



Upper Nicola

Governance Policies

Approved March 16, 2020

Mission Statement:

Upper Nicola is a proud, inclusive Syilx community working together to promote SuxwtxtEm, teach our Captikw and committed to building foundations through En'owkin'wixw.

Vision:

A strong, flourishing community in harmony with our Tmixw.



Upper Nicola

Band Council Resolution

The Council of the Upper Nicola Band	BCR Chronological No.: 2020- 03- 16-02
Physical: 2225 Village Road, Douglas Lake, BC Mailing: Box 3700, Merritt, British Columbia V0K 1B8	File Reference (if applicable):
Date: March 16, 2020	

WHEREAS, on September 17, 2018 Upper Nicola Band Chief and Council repealed the Upper Nicola Indian Band FAL 2014 and replaced it with the Upper Nicola Indian Band FAL 2018, and the First Nations Finance Management Board provided compliance review of the UNB FAL on October 30, 2018.

WHEREAS Upper Nicola Band is implementing the UNB Financial Administration Law 2018.

WHEREAS Upper Nicola Band is seeking Financial Management System certification that requires up-to-date Financial Administration Law and policies.

WHEREAS Upper Nicola Band Chief and Council approved the Governance Policies and Finance Policies on December 11, 2017, the Information Management Policies on March 19, 2018 and the Personnel Policies on April 15, 2019.

WHEREAS Upper Nicola Band Finance Audit Committee recommends that Chief and Council approve amendments to the Upper Nicola Band Governance Policies 2017, as presented by Administration.

THEREFORE, BE IT RESOLVED that we approve the Upper Nicola Band Governance Policies 2020 as presented March 16, 2020.

A quorum for this Band consists of **(4) FOUR**

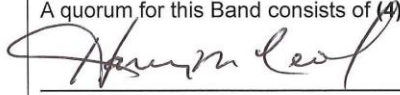

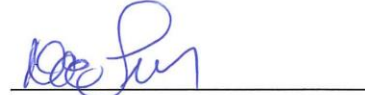

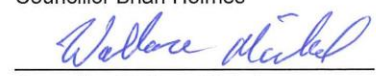
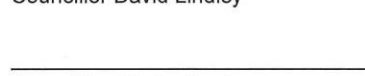
 _____ Chief Harvey McLeod	 _____ Councillor Brian Holmes	 _____ Councillor David Lindley
 _____ Councillor Dennis MacDonald	 _____ Councillor Wallace Michel	 _____ Councillor Clarine Paul

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1. 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 Upper Nicola Band.
“business”	means any for-profit or not-for-profit corporate entity, partnership, sole-proprietorship, or joint venture supplying goods or services to Upper Nicola Band.
“Code of Conduct”	is the Schedule ‘Avoiding and Mitigating Conflicts of Interest’ attached to and forming part of the Upper Nicola Band’s Financial Administration Law.
“Code of Conduct Declaration”	is the declaration attached to this Policy as Appendix D.
“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.
“Contract”	means a contract for goods or services between Upper Nicola Band and the Councillor or the Band Administrator or member of the family of a Councillor or Band Administrator and includes a contract between Upper Nicola Band and a business in which a Councillor or Band Administrator or member of the family of a Councillor or Band Administrator has a financial interest.
“disclosure”	means making Upper Nicola Band’s financial information available to members of the Upper Nicola Band, and is not applicable to disclosure to other entities.
“Eligibility Criteria”	are the council specified requirements which must be met by an individual in order to be considered independent and eligible to be appointed as a member of the Finance and Audit Committee.
“Engagement Letter”	is a written communication from the independent auditor outlining the terms and conditions of appointment.
“entity”	means a corporation or a partnership, a joint venture or any other unincorporated association or organization, the financial transactions of which are consolidated in the financial statements of the Upper Nicola Band in accordance with Public Sector Accounting Standards.
“expenses”	includes the costs of transportation, accommodation, meals, hospitality and incidental expenses.
“Financial Competency”	is the ability to read and understand general purpose financial statements that present accounting issues and disclosures

	reasonably expected to be raised by the Upper Nicola Band’s financial statements.
“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 Upper Nicola Band 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.
“Full Time Councillor”	means that person, who at all relevant times, is a duly elected councillor and is in good standing as a councillor of the Upper Nicola Band
“GAAP”	Generally Accepted Accounting Principles
“Independence”	exists between the Upper Nicola Band and an individual when the individual does not have a direct or indirect relationship with the Upper Nicola Band 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 Upper Nicola Band’s Council, Finance and Audit Committee, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: <ul style="list-style-type: none"> • effectiveness and efficiency of operations; • reliability of reporting; and • compliance with applicable laws and regulations.
“Officer”	means the Full Time Councillor, Band Administrator, Chief Financial Officer, Tax Administrator or any other employee of the Upper Nicola Band designated by the Council as an Officer;
“Policy and protocol”	means the overall intentions and directions of the Council, and the general supporting workflow to implement the policies, not including day-to-day operating procedures.
“PSAS”	means Public Sector Accounting Standards established and issued by the Public-Sector Accounting Board, as amended or replaced from time to time.
“remuneration”	means any salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary and non-monetary benefits.

“Band Administrator”	means the person who is responsible for leading the day to day administration or management of the Upper Nicola Band and who reports directly to Council.
“Special Purpose Report”	means the 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.
“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.
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“Terms of Reference”	is a documented statement of the mandate, objectives, purpose, scope, functions and rules under which a Committee is expected to operate.
“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.



GOVERNANCE

Policy #: **2. Policies, Protocols and Practices**

Date Approved:

Dates of Amendment:

Cross Reference:

A. Policy

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

B. 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 in relation to the Upper Nicola Band's financial management system.

C. Scope

This policy 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 Upper Nicola Band.

