

Presentation of the

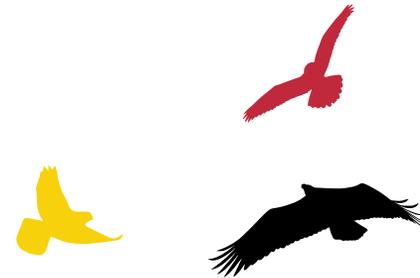
# First Nations Financial Management Board

## British Columbia Public Service Policy

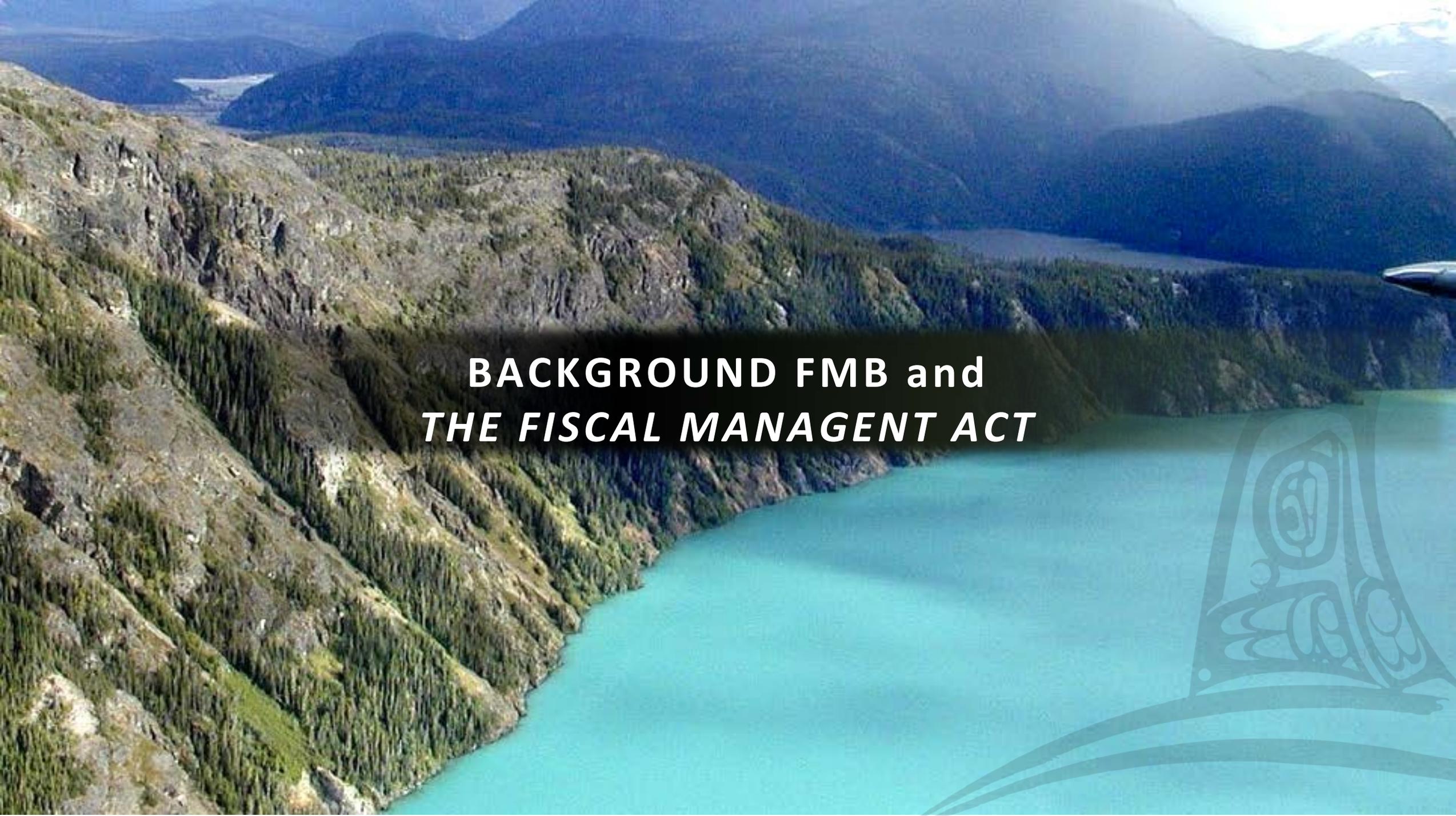
Presented by: Harold Calla  
June 24, 2020



