

# BEST PRACTICES AND TOOLS IN FINANCE AND MANAGEMENT FOR FIRST NATION AND ABORIGINAL ORGANIZATIONS



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## **Preface and Acknowledgement**

First Nation and Aboriginal organizations' are looking to improve upon their existing situations. Improvements require individuals and teams that understand the importance of developing capacity. While there is no shortage of areas that may require improvement and capacity development, there is one area that is linked to all areas and if neglected the whole organization may suffer. This area is finance and management and should be considered a priority in terms of developing capacity.

First Nation and Aboriginal organizations do not have to reinvent the wheel each time they are looking to improve something. A practice called benchmarking, which has been around for a long time is being used by organizations to find new and innovative ways to improve what they do. It is possible to find seek out information without having to wait to take the workshop or course.

Organizations can use benchmarking to seek out better practices and tools to identify potential solutions and enhance their capacity. Practices and tools in this publication will save Aboriginal organizations time and money, and improve the quality of finance and management activities.

Information on Benchmarking and Best Practices sets the stage and five sections that relate to financial management policy and processes are then presented. There are hundreds of practices and tools beyond this publication and those engaged in Aboriginal finance and management are encouraged to explore the possibilities through benchmarking for best practices and tools.

Many individuals have contributed time, energy, ideas and suggestions. It is only right to thank the members of the Aboriginal Financial Officers Association for sharing information. We wish to thank them for understanding the value that this information will provide. In addition, we thank Jarett Kingsbury and James Milne for their research support.

Finally, we dedicate this publication to the individual finance officer or manager that wants to make a real difference to their organizations. It is for them that this publication was written.

## **A. Introduction**

This publication is about developing capacity in finance and management. A number of practices and tools are presented that will allow individuals to make improvements or verify if they are on the right track. More importantly it will introduce individuals to the concept of benchmarking for best practices and tools.

Beyond this publication are other individuals and organizations that have practices and tools that may be of interest to you and your organization. The information presented in Section B will support efforts to engage in benchmarking beyond this publication.

After reading the publication and developing a greater appreciation for benchmarking you will perhaps take a different approach to networking at the next Aboriginal Financial Officers Association workshop or conference. You will no doubt use sessions and onsite networking to zero in on those potential practices and tools that may make a difference back in your organization.

Practices and tools are listed in the following five key sections:

- Planning, Policy and Budgets
- Financial Transactions
- Financial Reporting, Measurement and Accountability
- Management, Projects, Programs and Technology
- Human Resources

A chart listing practices and tools will allow you to easily reference information.

When you have areas for improvement and the information required is not in this publication consider applying the benchmarking concept to save time and money, and move things along in a timely manner. This publication can, if referenced as required, play a key role in developing improved policies and practices and organizational capacity.

If you believe in the pay-it-forward concept and have developed a new practice or tool that is making a difference in your organization, make efforts to share this information. Other may reciprocate and the value of sharing will continue to build. A first step in the sharing is to provide this information to the Aboriginal Finance Officers Association of Canada and colleagues who you believe may benefit.

## **B. Benchmarking and Best Practices**

Benchmarking is a tool to help improve one's business processes. Any business process can be benchmarked. Benchmarking is the process of identifying, understanding, and adapting exceptional practices from other organizations in order to help your organization improve its performance. Benchmarking is looking outward to find the best practices and then measuring actual business operations against them.

By benchmarking you will find out:

- Who performs the business process very well and has process practices that are adaptable to your own organization
- Who is the most compatible for you to benchmark with
- What gap your organization has with high performance organizations
- What improvements are possible

The benefits of benchmarking are:

- Identifies and establishes measures for success
- Develops innovative thinking
- Implements strategic direction
- Accelerates the change process
- Establishes rigour
- Overcomes disbelief
- Establishes accountability

### **Benchmarking Steps**

There are many different approaches and the minimum steps include:

1. Identify what is to be benchmarked; it can be a service, process, or practice.
2. Identify the organization(s) you want to benchmark against. It can be other operating units within the company, competitors or unrelated companies. However, they should be a leader or "best in class" in the area being benchmarked.
3. Determine the data collection method and collect data; measurements must be chosen to provide a meaningful comparison; collection usually involves in-person meetings and site visits of areas being benchmarked.
4. Determine current performance levels; this includes identifying gaps between your organization and your benchmarking partners.
5. Determine future performance levels; forecast the expected improvements of benchmarking partners so that goals set for the improvement program will not become quickly outdated.
6. Communicate the benchmark findings and gain acceptance from senior management and employees who will be asked to make improvements; present the methodology, findings and strategy for improvements.
7. Establish objectives; after concurrence on findings and strategy, the team presents final recommendations on goals and how the organization must change to attain them.

8. Develop action plans for each objective; they should be designed to gain the required support within the organization.
9. Implement specific actions and monitor process; this includes collecting data on new levels of performance; using problem-solving teams to investigate problems; and adjusting the improvement process if goals are not being met.
10. Recalibrate benchmarks; benchmarks are re-evaluated and updated, based on the most recent performance data.

### **Tips Based On Lessons Learned?**

- Involve leaders in communicating visions, values, and goals and strategies to the benchmarking team. This information and action provides direction for the benchmarking team and process.
- Keep the benchmarking project focused and small.
- Involve those who will be implementing any changes based on possible findings.
- Learn from others who have done benchmarking.
- Do not expect too much too soon; understand the impact of the change process on people, roles, systems, processes, methods and structure.
- Start the benchmarking process in friendly, supportive areas where data collection is easier and success is more likely.
- Take adequate time for planning, training and involving people. Provide the necessary tools.
- Create community understanding that benchmarking is a tool, a process, and not just another program or fad.
- Do it quickly or do not do it.

One of the biggest mistakes people make when beginning their benchmarking endeavour is that they only look to benchmark someone within their own geographic area or type of organization. Although this doesn't hurt, you probably already know enough about your area and similar organization's to know what works and what doesn't. Include a benchmarking partner beyond the norm.

### **What Are Best Practices?**

Best practices are the policies, processes, procedures, and systems identified in organizations that perform exceptionally well and are widely recognized as improving an organization's performance and efficiency in specific areas.

Successfully identifying and applying best practices can results in:

- Improved morale
- Increased revenues
- Cost reductions
- Improved productivity
- Improved working conditions
- Enhance communications
- Increase community satisfaction

## **Best Practices and Tools For Aboriginal Financial Managers**

There are no best practices that fit every community. Each community is often at different levels of development. What is new and exciting today may be old and routine in two years. Practices are always changing to reflect innovation and creativity. However, many best practices can be helpful within the community and need to be reviewed for possible improvements.



## **C. Listing of Practices and Tools**

<b>Planning, Policy and Budgets</b>	<b>Practice Page</b>	<b>Tool Page</b>
1.1 Strategic Planning		
1.2 Selecting the Issues		
1.3 Using the Mission		
1.4 External Environmental Analysis		
1.5 SWOT Questionnaire and Matrix		
1.6 Developing Policy		
1.7 Developing Budgets		

<b>Financial Transactions</b>	<b>Practice Page</b>	<b>Tool Page</b>
2.1 Accounting Policy and Procedures		
2.2 Systems and Practices Documentation		
2.3 Online Banking and Access		
2.4 Reduce Use of Manual Cheques		
2.5 Training Accounting Staff		
2.6 Tracking Vacation Accruals		
2.7 Payroll Advances		
2.8 Sample Outsourcing Payroll Policy		
2.9 Create a Closing Books Schedule		

<b>Financial Reporting, Measurement and Accountability</b>	<b>Practice Page</b>	<b>Tool Page</b>
3.1 Keeping Track of Progress		
3.2 Strategy and Performance Indicators		
3.3 Evaluation Strategy		
3.4 Meeting Council Accountability Responsibilities		
3.5 Financial Reporting		
3.6 How to Achieve Financial Responsibility		
3.7 Accountability – Structure and Responsibility		
3.8 Accountability to Members		
3.9 Audit and Reports		

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## Best Practices and Tools For Aboriginal Financial Managers

<b>Management, Projects, Programs and Technology</b>	<b>Practice Page</b>	<b>Tool Page</b>
4.1 Meetings		
4.2 Working with Change		
4.3 Improving Work Processes		
4.4 Improving Information Technology		
4.5 Orientation		
4.6 Knowledge Management		

<b>Human Resources</b>	<b>Practice Page</b>	<b>Tool Page</b>
5.1 Effective Use of Committees		
5.2 Training Staff		
5.3 Effective Interviewing		
5.4 Hiring Qualified People		
5.5 Improving Human Performance		
5.6 Performance Evaluations		
5.7 Scoring Evaluation Criteria		
5.8 Codes of Conduct		

## **D. Planning, Policy and Budgets Practices**

Practice 1.1 – Strategic Planning

Practice 1.2 – Selecting the Issues

Practice 1.3 – Using the Mission

Practice 1.4 – External Environmental Analysis

Practice 1.5 – SWOT Questionnaire and Matrix

Practice 1.6 – Developing Policy

Practice 1.7 – Developing Budgets

### **Practice 1.1 – Strategic Planning**

#### ***Practice Summary***

As communities continue to move towards self governance and the continued transfer of federal government programs, it is crucial for the community to have a well thought out plan. It is important to have a strategic plan in place prior to the development of a performance measurement framework. This strategic plan should highlight the community's goals and objectives prior to undertaking the development of a performance measurement framework. This ensures that everyone involved in developing the framework are aware of why they are undertaking the process and that the framework will reflect the values and goals of the community.

#### **Benefits of Strategic Planning**

- Specify the communities purpose
- Set the communities future direction
- Provide for an overall framework
- Adapt to the changing environment
- Work together for a brighter future

### **Practice 1.2 – Selecting the Issues**

#### ***Practice Summary***

A First Nation is often faced with a multitude of issues demanding the attention of decision-makers. The issues may represent threats or opportunities. Understanding what should be considered priority is important. An organization that becomes too aggressive and tries to tackle many issues ends up spreading resources too thinly. Results can sometimes be disappointing. Many successful leaders believe it is better to do a few things well.

Deciding what to do can be a difficult process. However it doesn't have to be that way. Certainly having an External Environmental Analysis and SWOT (Strengths, Weaknesses, Opportunities and Threats) report can make it easier to narrow down issues. Yet it is often necessary to narrow the issues down to 5 or 10.

One democratic way to select key issues is to have all issues identified by the decision-makers listed on flip charts. The list may include anywhere from 10 to 30 issues. Provide each decision-maker with five sticky coloured dots and have them place their dots (votes) beside the issues they

think are important and should be considered a priority by the organization. The top five issues to pursue are those with the most dot votes.

This method allows all issues to be listed and addressed. It helps individuals understand that others may or not be seeing the importance of the issues in the same way.

### Practice 1.3 - Using the Vision and Mission Statement

#### *Practice Summary*

First Nation and Aboriginal Organization to be effective, must look beyond the present state of affairs and establish a Vision and Mission Statement. The Vision Statement will state the future state of the community and challenge leadership and community to make it a reality.

In turbulent times a council without a clear sense of an organization's purpose is likely to focus on short-term issues and overreact to events rather than examining and altering the processes that led to the events, and contributed to organizational drift and disarray. An effective council demonstrates a relentless, laser-like focus on the mission, which in turn focuses the First Nation on action. An effective council defines specific strategies necessary to attain crucial goals relevant to the mission.

Unfortunately, vision and mission statements can be vague and intentionally ambiguous so as to be useless because they provide no foundation for direction.

A simple exercise can demonstrate the extent to which your council is mission-focused. During a retreat or at the beginning of a council meeting, request, without prior notice, that each council member write the First Nation's mission in his or her own words on a blank sheet of paper. Collect and review the responses to see if all the Council members are saying the same thing. If so, it's consistent with the formal mission. If the responses are consistent there are no problems. If they are not, then the differences have to be reconciled.

### Practice 1.4 - External Environmental Analysis

#### *Practice Summary*

It is critical that First Nations understand the environment in which they operate. Knowing the trends and issues will assist in the decision making process. Each year, prior to the planning session, collect relevant information and prepare an External Environmental Analysis (EEA) report. Some First Nations do not do this because they assume everyone knows the issues and trends. This is generally not the case as individuals have different interests and retention capabilities.

In collecting data, break the information down into key influence areas such as:

- Economy
- Social
- Political
- Technology
- Others

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## **Best Practices and Tools For Aboriginal Financial Managers**

For each area it is possible to develop and ask several key questions. A technology example question is – “What technologies will impact on the way we relate to our members?” The intent is to look at current and future impacts, real and imagined.

Having this information will make conducting a SWOT (Strengths, Weaknesses, Opportunities, and Threats) exercise easier. A trend may present an opportunity or reveal other possibilities. Having the External Environmental Analysis and a SWOT enables a more integrative approach. This enhances the quality of information for the decision making process.

A broad reach in collecting data for an EEA will improve the quality of information. It is necessary to assign responsibility for data gathering to a staff or council member, depending on the governance and organization arrangements.

The individual (councillor or staff) develops a draft EEA based on research. The draft is then circulated to at least 30 members, depending on the size of the First Nation. The members selected should represent different youth, elders, etc.

The members then review the draft to see if it is consistent with their understanding of the situation. Welcome their input. Members feel good about being asked to be part of a team preparing strategic information that will contribute to decision making for their First Nation. This work is not time consuming and is considered a high-end activity which builds community involvement and ownership.

The input will result in a more comprehensive report and clearer understanding of the external environment for the First Nation.

<b>Practice 1.5 - SWOT Questionnaire and Matrix</b>
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### ***Practice Summary***

In every First Nation there is a variety of opinions on the organization’s strengths, weaknesses, opportunities and threats. One way to see how your thinking compares to the council and staff is to have them complete a SWOT Organization Questionnaire. For each of the four areas (Strengths, Weaknesses, Opportunities, Threats), identify 10 core questions. For each question provide a rating such as:

- 1 = disagree strongly
- 2 = disagree moderately
- 3 = undecided
- 4 = agree moderately
- 5 = agree strongly

In one column the individual provides his/her rating. The total of the individual ratings is used to determine the group rating. Individuals can see how their thinking compares to others and can discuss the differences. It is not unusual to find major variances in thinking. This exercise will help build on common understanding and resolve differences.

Some of the statements/questions that can be used in the strengths area are:

- The organization financial resources are adequate.
- Members regard us well.
- The administrative and program units operate effectively.

While SWOT results are helpful in the decision making process many organizations do not effectively link SWOT results to strategic decisions, and neglect to consider all implications.

In order to ensure all aspects are being considered, take the SWOT exercise beyond a straight listing and start matching to see what new strategies are possible. The tool used to do the matching is a TOWS Matrix. The matrix is composed of nine cells with the upper left cell always left blank. The steps involved in constructing the matrix are:

- List the organization's key external opportunities and external threats in cells on the left, internal strengths, internal weaknesses in cells on the upper cells.
- Match internal strengths with external opportunities and record the resultant SO strategies in the appropriate cell of the matrix.
- Match internal weaknesses with external opportunities and record the resultant WO strategies.
- Match internal strengths with external threats and record the resultant ST strategies.
- Match internal weaknesses with external threats and record the resultant WT strategies.

The purpose of the matching is to generate feasible alternative strategies, not to select or determine which strategies are best. Not all strategies will be selected for implementation.

### Practice 1.6 – Developing Policies

#### *Practice Summary*

Policies enable a community to support a desired direction and provide clarity so that consistent and logical decisions can be made when critical issues arise. For a policy to be effectively developed and implemented, key steps need to be undertaken.

1. Define the question or problem requiring a policy statement.
2. Analyze the alternative solutions looking at resources, timing, and strategy.
3. Select the most reasonable alternative that meets the community's needs.
4. Develop the policy that speaks to the accepted alternative.
5. Develop procedures that will implement the policy.
6. Evaluate the results to identify the need for change.

Depending on the community, council, resources, leadership and a variety of other factors, responsibility for each step will vary among communities. Generally work in steps 1 to 4 and 5 often involve the council, committees, and staff. Step 5 “the how” is often handled by staff only.

All policy developed should be documented in an orderly manner and made available to the council and key stakeholders in the community. This will allow for easy reference and prevent duplication, and removal of outdated policy.

The following are important points concerning policy and procedures:

- Members should be given access to the published policies and procedures when required and be able to input any changes that would directly affect them.
- Policies and procedures should be easy to understand with little interpretation and added communication to explain important points.
- The affected program (businesses) processes need to be documented using a process flow chart or some other kind of visual representation, as well as identify the process gaps and develop effective solutions.
- Policies and procedures should be written as a result of the efforts of a cross-functional team that represented process owners from all affected areas of the community?
- A procedure for writing new, or revised, policies and procedures should be established using a consistent, well-structured format or template.
- A “PROCEDURE on procedures” should include a writing format or template with numbered steps for completing a policy or procedure.
- Forms referenced in the policies and procedures need to be easy to find and view.
- All identified users must be trained in the use of published policies and procedures.
- Adequate communication tools need to be used to broadcast the existence of new, or revised, policies and procedures to the community and users.
- A communication and training plan should be put in place to ensure information about the policies and procedures is continually disseminated to the users of policies and procedures.
- A formal process for users to recommend changes to your policies and procedures should be in place.
- A plan for reviewing possible revisions to your policies and procedures on a routine basis is required.
- If converting to an online system, a clear plan for doing the conversion and for communicating the new system to your users must be addressed.
- Your policies and procedures contain detail and a structured layout to ensure internal and external reviews go smoothly.

### **Practice 1.7 – Developing Budgets**

#### *Practice Summary*

Budgets covering all operations are prepared at least four months prior to the end of the fiscal year. Individuals or groups that have any role or responsibility in the budgeted activity are asked to provide input into the budget. The finance staff is part of the team to assist with budget development. Budgets have sufficient back up to justify planned activity and demonstrate a link to the strategic plan. All departments, program and other budgets are looked at on a consolidated basis to ensure consistency and where possible activity is integrated.

Individuals or groups responsible for budgets take ownership for what is being proposed and follow up to measure actual results, note variances and, where necessary, take corrective actions.

## E. Financial Transactions Practices

Practice 2.1 – Accounting Policy and Procedures  
Practice 2.2 – Systems and Practices Documentation  
Practice 2.3 – Online Banking and Access  
Practice 2.4 – Reduce Use of Manual Cheques  
Practice 2.5 – Training Accounting Staff  
Practice 2.6 – Tracking Vacation Accruals  
Practice 2.7 – Payroll Advances  
Practice 2.8 – Outsourcing Payroll  
Practice 2.9 – Create a Closing Books Schedule

### Practice 2.1 - Accounting Policy and Procedures

#### *Practice Summary*

To support accountability and effective and efficient processing, policies and procedures are developed for the following areas:

- |  |                            |
|--|----------------------------|
| • Accounting Records                     | • Investments              |
| • Filing System                          | • Insurance                |
| • Deposits                               | • Loans                    |
| • Cheque requisitions and signing        | • Receivables and receipts |
| • Accounts payable and cheque processing | • Payroll                  |
| • Bank accounts reconciliations          | • Travel                   |
| • Purchasing                             | • Petty Cash               |
| • Tendering                              | • Financial Reports        |
| • Tendering and quotations               | • Inventory                |
| • Advances                               | • Asset management         |
| • Over expenditures                      | • Budgets                  |
| • Chief and Council Disbursements        | • Audits                   |
| • Conflict of Interest                   |                            |

It is not necessary to reinvent the above policies. These policies are available from similar organizations, professional associations and often available for free on the Internet.

### Practice 2.2 - Systems and Practices Documentation

#### *Practice Summary*

One of the most neglected tasks in a community is the documentation of various systems and practices. The investment to document information can be minor compared to problems that can occur or opportunities missed as a result of lack of documentation.

Whenever there is staff turnover and someone new fills a position there is a learning curve. The learning curve can be reduced considerably by having appropriate documentation. In addition the



number of errors can be minimized. With a reduced learning curve the quality of service need not suffer. For those communities that wish to engage in benchmarking projects and believe in continuous improvements, documentation will make the processes easier.

When complaints are received they can be used to look at how systems and practices can be improved.

Get the documentation done by having the information recorded or charted in downtime. If there is no such things as downtime consider having a consultant or a student undertakes the work on your behalf.

### **Practice 2.3 – On-Line Banking and Access**

#### ***Practice Summary***

Organizations, just like people, are prone to making the occasional accounting mistake, and get just as embarrassed when there isn't enough cash in an account to cover the cheques that have been written on it. Making sure the book balance is the same as your account balance is critical. Confirming this fact more often than once per month when your bank statement arrives makes good sense.

