



Acho Dene Koe
— FIRST NATION —

**FINANCIAL MANAGEMENT
POLICIES**

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PREAMBLE

Acho Dene Koe First Nation (ADKFN), and the Chief and Council, recognizes the importance of defining and regularly reviewing its Financial Management Policies.

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The Chief and Council has the responsibility and authority for developing, approving and amending the Financial Management Policies under the *Financial Administration Act*. The Manager is responsible for administration of the policies, including insuring that all council members and employees have a copy and that they understand its contents.

The Chief and Council has the responsibility to manage and administer the funds of Acho Dene Koe First Nation for the benefit of its membership. These policies have been prepared to assist the First Nation and its employees in performing their responsibilities, as they relate to financial management of ADKFN. The nature of the First Nation and its activities is diverse. In order for an organization to operate effectively, it is necessary to clarify the responsibilities of each council member, employee, department and committee. Specific supervisory and decision-making responsibilities must be clearly defined, known and understood for each managerial unit. It is through the clear delegation of authority that persons are required to be accountable. These policies provide the basis for delegated financial authority and defines the responsibility of each management level within ADKFN.

Council believes that the Financial Management Policies should reflect:

- good faith and transparency in the defining and administration of terms and conditions in the management of finance of the First Nation;
- fair management practices and accountability;
- the practices and policies of similar external organizations;
- the culture and values of the Acho Dene Koe First Nation;
- consistent, fair and effective decision making.

In the event of a conflict between the Financial Management Policies and the *ADKFN Constitution*, the *ADKFN Constitution* takes precedence.

If there is a conflict between the Financial Management Policies and any laws of Canada and/or the Northwest Territories, the laws of Canada and/or Territories shall take precedence.

Council Members and employees are encouraged to submit any suggestions for improvement for the Financial Management Policies to the Manager.

SECTION A ALLOWANCE FOR COUNCIL REMUNERATION AND EXPENSES

POLICY PURPOSE:

The purpose of Acho Dene Koe First Nation's Allowance for Council Remuneration and Expenses is to establish the annual indemnity to the Chief and each of the Council members.

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POLICY STATEMENT AND GUIDELINES:

ADKFN Council at the opening meeting of each fiscal year (April) and the first meeting following an election shall assemble and enact as follows:

- The annual salary of the Chief
- The indemnity to each of the Councillors
- Meeting honorariums

The Chief salary shall increase yearly by the annual average percentage change in the Northwest Territories Consumer Price Index at a minimum.

Council may amend the annual salary and indemnity of each councillor prior to the opening meeting of each fiscal year, approval to amend must occur by majority of vote of Council.

In accordance to this policy, no Council member shall be paid for more one (1) meeting per day for meetings outside of Fort Liard.

Council members appointed to serve as Acting Chief shall be paid an additional \$50.00 per meeting for acting in the capacity of the Chief.

ADKFN Hall also pay all expenditures made or expenses incurred by a Council member when the Council member is representing ADKFN– engaging in First Nation business or attending, course or convention/symposium/or assembly.

Further, that in accordance to the First Nations Transparency Act, at least once a year Council must have a report prepared which separately lists for each Council member:

The total amount of remuneration paid to the member for discharge of duties of the office, including any amount specified as an expense allowance, and

The total amount of expense payments for the member made to the member as reimbursement for expenses incurred by the member or as an allowance that is not reported under paragraph (a).

The approving of this policy shall repeal all previous employment commitments or agreements for Chief and Council.

SECTION B BORROWING AND DEBT

POLICY PURPOSE:

All proposals for funding through debt obligations will be submitted to the Finance and Audit Committee for review and recommendation and to Council for review and approval and will be supported by a financing proposal.

Debt obligations will be recorded, monitored, reconciled, and reported to Council quarterly through the Finance and Audit Committee, and any exceptions or issues identified and resolved.

The debt limit of the Nation and of each Agency is set as no higher than .075 times the annual revenue of the Nation or the Agency, as the case may be. Exceptions to this rule can only be made by Council resolution.

The purpose of this policy is to establish an effective and accountable borrowing framework for Acho Dene Koe First Nation.

POLICY STATEMENT AND GUIDELINES:

This policy applies to the Manager, Finance Officer, Finance and Audit Committee, Council, and those persons with the authority to recommend or approve debt.

Definitions

- **GAAP** means generally accepted accounting principles established by the Canadian Institute of Chartered Accountants, as revised or replaced from time to time.
- **Debt obligation** means an obligation to make regular debt repayments to a financial institution in exchange for a loan. The obligation is to pay back the loan principal as well as periodic interest payments for a fixed number of periods. These details are defined in the loan agreement.

Responsibilities

Council is responsible for:

- Reviewing and approving any proposed debt financing, including the terms and conditions, recommended by the Finance and Audit Committee.

The Finance and Audit Committee is responsible for:

- Reviewing any debt financing proposal report presented by the Manager and Finance Officer and recommending a course of action to Council; and
- Monitoring borrowings, loans, and payments in respect of each debt financing arrangement.

The Manager is responsible for:

- Reviewing any debt financing proposal report prepared by the Finance Officer and recommending a course of action to the Finance and Audit Committee.

The Finance Officer is responsible for:

- Preparing a debt financing proposal report for each proposed financing and presenting it to the Manager for review and comment;
- Ongoing monitoring and management of all debt obligations, including timely payments, maintaining sufficient documentation, and performing regular reconciliations of debt transactions; and
- Reporting and disclosing the debt obligations in the financial statements in accordance with GAAP and any agreements under which the debt obligations were incurred.

Procedures

Determination of Need and Evaluation of Options

The Manager and Finance Officer will document the requirement for ADKFN incur a debt obligation by examining the strategic plans, multi-year financial plan, annual budget, current financial situation, and any planned activities requiring funding.

Once the need and amount of funding required is determined, the Finance Officer will work with the Manager to outline the various financing options available to Acho Dene Koe First Nation.

The Finance Officer (and members of the finance team under the supervision of the Finance Officer as appropriate) will prepare a debt financing proposal report which includes the following:

- The purpose use and application of funds;
- Need for financing and alternatives considered;
- Evaluation of available financing options;
- Recommended financing option;
- Proposed security for the financing option;
- Description of re-payment plans based on cash flow analysis;
- Linkage to ADKFN integrated planning process, including the strategic plan, multi-year financial plan, annual budget, and cash flow statements;
- Identification of any provisions in any other applicable law that limits debt, which can be incurred by ADKFN that imposes requirements or conditions which must be met before debt may be incurred; and
- Requirement for consultation with members of ADKFN before any capital project-related debt is incurred by Acho Dene Koe First Nation.

The Finance Officer will consider at least the following for each financing alternative identified in the report:

- Impact on future budgets and projected cash flow;
- The cost to Acho Dene Koe First Nation;

- Level of risk involved (i.e. covenant risks, refinancing, earnings dilution, interest rate risk, project completion risk);
- Acho Dene Koe First Nation's ability to service the debt and repayment schedules;
- An analysis of the terms and conditions and how these would impact Acho Dene Koe First Nation; and
- Any financial reporting implications.
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The Manager will review and approve the content of the debt financing proposal report prepared by the Finance Officer, including a recommended course of action to the Finance and Audit Committee.

The Manager will obtain concurrence from legal counsel on the debt financing proposal.

Approval

The Manager and Finance Officer will present the debt financing proposal report to the Finance and Audit Committee for their review. The Finance and Audit Committee will review the report and make a recommendation to Council on whether to incur the debt and which option it recommends.

Council will review the debt financing proposal report and accompanying recommendations.

Council will vote on whether to approve the requirement for entering a debt obligation. If the requirement to incur debt is approved, Council must also approve, through a Band Council Resolution, the terms and conditions of the debt financing option that will be used.

Management and Monitoring of Debt Obligations

The Council will manage and monitor the debt obligation by:

- Ensuring the multi-year financial plan of ADKFN demonstrates how and when this deficit will be addressed and how it will be serviced;
- Ensuring the deficit does not have a negative impact on the credit-worthiness of Acho Dene Koe First Nation; and
- Ensuring that any financial covenants contained in lending agreements are reported upon to the appropriate stakeholders in a timely manner.
- The Finance Officer will manage and monitor the debt obligation by:
- Ensuring that timely payments are made according to the terms and conditions/repayment schedule of the debt obligation;
- Performing monthly reconciliations between Acho Dene Koe First Nation's financial records and statements from the lender; and
- Calculating any financial covenants contained in lending agreements and evaluating whether compliance with the terms of the covenants has been met.

Reporting

The Manager will report to each meeting of the Finance and Audit Committee the year-to-date borrowings, loans, and payments in respect of each debt financing arrangement.

The Finance Officer will ensure that the debt obligation is reported to the Finance and Audit Committee on a quarterly basis in the financial statements, in accordance with GAAP.

Records Management

The Finance Officer will ensure that records pertaining to the debt obligation are created, maintained, and retained. For each debt obligation, the following will be documented:

- The loan agreement and any ancillary agreements;
- The debt financing proposal report on which Council based its decision;
- Council approval and required membership information or involvement;
- An interest and principal repayment schedule (if applicable) that includes the dates of all payments required under the loan agreement, or plan for extinguishing the debt;
- The cost of borrowing, including interest payments and service or other charges;
- The purpose for which the debt has been incurred; and
- Reconciliations of the debt with lender records.

SECTION C DELEGATED AND ASSIGNED RESPONSIBILITIES

POLICY PURPOSE:

The purpose of Acho Dene Koe First Nation's policies and procedures to provide guidance, assistance, and an accountability framework to the users of the financial accounting system and for management and operations of the First Nation. Objectives are:

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- To promote efficiency of operations;
- To ensure consistency in the preparation and processing of financial information; and
- To ensure timeliness of the provision of information to Council and operating personnel

While the overall responsibility for financial management of ADKFN remains with the Council, it is Council's policy to give specific financial administration authority to identified departments, committees and individuals for performing duties, making commitments, and authorizing the collection and disbursement of funds on behalf of the First Nation.

The purpose of this policy is to define the delegation and the assignment authorities of leadership, management and staff. The purpose of this policy is also to provide accountability with respect to financial authorization and the authority to bind the First Nation to legal obligations.

POLICY STATEMENT AND GUIDELINES:

Acho Dene Koe First Nation's policies and procedures are reviewed after the annual audit to accommodate changes to the accounting system or implementation of new policies or procedures.

The Band Manager is responsible for processing all changes to Acho Dene Koe First Nation's policies and procedures and distributing revisions to the Finance and Audit Committee Members, Chief and Council, senior leadership, and employees.

Acho Dene Koe First Nation's policies and procedures are based on the sample statement of policy and procedures ("SPP") provided to First Nations that meet requirements contained in both the Financial Management Systems/Standards established by the First Nations Financial Management Board ("FMB") under the *First Nations Fiscal Management Act* ("FNFMA"). This policy and procedure applies to the Council, committees of Council, managers, employees of the First Nation and any other persons with authority to conduct activities in connection with the Financial Administration of the First Nation.

New employees of ADKFN will not be granted authority until they have successfully passed their probation period.

The authorities defined in this policy will be the default authorities for leadership, committees, managers and employees of Acho Dene Koe First Nation. Unless otherwise stated in a funding agreement, these default authority limits will apply.

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

- a. Expenditures and Payables
- b. Procurement
- c. Debt
- d. Investments
- e. Capital assets
- f. Loans, Guarantees and Indemnities
- g. Records Management and Retention
- h. Insurance
- i. Financial Reporting
- j. Integrated Planning and Budgeting

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 First Nation.
- Management Action Plan (MAP): is a plan developed by ADKFN and acceptable to AANDC to remedy and recover from a default of the Federal funding agreement. The plan is created to address the causes of default and to prevent its recurrence, as well as identify capacity gaps and resources available for successful implementation.
- 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;
- Manager: is the person who is responsible for leading the day-to-day administration or management of the First Nation and who reports directly to Council.

Responsibilities

Council is responsible for:

- Delegating or assigning to others any or all its financial management activities or functions except:
 - Approval of policies and procedures or the giving of directions respecting any financial administration matter;
 - Approval of budgets, budget amendments, borrowings and financial statements
 - Approval of the Authorization, Assignment and Delegation Table;
 - Any matter which the employment or statutory responsibility of the Manager is, the Financial Controller, or the Tax Manager; and
 - The appointment and removal of the Finance and Audit Committee members, including the Chairperson and Vice-Chairperson.

Manager is responsible for:

The Manager can assign any or all his or her financial management activities or functions except:

- Maintaining and revising the Authorization and Delegation Table;
- Ensuring those with delegated authority understand their responsibilities and have the skill and knowledge necessary for the effective exercise of the authority;
- Establishing protocols for delegation and temporary assignments to deal with absences due to illness, vacation, or other extended leaves;
- 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.

Employees, committees, contractors or agents are responsible for:

All employees, committees, contractors or agents of ADKFN 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 procedures.

Employees, committees, contractors or agents of ADKFN may reassign functional authorities and responsibilities if it is made in accordance with the Authorization and Delegation Table.

Employees, committees, contractors or agents will ensure that decisions or transaction approval falling outside of their scope of authority are referred to the Manager or otherwise as appropriate.

Regardless of the delegation of any financial administration authority by the Council, the Council remains responsible for the financial management of Acho Dene Koe First Nation.

Procedures

Procedures for Delegation

The Manager is responsible for preparing and updating the Authorization and Delegation Table in accordance with this policy for Acho Dene Koe First Nation.

The Manager will ensure an appropriate level of documentation including a signed delegation of authority statement or agreement accompanies and is maintained with the Authorization and Delegation Table.

The Manager will submit the Authorization, Assignment and Delegation Table to Council for approval, and Council will, at least annually and with a motion duly recorded in the minutes, approve the Authorization and Delegation Table.

The Manager 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.

Council, Committees, Manager, 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.