D. Responsibilities

- (1) All persons affected by this policy are required to understand and comply with the policies appropriate to their responsibility and interaction.
- (2) Any employee or department (document initiator) can recommend a policy and protocol.
- (3) Council is responsible for the final approval of new, revised or rescinded policies.
- (4) Finance and Audit Committee is responsible for:
 - a. Making recommendations to Council for the issuance, revision or rescission of any policy and protocol document;
 - b. Ensuring the Finance, Governance, Personnel, and Information Management policy and protocol documents being reviewed are neither contradictory to the Upper Nicola Band's Financial Administration Law nor inconsistent with GAAP;

- c. Ensuring the Band Administrator conducts an assessment for each significant function or activity of the Nation's financial administration to determine if a policy and protocol document is required (e.g. policies that ensure the control and safeguarding of all the assets of the Nation);
- (5) The Full Time Councillor is responsible for:
- a. Each of the requirements and matters which, from time to time are set out and approved by council in the UNB Role Description for the Full Time Councillor position, first adopted by Council on or about April 16, 2018, as amended by Council from time to time; and
 - b. Any matters set out in this Governance Policy which would apply generally to an Officer.
- (6) The Band Administrator is responsible for:
- a. Conducting an assessment for each significant function or activity of the Nation's financial administration to determine if a policy and protocol document is required (e.g. policies that ensure the control and safeguarding of all the assets of the Nation);
 - b. Ensuring operating policy and protocol documents (other than the Finance, Governance, Personnel, and Information Management policy and protocol documents) being reviewed are neither contradictory to the Upper Nicola Band's Financial Administration Law nor inconsistent with GAAP;
 - c. Reviewing all policy and protocol document requests and submitting the document to the Finance and Audit Committee for review and a recommendation to Council for approval where the Band Administrator supports the request;
 - d. Determining if the policy and protocol document request needs to be referred to a subject matter expert for additional review;
 - e. Determining if the policy and protocol document needs cross functional review from other departments within the Upper Nicola Band;
 - f. Maintaining a comprehensive list and repository of all existing policies and protocol documents; and
 - g. Ensuring that the policies on the current list of policies are made available to all affected persons.
- (7) The Chief Financial Officer is responsible for:
- a. Ensuring proposed or revised policy and protocol documents are in compliance with the Nation's laws and regulatory requirements; and
 - b. Ensuring that existing policy and protocols are kept current by reviewing periodically.
- (8) The document initiator is responsible for:
- a. Preparing a written request to rescind an outdated or inaccurate policy and protocol document;
 - b. Submitting all policy and protocol document requests to the Band Administrator or delegated authority for review and recommendation of approval.

E. Protocols

(1) Policy Creation

- a. The document initiator creating the policy and protocol should be the process owner or a subject area expert or in collaboration with the process owner(s) or subject expert(s).
- b. Any employee or department may recommend a policy but in the first instance, the Chief Financial Officer will create a list of all policies 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 Chief Financial Officer will then assign the responsibility of document initiator to a process owner or subject area expert for policies that do not exist or require revision.
- c. The Chief Financial Officer, Band Administrator and the document initiator will agree on appropriate content (iterative reviews if necessary) keeping within the following format for the policy;
 - i. Policy – clear statement that indicates the protocol or rule affecting the specific area
 - ii. Purpose – The reason or rationale underlying the policy and protocol
 - iii. Scope – The areas, functions, individuals, or departments affected by the policy
 - iv. Definitions – Any specialized terms that are not otherwise defined
 - v. Responsibilities – Describes who, using generic titles or positions, is responsible for implementing or maintaining the policy and protocol
 - vi. Protocols – Describes the steps, details, or methods to be used to implement and maintain the policy and protocols
 - vii. References (optional) – List of applicable documents, policies, laws and regulations
 - viii. Attachments (optional) - forms, reports, or records that are generated from the policy
- d. The Chief Financial Officer and Band Administrator will submit final draft policy and protocol documents to the Finance and Audit Committee.
- e. The Finance and Audit Committee will review the draft policy and protocol documents and may recommend them, with or without amendments, to Council for the final approval.
- f. Each policy and protocol document presented to Council for approval will include a list of the positions or classes of persons affected by the policy.

(2) Policy Revision

- a. Any employee or department (document initiator) may recommend the revision of an issued policy and protocol following steps under "Policy Creation".
- b. Periodically, but at least every five years, the Chief Financial Officer will review issued policies or will request process owners to validate existing policy and protocols for accuracy.

(3) Policy Rescission

- a. A process owner may request the rescission of an issued policy and protocol, if the policy is outdated or inaccurate and approval is obtained from the Band Administrator and Chief Financial Officer.

- b. The request to formally rescind an issued policy should be documented and provide the details of why the policy should be rescinded.
- c. The Finance and Audit Committee will make recommendations regarding the policy rescission and Council will approve the final policy rescission.

(4) Policy Approval

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

(5) Policy Maintenance

- a. At least every five years, all issued policy and protocols documents will be reviewed for completeness, accuracy, and relevancy and revised or rescinded accordingly.

F. References and Related Authorities

- (1) FMB's Financial Management System Standards
 - a. Standard 9.0 - Policies, procedures and directions
- (2) FMB's Financial Administration Law Standards
 - a. Standard 8.3 - Policies, procedures and directions

G. Attachments

None



GOVERNANCE

Policy #: **3. Delegated & Assigned Responsibilities**

Date Approved:

Dates of Amendment:

Cross Reference:

A. Policy

While the overall responsibility for financial management of the Upper Nicola Band 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 Upper Nicola Band.

B. 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 Upper Nicola Band to legal obligations.

C. Scope

This policy applies to the Council, Committees of Council, Officers, employees of the Upper Nicola Band and any other persons with authority to conduct activities in connection with the Financial Administration of the Upper Nicola Band.

In addition to the authorities and responsibilities identified within this policy document, the following transactions or decisions will comply with their related policies:

- (1) Expenditures
- (2) Procurement
- (3) Debt
- (4) Investments
- (5) Capital assets
- (6) Loans, Guarantees and Indemnities
- (7) Local Revenue
- (8) Insurance
- (9) Human Resources
- (10) Records Management
- (11) Financial Reporting

(12) Integrated Planning and Budget

D. Responsibilities

- (1) Council may authorize the Band Administrator to delegate any Council duties or functions related to the Upper Nicola Band's financial administrative system to an Officer, employee, Committee, contractor or agent except:
 - a. The approval of policies and procedures or the giving of directions respecting any financial administration matter which are the responsibility of the Council under a Financial Administration Law;
 - b. The appointment and removal of the Finance and Audit Committee members, including the Chairperson and Vice-Chairperson;
 - c. The approval of budgets, budget amendments, borrowings and financial statements;
 - d. The approval of the Authorization and Delegation Table; and
 - e. Any matter relating to the employment or authorities of the Band Administrator, the Chief Financial Officer or the Tax Administrator.
- (2) The Band Administrator 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.
 - e. Ensuring individuals with delegated or assigned authorities have sufficient resources to carry out their duties.
- (3) All Officers, employees, Committees, contractors or agents of the Upper Nicola Band 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 protocols.
- (4) Officers, employees, Committees, contractors or agents of the Upper Nicola Band 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 Band Administrator 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 Upper Nicola Band.

