



**MATACHEWAN FIRST NATION
FINANCIAL MANAGEMENT CODE**

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MFN GUIDING PRINCIPLES

The following principles are intended to guide Matachewan First Nation (MFN):

MFN makes collaborative, informed decisions to develop effective governance practices that serve the best interests of their Membership;

MFN adopts a unique governance model that reflects community standards, respected and followed by all;

MFN Elected Officials and Employees are guided by the principles of transparency, knowledge, collaboration, effectiveness, responsiveness, bravery, honesty and uniqueness.

INTRODUCTION

1 Application

1.1. The MFN Financial Management Code applies to the regulation of the receipt, management and expenditure of MFN Funds, and to establish the administrative organization for the management of MFN Funds.

1.2. This Code applies to all MFN Elected Officials and all of the MFN administration, including all Departments within the MFN administration.

Definitions

“**Agreement**” means any written Contract between the MFN and another party or parties, including the Federal Government, Provincial Government or a third party, pursuant to which monies are to be paid to MFN, or in which monies are to be paid to another party or parties by MFN;

“**Annual Budget**” means the forecast of plans by MFN for the Expenditures and Revenues for the forthcoming Fiscal Year;

“**Annual Financial Statements**” means the Annual Financial Statements of MFN prepared by the Chief Finance Officer;

“Annual General Meeting” means the Elected Officials meeting with the Membership of MFN once per year for the purpose of reviewing standing agenda items, including Estimates, Auditor selection, and review of approved audit;

“Auditor” means an accountant, licensed to practice in a specific province;

“Band Council Resolution” means a record of a Council decision made by a majority of the Council at a Meeting, typically required to initiate, authorize or approve numerous transactions and activities under the Indian Act;

“Chief” means the duly elected Chief of MFN;

“Chief Administrative Officer” means the individual hired and appointed by Council to oversee and administer MFN and its operations. In this Code, any reference to Chief Administrative Officer should be interpreted to include a Chief Administrative Officer Designate, as appointed by Council under the terms identified in the MFN Governance and Administration Code;

“Chief Administrative Officer Designate” means an individual who is already a member of the MFN Administration who is appointed by Motion of Council to temporarily carry out the duties of the Chief Administrative Officer in either situation of:

(a) a vacancy in the Chief Administrative Officer position;

(b) a scheduled or unscheduled absence of the Chief Administrative Officer;

“Chief Finance Officer” means the senior financial manager of MFN. This individual is responsible for the day-to-day management of MFN's financial administration system, and for the financial performance of MFN;

“Code” means a Code adopted by a vote of the Membership of MFN for the governance of the organization, its structure and processes, including any future amendments to the Code that may also be adopted by a vote from time to time;

“Commitment” means a financial obligation resulting from an Agreement between MFN and another party;

“Community Meeting” means a meeting to bring together the Membership, Administration and Elected Officials for the purpose of information sharing, discussion, decision-making and voting. Regularly scheduled Community Meetings are held on a quarterly basis with one of these being designated as the Annual General Meeting;

“**Contract**” means any Agreement or undertaking providing for the expenditure of public money in exchange for goods and services;

“**Contractor**” means a person who may or may not be a MFN Member and works for the MFN, under a Contract for goods and services;

“**Council**” means Chief and Council of MFN;

“**Councilor**” means a duly elected official, elected to the position of Councilor;

“**Department**” means any division at MFN government;

“**Disallowance of Dual Roles**” means the definitions outlined in the MFN Governance and Administration Code;

“**Elected Officials**” means anyone who is a duly elected Councilor;

“**Eligible Voting Member**” means a Member of MFN who is eighteen (18) years of age or older on the date that a vote is held.