# AGENDA



- **First Nations Financial Management Board – (FMB)**
  1. Background
  2. History of the *First Nations Fiscal Management Act (FMA)*
- **Significance**
- **Evolution**
- **Collaboration**
- **Future**

An aerial photograph of a vast, turquoise-colored lake nestled in a deep mountain valley. The surrounding mountains are rugged and covered in dense evergreen forests. In the background, more mountain ranges are visible under a clear sky. A decorative graphic, resembling a stylized Indigenous or Celtic knot design, is overlaid on the right side of the image. The text is centered over the lake and mountains.

**BACKGROUND FMB and  
*THE FISCAL MANAGENT ACT***

# FIRST NATIONS FINANCIAL MANAGEMENT BOARD FMB



- Who is FMB
- What does FMB do
- How FMB relates to other First Nations Institutions

# WHAT IS THE FIRST NATIONS FINANCIAL MANAGEMENT BOARD (FMB)



- National First Nation Organization
- Canada's only legislative body that develops and publishes standards for financial management systems for financial performance for First Nations
- Support First Nations to develop sound finance and administrative governance practices
- Services are optional and provided at no cost
- A non-profit organization
- Board of Directors appointed by GIC and AFOA
- Independent of the government



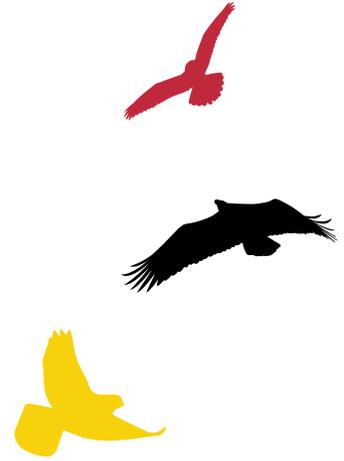
First Nations  
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MANAGEMENT  
BOARD

CONSEIL  
DE GESTION  
FINANCIÈRE des  
Premières Nations

# FIRST NATIONS FINANCIAL MANAGEMENT BOARD (FMB)

Three optional pathways for First Nations to leverage

- 1) Enhancing Financial Management Systems
  - Standards (Law), policies, certifications
- 2) Pathway to long term affordable financing– FNFA
- 3) Pathway to eligibility for the ISC 10-year grant



