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
BACKGROUND FMB and
THE FISCAL MANAGEMENT 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
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.

- Tax Commission
  - FNTC
- Financial Management Board
  - FMB
- Finance Authority
  - FNFA
SIGNIFICANCE of FMB
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
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

<table>
<thead>
<tr>
<th>EDUCATION AND SOCIAL</th>
<th>ECONOMIC DEVELOPMENT</th>
<th>INFRASTRUCTURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools</td>
<td>Land Purchases</td>
<td>Road and utility projects</td>
</tr>
<tr>
<td>Social programs for Elders</td>
<td>Fish plants and PPP Projects</td>
<td>Housing developments</td>
</tr>
<tr>
<td>Social/Recreational for Youth</td>
<td>Green Energy projects</td>
<td>Building improvements</td>
</tr>
<tr>
<td>Wellness Centres</td>
<td>Machinery &amp; equipment for projects</td>
<td>Clean Water projects</td>
</tr>
</tbody>
</table>
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
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 Frist 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** First Nations Scheduled to the *Fiscal Management Act*
- **211** First Nations with a FAL
- **171** First Nations with an FP Certificate
- **41** First Nations with an FMS Certificate
FIRST NATIONS working with FMB IN BRITISH COLUMBIA

**FMS Clients**
- Cowichan Tribes First Nation
- Gitsegukla First Nation
- Little Shuswap Lake
- Lytton
- Malahat First Nation
- Melakatl First Nation
- Willet First Nation
- Lilwat Nation
- Shuswap First Nation
- Skeetchestn Indian Band
- Skowkale
- Songhees Nation
- Splitsac First Nation
- Tsawag
- Stellat'en First Nation
- Strailes
- Tlä'qet
- Tobacco Plains Indian Band
- Tsekei-Waututh Nation
- Tzeachten First Nation
- Upper Nicola Indian Band
- Williams Lake

**FAL Clients**
- ?Aksiq'nuik First Nation
- ?Esdilagh First Nation
- Adams Lake Indian Band
- Ahousah First Nation
- Aitchelitz First Nation
- Beecher Bay
- Campbell River Indian Band
- Cayoose Creek Indian Band
- Chawathil First Nation
- Chemainus Carrier Nation
- Cook's Ferry
- Dog River First Nation
- Ehattesaht
- Osagoos Indian Band
- Pacheedaht First Nation
- Penticton Indian Band
- Quatsino
- Sauteaux First Nations
- Seabird Island Band
- Semiahmoo First Nation
- Skwahay Village First Nation
- Sk'elep W'mel First Nation
- Simpcw First Nation
- Sk'utz Nations
- Skidegate First Nation
- Skin Tyee Nation
- Esquimalt Nation
- Fort Nelson First Nation
- Gitga'at First Nation
- Gwa'Sala-Nakwaxda'xw
- Halkomelem First Nation
- Halfway River First Nation
- Heiltsuk
- High Bar First Nation
- Homalco First Nation
- Kanaka Bar
- Kitselas First Nation
- K'omoks First Nation
- Kwadacha
- Snuneymuxw First Nation
- Soowahlie
- Sqéwhlets (formerly Squilsh)
- Squalicum First Nation
- Sumas First Nation
- Takla Nation
- Taku River Tlingit First Nation
- Tikinlups te Seezwepemc
- Tla'bamin Nation
- Tla-o-qui-aht First Nations
- Tsililh
- Tsartlip First Nation
- Tzawout First Nation
- Kwaw-Kwaw-Apilt
- Kwkweltem First Nation
- Lake Babine Nation
- Lax Kw'alaams
- Lq'qemel First Nation
- Lheidli T'enneh
- Lower Kootenay Indian Band
- Lower Nicola Indian Band
- Lower Similkameen
- Nadleh Whut'en Band
- Nak'a:k'dl
- Namgis First Nation
- Neskonlith Indian Band
- Tsay Keh Dene Nation
- Tseycum First Nation
- T'sk'awylaxw First Nation
- Ts'uubaa-asatx (Lake Cowichan)
- e Wai Kai Nation
- Wet'suwet'en First Nation
- Whispering Pines/Clinton Indian Band
- Xa:xilp
- Xaxta (Douglas)
- Yakweekwoose 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
Harold_Calla@fnfmb.com

fnfmb.com 1.877.925.6665