Procedures for the Authorization, Assignment and Delegation Table

The Authorization, Assignment and Delegation Table will include components of the financial management system that require decisional and approval authority to carry out activities, make commitments, and collect and disburse funds on behalf of Acho Dene Koe First Nation.

Any delegation of authority granted will be aligned with the hierarchical organizational chart structure.

Updates made to the Authorization, Assignment and Delegation Table by the Manager will be approved by Council. The Manager will submit an updated Authorization and Delegation Table to Council for approval as soon as possible.

Reduced Authorities During Probationary Period

For employees other than the Manager or Finance Officer who are working within their probationary period, the delegated authorities will not apply. The delegated authorities will apply once the probationary period ends, unless there is permission by Chief and Council to do otherwise.

For the Manager and the Finance Officer who are working within their probationary periods, the delegated authorities (dollar values) will be reduced by 50%. Once the probationary period has been completed, the full delegated authority will apply.

Reduced Authorities During Management Action Plan (MAP)

For the Manager, the Finance Officer, and the Department Managers who are working during a period where a Management Action Plan (MAP) is in place, the delegated authorities (dollar values) will be reduced by 50%. Once the MAP has been completed, the full delegated authority will be reinstated.

Temporary Delegation of Responsibility

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 Manager. Persons assigned to temporarily fill in for absent employees will have the same authorities as a person who is on probationary status, unless the Council determines otherwise.

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

Procedures for Monitoring and Evaluation

The Manager will, at least annually, monitor and evaluate the performance of the delegated duties and functions, and if necessarily make recommendations to Council for amendments to the Authorization and Delegation Table.

SECTION D EXPENDITURES AND PAYABLES

POLICY PURPOSE:

Expenditures paid to suppliers or reimbursed to Councillors and ADKFN employees will be in support of valid ADKFN activities, duly authorized, accurately recorded in the financial system, and sufficiently supported through original documentation.

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The purpose of the policy is to ensure that all expenditures from Acho Dene Koe First Nation's funds are in support of valid ADKFN programs and activities and that processing of payments are subject to proper approvals and budgetary controls.

POLICY STATEMENT AND GUIDELINES:

This policy and procedure applies to the Council, committees of Council, officers, employees of Acho Dene Koe First Nation, and any other persons conducting activities in connection with the Financial Administration of Acho Dene Koe First Nation.

Definitions

- **Approved travel status** – Travel on official ADKFN business that has been pre-approved by an individual's immediate supervisor. Approved travel status begins once the individual leaves their place of residence for the approved destination and ends once they return to their place of residence or their regular place of employment (e.g. ADKFN office).
- **Travel advances** – For pre-approved travel, ADKFN may provide a travel advance for estimated out of pocket expenses for employees, managers, and leaders of Acho Dene Koe First Nation. For purposes of the sections on reimbursable expenditures and travel advances, any reference to 'employees' also includes leadership and management as well.
- **Groups** – For donations, a group is defined as members from the same team, club or association. Group would also include members of the same immediate family (i.e. husband, wife, partner, sons, daughters, brother, sister) who reside in the same household.

Responsibilities

Employees, committees and Council members are responsible for:

- Ensuring that all reimbursable expenditures claimed are in accordance with this policy;
- Preparing a reimbursable expenditure claim that includes all required documentation; and
- Seeking approval from the Manager for items that are not addressed in this policy before proceeding.
- Approving an expenditure, ensuring that it is permitted under the current ADKFN annual budget;

- Reviewing reimbursable expenditure claims to ensure that the requirements of this policy have been met before approving for payment; and
- Approving expenditures per the Delegated/Assigned Responsibilities Policy.

The employees assigned responsibility for paying accounts will:

- Ensure that all expenditures have the required approvals per this policy and the Delegated/ Assigned Responsibilities Policy before processing for payment; and
- Ensure that all required documentation accompanies each payment and is retained in the financial records of Acho Dene Koe First Nation.

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The Manager is responsible for:

- Providing pre-approvals for planned expenditures that have not been specifically addressed in this policy but that he/she deems to meet the intent of the policy; and
- Approving expenditures for emergency purpose that was not anticipated in the budget if the expenditure is not expressly prohibited by another ADKFN law.

Procedures

General and Operational Expenditures

- All purchases of goods or services will be made in accordance with the Procurement Policy and the Delegated/Assigned Responsibilities policy and procedure.
- In emergency situations, the Manager may approve the purchase of goods or services that were not anticipated in the budget and are not procured in accordance with the Procurement Policy and the Delegated/Assigned Responsibilities policy and procedure.
- The rationale for the purchases must be documented by the Manager, and the purchases must be reported immediately to the Finance and Audit Committee and to Council. If possible, the payment of the purchases should be in accordance with the Procurement Policy and the Delegated/Assigned Responsibilities Policy and procedure.
- Receiving documents will be reviewed to ensure that all goods on the document have in fact been received in satisfactory condition, and that any goods not received are clearly identified and documented. Receiving documents will then be initialled by the individual receiving the goods. Any missing or damaged goods will be communicated to the supplier. The receiving documentation should be forwarded with the requisition for payment to the employee responsible for accounts payable. The accounts payable employee will then forward the requisitions to the Finance Officer or Manager, who will authorize payment by signing off on the requisitions.
- If goods are received without receiving documents, the employee receiving those goods is to create a receiving slip noting what goods were received, date of receipt, delivery agent, ADKFN contact person (normally the person who initiated the expenditure), and the supplier. The receiving document will be initialled by the delivery agent and the employee receiving the goods, and then forwarded with the requisition for payment to the employee responsible for accounts payable. The accounts payable employee will then forward the requisitions to the Finance Officer or Manager, who will authorize payment by signing off on the requisitions.
- All requests for payments for performance of work or services or supply of goods must be initiated through a requisition for payment that includes a statement certifying:

- The work or services have been performed or the goods supplied, any conditions in an agreement respecting the work, services, or goods have been met, and the price charged or amount to be paid is in accordance with an agreement or, if not specified by an agreement, is reasonable; or
- If payment is to be made before completion of the work or services, delivery of the goods, or satisfaction of any conditions in an agreement, the payment is in accordance with the agreement.
- All requisitions for payment must identify the appropriate account out of which payment is to be made and must include a statement certifying that the expenditure is not prohibited and that it is in accordance with the appropriation identified in the certified statement.

Travel

- No more than one Acho Dene Koe representative (member of staff or Council) is permitted to attend a given meeting or event held outside of Acho Dene Koe, unless the event is reimbursable for more than one Acho Dene Koe representative by the event organizers or an external sponsor.
- Employees that plan on attending a meeting or event must receive approval from their immediate supervisor prior to attending. The immediate supervisor must ensure that the meeting or event is related to the prospective attendee's work, and that there is sufficient budget to cover the cost for attendance before approval to attend is granted.
- In the case where a meeting or event is reimbursable to more than one staff member by an external entity, the maximum number of reimbursable attendees may apply to attend, pending approval by the employee's immediate supervisor.
- If a Council Member would like to attend an external meeting or event that is not reimbursable by an external party, a quorum of Council must approve the attendance prior to the trip being taken.
- No more than one Council member is permitted to attend a given meeting or event held, unless the event is reimbursable for more than one person by the event organizers or an external sponsor.
- If Council is in conflict about which Council member should attend an external event, a quorum of Council will determine which Councillor will attend on behalf of the Nation.
- In the case where a meeting or event is reimbursable to more than one Council Member by an external entity, the maximum number of reimbursable attendees may apply to attend.

Reimbursable Expenditures

- Expense claims will be reviewed and approved by an employees' immediate supervisor.
- The expense claim will then be forwarded to accounts payable.
- Employees will clearly demonstrate and document that all amounts they are claiming for reimbursement were directly related to authorized activities performed on behalf of Acho Dene Koe First Nation.
- Expenses reimbursed by hosts or other third-party funding arrangements must be declared on the expense claim.
- Upon delivery of completed travel claim and receipts, ADKFN will reimburse to the employee (or leader)
- If a travel advance is requested prior to this travel, the advanced amount will be deducted from the final total and payment will be adjusted

- Prior to travel, employees will submit a request for travel authorization to their immediate supervisor stating the purpose, dates, and estimated costs for the proposed travel. The immediate supervisor will review it to ensure the proposed travel is in support of official ADKFN business and that there is sufficient budget available.
- An employee is deemed to be on official “travel status” for an approved trip for the period when an employee departs their residence or office, until he or she returns to their residence or office.
- For each type of travel, the lowest price alternative will be purchased.
- The standard class for rail travel will be economy or the equivalent.
- The standard class of air travel will be economy.
- The standard car rental will be mid-size. Gas purchases and full vehicle insurance will be reimbursed for rental cars.
- Business class travel will be only in exceptional circumstances and must be authorized by the Manager before booking. If travel is for the Manager, the Chair of the Finance and Audit Committee must authorize business class travel. In each case, the pre-authorization will be attached to the reimbursable expense claim for payment.

Private Vehicles

- Private vehicle mileage will be reimbursed at the rate published by the Government of Northwest Territories.
- Individuals using a private vehicle for official travel must have the minimum insurance coverage legally required by their province of residence. ADKFN will not be held responsible for any claims, accidents or damage to a private vehicle.

Accommodation

- The lowest priced hotel option will be selected. The standard for accommodation is a single room in a safe environment, conveniently located and comfortably equipped.

Per Diems and Incidentals

- Per Diems and Incidentals will be reimbursed at the rate published by the Government of Northwest Territories:
- If a meal is provided as official hospitality from another individual/ organization during their duties on approved travel status, a meal allowance may not be claimed by the individual on travel status.
- If a claim is made for a business meal, a receipt and a list of attendees must be provided.
- Incidentals can only be claimed for each night away on travel status, and only after a stay away from home of at least one (1) night. Part-days on travel status will not be eligible for incidentals.
- The purpose of the daily ‘incidentals’ amount is to cover general expenses during official travel. This amount covers items such as: dry cleaning, tips, personal phone calls, and other personal expenses incurred while on travel status.
- Receipts are not required for meals when per diems are claimed or for items that fall under the incidental category as noted above.

Other Travel Expenses

- Other travel and business-related expenses that are directly attributable to travelling or business on Acho Dene Koe First Nation's behalf will be reimbursed, including internet access, business long-distance phone calls, parking, airport taxes, tolls, taxi fares, and public transit fares.
- Any other travel or business-related expense will only be reimbursed with the approval of the claimant's immediate supervisor (for the Manager, a member of Council will approve; for Council members, the Chair of the Finance and Audit Committee will approve).

Travel Advances

- For pre-approved travel, an employee can request a travel advance for out-of-pocket costs (meals, transportation, hotel, etc.). The request for travel advance must be approved by the Finance Officer. The approved travel advance request is then sent to accounts payable, which will produce a travel advance cheque for the employee. Travel advances require seven days for processing.
- The employee who receives a travel advance agrees to submit all receipts for actual travel costs within thirty days after their return to work. These receipts are to be attached to the expense claim form. The form, when completed, is to be initialized by the immediate supervisor and sent to accounts payable for processing.
- If an employee does not submit receipts, they will be denied future requests for travel advances.

Emergency Funding and Donations

All emergency funding and donations are subject to the availability of community funds.

ADKFN will provide emergency funding to Acho Dene Koe members for use during medical emergencies, including the hospitalization of Nation members. (If the funding request is a medical emergency, the request to council can be made verbally by someone on behalf of the family).

Subject to available funds, ADKFN may provide donations to ADKFN members and groups. The maximum allowable donation to a group is \$500 per year. The maximum allowable donation to an individual is \$250 per year. Exceptions to these guidelines will require Council resolution.

To access a donation, the individual or group must submit a request to the Manager in writing, stating the amount requested and how the funds will be used. Donations will be considered for groups and individuals who plan to use the funds for activities related to:

- Health;
- Physical activity; and/or
- Education.

Donations may not be used to pay day-to-day expenses, such as rent, hydro bills, car payments, etc.

Expenditure Reporting and Documentation

For general and operational expenditures, the following should be submitted to Accounts Payable for payment:

- Original contract/agreement (if applicable);
- Original invoice;
- P.O. (if applicable);
- Confirmation of conference registration.
- Receiving documents / packing slips;
- For payroll: payroll authorization form, timesheets, and salaried employee adjustments; and
- Requisition for payment that has signed approval according to the Delegated/Assigned Authorities Policy.

Reimbursable expense claims must be complete, sufficiently supported, and recorded on the prescribed expense claim form. Before submitting expenses to Accounts Payable for approval and payment, the employee will ensure that they have prepared a complete claim that includes:

- The employee's signature and date signed, acknowledging that all amounts claimed are accurate and in support of ADKFN official business;
- Original receipts for all amounts claimed. Depending on the nature of the claim, these can include:

Support for any exchange rates used in the expense claim. Sufficient support includes receipts from exchange bureaus for money exchanged or credit card bills showing the exchange rate received. When neither is available, the Bank of Canada official rate shall be used;

Signed travel authorization from the employee's manager (for the Manager, a member of Council will approve; for Council members, the Chair of the Finance and Audit Committee will approve);

If applicable, a signed pre-authorization supporting business class travel;

Proof of payment for items claimed, which includes credit card or debit receipts; and

Credit card receipts alone are not sufficient; the original itemized receipt or invoice from the supplier must be included in every reimbursement or expense claim.

For all expenditures, claims with the appropriate support must be submitted to Accounting within 30 days of the expense being incurred.

Approval for Payment

No money may be paid out of any account without a requisition for payment.

Either the Finance Officer or the Manager can authorize payment of payment requisitions. (Note, if both individuals are out of the community, either one can authorize payment remotely be reviewing an emailed or faxed copy of the list of payment requisitions and sending a copy of the document with their authorizing signature).