# FIRST NATIONS FISCAL MANAGEMENT ACT -FMA



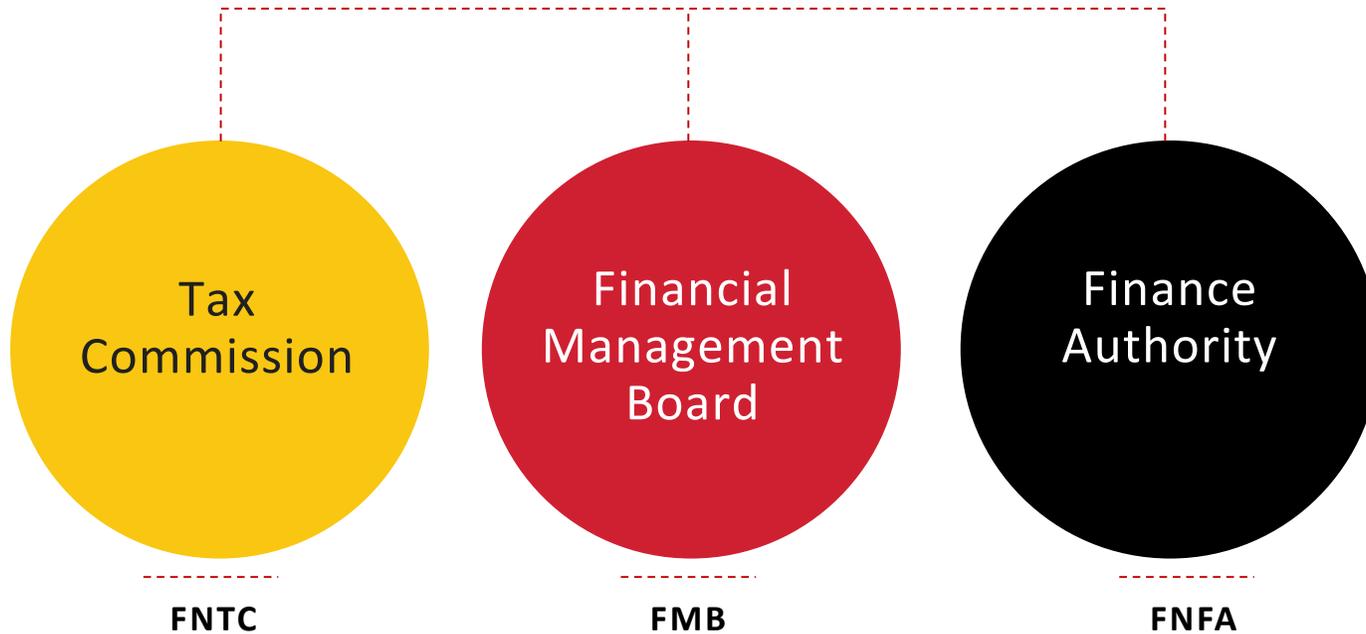
- Where did it come from and why?
- Optional, modern First Nations' legislation
- Outside the **Indian Act**
- 294 First Nations participating to date



# FIRST NATIONS FISCAL MANAGEMENT ACT - FMA



Option to work outside the *Indian Act* in these areas.





# SIGNIFICANCE of FMB



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# FINANCIAL MANAGEMENT BOARD - FMB



- Significance of what FMB offers First Nations
- Impact FMB makes on the ground



# WHAT IS FINANCIAL ADMINISTRATION LAW?



The road to strong finance and governance practices begins with developing a FAL

A FAL provisions that support sound financial management

## The main sections of the sample FAL:



- Finance
- Governance
- Information management
- Human resources

# WHAT IS FINANCIAL PERFORMANCE CERTIFICATION?

1

A point in time assessment of the financial position of a First Nation based on 5 years of audited financial statements

2

A tool to evaluate how well a First Nation is using its resources

3

Provides a signal of overall financial health

4

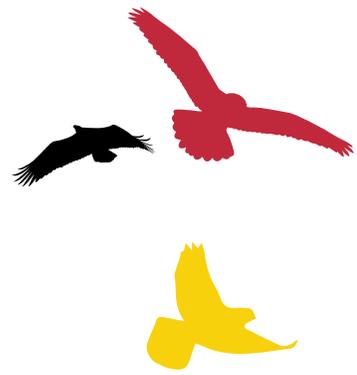
Used to determine eligibility to borrow from the FNFA

# WHAT IS FINANCIAL MANAGEMENT SYSTEM CERTIFICATION?

- 1 Compliance with Nation's own FAL
- 2 Compliance with the FMB's FMS Standards
- 3 Implementation of policies and procedures
- 4 FMB testing of the policies and procedures



# BENEFITS OF CERTIFICATION



1

## Promotes Transparency and Accountability

Comfort to members, current and future business partners and lenders

2

## Organizes Finance and Governance Practices

Support your Nation to develop or enhance policies and procedures

3

## Access to long term affordable Financing and Rates

Competitive rates and terms

# HOW FIRST NATIONS BENEFIT FROM WORKING WITH FMB

- Developing financial management systems to support long term success
- Increased transparency and accountability to members, future partners and lenders
- Tools training and support from FMB's Capacity Development Team
- A framework (when followed) provides financial long-term stability
- Continuity through strong administrative governance and finance practices
- Improved risk management

# FIRST NATION BENEFITS IN BRITISH COLUMBIA



## **TSEIL-WAUTUTH NATION - Maureen Thomas, Former Chief**

“We wanted to prepare our community for the future in managing wealth instead of managing poverty.”