Take advantage of on-line banking services provided by your financial institution. On a daily basis, check to confirm that any deposits you have made have actually been posted to your account, as well as to determine what cheques have cleared. This practice will also reduce the amount of work you need to do at the end of each month to reconcile your accounts. As well, on-line systems make it easy to transfer money between accounts and to pay some of your suppliers.

Of course, access to on-line banking information costs money. In addition to the fee charged for accessing your accounts, extra fees will accrue if other services are accessed. In most cases, the extra fees are outweighed by the benefits of keeping on top of your organization's cash flows.

### **Practice 2.4 – Reduce Use of Manual Cheques**

#### ***Practice Summary***

No matter how hard we plan, we will often find ourselves having to prepare a cheque at the last minute in response to an unplanned event. When this happens, it requires us to work outside of our normal processes – we need extra time to manually prepare a cheque, get it signed, and then post it to our accounting program. Efficiency and accuracy sometimes gets compromised in these types of situations.

If you find yourself manually processing cheques frequently, take a look at the source of the requests and determine if a pattern exists. For example, is one particular person making a large percentage of last minute cheque requests? If so, have a meeting with that individual to explain the impact of such requests on both accuracy and productivity – work with them to find a permanent solution that will see most or all of the requests issued through the proper channels in future. If the problem lies with a large number of cheque requesters, the time you need to spend

with each cheque requester to reduce the frequency of last minute requests might cost more than simply filling their requests.

Another approach is to always have cheque stock in a pre-set printer. In this way you can simply enter the information into your system and print a cheque immediately. This will eliminate the need to re-enter any information and certainly takes less time than creating a cheque manually. But before opting for this method, be sure to factor in the cost of the printer itself – you may find this approach less than cost-effective if you only process a few cheques manually each month.

### **Practice 2.5 – Training Accounting Staff**

#### *Practice Summary*

Don't make the mistake of assuming your accounting staff has the knowledge and skills needed to perform their jobs well. After all, accounting rules change constantly, computer programs are changed or updated, processes are revised, industry-specific practices are introduced, and management skills need to be honed for those who might assume higher-paying jobs in the organization. Training is the key to ensuring your accounting team is able to perform to expectation.

Make a chart that identifies every position in your department. Add to the chart the skills and processes each position should be familiar with. Then assess the strengths and weaknesses of the individuals in each position to determine if they do indeed have the skills and experience needed to perform their jobs. This process will help you identify which employee requires what type of training. And don't forget to include staff training in your annual budget.

### **Practice 2.6 – Tracking Vacation Accruals**

#### *Practice Summary*

Employees often want to know how much vacation time they have coming to them. In most instances, this information is tracked manually by the payroll department – employees then have to interrupt staff to determine how much vacation time they have accrued.

Vacation accrual can be automated so that it becomes a regular item on employee pay cheque stubs. Some payroll programs come complete with a vacation accrual option. Other programs require modification with customized programming, the cost of which, might, in some cases, outweigh the benefit of automated vacation tracking. And keep in mind that it is likely that vacation entitlements may well vary from individual to individual, or change at certain intervals (i.e. increase from 2 weeks to 3 weeks per year after 5 years of employment). All of this information must be reflected in your program at the outset to avoid what you attempted to remediate at the outset – employee interruptions seeking clarification of what amount of vacation time they have coming to them.

### Practice 2.7 – Payroll Advances

#### *Practice Summary*

The desire to keep our employees happy and to help them through trying times often drives us to respond affirmatively to requests for payroll advances. However, such requests are time-consuming to process – we must manually calculate the taxes to deduct, manually process a cheque for signature, and manually enter the information into the computer to ensure the amount is deducted from the employee's next pay cheque. None of this is efficient or effective use of our staff.

Establish a policy that precludes, under any circumstances, payroll advances – no exceptions! You can, however, still help your employees through difficult times by establishing a relationship with a local lending firm or institution that specializes in lending funds to people until their next cheque is issued from their employer. Yes, these firms do charge interest – that is, after all, how they make their money. But that might also compel employees to do a better job of budgeting from pay cheque to pay cheque which really isn't a bad thing. And neither is the fact that eliminating payroll advances will increase the efficiency of your department.

### Practice 2.8 – Outsourcing Payroll

#### *Practice Summary*

Payroll – often considered a headache by employers large and small. It's tough to keep on top of different rates, varied employee benefits, and perhaps different paydays for differing groups of employees. And the penalties for missing a payment to Government for deductions made at the source can be quite significant. In response to these and other considerations, many have opted to outsource their payroll functions – in fact, payroll is one of the most common outsourced business functions today.

Before opting to outsource your payroll function, consider the following pros and cons:

#### PROS

- If you have been assessed a financial penalty for making a late remittance to Government, those penalties will not accrue in the future
- Most payroll firms can direct-deposit to employee bank accounts, thereby eliminating the time-consuming task of stuff cheques into envelopes and distributing them to staff
- A wide range of reports are available to employers using the service
- Payroll firms are experts who can respond capably to any question or situation that may arise

#### CONS

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## **Best Practices and Tools For Aboriginal Financial Managers**

- Outsourcing payroll is generally more expensive than keeping the function in-house – after all, payroll firms are in business to make a profit
- Add-on services like direct-deposit, stuffing cheques into envelopes, specialized reports and deliveries are costly
- The payroll database may not be able to link to your internal computer system to allow for interfacing

In summary, there are valid reasons why so many organizations outsource their payroll function. Doing your homework at the outset will ensure you know what you're going to get for the money you spend, and eliminate any surprises.

<b>Practice 2.9 – Create a Closing Books Schedule</b>
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### ***Practice Summary***

The financial statement process contains a large number of necessary steps, any one of which, if eliminated, can jeopardize or delay the required outcome: complete and accurate financial statements.

Create a closing schedule that itemizes each task that must be completed during the closing process. The schedule should indicate what task (i.e. verify that recurring journal entries are correct for the reporting period) must be completed, by whom, and on what day (i.e. two days prior to period end, day of period-end). Use the schedule to monitor employee progress and provide assistance to those who are falling behind schedule.

Keep in mind that your closing schedule will undoubtedly require regular updating and communication to your accounting staff. Applied well, a closing schedule can ensure your organization benefits with timely and accurate financial information on an ongoing basis.

## **F. Financial Reporting, Measurement and Accountability Practices**

Practice 3.1 - Keeping Track of Progress

Practice 3.2 - Strategy and Performance Indicators

Practice 3.3 - Evaluating Strategy

Practice 3.4 - Meeting Council Accountability Responsibilities

Practice 3.5 - Financial Reporting

Practice 3.6 - How to Achieve Financial Responsibility

Practice 3.7 - Accountability – Structure and Responsibility

Practice 3.8 - Accountability to Members

Practice 3.9 - Audit and Reports

<b>Practice 3.1 - Keeping Track of Progress</b>
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### ***Practice Summary***

The development of an effective strategic plan is an important step for any First Nation, the challenge facing the First Nation's council and staff is to implement monitoring and control mechanisms to ensure that the plan's overall goals are attained.

One of the key features of an effective monitoring and control process is the inclusion of measurable goals and milestones – each relating to the strategic plan – in the operational structure of the organization.

The use of measurable and objective goals can – and should – be incorporated into the full range of operational areas. Wherever possible, meeting these goals should be included as part of the responsibility of each program area within the organization.

By providing clear measurement targets – with specific timelines – council and managers can respond quickly to challenges that may arise. The absence of such measurement tools places managers and council very much in the dark.

The measurement tools are often referred to as performance indicators. A monthly or quarterly staff report to the Council should list the status of the key indicators. The use of this one page list of performance indicators will prove to be valuable in monitoring and control.

<b>Practice 3.2 - Strategy and Performance Indicators</b>
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### ***Practice Summary***

Performance indicators are measures that relate to the process of establishing and implementing strategic direction. Indicators relate to results. Linking strategy to performance indicators provides for a high level of accountability. Indicators are also monitored to identify opportunities for improvement. Performance indicators can be developed and categorized based on a First Nation's programs and business activity or strategic priorities.

When developing or implementing an indicator it is critical to ensure it is relevant. One way to do that is to ask these questions:

- Is this performance a critical indicator of success from a stakeholder point of view?
- Can it be measured without the need to establish complex and costly measuring systems?
- Does it speak to the value-added contribution of the organization?
- Is it a reliable way of measuring something?
- Do others in the same business recognize the measurement as valid?
- If you are off course (in trouble), what corrective actions do you need to get the organization back on track to achieve the goals.

By asking these questions, a First Nation can be prevented from using a wrong indicator and ensure what is being measured is of value to those most affected by work the measurement represents. This also prevents the use of too many indicators or the use of indicators that are too complex or lend themselves to accountability.

### Practice 3.3 - Evaluating Strategy

#### *Practice Summary*

Organizations should undertake a formal process to evaluate strategy. Since strategic direction is usually long term, a bad strategy can seriously influence a First Nation's health and can be difficult to change. Therefore, timely and effective evaluations to identify problems or potential problems are critical.

A framework for strategy evaluation can answer the following questions:

- Have major changes occurred in the organization's internal strategic position?
- Are internal strengths still strengths?
- Have we added new internal strengths? If so, what are they?
- Have identified internal weaknesses been dealt with?
- Do we now have other internal weaknesses? If so, what are they?
- Have major changes occurred in the organization's external strategic position?
- Are our external opportunities still opportunities?
- Are there new external opportunities? If so, what are they?
- Are our external threats still threats?
- Are there new external threats? If so, what are they?
- Has the organization progressed satisfactorily towards achieving its stated strategies or performance indicators?
- Is the strategy consistent internally and with the external environment?
- Is the strategy appropriate in view of available resources?
- Does the strategy have an appropriate time framework?
- Does the strategy involve an acceptable degree of risk?
- Is the strategy workable?

Based on the response to each question, an organization may either take corrective action or continue on its present strategic course.

<b>Practice 3.4 - Meeting Council Accountability Responsibilities</b>
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***Practice Summary***

Council bears the responsibility for public trust and accountability. This is no easy task. It requires vigilance, not only to avoid calamities but also to achieve greater effectiveness. Ten ways Council can carry out its responsibility for accountability are:

1. By clearly determining the vision, mission and strategies for their mandate.
2. By carefully selecting the Chief Staff Officer. This is one of the most important tasks and requires significant attention.
3. By ensuring effective goal setting, strategic planning, budgets and program monitoring. This requires policy and supportive processes.
4. By ensuring effective feed back and evaluation regarding programs and services. Using performance indicators will allow the Council to hold itself and the CSO and program managers accountable.
5. By regularly reviewing the performance and compensation of the Chief Staff Officer. A formal policy and process should be in place.
6. By overseeing the effective use of the resources of the First Nation. This requires financial and other reporting policy and a professional audit.
7. By serving as a court of last resort for member's complaints. This requires dispute resolution policy and a supportive process.
8. By insisting on the transparency of the organization and having a communication plan to relevant stakeholders.
9. By organizing governance activities to be efficient and effective.
10. By establishing a Council and organizational culture of openness and candour. This requires self-assessment. Issues are discussed, differences expressed and solutions sought. Policy on terms, performance and other accountability factors are also discussed.

<b>Practice 3.5 - Financial Reporting</b>
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***Practice Summary***

A policy is used to indicate what financial reports are developed and distributed to whom and when. The policy can also indicate what is done with the financial reports. Individuals or groups receiving the financial reports review results for which they are accountable and are informed as to progress.

The policy is reviewed as part of an orientation for all staff and elected officials. The reporting requirements are also included in job descriptions.

### Practice 3.6 - How to Achieve Financial Reporting Responsibility

#### *Practice Summary*

Effective financial responsibility requires council policy that tells what is, and what is not, an acceptable financial state of affairs. By way of practice, your council approves an annual operating budget. That budget likely allocates resources based on those things the council has determined are priorities (most often in the strategic plan). The council approves the budget, and the staff is bound to adhere to it.

The best-laid plans, however, don't always materialize. Let's hypothesise that an unbudgeted but necessary legal expense is incurred in the amount of \$20,000.00. If that amount were significant in terms of your budgeted legal expenses for the year, or significant in terms of your overall budget (let's imagine your overall budget is \$300,000) then you would want your staff to alert you to the expenditure. If your overall budget were in the millions, your requirement may be somewhat different.

With the above in mind, it is highly recommended that council establish policy to guide the administration of the community's financial affairs. The following questions should be addressed by the council in their policy:

- What type of financial reports do we require, how frequently, and in what format?
- In what circumstances should council be immediately alerted to a budget variation (i.e. when a budget line exceeds estimates by x %, or when the overall budgeted revenue or expense total will vary from estimates by x %).
- To what degree are we prepared to take risks with our financial investments?
- What level and types of asset protection (insurance) should we provide for?
- What methods do we consider acceptable as means of monitoring compliance with our financial and investment policies?

The bottom line is this: your policies and ongoing reporting requirements, coupled with your monitoring options, should give the council a comfort level concerning your community's financial affairs. If they don't, re-visit your policies. Developing policies and monitoring adherence to your policies is not only an incredibly effective way to govern your finances, it's the simplest.

### Practice 3.7 - Accountability - Structure and Responsibility

#### *Practice Summary*

The organizational components and structure of the First Nation should be documented and such documentation should include the use of an organizational chart. The chart should show the lines of authority for the structure. Other information should indicate authorities, meeting requirements, financial information flow, and other related operational specifications.



This information is used to assist with orientation of new staff and elected officials. A copy of the organization's structure and responsibility is posted in the service area and on the First Nation website so members can review the information.

### Practice 3.8 - Accountability to Members

#### *Practice Summary*

Pass a By-Law or resolution that would require the Council to maintain a system of accountability to its Members. The system should provide for:

- A. Transparency and openness in the Council's decision making process including drafting and maintaining at all times a written conflict of interest policy available to Members which will, at a minimum, provide that:
  - a. An elected official or employee of the Council will not benefit from that position, beyond the agreed upon compensation, as a result of the position they hold; and
  - b. Where an elected official or employee of the Council has a personal interest in the outcome of any decision to be made by the Council, and that interest gives rise to a conflict of interest, that conflict and the extent of the interest will be disclosed to the council and the Council will determine whether that individual will take part in that decision.
- B. Disclosure of the Council's administrative procedures and policies by making the following documents readily available to all Members upon request and at no charge beyond the reasonable cost of reproducing the documents:
  - a. This Agreement, including, any Schedule, any Notice of Budget Adjustment or Amending Agreement;
  - b. The Fiscal Plan, the Management Development Plan, if any, and any amendments to such plans;
  - c. The Audit, including the auditor's report;
  - d. Completed evaluations of the /core Funded Services and Non-Core Programs, if any, funded, in whole or in part, pursuant to this Agreement;
  - e. Written standards and any other policies or procedures of the Council relating to the provision of any Core Funded Services and Non-Core Programs to its Members; and
  - f. An annual report of the activities of the Council during each Fiscal Year;
- C. Redress for Members by ensuring that policies and procedures are in place to address disputes related to Core Funded Services and Non-Core Programs, which policies and procedures shall, at a minimum, provide for:
  - a. Clearly defined and impartial dispute resolution mechanisms for initiating, presenting and resolving disputes including an opportunity for all parties to be heard and represented;
  - b. Reasonable time frames within which disputes must be initiated and resolved;
  - c. An appeal process; and
  - d. Appropriate remedies based upon the outcome of the dispute resolutions

<b>Practice 3.9 - Audits and Reports</b>
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*Practice Summary*

Audits are conducted and results reviewed by key stakeholders. Audited statements are posted in the office service area, on the website and presented to the community along with an annual report from the leadership describing what was planned and what happened.

On their own, audited financial statements present only part of the story. An annual report containing information beyond the financial statements presents the other half of the story. Reports from departments and programs include activity undertaken during the last year. The reports could also indicate future plans. These reports provide the community with information from those accountable to the community.

The annual report and the financial should be shared with the community through communications such as newsletters, public forums and if possible through the First Nation Radio Station. This creates an environment of trust and transparency.

## G. Management, Projects, Programs and Technology Practices

Practice 4.1 - Meetings

Practice 4.2 - Working With Change

Practice 4.3 - Improving Work Processes

Practice 4.4 - Improving Information Technology

Practice 4.5 - Orientation

Practice 4.6 - Knowledge Management

<b>Practice 4.1 – Meetings</b>
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### *Practice Summary*

Individuals often spend a lot of time in meetings and complain about the purpose, focus and value of the meeting. One way to reduce frustrations and improve productivity is to gain more understanding about the meeting and how it will be conducted.

Formulate a list of all of the meetings you participate in a given year. For each meeting identified, ask:

- What is the purpose of the meeting?
- What are the desired outcomes of the meeting?
- Is the meeting really necessary to achieve the purpose and outcomes?
- Are there alternatives other than physically meeting in the same room (i.e. e-mail, teleconference, internet meeting) that will achieve the same outcomes?

Ensure every meeting benefit by using a concise agenda. As an individual participant, do your part to enhance meeting effectiveness by:

- Reviewing the agenda and related materials before you arrive at the meeting;
- Arriving on time and staying for the entire meeting;
- Establish ground rules at the beginning of the meeting, ie. Shut off cell phones;
- Create and stay within timelines established for each topic
- Refraining from engaging in side conversations with the person or persons next to you;
- Actively engaging in discussion and debate;
- Establish a decision making process, i.e. Consensus or show of hands,
- Adhering to the agenda and not straying of course; and
- Being a good listener.

Effective and productive meetings can be the norm rather than the exception. Do your part. And one more thing, make it fun! Humour has a place in every meeting and boardroom – it has the power to clear the air, reduce tension and eliminate negative emotions.

## Practice 4.2 – Working with Change

### *Practice Summary*

Change is practically constant. Embracing a process that helps to determine readiness, identify possible pitfalls and outlines some required steps can go a long way to reducing the challenges that often materialize with change initiatives. It is not always possible to manage change, but it is certainly possible to work with it. Consideration of the following will help:

- When a change is identified, ask why it is needed. How best could the benefits be communicated? How does it solve a persistent or difficult problem? Is it consistent with values?
- Present the change in a clear and easy-to-understand manner. Show it as easy to implement.
- Ask how it can be easily implemented and who will champion the change through the organization.
- Ensure that the final product of the change (vision) is clearly articulated and integrated with strategy. It should be mission driven, not situationally driven.
- The change must be led by a respected individual or team with a high level of commitment.
- Set change goals those are attainable and measurable. The goals should be challenging.
- Leaders should use a leadership style that is humble and courageous.
- Set up opportunities for consultation. Provide opportunity for people to critically cross-examine the change leaders. Encourage participation so people can be involved in the control of their destiny.
- Provide communications with a clear understanding on why the change is necessary. Show how it will help people personally and meet their needs. Provide road maps for those who might lose their way.
- Celebrate the past and provide occasions to talk through feelings. Part gracefully from the old ways.
- Work closely with informal leaders.
- Approach change from a proactive position.
- Ensure the process is continuous, linked to outcomes, and is completed in a realistic timeline.
- Recognize and understand how to deal with resistance factors and seek out the resistance.
- Empower staff and teams, but link with accountability and performance indicators.
- Conduct an assessment on the change undertaken.
- Celebrate success.

### Practice 4.3 – Improving Work Processes

#### *Practice Summary*

Process improvements focus on replacing inefficient processes. Here are some ways of how you can improve an Aboriginal organization's processes:

- Organize work around results, not tasks. (band-aids)
- Enter data only once and accurately to avoid wasting time on multiple entries and re-keying/correcting. This will require an integrated information system. (\$)
- Use controls in information processing to ensure your information has no defects. These are developed by expert systems software. (policy/practices)
- Give staff the responsibility, authority and accountability for the data they create. Have them work in parallel instead of sequentially, and then integrate their results.
- If you have resources in different geographical areas, share databases, telecommunications networks and standardized processing systems to avoid travel and incompatibilities.
- Move functions such as queries online, where appropriate.

### Practice 4.4 – Improving Information Technology

#### *Practice Summary*

Information technology requires that you stay abreast of its capabilities so you can use the technology most effectively. Here are a few ideas:

- Network multiple computers and encourage the use of groupware, specialized software to facilitate people working together.
- Connect all interested parties, organizations, and services to your organization.
- Use electronic data interchange (EDI) where possible to eliminate paperwork and speed up processes.
- Use databases to store information for multiple accesses.
- Eliminate unnecessary paper and improve accessibility through image processing such as scanning and other document management activities.