“**Employees**” means an individual employed by the MFN government, for example, Chief Administrative Officer, Chief Financial Officer, Managers, and any other Employees;

“**Estimates**” means the projection of Revenue and Expenditures for a Fiscal Year presented to the Annual General Meeting;

“**Expenditures**” means Funds spent or liability incurred for some benefit, service or receiving goods. This includes payroll and any purchase of goods;

“**Fiscal Responsibility**” means the responsibility of Council to use its spending powers to maximize real outcomes and exercise fiduciary duty;

“**Fiscal Year**” means the 12 month financial period beginning on April 1 in a year and ending on March 31 in the next year;

“**Fiduciary Duty**” means the duty owed by Council to the Membership to consistently act in the best interest of MFN;

“**Funds**” means all monies belonging to MFN and includes all monies received or collected pursuant to any Agreement or funding arrangement;

“G.A.A.P” means Generally Accepted Accounting Principles. It is the common set of ground rules used to enhance, compare accountability and help reduce fraud and misrepresentation;
“Indian Act” means the *Indian Act*, R.S.C. 1985, c.I-5, consolidations and amendments thereto made from time to time;

“Invited Tender” means a competitive process in which qualified suppliers or Contractors are invited to submit sealed bids for construction of infrastructure or for supply of specific and clearly defined goods or services, during a specified timeframe;

“Majority” means 50% +1 of the Eligible Voting Membership;

“MFN” means Matachewan First Nation;

“MFN Financial Management Code” means this Code and all its provisions;

“Membership” means individuals who are registered, on the band list, with Matachewan First Nation;

“Motion” means in a meeting, a formal step to introduce a matter for consideration;

“Revenue” means money that is made by or paid to an organization.

ELECTED OFFICIALS

2 Council Responsibilities

2.1. Council has the responsibility to ensure the financial resources of MFN are managed in a fair and equitable manner, and in the best interests of MFN and its Membership.

2.2. Council is responsible to oversee sound financial management operations and practices and shall carry out the following duties and responsibilities:

- a. Make informed decisions in the best interests of the MFN as a whole;
- b. Exercise Fiscal Responsibility;
- c. Conduct financial matters in accordance with this Code, and all MFN Laws, Bylaws, Codes and Policies and Procedures;
- d. Plan and budget for monies and other resources for local services, capital projects and profit making ventures;
- e. Establish, approve and oversee finance policies and procedures to protect the resources of the MFN;

- f. Take all reasonable steps to utilize financial resources as efficiently as possible, in accordance with leadership and community objectives;
- g. Receive and approve an external annual audit of the MFN; and
- h. Avoid deficits with MFN.

ADMINISTRATION

3 Chief Administrative Officer Duties and Responsibilities

3.1. The Chief Administrative Officer reports to Council and is responsible for leading the planning, organization, implementation and overall management of all the day-to-day operations of MFN, in accordance with this Code, and MFN Laws, Bylaws, Codes and Policies and Procedures.

3.2. The Chief Administrative Officer has the following specific duties or responsibilities in relation to the financial management of MFN:

- a. Support Council to exercise their Fiduciary Duties by ensuring the effective operation of government and accountability of operations of MFN;
- b. Exercise Fiscal Responsibility, ensuring the financial resources of the community are managed in a manner that benefits and protects the interests of the Members, in a fair and equitable manner;
- c. Monitor the tendering and contracting procedures as set out in this Code;
- d. Draft long and short term plans for the MFN, including budgets and cash flows for operations, capital plans and human resource programs;
- e. Review and monitor all Agreements with MFN to ensure the goals and terms of these Agreements are met by all parties;
- f. Negotiate Agreements, Contracts and loans and make recommendations for discussion at Council meetings;
- g. Act as an advisor to MFN's Finance Department and Council;
- h. Prepare and present financial reports to Council on a monthly, quarterly and annual basis, as appropriate;
- i. Prepare Annual Budget for approval by Council;
- j. Liaise with legal counsel, Council, Employees, and Contractors of the MFN;
- k. Identify, assess, monitor and report on financial reporting risks and fraud risks;
- l. Monitor and report on the effectiveness of mitigating controls for risks;
- m. Take into consideration the cost of implementing controls for risks; and

- n. Maintain an open, honest and transparent relationship with Membership by providing regular communication as required, and engaging in consultation processes, on and off reserve, in accordance with policy direction set by Council.