## **LIL’WAT NATION- Ernest Armann, CAO**

“Obtaining FMS Certification allows us the time and space to look at other needs to achieve self- determination and self-governance.”

## **SONGHEES FIRST NATION - Cristina Clarke, ED**

“As we have moved through the process, we have discovered that our professionalism has increased, so, our ability to understand the business market and to be a good business partner has increased.”

## **SHACKAN INDIAN BAND – Heather Fader, ED**

“While the experience was challenging at times the benefits of the outcome are:

- Stronger relationships within the membership and Chief and Council through increased transparency and accountability
- Improved trust as everyone is realizing that finances are processed the same for everyone
- Helps staff stay organized and clear about financial processes
- Building relationships with potential business partners to build more economic development on and off reserve
- Positioning Shackan as a reputable organization locally, provincially and nationally.”



# REAL OUTCOMES ACROSS CANADA

## EDUCATION AND SOCIAL | ECONOMIC DEVELOPMENT | INFRASTRUCTURE

Schools

Land Purchases

Road and utility projects

Social programs for Elders

Fish plants and PPP Projects

Housing developments

Social/Recreational for Youth

Green Energy projects

Building improvements

Wellness Centres

Machinery & equipment for projects

Clean Water projects



**EVOLUTION of FMB**

# KEY MILESTONES (FMB/FMA)

- 2006 The Fiscal Management Act - 49, 50.1, 55
- 2007 First Board Meeting – FMB
- 2009 First FAL Approval – FMB
- 2011 First FP Certification – FMB
- 2015 First FMS Certification – FMB
- 2017 New Fiscal Relationship 10 YR Grant – ISC
- 2018 Default Management Prevention Pilot Project
- 2018 141 and 141.1 Legislative Mandate



# FMB Mandate

- Section 41, 50.1, 55 of Fiscal Management Act
  - Indian Act Bands
- Section 141 and 141.1 of Fiscal Management Act
  - Self Governing Nations
  - Modern Treaty
  - Tribal Councils
  - First Nation Organizations



# FMB Mandate – Section 49, 50.1 55 FMA



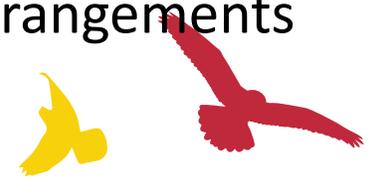
- Support First Nations to manage their finances well
- Support First Nations in applying for loans on similar terms as other governments in Canada
- Review and audit First Nations' finance practices
- Support First Nations to get certified in financial management and performance
- Evaluate the finance health of First Nations when invited
- Support First Nations when working with other governments in areas of governance and finance practices, including accountability and shared fiscal responsibility
- Support First Nations to strengthen their own communities through better relationships with financial institutions, business partners, and other governments



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# FMB Mandate – Section 49, 50.1 and 55 FMA



- Provide advice, policy research, and review services relating to fiscal arrangements between First Nations and other governments
- Set standards for:
  - the form and content and approval of Financial Administration Laws (FALs)
  - Financial Management System Certification
  - Financial Performance Certification
  - Financial reporting for the local revenues account
- Provide co-management and third-party management services in relation to borrowing from the First Nations Finance Authority or collecting local revenues through the First Nations Tax Commission