Invoices received must:

- Match with the P.O., the receiving document (if applicable), and invoice;
- Ensure that receiving documents have been signed by appropriate personnel to confirm that goods have been received;
- Ensure that all required documentation has been submitted to support payment;
- Verify mathematical accuracy;
- Ensure that any taxes are correctly calculated and processed, if applicable, for tax exemption claims;
- Confirm that funds are available to pay the invoice; and
- Identify and note the authorized general ledger account coding.
- Make note of the invoice due date and the interest penalty that will result if payment is late. Attach a note to the invoice with due date and penalty amount, so that administration can process the invoice and get it mailed out on time.

Approval for payment will:

- Be evidenced by a dated signature or initials on the invoice by a manager other than the person who authorized the purchase;
- Attest that the good or service has been received in accordance with the terms and conditions of the purchase, and that the invoiced amount is accurate, mathematically, and for any taxes calculation; and
- Identify and note the authorized general ledger account coding.

The individual that approves the expenditure cannot be the same individual who approves the requisition for payment.

Reimbursable expense claims will be reviewed by Accounts Payable to ensure that:

- The expense claim is mathematically correct, and taxes are identified and accounted for correctly;
- Authorized general ledger account coding instructions are identified;
- Expenses claimed are for authorized activities;
- The claimed expenses are eligible and comply with this policy and procedure; and
- Adequate and sufficient supporting documentation is attached.

Any exceptions to the above will require authorization from the Finance Officer for payment.

The Finance Officer or designate will enter invoices and reimbursable expense claims into the general ledger for payment only when they have been appropriately processed and approved, according to this policy and procedure.

Invoices or reimbursable expense claims that are still being processed or approved at the end of an accounting period will be recorded as an accrued liability.

Claims that do not meet the requirements outlined in this policy will be denied reimbursement.

Payments

Accounts payable will be paid within thirty (30) days of the receipt of an 'approved/authorized' invoice or reimbursable expense claim. If there is a due date with penalty (less than 30 days), the invoice will be paid earlier to avoid interest costs.

Accounting will prepare cheques every second Thursday.

The payments package will be provided to two authorized signatories, and will be accompanied by:

- A listing of all payments prepared, noting the payee, amount, and payment date; and
- Supporting documentation for each payment (e.g. cheque, transfer) including:

Approved invoices, expense claims, P.O.s, and receiving documents; and

Evidence that Accounting has completed the processing of the payment, including account coding.

Payments will be initiated / distributed by Finance immediately upon receipt of the signed payments from two authorized signatories. If payment is made electronically, the person making the payment will print a receipt or screen capture, initialize the printout, and attach it to the cheque/payment requisition.

The accounts payable clerk will ensure that payment checks are mailed out on the same day that the checks are signed and put into envelopes. The accounts payable clerk should make a note in their work calendar or accounting software, the date in which an accounts payable batch was mailed out.

All documentation supporting payment will be retained and filed for easy retrieval. This will include P.O.s, invoices, contracts, packing slips, reimbursable expense claims with receipts, etc.

Accounts Payable employees will notify the Finance Officer immediately of any instances of:

- Non-compliance with policy requirements that cannot be resolved; or
- Suspected fraud.

SECTION E EXTERNAL AUDIT

POLICY PURPOSE:

A qualified external auditor will be appointed to render an audit opinion on the annual financial statements (and special purpose reports, as applicable) of ADKFN in accordance with generally accepted audit standards as established by the Canadian Institute of Chartered Accountants. ADKFN will appropriately prepare for the audit and ensure that the external auditor has the necessary access and authorities to complete their work.

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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 First Nation.

POLICY STATEMENT AND GUIDELINES:

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

Definitions

- **Engagement letter** is a written communication from the independent auditor outlining the terms and conditions of appointment and may include a letter to management (or post audit letter) reporting on audit findings.
- **GAAP** means Generally Accepted Accounting Principles as established by the Canadian Institute of Chartered Accountants as modified or changed from time to time.
- **Independence** means independence from parties that have an interest in the results published in financial statements of the First Nation. The code of ethics of the Public Accountant profession helps give guidance on independence issues between the auditor and the audit client. Independence requires integrity and an objective approach to the audit process. The concept requires the auditor to carry out his or her work freely and in an objective manner.

Responsibilities

Council is responsible for:

- Appointing (re-appointing) an auditor meeting eligibility requirement and documenting the appointment with a council resolution;
- Ensuring the engagement letter requires the auditor to confirm that the financial statements and the audit comply with the Board standards, any relevant funding agreement requirements and all applicable laws;
- Approving and reviewing periodically the policies and procedures related to the external auditor's authority to receive the information and documents required to perform the audit function;
- Reviewing and approving the audited annual financial statement within 120 days after fiscal year end
- Acting on recommendations from the Finance and Audit Committee related to the audit;

- Ensuring ADKFN 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.

The Finance and Audit Committee is responsible for:

- Providing oversight on the external audit and advising the council as required;
- Making recommendations to Council on the selection, engagement and performance of an auditor;
- Receiving assurances on the independence of a proposed or appointed auditor;
- Ensuring that the appropriate action is taken with respect to any communication from the external auditors;
- 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 FSMA and the First Nations Financial Management Board Standards and any relevant funding agreements;
- Reviewing the draft annual financial statement from the senior financial officer and presenting the statements to council within sixty days following the end of the fiscal year for which they were prepared;
- Reviewing and making recommendations to council on the planning, conduct and results of audit activities;
- 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.

The Manager is responsible for:

- Directing and facilitating any notices regarding meetings concerning the annual audit or audited financial statements;
- With the Finance Officer, preparing the Auditor performance evaluation report.

The Finance Officer is responsible for:

- Overseeing, supervising, directing and facilitating requests for any information required by the auditor to carry out its audit responsibilities;
- 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;
- Facilitating the flow of account and other information and acting on auditor's requests during the audit;
- 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;
- With the Manager, preparing the Auditor performance evaluation report.

Procedures

Auditor Selection, Engagement and Performance

The Manager and the Finance 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:

- Independence from Acho Dene Koe First Nation, its related bodies, Councillors and officers and members;
- In good standing with regulatory bodies (Canadian Institute of Chartered Accountants, Certified General Accountants Association of Canada, or the Society of Management Accountants of Canada) and their respective counterparts in the province or territory in which the firm or accountant is practising;
- License to practice public accounting;
- Other considerations as appropriate (i.e. funding agreement requirements).

The Finance and Audit Committee will review and approve the RFP before it is made public.

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.

Upon approval, the Finance and Audit Committee will recommend the engagement of the selected Auditor and the engagement letter to Council.

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 Acho Dene Koe First Nation’s approved signing authorities and ensure that it is delivered to the Auditor.

Annually at the end of the audit, the Manager and Finance Officer will prepare a performance evaluation report of the Auditor’s activities, along with any Management recommendations, and present the report to the Finance and Audit Committee.

The Committee will review the Auditor performance evaluation and recommendations and take necessary steps as appropriate.

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 a new auditor.

Auditor Independence

The Finance and Audit Committee will ensure that ADKFN has received a letter from the Auditor, before the audit is finalized, in which the Auditor confirms their continued independence.

Audit Planning

The Finance and Audit Committee 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 Finance and Audit Committee will submit the finalized audit plan along with any recommendations, to Council for approval.

Preparations for the Audit

The Finance Officer will keep the auditor apprised and discuss in advance of the audit of any significant accounting issues, developments or changes for the ADKFN that could have an impact on the audit and the audit report.

Prior to fiscal year end, the Finance Officer will issue instructions to the finance and accounting staff concerning fiscal year end procedures to help ensure the accuracy and completeness of Acho Dene Koe First Nation's financial statements and disclosures.

Additionally, finance staff, under the direction of the Finance 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 confirmation letters, bank confirmations, and account balance reconciliations.

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 Acho Dene Koe First Nation's financial statements will consider any such resolutions.

The Finance and Audit Committee will be informed 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).

Audited Annual Financial Statements

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.

The Committee will satisfy itself that:

- The audit has been completed according to the plan;
- The financial statements are fairly presented according to GAAP;
- The auditors have provided an opinion on the financial statements and an opinion or review of any special purpose reports as required by the First Nation's Financial Administration Law;
- There are no significant unresolved issues.

The Committee will meet with the Auditor to review the draft audited financial statements. To ensure sound governance, the committee will meet with the auditor 'in camera' (without ADKFN Management team) for a part of the meeting.

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.

Before publishing the audited financial statements, the following approvals are required:

- Approval of council;
- Approval by signature from all the following:
 - The Chief of Acho Dene Koe First Nation;
 - The Chairperson of the Finance and Audit Committee;
 - The Finance Officer.

SECTION F FINANCIAL REPORTING

POLICY PURPOSE:

Financial statements and reports will be prepared on a regular basis in accordance with generally accepted accounting principles for Acho Dene Koe First Nation. An annual operations report, including the audited annual financial statements and an assessment of progress towards financial and operational goals of Acho Dene Koe First Nation, will be published following the fiscal year-end and will be provided to ADKFN members, Council, and other organizations as required.

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The purpose of this policy is to establish financial reporting requirements and practices to facilitate the preparation and reporting of timely, accurate, and relevant financial information on which to assess progress toward goals.

POLICY STATEMENT AND GUIDELINES:

This policy applies to all the financial operations and activities of Acho Dene Koe First Nation, including those operations that ADKFN controls. The persons affected by this policy include the Council, Finance and Audit Committee, Manager, Finance Officer, and managers of Acho Dene Koe First Nation.

Definitions

- **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.
- **Financial reports list** means the list of financial statements and reports that are to be prepared on a regular basis.
- **Fraud risk** is the potential for an employee, agent or other person connected to the financial administration of ADKFN 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.
- **GAAP** refers to generally accepted accounting principles (“GAAP”) of the Canadian Institute of Chartered Accountants, as amended or replaced from time to time.
- **Internal control** is a process, effected by Acho Dene Koe First Nation’s Council, Finance and Audit Committee, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - Effectiveness and efficiency of operations;
 - Reliability of reporting; and
 - Compliance with applicable laws and regulations. Bill C-27 is an example. Under Bill C-27 the ADKFN is required to post the Acho Dene Koe consolidated financial statements on a website within 120 days of year end; provide Acho Dene Koe financial statements to members who request it; prepare a schedule of remuneration and expenses incurred by chief and council; provide disclosure of salary and travel incurred by senior administration.

Responsibilities

Council is responsible for:

- Reviewing the financial statements and reports and the Finance and Audit Committee's corresponding recommendations;
- Deciding whether to approve the financial reports list, the financial statements, and reports; and
- Preparing and publishing an annual operations report and making it available to members.

The Finance and Audit Committee is responsible for:

- Determining the financial reports list contents and frequency of reporting it requires from Acho Dene Koe First Nation's management team; and
- Reviewing the financial reports list, the monthly reports, quarterly and annual financial statements and reports and the Manager's corresponding recommendations and making appropriate recommendations to Council.

The Manager is responsible for:

- Preparing and updating the financial reports list;
- Reviewing the financial statements and reports, and making appropriate recommendations to the Finance and Audit Committee;
- Identifying, assessing, monitoring, and reporting on financial reporting risks to the Finance and Audit Committee;
- Monitoring and reporting on the effectiveness of mitigating controls for the financial reporting risks and fraud risks, taking into consideration the cost of implementing these controls;
- Ensuring that financial reporting risk assessment and management practices have been performed in relation to quarterly and annual financial statements; and
- Periodically reviewing these policies in consultation with the Finance Officer and other staff as appropriate and recommending any updates to the Finance and Audit Committee.

The Finance Officer is responsible for:

- Preparing the financial statements and reports in accordance with GAAP and this policy and procedure;
- Assessing and managing financial reporting risk and reporting risks to the Manager; and
- Developing and recommending procedures for identifying and mitigating financial reporting risks and fraud risks, and ensuring approved procedures are followed.

Managers are responsible for:

- Providing all requested information in relation to the preparation of financial statements and reports, and the assessment and management of financial reporting risk.

Procedures

Financial Reports List

- Council and the Finance and Audit Committee, with input from the Manager, is responsible for preparing a list of all financial statements and reports that are to be prepared on a regular basis.
- The financial reports list must include the required monthly information, as well as quarterly and annual financial statements.
- For each report or financial statement listed, the following information must also be identified:
 - A brief description or contents of the report;
 - The person responsible for its preparation;
 - When it is to be made available and its frequency; and
 - The report's distribution.
- The Finance and Audit Committee will review and update the financial reports list annually and submit the list to Council for their review and recommendation.
- Council will review and approve the financial reports list.

Financial Statement Preparation

- The Finance Officer will prepare monthly information respecting the financial affairs of ADKFN and its quarterly and annual financial statements. Other financial reports that are listed in the approved financial reports list will be prepared by the person identified as responsible for its preparation.
- Each quarterly financial statement will include the following for ADKFN and all its related bodies:
 - A statement of revenue and expenditures containing a comparison to the approved annual budget;
 - A statement of financial position; and

Financial institution account reconciliations

Each annual financial statement will include the following for ADKFN and all its related bodies: The financial information for ADKFN the fiscal year prepared, in accordance with GAAP; A special-purpose report, setting out all payments made to honor guarantees and indemnities;

A special purpose report setting out all debts or obligations forgiven by Acho Dene Koe First Nation; and Any other report required (i.e. funding agreement or federal acts that apply). Annual financial statements will be prepared according to a standard "financial closing and reporting process checklist". Annual financial statements, the corresponding completed financial closing and reporting process checklist, and the highlights memo (if applicable), will be signed by the Manager and presented to the Finance and Audit Committee along with his / her comment(s) and recommendation(s), no later than 45 days following the end of the fiscal year for which they were prepared. The Finance and Audit Committee will review the annual financial statements, the accompanying information, and the Manager's comment(s) and recommendation(s). Subsequently, the Finance and Audit Committee will forward the financial statements, accompanying information, and its comment(s) and recommendation(s) to Council no later than 60 days following the end of the fiscal year for which they were prepared. Council will

review the annual financial statements, the accompanying information, and the recommendation(s) of the Finance and Audit Committee and the Manager and decide to approve or not approve the annual financial statements. If the financial statements are not approved by Council, a documented rationale will be communicated to the responsible party(ies) for corrective action. The financial statements will be re-submitted for approval within the timeframe stated by Council. A “financial reporting record” file will be created for each annual financial statement. The financial statement record file will, at a minimum, contain the: Financial statements presented to Council for approval; Record of, or reference to, Council’s decision to approve or not approve the financial statements, the Finance and Audit Committee’s recommendation(s), and the Manager’s recommendation(s); Completed financial closing and reporting process checklist; and Completed highlights memo (if applicable). The financial reporting record file will be classified as confidential and secure. Retention period will be seven years.