<b>Practice 4.5 - Orientation</b>
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*Practice Summary*

Many conflicts can be avoided if council and staffs have conducted a thorough orientation. Handing a new staff member three inches of material and asking them to read it is not orientation. Council has a responsibility to acquaint new members with information on new roles and responsibilities, and policy and operations.

A thorough orientation is likely to involve:

- An orientation with current leaders and staff on basic direction and policy.
- An orientation with an outside individual who can provide information on roles and responsibilities with a greater degree of objectivity.
- A training session covering the knowledge and skills required, such as meetings management, analysis of issues, or setting direction.
- The appointment of a mentor or existing member as a resource.
- Having each staff member indicate what issues they are interested in and what they hope to accomplish.
- Providing the staff member with an update on those issues of concern.
- Providing an orientation manual with relevant information.
- Having a staff member or council member call the new staff prior to the first meeting to see if they have any questions on the meeting or the Orientation Manual.

Is your orientation effective? One way to tell is to provide new staff members with an evaluation form at the end of their terms asking about the orientation's effectiveness and what improvements could be made.

An orientation manual is an excellent reference tool for volunteers and new staff members. The manual need not include all information on the community or project. An executive summary indicating where material on key topics can be found will help those who have not time to read all material or only wish to review certain items to refresh their memory.

Some items to include in the orientation manual are:

- A listing of key players, their responsibilities and how to contact them
- A strategic or directional plan
- A current business plan
- By-laws and policies
- Information on current products and services
- A listing of key event dates
- The last annual report
- Current financial statements and management report
- Most recent minutes
- Other relevant information applicable to the situation

<b>Practice 4.6– Knowledge Management</b>
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*Practice Summary*

All organizations want to make good decisions. The chances of making a good decision are increased if decision-making is knowledge based. Having the right information at the right time in the right format to make the right decision is important. One of the pillars of support for knowledge-based decision-making is the filing system.

Many organizations do not have a framework for their filing systems that provide for easy retrieval of information. Having a framework that is understood and used by all will reduce the amount of time spent looking for data for information.

The paper-based framework is usually structured on the functions, programs and activities of the First Nation. The framework should be used for word processing and email as well. This will result in improved document management and productivity.

## H. Human Resources Practices

Practice 5.1 - Effective Use of Committees  
Practice 5.2 - Training Staff  
Practice 5.3 - Effective Interviewing  
Practice 5.4 - Hiring Qualified People  
Practice 5.5 - Improving Human Performance  
Practice 5.6 - Performance Evaluations  
Practice 5.7 - Scoring Evaluation Criteria  
Practice 5.8 - Codes of Conduct

<b>Practice 5.1 – Effective Use of Committees</b>
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### *Practice Summary*

Committees and task forces (committees that will disband after a specific goal has been achieved) can't possibly succeed unless the Council describes for them what success will look like. The Council needs to tell a committee:

- What it expects it to deliver
- When it expects their task(s) to be completed
- What resources (financial, staff and volunteers) it has to aid them

The number and mandate of committees varies from community to community. Many have established committee job descriptions and/or committee terms of reference. If they're not careful, communities can become overrun by committees that become self-fulfilling entities. On an annual basis, council would be well served to take a long hard look at each of their committees, eliminating those that are unnecessary.

<b>Practice 5.2 - Training Staff</b>
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### *Practice Summary*

First Nation communities use training for staff, volunteers and community members. The impact of the training can be improved by making the learning process more interactive. Education is a shared experience and trainees that express themselves increase their learning as well as offering the trainer a chance to expand in certain areas.

Keep the sessions short so as to maintain attention and enthusiasm. Most training will be with an individual, rather than in a group. It is useful to have a checklist of items of what the individual will be trained on. This checklist may have a column that states what items the individual has received training and another column showing when they have completed the task by themselves. The trainer can check off each task when the trainee has completed the task successfully.

To maximize understanding, ensure that the group has been sorted by level, so that the training is not overly complicated or simplified for any members of the group. The content of the session should be tied in to the Band's objectives so that relationships are evident. If you are offering



written material on the topic, assume that the trainee will read it use it only as the basis for training. A presentation of written material is tedious and wasteful unless it is illustrated and demonstrated. Vary the type of presentation, the visual aids and demonstrations to keep the material interesting. Always use the end of the training session to summarize learning, clear up misunderstandings and answer questions.

### Practice 5.3 - Effective Interviewing

#### *Practice Summary*

Interviewing candidates is a difficult skill, but one which all councils must attempt to master. Mastery will require experience and training, but one can pay attention to a few simple tips to improve their skills in this area:

- All good interviews begin with a careful screening process
- Before you can ask the questions you should have developed a rating guide for the answers, as well as have some prepared questions and desired answers developed
- The interviewer should keep their talking to a minimum
  - putting the candidate at ease
  - describing the association as well as the position
  - Posing and answering questions.
- Listen and take notes – you are assessing their knowledge of specific skills and practices, their industry knowledge, and their credibility
- Explain the interviewing process as to stages, timing and feedback mechanisms
- Conduct reference checks
- Evaluate the process as to the ease of the candidate, the questions, and any biases such as the halo effect (looking at only one trait of the candidate).

Questions should be sequential. Begin by putting the candidate at ease and going through their work history. Then attempt to determine the fit, the candidate's motivation and their leadership and teamwork skills. Some questions should address specific required skill sets, while others provoke thought and assess performance under stress and duress.

Some example questions are:

1. Tell me about yourself using only one-word adjectives (follow up with why)
2. What have been the biggest success and biggest mistake of your career? Do you learn more from successes or mistakes?
3. If your boss was able to fine-tune one aspect of your performance, what would that be?
4. If you had the opportunity to do your last job over again, how would you do it differently?
5. Describe the most difficult decision you had to make - was it the right one? (why or why not)
6. What would your current boss tell me about you?
7. When you've had a really good day at work and you go home and reflect about it, what is it that made you feel really good?
8. What management belief have you had to give up getting where you are?
9. Have you learned more from your mistakes or your successes?

10. Is honesty always the best policy? On what occasions are you tempted to lie?

<b>Practice 5.4 - Hiring Qualified People</b>
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*Practice Summary*

Do not sacrifice competency when hiring an individual just because they are a member of your First Nation. An interim solution is if there is nobody locally who is qualified for the position, then one should look elsewhere for qualified people. It is important to have a qualified person, especially when it comes to finance, in order for operations to run smoothly and efficiently.

For a permanent solution, while this position is filled, someone within the community should be trained with the necessary skills to fill the position.

<b>Practice 5.5 - Improving Human Performance</b>
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*Practice Summary*

People are an Aboriginal organization's most important resource. How they are organized and managed is critical. Here are some possibilities:

- Give employees financial/non-financial incentives to improve processes and performance so they can see that their individual successes are related to organizational successes.
- Replace layers of management with self-directed work teams that handle their own job assignments, plan and schedule work, make decisions and solve problems.
- Offer learning opportunities for skill and competency improvement.
- Create measurements that link financial activities, objectives and results to organizational strategies. This is the "balanced scorecard" approach.
- Use freelance management experts and network services for temporary executive support.
- Outsource or set up a shared services agreement to efficiently deal with transaction-intensive operations, such as mailing, bank reconciliation, cheque writing, and payroll.

<b>Practice 5.6 - Performance Evaluations</b>
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*Practice Summary*

Each employee receives a performance evaluation at least once per year. The evaluation includes a review and discussion of planned activity and actual activity. Based on specified roles and responsibilities, a review of potential improvements to support improved performance occurs. The evaluation allows individuals to be accountable for performance and identify opportunities for improvement.

Performance evaluation can be a valuable tool to identify areas that require attention, head off unpleasant problems and provide satisfaction of doing a good job. As the chief and council play a key role in leading the community, a community's success is linked to how well the council or chief are doing. Evaluation can also aid in personal development and relate to a career

management plan. The evaluation ensures that the objectives of both the community and the staff are exchanged, reviewed to see if they are on track, and serve as a basis for salary review.

Some steps to have a good process are:

1. Implement a council policy for a thorough annual evaluation based on the fiscal year. The policy should outline timing, who and how procedures.
2. Determine the council's expectations of your position and have a position description formally adopted.
3. Establish criteria to be used in the evaluation. The criteria should be in two parts:  
(A) knowledge and skills needed to do the job and  
(B) agreement on clear targets to identify success in doing the job.
4. Have a clear process for scoring to the criteria and allow for narrative comment for each criterion.
5. The procedure should allow for council input to the evaluation team.
6. Determine the relationship of your performance to compensation adjustments.

Document areas for improvement, agree-upon action and provide progress reports on action taken

### Practice 5.7 - Scoring Evaluation Criteria

#### *Practice Summary*

A clearly defined evaluation form with appropriate criteria will prevent problems and provide focus on measuring what is important to the Band.

Evaluation forms should identify knowledge and skills required and what has to be done. There are many different types of evaluation forms. It is important to use one that is comprehensive, and:

- Measures knowledge and skills
- Measures specific job description and adjustments required
- Measures performance to specific objectives set at the last evaluations
- Identifies new objectives to be completed and new operational targets
- Identifies development needs
- Measures results of operations activity such as key performance indicators

The form should allow for a clear method for scoring to the criteria and leave room for narrative comment. The form should be broken down into key areas to reflect the desired competencies and performance indicators. Behaviour statements are often interpreted for each criterion within an area. A numerical rating level description that works well for criteria is the following:

1. Behaviour is very low or absent
2. Behaviour is low or somewhat low
3. Behaviour is satisfactory or adequate
4. Behaviour is high or more that satisfactory
5. Behaviour is very outstanding

The Band council or chief should score the form as well as the evaluation team members. The evaluation team members should present a final score that can be compared to the council or chief. The gap in score should be discussed to clarify expectations or development requirements.

<b>Practice 5.8 - Codes of Conduct</b>
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***Practice Summary***

Codes of conduct set boundaries and expectations for ethical practices. Codes can be used for committees and staff. Codes often provide for an in-depth section on conflict of interest and list specific rules.

A signature is often required from individuals indicating they subscribe to the code. An orientation of all codes is required for individuals affected by the codes. Codes place individuals in an accountable position and support the need to carry out roles and responsibilities with integrity, competence and due diligence.

## H. Planning, Policy and Budget Tools

- Tool 1.1 - Strategic Management Questionnaire
- Tool 1.2 - Selecting Issues and Priorities
- Tool 1.3 - Review Mission Clarity and Understanding
- Tool 1.4 - External Environmental Analysis
- Tool 1.5 - SWOT Questionnaire
- Tool 1.6 - Developing Policy Checklist
- Tool 1.7 - Sample Budget Policy

<b>Tool 1.1 - Strategic Management Questionnaire</b>
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Responding to the Strategic Management Questionnaire will assist in identifying areas for improvement.

### *Strategy Formulation*

#### Vision Statement

- |   |                      |
|---|----------------------|
| Has your organization developed a vision for the organization? (10 -if YES 1 -if NO)  | 1 2 3 4 5 6 7 8 9 10 |
| When was it last updated? (10 -if in the last year, 9 -if in the last 2 years, etc.)  | 1 2 3 4 5 6 7 8 9 10 |
| Is the vision statement relevant to the organization's activities and mandate? (10 -for very relevant 1 -not relevant at all) | 1 2 3 4 5 6 7 8 9 10 |

#### Mission Statement

- |   |                      |
|---|----------------------|
| Has your organization developed a mission statement? (10 -if YES 1 -if NO)  | 1 2 3 4 5 6 7 8 9 10 |
| When was it last updated? (10 -if in the last year, 9 -if in the last 2 years, etc.)  | 1 2 3 4 5 6 7 8 9 10 |
| Do you feel that your current mission statement is compatible with the activities being carried on by the organization? (10 -if YES 1 -if NO) | 1 2 3 4 5 6 7 8 9 10 |
| How would you rate participation in developing the mission statement by the:  |                      |
| Management Staff  | 1 2 3 4 5 6 7 8 9 10 |
| Council/Board   | 1 2 3 4 5 6 7 8 9 10 |
| (10 -very involved 1 -not involved at all)  |                      |

Understanding Values

Has your organization defined a set of value statements? (10 -if YES 1 -if NO)	1 2 3 4 5 6 7 8 9 10
When were they last updated or discussed formally? (10 -if in the last year, 9 -if in the last 2 years, etc.)	1 2 3 4 5 6 7 8 9 10
How would you rate the understanding of the organization's value statements (or values if formal statements have not been developed) by the:	
Management Staff	1 2 3 4 5 6 7 8 9 10
Council/Board	1 2 3 4 5 6 7 8 9 10

Strengths, Weaknesses, Opportunities and Threats Analysis (SWOT)

Has your organization conducted a SWOT analysis? (10 -if YES 1 -if NO)	1 2 3 4 5 6 7 8 9 10
How would you rate the competencies of your organization to conduct a SWOT analysis?	1 2 3 4 5 6 7 8 9 10
How would you rate the priority that your organization places on the SWOT analysis process?	1 2 3 4 5 6 7 8 9 10
How would you rate the importance of the SWOT analysis process to the effective operation of your organization?	1 2 3 4 5 6 7 8 9 10
Is a SWOT analysis employed when dealing with significant issues outside of strategic planning? (Score 10 for regularly - 1 for never)	1 2 3 4 5 6 7 8 9 10

Understanding Issues Influencing the Organization

How would you rate the understanding of issues that influence the organization by the:	
Volunteers	1 2 3 4 5 6 7 8 9 10
Council/Board	1 2 3 4 5 6 7 8 9 10
Management Staff	1 2 3 4 5 6 7 8 9 10

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## Best Practices and Tools For Aboriginal Financial Managers

Relative to the decision-making process, how would you rate your organization's attention to issues that influence the organization?

1 2 3 4 5 6 7 8 9 10

### Establish Long Term Goals

Has your organization established long term goals? (10 - if YES 1 -if NO)

1 2 3 4 5 6 7 8 9 10

How important is it to establish long-term goals for your organization? (10 -very important 1 -not important at all)

1 2 3 4 5 6 7 8 9 10

### Generate Strategies

Rate your organization's success/practice of generating strategies to deal with issues.

1 2 3 4 5 6 7 8 9 10

How important is it to generate strategies to deal with issues for your organization? (10 -very important 1 -not important at all)

1 2 3 4 5 6 7 8 9 10

### Selecting Strategies to Pursue

Does your organization select strategies to address issues that confront the organization? (10 -if YES 1 -if NO)

1 2 3 4 5 6 7 8 9 10

Rate the importance of selecting strategic solutions to address issues that confront your organization. (10 -very important 1 -not important at all)

1 2 3 4 5 6 7 8 9 10

### ***Strategy Implementation***

#### Policy Support

Does your organization maintain a policy manual? (10 -if YES 1 -if NO)

1 2 3 4 5 6 7 8 9 10

Are organization policies updated on a regular basis? (10 -if in the last year, 9 -if in the last 2 years, etc.)

1 2 3 4 5 6 7 8 9 10

Rate the relevance of your organization's policies to current organization activities? (10 -very relevant 1 -not relevant at all)

1 2 3 4 5 6 7 8 9 10

Rate the understanding and support to formal policy development and implementation by the:

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## Best Practices and Tools For Aboriginal Financial Managers

Volunteers	1 2 3 4 5 6 7 8 9 10
Council/Board	1 2 3 4 5 6 7 8 9 10
Management Staff	1 2 3 4 5 6 7 8 9 10

### Financial Capacity

Rate your organization's financial capacity to implement strategies.

1 2 3 4 5 6 7 8 9 10

Rate the commitment to providing financial resources to support the implementation of strategic initiatives. (10 - very committed 1 -not committed at all) by the:

Management Staff	1 2 3 4 5 6 7 8 9 10
Council/Board	1 2 3 4 5 6 7 8 9 10

### Motivation and Ownership

Rate the motivation to maintain and support the implementation of strategic initiatives by the:

Council/Board	1 2 3 4 5 6 7 8 9 10
Management Staff	1 2 3 4 5 6 7 8 9 10

Rate the "ownership" taken to the implement strategic initiatives by the:

Volunteers	1 2 3 4 5 6 7 8 9 10
Council/Board	1 2 3 4 5 6 7 8 9 10
Management Staff	1 2 3 4 5 6 7 8 9 10

### Board Support

Rate your board's commitment and support to the implementation of strategic initiatives.

1 2 3 4 5 6 7 8 9 10

Rate the performance of your board as it relates to the delivery of support to strategic initiatives. (as opposed to "talking the talk")

1 2 3 4 5 6 7 8 9 10

### Organizational Structure



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## Best Practices and Tools For Aboriginal Financial Managers

Rate how appropriate the current structure of your organization is to support the implementation of strategic initiatives. (10 -very appropriate 1 -not appropriate at all)

1 2 3 4 5 6 7 8 9 10

Rate the effectiveness of your current governance model as it relates to the implementation of strategic initiatives. (10 -very effective model 1 -not effective at all)

1 2 3 4 5 6 7 8 9 10

### Open to Change

Rate your organization's readiness for organizational change. (10 -very prepared 1 -not prepared at all)

1 2 3 4 5 6 7 8 9 10

Rate the willingness to accept and implement change (10 -very open 1 -not open at all) by the:

Volunteers

1 2 3 4 5 6 7 8 9 10

Council/Board

1 2 3 4 5 6 7 8 9 10

Management Staff

1 2 3 4 5 6 7 8 9 10

### Human Resources

Rate the human resource capability to manage and implement a change process or new strategic direction by the:

Management Staff

1 2 3 4 5 6 7 8 9 10

Council/Board

1 2 3 4 5 6 7 8 9 10

Rate the competencies of your organization staff to plan, manage and implement strategic initiatives.

1 2 3 4 5 6 7 8 9 10

### ***Strategy Evaluation***

#### Assessment

Rate your organization's current practices as they relate to the ongoing assessment of strategic initiatives.

1 2 3 4 5 6 7 8 9 10

Rate your organization's performance in communicating assessment results to the:

Management Staff

1 2 3 4 5 6 7 8 9 10

Council/Board

1 2 3 4 5 6 7 8 9 10

Auditors/Public/Others

1 2 3 4 5 6 7 8 9 10

## **Best Practices and Tools For Aboriginal Financial Managers**

### **Measure Performance**

Has your organization developed a set of key performance indicators or some other form of accountability to track the success of strategic initiatives? (10 -for defined key performance indicators 1 -no indicators defined) 1 2 3 4 5 6 7 8 9 10

Rate your organization's ongoing evaluation practices as it relates to strategic initiatives. (10 -doing a great job on a regular basis 1 -no evaluation occurs) 1 2 3 4 5 6 7 8 9 10

### **Identify Where Corrective Action is Necessary**

Rate your organization's success at identifying corrective action when strategic initiatives are failing or could be improved. 1 2 3 4 5 6 7 8 9 10

Rate your organization's response time, after it acknowledges that a strategic initiative is failing. 1 2 3 4 5 6 7 8 9 10

### **Assess Impact of Change/Participation**

Rate your organization's effectiveness at evaluating the impact of changes subsequent to initial strategy formulation. 1 2 3 4 5 6 7 8 9 10

Rate the level of participation in strategy evaluation (10 -very involved 1 -not involved at all) by the:

Council/Board 1 2 3 4 5 6 7 8 9 10

Committees 1 2 3 4 5 6 7 8 9 10

Senior Staff Person 1 2 3 4 5 6 7 8 9 10

Management Staff 1 2 3 4 5 6 7 8 9 10

### **Moving Beyond Evaluation**

Rate the attention paid to a First Nation, adjusting or developing new strategies subsequent to evaluation of the initial strategies by the:

Council/Board 1 2 3 4 5 6 7 8 9 10

Committees 1 2 3 4 5 6 7 8 9 10

Senior Staff Person 1 2 3 4 5 6 7 8 9 10

Management Staff 1 2 3 4 5 6 7 8 9 10

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### **Best Practices and Tools For Aboriginal Financial Managers**

Rate the relevance and suitability of the strategic management model to your organization.

1 2 3 4 5 6 7 8 9 10

Rate the commitment to Strategic Management as the model of choice for your organization by the:

Council/Board

1 2 3 4 5 6 7 8 9 10

Committees

1 2 3 4 5 6 7 8 9 10

Senior Staff Person

1 2 3 4 5 6 7 8 9 10

Management Staff

1 2 3 4 5 6 7 8 9 10

Consideration should be given to making corrective improvements to those sections with a total score of less than 7.

**Tool 1.2 - Selecting Issues and Priorities**

The following tools will help decision makers identify the issues and narrow the number down to reflect realistic capacity.

