



TAKLA NATION

Financial Administration Policy

Policy Statement

Council is responsible for the overall financial health, financial management and financial reporting for Takla Nation (TN). Nation finances are clearly linked to strategic and operational planning. The Council is responsible to preserve and protect the assets of the TN, and for the prudent financial management and administration of TN funds, with due accountability to the membership. Specifically:

1. Council is responsible for appointing an Auditor;
2. Council is responsible for adopting financial plans, provisional budgets, and budgets for TN;
3. Council may approve agreements with federal or provincial governments, or with any other party for funding to TN, its departments, agencies, or other TN entities, and may delegate approval authority to senior administrators as reasonable;
4. Council will approve appropriate financial institutions for the deposit of TN revenues;
5. Council will develop policies and procedures for financial administration, accountability, reporting to the membership, and for access to information by members;
6. TN will access and leverage external funding sources as extensively as possible, as part of fiscal responsibility.

Purpose/Rationale

The purpose of this policy and the related procedures is to provide all TN employees and Council members with direction and guidance relating to TN financial planning, administration, transactions, procedures, accountability, and reports.

Principles

TN is committed to ensuring its finances are administered in a manner that encourages and promotes:

1. Transparency
2. Solvency and good financial management
3. Up-to-date and accurate reporting of the Nation's financial status
4. Efficient use of resources

Scope/Limitations

The TN financial administration policies and related procedures apply to all TN employees and officials and to all areas of operations included in the annual audited consolidated financial statements.

Definitions

Financial management: Financial management is more than keeping accounting records. Financial management involves planning, organizing, controlling, and monitoring financial resources to achieve organizational objectives.

Solvency: Solvency is the ability of an organization to meet its long-term financial obligations. Solvency is essential to financial health as it asserts the organization's ability to continue operations into the foreseeable future.

Transparency: Financial transparency means timely, meaningful and reliable disclosures about an organization's financial status and direction.

POLICY APPROVAL SUMMARY

Approved by: Takla Nation Council
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Financial Administration Procedures

In conjunction with the Financial Administration Policy and federal requirements, these procedures outline how Takla Nation (TN) will manage its financial operations at the Council level. Other policies and procedures provide direction for specific operations such as purchasing, expenditure authority, capital projects, and payroll.

Definitions

Annual budget: A projection of revenues and expenditures, linked to Council priorities, for the fiscal year.

Fiscal year: Takla Nation's fiscal year is April 1 to March 31.

Multi-year financial plan: A summary projection of revenues and expenditures, linked to Council priorities, usually for a 3 to 5-year period.

Definitions related to accounting and audit functions are understood to be the current, standard definitions used by professional accountants.

Procedures

A. Chief and Council are responsible for:

1. Reviewing and approving the annual budget and ensuring it was prepared in accordance with the Nation's Financial Administration Policy, applicable laws, and standard acceptable accounting practices, is based on plausible assumptions, and provides for required programs, services, and planning on behalf of the Nation;
2. Reviewing and approving any circumstances that are expected to create a budget deficit, including consideration of any recommendations from the Finance Committee and/or the Audit Committee on plans to eliminate the budget deficit in a future period;
3. Reviewing and approving any changes or amendments to the annual budget or related planning documents;
4. Establishing specific goals and service priorities to guide resource and allocation decisions during the budget planning sessions;
5. Ensuring a process is in place to address Nation and/or membership priorities in the strategic plan and other planning documents as appropriate;
6. Ensuring the membership is informed about or appropriately involved in the preparation of the annual budget, multi-year financial plan, forecast budget deficits, or forecast extraordinary expenditures as set out in the Financial Administration Policy;
7. Establishing general budget policies or guidelines such as requirements for balanced budget and use of cash reserves.

B. Finance Committee

Finance Committee is a standing committee appointed each year by Council. It consists of a Councillor, the Director of Finance, the senior Band administrator, and other members as determined by Council. The general duties of the Finance Committee are:

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1. Review the provisional budget for the new fiscal year and forward its recommendations to Council;
2. Review and revise budgets and forward its recommendations to Council;
3. Review the internal quarterly financial statements to monitor actual revenues and expenditures against those budgeted;
4. Review any other financial reports and forward any recommendations to Council;
5. Review the audited financial statements;
6. Discuss new initiatives, and financial reporting matters, including for the Nation's own source revenues;
7. Review the external auditor's annual management letter;
8. Investigate and report on any financial matter referred to it by Council

The Finance Committee will meet at least four (4) times annually. Minutes are to be kept for all Finance Committee meetings and are to be provided to TN Council. Except for minutes of discussions held in-camera, all Finance Committee minutes are to be available to the membership. The Director of Finance is to take the Finance Committee's recommendations forward to Council.