Financial Reporting Risks

- The Finance Officer will review the financial reporting list to ensure that all identified financial statements and reports have been prepared and submitted for review and approval by the dates specified.
- Annually, as part of the evaluation process, the Manager will ensure that the persons engaged in the financial management system:
 - Have the necessary knowledge, skills and competence to perform the services for which they have been engaged; and
 - Confirm in writing that they understand their responsibilities.
- The Finance Officer will develop a “financial closing and reporting process checklist” for use at the end of each accounting period, which will include procedures to mitigate financial reporting risk. The financial closing process checklist will include the following minimum procedures:
 - Reconciliation / analysis of all statement of financial position accounts with approval by the Finance Officer. In those instances where the Finance Officer prepared the reconciliation or analysis, then the Manager will be required to approve the reconciliation or analysis (or alternatively, a member of the Finance and Audit Committee);
 - Review of trade, loan, and other receivable balances to identify late payments. Late payments should be followed up on and have been reviewed for collectability. Any necessary adjustment to the allowance for doubtful accounts has been prepared;
 - Reconciliation of general ledger balances with sub-ledger balances (e.g. trade accounts receivable, trade accounts payable, contribution receivable, etc.);
 - Search for unrecorded liabilities and preparation of accrual journal entries, including:
 - Reconciliation of payable balances to supplier statements;
 - Review of unmatched receiving information;
 - Review of unmatched purchase orders;
 - Review of numerical continuity of purchase orders; and
 - Review of current contracts for supplies or services, including follow-up with supplier when necessary.
 - Enquiries of departmental managers for any invoices, expense reports, commitments, or any other knowledge of liabilities incurred at reporting date;

- Analysis of revenue and expense accounts for budgetary variances and for reasonability. Where necessary, an account analysis will be prepared;
- Reconciliation of payroll expense to the payroll register, and bank account balance;
- Preparation of non-recurring journal entries and journal entries not in the ordinary course of business, with supporting documentation;
- Material non-recurring journal entries and journal entries that are not in the ordinary course of business are approved by Finance and Audit Committee and recorded;
- Recurring journal entries have been prepared, approved by the Finance Officer, and recorded;
- The financial statements have been reviewed for accuracy, additions, and cross-references;
- The financial statements agree with the general ledger;
- The presentation of the financial statements has been reviewed. Necessary disclosures and reclassification entries have been prepared and have been approved by the Finance Officer;
- Draft departmental financial statements have been provided to managers for their review, comment, and budgetary variance explanations. Any issues or questions have been resolved; and
- The Finance Officer is satisfied that the financial statements are accurate and presented in accordance with GAAP.
- The Finance Officer will prepare a highlights memo for each set of quarterly and/or annual financial statements prepared. The highlights memo will, at a minimum, report:
- Financial performance, specifically:
 - An assessment of the overall financial situation for ADKFN (i.e. surplus, deficit, adequate reserves, etc.);
 - A review of progress towards financial and operational goals set during the planning process;
 - Identification and explanation of material budgetary variances;
 - Current ratio and any ratios required to be maintained by contract (e.g. financial covenants contained in borrowing agreements);
 - Doubtful accounts receivable, with changes since last quarter summarized;
 - Payment status of statutory and contractual obligations. Specifically, a listing of all late payments with explanations; and
 - Remediation options where financial performance is not in accordance with plans.
- Exceptions to expected financial and system performance. Specifically:
 - Unanticipated problems preparing the financial statements and the resolution;
 - Unusual or unexpected accounting balances or transactions;
 - Accounting entries not in the ordinary course of business;
 - Explanation of transactions where measurement or accounting treatment was uncertain or where there were choices under GAAP; and
 - Weaknesses in, and suggestions to improve, the financial management system.
- Forecast to end of year. Specifically:
 - Forecast of annual operations and budgetary performance, and annual cash flow and expected cash surplus or financing requirement;
 - Statement of assumptions used in the budget process and any changes in assumptions that affect the budget;
 - Identification of emerging financial performance risks and opportunities; and

- Remediation options where forecast financial performance is not in accordance with plans.
- Changes to the accounting software (i.e. new system or major changes to the current system set-up) require authorization from the Finance Officer and consultation and communication with the Finance and Audit Committee and Council. Changes such as the addition/deletion/ modification of general ledger accounts, customer/member accounts, or vendor accounts require approval from the Finance Officer or designate.

Fiscal Year

The fiscal year for ADKFN will be the period beginning on April 1 and ending on March 31 of the following year.

Annual Operations Report

- The Council must prepare and publish an annual operations report that details the progress towards the financial and operational goals of ADKFN over the course of the prior fiscal year.
- The annual operations report will contain, at a minimum, the following:
 - A description of the services provided by ADKFN and its operations;
 - A review of Acho Dene Koe First Nation's achievement towards its values, goals, and objectives;
 - A progress report on any established financial objectives and performance measures of Acho Dene Koe First Nation; and
 - The audited annual financial statements for the previous fiscal year, including any special-purpose reports prepared and approved.
- The annual operations report will be made available to all members of ADKFN at the principal offices of Acho Dene Koe First Nation, on ADKFN website, and provided to all Council members, to Acho Dene Koe First Nations Finance and Audit Committee, and other organizations as required.

SECTION G FISCAL YEAR

POLICY PURPOSE:

The purpose of this policy is to establish an effective fiscal year for ADKFN that is consistent with Government of Canada and the governments of Northwest Territories, Yukon and the Province of British Columbia.

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POLICY STATEMENT AND GUIDELINES:

The fiscal year for ADKFN shall be from April 1st of each year to March 31st in the following year.

SECTION H FIXED ASSETS

POLICY PURPOSE:

The purpose of this policy is to establish an effective and accountable means of managing control and recording of fixed assets owned by Acho Dene Koe First Nation

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POLICY STATEMENT AND GUIDELINES:

This policy applies to the Manager, Finance Officer, Finance and Audit Committee, Council, and those persons with the authority to manage fixed assets for Acho Dene Koe First Nation.

Definitions

- Fixed assets shall include land, buildings, equipment and materials

Responsibilities

Council is responsible for:

- Reviewing and approving all fixed assets and changes in the recording of fixed assets.

The Manager is responsible for:

- Reviewing any fixed asset recording and preparing a list for the Finance and Audit Committee and Chief and Council.

The Finance Officer is responsible for:

- accounting for general fixed assets;

These accounts will serve to:

- maintain a physical inventory of assets;
- establish accountability;
- determine replacement costs; and
- provide appropriate insurance coverage

Procedures

Fixed assets with a minimum value of \$2,000 and one (1) year or more and physical characteristics not appreciably affected by use or consumption shall be inventoried and recorded on an annual basis.

Assets shall be recorded at initial cost or, if not available, at estimated initial cost; gifts of fixed assets shall be recorded at estimated fair value at the time of the gift. A property record will be maintained for each asset and will contain, where possible, the following information:

- Date of acquisition;

- Description;
- Cost or value;
- Location;
- Asset type;
- Estimated useful life;
- Replacement cost;
- Current value;
- Salvage value;
- Date and method of disposition; and
- Responsible official.

The Finance Officer shall arrange for the annual inventory and appraisal of First Nation property, equipment and material. Any discrepancies between an inventory and the property records on file will be traced and explained

SECTION I INFORMATION TECHNOLOGY

POLICY PURPOSE:

Acho Dene Koe First Nation's information systems will support its operational requirements and have appropriate safeguards and monitoring processes in place to adequately protect Acho Dene Koe First Nation's information.

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The purpose of this policy is to ensure that information system integrity, specifically as it relates to the financial administration system, is maintained and supports the strategic and operational requirements of Acho Dene Koe First Nation.

POLICY STATEMENT AND GUIDELINES:

This policy applies to all staff involved in the selection, implementation, operations, or ongoing maintenance of Acho Dene Koe First Nation's information systems. This includes the Manager, and information technology staff, including external contracted service providers.

Definitions

- **Rollback procedure** means the ability to restore system to previous configuration prior to change, with documented procedures and steps to complete the process.
- **Virtual Private Network** means a virtual private network ("VPN") which is a way to use a public telecommunication infrastructure, such as the Internet, to provide remote offices or individual users with secure access to their organization's network.

Responsibilities

Council is responsible for:

Establishing and implementing documented procedures for information technology used by ADKFN in its operations.

The Manager is responsible for:

Ensuring that controls are in place over information technology, whether performed by an internal staff member or outsourced to an external organization;

Monitoring the performance of internal and/or external information technology professionals.

The information technology professional is responsible for:

Maintaining the integrity of information systems within Acho Dene Koe First Nation.

Acho Dene Koe Employees are responsible for:

Following this policy and using the I.T. systems, that are provided to them by Acho Dene Koe First Nation, for work purposes only. The personnel policy will provide additional conditions on acceptable usage of I.T. in the workplace.

Procedures

Planning and Evaluation

The Council, with the assistance of the Manager and input from information technology staff, will ensure that information systems are developed that support Acho Dene Koe First Nation's strategic plan and operations.

When there are no individuals internally with the requisite technical skills to identify information technology requirements or evaluate options, the Manager will seek advice from a qualified external individual or organization.

Outsourcing

Subject to the Procurement Policy, the Manager is responsible for the selection of contractors providing information technology services, the definition of services in their contracts and the administration of the contracts.

Specific items which should be included in the procurement of information technology services and final contract with the chosen provider include:

- A requirement that the service provider submits regular reports of all work performed on Acho Dene Koe First Nation's information systems;
- A requirement that outsourced parties are responsible to comply with legal and regulatory requirements, including the protection of confidential and private information;
- Access by outsourced parties to ADKFN information is provided on a 'need to know basis' only.

Data Management

Subject to the Records and Information Policy, data retention allows access to appropriate data to specified personnel where required, depending on the type of data retained.

All sensitive, valuable, or critical information/data residing on Acho Dene Koe First Nation's information technology systems must be periodically backed-up. Backups will occur incrementally daily, with full backups on a weekly and monthly basis.

Backup tapes must be stored in a secure location with access limited to the Manager and limited other staff as appropriate. Ideally, tapes will be securely stored at an offsite location that is easily accessible to individuals with authorized access.

Backup tapes will be retained for a period of 8 years, according to the Records and Information Policy and any other applicable legal requirements.

Access Management

All individuals requiring access to ADKFN information systems will have unique user identification. Shared user IDs or passwords will not be permitted.

Requests for access to Acho Dene Koe First Nation's network, accounting system, or other access restricted information system must include a description of an employee's role and

rationale for the level of access required. Signed approval must be obtained from the Manager (or designate).

User ID and password are required for access to the network and other critical programs/areas such as the accounting system. Automatic authentication using scripts or macros inserting user IDs and/or passwords are prohibited.

Individuals will be given access privileges to the extent necessary to fulfill their individual job function and no more. Systems and applications should not be configured with unrestricted access to all data.

When an individual or contractor is terminated or ends employment with Acho Dene Koe First Nation, their user IDs must be disabled immediately.

Support personnel must notify the user when attempting to take control of a workstation. All instances where specific software is loaded to remotely control a workstation must be removed when the support function is completed. The use of the remote-control software must be in accordance to applicable agreements.

Information System Security

Security tools and techniques are implemented to enable restrictions on access to programs and data.

Security tools and techniques are administered to restrict access to programs and data.

Each computer resource must have an approved antivirus (“AV”) program installed. The following standards must be met:

- The AV program must not be disabled and must be configured to scan all programs and files upon execution and must have real time protection enabled. If encrypted and password protected files cannot be virus checked, it is the responsibility of the user to ensure that virus checking takes place whenever this protection is removed;
- Antivirus files must be updated on the network every two weeks or whenever a new threat is identified.

Network firewalls must be configured to support a ‘least-privilege’ approach to security, allowing only specific systems, services and protocols to communicate through the network perimeter.

Logical and physical access to these systems must be limited strictly to those personnel with specific training and authorization to manage the device. Additionally, the following Firewall standards must be addressed:

- Firewall and proxy servers must be securely installed;
- Detailed firewall logs must be maintained;
- Alerts must be raised if important services or processes crash.

Change Management

All new data structure and modifications to data structure will be tested before implementation.

All computers, hardware, software and communication systems used for a production environment must employ a documented change control process. The change management process should include the following activities:

- The data structure is consistent with the needs of Acho Dene Koe First Nation;
- Description and rationale for the new network, hardware, communication and systems software change and how it is consistent the needs of Acho Dene Koe First Nation;
- An assessment of any risks involved with the change;
- Roll-back considerations;
- Implementation considerations;
- A description of the testing required;
- Approval from the Manager;
- Communication of changes to ADKFN staff as appropriate.

Monitoring

Only approved and authorized programs will be implemented onto ADKFN information management systems. Periodic reviews of the workstations and the system will take place to monitor compliance with this requirement.

A log of staff, their user IDs, and their access levels within ADKFN information systems will be maintained. On a quarterly basis, the Manager will review the log to ensure users and the associated access rights are appropriate. Access rights that will be monitored include the following:

- User access management (i.e. the accounting system);
- Third party access (i.e. outsourced information technology professionals);
- Network access and file sharing;
- Remote and VPN access.