<b>List of All Issues By Area</b>	<b>List Top 3 Issues From Each Area to Get Strategic Planning Attention</b>	<b>List the Top 10 Issues and Related Strategy From All Areas to Get Resources</b>
Governance Area		
Administration Area		
Housing Area		
Education Area		
Economic Development Area		
Natural Resources Area		
Health Area		
Social and Cultural Area		
Others		

When looking at the issues to determine which should be in the Top 10, review the following questions to assess priority:

**High Priority**

- It is required by legislation or action for government or a contractual obligation
- It will result in a net revenue contribution or cost reduction and is consistent with organizational direction
- It is identified by survey as a member satisfaction
- It is required for safety and protection of people and property

**Medium Priority**

- It is required to ensure general management and control of resources and services
- It will reduce costs in the future year
- It is required to assist with planning, coordination or modification of products and services

Low Priority

- It is not a critical support to member service
- It benefits only a limited number of members
- It is primarily promotional in nature
- Demand has or will decline

To understand more about the issues and those involved ask the following questions:

- Who is affected by this issue?
- What are their concerns?
- What are their goals?
- What kind of action can we take to interact with them?
- Who can affect change?

**Tool 1.3 - Reviewing Mission Clarity and Understanding**

a) What is our community's mission statement?

b) Does the above mission statement answer the following questions?

Is it realistic?	YES	NO
Broad enough to allow for creative growth?	YES	NO
Widely understood?	YES	NO
Distinguishes the organization from others?	YES	NO
Serves as a basis for evaluation and aspiration?	YES	NO
Provides direction for all planning?	YES	NO
Supports the vision?	YES	NO
Encourages consensus?	YES	NO
Provides a standard for allocating resources?	YES	NO
Prepares to translate purpose into action?	YES	NO
Defines the purpose of the organization?	YES	NO
Recognizes stakeholders' needs?	YES	NO
Portrays the desired image?	YES	NO

c) If any of these questions were answered NO, identify areas that can help improve the mission statement.

d) From the above improvements, revise your original mission statement?

**Tool 1.4 - External Environmental Analysis**

The purpose of the external environment analysis is to understand better the 'space' in which you operate and the effect that changes in this 'space' are going to have on your organizations. As well, it allows you to look at what threats and opportunities are in the 'space'.

- 1) What top five trends and/or issues for each of the following areas do you believe will have an impact on your organization?

	<b>Trends</b>	<b>Issues</b>
Political		
Social		
Economic		
Technology		
Community/Sector		

- 2) Based on the above external environment trends and issues and the, what are the key threats your organization faces and key opportunities available for your organization?

**Threats**

--

**Opportunities**

--

**Tool 1.5 - SWOT Questionnaire**

***Strengths, Weaknesses, Opportunities, Threats (SWOT) Organization Questionnaire***

Work quickly and trust your first response. You must respond to all statements. Respond to each statement, about your organization using the following scale:

1 = disagree strongly	3 = agree moderately
2 = disagree moderately	4 = agree strongly

**Strengths**

**Rating 1-4**

- |   |       |
|---|-------|
| 1. The organization's financial resources are adequate.         | _____ |
| 2. Members/clients regard us well.                              | _____ |
| 3. Our organization is considered a leader.                     | _____ |
| 4. The organization operates effectively.                       | _____ |
| 5. Boards, Committees and task forces operate effectively.      | _____ |
| 6. We have access to economies of scale.                        | _____ |
| 7. The organization is technologically current.                 | _____ |
| 8. We are innovators.   | _____ |
| 9. Effective internal, cost, and quality controls are in place. | _____ |
| 10. Volunteers are many and the leadership is strong.           | _____ |

**Total Strengths** \_\_\_\_\_

**Weaknesses**

**Rating 1-4**

- |  |       |
|--|-------|
| 1. The organization's strategy is unclear.                                       | _____ |
| 2. Specialized staff support is limited.   | _____ |
| 3. Management lacks depth, skill or vision.                                      | _____ |
| 4. We have a poor track record for implementing strategy.                        | _____ |
| 5. Operating problems impair our ability to give reliable, high-quality service. | _____ |
| 6. We are not investing enough in economic development & education.              | _____ |
| 7. Our volunteers are limited and not focused.                                   | _____ |
| 8. Our programs and services to members/clients are too limited.                 | _____ |
| 9. Our image is weak   | _____ |
| 10. We are too slow in responding to change                                      | _____ |

**Total Weaknesses** \_\_\_\_\_



**Opportunities**

**Rating 1-4**

- |   |       |
|---|-------|
| 1. We could improve the way we do things.   | _____ |
| 2. We can enter and be successful in new ventures and programs.   | _____ |
| 3. Our programs & services could be expanded or adapted to meet members/clients' needs better.            | _____ |
| 4. We should be able to increase our programs and services line.  | _____ |
| 5. Our staff has untapped expertise.  | _____ |
| 6. We can form partnerships and alliances with others which will strengthen both their position and ours. | _____ |
| 7. Reallocation of resources to key strategy is possible.   | _____ |
| 8. We can accelerate improvements needed.   | _____ |
| 9. We can invest in training opportunities.   | _____ |
| 10. Programs and services are working well.   | _____ |

**Total Opportunities** \_\_\_\_\_

**Threats**

**Rating 1-4**

- |  |       |
|--|-------|
| 1. Demand exceeds our capacity to supply.  | _____ |
| 2. Technology is changing more quickly than we can respond to it.  | _____ |
| 3. Our finances are not growing.   | _____ |
| 4. Members/clients are unhappy and leaving   | _____ |
| 5. Government is considering regulations that could increase our costs   | _____ |
| 6. The economy is flat   | _____ |
| 7. Our most skilled volunteers/employees are leaving the organization  | _____ |
| 8. Member/client needs are difficult to define and analyse.  | _____ |
| 9. The demographics of the population is changing in a way that may change the way we can provide programs and services. | _____ |
| 10. Our employees are not skilled and adaptive.  | _____ |

**Total Threats** \_\_\_\_\_

Keep track of your total ratings below so you can compare your responses to those of others and discuss differences.

Strengths\_\_\_\_Weaknesses\_\_\_\_ Opportunities\_\_\_\_ Threats\_\_\_\_

**Tool 1.6 - Developing Policy Checklist**

The following are essential questions to consider in developing policy. Follow up on those questions responded to with a “no” answer.

<b>Essential Questions</b>	<b>Yes</b>	<b>No</b>
1. Is the policy consistent with our plans and strategic direction?		
2. Have all the relevant issues and stakeholders connected to the policy been identified?		
3. Are there prior or similar policies that will need adjustment as a result of the new policy?		
4. Have we reviewed the possible barriers to implementation of this policy		
5. Are the policy objective, policy, and application through procedures clear and do they address the barriers?		
6. Have those with relevant knowledge been consulted?		
7. Has a plan of communication been developed to support the approval and understanding of the policy?		
8. Is it clear how this policy will be monitored? Are accountability aspects considered?		
9. Have we benchmarked this type of policy with similar organizations?		
10. Have we assessed the liability, financial and human resource impact?		
11. Will this policy be combined with other policies in an organization policy manual?		
12. Is the policy in compliance with other statutory requirements?		
13. Is there a firm date as to when this policy will be reviewed again?		

<b>Tool 1.7 - Sample Budget Policy</b>
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***General Budget Policy***

An annual budget shall be prepared by the First Nation Executive Director, in conjunction with senior program staff and First Nation Boards, Corporations and Authorities.

The budget meeting shall deal with:

- The original plans and budget estimates prepared for the Council;
- The final approved budget appropriations from all sources;
- The difference between funds needed and funds available; and,
- Alternative means of First Nation operation in light of the above. These might include:
  - Reduction in all non-essential programs;
  - Reduction or elimination of specific programs; and or,
  - The raising of additional funds from internal or external sources

**PROCEDURES**

1. For Nations' funding agreements currently being negotiated, First Nations are required to complete a multi-year fiscal plan. This plan shall consist of a budget, using the most recent actual figures and the last year's budget for comparison, approved by Chief and Council at a properly constituted meeting, for the initial fiscal year of the agreement. A projected budget for each subsequent fiscal year comprising the period of the agreement is also necessary.
2. Prior to April 1 of each subsequent fiscal year, the First Nation shall replace the projected budget for that fiscal year with an annual budget and accordingly adjust the fiscal plan.
3. The First Nation shall only disburse the Block Funding and Targeted Funding, if any, in accordance with the Council's annual budget for that year, within the provisions of the funding agreement.
4. Annual budgets for each program area shall be prepared by Program Managers (and/or the respective committee). The budgets are subject to review by the Executive Director and Finance Officer / Chief Financial Officer by the end of March of each fiscal year.
5. The First Nation will set aside at least two (2) work days of each March solely for the purposes of formulation and justification of annual program budgets, including projected cash flows.
6. All program budgets and projected cash flow schedules shall be presented to the First Nation Chief and Council in April of each year, for formal approval through motions appearing in the minutes of a Chief and Council meeting.
7. To ensure effective ongoing monitoring of each program area budget, program workers will be provided with a copy of an approved annual cash flow schedule for their respective program area(s).

8. Each Program Manager, with assistance from their respective committee, shall be responsible for monitoring the take-up of their program budgets. Program budget monitoring and control shall involve comparing and reconciling monthly program revenue and expenditure statements with each program's original projected cash flow schedule.
9. Any program areas where actual expenditures are over/under projected monthly expenditures by \$\_\_\_\_\_ shall have a variance report produced and submitted to the Executive Director no more than two (2) working days after receiving the monthly program revenue/expenditure statement
  - a. The variance report will outline:
  - b. the amount of the shortage/overage
  - c. the cause(s) contributing to the shortage/overage
  - d. recommendations to bring the program budget back in line
10. Should a comparison between actual monthly expenditures and monthly budgeted expenditure reveal no significant overage/shortage, a statement verifying that the budget is on target shall be issued to the Executive Director.
11. All variance reports must be submitted to Chief and Council for their review and approval prior to implementation.
12. Should unexpected or unforeseen expenses be incurred in one part of a program, variance report corrective measures to re-adjust the program's budget may be in the form of an expenditure reduction in another area of the Program. The transfer of funding from one account to another, within a Program area, should never occur.

Further to policy 8, Department/Agency funds provided to the First Nation are to be expended for the purposes identified and approved in signed contractual agreements (targeted funding). Only in situations where flexibility is allowed between functions or programs, may transfers be recommended by program workers or managers.

All program transfers or interfund transfers should be passed by a Chief and Council motion and recorded in the meeting minutes.

PERSON(S) RESPONSIBLE

First Nation Executive Director

In order to ensure that the budget is meeting the expectations set out by the First Nation, it is required that the First Nation establish a comprehensive set of performance indicators to monitor the budget.

### PROCEDURES

Budget Monitoring by Chief and Council:

1. The Chief and Council should review program expenditures on a monthly basis, and adjust the budget as required. Motions for approval of monthly financial statement in the minutes should note, at least, the period covered by the statement, and the total amount of receipts and disbursements reported.
2. Any budget changes will require a consensus approval of the Council members through Council resolutions, and will be recorded in the minutes of the Council meeting.
3. Departmental/Agency funds provided to Chief and Council are to be expended for the purposes identified and approved in the contractual agreement. If flexibility is allowed between functions or programs (i.e. under an Alternative Funding Arrangement or Flexible Transfer Payment Agreement), transfers may be approved by Chief and Council.

### PERSON(S) RESPONSIBLE

First Nation Chief and Council

### ***Annual Service Plan Policy***

The First Nation Executive Director is responsible for the development and evaluation of any Annual Service Plan.

### PROCEDURES

The approved Annual Comprehensive or other Funding Arrangements shall be submitted to the respective funding agency by the appointed date and in the form as required by the current regulations in accordance with the following:

- ✓ Signed by Chief and Council;
- ✓ Submitted by the due date;
- ✓ Submitted in the required format; and,
- ✓ Including all additional information required (i.e. work plan).

### PERSON(S) RESPONSIBLE

First Nation Executive Director

### ***Capital Budget Policy***

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## **Best Practices and Tools For Aboriginal Financial Managers**

A five-year capital replacement budget shall be prepared by the First Nation Executive Director in consultation with the appropriate Department Managers.

This capital replacement budget shall be approved by Chief and Council and updated on an annual basis.

### **PROCEDURES**

1. For replacements of existing equipment information from the Capital Asset Register should be reviewed along with warranty, repair or other records to understand the history of the capital asset being replaced.
2. Determine if there will be proceeds from disposition of the capital asset and the amount if any.
3. If there will be no proceeds determine what will happen with the current capital asset.
4. When the capital budget is approved adjust the Capital Asset Register as required.
5. Arrange for appropriate insurance adjustments as required.

### **PERSON(S) RESPONSIBLE**

First Nation Executive Director

## **J. Financial Transactions Tools**

- Tool 2.1 - Accounting Policy and Procedures Checklist
- Tool 2.2 - Sample System and Practice Documentation
- Tool 2.3 - Online Banking and Access Checklist
- Tool 2.4 - Sample Manual Cheques Policy and Procedures
- Tool 2.5 - Accounting Staff Training Plan
- Tool 2.6 - Sample Vacation Accrual Tracking Tool
- Tool 2.7 - Payroll Advance Policy
- Tool 2.8 – Sample Outsourcing Payroll Policy
- Tool 2.9 - Sample Closing Schedule

<b>Tool 2.1 - Accounting Policy and Procedures Checklist</b>
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Review the following listing of sections and provisions in an accounting policy and procedures manual and indicate what you have, what needs work, and what you need to develop.

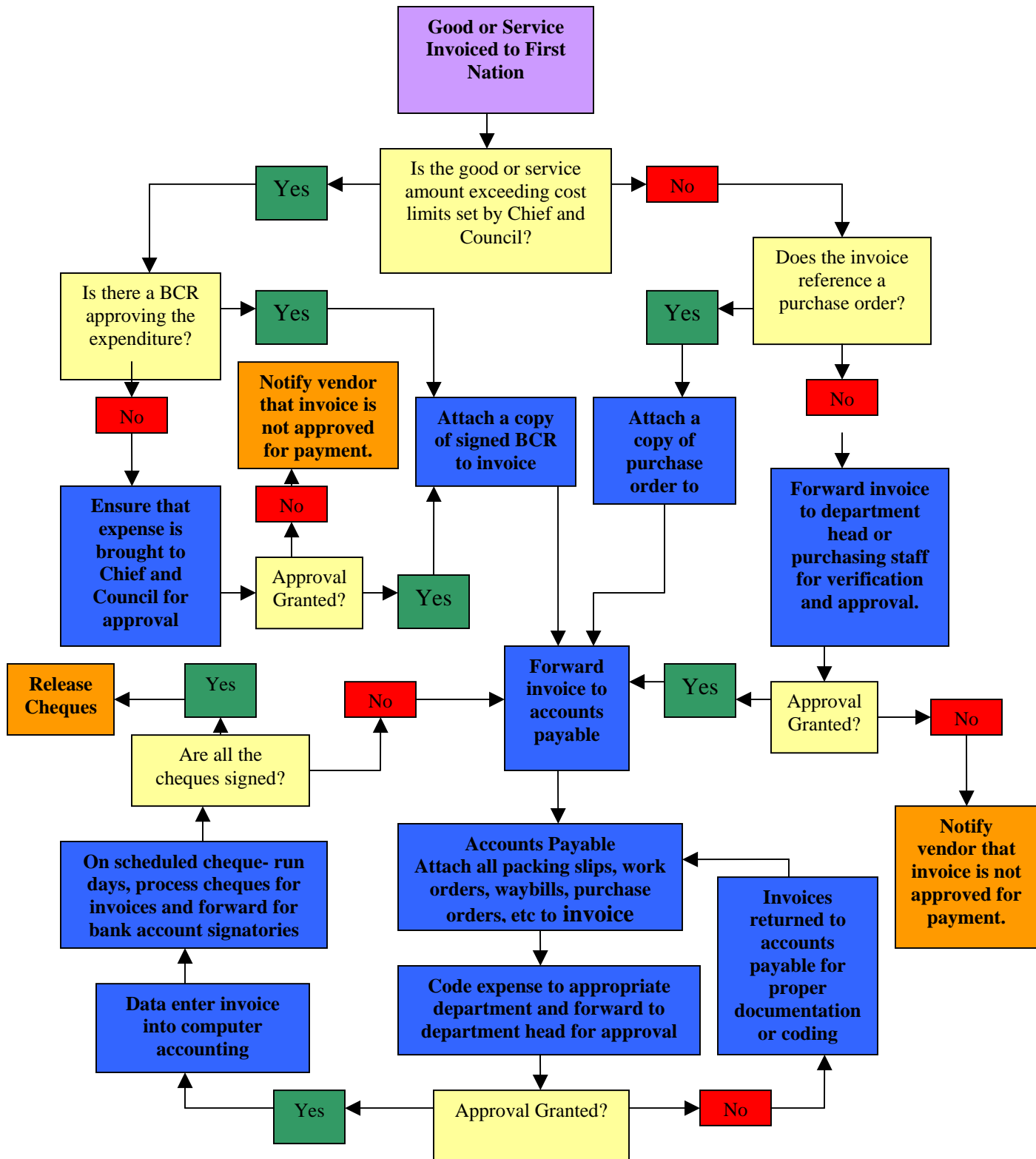
<b>Section</b>	<b>Have</b>	<b>Needs Work</b>	<b>Need to Develop</b>
Introduction			
General <ul style="list-style-type: none"> <li>• Approvals and Amendments</li> <li>• Definitions</li> <li>• Application of Policies</li> <li>• Approval Process Flow Chart</li> </ul>			
Accounting Records <ul style="list-style-type: none"> <li>• Bookkeeping system</li> <li>• Fund Accounting</li> <li>• Filing System</li> </ul>			
Tendering <ul style="list-style-type: none"> <li>• Regulations</li> <li>• Calling for Sealed Tenders</li> <li>• Tendering Policy for CFA or FTA</li> </ul>			
Purchasing <ul style="list-style-type: none"> <li>• Purchasing Requests and Approvals</li> <li>• Purchase Orders</li> <li>• Travel Advance Voucher</li> <li>• Cheque Requisition</li> </ul>			
Payment and Disbursements <ul style="list-style-type: none"> <li>• Invoice Receipt, Verification and Payment</li> <li>• Cheques</li> <li>• Progress Payments and Holdbacks</li> <li>• Employee, Member and Non-member Loans</li> <li>• Accounts Payable Reconciliation</li> </ul>			

## Best Practices and Tools For Aboriginal Financial Managers

<b>Receivables and Receipts</b> <ul style="list-style-type: none"> <li>• Invoices and Statements</li> <li>• Overdue Accounts</li> <li>• Receipts</li> <li>• Repayment of Loans Issues by First Nation</li> </ul>			
<b>Bank Account</b> <ul style="list-style-type: none"> <li>• Current Account Bank Statement</li> <li>• Bank Reconciliation Statement</li> <li>• Bank Account Changes</li> </ul>			
<b>Payroll</b> <ul style="list-style-type: none"> <li>• General</li> <li>• Records and Authorizations</li> <li>• Processing Employees Pay</li> <li>• Authorized Salary Advances</li> </ul>			
<b>Travel</b> <ul style="list-style-type: none"> <li>• Travel Approval</li> <li>• Travel Advance</li> <li>• Travel Reimbursement/Claims</li> <li>• Authorized Expenses</li> </ul>			
<b>Petty Cash</b> <ul style="list-style-type: none"> <li>• Petty Cash Approval and Reimbursement</li> </ul>			
<b>Financial Reports</b> <ul style="list-style-type: none"> <li>• Monthly and Yearly Reports</li> <li>• Financial Statements</li> </ul>			
<b>Asset Management</b> <ul style="list-style-type: none"> <li>• Inventory Maintenance</li> <li>• Insurance Coverage</li> <li>• Security of Assets</li> <li>• First Nation Vehicles</li> </ul>			
<b>Budget</b> <ul style="list-style-type: none"> <li>• Annual Budget Approval</li> <li>• Budget Monitoring</li> <li>• Annual Service Plan</li> <li>• Capital Budget</li> </ul>			
<b>Audits</b> <ul style="list-style-type: none"> <li>• Annual Audits – Internal</li> <li>• Annual Audits - External</li> </ul>			
<b>Investments</b> <ul style="list-style-type: none"> <li>• investment of excess funds</li> <li>• fund revenue assignment</li> <li>• borrowing approval</li> </ul>			
<b>Conflict of Interest</b> <ul style="list-style-type: none"> <li>• Conflict of Interest</li> </ul>			
<b>Records Retention</b> <ul style="list-style-type: none"> <li>• Records Retention</li> </ul>			
<b>Tool 2.2 - Sample System and Practice Documentation</b>			



*Payment Approval Process Flow Chart*



**Tool 2.3 - Online Banking and Access Checklist**

<b>Activity</b>	<b>Done</b>	<b>Required</b>
1. A policy and supportive procedures are in place that provides for signatures, controls, disbursements, limits, reports, etc.		
2. Auditors and/or the Audit Committee have reviewed the policy and procedures		
3. Passwords and PIN numbers are secure		
4. Access to the account numbers is restricted		
5. Security systems and software are updated on a regular basis		
6. Ensure you operate in a secure environment and log off as required		

**Tool 2.4 - Sample Manual Cheques Policy and Procedures****POLICY**

‘Manual’ Cheques may only be issued as a means of rectifying an emergency situation (i.e. to pay an overdue bill immediately). The First Nation Executive Director is the only person who would have authority to issue a manual cheque. All other cheques should be issued as a part of the approved regular processing system.