4 Chief Finance Officer Duties and Responsibilities

4.1. The Chief Finance Officer is responsible for the overall management of the finance Department.

4.2. The Chief Finance Officer reports directly to the Chief Administrative Officer and has the following specific responsibilities in relation to the financial management of MFN:

- a. Manage and control MFN Funds;
- b. Maintain and control all deposits and disbursements of Funds, and maintain financial records of all programs and services for MFN;
- c. Prepare monthly, quarterly and Annual Financial Statements, and recommend them to the Chief Administrative Officer, who then submits them to Council for approval;
- d. Review the records with the Chief Administrative Officer and report any variances of financial transactions to those approved by Council;
- e. Administer and supervise the preparation and maintenance of financial records and the financial administration reporting systems;
- f. Review and recommend to Council for approval, short, medium and long term strategic plans, operational plans, business plans, and financial plans;
- g. Administer and supervise the maintenance of the records of all receipts and Expenditures of MFN to facilitate the annual audit; and
- h. Identify, assess, monitor and report on financial reporting risks and fraud risks.

5 Finance Department Responsibilities

5.1. The Finance Department, under the direction of the Chief Finance Officer, has the following specific responsibilities in relation to the financial management of MFN:

- a. Establish a format of recording Estimates of Revenue and Expenditures and implement such a format across all Departments;
- b. On an ongoing basis, monitor the financial performance of MFN against the Annual Budget and report any significant variations to the Chief Administrative Officer and Council;
- c. Prepare the financial components of reports to Council, including for short, medium and long term plans;

- d. Ensure approved Annual Budgets are incorporated into the financial record keeping of the organization and are monitored regularly;
- e. Ensure audits are completed and in accordance with G.A.A.P, in a timely manner.

6 Audit Responsibilities

6.1. The Chief Finance Officer must carry out the following activities in respect to selecting an Auditor to perform the annual audit:

- a. In the event that the Chief Finance Officer recommends that the MFN Administration select the same Auditor as the previous year, Council may appoint the Auditor by way of a Motion of Council.
- b. In the event that the Chief Finance Officer recommends that the MFN Administration select a new Auditor, the Chief Finance Officer will be required to undertake the following process:
 - i. Consult with the Wabun Tribal Council for the recommendation of a qualified Auditor;
 - ii. Receive assurances on the independence and qualifications of a proposed Auditor;
 - iii. Recommend an Auditor the Chief Administrative Officer and Council; and
 - iv. At the Annual General Meeting, Council will recommend an Auditor to MFN, and the Members shall, by way of a vote, appoint the Auditor for the upcoming Fiscal Year.

7 Preparation of Audit

7.1. The Chief Finance Officer must carry out the following audit activities in respect of the financial administration of MFN:

- a. Review and make recommendations of Council on the planning, conduct and results of audit activities;
- b. Review and make recommendations to Council on the audited Annual Financial Statements;
- c. Periodically review and make recommendations to Council on policies, procedures and directions on reimbursable expenses of Elected Officials and Employees;
- d. Monitor financial reporting risks and fraud risks and the effectiveness of mitigating controls for those risks, taking into consideration the cost of implementing those controls;

- e. Conduct a review of this Code and, where appropriate, recommend amendment to Council; and
- f. Periodically review and make recommendations to Council on the duties and responsibilities of the Finance Department.

CODE OF CONDUCT

8 Rules Regarding Dual Roles

8.1. Rules regarding the Disallowance of Dual Roles of Council and MFN Employees are established in the MFN Governance and Administration Code.

9 Conduct of Elected Officials

9.1. Rules regarding conduct of Elected Officials are established in the MFN Governance and Administration Code.

FINANCIAL MANAGEMENT

10 Financial Control

10.1. The Chief and Council of the MFN shall ensure sound financial management of all programs including accountability and transparency to Membership and external funding agencies.

10.2. All payments including any disbursements or financial Commitments made directly by, or approved by Council shall include a cheque requisition approved by the Chief Administrative Officer.