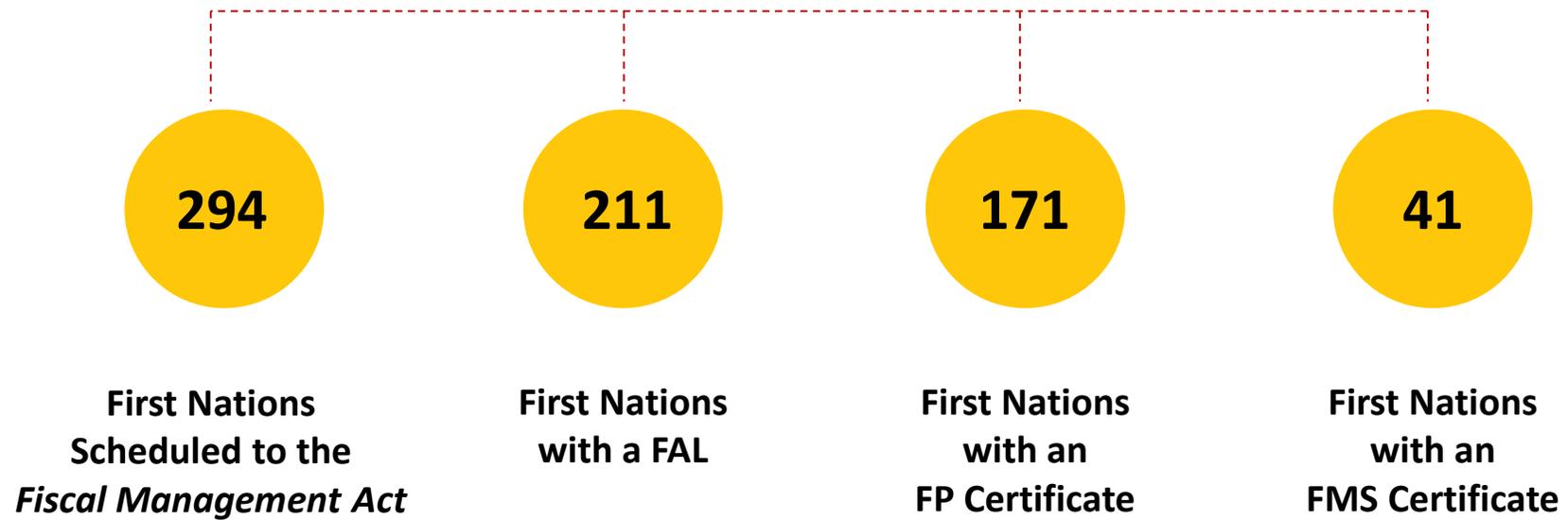


# FMB New Fiscal Relationship 10 Year Grants

- Indigenous Services Canada and Assembly First Nations co developed the 10-yr Grant
- It is a funding mechanism that aims to provide more flexibility and predictability in how a First Nation uses its funding and reduces the amount of reporting
- Eligibility - Must have a Financial Administration Law (“FAL”) under the Fiscal Management Act or a Financial Administration By law under the Indian Act plus 5 years audited Financial Statements for FMB review
- Pass Ratio’s to meet FMB standards. FMB to provide Compliance Opinion
- ISC not FMB makes final decision