**PROCEDURES**

The First Nation Executive Director will only issue a manual cheque upon the request of the Finance Officer and only in a situation whose urgency warrants this issuance or upon the request of Council. All manual cheques will be documented by the Finance Officer in order to track the rationale for the cheque, and at month end will be reconciled/reviewed with the First Nation Executive Director and other signing authorities. Based on the review identify what can be done to prevent the issuance of manual cheques.

A copy of the record for the issuance of manual cheques follows:

<b>Date</b>	<b>Days Prior/Post Regular Issuance Date</b>	<b>Reason For Cheque</b>	<b>Who is</b>			<b>How can this be eliminate d in the future?</b>
			<b>The Cheque For</b>	<b>Requesting the Cheque</b>	<b>Approving the Cheque</b>	

**PERSON(S) RESPONSIBLE**

First Nation Executive Director

**Tool 2.5 - Accounting Staff Training Plan**

To set up a training program, you should make a list of all positions in the accounting department and determine the training strengths and weaknesses of every person occupying those positions.

<b>Accounting Department</b>			
<b>Name:</b> Joan North			
<b>Position:</b> Accountant			
<b>Competency Areas (Knowledge &amp; Skills Needed)</b>	<b>Required For Current Positions</b>	<b>Current Performance Requires Improvement</b>	<b>Required For Advancement</b>
Technology (i.e. accounting software)	Yes / No	Yes / No	Yes / No
Investments			
Assets			
Accounts Payable			
Accounts Receivable			
Purchasing			
Payroll			
Budgeting			
Financial Statements			
Cost Accounting			
Account Analysis			
Feasibility Studies			
Program Evaluation			
Benchmarking			
Policy Development			
Audit			
Cash and Banking			
Database Management			
Contribution Agreements			
General Ledger			
GST Taxes			
Others			
<b><u>Planned Training</u></b>  Why: When: How: Budget: Measure: Comments:			

**Tool 2.6 - Sample Vacation Accrual Tracking Tool**

Sample Monthly Vacation Chart (possibly tied into payroll stub)

<b>Finance Department</b>	<b>Vacation Time Allotted (code)</b>	<b>Prior Period Vacation Available</b>	<b>Vacation Accrued This Period</b>	<b>Vacation Used This Period</b>	<b>Current Period Vacation Available</b>
John Crowchief, Director of Finance	D	6 days	2.08 days	5 days	3.08 days
Joan North, Accountant	C	16.7 days	1.67 days	0 days	18.37 days
Sally Featherstone Payroll Clerk	B	10 days	1.25 days	5 days	6.25 days

**Code:** A = Employee with less than 24 months tenure (2 weeks)

B = Employee with 2 – 5 years tenure (3 weeks)

C = Employee with 5 – 10 years tenure (4 weeks)

D = Employee with 10+ years tenure (5 weeks)

<b>Tool 2.7 - Payroll Advance Policy</b>
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POLICY

A payroll advance may be requested in the following circumstances:

1. To rectify an error made by the First Nation.
2. When an employee is upgraded to a higher paying position and the appointment is retroactive.
3. When the start date of a new employee causes an excessive financial burden.
4. When an employee is requesting an advance due to vacation and has banked time.

Payroll advances may not be requested to rectify an error made by the employee.

Advances must be requested in writing by the employee and approved by the appropriate supervisor and the First Nation Executive Director.

Cheques will be issued within 2 business days of receiving the approved request. The employee will be notified when the cheque is ready and must come in to pick it up.

PROCEDURES

A list should be maintained by the Finance Officer indicating who has received advances, the date the advance was given and the date it was repaid.

PERSON(S) RESPONSIBLE

Finance Officer

<b>Tool 2.8 – Sample Outsourcing Payroll Policy</b>
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POLICY

Payroll may be outsourced if it is economical to do so. To outsource a Call for Proposals will be issued and a minimum of three (3) proposals will be reviewed. The Call for Proposal will follow the guidelines previously set out by the First Nation, and selection will be based on the company's potential adherence to the following criteria.

- Ability to meet our timelines
- Easy to use and understand process
- Response time to questions, adjustments and fixing problems.
- Plan for backup and disaster recovery.
- Confidentiality
- Payment conditions
- Service fees charged
- Termination conditions

PROCEDURES

The Call for Proposals will be drafted by the Finance Officer and the First Nation Executive Director will give final approval on the process.

The Call for Proposals will follow all guidelines previously set out by the First Nation pertaining to Requests for Proposals and other related financial policy.

The winning bid will be determined by the Chief and Council.

PERSON(S) RESPONSIBLE

First Nation Executive Director

**Tool 2.9 - Sample Closing Schedule**

Adjust the following to meet your needs. The listing helps to plan work and shift resources.

*Four days prior to period-end*

- Revise the closing schedule and distribute to staff.
- Verify that recurring journal entries are still correct for the current reporting period.
- Review financial statements with the most recent information and investigate any unusual variances.

*Two day prior to period-end*

- Review the contract schedule and verify that all contractual agreements have been either paid out to suppliers or billed to customers.
- Complete all allocation bases.
- Review financial statements with the most recent information and investigate any unusual variances.

*One day prior to period-end*

- Conduct an audit of the inventory to determine the accuracy level.
- Complete footnotes.
- Review financial statements with the most recent information and investigate any unusual variances.
- Complete preliminary bank reconciliation.

*Day of period-end*

- Process the period-end closing program.
- Print all period-end reports.

*First day after period-end*

- Compare all period-end reports to general ledger balances and reconcile differences.
- Accrue for unpaid payroll.
- Close the accounts receivable module.

*Second day after period-end*

- Review cut-off information and accrue for any missing supplier invoices.
- Close the accounts payable module.
- Update the fixed assets schedule and calculate depreciation.
- Complete all remaining accruals.



*Third day after period-end*

- Update detailed schedules for all balance sheet accounts.
- Complete all operating data for inclusion in the financial statements.
- Complete a preliminary set of financial statements.

*Fourth day after period-end*

- Finalize the financial statements and issue.
- Calculate the borrowing base certificate and send it to the bank, along with a set of financial statements.

## **K. Financial Reporting, Measurement and Accountability Tools**

Tool 3.1 - Sample Report on Key Performance Indicators

Tool 3.2 - Developing Performance Indicators Process

Tool 3.3 - Strategy Evaluation Tool

Tool 3.4 - Due Diligence Checklist

Tool 3.5 - Sample Financial Reporting Policies

Tool 3.6 - Sample Financial Administration Code

Tool 3.7 - Organizational Chart

Tool 3.8 - Sample Financial Accountability Policy

Tool 3.9 - List of Possible Annual Report Contents

<b>Tool 3.1 - Sample Report on Key Performance Indicators</b>
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<b>Indicators</b>	<b>Current Target</b>	<b>Current Status</b>	<b>Variance</b>	<b>Comments</b>
<u>Housing</u>				
Renovations	2	1	1	Materials backordered
New housing	3	2	1	Rained for three weeks
Unit waiting list	12	14	2	4 families moving back
<u>Education</u>				
Cultural program registrations	43	52	9	Two left for jobs
High school grads	14	12	2	
Enrolled in College	3	3		
Enrolled in University	2	2		
<u>Economic Dev. and Work</u>				
Number of businesses	5	4	1	Store closed
Number of new businesses	2	1	1	One waiting for funding
Number employed	85	90	5	Resort expanding
Number looking for work	46	42	4	

<b>Tool 3.2 - Developing Performance Indicators Process</b>
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A suggested process for developing performance measures is:

1. Identify the current goals or strategy driving your organization, program or work area.
2. Identify possible target measures or performance indicators for each of the goals and strategies. The performance indicators should assist to measure progress and success within specified time periods. They should have a name and definition.
3. Note those currently in use and the new ones that need to be developed.
4. For each performance indicator ask if it will be credible, useful, easily understood and accurate.
5. Examine the limitations and assumptions associated with the performance indicators.
6. Examine the availability of data to support indicator measurement
7. Meet with others who would be working with the indicators to examine the feasibility of using the proposed indicators. Information on calculation, frequency, data collection, storage and who will do what should be gathered to provide clarity on the development and application of the performance indicator.
8. Select performance indicators and include them in budgets, business plans and reports.

**Tool 3.3 - Strategy Evaluation Tool**

***Strategy Evaluation Questionnaire***

Have the Chief and Council and senior program managers complete the following questionnaire. Once it is completed, compile the results and hold a meeting to discuss the results and potential solutions to any problems that may have been pointed out in the questionnaire.

The following questions are rated on a scale of 1 – 4, where:

- 1 = Strongly disagree
- 2 = Moderately disagree
- 3 = Moderately agree
- 4 = Strongly agree

Where indicated, please elaborate on your responses and cite examples that support the score that you gave the question.

1. Have major changes occurred in the organization's internal strategic position? ☐

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2. Are internal strengths still strengths? ☐

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3. Have we added new internal strengths? If so, what are they? ☐

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4. Have identified internal weaknesses been dealt with? ☐

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5. Do we now have other internal weaknesses? If so, what are they? ☐

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6. Have major changes occurred in the organization's external strategic position? ☐

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7. Are our external opportunities still opportunities? ☐

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8. Are there new external opportunities? If so, what are they? ☐

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9. Are our external threats still threats? ☐

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10. Are there new external threats? If so, what are they? ☐

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11. Has the organization progressed satisfactorily towards achieving its stated strategies or performance indicators? ☐

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12. Is the strategy consistent internally and with the external environment? ☐

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13. Is the strategy appropriate in view of available resources?

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14. Does the strategy have an appropriate time framework?

☐

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15. Does the strategy involve an acceptable degree of risk?

☐

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16. Is the strategy workable?

☐

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Based on your responses, what changes in strategy do you recommend?

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**Tool 3.4 - Due Diligence Checklist**

Staff support Chief and Council in their decision making activities and need to be aware of ways to help them meet their accountability responsibilities. Here are a few key items that you can provide for them to review and do that will reduce risk and enhance the ability to govern with due diligence.

<b>Activity</b>	<b>Done</b>	<b>To Do</b>
1. Provide copies of the by-laws		
2. Provide policy manuals		
3. Provide the strategic plan		
4. Provide the business/program plans and budget		
5. Suggest they have an orientation session regarding roles and responsibilities		
6. Suggest they identify any training they may need to fulfill their roles and responsibilities		
7. Provide an organization chart		
8. Provide the resumes and job descriptions for senior managers		
9. Provide board minutes for the last year		
10. Provide the most recent Annual Report		
11. Provide minutes of the last community meeting		
12. Provide meeting agendas in advance so they will have time to read the material; including financial statements		
13. Provide and review conflict of interest policy so they will know when to declare conflicts of interest		
14. Provide information handling confidential matters and sign off forms		
15. Provide any information from surveys or other sources that indicate members needs and wants		
16. Provide or suggest they consider other options to ensure feasibility before approving a recommendation		
17. Suggest a business case or some type of analysis before approving a new program		
18. Provide an annual list of meetings dates and times so they can plan their participation		
19. Suggest they evaluate their effectiveness and look for improvements in the way they conduct their business at least once a year		
20. Remind them of the purchasing and contract requirements for significant transactions.		
21. Provide copies of any statutes which prescribe specific duties or will assist with decision making		
22. Provide information on external or internal activities that will assist with decision making		
23. Suggest a series of routine communication methods be used to inform members		
24. Suggesting member input be obtained on controversial issues		
25. Suggest they engage in planning activities on an annual basis		
26. Suggest they seek legal advice on uncertain or risky matters		

**Tool 3.5 - Sample Financial Reporting Policies**

***Monthly and Yearly Reports***

POLICY

Monthly financial statements in the format prescribed shall be prepared at the end of each month. These statements are to include actual receipts and expenditures for the month and are to show a comparison of current balances for each activity with budget estimates. The disbursement journal is to be presented to Chief and Council who will review this journal and the financial statements for \_\_\_\_\_ First Nation Office and approve the same in the minutes.

It is the policy of the First Nation that all monthly financial reports will be completed within 15 working days of the end of the prior month and that all accounting records for each fiscal year are to be ready for audit within 45 working days from the end of the fiscal year.

PROCEDURES

1. The First Nation's monthly financial statements are to be prepared and completed by the Finance Officer / Chief Financial Officer within ten - fifteen (10 - 15) working days of the month's end and are to be made available to Chief and Council and members of Management at that time.
2. Completed financial statements shall also include preparation of accompanying supporting documents:
  - a. Trial Balance of the General Ledger
  - b. Bank Reconciliation Statement
  - c. Accounts Payable Statement
  - d. Various Project Reports
  - e. Variance Reports
3. Appropriate monthly Program Revenue/Expenditure Statements are to be provided to program workers who have been assigned program budget control responsibilities. Program workers are to review the statements for overage/shortage spending, uncollected revenues, or other issues.
4. All monthly financial statements are to be reviewed by Chief and Council and formally adopted through motion, with the corresponding motion appearing in the Chief and Council meeting minutes. Any variance reports submitted to address program expenditures shortage/overages will be reviewed and approved at that time.
5. Monthly financial statements reviewed and approved by Chief and Council shall be filed in an appropriate manner to facilitate a speedy and efficient annual year end audit

PERSON(S) RESPONSIBLE

First Nation Executive Director and Finance Officer



**Tool 3.6 - Sample Financial Administration Code**

***Financial Administration Code***

WHEREAS, the Chief and Council of the Canadian First Nation have been elected to represent and empowered to act on behalf of the membership of Canadian First Nation;

WHEREAS, the Chief and Council has met at a duly convened meeting with sufficient members to constitute a quorum;

WHEREAS, the Chief and Council has determined that it is desirable and necessary for the better administration of the Canadian First Nation's business to establish a financial administration code to regulate the receipt, management and expenditure of Canadian First Nation funds and to establish the administrative organization of the Canadian First Nation for the management of Canadian First Nation funds;

THEREFORE BE IT RESOLVED, the chief and Council of the Canadian First

**FINANCIAL ADMINISTRATION CODE**

A Code to regulate the receipt, management and expenditure of Canadian First Nation funds and to establish the administrative organization for the Canadian First Nation for the management of Canadian First Nation funds.

WHEREAS the Council of the Canadian First Nation has determined that is desirable and necessary for the better administration of the Canadian First Nation's business to establish a financial administration code to regulate the receipt, management and expenditure of Canadian First Nation funds and to establish the administrative organization of the Canadian First Nation for the management of Canadian First Nation funds;

NOW THEREFORE the Council of the Canadian First Nation at a duly convened meeting of a quorum of the Council, hereby enacts the following code to govern the administration of Canadian First Nation funds:

**SHORT TITLE**

1. This code may be cited as the "Canadian First Nation Financial Administration Code"

**INTERPRETATION**

2. In this code:
  - a) "agency" means any board, tribunal, commission, committee of the Canadian First Nation or any corporate body controlled by the Canadian First Nation including a society or a non-profit corporation but does not include a business corporation operated for a profit-making purpose;
  - b) "agreement" means any written contract between the Canadian First Nation and another party or parties, including the federal government, a provincial government, or a third party, pursuant to which money is to be paid to the Canadian First Nation;
  - c) "annual budget" means the forecast of revenues and planned expenditures for each fiscal year by the Canadian First Nation;

- d) "audit" means the annual audited financial statements of the Canadian First Nation Reporting Entity prepared in accordance with generally accepted accounting principles (GAAP) as set out in the Canadian First Institute for Chartered Accountants (CICA) Public Sector Accounting Handbook and audited in accordance with generally accepted auditing standards (GAAS);
- e) "bank account" means a financial account of the Canadian First Nation held at an accredited financial institution where the funds on account are held to the credit of the Canadian First Nation;
- f) "Canadian First Nation funds" means all moneys belonging to the Canadian First Nation including
  - i. all revenues of the Canadian First Nation,
  - ii. money borrowed by the Canadian First Nation;
  - iii. money received or collected on behalf of Canadian First Nation, and,
  - iv. all moneys that are received or collected by the Canadian First Nation pursuant to an agreement or funding arrangement to be disbursed for a purpose specified by Council or pursuant to that agreement or funding arrangement, but does not include:
    - 1. money received or collected by a business corporation, operated for a profit-making purpose, owned by the Canadian First Nation;
    - 2. money received as revenues payable into the Canadian First Nation revenue or capital trust accounts held by the Government of Canada; or,
    - 3. money received by the Canadian First Nation on behalf of an individual;
- g) "Canadian First Nation Reporting Entity" means all Canadian First Nation organizations that are part of the reporting entity as defined by generally accepted accounting principles (GAAP) as set out in the Canadian First Institute of Chartered Accountants (CICA) Public Sector Accounting Handbook;
- h) "code" means a body of Canadian First Nation law enacted by the Council of the Canadian First Nation and approved, where required, by the members of the Canadian First Nation by petition, referendum or other form of consent;
- i) "Council" means the elected chief and councillors of the Canadian First Nation;
- j) "department" means an administrative division of the Canadian First Nation Government as established from time to time by the Council and includes service centres, agencies, administrative units and other internal organizational units of the Canadian First Nation administration;
- k) "employee" means all categories of Canadian First Nation staff, including full-time, part-time, casual, temporary and seasonal employees;
- l) "manager of a department" means the director of a department or the manager or co-ordinator of other administrative units of the Canadian First Nation;
- m) "motion" means a decision that has been approved by a majority of the Council present at a duly convened meeting of a quorum of the Council which is recorded in the minutes of that meeting and may include a document containing the wording of the motion signed by those who approved the decision;
- n) "purchase" includes any purchase of goods or services for a capital or operating purpose;
- o) "quorum" means a majority of the whole Council including the Chief.

3. This code governs the receipt, management, and expenditure of Canadian First Nation funds, and the administrative organization of the Canadian First Nation for the management of Canadian First Nation funds.
4. This code applies to the Canadian First Nation and all of its departments and agencies in receipt of Canadian First Nation funds.

#### **ROLE OF THE COUNCIL**

5. The Council is responsible for ensuring the effective and efficient administration of the financial resources of the Canadian First Nation for the benefit of the members of the Nation.
6. Any decision made by the Council for the purposes of this code shall be by motion as defined in this code.
7. The Council shall ensure that minutes are taken of the proceedings of all meetings of the Council and that a signed copy of the minutes is kept in a secure location. The minutes shall be signed by the Chief (or the chairperson acting in the absence of the Chief) and the Executive Director at the end of the minutes and the Chief (or chairperson) shall initial each page.
8. The Council shall receive and approve the annual budget of the Canadian First Nation.
9. Notwithstanding section 8, the Council may, for any purpose which the Council deems advisable, approve an amendment to the annual budget.
10. The Council shall establish such positions, departments, administrative divisions, agencies, programs, service areas, boards, authorities or committees as may be necessary for the good administration of Canadian First Nation funds and shall ensure that such bodies have a specified mandate, a clearly defined role, a defined relationship to the Council and appropriate policies and procedures sufficient to ensure the efficient and effective administration of the affairs of the Canadian First Nation.
11. The Council shall establish such appeal or review bodies as are necessary to create appeal mechanisms in relation to the delivery of services, shall appoint the members of such bodies and shall ensure that such bodies operate according to the rules of natural justice.
12. The Council shall ensure that criteria are established to determine how program benefits will be allocated among members of the Nation and such criteria shall include as a minimum the following:
  - a) formally defined and publicly available benefit schedules specifying applicable rates, conditions and criteria for eligibility;
  - b) provision for equal treatment of all members of the Nation;
  - c) an impartial process for the appeal of administrative decisions; and
  - d) procedures to ensure confidentiality of client information.
13. The Council shall approve, on behalf of the Canadian First Nation, any agreements or funding arrangements with the federal governments or with any other party for the provision of funding for the Canadian First Nation, its departments, agencies and other bodies.