Network system performance is monitored on a regular basis.

The firewalls must be monitored daily, and their functionality audited semi-annually.

SECTION J INSURANCE

POLICY PURPOSE:

ADKFN will obtain sufficient insurance coverage for its operations, staff, and Councillors as part of its overall risk management strategy.

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The purpose of this policy is to provide guidance on the establishment and maintenance of an insurance program, to ensure material risks are addressed for the First Nation and its Councillors, officers, and staff.

POLICY STATEMENT AND GUIDELINES:

This policy and procedure applies to Council, the Finance and Audit Committee, the Manager, the Finance Officer, and all other employees involved in insurance matters at the First Nation.

Definitions

- **Risk** in insurance terms is the possibility of a loss or other adverse event that has the potential to interfere with an organization's ability to fulfill its mandate, and for which an insurance claim may be submitted.

Responsibilities

Council is responsible for:

- Procuring and maintaining in force all insurance coverage that is appropriate and commensurate with the risks under the care or control of the First Nation, based on the recommendation of the Finance and Audit Committee; and
- If Council chooses, procuring and maintaining insurance for the benefit of a Councillor or an ADKFN representative or their personal representatives against any liability arising from that person being or having been a Councillor or an officer.

The Manager is responsible for:

- Leading and managing the risk identification and assessment process;
- Selecting an insurance broker;
- Evaluating options from insurance providers, as provided by the insurance broker, to address the risks that require insurance coverage;
- Monitoring insurance coverage expiration and payment dates to ensure coverage does not lapse; and
- On an annual basis, reviewing insurance coverage to ensure that it continues to meet the needs of Acho Dene Koe First Nation.

Procedures

Identify significant material risks

- The Manager, with input from members of the management team will develop a list of potential significant material risks to Acho Dene Koe First Nation's financial assets, tangible capital assets, and the operations of Acho Dene Koe First Nation. This will include an examination of:
 - Potential sources of liability of ADKFN arising from its operations;
 - Values and use of Property and equipment;
 - Values and use of Assets under control of Acho Dene Koe First Nation;
 - Potential sources of Liability for individuals such as Councillors, officers and staff members of Acho Dene Koe First Nation; and
 - Other risk areas that could result in a loss to the First Nation and could be insured.

Identify and procure insurance products

- Based on the risk analysis performed, the Manager will identify the risks where insurance coverage is appropriate.
- In accordance with the Procurement Policy, the Manager will review options from several different insurance providers, as provided by Acho Dene Koe First Nations insurance broker, and will make a recommendation to the Finance and Audit Committee on which to accept. The Manager's determination of a recommended option will take into consideration the following:
 - Cost of the coverage;
 - Attributes and features of the proposed coverage, including what is and is not covered, and any gaps or exclusions; and
 - Independent advice on the reputation and strength of proposed insurance providers.
 - Where appropriate, legal advice will be sought as required to ensure that the terms and conditions of coverage sought are appropriate for Acho Dene Koe First Nation.

Approval for insurance coverage

Council will review the proposed option presented by the Manager and document their approval.

Once approved by Council, procurement of the insurance coverage will follow the First Nation's Procurement and Expenditure Policies.

Maintenance of insurance coverage

The Finance Officer will maintain a schedule of insurance policy expiration dates and payment dates and monitor on a regular basis, to ensure that coverage does not lapse.

The Manager will review insurance coverage on an annual basis to ensure that it continues to adequately address the risks and meet the needs of Acho Dene Koe First Nation.

SECTION K INVESTMENTS

POLICY PURPOSE:

It is Council's policy that Acho Dene First Nation's investments will be managed and administered in a manner to preserve capital and generate sufficient income and growth to meet Acho Dene First Nation's operational or strategic objects.

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The purpose of this policy is to provide a framework for management of Acho Dene First Nation's investments to achieve short and long term operational and strategic objectives within an acceptable level of risk.

POLICY STATEMENT AND GUIDELINES:

This policy and procedure applies to Council, the Finance and Audit Committee, the Manager and the Finance Officer.

Definitions

- **Restricted investments** are investments made with funds, the source of which is either government transfers, local revenues, or other revenues with restrictions on use.
- **Unrestricted investments** are investments made with funds, the source of which is not government transfers or local revenues.
- **Portfolio rebalancing** refers to the realigning of the weightings of Acho Dene First Nation's portfolio of assets and involves periodically buying or selling assets in the portfolio to maintain the original desired level of asset allocation.

Responsibilities

Council is responsible for:

- Determining Acho Dene First Nation's short and long-term investment objectives.
- Selecting / de-selecting investment manager(s) and custodian(s).
- Approving the creation of an investment account.
- Approving funds to be invested.
- Approving the redemption of invested funds.

The Manager is responsible for:

- Monitoring the performance of all parties to whom duties have been delegated.
- Reporting any significant changes to the investment portfolio to Council.
- Liaising with the Investment Manager, Finance Officer, and Investment Consultants as required.
- Providing recommendations in relation to selection / de-selection of the investment manager(s) and custodian, funds to be invested, monitoring performance, rebalancing portfolios, and the redemption of invested funds.

The Finance Officer is responsible for:

- Analysis of proposals received from Investment Managers and Custodians;
- Overseeing rebalancing of the investment portfolios asset mix according to Council instructions;

- Executing transfers of funds to / from the investment account(s) according to Council instructions;
- Preparing an accounting for additions, withdrawals and balances in the investment account;
- Maintaining a record of the amount and market value of the asset classes and units held within the investment portfolio;
- Preparation of a quarterly investment monitoring report, including investment performance and a summary of professional advisory fees attributed to the management of the portfolio; and
- Recommending transfers, rebalancing, monitoring actions, Investment Manager changes, and any other recommendations relevant to the successful management of the investments.

Procedures

Selection of Investment Manager(s) and Custodian

- Council will select the Investment Manager(s) and Custodian. The Finance Officer may review and analyze the proposals, or Council may engage an independent consultant to facilitate the selection process of Investment Manager(s) and Custodian.
- Investment Manager(s) proposals will be analyzed using several criteria, including: experience, qualifications, investment management style, costs, past performance, volatility of returns, and any other criteria identified by Council.
- Custodian proposals will be analyzed based on experience, security, service, and fees.
- A Custodian agreement and Investment Management agreement(s) will be entered by Acho Dene First Nation. Agreements must be consistent with this policy and procedure and must facilitate execution of the short and long-term investment strategies. The agreements must be entered before any funds are transferred into the investment account(s).

Termination of Investment Manager(s)

- Council may terminate an Investment Management agreement based on:
 - Performance results;
 - Changes in Acho Dene First Nation or its investment strategy which would no longer require the services of an Investment Manager;
 - Changes in Investment Manager personnel, firm or ownership structure, investment philosophy, or style or approach which might adversely affect the potential return and / or risk level; or
 - Failure to adhere to this policy and procedure.

Designation and Transfers of Investment Funds

- The Finance Officer will notify Council in writing when there are Acho Dene First Nation funds available for transfer to the investment account(s). The written notification must identify the source(s) of the available funds (i.e. government transfer, local revenues, or unrestricted), and whether they are to be invested according to the short-term or long-term strategy.
- Council must approve the transfer of funds to and from the investment account(s) and authorize the creation of a new investment account, if required.

- The Finance Officer will transfer the approved funds into the designated investment account(s) and communicate to the Custodian and Investment Manager whether the funds are restricted or unrestricted, and whether they are to be invested over the short term or long term.
- The Finance Officer will communicate and oversee approved requests to redeem investments and transfer the proceeds to Acho Dene First Nation.

Permitted Investments

Restricted funds may only be invested in:

- Securities issued or guaranteed by Canada or a province;
- Securities of a local, municipal, or regional government in Canada;
- Investments guaranteed by a bank, trust company, or credit union; or
- Deposits in a bank or trust company in Canada or non-equity or membership shares in a credit union.
- Unrestricted funds may be invested in:
 - Securities issued or guaranteed by Canada, a province, or the United States of America;
 - Fixed deposits, notes, certificates and other short-term paper of, or guaranteed by, a financial institution, including swaps in United States of America currency;
 - Securities issued by a local, municipal, or regional government in Canada;
 - Securities issued by the First Nations Finance Authority;
 - Commercial paper issued by a Canadian company that is rated in the highest category by at least two (2) recognized security-rating institutions;
 - Any class of investments permitted under an Act of any province relating to trustees;
 - Any other investments or class of investments prescribed by a regulation under the Act;
 - A company that is incorporated under the laws of Canada or of a province or territory and in which Acho Dene First Nation is a shareholder;
 - A trust in which the First Nation is a beneficiary; or
 - A limited partnership in which Acho Dene First Nation is a partner.

Monitoring of Investments

- The Finance Officer will reconcile the investment and custodian accounts to the general ledger and financial statements in a timely manner (monthly).
- The Finance Officer will recalculate the investment management and custodian fees charged to ensure they are consistent with the underlying contracts.
- The Finance Officer will prepare a quarterly monitoring report and provide that report to the Manager. The report will summarize:
 - The performance of the investments under management to relevant benchmark(s);
 - The weighting of the investment portfolio and comparison to the target portfolio asset allocation;
 - Any relevant media or news articles about the Investment Manager and / or Custodian;
 - Any ownership and / or staffing changes within the Investment Manager organization;

- Any instances of non-compliance with this policy and procedure; and
 - Recommendations in relation to rebalancing of the portfolio and / or de-selection of the Investment Manager, or any other recommendation(s).
- The Manager will review the report, add his / her recommendation(s), and provide the report to the Council.
- The Council will review the quarterly monitoring report and accompanying recommendations and make any necessary decisions.
- The Investment Manager will be required to attend a Council meeting and discuss investment performance and changes in strategy, approach, or personnel.

SECTION L PAYROLL ADMINISTRATION

POLICY PURPOSE:

The purpose of Acho Dene Koe First Nation's Pay Administration is to establish a consistent practice of paying council members, staff, and contractors for services provided to the First Nation.

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POLICY STATEMENT AND GUIDELINES:

Payroll will be paid on a bi-weekly basis. All council members, staff, and contractors for services provided will be paid every second Thursday by 4:00 pm.

All regulated deductions will be taken without exception. Employees will be subject to additional deductions if there is a court order to make those deductions.

Employees who owe money to the ADKFN may have additional deductions taken from their pay subject to the ADKFN personnel policies and subject to a signed agreement allowing for the additional deductions.

All employees must submit a time sheet (with their time cards) signed by themselves, their supervisor and manager before a cheque will be issued. All lieu time accumulated during the pay period must be documented on an overtime sheet attached to the time sheet. All overtime must be approved by manager. Time sheets must be submitted by 4:00 pm Wednesday.

A council members, staff, and contractors pay will include all salary or wages earned up to and including the cut-off day (Thursday), except for holdbacks covered by other policies.

Payroll advances, up to a maximum of five (5) days earned pay, will only be issued for out-of-town business or medical leave (advances will not be issued for any other reason). All payroll advances must be approved by the manager and endorsed by Band Council Resolution by Chief and Council. Advances will be deducted in full in the next pay period.

Any other monies owed to ADKFN by council members, staff (including casuals) will be paid back at the rate of 20% of gross pay per pay period.

Council Members and employees must pick up their own cheque unless they have authorized another person to do so. This authorization must be given ahead of time to the person responsible for the issuing of the employee's cheque.

If an employee has been terminated or has quit and there is the chance of an overpayment of salary or wages, the employee's cheque may be held back until the final amount owed to the employee has been calculated. A final cheque must be issued to the employee within ten (10) days of termination.

All Council and employee travel shall receive pre-approval by Chief and Council via a Band Council Resolution.

Funds for all travel and travel expense claims must be identified prior to the travel being approved.

SECTION M PLANNING AND BUDGETING

POLICY PURPOSE:

It is Council's policy to establish an annual planning and budgeting process that is integrated with the operational and long-term strategy of Acho Dene First Nation.

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The purpose of this policy is to ensure that a comprehensive planning process is established to support the ongoing decision making of Acho Dene First Nation.

POLICY STATEMENT AND GUIDELINES:

This policy applies to Council and employees of Acho Dene First Nation involved in the planning and budgeting process.

Definitions

- **Annual integrated planning process** refers to the annual process whereby all planning and budgeting activities throughout every level of the organization are effectively linked, coordinated, and driven by Acho Dene First Nation's vision and strategic objectives.
- **Planning documents** are the combination of a strategic (community development) plan, capital budget, multi-year financial plan, and annual budget.

Responsibilities

Council is responsible for:

- Reviewing and approving the annual budget and ensuring that it was prepared in accordance with any applicable Acho Dene First Nation Financial Administration Laws, is based on plausible assumptions, and provides for required programs and services;
- Reviewing and approving other planning documents, including but not limited to, a strategic (community development) plan, capital budget, and a multi-year financial plan;
- Reviewing and approving any changes or amendments to the annual budget or other planning documents;
- Establishing specific goals and service priorities to guide resource and allocation decisions during the budget planning sessions;
- Ensuring that a process is in place to address membership priorities in the strategic plan and other planning documents as appropriate;
- Ensuring that the membership of Acho Dene First Nation is informed about or involved in the annual budget, multi-year financial plan, budget deficits, or extraordinary expenditures; and
- Establishing general budget policies or guidelines, such as the requirement for a balanced budget and appropriate use of cash reserves.

The Finance and Audit Committee is responsible for:

- Reviewing the draft annual budget and multi-year financial plan and recommending them to Council for approval;

- Reviewing any draft amendments of the annual budget and recommending them to Council for approval; and
- Reviewing information, schedules and proposed budget for rehabilitation or replacement of tangible capital assets and plans for new construction of tangible capital assets.