# FIRST NATIONS JOURNEY WITH THE FMB

As at May 15, 2020

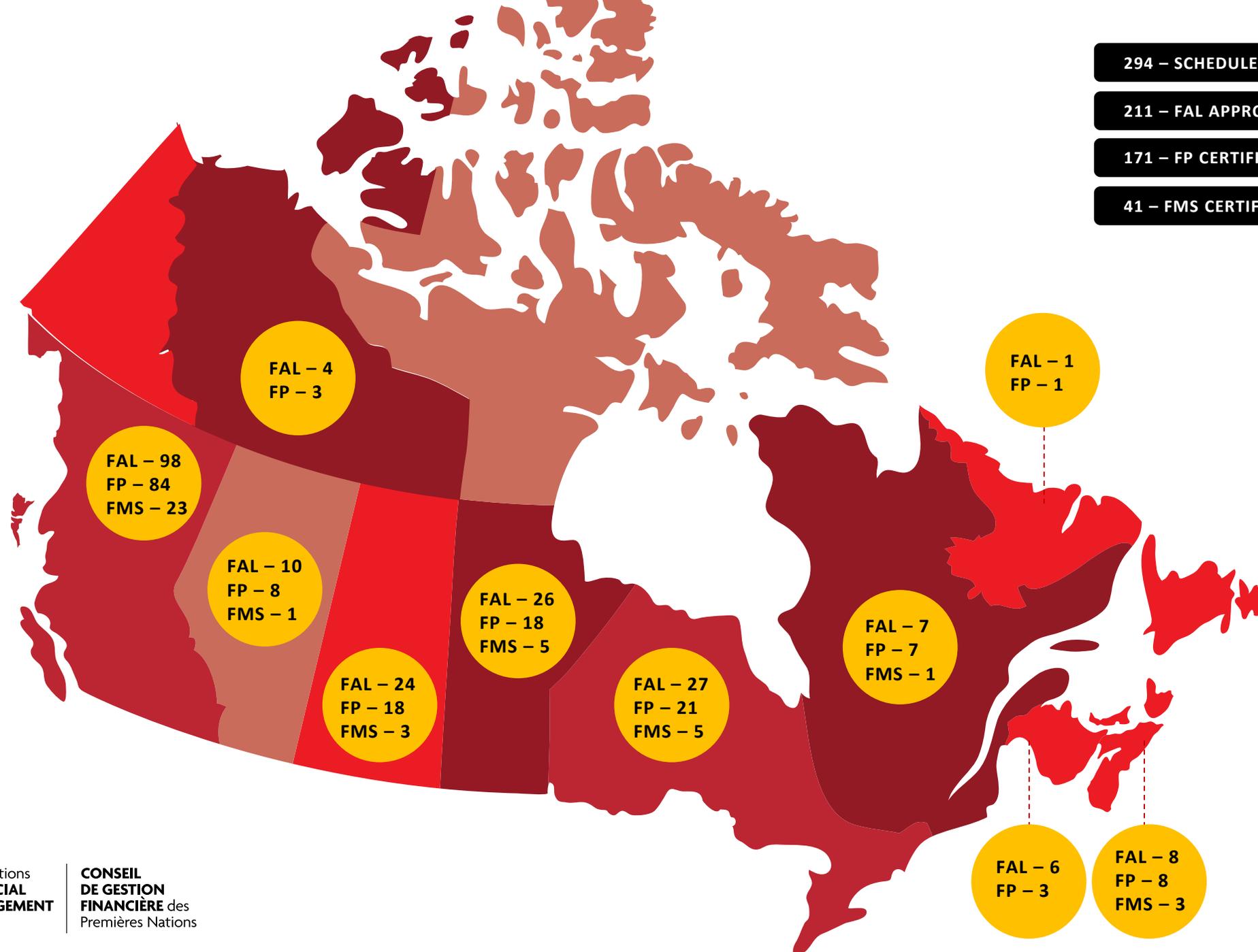


294 – SCHEDULED TO FMA

211 – FAL APPROVAL

171 – FP CERTIFIED

41 – FMS CERTIFIED



# FIRST NATIONS working with FMB IN BRITISH COLUMBIA

## ● FMS Clients

Cowichan Tribes First Nation  
 Gitsegukla First Nation  
 Little Shuswap Lake  
 Lytton  
 Malahat First Nation  
 Metlakatla First Nation  
 Witsset First Nation  
 Lil'wat Nation  
 Shackan First Nation  
 Shuswap First Nation  
 Skeetchestn Indian Band  
 Skowkale

Songhees Nation  
 Splantsin First Nation  
 ?aqam  
 Stellat'en First Nation  
 Sts'ailes  
 T'i't'q'et  
 Tobacco Plains Indian Band  
 Tseil-Waututh Nation  
 Tzeachten First Nation  
 Upper Nicola Indian Band  
 Williams Lake