#### **EXECUTIVE DIRECTOR**

14. The Executive Director shall act as the senior administrative official of the Canadian First Nation and shall assist the Council to carry out its duties.
15. The Executive Director shall be responsible for:
  - a) the conduct of the administration necessary to properly discharge the responsibilities of the Council,
  - b) ensuring the preparation of the annual budget and any amendments to it,

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## **Best Practices and Tools For Aboriginal Financial Managers**

- c) submitting the annual budget and any amendments to the Council for review and approval,
  - d) ensuring the establishment of the financial administration system of the Canadian First Nation with the approval of the Council and prescribing the form and content of the financial records to be used,
  - e) monitoring the expenditure of Canadian First Nation funds,
  - f) making recommendations to the Council on financial matters, and
  - g) attending to other matters relating to the affairs of the Canadian First Nations as directed by the Council.
16. The Executive Director, subject to the responsibilities prescribed by this code and the policies and procedures established pursuant to section 15, shall follow the general administrative policies established by the Council for the Canadian First Nation Administration.
17. The Executive Director shall be hired in accordance with the personnel policies and procedures established by the Council for the employees of the Canadian First Nation Administration.

### **FINANCE DIRECTOR**

18. The Finance Director shall report to the Executive Director and be responsible for the following:
- a) receiving Canadian First Nation funds,
  - b) ensuring the performance of such accounting functions as are necessary for the efficient and effective administration of Canadian First Nation funds,
  - c) ensuring the maintenance of the financial records of the Canadian First Nation in accordance with generally accepted accounting principles as defined by the Canadian First Institute of Chartered Accountants (CICA),
  - d) the preparation of the overall annual budget in accordance with the priorities approved by the Council,
  - e) the preparation of long-term financial projections and cash flows,
  - f) the monitoring of adherence to any agreements and funding arrangements entered into by the Canadian First Nation or any of its departments or agencies,
  - g) the administration and supervision of the financial record keeping and reporting systems, and
  - h) overseeing the preparation of the audit for the Canadian First Nation.

### **COUNCIL APPOINTMENTS**

19. The Council may delegate authority for various financial administration purposes, including the commitment of expenditures of Canadian First Nation funds and the approval of the purchase of goods and services, in accordance with this code and the applicable Canadian First Nation financial policies and procedures. Such authorizations and delegations shall be approved by a motion of the Council.
20. Upon approval of agreements by the Council, the Council may appoint and authorize Canadian First Nation departments, agencies or their representatives to sign the said agreements.

### **ANNUAL BUDGET**

21. Each manager of a department shall prepare the annual budget for the operation of the department and shall submit it to the Finance Director by January 31 of each year.

22. The Finance Director shall prepare estimates of the revenues of the Canadian First Nation for the purpose of preparing the annual budget.
23. The annual budget of revenues and expenditures for the Canadian First Nation shall be prepared by the Finance Director who shall submit it to the Executive Director. The Executive Director shall submit it to the Council for consideration and approval by March 15 of each year.
24. The Council is solely responsible for the approval of the annual budget and any amendments to it.
25. The Council may amend the annual budget at any time before or after its approval and increase allocations of funds, reduce allocations of funds, or reallocate funds to different departments, agencies, programs or activities.

#### **FINANCIAL MANAGEMENT: DEPOSITS**

26. Bank accounts into which all Canadian First Nation funds shall be deposited upon receipt may be established by the Finance Director pursuant to a motion of the Council.
27. The Finance Director shall ensure the safekeeping of Canadian First Nation funds received and shall forthwith deposit all Canadian First Nation funds to the credit of a Canadian First Nation bank account.
28. The Finance Director may reallocate funds from a bank account to other bank accounts for program and service delivery according to the approved annual budget, for short-term cash management of Canadian First Nation funds, or for other purposes approved by the Council.
29. Funds in a bank account shall be administered by the Finance Director who shall have the authority to invest excess cash on hand in term deposits, guaranteed investment certificates or Treasury Bills at an accredited financial institution in the name of the Canadian First Nation, subject to the approval of the Council.

#### **FINANCIAL MANAGEMENT: LOANS AND INVESTMENTS**

30. The Council shall, by motion, approve any loans or investments to be made on behalf of the Nation including investments in or loans to corporations owned by the Nation.

#### **FINANCIAL MANAGEMENT: EXPENDITURES**

31. The Council may authorize the Executive Director, the Finance Director or managers of departments to commit expenditures of Canadian First Nation funds where the expenditures are within their respective annual budget as approved by the Council and shall document such authorizations by way of a motion of the Council.
32. All payments and financial commitments, including any disbursements or financial commitments made directly by the Council, shall be in accordance with the annual budget or in accordance with a motion of the Council.
33. The Council shall, by motion, delegate cheque signing authority to specific persons or positions for cheques to be drawn on a bank account of the Nation.
34. All orders for goods or services provided to the Canadian First Nation must be approved either by the person authorized to approve the purchase of the goods or services, or by motion of the Council and documented by a numbered purchase order.
35. Unless it has been approved in the annual budget, any purchase of goods or services must be approved by the Council either on a transaction basis or as part of a delegation of financial authorities approved by the Council.
36. When the manager of a department decides that expenditure in accordance with the annual budget should be made, that person shall ensure that a purchase order is prepared

and submitted to the Finance Director or the Executive Director for approval and recording.

37. When payment for expenditure is to be made, the manager of the responsible department shall approve and code the invoice for payment and forward it together with the supporting documentation to the Finance Director for recording, approval and signing purposes. The Finance Director shall ensure that a cheque requisition and a cheque is prepared, and presented, together with the supporting documentation, for approval and signature to the Council or to the persons to whom a delegation of cheque signing authority has been made.

#### **FINANCIAL MANAGEMENT: INVOICING**

38. No payment shall be made for the supply of goods or rendering of services unless:
- a) the charge of such goods or services has been authorized:
    - i. by a person delegated to authorize such payment,
    - ii. pursuant to a motion of the Council or
    - iii. pursuant to a contract entered into between the Canadian First Nation and the person providing such goods or services which establishes the amount, or a method of calculating the amount, to be charged for such goods for services, and,
  - b) an invoice or other similar document has been presented to substantiate the requirement for the payment.

#### **FINANCIAL MANAGEMENT: REPORTING**

39. The Finance Director shall prepare a statement of the revenues and expenditures for the previous month within 14 days of each month-end. This statement shall be distributed to the Executive Director, the managers of departments and the Council.
40. The Council shall review and approve the statements of revenues and expenditures during a regular council meeting.

#### **TENDERS**

41. For contracts of less than \$50,000, the Council reserves the right to authorize the Executive Director or a delegate to negotiate and recommend a specific contract on a sole source basis. All such contracts shall be approved by the Council.
42. Capital purchases up to \$50,000 may be made without a tender process by a department or agency if the purchase has already been approved as part of the annual budget.
43. Capital purchases exceeding \$50,000, but less than \$500,000, must be completed by invitations to tender to at least two qualified firms or by public tender.
44. Capital purchases in excess of \$500,000 must be completed by public tender.
45. Housing projects are excluded from the requirements for invitation to tender or public tender contained in sections 43 and 44.
46. Where a contract for services rendered to the Nation is expected to exceed \$50,000, tenders or quotes should be invited from at least two (2) firms, or be publicly advertised in local and regional newspapers.
47. For non-construction (professional) contract services exceeding \$50,000, proposals for services should be invited from at least three (3) individuals or firms, or a Request for Proposals should be publicly advertised in local and regional newspapers.
48. A Request for Proposals (RFP), once advertised, should have the following documentation available for interested contractors:
- a) A letter of invitation,

- b) A statement of work required,
  - c) Proposal evaluation criteria,
  - d) Contract Agreement (includes general conditions and terms of payment)
49. For construction projects exceeding \$100,000 but less than \$500,000, invitations to tender should contain the following documents:
- a) Tender Instructions,
  - b) Tender and Contract Form,
  - c) General Conditions,
  - d) Insurance Schedule,
  - e) Contractor Statement of Qualifications,
  - f) Proof of Workers Compensation Board (WCB) coverage, and
  - g) Statement of Work Plan and Specifications
50. Tenders and proposals received are to be date stamped, kept safe, and opened by a minimum of two persons designated by the Council after the deadline date for a tender or proposal submission.
51. All tenders or proposals received shall be reviewed against an evaluation criteria list. The contract bidder or proposal proponent who best meets the evaluation criteria shall be recommended to receive the contract, subject to Council approval.
52. The lowest tender received shall normally be accepted unless the Council deems it to be in the best interest of the Nation to accept a higher tender in the event that the higher tender:
- a) provides a better quality product or service, or
  - b) provides economic or other benefits to the Nation or its members; and,
  - c) provided the Council approves the higher tender by a motion of the Council which shall contain the reasons for the decision to accept the higher tender.
53. Any contracts drawn and signed between the Nation and a contractor must clearly state all requirements of the contract in detail. The contract should contain a provision for the Canadian First Nation to hold back a minimum of ten percent (10%) of the contract amount subject to the contractor complying with all contract deliverables.
54. For construction projects exceeding \$100,000, the successful bidder must submit proper bid security within 14 days of being awarded the contract.
55. Should the Nation not have the resources or expertise to execute any part of the procedures stated in sections 41 to 54, the Nation reserves the right to hire outside experts, such as consultants or engineers to execute these procedures on their behalf.
56. Subject to this code, tenders shall comply with the policies and procedures approved by the Council.

#### DISCLOSURE OF FINANCIAL INTEREST

57. Any person who holds an office, including that of Chief or Councillor, or employment with the Canadian First Nation, its departments or agencies, shall not use that office or employment for personal gain for himself or herself or for the members of his or her immediate family to the detriment of the interests of the Canadian First Nation.
58. "Personal gain", for the purposes of this code, means a financial benefit to the individual or to the members of his or her immediate family.
59. "Immediate Family", for the purposes of this code, means a spouse, including a common law spouse, mother, father, brother, sister, child, step-child, mother-in-law, father-in-law, grandparent, grandchild, sister-in-law, brother-in-law, uncle or aunt.
60. The provisions of sections 57 to 62 shall also apply, so far as is possible, in relation to decisions made in the conduct of that office or employment.

61. Where the decision-making body is the Council and more than one member, or a majority, of the Council has a financial interest in the decision, the Council may appoint another body to make recommendations to the Council for a decision except where the process is an interview board for the hiring of employees.
62. (1) Where a person might otherwise be in breach of section 57, the person shall disclose his or her financial interest prior to the making of a decision and shall not participate in the discussion or the decision, unless a majority of the other persons involved in making the decision decide by vote to allow the person with the declared financial interest to participate in the discussion or in the discussion and the making of the decision.
- (2) Where a person has made a declaration of financial interest and the decision-making body has decided by vote to allow the person to participate in making the decision despite the declaration of interest, the decision-making body shall ensure that the reasons are recorded in writing in the minutes of the meeting.
- (3) Where, pursuant to subsections (1) or (2), the chairperson is prohibited from taking part in deliberations and from voting, he or she may nevertheless continue to act as chairperson.
- (4) Without limiting the generality of subsection (1), a Chief or Councillor or employer shall be deemed to have a financial interest in a matter before the Council where he or she or a member of his or her immediate family has a financial interest in an enterprise or in a partnership, company or corporation having or proposed to have a contract or dealings with the Nation.
- (5) Subject to this section, the Chief or a Councillor or an employee may be or become a member of any company in which the Big stone Cree Nation may be interested as vendor, purchaser, shareholder, or otherwise and no such person shall be accountable for any benefits received as shareholder or director of such company.
63. If an employee has breached the provisions of section 57 or 62, that person may:
- a) be suspended from all privileges and benefits of office or from employment for a period of time,
  - b) be demoted or reassigned to another position, or
  - c) be dismissed from office or employment.
64. Where section 63 applies, the decision with respect to an employee shall be made in accordance with the employment policies of the Canadian First Nation.
65. A decision made under section 64 must be made fairly and in accordance with the rules of natural justice, including:
- a) the person who is alleged to have violated the conflict of interest provision must have the opportunity to hear the allegation and provide an answer before a final decision is made, and
  - b) the person or persons making the decision on an alleged conflict of interest shall make their decision without any influence or bias.
66. The Council may approve policies and procedures in order to give effect to the provisions of sections 57 to 65.
67. Subject to sub-sections 62(1) to (3), any contract involving the receipt or expenditure of Canadian First Nation funds is void where the person approving the contract or a member of his or her immediate family has a financial interest in the contract unless it is reconfirmed by the Council notwithstanding the existence of the financial interest.

#### **FISCAL YEAR**

68. The fiscal year for the Canadian First Nation shall be from April 1 of each year to March 31 in the following year.



## AUDIT

69. The Council, by motion, shall appoint an auditor to audit the books and records of the Canadian First Nation Reporting Entity for each fiscal year.
70. The auditor shall be a member of a recognized professional accounting association.
71. The auditor shall report to the Council.
72. The audit shall include all transactions of the Canadian First Nation Reporting Entity.
73. The auditor is entitled to:
  - a) require access to all books, records, accounts and vouchers,
  - b) require the production of information necessary for the completion of the audit from any employee,
  - c) obtain copies of Council motions and policies, and
  - d) review administrative and financial policies, and
  - e) obtain copies of agreements, funding arrangements, contracts and any other related documents.
74. The audit shall be conducted in accordance with generally accepted auditing procedures and shall include a general review of the adequacy of the accounting procedures and systems of control employed to preserve and protect the assets of the Canadian First Nation.
75. The finance Director shall provide the auditor with instructions concerning the audit and shall assist the auditor in the completion of the audit.
76. After a review of the audit by the Executive Director, the Financial Director and the managers of departments, the auditor shall present the audit to the Council.
77. The audit shall be approved by the Council by motion and signed by the Chief and any other person designated by the Council.
78. The Finance Director shall retain the signed audit, together with the related financial statements.
79. Upon approval of the audit by the Council, the members of the Canadian First Nation shall be notified that a copy of the audit is available for inspection by any member of the Canadian First Nation over the age of 18 years at the office of the Canadian First Nation Administration.

## DISCLOSURE OF INFORMATION

80. The following documents shall be made available during regular working hours to any member of the Canadian First Nation over the age of 18 years and copies are to be provided to them on request to the Executive Director, execution of a confidentiality form and payment of a reasonable fee which may be waived by the Executive Director:
  - a) the annual budget,
  - b) monthly financial statements,
  - c) the audit,
  - d) any agreements or funding arrangements with the federal or provincial governments or with any other party for the provision of funding for the First Nation,
  - e) any Multi-Year Financial Plan including the planned level of debt financing,
  - f) any annual program reports or evaluations prepared with respect to community services.
  - g) any criteria, policies, procedures or guidelines developed in accordance with section 12 and,
  - h) minutes of meetings of the Council.

### GENERAL MEETINGS

81. The Council shall hold general meetings of the membership of the Canadian First Nation to present:
- a) the audit including the presentation of a narrative of services provided during the previous fiscal year following approval of the audit by the Council, and
  - b) the annual budget within a reasonable period of time after its approval by the Council.

### CANADIAN FIRST NATION CORPORATIONS

82. All corporations which are owned or controlled by the Canadian First Nation are accountable to the Nation through the Council.
83. All Canadian First Nation Corporations shall present a corporate plan and an annual budget to the Council prior to the commencement of the fiscal year of the Corporation.
84. All capital budgets and any proposed borrowing by a Canadian First Nation Corporation must be presented to and approved by the Council prior to any capital expenditure or borrowing being transacted.
85. All major transactions or changes in the nature of the business of a Canadian First Nation Corporation shall be approved by the Council prior to the transaction being made or the nature of the business being changed.
86. All Canadian First Nation Corporations shall present a quarterly financial statement to the Council within 30 days of the end of each quarter of the corporation's fiscal year.
87. All Canadian First Nation Corporations shall provide an annual audit to the Council for approval unless they have been audited in conjunction with the audit conducted for the Nation pursuant to this code.

### POLICIES AND PROCEDURES

88. The Council may approve such additional policies and procedures as may be necessary to give effect to the provisions of this code. Such policies and procedures, when approved by the Council shall become part of this code and shall be enforced as such.

### AMENDMENTS AND REPEAL

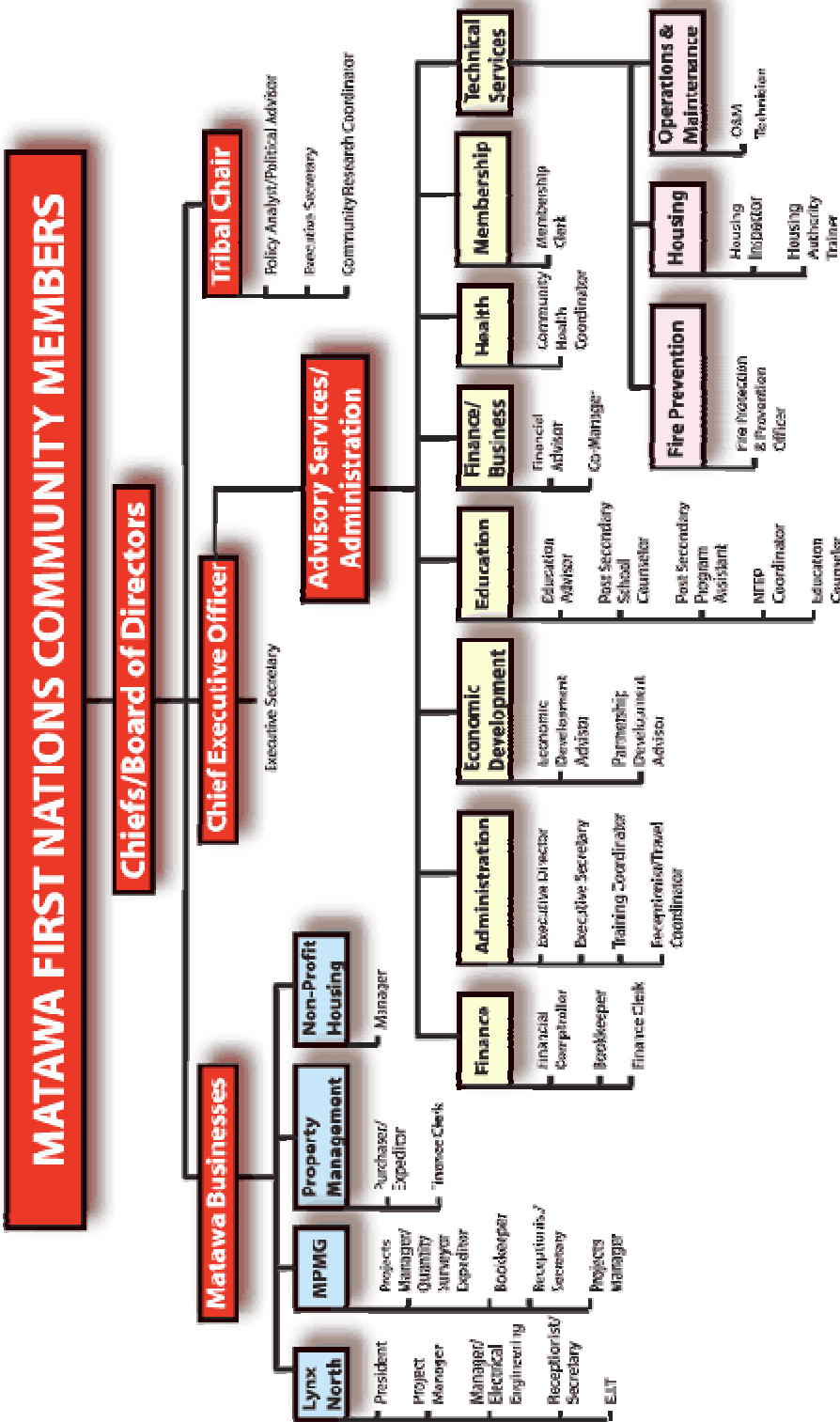
89. Amendment or repeal of this code shall require a majority vote in favour of amendment or repeal by the Council at a duly convened meeting of a quorum of the Council and a ratification by a majority of the members of the Canadian First Nation present and voting at a meeting of the membership called for the purpose of considering the amendment or repeal.

### OTHER

90. Subject to section 67, a decision made in contravention of this code is voidable by a vote in favour by a majority of the Council present at a duly convened meeting of a quorum of the Council.