The Manager is responsible for:

- Arranging budgeting planning sessions with Council and other key stakeholders essential in developing the budget;
- Arranging and staffing planning sessions for the development of other key planning documents;
- Ensuring that the budgeting calendar is met;
- Reviewing draft budgets in consultation with the Finance and Audit Committee;
- Reviewing other draft planning documents in consultation with the Finance and Audit Committee;
- Communicating the approved budget to management and line staff;
- Conducting regular financial monitoring to compare actual income and expenses to those budgeted; and
- Maintaining a current register of all Acho Dene First Nation's tangible capital assets and arranging for an annual inspection of them.

The Finance Officer is responsible for:

- Creating a budget development calendar and ensuring deadlines are met;
- Establishing the format for draft budgets;
- Participating in budget planning sessions with Council, the Finance and Audit Committee, the Manager, and other key stakeholders;
- Collaborating with department heads in setting draft expenses for their department;
- Preparing the draft budget by consolidating and evaluating draft budgets from department heads for accuracy, reasonableness, applicable guidelines, and anticipated resources;
- Developing revenue forecasts based on reviews of fiscal transfer agreements and collaboration with other employees on business and local revenue forecasts;
- Presenting draft annual budgets to the Manager and to the Finance and Audit Committee on an annual basis;
- Implementing financial monitoring, including preparing and analyzing budgeted versus actual revenue and expense reports for the Finance and Audit Committee use, and overseeing any Council-approved corrective action (i.e. budget amendments) after the annual budget is approved; and
- Making forecasts and preparing budgets for tangible capital assets.

Procedures

Annual Integrated Planning Process

- An annual planning session will be held within five (5) months prior to the start of the fiscal year being planned for, or by a deadline of November 1st. The planning session will generally include:

- Council members, members of the Finance and Audit Committee, the Manager, the Financial Controller, and other representatives from department or functional areas of business;
- Establishment or communication of current-year and five-year operational goals and objectives based on priorities established by Council in consultation with membership;
- Presentation of budget development calendar;
- Establishment or update of key budgetary assumptions, budgetary constraints, and cost drivers for the current-year and five-year plan;
- Establishment or update of a five-year capital plan schedule to ensure the effective management of capital assets, which identifies and prioritizes expected needs, costs, and sources of financing; and
- Establishment or update of strategies, goals and objectives for the strategic plan – the plan that details Acho Dene First Nation's longer-term priorities and the plan for resources needed to meet the objectives of the plan.

Budget

- Based on the annual integrated planning session, the initial operating budget estimates will be prepared, and the five-year capital budget estimates will be prepared or updated accordingly.
- Budget assumptions will be documented and updated throughout the budget preparation process, with budget adjustments made as required.
- Capital budgeting estimates should include all capital improvement projects (purchase, construction, or renovation of physical facilities) and all capital equipment expenditures.
- The Manager will provide detailed financial information on staffing and benefits for each department.
- The draft budget will be presented for discussion at a Finance and Audit Committee meeting. The Committee may accept the estimates as presented or request amendments, within the context of the operating objectives and the strategic plan.
- The final draft budget recommended for approval to Council by the Finance and Audit Committee will be approved by Council no later than March 31st of the fiscal year proceeding the budget year.
- Separate fund accounting shall be kept for all core, program and project budgets.

Strategic Plan

- Based on the annual integrated planning session, a comprehensive and holistic strategic plan will be prepared. This process will include:
 - Developing a community vision that provides the guiding principle of the plan;
 - Developing a community priorities list (e.g. housing, education, etc.);
 - Setting a realistic timeframe to implement the plan;
 - Identifying the requirements to implement the plan (i.e. using legislative tools of governance and public finance to support activities or the need to acquire additions to reserve, or invest in new businesses to generate additional revenues);
 - Determining how the implementation of the plan will be resourced; and
 - Community input on the vision and priorities.
- The draft strategic plan will be presented for discussion at a Finance and Audit Committee meeting. The Committee may accept the plan as presented or request

amendments, within the context of the operating objectives and the vision and priorities of Acho Dene First Nation.

- The final multi-year strategic plan recommended for approval to Council by the Finance and Audit Committee will be approved by Council as a formal planning document no later than March 31st of each fiscal year. The strategic plan should cover a period of 3 to 5 years.

Multi-Year Financial Plan

- Based on the annual integrated planning session, a multi-year financial plan that has a planning period of five years, comprised of the current fiscal year and the four succeeding fiscal years, will be prepared that will also include the following:
 - Revenue projections by major revenue type that demonstrate trends in existing revenue streams;
 - In respect of projected revenues, specified separate amounts for income from taxes, fees and charges, transfers from Canada or a provincial or territorial government, grants and business operations and proceeds from borrowing;
 - In respect of projected expenditures, specified separate amounts for payments, including payments of principal and interest on debt, payments required for capital projects, payments required to address any deficits, and payments for all other purposes;
 - Basis on projections of revenues, expenditures and transfers between accounts;
 - In respect of transfers between accounts, specific amounts from the tangible capital asset reserve account;
 - Reserves/fund balances that estimate the available reserves available to help short-term fiscal shortfalls or unanticipated or planned expenditures;
 - Presentation of all categories of restricted cash;
 - Indication of whether in any of the five (5) years of the plan a deficit or surplus is expected from the projection of revenues and expenditures that year; and
 - A cover sheet that describes the broad assumptions and judgments used in the developments of the plan.
- The draft multi-year financial plan will be presented for discussion at a Finance and Audit Committee meeting. The Committee may accept the plan as presented or request amendments, within the context of the operating objectives and the strategic plan.
- The final multi-year financial plan recommended for approval to Council by the Finance and Audit Committee will be adopted as a formal planning document no later than March 31st of each fiscal year.

Adjustments to the Plans and Budgets

- An annual adjustment process in the Budget Calendar will be included to adjust the plans and budgets.
- The circumstances to adjust budgets are limited to substantial change in the forecasted revenues or expenses of Acho Dene First Nation or in the expenditure priorities of the Council, which may include the following:
 - External factors that impact funding arrangements;
 - Impacts related to capital project adjustments;
 - Unforeseen changes to budget assumptions; or
 - Council-approved changes to priorities or operating objectives.

- Proposed amendments to the strategic plan or multi-year plan will be reviewed on an annual basis, and substantial changes will be made when required.
- Significant time-sensitive adjustments should be brought to the Finance and Audit Committee for review and recommendation to Council.
- On or before May 15 of each year, the Finance Officer must prepare and submit to the Finance and Audit Committee for review a draft amendment of a component of the annual budget that requires amendments with respect to Acho Dene First Nation's local revenue account.
- On or before May 20 of each year, the Finance and Audit Committee must review the draft amendments Acho Dene First Nation submitted by the Finance Officer for review. \
- No later than May 30 of each year, the Council must approve the proposed amendments to the annual budget.

SECTION N POLICIES, PROCEDURES, AND DIRECTIONS – FINANCIAL MANAGEMENT

POLICY PURPOSE:

It is Council's policy to create, revise, and issue policies and procedures that reflect Acho Dene Koe First Nation's accepted practices, as well as meet legal and regulatory requirements that affect Acho Dene Koe First Nation's financial administration processes.

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The purpose of this policy is to ensure that there is a standardized method of preparation, review, issuance, maintenance, and revision of all policies and procedures in relation to Acho Dene Koe First Nation's financial management system.

POLICY STATEMENT AND GUIDELINES:

This policy and procedure 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 Acho Dene Koe First Nation.

Definitions

- **Generally accepted accounting principles** – Generally accepted accounting principles ("GAAP") of the Canadian Institute of Chartered Accountants, as amended or replaced from time to time.
- **Finance and Audit Committee** – A committee of five (5) members appointed by the Council of Acho Dene Koe First Nation. The authority has the primary responsibility of ensuring that policies and procedures be developed and implemented. The Finance Officer and the Manager are to attend Finance and Audit Committee meetings as non-voting advisors/attendees.
- **Document Initiator** – Individual, who is delegated by the Finance and Audit Committee, to 'create' or 'amend' financial policies, once the need has been identified.

Responsibilities

All persons affected by this policy are required to understand and comply with the policies and procedures appropriate to their responsibility and interaction. Any employee or department (document initiator) can recommend a policy and procedure.

Council is responsible for:

- is responsible for the final approval of new, revised, or rescinded policies and procedures.

The Finance and Audit Committee is responsible for:

- Making recommendations to Council for the issuance, revision, or rescission of any policy and procedure document;
- Ensuring policy and procedure documents being reviewed are neither contradictory nor inconsistent with GAAP; and
- Conducting an assessment for each significant function or activity of the Nation's financial administration to determine if a policy and procedure document is required (e.g.

policies and procedures that ensure the control and safeguarding of all the assets of the Nation).

The Manager is responsible for:

- Reviewing all policy and procedure document requests and submitting the document to the Finance and Audit Committee for review and a recommendation to Council for approval, where the Manager supports the request;
- Determining if the policy and procedure document request needs to be referred to a subject matter expert for additional review;
- Determining if the policy and procedure document needs cross-functional review from other departments within the Nation; and
- Ensuring that the current list of policy and procedures are made available to all affected persons.

The Finance Officer is responsible for:

- Maintaining a comprehensive list and repository of all existing policies and procedure documents;
- Ensuring proposed or revised policy and procedure documents are in the standardized format;
- Ensuring proposed or revised policy and procedure documents incorporate the requirements of the Nation's laws and regulatory requirements;
- Monitoring the policy and procedure document through the draft, approval, and issuance process;
- Serving as the policy and procedure document sponsor and providing the initial approval to the document initiator to proceed with creating a proposed document, revising an existing document, or rescinding an existing policy; and
- Ensuring that existing policy and procedures are kept current by reviewing periodically.

The Document Initiator is responsible for:

- Preparing a draft policy and procedure document (for new policies) in accordance with the standardized format established by this policy;
- Revising an issued policy and procedure document in accordance with the standardized format;
- Preparing a written request to rescind an outdated or inaccurate policy and procedure document; and
- Submitting all policy and procedure document requests to the Finance Officer or delegated authority for review and recommendation of approval.

Procedures

Policy Creation

The Finance Officer will create a list of all policies and procedures required by the Nation to adequately and effectively manage and control the financial management system and to safeguard the Nation's assets. Any employee or department may recommend a policy revision or addition.

The Finance Officer will then assign the responsibility of document initiator to a process owner or subject area expert for policies and procedures that do not exist or require revision. The document initiator creating the policy and procedure should be the process owner or a subject area expert. This person can be either an employee or an external consultant/advisor.

The Finance Officer will assign or delegate the drafting of the policy to a document initiator and both will agree on appropriate content (iterative reviews if necessary), keeping within the following format for the policy:

- Policy – Clear statement that indicates the protocol or rule affecting the specific area
- Purpose – The reason or rationale underlying the policy and procedure
- Policy Statement – The areas, functions, individuals, or departments affected by the policy
 - Definitions – Any specialized terms that are not otherwise defined
 - Responsibilities – Describes who, using generic titles or positions, is responsible for implementing or maintaining the policy and procedure
 - Procedures – Describes the steps, details, or methods to be used to implement and maintain the policy and procedures
 - References (optional) – List of applicable documents, policies, laws and regulations
 - Attachments (optional) – Forms, reports, or records that are generated from the policy

The next step is for the document initiator to draft the policy, following the format and content guidelines recommended by the Finance Officer. During this phase, there may be a few iterations back and forth between the director and the document initiator.

Once the policy document is in a draft format and approved by the Finance Officer, it is forwarded to the Manager for final review and recommendation for submission to the Finance and Audit Committee.

The Finance and Audit Committee will review the draft policy and procedure documents. The policy will either be sent back to the document initiator for revisions or sent to Council for final approval.

Each policy and procedure document presented to Council for approval will include a list of the persons affected by the policy (listed under “*Scope*”) and a documented record of the Finance and Audit Committee’s review and recommendation.

Council informs all affected managers and staff of policy adoption. All affected staff must read and adopt the approved policy.

Policy Revision

The document initiator may recommend the revision of an issued policy and procedure following steps under “Policy Creation”.

Policy Rescission

A process owner may request the rescission of an issued policy and procedure if the policy is outdated or inaccurate and approval is obtained from both the Manager and Finance Officer. The request to formally rescind an issued policy should be documented and provide the details of why the policy should be rescinded.

Policy Approval

Once approved by Council, a new or revised policy must be communicated and accessible to all affected departments, employees, and members of Acho Dene Koe First Nation.

Policy Maintenance

At least every two years, all issued financial policy and procedures documents will be reviewed by the Finance Officer for completeness, accuracy, and relevancy and if necessary, will request process owners to validate existing policy and procedures for accuracy. Policies and Procedures will be revised or rescinded accordingly.

SECTION O PROCUREMENT

POLICY PURPOSE:

The procurement of goods, services and assets will be conducted with sufficient due diligence to demonstrate transparency, fairness, quality, and value for money in meeting Acho Dene Koe First Nation's requirements.

The purpose of this policy is to provide guidance to ADKFN on how purchases will be planned, managed, and approved.

POLICY STATEMENT AND GUIDELINES:

This policy applies to the Council, Manager(s), and any other ADKFN employees involved in purchasing goods, services, and assets on behalf of Acho Dene Koe First Nation.

