

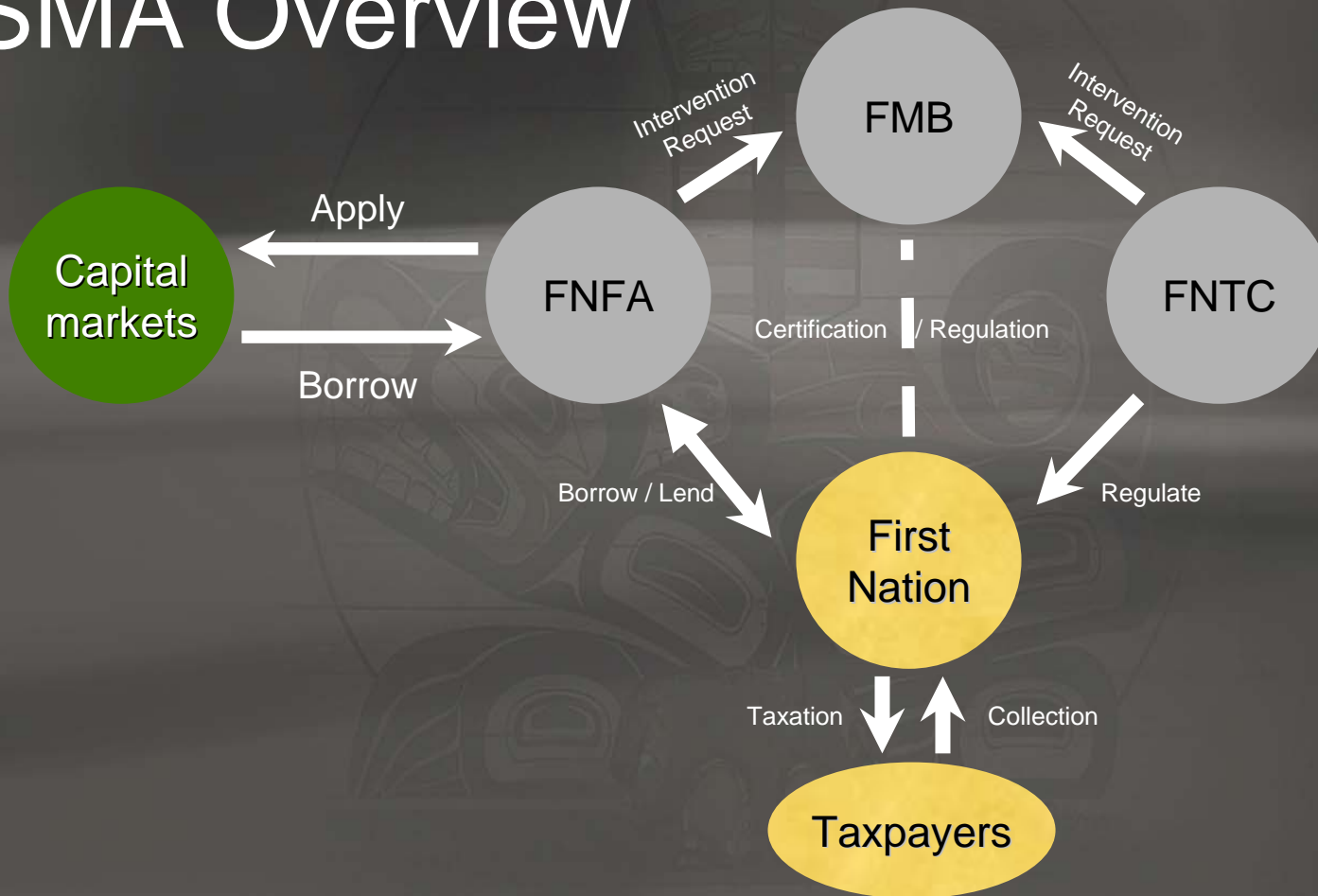
Transition to the FSMA – Financial Management Implications

Presented by
the First Nations Financial Management Board
at the Aboriginal Financial Officers Association Canada
National Conference - Montreal, Quebec
13 February 2008

Overview

- *First Nations Fiscal and Statistical Management Act (FSMA)*
- First Nations Financial Management Board (FMB)
 - Financial Administration Law
 - Certification
 - Intervention
 - Local Revenue Account Financial Reporting
 - Capacity Development

FSMA Overview



Participating in an FSMA borrowing process

FAL Approval
Certification
Intervention
LRA Report



Rates,
assessment,
taxation,
borrowing laws



Accept
members,
Borrowing
Agreement



An FMB Update

- Board of Directors appointed in Spring 2007
- Key documents reviewed by the Board of Directors
 - ❖ Standards, sample laws, policies, procedures
- Feedback from participating First Nations
 - ❖ Case studies
 - ❖ National FSMA First Nations Conference
- Feedback received from FNTC and FNFA
- Hiring process currently underway

FMB Activities

- Financial Administration Law
- Certification & monitoring
- Intervention
- Local Revenue Account Financial Reporting
- Capacity development

Characteristics of a successful financial administration system

- Governing body identified with suitable powers and responsibilities
- Operators identified with suitable powers and responsibilities
- Tools provided and responsibility for development and use assigned
- Competency in use of tools
- Integrity in conduct

Financial Administration Law

Section	Description
Administration	Council, finance and audit committee; officers and employees; conduct expectations; organizational structure
Financial Management	Financial plans and budgets (content; multi-year; involvement of membership); financial institution accounts; expenditures; general (advances, holdbacks, interest, refunds, debts); borrowing; risk management (business activity, guarantees, investments, insurance); financial reporting (statements, audit, annual report); information and technology
Capital Projects	Definitions; council duties; reserve funds; life cycle management; capital projects budgeting; contracting and tendering; involvement of membership

Recommendations from CICA Study Group:

- *“Financial Reporting by First Nations”*
 - First Nations are governments
 - Common Government Reporting Model
 - PSAB Guidelines on Tangible Capital Assets

Capacity Development

- Working co-operatively with the AFOA to develop potential FSMA/FMB course outlines and curriculum
 - CAFM courses
 - Professional development programs
 - Survey
- Currently investigating how the FMB could support First Nations if recommendations from the CICA study group are implemented

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