Tool 3.7 - Organizational Chart

Source - <http://www.matawa.on.ca/General/OrgChart.htm>



Tool 3.8 - Sample Financial Accountability Policy

***Financial Accountability Policy of the Canadian First Nation***

WHEREAS the Chief and Council wishes to establish a comprehensive policy to govern financial accountability to its' Members.

THEREFORE the Chief and Council of the Canadian First Nation at a duly convened meeting resolves to adopt the following as its policy in respect of financial accountability to its' Members.

**I. GENERAL**

**Definitions**

1. The following terms, whenever used in this policy, will have the meanings respectively ascribed:
  - a. "First Nation" means the Canadian First Nation.
  - b. "Committee" means a committee of the Council.
  - c. "Council" means Chief and Council of the First Nation.
  - d. "Councillor" means any member of the Council.
  - e. "Employee" means any employee or contractor of the First Nation.
  - f. "Financial Officer" means the financial officer appointed from time to time by Council.
  - g. "Member" means a member of the First Nation.
  - h. "Membership" means the membership of the First Nation.

**Compliance with Policy**

2. The Council, Employees and Committee members will act in accordance with this policy.
3. The Council, Employees and Committee members will not disclose confidential financial information unless authorized by this Policy.

**II. FINANCIAL DECISION-MAKING PROCESS**

4. Council, Employees and Committee members will be provided with all financial information necessary to carry out their roles and responsibilities.

**General Meetings**

5. The First Nation will hold General Meetings not less than four times a year.
6. Council will communicate and consult with Membership at General Meetings on all important financial issues that affect the First Nation before making decisions.
7. Council and program managers will provide regular performance reports at General Meetings.
8. Council will hold community workshops and information sessions for Membership prior to Council making substantive changes to financial administration policy or prior to embarking on major financial projects.

**Open Meetings**

9. Council will provide notice of Council and General Meetings to Membership.

10. Regular meetings of Council and General Meetings will be open to Members. No Member will be excluded from a Council or General Meeting except for improper conduct.

### **Minutes of Meetings**

11. Council will keep minutes of all Council and General Meetings. The minutes of Council and General Meetings will be made available to Membership at the next regular meeting. Council will provide copies of minutes to Members upon request. Minutes of Council meetings held *in camera* will not be disclosed to Members.

### **Finance Portfolio**

12. Council will appoint a Councillor to hold the Finance Portfolio for the First Nation.

### **Finance Committee**

13. Council may appoint a special committee on financial matters (the “Finance Committee”). The Councillor who holds the Finance Portfolio will be the chairperson for the Finance Committee. A Finance Committee will be comprised of not less than any combination of five Councillors and Members. The Chief of the First Nation will be an ex officio member of the Finance Committee and be entitled to vote at all meetings. Five members of the Finance Committee will be a quorum.
14. The general duties of the Finance Committee are as follows:
  - a. to consider all financial matters referred to them by Council;
  - b. to consult with Membership before making recommendations to Council;
  - c. to report to Council from time to time as often as the interests of the First Nation may require; and
  - d. to recommend such action by Council in relation to First Nation finances as they deem necessary.

### **Annual Budget**

15. Council will oversee the preparation of the Annual Budget for each fiscal year.
16. Each program manager of the First Nation will prepare the program budget for the operation of the program, and will submit the prepared budget to Council. For each program budget, Council may increase allocation of funds, reduce allocation of funds, or reallocate funds to different programs or sectors. Council will consolidate program budgets into an annual budget for the First Nation.
17. The Annual Budget will be presented by Council to Membership at a General Meeting for discussion.
18. Council must approve the Annual Budget for the First Nation for each fiscal year by Council Resolution.
19. Council may amend the Annual Budget at any time before or after its implementation by Council Resolution.
20. A copy of the Annual Budget will be:
  - a. available during reasonable business hours of any business day at the First Nation office for inspection by any Member upon a request for such inspection made to the Executive Director; and

- b. copy provided to any Member upon a written request made to the Executive Director and payment of a reasonable photocopy fee, if requested by the Executive Director.

### **Expenditures**

- 21. All payments and financial commitments of the First Nation will be in accordance with the Annual Budget or in accordance with a Council Resolution.

### **Monthly Financial Statement**

- 22. No later than the 15<sup>th</sup> day of each month, the Financial Officer will prepare and deliver to the Executive Director a Financial Statement in respect of all First Nation finances for the preceding month showing:
  - a. an itemization of all revenue monies received and expenditures made;
  - b. standing of the general ledger balances; and
  - c. any other information that may be required or requested by the Executive Director.
- 23. Each monthly Financial Statement prepared and delivered by the Financial Officer to the Executive Director will be presented to Council by the Executive Director or Financial Officer at the next regular meeting of Council.
- 24. Program Managers may be requested by Council to make a financial activity report to Council for the next regular meeting of Council.

### **Audit**

- 25. Council will appoint by First Nation Council Resolution an Auditor at the Annual General Meeting to audit the books and records of the First Nation.
- 26. The Auditor will be a member of a recognized professional accounting association authorized to conduct audits.
- 27. The Auditor is entitled to access the following First Nation information:
  - a. all books, records, accounts and vouchers;
  - b. information from any Program Manager necessary for the completion of the audit;
  - c. Council resolutions, bylaws and minutes;
  - d. administration and financial regulations; and
  - e. agreements, contracts, and any other related documents required by the Auditor to complete the Audit.
- 28. The Auditor is entitled to attend any Council or General Meeting, and to receive every notice and other communication relating to such meetings that a Member and Councilor are entitled to receive, and is entitled to be heard at any Council or General Meeting that he or she attends on any part of the business of such meeting that concerns him or her as Auditor for the First Nation, or that concerns Financial Statements of the First Nation.
- 29. Council will provide the Auditor with instructions concerning the Audit, and through the Financial Officer, will assist the Auditor in the completion of the Audit.
- 30. The Audit will include all transactions involving First Nation finances. The Audit must be in accordance with generally accepted auditing procedures. The Audit will include a general review of the adequacy of the accounting procedures and systems of control employed to preserve and protect the assets of the First Nation.
- 31. The Audit may be accepted by Council by First Nation Council Resolution prior to June 30 of each year.

32. The Auditor will present the Audit to Council and Membership at the Annual General Meeting of the First Nation.
33. An original copy of every annual Audit will be kept at all times by the First Nation as part of the permanent financial records of the First Nation.
34. A copy of the Audit will be:
  - a. available during reasonable business hours of any business day at the First Nation office for the inspection of any Member upon a request for such inspection made to the Executive Director; and
  - b. copy provided to any Member upon a written request being to the Executive Director and payment of a reasonable photocopy fee, if required by the Executive Director.

### III. CONFLICT OF INTEREST GUIDELINES

35. In this Policy "Related Person" means a spouse, parent, parent-in-law, sibling, child, grandchild, dependents, aunt, uncle, niece, nephew, any person with whom they currently reside, or controlled corporation.
36. In this policy "Financial Benefit" includes, but is not limited to:
  - a. employment benefits;
  - b. contract benefits;
  - c. educational, medical or other social benefits;
  - d. honorariums;
  - e. the payment of any money; or
  - f. the allotment, leasing or other grant of an interest in First Nation lands.
37. A "Conflict of Interest" will arise when:
  - a. A Councillor, Employee, or Committee member exercises an official power or performs an official duty or function in the execution of his or her office, job or committee and at the same time knows or ought to know that in the performance of the duty or function or in the exercise of the power there is opportunity to receive a Financial Benefit for themselves or to provide a Financial Benefit to a Related Person; or
  - b. a Councillor's, Employee's or Committee members personal interests supersede or compete with their dedication to the best interests of the First Nation.
38. A Conflict of Interest will not arise if a Financial Benefit is intended or extended at the same time:
  - a. to Membership;
  - b. to a group of Members who are identifiable by reference to age, gender, financial circumstances, or medical needs; or
  - c. to Council as a whole.
39. Prior to approving a Financial Benefit to a Councillor, the Council will determine whether the Financial Benefit is consistent with this Policy and is consistent with standards of other federal governing boards.
40. All Council discussion and resolutions concerning Financial Benefits payable to Council or Councillor's will be made at General Meetings.
41. Councillor's, Employee's, and Committee members will arrange their private affairs and conduct themselves in a manner to avoid a Conflict of Interest.
42. Councillor's, Employee's and Committee members with a Conflict of Interest will, without delay, declare the Conflict of Interest to the Council.
43. Where Councillor's, Employee's or Committee members are unsure of whether they have a

Conflict of Interest, the Councillor, Employee or Committee member will raise the perceived Conflict of Interest with the Council, and the Council will decide whether a Conflict of Interest does exist with the First Nation.

44. A Councillor, Employee, or Committee Member with a Conflict of Interest will not exercise their powers as a Councillor, Employee, or Committee Member, and will:
- a. not take part in the discussion of or vote on any question in respect of the matter;
  - b. immediately leave the meeting or the part of the meeting during which the matter is under consideration;
  - c. not sign a First Nation Council Resolution or letter in respect of the matter;
  - d. not attempt in any way, whether before, during or after the meeting, to influence the opinion or vote of the Council on any question in respect of the matter; and
  - e. not attempt in any way to influence Employee's or Committee members in carrying out their duties.
45. Where a Conflict of Interest is discovered after consideration of the matter, the Conflict of Interest must be declared in writing to Council.
46. Any Councillor who fails to or makes an incomplete disclosure of a Conflict of Interest will pay to the First Nation a sum of money equal to the value of any and all Financial Benefits the Councillor or Related Person received and benefited from the undisclosed Conflict of Interest notwithstanding any other disciplinary action the Council may take.

## **IV. FINANCIAL INFORMATION DISCLOSURE**

### **Purpose**

47. The purpose of this Policy is to make the First Nation more accountable to Membership by giving Membership a general right of access to financial records of the First Nation in the custody or under the control of the First Nation. This Policy also sets out specific limited exceptions to the Membership's right of access to certain financial records.

### **How to Make a Request for Disclosure**

48. To obtain access to a financial record, a Member must make a written request to the First Nation for a copy of the financial record or make a verbal request to examine the financial record.
49. The Executive Director must make every effort to assist Members who make a request for the disclosure of financial records.

### **First Nation Response**

50. The Executive Director must respond openly, accurately and completely to the Member within 30 days from the date a request is received unless more time is required. If more time is required, the Executive Director will tell the applicant when the response can be reasonably responded to.
51. In a response under section 49, the Executive Director must advise the Member in writing:
- a. whether or not the Member is entitled to have the financial record or part of the record disclosed to him or her;
  - b. if access to the financial record or to part of the record is refused,
    - i. the reasons for the refusal, and
    - ii. the Member may request a review of the Executive Director's decision by



Council pursuant to Part V of this Policy.

52. If the Member is entitled to have the financial record disclosed to him or her and it can be reasonably reproduced, a copy of the financial record must be provided with the Executive Director response. The First Nation may charge the applicant a reasonable photocopy charge.
53. If the Member is entitled to have the financial record disclosed to him or her and it cannot be reasonably reproduced, the Member must be permitted to examine the financial record at the First Nation office during regular business hours of any business day.

### Exceptions to Disclosure

54. The Executive Director must refuse to disclose to an applicant financial information that:
  - a. would reveal the deliberations of Council or any of its committees, including any advice, recommendations, or policy considerations submitted or prepared for submission to the Council or any of its committees unless those deliberations concerned the applicant;
  - b. legal opinions which are subject to solicitor client privilege;
  - c. other privileged documents which could reasonably expect to reveal information received in confidence from a government, First Nation, Society, Corporation, or harm the conduct of negotiations relating to aboriginal self-government or treaties;
  - d. could reasonably be expected to harm the financial or economic interests of the First Nation; or
  - e. would be an unreasonable invasion of a third party's personal privacy, including personal financial information relating to eligibility for or receipt of employment benefits, income assistance, education benefits or social service benefits, unless the financial information pertains to the payment of money, honorariums, contract fees, and employment benefits of a Councillor received from the First Nation for which the Executive Director must fully disclose upon request by a Member.

### Third Party Disclosure

55. The First Nation may disclose Members financial information to another government body only if that financial information is required to ensure that the Member is complying with all eligibility requirements for Financial Benefits of programs administered by the First Nation.

## V. DISPUTE RESOLUTION

### Council Decisions

56. Prior to Council meeting to make a decision which may adversely affect the financial interests of a Member, Council will:
  - a. provide notice of the meeting to the Member disclosing the nature of the meeting; and
  - b. provide the Member with an opportunity to be heard either orally or in writing. This section does not apply to Members who are Employees or contractors of the First Nation.
57. Council will advise the Member of the decision and will disclose factors used in making their decision which adversely affects the financial interests of a Member.

### **Administrative Decisions**

58. A Member may appeal a decision of the Executive Director or First Nation administration which adversely affects them financially within 30 days by providing Council a written notice to appeal and containing the reasons of appeal.
59. Upon receipt of a written notice to appeal from a Member, Council will hear the Member's appeal within 30 days at a Council meeting in accordance with sections 54 and 55.

### **Mediation and Arbitration**

60. In the event of a dispute between Council and Membership in respect of this policy, the dispute may be resolved by either mediation or arbitration if Membership at a General Meeting resolves to settle the dispute by either mediation or arbitration.

<b>Tool 3.9 - List of Possible Annual Report Contents</b>
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- Cover
- Table of Contents
- Message from the Chief and Council
- Summary of Key Performance Indicators for the First Nation
- Reference to the First Nation Vision, Mission and Goals
- Reports on Political, Treaty or Other Nation Development Initiatives
- Reports on Program and Services (Health, Education, Social, Economic Development, etc.)
- Our Community (good news, recognition of individuals, etc.)
- Financial Report and Audit Financial Statements
- Photos (for web versions go easier here as download time on dial up is extensive)

## **L. Management, Projects, Programs and Technology Tools**

Tool 4.1 - Meetings Tool

Tool 4.2 - Working with Change Checklist

Tool 4.3 - Steps to Improving Work Processes

Tool 4.4 - Technology Audit Sample Policy and Checklist

Tool 4.5 - Employee Orientation Policy and Checklist

Tool 4.6 - Knowledge Management Assessment Tool

### **Tool 4.1 - Meetings on Track**

Use the response indicated beside each identified situation to help keep your meetings focused and on track. They really work!

<b>The Situation</b>	<b>The Response</b>
Need to test for consensus	“Do we all agree that...?”
Need to move ahead	“As I see it, we should ...”
Need to solve a problem	“Why don’t we list the options ...”
Need to summarize and move on	“We have talked about ...”
Need to clear confusion	“Does anyone know why ...?”
Need increased participation	“I suggest each director should indicate what they...”
Need to use a process	“What is the process we are using?”
Need to diffuse friction	“Can we handle this discussion another way?”
Need to understand the conflict	“What are you two arguing about?”
Need to come back to the agenda	“That is interesting, but our objective is ...”
Need to deal with tardy directors	Don’t go back for them. “Would somebody tell them later?”
Need to stop a rambler	Catch a phrase and say “Why don’t we look at ...?”
Need to establish common ground	“What do we agree on?”
Need to confirm understanding	“I heard you say ...”
Need to stop a stubborn director	“Does anybody else feel that way? Do we need to talk about it?”

**Tool 4.2 - Working with Change Checklist**

Does your staff team's routine suggest it is uncomfortable with change? Honestly answer the following questions and take corrective action where indicated.

<b>Situation</b>	<b>Yes</b>	<b>No</b>	<b>Action Required</b>
Adopting only "proven" solutions and avoiding innovation.			
Trying to get full consensus and ending up with a half-baked effort which will not make the necessary difference.			
Absence of leadership and lack of support from board or management.			
Failing to establish and sell a clear vision and plan.			
Lacking a credible change process for implementation.			
Underestimating the resource demands on people.			
Failing to provide ongoing, open, two-way communication.			
Failing to provide the training or tools to get the job done.			
Failing to reward risk taking, performance, and have fun.			
Failing to recognize the importance of dealing with resistance.			
Failing to align organizational systems, structure, culture, and people to the changes sought.			
Failing to involve staff in the implementation aspects in which they are knowledgeable.			
Using a leadership style not conducive to the situation.			
Failing to recognize transformational change is required.			

**Tool 4.3 - Steps to Improving Work Processes**

	<b>Improvement Information</b>
<b>1. The Problem</b> This is the problem identified and defined	
<b>2. Information Gathering</b> Here is what we know about it based on our research of the existing situation, charting and what others are doing	
<b>3. Possible Solutions</b> Here are the possible solutions for the problem	
<b>4. Analysis</b> Here is what we found when we evaluated the feasibility of the possible solutions	
<b>5. Recommendation</b> Based on the analysis here is what we recommend	
<b>6. Implementation</b> This is how implementation of the recommendation will occur.	
<b>7. Evaluation</b> Here is how we will evaluate the solution results so we can revise if necessary or start again.	

**Tool 4.4 - Technology Audit Sample Policy and Checklist**

POLICY

The Executive Director will arrange for an annual Technology Audit based on the requirements of the Strategic Plan, Business Plan and related programs. The Executive Director will report back to the Chief and Council with his/her findings.

PROCEDURE

The Executive Director will arrange for a Technology Audit that will seek answers to the following questions:

Technology Needs Assessment

- What are the overall current technological needs of our organization?
- Do we currently meet these needs?
- What are the overall future technological needs of our association?
- Will we be in a position to meet these needs?

Infrastructure

- Does our current infrastructure meet the most basic requirements of our technological needs?
- Do we need to expand on our infrastructure in the next year/3 years?
- Do we have the capacity to expand on our infrastructure to meet our technological needs (i.e. budget, personnel)?

Hardware

- Do we have sufficient “Hardware” to meet our most basic current technological needs?
- Do we have sufficient “hardware” to meet our future technological needs?
- Do we have the capacity to expand on our ‘hardware’ to meet our technological needs (i.e. budget, personnel)?
- Does our current hardware support user needs and decision support (data accuracy and completeness, results delivery, output content and quality, data currency, special reports)?
- How does our current hardware meet our needs in terms of design? Maintainability? Operability? System Reliability?

Software

- Do we have sufficient “software” to meet our current technological needs?
- Do we have sufficient “software” to meet our future technological needs?
- Do we have the capacity to expand on our ‘software’ to meet our technological needs (i.e. budget, personnel)?
- Does our current software support user needs and decision support (data accuracy and completeness, results delivery, output content and quality, data currency, special reports)?

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## **Best Practices and Tools For Aboriginal Financial Managers**

- How does our current software meet our needs in terms of design? Maintainability? Operability? System Reliability?

### Training

- Are all of the staff trained in the use of all 'hardware'? If not, what percentage meets this requirement?
- Is there currently a need to upgrade the training of staff in the use of hardware?
- Will there be a future need to upgrade the training of staff in the use of hardware?
- Will you have the capacity to upgrade the training of staff in the use of hardware (i.e. budget, personnel)?
- Are all of the staff trained in the use of all 'software'? If not, what percentage meets this requirement?
- Is there currently a need to upgrade the training of staff in the use of software?
- Will there be a future need to upgrade the training of staff in the use of software?
- Will you have the capacity to upgrade the training of staff in the use of software (i.e. budget, personnel)?

### General

- Which of your current technologies are stand-alone and which are integrated?
- Could any cost or efficiency benefits be obtained by integrating stand-alone systems?
- Could any archaic IT or even paper based information systems be improved by technological changes?
- Would the organization benefit from a system that enables people to extract knowledge from their corporate data, such as a data warehouse?
- Are individuals hampered in their search for information by a slow or unsatisfactory network? Would this situation be alleviated by a systems upgrade?
- Are employees properly trained to use systems correctly and efficiently?
- Could pay-back times be calculated for desired technology upgrades?
- Is our security adequate to ensure protection of our information?

### PERSON(S) RESPONSIBLE

Executive Director



<b>Tool 4.5 - Employee Orientation Policy and Checklist</b>
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POLICY

All new employees of the First Nation will receive an orientation upon hiring.

PROCEDURE

The Executive Director will arrange for an Employee Orientation that will cover the following sections:

**Before the New Employee Arrives**

Notify everyone in your unit that a new person is starting and what the person's job will be. Ask the other staff members to welcome the new employee and encourage their support. If possible, identify a staff member to act as a buddy for the first week.