10.3. The Chief Administrative Officer shall have the authority to approve disbursements up to a limit of \$5,000. Any disbursements above this amount shall be approved by Chief and Council at a duly convened meeting by way of a formal Motion and recorded in the meeting minutes.

10.4. Council shall have the authority to approve disbursements up to a limit of \$50,000. Any disbursements above this amount shall be approved by the Membership at a duly convened Community Meeting by way of a formal Motion and recorded in the meeting minutes.

10.5. Council has the duty to develop a communications strategy to obtain meaningful input in respect to the purchase and acquisition of major assets and/or disbursements exceeding \$50,000.

11 Asset Protection

11.1. MFN assets must be properly cared for, including financial assets, property, equipment, Membership lists, and computerized data.

11.2. The Chief Administrative Officer, Chief Finance Officer, Department managers, and MFN Employees are responsible for adequately maintaining the assets and protecting them from unnecessary risks.

11.3. The Chief Finance Officer will ensure the protection of all MFN financial assets by:

- a. Following all provisions outlined within this Code;
- b. Adhering to regular reporting to the Chief Administrative Officer.

11.4. The Chief Administrative Officer will ensure the protection of all other assets by:

- a. Ensuring all equipment is adequately maintained, reasonable wear and tear excepted;
- b. Making purchases with consideration of a balance between cost and long-term quality;
- c. Establishing standards to prevent unknowing misplacement of information, or placement of files at risk of loss or significant damage;
- d. Minimizing risk through the arrangement of insurance coverage for MFN's property in an amount not less than full replacement value; and
- e. Taking all other measures identified as being necessary to support the protection of MFN assets.

12 Annual Budgets and Planning

12.1. Annual Budget and planning process schedule

- a. Annual Budgets for MFN shall be completed and approved by the Council on an annual basis. These Annual Budgets shall be designed to meet operational needs of MFN by incorporating planning and monitoring mechanisms, for the successful implementation of programming;
- b. The Chief Administrative Officer along with assistance and input from the Chief Finance Officer and MFN Employees, shall prepare an Annual Budget comprised of anticipated Revenues and Expenditures for all programs of MFN;

- c. The proposed Annual Budget shall be presented to Council for their review and approval no later than March 15th of each Fiscal Year;
- d. Once approved, Council shall accept and approve the Annual Budget by way of a formal Motion at a duly convened meeting; and
- e. Council shall review and monitor the Annual Budget on a monthly basis and may at any time make amendments to the approved budgets by way of a formal Motion at a duly convened Council meeting.

13 Bank Accounts

13.1. Council shall have authority to approve, open and/or close bank accounts on behalf of MFN.

13.2. The Chief Administrative Officer shall identify the need to open and/or close an account to Council who shall approve the request by way of a Band Council Resolution signed at a duly convened Council meeting.

13.3. When a Band Council Resolution has been signed to approve the opening of a bank account, the Chief Finance Officer will be responsible for promptly contacting the designated institution, and undertaking the appropriate process for opening the account, including completing documentation, signature cards, and acquiring the deposit book.

13.4. When a bank account is to be closed, the Bank Manager will be advised in writing of MFN's intention to close the account. All Funds will be withdrawn from the account, with the exception of any amount sufficient to cover any outstanding cheques or charges. The amount withdrawn must immediately be deposited into an existing MFN account, or it may be used to open a new account.

13.4. The Chief Finance Officer will be responsible for the custodianship and management of the deposit book and for reviewing the financial statements for all MFN accounts.

13.5. The Chief Finance Officer will regularly report on the status of all open accounts to the Chief Administrative Officer.

14 Signing Authorities

14.1. All cheques written on behalf of MFN shall have two signatories consisting of:

- a. The Chief Administrative Officer; and
- b. One Councilor.

15 Contracting for Goods and Services

15.1. All goods and services purchased shall be approved by way of a purchase order detailing the goods and services being purchased.

- a. The Chief Administrative Officer shall have the authority to approve purchases that are within an approved budget up to a maximum of \$5,000
- b. Purchases over \$5,000 to a maximum of \$49,999 shall have three competitive quotations by an Invited Tender process and have a purchase order attached unless otherwise acceptable by Council.
- c. Purchases over \$50,000 shall go to a formal Invite Tender process, and shall require a sound business plan.