## ● FAL Clients

?Akisq'nuk First Nation  
 ?Esdilagh First Nation  
 Adams Lake Indian Band  
 Ahousaht First Nation  
 Aitchelitz First Nation  
 Beecher Bay  
 Campbell River Indian Band  
 Cayoose Creek Indian Band  
 Chawathil First Nation  
 Cheslatta Carrier Nation  
 Cook's Ferry  
 Doig River First Nation  
 Ehattesaht

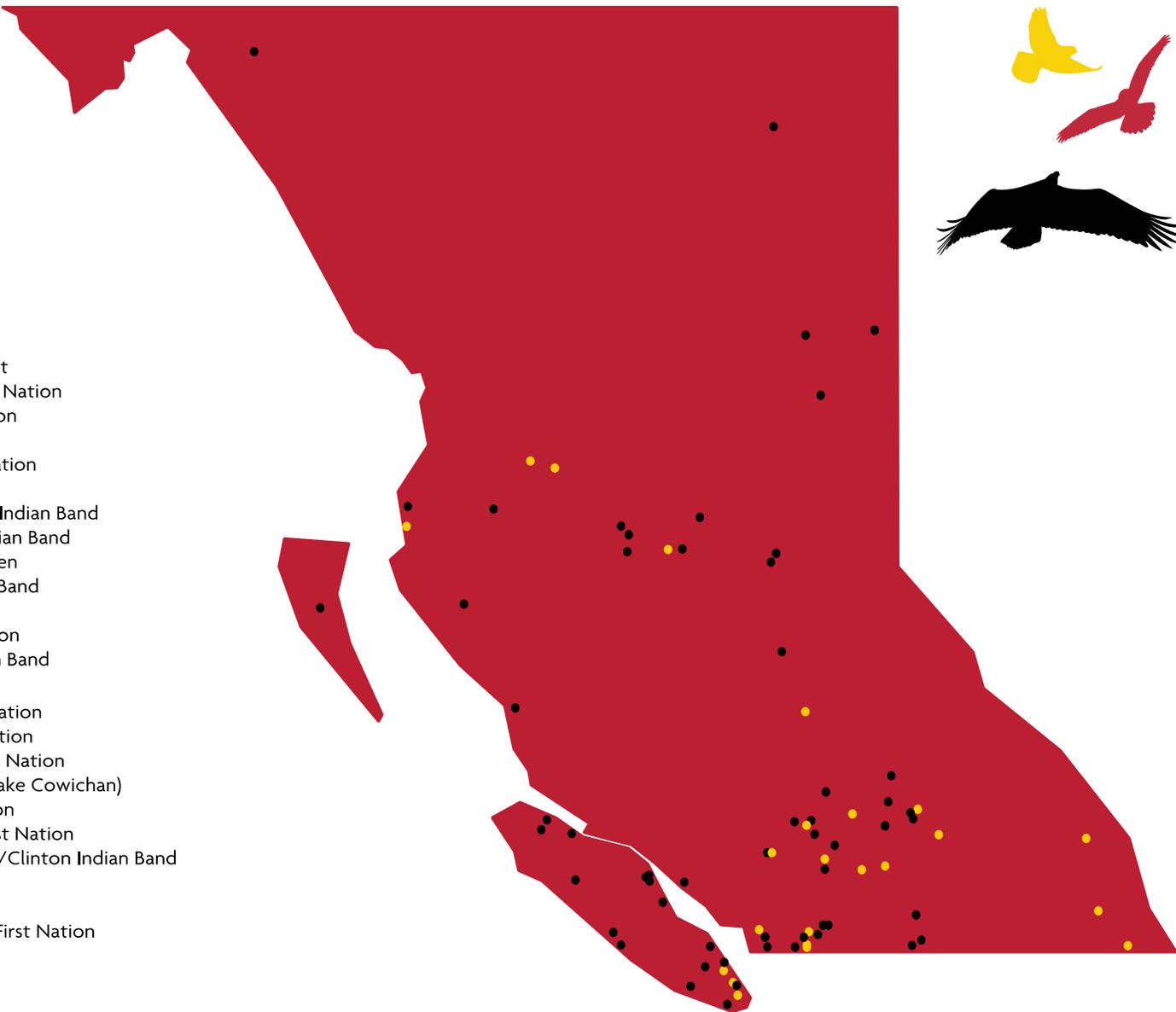
Esquimalt Nation  
 Fort Nelson First Nation  
 Gitga'at First Nation  
 Gwa'Sala-Nakwaxda'xw  
 Halalt First Nation  
 Halfway River First Nation  
 Heiltsuk  
 High Bar First Nation  
 Homalco First Nation  
 Kanaka Bar  
 Kitselas First Nation  
 K'omoks First Nation  
 Kwadacha