E. Protocols

(1) Protocols for delegation

- a. The Band Administrator is responsible for preparing and updating the Authorization and Delegation Table in accordance with this policy for the Upper Nicola Band.
- b. The Band Administrator will ensure an appropriate level of documentation including a signed delegation of authority statement or agreement accompanies and is maintained in the HR file and made available to Finance staff.
- c. The Band Administrator will submit the Authorization and Delegation Table to Council for approval and Council will, approve the Authorization and Delegation Table every three years.
- d. The Band Administrator 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.
- e. Council, Committees, Band Administrator, 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) Protocols for the Authorization 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 Upper Nicola Band.
- b. Updates made to the Authorization and Delegation Table by the Band Administrator will be approved by Council.

(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 Band Administrator.
- b. Long-term – Any delegation of responsibility of a long-term nature will be approved by the Band Administrator and appropriately documented.

(4) Protocols for monitoring and evaluation

- a. The Band Administrator will periodically 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.

F. References and Related Authorities

(1) FMB's Financial Management System Standards

- a. Standard 8.1 - DELEGATED/ASSIGNED RESPONSIBILITIES – Council delegation procedures

(2) FMB's Financial Administration Law Standards

- a. Standard 8.1 - FIRST NATION COUNCIL – Responsibility

- b. Standard 8.2 - FIRST NATION UPPER NICOLA BAND COUNCIL – Delegation
- c. Standard 11.1.6 - SENIOR MANAGER – Permitted assignment
- d. Standard 11.2.5 - SENIOR FINANCIAL OFFICER – Permitted assignment

G. Attachments

- (1) **Appendix A** – Authorization and Delegation Table
- (2) **Appendix B** – Council Delegation of Duty/Function Agreement
- (3) **Appendix C** – Implementation notes



GOVERNANCE

Policy #: **4. Code of Conduct**

Date Approved:

Dates of Amendment:

Cross Reference:

A. Policy

It is Council's policy to have Councillors, Officers, any staff and contractors (if applicable) involved in the financial administration of the Upper Nicola Band, make a Code of Conduct Declaration.

B. Purpose

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

C. Scope

This policy applies to all individuals involved with the financial administrative system of the Upper Nicola Band, including Councillors, Officers, all employees and contractors in the Finance Department.

D. 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 Upper Nicola Band.
- (2) The Band Administrator is responsible for ensuring that all employees and contractors are informed 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 in a timely manner upon being hired or elected.
- (3) The Band Administrator is responsible for ensuring all Officers, Employees and contractors sign the Code of Conduct Declaration.
- (4) When an Officer 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 Band Administrator.

- (5) When the Band Administrator reports a potential conflict of interest as required in the Code of Conduct, the Band Administrator will complete and file the Conflict of Interest Disclosure Form with the Chair of the Finance and Audit Committee.

E. Protocols

- (1) At the end of each fiscal year, the Band Administrator is responsible for ensuring all employees and Councillors have signed and submitted a Code of Conduct Declaration and that they are filed appropriately. For Councillors, Officers, and employees who have not signed and submitted a Code of Conduct Declaration, the Band Administrator will request that they read and sign the Code of Conduct Declaration.
- (2) The Band Administrator 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 Executive Assistant.
- (3) The Band Administrator will take action to rectify instances of non-compliance upon determination of any non-compliance.

E. References and Related Authorities

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

F. Attachments

- (1) **Appendix D** – Code of Conduct Declaration
- (2) **Appendix E** – Conflict of Interest Disclosure Form



GOVERNANCE

Policy #: **5. Committee Establishment and Dissolution**

Date Approved:

Dates of Amendment:

Cross Reference:

A. 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 or strategic obligations.

B. Purpose

The purpose of this policy 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 Upper Nicola Band laws.

C. Scope

This policy applies to Council, its Committees and the Band Administrator.

D. Responsibilities

- (1) Subject to Upper Nicola Band 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; and
 - d. Evaluating the effectiveness of each Committee.
- (2) The Band Administrator is responsible for:
 - a. Maintaining detailed descriptions and current membership lists for each Committee;
 - b. Assisting Committee Chair's in preparing Committee agendas;
 - c. Ensuring that the agendas and minutes of all Committee meetings are retained permanently.;

- d. Identifying the necessary qualifications and eligibility criteria for Committee members, subject to Upper Nicola Band laws;
 - e. Recruiting qualified Committee member candidates and recommending them to Council;
- (3) 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. Evaluating Committee members and their contributions; and
 - f. Reporting to Council on behalf of the Committee.
- (4) 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 protocols established by Council or under Upper Nicola Band laws.

E. Protocols

(1) Establishing / Dissolving of a Committee

- a. Subject to Upper Nicola Band 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.
- b. Subject to Upper Nicola Band laws, for each new Committee, the Band Administrator and the Chairperson will develop and recommend to Council for approval the Terms of Reference which will include, at a minimum, the following:
 - i. composition of members, including minimum number of councillors and any requirements for specific experience, skills, knowledge or expertise;
 - ii. quorum;
 - iii. term of the Committee members;
 - iv. detailed role and functions;
 - v. voting rules; and

- vi. meeting and reporting obligations

(2) Appointment of Committee Member

- a. Subject to Upper Nicola Band laws, either Council will appoint a Committee chairperson or the Committee members will agree on a chairperson amongst themselves.
- b. Subject to Upper Nicola Band laws, the Band Administrator will develop and recommend to Council for approval membership qualification and eligibility criteria for each Committee, including potential conflicts of interest avoidance.
- c. The Band Administrator or a designate will develop and implement a recruitment strategy to fill Committee vacancies.
- d. The Band Administrator or designate 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.

(3) Monitoring and evaluating Committee performance

- a. Every election cycle, 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.

(4) Removal of Committee Members

- a. Subject to Upper Nicola Band laws, a 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 Upper Nicola Band policy, fails to perform expected duties of a Committee member, or is no longer qualified or eligible to be a Committee member.