C. Audit Committee

Audit Committee is a standing committee appointed each year by Council. It consists of a two Councillors, the Director of Finance, an external consulting accountant, and other members as determined by Council. The general duties of the Audit Committee are:

1. Recommend the appointment of external auditors to Council;
2. Review the audited financial statements and recommend their approval to Council;
3. Discuss new initiatives, auditing matters, and financial reporting matters, including for the Nation's own source revenues;
4. Review the external auditor's annual management letter;
5. Investigate and report on any financial matter referred to it by Council

The Audit Committee will meet at least two (2) times annually. Minutes are to be kept for all Audit Committee meetings and are to be provided to TN Council. Except for minutes of discussions held in-camera, all Audit Committee minutes are to be available to the membership. The Director of Finance is to take the Audit Committee's recommendations forward to Council.

D. Financial Plan

1. The Council shall, by resolution, adopt a financial plan annually before the budget is adopted.
2. The financial plan must set out the following for each year of the planning period:
 - a. the proposed expenditures;
 - b. proposed funding sources; and
 - c. proposed transfers between funds.
3. The proposed expenditures must set out separate amounts for each of the following as applicable:
 - a. the amount required to pay interest and principal on debt;
 - b. the amount required for capital purposes; and
 - c. the amount required for other purposes.

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4. The proposed funding sources must set out separate amounts for each of the following as applicable:
 - a. transfers from other governments; and
 - b. revenue from other sources.

E. Appointment of Auditor and Auditor's Report

1. The Council shall, by resolution, appoint an auditor to audit the financial statements, records, and inventories of the TN at least once each year;
2. The auditor shall be a member in good standing or in a partnership whose partners are members in good standing of the Chartered Professional Accountants of Canada or the Chartered Professional Accountants of British Columbia;
3. The auditor shall:
 - a. Perform, in accordance with generally accepted Canadian auditing standards, a general review of accounting procedures and such tests of accounting records as he or she considers necessary under the circumstances;
 - b. State in a report whether the consolidated financial statements present fairly the financial position of the TN at the end of the fiscal year, and the results of its operations for the year then ended;
 - b. report whether the financial operations comply with TN policies and procedures; and
 - c. make recommendations in the report for more effective financial management.
4. The auditor's report will be prepared in accordance with the form and reporting standards recommended by the Chartered Professional Accountants Associations;
5. The auditor must provide their audit opinion for signature by the TN on or before July 31 for the fiscal year ending the preceding March 31;
6. Upon acceptance of a resolution, the Chief and the Director of Finance will sign the audited consolidated financial statement; the resolution will be recorded in Council minutes;
7. Council will ensure that, where appropriate, auditor recommendations are implemented
8. The Director of Finance and the auditor will present the audited financial statements to the membership at a duly convened general meeting within six (6) months of the end of the fiscal year.

F. Membership information and engagement

1. Council will advertise and hold a minimum of one open Finance session annually, providing an update to the Nation;
2. Copies of the following documents will be made available to any Takla Nation member who requests them during regular office hours:
 - a. Annual or multi-year budget
 - b. Monthly financial statements
 - c. Audited consolidated financial statements;
3. To obtain access to other financial records, the TN member must apply to the Director of Finance in writing for a copy of the financial record;
4. The Director of Finance will make every reasonable effort to assist members who request disclosure of financial records, and must respond openly, accurately, and completely to the member within thirty (30) days from the date a request is received. If more time is required, the Director of Finance will inform the member when a response

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will be available;

5. In his / her response, the Finance Director will advise the member in writing:
 - a. whether the member is entitled to have the financial record or part of the record disclosed to him / her, and if access to the financial record or to part of the record, the reason(s) for the refusal.
 - b. If the member is entitled to have the financial record disclosed to him / her and it can be reasonably reproduced, a copy of the financial record must be provided with the Director of Finance's response. The applicant may be charged a reasonable fee for copying;
 - c. If the member is entitled to have the financial record disclosed to him / her and it cannot be reasonably reproduced, the member must be permitted to examine the financial record at the TN administration office during regular business hours.
6. The Finance Director must refuse to disclose to an applicant financial information as follows:
 - a. legal opinions which are subject to solicitor-client privilege;
 - b. other privileged documents which could reasonably be expected to reveal information received in confidence from a government, Band, Society, or Corporation;
 - c. information that could jeopardize negotiations relating to Aboriginal self-government, treaties, or other issues;
 - d. information that could reasonably be expected to harm the financial or economic interests of the TN;
 - e. information that would be an unreasonable invasion of a third party's personal privacy, including personal financial information relating to eligibility for or receipt of employment benefits, income assistance, education benefits or social service benefits, unless the financial information pertains to the payment of money, honorariums, contract fees, or employment benefits paid to a Councilor by the TN.

PROCEDURE APPROVAL SUMMARY

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