Definitions

- **Assets:** include tangible capital assets such as equipment, buildings and land that have been purchased or constructed by Acho Dene Koe First Nation.
- **Best value:** refers to the optimal combinations of experience, knowledge, expertise, geographic location, performance, quality, time, initial costs, operation and maintenance, cost, life cycle costs, service, performance characteristics, spare parts availability, and warranties and guarantees, etc. A manager will exercise professional judgement when determining 'best value'. He or she may be required to defend their judgement at any time. A few examples of best practices would be to document the reasons why a purchase is a best value, compare the product or vendor to competitor offerings, record the cumulative total of annual purchases, and negotiate quantity discounts.
- **Contract:** is an agreement entered voluntarily by two or more parties, each of whom intends to create one or more legal obligations between them. All contracts, exceeding a value of \$1000 must be in writing and signed by both parties, and a copy shall be filed with the Finance Officer.
- **Fairness:** refers to giving qualified firms and individuals an equal opportunity to compete for the contract work and evaluating tenders and proposals in accordance with accepted practices.
- **Encumbrance accounting:** refers to the process of setting money aside (to hold it) for a specific purpose. Money then, is essentially earmarked for certain future purposes and cannot be reallocated for any other purpose than stated.
- **Invited tender:** refers to a tender that is distributed to a certain number of contractors who are invited to bid on a specific project. Industry standards indicate that at least three contractors should be invited to ensure that the process is fair and there is sufficient competition.
- **Open or public tender:** is the process by which tenders are advertised publicly. Open tenders should allow any qualified potential bidders the opportunity to bid on a project.
- **Low, moderate, or high value goods and services (Financial Management Policy):**
 - Low value means goods that are valued at \$4,999 or less.
 - Moderate value means goods or services valued between \$5,000 and \$25,000.

- High value means goods or services valued greater than \$25,000.
- Purchase order (P.O.): is a commercial document and first official offer issued by a buyer to a seller, indicating types, quantities, agreed prices for products or services, and purchase terms the seller will provide to the buyer. Accepting a P.O. by a seller forms a contract between the buyer and seller. The P.O. should be initialized by the seller and a copy sent to Acho Dene Koe First Nation's purchaser and forwarded to accounts payable as proof of acceptance. A purchase order can be initiated by a department manager if the dollar value is in accordance with their delegated authority limit and if the item being purchased is within the department's pre-approved budget.
- Requisition: refers to a P.O. used by ADKFN when documenting expenditures.
- RFP stands for Request for Proposal: which is the process generally followed before awarding a major service contract. RFPs identify the need and leave it up to the prospective contractors to make a proposal that is appropriate.
- Sole source: means a person or company from whom ADKFN may purchase goods and/or services, without competition or tender being issued.
- Tender process: refers to the process where documents outlining the requirements and specifications of a project are put in the hands of prospective contractors or suppliers interested in submitting bids.

Responsibilities

The Council is responsible for:

- Ensuring effective control of procurement of goods, services, and assets through documented policies and procedures.

The Manager is responsible for:

- Ensuring the procurement process is fair and open, and demonstrates accountability to obtain the best value for time and money; and
- Communicating the policies and procedures to all parties who are affected.

The Financial Officer is responsible for:

- Developing, documenting, and maintaining policies and procedures relating to the procurement process for goods, services, and assets;
- Assisting in the selection, evaluation, and monitoring of contractors and suppliers;
- Managing and monitoring expenditures and identifying and reporting on budget variances; and
- Ensuring that staff members involved in procurement receive appropriate guidance and assistance during the procurement process.

Procedures

- Segregation of Duties: In procurement situations, the person who is authorizing the purchase of goods and services is always different from the person who is authorizing the payment for received goods or services. In addition, the person who is authorizing the purchase of goods and services is always different from the person who is confirming that received goods and services match the original P.O.

Procurement of Goods and Services:

Low Value – up to \$4,999

- Goods and services under this threshold can be procured by the individuals approved by Band Council Resolution (BCR).
- These individuals can authorize procurement through the creation and issuance of a P.O.
- The responsible employee will ensure that the good or service selected is the best value for ADKFN by investigating the price from a reasonable number of alternate vendors (two or more) and considering reputation, quality of work, and/or other relevant factors such as delivery time and use of local content.
- When appropriate, ADKFN will promote the use of local content in the procurement of goods and services.
- An employee other than the person who authorized the P.O. will sign the invoice indicating that the goods or services have been received under the terms in the agreement between ADKFN and the vendor.
- Payment procedures will follow the procedures outlined in the 'Expenditures and Payables Policy' for General and Operational Expenditures.
- Purchases for work, goods, or services over \$1,000 will require evidence of a written contract or a P.O. (initialized by the seller).
- Purchases made must be reflected in an approved budget.
- Unforeseen items that are not documented in the approved budget must be approved by Chief and Council prior to any purchase commitments being made.
- New employees (or employees under Probation) other than the Manager and Finance Officer, do not have purchasing authority until they have passed their probationary period.

Procurement Goods and Service: Moderate Value: from \$5,000 to \$25,000

- Requires the approval of Chief and Council via a special Band Council Resolution prior to payment of services or invoice.
- Where practical, informal quotes will be obtained through advertisements, direct solicitations to contractors/suppliers, and other methods to compare prices and select the best option for Acho Dene Koe First Nation.
- The responsible employee will perform a documented analysis of the costs and benefits of at least three options to procure the good or service. These individuals can authorize procurement through the creation and issuance of a P.O.
- When appropriate, ADKFN will promote the use of local content in the procurement of goods and services
- An employee other than the person who authorized the P.O. will sign the invoice indicating that the goods or services have been received under the terms in the agreement between ADKFN and the vendor.
- Payment procedures will follow the procedures outlined in the 'Expenditures and Payables Policy' for General and Operational Expenditures.
- Purchases made must be reflected in an approved budget.
- Unforeseen items that are not documented in the approved budget must be approved by Chief and Council prior to any purchase commitments being made. New employees (or employees under Probation) other than the Manager and Finance Officer, do not have purchasing authority until they have passed their probationary period.

Resolution:

The Council of the Acho Dene Koe First Nation do hereby resolve:

WHEREAS Acho Dene Koe First Nation is a signatory to Treaty No. 11; and

WHEREAS as the elected Council of Acho Dene Koe First Nation as of May 15, 2017 and being the lawful governing body of the First Nation, and act pursuant to its majority vote; and

WHEREAS the Chief and Council have a Financial Management Policy; and

FURTHER in accordance to the Financial Management Policy, bi-monthly at a meeting of Council a reading of accounts payables and approval for payment and thereby giving direction to the ADKFN Finance Officer or designate to process for payment to the vendors, employees, or other; and

WHEREAS in accordance to the Financial Management Policy, all individual invoices in excess of \$5,000 requires a Special Resolution of Council for payment;

[....]

THEREFORE, We, the undersigned, being most of the Council Members of the Acho Dene Koe First Nation, do hereby consent to the following:

[...]

Procurement of High Value Goods and Services Valued at \$25,000 or More

- Goods and services classified as high value will be procured using a competitive tendering process.
- When appropriate, ADKFN will promote the use of local content in the procurement of goods and services
- Under a competitive tendering process, ADKFN must use either an invited tender or an open tender to award a contract. The Finance and Audit Committee will recommend to Council on whether to have an invitation to tender (closed competition) or an open tender (open competition). By default, all tenders over \$25,000 in value will be invitation to tender. If, on the other hand, there are very few (2 or less) 'known' vendors who could meet the RFP requirements, the Finance and Audit Committee will recommend to Council that an open tender be issued.
- For each tendering process, an RFP will be issued and will include the following components:
 - Date by which proposals are due;
 - Background to the requirement (e.g., context, challenges);
 - Specific requirements of the proposal, including any requirements set out in Council policy for the management of capital projects (e.g. course of construction insurance, performance guarantees, and bonding);
 - Qualifications of the ideal supplier (e.g. track record, experience, integrated services);
 - Criteria and weighting (if applicable) by which proposals will be assessed;

- Planned contract award date;

Procurement

Process for entertaining questions regarding the RFP and sharing responses with other potential suppliers;

- Caveat providing ADKFN with the right to pick any proposal or none; and
- A checklist of other special terms and conditions (e.g. maximum price expected, delivery dates or constraints) that would be critical for an organization to build into their response to meet the needs of Acho Dene Koe First Nation.

The Manager, at least one representative from Council, and any required staff possessing relevant expertise will form a 'review panel' and review the proposals received against the predetermined selection criteria for the RFP and/or exceptions to the process.

The review panel will provide Council with a recommended course of action. The recommendation from the review panel might be to award the contract to one of the applicants or it may be to re-issue the tender until a suitable vendor is found.

When a successful vendor is chosen, ADKFN Chief and Council will direct the Finance Officer to negotiate and draft an engagement contract with the successful bidder. The contract will include payment details that are agreeable to both the buyer and seller. Once an agreement is finalized, it will be presented to ADKFN for ratification. The resolution will indicate who is directed to sign on behalf of ADKFN Chief and Council.

A copy of the signed contract (with reference to the Council resolution) will be kept on file in the Accounts Payable office. Invoices will then be processed in accordance with the contract payment terms and the payment procedures outlined in the 'Expenditures and Payables Policy'.

To maintain consistency in the procurement process, a standard methodology will be used to evaluate each contractor/supplier. The methodology will include, at a minimum, an evaluation of:

- How the contractor/supplier meets the RFP or tender requirements and specifications;
- The contractor/supplier's qualifications;
- The price quoted;
- Results and quality of all work the contractor/supplier has previously done for Acho Dene Koe First Nation; and
- Other requirements that will be added to the methodology as deemed necessary by the Manager.

Normally, an RFP process as described above will be followed to procure goods and services. Exceptions to this process (i.e. granting a sole source contract, non-competitive contract award) will be rare and limited to the following situations:

- If there were no bids received during the tender call or RFP process;
- When the good or service is available only through a Sole Source; or
- In an emergency where a delay in procuring the good or service would result in severe loss or damage to Acho Dene Koe First Nation.

Any exceptions to the procurement process will be evaluated by the review panel and documented to demonstrate the rationale and approval of a non-standard procurement process.

Approval, Initiation, and Monitoring

Approval of procurement decisions should be documented on the relevant purchasing document (i.e. requisition, P.O., or contract, depending on the nature of the procurement activity).

Once approved, the Finance Officer will ensure that an encumbrance accounting system is in place for each procurement activity over \$1,000 and for each contracted procurement so that money is set aside and used specifically for those goods or services.

Where there is monthly billing or progress billing for high value contracts, the Finance Officer will give direction to the accounts payable staff to ensure that payments are made in accordance with the contract, and to ensure that adequate monitoring of payments is in place to prevent 'overpayments'.

Monthly, the Finance Officer will review the status of procurement encumbrances, noting and investigating any over-budget commitments. Procurement activities over-budget by \$1,000 will be reported to the Manager. The Finance Officer will also notify the appropriate Department Manager.

At each Finance and Audit Committee meeting, the Manager will report on the status of a capital project, including a comparison of expenditures to date with the project budget and a detailed description of any identified legal, financial, technical, scheduling, or other problems, and the way it has been or will be addressed.

Procurement

Documentation Requirements

All procurement documents (including but not limited to requisitions, invoices, purchase orders, request for proposals or tender calls) will clearly indicate the details of the goods and services requested.

Approvals and budget appropriations and accounts from which certain goods or services may or must be purchased will be documented on relevant internal procurement documentation.

A file will be created for each RFP/tendering process that contains the results of each supplier evaluation.

Monitoring of Contractors/Suppliers

On an ongoing basis, the Manager will monitor the quality of the work and the working relationship with the contractor/supplier. Any issues noted will be documented in the contractor/supplier file and appropriate action will be taken by the Manager, if necessary, as outlined in the supplier/contractor's agreement.

Performance evaluation should be tailored to job size and complexity. A review of both the project quality and the service quality should be conducted using a standard set of criteria and

applying weight factors established at the time of award. Any adjustments to the criteria weighting should not be made without the contractor's/supplier's concurrence.

SECTION P RECORDS MANAGEMENT AND RETENTION

POLICY PURPOSE:

ADKFN will have a records management and retention policy to meet legal obligations, support decision making and implementation of decisions, and to provide knowledge transfer to future leaders and Managers.

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This Statement of Policy and Procedure provides guidance to all employees on policies and procedures for records protection, retention, and destruction to:

- Maintain confidentiality of information;
- Ensure compliance with laws, legal requirements, regulations and obligations;
- Minimize litigation and settlement cost in the event of a lawsuit; and
- Provide effective operation and control of information.

POLICY STATEMENT AND GUIDELINES:

This Statement of Policy and Procedure applies to Council and all employees of Acho Dene Koe First Nation.

Responsibilities

Council is responsible for:

Approving the policy on Records Management and Retention as well as reviewing and approving any subsequent amendments to the policy.

The Manager is responsible for:

Implementation of the policy including delegation of responsibilities and tasks related to records management, communicating the policy to managers and staff.

Making recommendations to Chief and Council on amendments to the policy. The Manager will receive recommendations from:

- ADKFN legal professionals, with respect to the appropriate retention, protection, and destruction of First Nation corporate records, legal records, and human resource records according to the specifications of the policy;
- ADKFN finance professionals/consultants (Auditors and Bookkeeping consultants), with respect to the appropriate retention, protection, and destruction of financial records according to the specifications of the policy; and
- The remaining operations departments, with respect to the individual and corresponding appropriate retention, protection, and destruction of operation records and information.

The Acho Dene Koe Employees are responsible for:

Following the procedures for records management and retention.

Making recommendations to the Manager for appropriate retention, protection and destruction of records in their specific work areas.

Definitions

None

Procedures

Identification of Records

All records shall be legible, readily identifiable and retained for the retention periods specified below:

General ADKFN records, including:

- All bylaws and amendments to the bylaws;
- Acho Dene Koe First Nation Constitution;
- Resolutions;
- Appointments;
- Terms of appointments;
- Applicable Acts and agreements;
- Funding arrangements;
- Council commitments;
- Land codes in force;
- Minutes from the meetings of the Council and all Council committees;
- Annual reports;
- Debenture records and Council;
- Committee and membership records;
- Public notices;
- Records of incorporation; and
- Corporate seal.

The above listed documents are to be retained permanently.