F. References and Related Authorities

(1) FMB’s Financial Management System Standards

- a. Standard 11.1 – First Nation Committees – First Nation Committees generally

G. Attachments

None



GOVERNANCE

Policy #: **6. Finance and Audit Committee**

Date Approved:

Dates of Amendment:

Cross Reference:

A. Policy

It is Council's policy and a requirement of the Upper Nicola Band'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.

B. Purpose

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

C. Scope

This policy applies to Council, the Finance and Audit Committee, the Band Administrator and the Chief Financial Officer.

D. Responsibilities

- (1) Subject to the Upper Nicola Band'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 Eligibility Criteria of the Committee members, chairpersons and vice-chairpersons;
 - d. Confirming, before appointment, that each potential member of the Committee is eligible to be a member and is independent;
 - e. Ensuring that each member of the Committee signs a statement annually, confirming that they continue to meet the Eligibility Criteria and remain independent;

- f. Determining the requirements of Financial Competency to be met by the majority of the Committee members;
- g. The appointment of the Chairperson and the Vice-Chairperson of the Committee and the filling of any vacancies in those offices;
- h. Evaluating the effectiveness of the Committee;
- i. Providing the Committee with the resources it might need to carry out its functions;
- j. Considering any recommendations or advice provided by the Committee; and
- k. [If the chairperson is not a councillor] sending notices and agendas of all council meetings to the chairperson.

(2) 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. ensuring that minutes are recorded at each duly called meeting;
- e. evaluating committee members and their contributions; and
- f. reporting to Council on behalf of the Committee.

(3) 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 Upper Nicola Band'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 the minimum level of Financial Competency necessary to fulfill their responsibilities;
- g. ensuring that they maintain their Independence as required in the Upper Nicola Band's Financial Administration Law and reporting any changes to their independence to the Chair;

- h. avoiding conflicts of interests and complying with conflict of interest policies and protocols established by Council and described in the Financial Administration Law and any changes to their conflict of interests should be reported to the Chair; and
- i. reviewing and making recommendations to the Council on the Terms of Reference of the Committee.

(4) The Band Administrator is responsible for:

- a. maintaining the current Committee member list;
- b. tracking the Financial Competency of each Committee member;
- c. planning and making necessary arrangements for setting agendas, giving required meeting notices and holding meetings;
- d. preparing the Committee's agenda;
- e. 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 Upper Nicola Band's Financial Administration Law; and
- f. recruiting qualified Committee member candidates and recommending them to Council.

(5) The Chief Financial Officer 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 Upper Nicola Band's Financial Administration Law;
- b. providing technical and professional support to the Committee as requested or as required in the Upper Nicola Band's Financial Administration Law; and
- c. preparing reports as required by the Committee.

E. Protocols

(1) Appointment and Removal of Members

- a. Subject to the Upper Nicola Band's Financial Administration Law, the Council will appoint the Chairperson and any other Officer of the Finance and Audit Committee.
- b. Subject to the Upper Nicola Band's Financial Administration Law, the Committee will have a minimum of three (3) members (including the Chairperson) at least one(1) of whom must be Councillors of the Upper Nicola Band.
- c. The Council must establish its Finance and Audit Committee consisting of the number of members specified in the FAL.
- d. 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 and meet Eligibility Criteria established by Council.

- e. A Committee member may be removed from office by majority vote of Council in the circumstances permitted in the Upper Nicola Band's Financial Administration Law.

(2) Term Requirements

- a. Subject to the Upper Nicola Band'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
- b. The Band Administrator 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.
- c. Upon any changes in the Committee membership, the Band Administrator will report to Council on the term end dates for each member of the Committee.
- d. The term of a Committee member will be as established in the Upper Nicola Band's Financial Administration Law.
- e. The terms of office of members of the Finance and Audit Committee are staggered to ensure the continuing effectiveness of the committee and to provide for succession planning. If a Finance and Audit Committee member is removed from office, dies, or resigns before their term expires, the Council must as soon as practicable appoint a new Finance and Audit Committee member to hold office for the remainder of the term.

(3) Eligibility Criteria

- a. The Council will establish Eligibility Criteria of a Finance and Audit Committee member by specifying that an individual must not have a role in the financial management of the Upper Nicola Band involving the planning organizing, directing, or controlling of its financial activities, including budgeting, financial accounting, financial reporting, procurement and utilization of funds.
- b. The Council will document the criteria for Independence of a Finance and Audit Committee member by specifying that the individual does not have a direct or indirect financial relationship with the Upper Nicola Band 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.
- c. The Council will establish the criteria for Financial Competency of a Finance and Audit Committee member that, in the opinion of council, reasonably fulfill the role and responsibilities of the Committee member and the effectiveness of the Committee.

(4) Committee Administration and Reporting

- a. Subject to the Upper Nicola Band'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.

- b. Subject to the Upper Nicola Band's Financial Administration Law, the Finance and Audit Committee will meet at least quarterly 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.
- c. The external auditor may attend and be heard at meetings of the Committee.
- d. The Committee will maintain written records of attendance at its meetings of Committee members and of any ex-officio member such as the Band Administrator, and the Chief Financial Officer.
- e. 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.

F. References and Related Authorities

- (1) FMB's Financial Management System Standards
 - a. Standard 11.2 – First Nation Committees – Finance and Audit Committee
- (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 19.2.5 - Auditor Authority

G. Attachments

- (1) **Appendix F** – Sample Finance and Audit Committee Terms of Reference
- (2) **Appendix G** – Finance Competency Guidelines



GOVERNANCE

Policy #: **7. Appointment of Upper Nicola Bands Officers**

Date Approved:

Dates of Amendment:

Cross Reference:

A. Policy

It is Council's policy to make the appointment or removal of the Band Administrator, Chief Financial Officer, Tax Administrator or any other Officer of the Upper Nicola Band.

B. Purpose

The purpose of this policy is to provide guidance on the appointment process and responsibilities of the Band Administrator, Chief Financial Officer, Tax Administrator or any other Officer.

C. Scope

This policy applies to Council, the Band Administrator, the Chief Financial Officer and the Tax Administrator, or any other Officer of the Upper Nicola Band.