16 Funding and Contribution Agreements

16.1. Only Council shall have authority to sign funding and contribution Agreements. Such Agreements will be signed at a duly convened Council meeting by way of a formal Motion and shall be recorded in the meeting minutes.

FINANCIAL REPORTING

17 Accounting Practices

17.1. All accounting practices of the MFN must comply with G.A.A.P.

18 General Reporting

18.1. All payments, including any disbursements or financial Commitments made directly by, or approved by Council, shall include a cheque requisition approved by the Chief Administrative Officer.

19 Monthly Financial Information

19.1. On the 15th of each month, the Chief Finance Officer shall submit the following reports to the Chief Administrative Officer:

- a. Bank Reconciliation
- b. Balance Sheet
- c. Trial Balance
- d. Income Statement

- e. Accounts Payable Listing
- f. Accounts Receivable Listing
- g. General Ledger

19.2. On the 15th of each month, the Chief Finance Officer shall submit a payroll register, including amounts and cheque/payment advice paid to each employee.

19.3. The Chief Administrative Officer shall review the payroll register report and sign a copy for the files.

19.4. Approved budgets shall be incorporated into financial statements of MFN.

19.5. Any variance reports in respect of the monthly reports, shall be presented to Council on a monthly basis.

19.6. Program areas and their respective budgets must be monitored such that where amendments are required, they should be reported to Council.

20 Quarterly Financial Statements

20.1. On a quarterly basis, the Chief Administrative Officer shall prepare the following for Council:

- a. Bank reconciliation
- b. Income statement
- c. Balance sheet
- d. Trial balance

20.2. The quarterly financial statements must be reviewed by the Chief Finance Officer.

20.3. Any variance reports in respect of the quarterly financial statements, shall be presented to Council on a quarterly basis.

21 Annual Financial Statements

21.1. At the end of each Fiscal Year, the Chief Finance Officer must prepare the Annual Financial Statements of the MFN for that Fiscal Year in accordance with G.A.A.P.

21.2. The Chief Finance Officer and Chief Administrative Officer shall ensure that an annual audit is prepared and presented to Council for approval by July 19th of each Fiscal Year.

21.3. The Council shall ensure the approved audit is presented to its Membership at an Annual General Meeting.

21.4. The approved audit shall, in accordance to s. 8(1) of the *First Nations Financial Transparency Act (FNFTA)*, be made publically available on the MFN website 120 days after the end of each Fiscal Year. A copy of the audit can also be made available to any MFN Member for review upon request.

APPEALS AND REDRESS

22 Appeals Process

22.1. MFN has a process for appeals and redress established in the MFN Governance and Administration Code.

22.2. The review, appeals and redress of any matters relating to the financial management of MFN should follow the process for appeals and redress established in the MFN Governance and Administration Code.

RATIFICATION

23 Ratification

23.1. This Code will become effective on approval by the Majority (50% +1) of the Eligible Voting Membership who are in attendance at a Community Meeting held for that purpose and choose to participate in the vote.

23.2. A copy of this Code must be made available to Members in advance of the Community Meeting.

23.3. Members must be provided with sufficient notice of the Community Meeting.

23.4. This Code, as ratified by the Membership, will be respected and upheld with honor and integrity.

AMENDMENTS

24 Amendments

24.1. This Code may be amended from time to time as circumstances warrant.

24.2. Amendments to this Code will become effective on approval by the Majority (50% +1) of the Eligible Voting Membership who are in attendance at a Community Meeting held for that purpose and choose to participate in the vote.

24.3. A copy of this Code must be made available to Members in advance of the Community Meeting.

24.4. Members must be provided with sufficient notice of the Community Meeting.

24.5. This Code, as amended by the Membership, will be respected and upheld with honor and integrity.

[To be signed by Chief and Council upon enactment and ratification]

Witness:

Date:

Witness:

Date:
