responsible for personal information in its possession or custody, including information that has been transferred to a third party for processing. The organization should use contractual or other means to provide a comparable level of protection while the information is being processed by a third party.

Identifying Purpose

- (3) The purposes for the collection of personal information should be communicated to individuals at or before the time of collection. Depending upon the way in which the information is collected, this can be done orally or in writing. An application form, for example, may give notice of the purposes.
- (4) Personal information should be collected directly from the individual whenever possible.
- (5) Persons collecting personal information must be able to explain to individuals the purposes for which the information is being collected.

Consent

- (6) With limited exceptions, the First Nation must obtain consent from an individual before collecting their personal information. Consent requires that the individual is advised of the purposes for which the information is being collected and how it will be subsequently used and disclosed.
- (7) Consent must be stated in such a manner that the individual can reasonably understand how the information will be used or disclosed. Consent must not be obtained through deception.
- (8) Personal information can be collected, used, or disclosed without the knowledge and consent of the individual in only limited circumstances. For example, legal or security reasons may make it impossible or impractical to seek consent. When information is being collected for the detection and prevention of fraud or for law enforcement, seeking the consent of the individual might defeat the purpose of collecting the information. Consent may be sought from an individual's authorized representative in certain cases, for example, when an individual is seriously ill, mentally incapacitated, a minor, or has died.
- (9) If personal information is intended to be used or disclosed for a new purpose not identified during the original collection, and not related to the original purpose of the collection, the consent of the individual must be obtained.
- (10) Individuals can give consent in many ways. For example:
 - (a) a form may be used to seek consent, collect information, and inform the individual of the use that will be made of the information. By completing and signing the form, the individual is giving consent to the collection and the specified uses;
 - (b) consent may be given orally; or,
 - (c) consent may be given through electronic means.

- (11) An individual may withdraw consent at any time, subject to legal or contractual restrictions and reasonable notice. The First Nation must stop using the individual's personal information within a reasonable time period and inform the individual of this time period and the implications of such withdrawal.

Limiting Collection

- (12) The First Nation cannot collect personal information indiscriminately. Both the amount and the type of information collected must be limited to that which is necessary to fulfill the purposes identified.

Limiting Use, Disclosure and Retention

- (13) The First Nation may only use or disclose personal information for the purpose for which it was collected, unless:
- (a) The use or disclosure of the personal information is consistent with the original collection of the personal information;
 - (b) The consent of the individual is obtained; or,
 - (c) It is for the purpose of complying with a subpoena or warrant issued or order made by a court, person or body with jurisdiction to compel the production of information or for the purpose of complying with rules of court relating to the production of information.
- (14) Personal information that has been used to make a decision about an individual must be retained long enough to allow the individual access to the information after the decision has been made.
- (15) Identifiable personal information must only be used and disclosed if required. For instance, consider if reports, research, or audits/assessments can be done through de-identified or anonymous data.
- (16) Personal information that is no longer required to fulfill the identified purposes will be destroyed, erased, or made anonymous in accordance with the First Nation's retention and disposition schedule.

Accuracy

- (17) The First Nation shall take all reasonable steps to ensure that personal information that is used to make a decision on an individual is as accurate, up-to-date and complete as possible to minimize the possibility that inappropriate information may be used to make a decision about the individual.

Safeguards

- (18) Personal information should be protected with appropriate safeguards to ensure only those with a need to know will have access to the records:
- (a) For electronic records containing personal information, the records should be protected with controls on the document itself (such as password protection) and other administrative controls, such as restricting access to the electronic repositories in which the record is stored. Personal information should not be emailed 'in the clear' without appropriate protection.
 - (b) For hardcopy paper-based records, containing personal information, the records should be stored in secure filing cabinets at all times unless being used, and transported in a secure manner if required to be taken offsite.
- (19) The First Nation must make its employees, contractors, and volunteers aware of the importance of maintaining the confidentiality of personal information.
- (20) Care must be used in the disposal or destruction of personal information, to prevent unauthorized parties from gaining access to the information.

Openness

- (21) The First Nation must be open about its policies and practices with respect to the management of personal information. Individuals will be able to acquire information about its policies and practices without unreasonable effort. This information must be made available in a form that is generally understandable.
- (22) The information made available should include:
- (a) the name or title, and the address, of the Privacy Officer, who is accountable for the First Nation's policies and practices, and to whom complaints or inquiries can be forwarded;
 - (b) the means of gaining access to personal information held by the First Nation; and,
 - (c) a description of the type of personal information held by First Nation, including a general account of its use.

Individual Access

- (23) When requested, an individual must be informed if the First Nation holds personal information about the individual and provide an account of the use that has been made or is being made of this information and an account of the third parties to which it has been disclosed.
- (24) The identity of an individual must be authenticated before discussing their personal information with them.
- (25) When requested, the First Nation must provide an individual with access to their personal information within a reasonable time and at minimal or no cost to the individual. The requested information will be provided or made available in a form that is generally understandable.
- (26) Individuals who are given access to their personal information may:
- (a) request correction of the personal information where the individual believes there is an error or omission therein;
 - (b) require that a notation be attached to the information reflecting any correction requested but not made; and,
 - (c) require that any person or body to whom that information has been disclosed for use for a decision-making process within two years prior to the time a correction is requested or a notation be notified of the correction or notation.
- (27) In certain situations, the First Nation may not be able to provide access to all the personal information it holds about an individual. Exceptions to the access requirement will be limited and specific. The reasons for denying access will be provided to the individual upon request. Exceptions may include information that:
- (a) is prohibitively costly to provide;
 - (b) contains references to other individuals;

- (c) cannot be disclosed for legal, security, or commercial proprietary reasons; or,
- (d) is subject to solicitor-client or litigation privilege.

Challenging Compliance

- (28) The First Nation must ensure that a process exists to receive and respond to complaints or inquiries about its policies and practices relating to the handling of personal information. The complaint procedures will be easily accessible and simple to use.
- (29) The First Nation must investigate all complaints. If a complaint is found to be justified, the First Nation will take appropriate measures, including, if necessary, amending its policies and practices.

7. References

- (1) FMB's Financial Management System Standards
 - (a) Standard 12.0 Human Resource records
 - (b) Standard 19.0 Risk Management
 - (c) Standard 22.0 Records and Information
- (2) FMB's Financial Administration Law Standards
 - (a) Standard 20.0 Records and Information

8. Attachments

None