Legal files and papers:

- Customer and supplier contracts and correspondence related to the terms of the contracts – seven years beyond the life of the contract;
- Papers relating to major litigation, including those documents relating to internal financial misconduct – five years after the expiration of the legal appeal period or as specified by legal counsel;
- Papers relating to minor litigation, including those documents relating to internal financial misconduct – one year after the expiration of the legal appeal period;
- Insurance policies including product or service liability, Council and officer's liability, general liability, and third-party liability, property, and crime coverage – seven years after the policy has been superseded; and

- Documents pertaining to the purchase, sale, or lease of property – permanently.

Human Resources documents:

Personnel manuals and procedures, Organization Charts – permanently;

Where there is a pension plan (excluding RRSP plans):

- Original plan documents, records of pensionable employee service and eligibility, associated personal information, including name, address, social insurance number, pay history, pension rate – seven years after the death of the employee or employee's spouse, in the case of spousal eligibility
- Letters of offer, individual contracts of employment, signed Code of Conduct obligations, signed Conflict of Interest declarations, attendance records, payroll history including RRSP contributions, commission and bonus history, medical information – three years after termination of the employee;
- Job descriptions and performance assessments – three years beyond the period to which it applies, unless otherwise specified; and
- Applications resumes and correspondence related to individuals not hired – no retention required.

Financial Records:

- Operations manuals and procedures, internal control guidelines – permanently;
- Signed, audited financial statements and external auditors reports – permanently;
- Internal review, annual operations report, and/or internal audit reports – ten years;
- General ledgers, general journals, financial records, supporting documentation, monthly and quarterly financial statements, monthly and quarterly management reports, special purpose reports, financial institution statements, cash register tapes, cancelled cheques, invoices, annual budgets, multi-year financial plans – eight years;
- Asset register, reserve fund reports, life cycle planning, capital project budgeting, contract and tendering provisions – eight years beyond completion of the project or asset utilization;
- Taxation documents, taxation working papers, summary payroll records for tax purposes – eight years; and
- Charitable contribution records – eight years.

Operation records:

- Operations manuals and procedures – permanently;
- Original patents, trademarks, copyrights – seven years after the expiration of the right;
- Customs documents – seven years;
- Annual physical inventories – permanent;
- Safety committee minutes, inspection reports, and related action reports – ten years;
- First Nation business product lab test reports, mechanical and other testing reports, safety tests – seven years after the life of the product line;
- First Nation business catalogues and price lists – three years after superseded; and
- First Nation customer credit applications – one year after termination of the customer relationship.

Departments within the First Nation are subject to various federal and provincial statutes and acts. Records and information are unique to each department and must be established in accordance to specific legal requirements and obligations. The following departments have corresponding Acts that include records retention:

- Social Services (Welfare Act)
- Health (Health Act)
- Human Services (Child and Family Act)
- Land (First Nation Land Management Act)
- Housing (Housing Act)
- Public Works (various i.e. Drainage Act)
- Education (Education Act – ranges from 7 – 55 years)
- Justice and Policing (Indian Act, various)
- Community Services (Indian Act, various)
- Administration (Indian Act, various)
- Elections (Indian Act)
- Membership (Indian Act)
- Economic Development (Indian Act)
- Employment and Training (Human Rights Code of Canada, various)

Notwithstanding the foregoing, records and information that have a documented purpose to be retained or to be retained for a longer period should be kept for that longer period, along with the documented reason for their retention.

Records shall be destroyed at the end of their retention period as set out in this policy. Records containing personal information of customers, suppliers, and employees which are not required by law, regulation, or documented need must be destroyed within one year of their acquisition. Records shall be readily retrievable and securely stored, with access limited to only those with a valid business reason and appropriate security authorization for requiring access.

SECTION Q RISK MANAGEMENT

POLICY PURPOSE:

Acho Dene Koe First Nation will identify, manage, and monitor risks related to the financial management system and the achievement of its goals.

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The purpose of this policy is to provide guidance on risk management as part of the integrated planning process and ongoing governance activities of Acho Dene Koe First Nation, including risk assessments, mitigation plans, and specific business activities that are separately evaluated, managed and monitored.

POLICY STATEMENT AND GUIDELINES:

This policy and procedure applies to Council, the Finance and Audit Committee, the Manager, the Financial Controller, and all other employees involved in risk management at Acho Dene Koe First Nation.

Definitions

- **risk** is defined as anything of variable uncertainty and significance that interferes with the achievement of Acho Dene Koe First Nation's strategies and objectives.
- **risk tolerance** means the degree of uncertainty Acho Dene Koe First Nation is willing to accept in the achievement of its goals.

Responsibilities

Council is responsible for:

- Providing input to the annual risk assessment;
- Reviewing and approving the annual Acho Dene Koe First Nation risk register;

The Finance and Audit Committee is responsible for:

- Providing input to the annual risk assessment;
- Reviewing the risks register on a regular basis to ensure risks are adequately managed.

The Manager is responsible for:

- Managing the annual risk assessment process and preparing the risk register;
- Reviewing and updating the risk register on a regular basis;
- Immediately reporting any significant changes to the risk register to the Finance and Audit Committee;
- Preparing the business case and risk assessment for any for-profit business activities or ventures.

The Finance Officer is responsible for:

- Ensuring all for-profit business activities are separately reported in the monthly, quarterly and annual financial statements and management reports;
- Reviewing and recommending approval for loan, guarantee or indemnity requests;
- Preparation of the Acho Dene Koe First Nation investment strategy.

Procedures

General Risk Management Approach

On an annual basis as part of the integrated planning process, a risk assessment will be performed by the Manager. Risks identified will include any risks that could impact Acho Dene Koe First Nation's achievement of its strategic goals or its operations in general. Risks will be recorded in the First Nation Risk Register. The management team will analyze the potential impact and likelihood of each risk identified and develop an appropriate risk mitigation plan.

Responsibility for each risk and corresponding risk mitigation plan will be assigned to an Acho Dene Koe First Nation staff member.

The risk register will be presented to the Finance and Audit Committee for review and recommendation to council for approval on an annual basis (during the integrated planning review).

On a quarterly basis, the Manager will review the risk register with the risk owners to update or adjust as required the risks or mitigation plans. Any significant changes will be reported to and reviewed by the Finance and Audit Committee and reported to the Council.
Loans, guarantees and indemnities

For any loans, guarantees or indemnities, the Financial Controller must document his or her evaluation of the risks to Acho Dene Koe First Nation of extending credit to the requesting individual/group. Risks which should be considered include, but are not limited to, the following:

- Ability of the individual or group to repay Acho Dene Koe First Nation;
- Potential for negative impact on Acho Dene Koe First Nation's reputation;
- Extent of other similar situations / agreements that Acho Dene Koe First Nation has entered;
- Ability of Acho Dene Koe First Nation to honour the guarantee or indemnity should it be required to do so;
- In the case of a program for lending to members of Acho Dene Koe First Nation, the risks associated with the program and the costs of administering the program.
- Approval and management of loans, guarantees and indemnities is detailed in the Loans, Guarantees and Indemnities Policy.

Investments

The Finance Officer will, with the input of the management team, the Finance and Audit Committee, and expert external advisors as required, develop a proposed investment strategy for Acho Dene Koe First Nation which describes Acho Dene Koe First Nation's short and long term investing strategies, goals, desired returns, allowable uses of available funds, and overall investment risk tolerance.

The Finance Officer will provide the proposed investment strategy to the Finance and Audit Committee for review and recommendation to Council for approval.

The investment strategy must be reviewed annually with a report and any recommendations to the Finance and Audit Committee for review and recommendation to Council.

All investment decisions will be evaluated for fit with the investment strategy and Acho Dene Koe First Nation's overall strategic priorities. Investment decisions must be at or below the maximum risk tolerance of Acho Dene Koe First Nation.

The investment strategy and all investment decisions should be approved according to the Delegated Assigned Responsibilities Policy.

Records of all risk assessments, documented approvals, and detailed investment information will be maintained for all investment decisions.

The Investments Policy should be referred to for all investment related matters.
Financial reporting

Acho Dene Koe First Nation will follow the documented procedures in the Financial Reporting Policy to mitigate the risk of a material misstatement in the quarterly and annual financial statements.

Individuals involved in the financial reporting process (i.e. The Finance Officer, etc.) will have a minimum of three years' experience and ideally have a recognized professional accounting/financial qualification (e.g. CAFM, CA, CPA, CGA, CMA).

On a regular basis (minimum every two years), the individuals involved in the financial reporting process must confirm in writing that they understand their responsibilities.

Insurance

A separate policy has been developed to provide guidance on insurance. Refer to Insurance Policy.

SECTION R
COUNCIL STATEMENT OF COMMITMENT

We, the Council of the Acho Dene Koe First Nation, commit to taking all necessary steps to ensure that the Acho Dene Koe First Nation complies always with all applicable requirements in the FAL and the FPP.

Councillors of the Acho Dene Koe First Nation commit that they will conduct their activities fairly, impartially, competently, in an ethical and proper manner, and in accordance with the Acho Dene Koe First Nation values and Code of Conduct.

Specifically, we, the Council of the Acho Dene Koe First Nation commit to providing ongoing operational control and effective management of the financial administration system by:

1. taking an active role in providing ongoing operational control, comprehensive financial reporting and effective management of the financial administration system;
2. responding in a timely manner to issues that arise regarding the financial administration system;
3. providing informed and effective leadership to the Council and to the committees we chair individually;
4. establishing business conduct and ethical behaviour expectations in a Code of Conduct;
5. addressing and furthering the economic, social and environmental objectives of the Acho Dene Koe First Nation;
6. communicating any issues involving the material financial affairs of the Acho Dene Koe First Nation to the Members and to any other affected persons;
7. ensuring accountability in decision-making and transparency in the operations of the financial administration system;
8. continuing to improve the effectiveness and efficiency of the financial administration system; and
9. updating documents used in the financial administration system as the system changes.

Agreed to and signed at a duly convened Council meeting on the ____ day of _____
20____.

Councillor:

Councillor:

Witness: _____
 Manager

SECTION 5 DELEGATION OF AUTHORITY

This Part applies to the Council, the chief administrative officer, the officers, employees, delegates, and any other person with authority to conduct activities in connection with the financial administration of the Acho Dene Koe Nation.

Delegations must be to positions identified by title, not to individuals identified by name.

All delegations must be documented.

The Council may authorize the Manager to delegate financial tasks and responsibilities to specific departments, committees, and positions, for the purpose of

- (a) performing duties;
- (b) making commitments; and
- (c) authorizing the collection and disbursement of funds on behalf of the Acho Dene Koe Nation.

The Council may authorize the Manager to delegate any Council duties or functions related to the Acho Dene Koe Nation's financial administration system to an officer, employee, committee, contractor or agent, except

- (a) the approval of policies or procedures or the giving of directions respecting any financial administration matter which the responsibility of the Council under the FAL are;
- (b) the appointment and dismissal of members of the Finance Committee, including the Chair and Vice-Chair;
- (c) the approval of budgets and financial statements of the Acho Dene Koe Nation;
- (d) the approval of borrowing of the Acho Dene Koe Nation;
- (e) any matter relating to the employment or authorities of the chief administrative officer; and
- (f) other duties or functions as established by the Council.

For clarity, the Council is responsible for the financial administration of the Acho Dene Koe Nation, whether any part of that function is delegated to an officer, employee, committee, contractor or agent.

The Manager may delegate any of their duties or functions, except

- (a) ensuring that delegates understand their responsibilities and have the skill and knowledge necessary for the effective exercise of the authority; and
- (b) regularly monitoring the performance of delegates to ensure that the delegated duties, functions or authorities are being exercised in accordance with this Manual and the FAL.

Before the Council authorizes the Manager to delegate a Council duty or function, the Council, with input from the Manager as necessary, must review and consider the

- (a) position descriptions and required qualifications for those positions with permanent delegated functions;
- (b) description of duties and functions to be delegated; and
- (c) applicable performance standards.

All delegations must be in writing in the form of the Delegation Agreement, which must

- (a) clearly identify the
 - i. specific duty or function to be performed by the delegate,
 - ii. limits of the delegate's authority,
 - iii. required qualifications of the delegate, and
 - iii. performance standards to be met by the delegate;
- (b) confirm that the delegate holds the required qualifications;
- (c) state how the performance of the delegate is to be monitored
- (d) state whether the delegation is indefinite or for a fixed term; and
- (e) be dated and signed by the delegate and a quorum of the Council.

All officers, employees, committees, contractors or agents are responsible for carrying out all duties as delegated to them by the Council, according to the established standards.

An officer may delegate their duties or functions to an officer, employee, or contractor.

For each duty or function delegated the Manager must

- (a) monitor the performance of the delegated duties and functions; and
- (b) undertake an annual performance evaluation for permanent delegated duties, or a one-time evaluation for temporary duties and functions.

The Manager must retain all original Delegation Agreements in accordance with Part 19 and if applicable must ensure that a copy of the original document is placed in the delegate's personnel file.

On at least an annual basis, and more frequently as necessary, the Manager and officers must review all Delegation Agreements to ensure that the delegate continues to meet the hold the applicable qualifications and meet the required performance standards.

**SECTION T
ACKNOWLEDGEMENT**

My signature below indicates that I have received a copy of the **ADKFN Financial Management Policies**.

Instruction to Chief and Council, Audit and Finance Committee, and all Employees: All ADKFN council members, Audit and Finance Committee members and employees are required to read ADKFN Financial Policies listed in this document.

I understand that this manual contains information regarding ADKFN's rules, regulations and benefits which may affect me as an employee or as an elected official.

I acknowledge that I have read and understood the Financial Management policies of ADKFN.

I also understand that ADKFN may revise, supplement or rescind policies, procedures or benefits described, with or without notice.

(My signature indicates I have read the policies and had my questions answered. I understand I must comply with procedures and requirements of the policies. Failure to comply with finance policies may result in disciplinary actions.

I acknowledge that a copy of this **Employee Acknowledgement** will be in my Employee or Councillor File.

Signature _____ Date _____

Print Name _____