D. Responsibilities

- (1) Council is responsible for appointing the Band Administrator, Senior Finance Officer and Tax Administrator and any other Officer connected with the financial administration of the Upper Nicola Band.
- (2) The Band Administrator is responsible for:
 - a. developing and recommending to the Council for approval, protocols for Officers of the Upper Nicola Band;
 - b. ensuring a delegate prepares descriptions of the powers, duties and functions of all employees of the Upper Nicola Band and approving all the prepared descriptions for all employees;
 - c. hiring the employees of the Upper Nicola Band, as the Band Administrator 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 Upper Nicola Band;
- e. overseeing and administering the contracts of the Upper Nicola Band;
- 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 *First Nations Fiscal Management Act* (“the *FNFMA*”) or inconsistent with the Band Administrator’s duties under the Upper Nicola Band’s Financial Administration Law;
- i. reporting directly to Council.

(3) The Chief Financial Officer is responsible for:

- a. the day to day management of the Upper Nicola Band’s financial administration system;
- b. other duties as required by the Band Administrator that are not contrary to the *FNFMA* or inconsistent with the Chief Financial Officer’s duties under the Upper Nicola Band’s Financial Administration Law;
- c. reporting directly to the Band Administrator; and
- d. any other duties as set out in section [19.2] of the Financial Administration Law.

(4) The Tax Administrator is responsible for:

- a. the day to day management of the Upper Nicola Bands local revenues system;
- b. other duties as required by the Band Administrator that are not contrary to the *FNFMA* or the Upper Nicola Band’s local revenue laws or inconsistent with the tax administrator’s duties under the Upper Nicola Band’s Financial Administration Law;
- c. reporting directly to the Band Administrator.

E. Protocols

(1) Appointment

- a. Council will approve, prior to posting a job, the specific qualifications required for each position.
- b. 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 three (3) 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.
- c. 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.

- d. The Officer selection committee will then evaluate each candidate against the established criteria and recommend a candidate for the position to Council.

F. References and Related Authorities

(1) FMB's Financial Management System Standards

- a. Standard 12.1 – Senior Manager
- b. Standard 12.2 – Senior Financial Officer
- c. Standard 12.3 – Tax Administrator
- d. Standard 12.4 – Functions Documented

(2) FMB's Financial Administration Law Standards

- a. Standard 11.1 – Senior Manager
- b. Standard 11.2 – Senior Finance Officer
- c. Standard 11.3 – Tax Administrator
- d. Standard 11.4 – Employees

G. Attachments

None



GOVERNANCE

Policy #: **8. External Audit**

Date Approved:

Dates of Amendment:

Cross Reference:

A. Policy

A qualified and licensed external auditor will be appointed to render an audit opinion on the annual financial statements (and Special Purpose Reports, as applicable) of the Upper Nicola Band in accordance with Public Sector Accounting Standards as established by the Canadian Public-Sector Accounting Board. The Upper Nicola Band will appropriately prepare for the audit and ensure that the external auditor has the necessary access and authorities to complete their work.

B. 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 Upper Nicola Band.

C. Scope

This policy applies to Council, the Finance and Audit Committee, the Band Administrator and the Chief Financial Officer and those personnel providing service within the financial administrative system.

D. 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 Upper Nicola Bands Financial Management Board's standards, any relevant funding agreement requirements and all applicable laws;
- c. 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 – Chief Financial Officer, Chief or Council Chairperson, and Chair of the Finance and Audit Committee;

- d. Acting on recommendations from the Finance and Audit Committee related to the audit; and
- e. Ensuring Upper Nicola Band 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 *First Nations Fiscal Management Act* and the Upper Nicola Bands Financial Management Board's Standards and any relevant funding agreements;
- f. Reviewing the draft annual financial statement from the Chief Financial Officer 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; and
- 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 Band Administrator is responsible for:

- a. directing and facilitating any notices regarding Audit Committee meetings concerning the annual audit or audited financial statements; and
- b.

(4) The Chief Financial Officer is responsible for:

- a. Reviewing the audit plan and making any requests or providing feedback that the auditor should consider when finalizing the plan and conducting the audit where appropriate.

- b. Overseeing, supervising, directing and facilitating requests for any information required by the auditor to carry out its audit responsibilities;
- c. 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;
- d. Facilitating the flow of account and other information and acting on auditor's requests during the audit;
- e. 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; and
- f. Providing feedback on the auditor's performance to the Band Administrator.

E. Protocols

(1) Auditor selection, engagement and performance

- a. The Band Administrator and the Chief Financial Officer 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:
 - i. Independence from the Upper Nicola Band, its related bodies, Councillors and officers and members;
 - ii. In good standing with regulatory bodies (Chartered Professional Accountants of Canada, Canadian Institute of Chartered Accountants, Certified General Accountants Association of Canada, or the Society of Management Accountants of Canada) and/or their respective counterparts in the province or territory in which the firm or accountant is practising;
 - iii. License to practice public accounting;
 - iv. Depth of experience serving Upper Nicola Bands and other public sector entities;
 - v. Other considerations as appropriate (i.e. funding agreement requirements).
- b. The Finance and Audit Committee will review and approve the RFP before it is made public.
- c. 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.
- d. Upon approval, the Finance and Audit Committee will recommend the engagement of the selected auditor and the Engagement Letter to Council.
- e. 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 Upper Nicola Band's approved signing authorities and ensure that it is delivered to the auditor.

- f. 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 the appointment of a new auditor.

(2) Auditor Independence

- a. The Finance and Audit Committee will ensure that the Upper Nicola Band has received a letter from the auditor, before the audit is finalized, in which the auditor confirms their continued Independence.

(3) Audit planning

- a. The Band Administrator and Chief Financial Officer 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. The Band Administrator and Chief Financial Officer will then submit the audit plan to the Finance and Audit Committee for review
- b. The Finance and Audit Committee will submit the finalized audit plan along with any recommendations, to Council for approval.

(4) Preparations for the audit

- a. The Chief Financial Officer will keep the auditor apprised and discuss in advance of the audit of any significant accounting issues, developments or changes for the Upper Nicola Band that could have an impact on the audit and the audit report.
- b. Prior to fiscal year end, the Chief Financial Officer will issue instructions to the finance and accounting staff concerning fiscal year end procedures to help ensure the accuracy and completeness of the Upper Nicola Band's financial statements and disclosures.
- c. Additionally, finance staff, under the direction of the Chief Financial Officer, 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 accounts receivable or accounts payable confirmation letters, financial institution account confirmations, and account balance reconciliations.
- d. 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 Upper Nicola Band's financial statements will take into account any such resolutions.
- e. The Finance and Audit Committee will be informed by the Band Administrator and the Chief Financial Officer 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).