Osoyoos Indian Band  
 Pacheedaht First Nation  
 Penticton Indian Band  
 Quatsino  
 Saulteau First Nations  
 Seabird Island Band  
 Semiahmoo First Nation  
 Shxwha:y Village First Nation  
 Shx'ow'hamel First Nation  
 Simpcw First Nation  
 Skatin Nations  
 Skidegate First Nation  
 Skin Tyee Nation

Snuneymuxw First Nation  
 Soowahlie  
 Sq'ewlets (formerly Scowlitz)  
 Squiala First Nation  
 Sumas First Nation  
 Takla Nation  
 Taku River Tlingit First Nation  
 Tk'emlups te Secwepemc  
 Tla'amin Nation  
 Tla-o-qui-aht First Nations  
 Tsal'alh  
 Tsartlip First Nation  
 Tsawout First Nation

Kwaw-Kwaw-Apilt  
 Kwikwetlem First Nation  
 Lake Babine Nation  
 Lax Kw'alaams  
 Leq'a:mel First Nation  
 Lheidli T'enneh  
 Lower Kootenay Indian Band  
 Lower Nicola Indian Band  
 Lower Similkameen  
 Nadleh Whut'en Band  
 Nak'azdli  
 Namgis First Nation  
 Neskonlith Indian Band

Tsay Keh Dene Nation  
 Tseycum First Nation  
 Ts'kw'aylaxw First Nation  
 Ts'uubaa-asatx (Lake Cowichan)  
 = Wai Kai Nation  
 Wet'suwet'en First Nation  
 Whispering Pines/Clinton Indian Band  
 Xaxli'p  
 Xa'xtsa (Douglas)  
 Yakweakwioose First Nation





**COLLABORATION**



# COLLABORATION

- Insights on the intersection of FMB work with the Province’s reconciliation initiatives, and opportunities to support the work of the FMB through collaboration and provincial policy. Provincial initiatives.
- Governance Project Phase 1
- Governance Network
- AFOA
- First Nation Major Projects Coalition
- Monetize Transfers

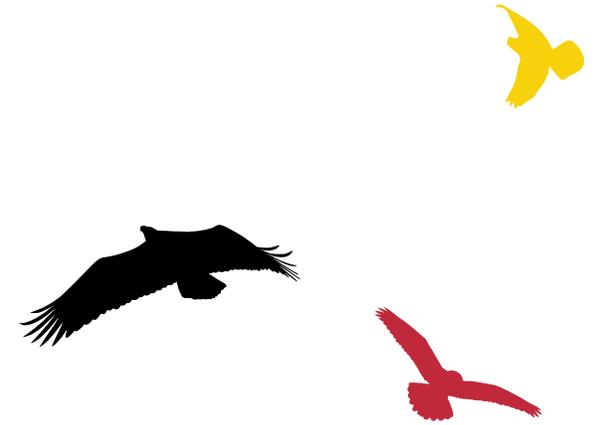




**FUTURE**

# FUTURE

- Indigenous Shared Services
- Support for implementation of UNDRIP
- Governance Project - Phase II
- DMPPP program expansion
- First Nations Infrastructure Institute
- Statistics Institute
- Participation in Major Resource Development
- New Fiscal Relationship





**QUESTIONS? Let's talk**

**HAROLD CALLA**  
Executive Chair

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