(5) Audited annual financial statements

- a. 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].
- b. The Committee will satisfy itself that:
 - i. The audit has been completed according to the plan;
 - ii. The financial statements are fairly presented according to PSAS;
 - iii. The auditors have provided an opinion on the financial statements and an opinion over any Special Purpose Reports as required by the Upper Nicola Band's Financial Administration Law; and
 - iv. There are no significant unresolved issues.
- c. The Committee will meet with the Auditor to review the draft audited financial statements. To ensure sound governance, the committee may meet with the auditor 'in camera' (without the Upper Nicola Band's management team) for a part of the meeting.
- d. 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.
- e. Before publishing the audited financial statements, the following approvals are required:
 - i. Approval of council through a council resolution;
 - ii. Approval by signature from all of the following:
 - a) The Chief or the Chairperson of the Council of the Upper Nicola Band;
 - b) The Chairperson of the Finance and Audit Committee;
 - c) The Chief Financial Officer.

F. References and Related Authorities

- (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

G. Attachments

None



GOVERNANCE

Policy #: **9. Reporting of Compensation, Benefits and Contracts**

Date Approved:

Dates of Amendment:

Cross Reference:

A. Policy

It is Council's policy and a requirement of the Upper Nicola Band's Financial Administration Law to annually disclose to band members and as required by law for each councillor the remuneration paid and expenses reimbursed by the Upper Nicola Band, and by any entity that is consolidated by the Upper Nicola Band, whether such amounts are paid to the councillor while acting as councillor or in any other capacity.

B. Purpose

The purpose of this policy is to establish accountability, transparency and full disclosure for each councillor's remuneration and expenses paid by the Upper Nicola Band and by its consolidated entities. It is intended that this policy meets the disclosure and reporting requirements under both the Upper Nicola Band's Financial Administration Law and the *First Nations Financial Transparency Act*. It is expected that a single Special Purpose Report be prepared on an annual basis that meets the requirements under both laws.

C. Scope

This policy applies to each member of Council.

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

- (1) in common by all Upper Nicola Band members;
- (2) under a program or service universally accessible to Upper Nicola Band members on published terms and conditions; or
- (3) from a trust agreement, according to the terms of the trust.

D. Responsibilities

- (1) Council is responsible for:

- a. ensuring that each Councillor annually report to the Chief Financial Officer all remuneration paid and all expenses reimbursed by the Upper Nicola Band and by any entity.
- (2) The Chief Financial Officer is responsible for:
- a. preparing an annual report separately listing the remuneration paid and expenses reimbursed by the Upper Nicola Band, and by any entity, to each councillor whether such amounts are paid to them while acting as councillor, or in any other capacity;
 - b. including the annual report as a Special Purpose Report in the Upper Nicola Band's annual report; and
 - c. making the Special Purpose Report available on the Upper Nicola Band website or other repository for official documents to which membership has access.

E. Protocols

- (1) By April 30th of each year, each Councillor and the Band Administrator will declare to the Upper Nicola Band in writing a listing of each of their remuneration and expenses paid by the Upper Nicola Band and by any entity in the most recent completed fiscal year. Councillors will make this declaration by completing a 'Disclosure Statement' as attached in Appendix H.
- (2) The Chief Financial Officer will collect all Disclosure Statements no later than the commencement of the annual audit of the Upper Nicola Band for the most recent completed fiscal year.
- (3) Based on the information in the Disclosure Statements, the Chief Financial Officer or a designate will extract amounts from the general ledger to complete the Special Disclosure Report (see Appendix I). Tables and columns should be used to present full aspects of the disclosures and at minimum must include remuneration paid and expense claims reimbursed by the Upper Nicola Band for each Councillor.
- (4) Commentary or footnotes can be used to provide explanations of remuneration paid and expenses reimbursed to allow a reader to understand the disclosure.
- (5) The Special Purpose Report must include any Councillor that left prior to the end of the fiscal year.
- (6) If a Councillor worked in another capacity for the Upper Nicola Band during part of a fiscal year that is being disclosed, the remuneration earned and any other expenses paid in the other position must be included if concurrent with their Council membership. For greater clarity a footnote will be included to explain which amounts relate to the respective roles.
- (7) The Chief Financial Officer will engage the Upper Nicola Band's independent auditor to review the Special Purpose Report.
- (8) The Chief Financial Officer will submit the Special Purpose Report along with the draft unsigned report from the Upper Nicola Band's auditor to the Finance and Audit Committee for review and recommendation for approval to Council.

(9) Once the Special Purpose Report is approved by Council the Chief Financial Officer will obtain the auditor's signed report and arrange for it to be attached to the final Special Purpose Report. The Special Purpose Report will be formatted in a manner suitable for electronic publication.

(10) The Chief Financial Officer or a designate will publish on the Upper Nicola Band's website the Special Purpose Report together with the signed report from the Upper Nicola Band's auditor for member access only.

F. References and Related Authorities

(1) FMB's Financial Management System Standards

a. Standard 10.0 – Reporting of remuneration and expenses

(2) FMB's Financial Administration Law Standards

a. Standard 9.0 – Reporting of remuneration and expenses

b. Standard 18.6 – Special Purpose Reports

G. Attachments

(1) **Appendix H** – Disclosure Statement Template

(2) **Appendix I** – Special Purpose Report Template – Reporting of Remuneration and Expenses

Appendix A – Authorization and Delegation Table

Financial Administration Activity / Function	Who is Responsible	Authorization level	Authority Limit	Authority Standard
Annual Budget	Council	Approve all budgets over \$2,000	All	Integrated Planning Policy
	Finance & Audit Committee	Reviews and makes recommendation to Council	All	Integrated Planning Policy
	Band Administrator and Chief Financial Officer	Budget adjustments under \$2,000	No delegation	Integrated Planning Policy
	Department Managers	Responsible for developing and maintaining budgets	No delegation	Integrated Planning Policy
Funding Agreements and amendments (Government)	Council	Approve and sign	No delegation	
Funding Agreements (Non-Government)	Council	Approve and sign all non-government funding agreements over \$100,000	No delegation	
	Senior Management	Approve and sign all non-government funding agreements greater than \$10,000 and less than \$100,000	No delegation	
	Department Managers	Approve and sign all non-government funding agreements less than \$10,000	No delegation	
Financial Statements	Council	Approves	All	Financial Reporting Policy
	Finance & Audit Committee	Review and make recommendation to Council	All	Financial Reporting Policy
	Band Administrator and Chief Financial Officer	Responsible for preparing and reviewing	No delegation	Financial Reporting Policy
	Department Managers	Responsible for reviewing for completeness and accuracy	No delegation	Financial Reporting Policy
Finance Policies	Council	Approve	No delegation	Policies, Procedures Policy
	Finance & Audit Committee	Review and make recommendation to Council	No delegation	Policies, Procedures Policy

Hiring	Council	Hiring Senior Management and appointing Officers	No delegation	HR Policy
	Senior Management	Hiring employees other than Officers	No delegation	HR Policy
Terminations	Council	Makes decisions affecting Senior Management and Officers	No delegation	HR Policy
	Senior Management	Makes decisions affecting employees other than Officers	No delegation	HR Policy
Salary Adjustments	Council	Makes decisions affecting Senior Management and Officers	No delegation	HR Policy
	Band Administrator	Makes or approves decisions affecting employees other than Officers according to the approved salary grid.	No delegation	HR Policy
Procurement (Purchase Orders) and Expenditures (Invoices), Payments (Cheques)	Council	Must authorize purchases greater than \$100,000	No delegation	Expenditures Policy
	Senior Management	Must authorize purchases greater than \$10,000 and less than \$100,000	Can assign to equal or higher authority	Expenditures Policy
	Department Managers	Responsible for all purchases up to \$10,000	Can assign to equal or higher authority	Expenditures Policy
Professional Service Contracts	Council	Must authorize contracts greater than \$100,000	No delegation	Procurement Policy
	Senior Management	Must authorize contracts greater than \$10,000 and less than \$100,000	Can assign to equal or higher authority	Procurement Policy
	Department Managers	Responsible for contracts up to \$10,000	Can assign to equal or higher authority	
External Auditor	Council	Approves	No delegation	Audit Policy
	Finance & Audit Committee	Makes recommendation to Council	No delegation	Audit Policy
Insurance	Band Administrator	Must approve all insurance coverage and premiums	Can assign to subordinate	Insurance Policy
For-Profit Transactions	Council Finance & Audit Committee Senior Executive	All new business opportunities, business ventures, partnerships etc. Finance & Audit committee and Senior Executive make recommendation to Council.	All	Risk Management /Integrated Planning Policy
Sale of Assets	Council	Must approve sale of assets greater than \$100,000. Finance & Audit Committee make recommendation to Council	All	Tangible Capital Assets/ Integrated Planning policy

	Senior Management	Must approve sale of assets \$10,000 up to \$100,000	Can Delegate to Chief Financial Officer or Department Managers	Tangible Capital Assets/ Integrated Planning policy
Capital Assets	Council	Must authorize capital assets greater than \$100,000	No delegation	Tangible Capital Assets Policy and
	Senior Management	Must authorize capital assets greater than \$10,000 and less than \$100,000	Can assign to equal or higher authority	Tangible Capital Assets Policy and Budget
	Managers	Must authorize capital assets up to \$10,000	No delegation	Tangible Capital Assets Policy and
Capital/Operating Leases	Council	Must authorize all lease commitments over \$100,000	Can assign to subordinate	Tangible Capital Assets Policy and Budget
	Senior Management	Must authorize all lease commitments \$10,000 to under \$100,000	Can assign to equal or higher authority	Tangible Capital Assets Policy and Budget
Cash Management –inter-bank transfers	Senior Management	Must authorize all transfers; notify FAC Chair	Can assign to equal or higher authority	Expenditure Policy
Bank accounts – opening/closing	Council	Must approve all new or closed accounts	No Delegation	
Temporary Investments	Band Administrator	Must authorize all investments; notify FAC Chair	Can assign to 3 rd party	Investment Policy
Financing transactions – debt issuance and debt retirement and Guarantees	Council	Must approve all debt transactions	No delegation	Debt Policy
	Finance & Audit Committee	Makes recommendations to Council	No delegation	Debt Policy
Regulatory/Contractual filings and Reports	Band Administrator/Chief Financial Officer/Senior Executive	Must approve all external reporting according to contract	Can assign to subordinate	Financial Reporting Policy
Payroll	Senior Management	Must approve periodic payroll	Can assign to subordinate	Financial Reporting Policy
Travel and Expense Reports (claims)	Band Administrator	Approve councillors expense report	No delegation	Expenditure Policy
	UNB FAC Chair	Approve Senior Management expense report	Can delegate to a Senior Officer	Expenditure Policy
	Band Administrator	Approve Chief Financial Officer expense reports	No delegation	Expenditure Policy
	Department Manager	Approve employee or contractor expense reports	Can assign to subordinate	Expenditure Policy
Journal Entries	Chief Financial Officer	Must approve all entries	Can assign to subordinate	

This Authorization and Delegation Table is approved by Council on the ____ day of _____ 20xx

A quorum of Council consists of four (4) members of Council.

Councillor [name]

Councillor [name]

Councillor [name]

Councillor [name]

Councillor [name]

Councillor [name]

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 Policy and Protocols _____ ([version and date]) and agree to comply with the performance standards established.

Delegation period effective from the ___ day of _____ 20__ to the ___ day of _____ 20__.

Agreed to on the ___ day of _____ 20__

Name:

Title:

Appendix C – Implementation Notes

First Nations that intend to adopt and implement FMB’s Financial Administration Law Standards (Core Document A2) must address these requirements:

Section 8.1 Responsibility – a Financial Administration Law of the Upper Nicola Band makes the Council responsible for the financial administration whether or not any part of that function is assigned or delegated.

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.

First Nations intending on having their Financial Management System certified by the FMB must address the following requirements:

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.

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.

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.

The primary responsibilities and accountabilities with respect to delegation of authority will typically rest with;

- the Council (includes Committees of Council)
- the Band Administrator
- the Chief Financial Officer
- Key staff with delegations

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.

Appendix D – Code of Conduct Declaration

I hereby confirm that I have read and understand the Conduct and Conflict of Interest Expectations set out in the Upper Nicola Band’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 conduct.

To the best of my knowledge and ability:

I will comply with the Law, any other applicable Upper Nicola Band law and any applicable standards.

I will act with honesty, good faith and in the best interest of the Upper Nicola Band.

I will exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances;

I will avoid any real, potential, or apparent conflicts of interests.

I will act with due care, competence, and diligence, without misrepresenting material facts or allowing my objectivity to be compromised.

I will respect the confidentiality of information acquired in the course of my work or service.

I will ensure responsible use of and control over all Upper Nicola Band assets and resources entrusted to me.

I will be accountable for adhering to this declaration.

Declaration of Understanding

Print Name

Signature:

Date:

Appendix E – Upper Nicola Band Disclosure Form for Conflict of Interest

* Please note that the below form may be amended for contractor' use if applicable.

CONFLICT OF INTEREST DISCLOSURE FORM
<p>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.</p> <p>Private interests are defined in the FAL Schedule – Avoiding and Mitigating Conflicts of Interests and include the interests of closely associated persons or entities.</p> <p>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 might be affected by the employee’s private interests.</p> <p>All employees are required to declare any actual, potential or apparent conflicts of interest to the Upper Nicola Band. Conflicts of interest could arise from “personal interests” which include:</p> <p><i>The individuals spouse</i></p> <p><i>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;</i></p> <p><i>A person in respect of whom the individual or the individual’s spouse is acting as guardian;</i></p> <p><i>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</i></p> <p><i>An entity in which the individual or the individual in combination with any other person described in this section has a controlling interest.</i></p> <p><i>Close family or personal relationships with employees in a position to influence the affairs of the Upper Nicola Band, or otherwise engaged in the affairs of the Upper Nicola Band</i></p> <p><i>Close relationships with individuals having an interest in information, competitive, intellectual or other interests of the Upper Nicola Band</i></p>
<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>

Appendix F – Finance and Audit Committee Terms of Reference

Finance and Audit Committee Terms of Reference

Composition:	At least one (1) councillor must be a member of a committee consisting of three members and at least two (2) councillors must be members of a committee consisting of four or more members. 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:	The Finance and Audit Committee is a standing committee established by the <i>Financial Administration Law</i> .
Member Term:	The members of the Finance and Audit Committee must serve staggered terms, as follows: <ul style="list-style-type: none">a) non-Councillor members shall serve three-year terms, appointed in opposing years of Council elections; andb) Councillor members must be appointed to the Finance and Audit Committee as soon as practicable following their election to the Council, and shall serve on the Finance Committee to the end of their term on Council.
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 Senior Management and Chief Financial Officer must be notified of all meetings and must attend those meetings, subject to reasonable exceptions.

The auditor of the Upper Nicola Band 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 Senior Management or Chief Financial Officer 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 Accounting and Reporting Oversight

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

Auditor Oversight

- a) Make recommendations to Council on the selection, engagement and performance of the Upper Nicola Band's independent 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 auditor, including the scope of the audit to be performed and the estimated audit fees;
- 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 any management letters containing recommendations of the external auditor and management's response;
- f) Recommend to Council pre-approval of all audit, audit-related and non-audit services to be provided to the Upper Nicola Band 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 Upper Nicola Band'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 the annual Risk Management Plan and Fraud Risk Assessment completed by the Senior Management and provide input to the identification, monitoring and reviewing of the annual risk assessment process.
- b) Provide recommendations to Council regarding the annual Risk Management Plan and Fraud Risk Assessment.
- c) Provide updates to the Council of any significant changes to the assessment and adequacy of monitoring activities.
- d) Review requests for non-budgeted funding requests to the Upper Nicola Band's business enterprises and make recommendations to Council.

Other

- a) Review expenses of Councillors and Senior Management and assess the Upper Nicola Band's policies with respect to expense reimbursement or allowances;
- b) 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 Senior Management the Committee may retain a consultant to assist in the performance of any of its responsibilities.

Appendix G – 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 Upper Nicola Band’s annual 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 Upper Nicola Band’s accounting policies, when these are explained by the Upper Nicola Band’s Chief Financial Officer and the auditor;
- An understanding of the Upper Nicola Band’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 Upper Nicola Band and the risks inherent in any new strategies; and
- An ability to understand the Upper Nicola Band’s risk environment.

Appendix H – Disclosure Statement

The Upper Nicola Band’s Reporting of Compensation, Benefits, and Contracts policy number requires completion of this Disclosure Statement by all Councillors.

Definitions:

“entity” means a corporation or a partnership, a joint venture or any other unincorporated association or organization, the financial transactions of which are consolidated in the financial statements of the first nation in accordance with Public Sector Accounting Standards;

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

“remuneration” means any salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary and non-monetary benefits.

Disclosures:

1) Based on the above definitions, I am disclosing the following remuneration paid and expenses reimbursed by the Upper Nicola Band or by any entity during the fiscal year ending March 31, 201[●]:

	Name of Entity	Remuneration Received	Expenses Reimbursed	Comments
1.	[Example – ABC First Nation]	\$(●)	\$(●)	Council honoraria and reimbursement of eligible expenses
2.	[Example – ABC First Nation Venture]	\$(●)	\$(●)	Contracting fees paid by ABC First Nation Venture and reimbursement of eligible expenses
3.	[Example – XYZ First Nation Venture]	\$(●)	\$(●)	Dividends paid by XYZ First Nation Venture and reimbursement of eligible expenses

I certify that I have disclosed all “remuneration” paid and “expenses” reimbursed as defined above during the fiscal year ending March 31, 201[●].

Signature _____ Date _____

Printed Name _____

Appendix I – Special Purpose Report – Reporting of Remuneration and Expenses

Upper Nicola Band For the year ended March 31, 201X

Name of Individual	Position Title	Number of Months [Note 1]	Salaries [Note 2]	Honoraria [Note 2]	Other Remuneration [Note 2]	Total Remuneration [Note 2]	Expenses [Note 3]
		xx	\$xx,xxx	\$x,xxx	\$x,xxx	\$xx,xxx	\$x,xxx

Notes:

- 1. The number of months during the fiscal year that the individual was a chief or councillor.*
- 2. "Remuneration" means any salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary and non-monetary benefits.*
- 3. "Expenses" includes the costs of transportation, accommodation, meals, hospitality and incidental expenses.*