- Have the new employee read any existing New Employee Orientation information
- Send the new employee
  - A welcome letter
  - Directions to the place of work if required
  - Parking information
  - Schedule for the first week
  - Brief information about the department

**First Day on the Job**

Create a comfortable environment and remember not to overwhelm the employee. On the first day you should:

- Give a warm welcome and discuss the plan for the first day
- Tour the employee's assigned workspace
- Explain where rest rooms, refreshments, and break areas are located
- Provide required keys
- Arrange to have lunch with the new employee
- Tour the building and immediate area and introduce the new employee to other staff members and Chief and Council (if appropriate)
- Introduce the new employee to the buddy (if appropriate)
- Review job description requirements
- Review the department's (or office's) organizational chart
- Review your office's policies and procedures including:
  - Working hours
  - Telephone, e-mail, and Internet use
  - Office organization (files, supplies, etc.)
  - Office resources (directories, dictionaries, style manuals, computer program manuals, staff listing, etc.)
  - Staff meetings
  - Accountability

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## Best Practices and Tools For Aboriginal Financial Managers

- Member service philosophy
  - Confidentiality
  - Ethics and Conflict of Interest
- Schedule meeting with Payroll and Human Resources to:
  - Complete required paperwork
  - Review personnel policies and procedures i.e. vacation, sick, etc.
  - Learn about benefits
- Have appropriate office personnel review:
  - After-hours and weekend office access
  - General review of accounting (if appropriate)
  - Listing of account numbers (if appropriate)
  - Travel and reimbursement
  - Travel credit card
  - Office supplies
  - Copy machine and fax use
  - Office safety issues

### During the First Week

- Review employee work area to ensure needed equipment is in place
- Set up a brief meeting with the employee and the assigned buddy to review the first week's activities (if appropriate)
- Assessment of knowledge of and comfort with department's computer hardware and software and arranging coaching/training if required

### PERSON(S) RESPONSIBLE

Executive Director; Supervisor

**Tool 4.6 - Knowledge Management Assessment Tool**

The tool is divided into five sections: the KM process; leadership; culture; technology; and measurement. The following is a subset of the items and information in the KMAT, with a simplified scoring system.

Directions: Read the statements below and evaluate your organization's performance. The scale is as follows:

1 = no, 2 = poor, 3 = fair, 4 = good, and 5 = excellent

**I. The Knowledge Management Process**

P1. Knowledge Gaps are systematically identified and well-defined processes are used to close them.

\_\_\_ 1 \_\_\_ 2 \_\_\_ 3 \_\_\_ 4 \_\_\_ 5

P2. A sophisticated and ethical intelligence gathering mechanism has been developed.

\_\_\_ 1 \_\_\_ 2 \_\_\_ 3 \_\_\_ 4 \_\_\_ 5

P3. All staff and volunteers of the First Nation are involved in looking for ideas in traditional and non-traditional places.

\_\_\_ 1 \_\_\_ 2 \_\_\_ 3 \_\_\_ 4 \_\_\_ 5

P4. The First Nation has formalized the process of transferring best practices, including documentation and lessons learned.

\_\_\_ 1 \_\_\_ 2 \_\_\_ 3 \_\_\_ 4 \_\_\_ 5

P5. "Tacit" knowledge (what staff and volunteers know how to do, but cannot express) is valued and transferred across the First Nation.

\_\_\_ 1 \_\_\_ 2 \_\_\_ 3 \_\_\_ 4 \_\_\_ 5

Total of items P1 through P5. \_\_\_\_\_

**II. Leadership in Knowledge Management**

L1. Managing organizational knowledge is central to the First Nation's strategy.

\_\_\_ 1 \_\_\_ 2 \_\_\_ 3 \_\_\_ 4 \_\_\_ 5

L2. The First Nation understands the revenue-generating potential of its knowledge assets and develops strategies for marketing and selling them.

\_\_\_ 1 \_\_\_ 2 \_\_\_ 3 \_\_\_ 4 \_\_\_ 5

L3. The First Nation uses learning to support existing core competencies and create new ones.

\_\_\_ 1 \_\_\_ 2 \_\_\_ 3 \_\_\_ 4 \_\_\_ 5

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## **Best Practices and Tools For Aboriginal Financial Managers**

L4. Individuals are hired, evaluated and compensated for their contributions to the development of organizational knowledge.

\_\_ 1 \_\_ 2 \_\_ 3 \_\_ 4 \_\_ 5

Total of items L1 through L4. \_\_\_\_\_

### **III. Knowledge Management Culture**

C1. The First Nation encourages and facilitates knowledge sharing.

\_\_ 1 \_\_ 2 \_\_ 3 \_\_ 4 \_\_ 5

C2. A climate of openness and trust permeates the First Nation.

\_\_ 1 \_\_ 2 \_\_ 3 \_\_ 4 \_\_ 5

C3. Providing value to members is acknowledged as a major objective of knowledge management.

\_\_ 1 \_\_ 2 \_\_ 3 \_\_ 4 \_\_ 5

C4. Flexibility and a desire to innovate drive the learning process.

\_\_ 1 \_\_ 2 \_\_ 3 \_\_ 4 \_\_ 5

C5. Staff takes responsibility for their own learning.

\_\_ 1 \_\_ 2 \_\_ 3 \_\_ 4 \_\_ 5

Total of items C1 through C5. \_\_\_\_\_

### **IV. Knowledge Management Technology**

T1. Technology links all staff of the First Nation to one another and to all relevant external publics.

\_\_ 1 \_\_ 2 \_\_ 3 \_\_ 4 \_\_ 5

T2. Technology creates an institutional memory that is accessible to the entire organization.

\_\_ 1 \_\_ 2 \_\_ 3 \_\_ 4 \_\_ 5

T3. Technology brings the First Nation closer to its members.

\_\_ 1 \_\_ 2 \_\_ 3 \_\_ 4 \_\_ 5

T4. The First Nation fosters development of information technology that meets users' needs and capabilities.

\_\_ 1 \_\_ 2 \_\_ 3 \_\_ 4 \_\_ 5

T5. Technology that supports collaboration is rapidly placed in the hands of staff.

\_\_ 1 \_\_ 2 \_\_ 3 \_\_ 4 \_\_ 5

T6. Information systems are real-time, integrated, and "smart."

\_\_ 1 \_\_ 2 \_\_ 3 \_\_ 4 \_\_ 5

Total of items T1 through T6. \_\_\_\_\_

**V. Knowledge Management Measurement**

M1. The First Nation has invented ways to link knowledge to financial results.

\_\_ 1    \_\_ 2    \_\_ 3    \_\_ 4    \_\_ 5

M2. The First Nation has developed a specific set of indicators to manage knowledge.

\_\_ 1    \_\_ 2    \_\_ 3    \_\_ 4    \_\_ 5

M3. The First Nation's set of performance measures consider financial and non-financial indicators.

\_\_ 1    \_\_ 2    \_\_ 3    \_\_ 4    \_\_ 5

M4. The First Nation allocates resources toward efforts that measurably increase its knowledge base.

\_\_ 1    \_\_ 2    \_\_ 3    \_\_ 4    \_\_ 5

Total of items M1 through M4. \_\_\_\_\_

**Total Score** \_\_\_\_\_ out of a possible 120

**Rating** = \_\_\_\_\_

**Comments for Future Action**

This tool has been adapted from the Knowledge Management Assessment Tool (KMAT) developed by the American Productivity & Quality Center and Arthur Andersen to help organizations self-assess where their strengths and opportunities lie in managing knowledge

## **M. Human Resources Tools**

Tool 5.1 - Sample Budget Committee Policy

Tool 5.2 - Training Gap Analysis

Tool 5.3 - Effective Interview Questions

Tool 5.4 - Selecting the Right Candidate -Measuring Position Requirements to Qualifications

Tool 5.5 - Sample Job Satisfaction Survey Questions

Tool 5.6 - Sample Senior Manager Evaluation Policy

Tool 5.7 - Sample Senior Manager's Performance Evaluation Tool

Tool 5.8 - Sample Staff Conflict of Interest Policy

<b>Tool 5.1 - Sample Budget Committee Policy</b>
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### POLICY

The Budget Committee shall consist of one, or more, member(s) of First Nation Council, the Executive Director (or other appropriate title), Financial Officer and one other person appointed by Council Resolution. The Committee shall:

- a) Plan and prioritize financial commitments for the ensuing fiscal year. It shall, in process, review any long term financial planning programs for both local service and capital programs that have previously been approved by a Council Resolution and set priorities in respect to this planned and/or alternatives suggested by First Nation Council;
- b) Meet, as required, with First Nation Council, other committees, and employees to prepare a provisional budget that is to be submitted to Council by March 15 of each year;
- c) Keep minutes of Budget Committee meetings, if required by Council Resolution, and keep them at the First Nation Administration Office and make them available to Council upon request, and
- d) May be called upon by Council from time to time to review any financial matters, policies and procedures of the First Nation. Terms of reference for this review will be established by Council Resolution.

### PROCEDURE

Upon appointment of members to the Budget Committee, the Financial Officer will arrange for members of the Committee to receive information and an orientation on the plans, financial situation and policies of the First Nation.

**Tool 5.2 - Training Gap Analysis**

<b>Employee:</b> Jane North		
<b>Position:</b> Housing Manager		
<b>Competency Requirements of this Position</b>	<b>Evidence of Competency</b>	<b>Training Required</b>
Develop budgets for program operations	Worked in Finance for 4 years and doing ok in current job	
Develop proposals for funding programs	Doing it now but proposals could be stronger	Attend a Proposal Writing Seminar with AFOA
Develop and present reports on key program performance indicators	Reports or presentations require improvement	Writing and presentation skills coaching required as well as reading of related material.

**Tool 5.3 - Effective Interview Questions**

**Candidate:** \_\_\_\_\_

**Date:** \_\_\_\_\_

1. What do you see as the purpose of for this program?
2. Why would you want to work with this program?
3. Give us a brief summary of how you see your work history and educational background relating to this position.
4. If offered this job, how would you approach it?
5. What problems or frustrations do you anticipate in this position?
6. What do you think it takes to be successful in an organization like ours?
7. Tell us about your experiences
  - a. Questions relating to key requirements as per the job description
8. Describe your management/work style?
9. Can you supervise people well? Give an example?
10. How do you develop your employees?
11. How do you organize your work and manage your time?
12. How do you determine priorities in your work?
13. What do you look for in working relations with your colleagues?
14. What motivates you to work?
15. What are some of the accomplishments that you are most proud of in your career?
16. How do you cope with job pressure?
17. What have you learned from coping with job problems and frustrations?
18. Give us an example of one of the toughest decisions you have had to make in a job? Why did you make that decision regarding the example?
19. What are your greatest strengths?
20. What are your biggest weaknesses?
21. What are some of the skills that you feel you would like to further develop?
22. How do you plan to develop these skills?
23. Where do you plan to be in five years? How does this job fit into your career plans?
24. Why do you want to leave your current situation?
25. What other positions are you considering?
26. Why should we hire you?
27. How long would you stay with us if this job were offered to you?
28. How long do you think it would take you to make a positive contribution to the program?
29. What is the minimum salary and benefits you would accept for this position?
30. If you were the successful candidate when would you be able to start?
31. Do you have any questions?



**Tool 5.4 - Selecting the Right Candidate -Measuring Position Requirements to Qualifications**

List the position requirements. Compare the candidates resume to the requirements and assign a score based on your findings. Add up the scores for each candidate. Candidates with the highest scores are the most likely individuals for interviews.

<b>Position Criteria and Competencies</b>	<b>Unsatisfactory (0)</b>	<b>Some Deficiencies Evident (1)</b>	<b>Satisfactory (2)</b>	<b>Very Good (3)</b>	<b>Clearly Outstanding (4)</b>
<b>Knowledge</b> List position requirements	No Knowledge Evident.	Less than what we would prefer.	Meets our requirements for hiring.	Exceeds our expectations of average candidate.	Thoroughly versed in job and very strong in associated areas.
<b>Experience</b> List position requirements	None for this job nor any related experience.	Would prefer more for this job.	Adequate for job applied for.	More than adequate. Has some experience in related areas.	Completely experienced in job. Has strong experience in related areas.
<b>Education</b> List position requirements	Has not engaged in any related training.	Has taken one course and is thinking about taking more.	Has started on a path to acquire training and education.	Has recently or currently engaged in learning activity.	Has completed recognized courses and engages in continuing education on a regular basis.
<b>Other</b> List position requirements	Not acceptable for job.	Some deficiencies.	Within satisfactory range for job.	Good for job. Some aspects considered especially strong.	Perfect for job and generally outstanding.

<b>Tool 5.5 - Sample Job Satisfaction Survey Questions</b>
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The following are possible questions if used in an employee survey will provide an indication as to the level of job satisfaction. Having an independent party conduct the survey enhances credibility.

**NUMERICAL RATING**

- 1 = Strongly Disagree.
- 2 = Moderately Disagree.
- 3 = Neutral
- 4 = Moderately Agree.
- 5 = Strongly Agree

- Employee performance evaluations are fair and appropriate.
- I receive useful and constructive feedback from my manager that helps me to improve my performance.
- I am familiar with and understand the organization's strategic and business plans.
- I have an opportunity to participate in the planning and budget setting process.
- When I do a good job, I receive the praise and recognition I deserve.
- There is a strong feeling of teamwork and cooperation in this organization.
- People are held accountable for the quality of work they produce.
- My salary is competitive with similar jobs I might find elsewhere.
- My benefits are comparable to those offered by other organizations.
- I have the resources I need to do my job well.
- I have all the information I need to do my job effectively.
- My workplace is safe and a physically comfortable place to work.
- I have adequate opportunities for professional growth in this organization.
- I receive the training I need to do my job well.
- My work is challenging, stimulating and rewarding.
- The environment in this organization supports a balance between work and personal life.
- The pace of the work in this organization enables me to do a good job.
- The amount of work I am asked to do is reasonable.
- My manager treats all his/her employees fairly.
- My manager is always consistent when administering policies concerning employees.
- I respect my manager as a competent professional.
- The leaders of this organization know what they are doing.
- This organization respects its employees.
- My manager values my talents and the contribution I make.
- My coworkers care about me as a person.
- Information and knowledge are shared openly within this organization.
- Senior management communicates well with the rest of the organization.
- I am comfortable sharing my opinions at work.

<b>Tool 5.6 - Sample Senior Manager Evaluation Policy</b>
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POLICY OBJECTIVE

The Organization has a desire to ensure that its most senior employees are maintaining and developing required competencies (knowledge, skills, attitude) to meet job requirements, and that results are measured to agreed performance expectations, and, recognition and reward occur where merited.

POLICY STATEMENT

The senior employees annual performance evaluation shall be completed within three months of the fiscal year-end by an Evaluation Team made up of the Executive Director, a representative from Council and Chair of a related committee or other representative.

POLICY APPLICATION

1. The Evaluation Team is chaired by the Executive Director.
2. The Executive Director is responsible for coordination of the annual performance evaluation.
3. Each manager will prepare an annual Activity/Achievement Summary (results, performance indicators).
4. Each senior manager will send the summary along with a reminder to the Executive Director that it is time to commence the evaluation process in accordance with the policy of the Board.
5. In (month) of each year the Executive Director shall advise the Council that the senior managers evaluation shall be completed by (month). As part of the notice to the Council, Council members are invited by letter to advise if they have matters the Evaluation Team should address with the senior managers.
6. The Executive Director may also speak to senior staff/consultants and receive comments regarding development opportunities for the senior managers.
7. The senior managers will complete a self-evaluation using the Senior Manager Evaluation form. The evaluation form is based on achievement of performance indicators and competencies necessary for the job.
8. The Evaluation Team will hold a meeting to discuss findings and complete the senior managers' evaluation forms.
9. The Executive Director and/or the Evaluation Team will meet with the senior managers to discuss findings, expectations and finalize the evaluation.
10. The Executive Director will document decisions arising from the performance evaluation.
11. The Executive Director will advise the Council when the evaluation has been completed.
12. The Executive Director will maintain the performance evaluation files for the senior managers.

**Tool 5.7 - Sample Senior Manager's Performance Evaluation Tool**

**NUMERICAL RATING**

- 1 = Behaviour is very low or absent.
- 2 = Behaviour is low or somewhat low.
- 3 = Behaviour is satisfactory or adequate.
- 4 = Behaviour is high or more than satisfactory.
- 5 = Behaviour is very high or outstanding.

Rate each of the following management dimensions and performance areas and make comments in the space provided below each dimension, as well as identify development requirements.

**I. Management Dimensions**

**1. Judgement and Decision Making**

Rating and Comments

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**2. Innovation and Creativity**

Rating and Comments

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**3. Planning**

Rating and Comments

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**4. Organizing**

Rating and Comments

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**5. Delegating and Controlling**

Rating and Comments

6. Oral Communications

Rating and Comments

7. Written Communications

Rating and Comments

8. Relations with Others

Rating and Comments

9. Leadership Motivation and Skill

Rating and Comments

10. Initiative

Rating and Comments

11. Self Confidence

Rating and Comments

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**II. Performance**

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## **Best Practices and Tools For Aboriginal Financial Managers**

### **1. Achievement of Results (review Plans & Key Performance Indicator/Measures)**

Rating and Comments

### **III. Development and Improvements**

<b>AREA</b>	<b>OBJECTIVES</b>	<b>WHEN</b>
Management Dimensions		
Knowledge and Skills		
Performance		

### **IV. SUMMARY**

Evaluation Team Comments:

Signature \_\_\_\_\_

Reviewee Comments:

Signature \_\_\_\_\_

**ACKNOWLEDGEMENT:** The employee's signature indicates they have been given the opportunity to read and discuss the contents of this document. It does not necessarily indicate agreement with this evaluation.

**Tool 5.8 - Sample Staff Conflict of Interest Policy**

POLICY OBJECTIVE

To provide direction regarding conflict of interest to staff and to assist them in avoiding conflict of interest situations.

POLICY STATEMENT

No staff member shall derive any personal profit or gain beyond normal contracted work arrangements.

All employees must arrange their affairs, in public and in private, to prevent any real, perceived or potential conflict of interest.

POLICY APPLICATION

1. A conflict of interest exists where you, a partner, a business associate, or a close family member:
  - a. are a party to a material contract or a proposed material contract with the Canadian First Nation
  - b. are a director or officer of an organization or have a material interest in any company or person who is a party to a material contract or proposed material contract with the Canadian First Nation
  - c. are directly involved in an issue under discussion, or associated with an issue under discussion in a substantive way and stand to benefit or personally gain from the decision made, or
  - d. assist a third party in its dealings with the Canadian First Nation, where such assistance could result in favourable or preferential treatment being accorded to that third party by the Canadian First Nation.
2. If you become aware that such a conflict exists, staff must report it to the Executive Director as soon as possible. In the case of the Executive Director they shall report to the Council.
3. In all cases, the underlying principle is that conflicts of interest will be resolved in favour of the Canadian First Nation.
4. The resolution of the conflict of interest may require that you withdraw from a discussion or a meeting, or that you remove or terminate the conflict or potential conflict by whatever means is necessary, including relinquishment of your position with the Canadian First Nation.
5. Provided that the conflict of interest is disclosed as soon as possible, no material contract entered into or action taken by the Canadian First Nation with knowledge of the conflict of interest is void or voidable.
6. If a conflict of interest is discovered after a decision is made that might have been affected by knowledge of that conflict, the decision is not void or voidable, provided that the decision was made fairly and on reasonable grounds.
7. Where a conflict of interest is disclosed in a timely manner and in accordance with this policy, a material contract may be entered into, a decision made, or an action taken by the Canadian First Nation that allows the conflict of interest (or potential conflict of interest)

to continue. For example, Canadian First Nation may hire or contract to family members provided such conflict of interest has been disclosed by the affected employee.

8. If you knowingly fail to disclose a conflict of interest, the Canadian First Nation reserves all rights it may have at law to have any contract entered into or any action taken set aside, revoked, or rescinded. In addition, you may be requested to resign.
9. Acceptance of gifts - you may not solicit or accept gifts in the exchange for future considerations. You do not accept gifts other than incidental gifts, customary hospitality, or other benefits of nominal value, without the approval of the Executive Director.
10. Confidentiality - you may not take advantage of or use to your benefit any information not generally available to the public that you obtain in the course of your official duties for the Canadian First Nation, or disclose such information to a partner, business associate or a close family member. Similarly, you may not disclose confidential information obtained through the course of your duties and responsibilities for the Canadian First Nation without proper authorization.

#### **OATH OF OFFICE AND CONFIDENTIALITY**

1. **Oath for Personnel:** Each employee as a condition of employment takes the Oath of Confidentiality in the form as attached in **Appendix “A”**.

#### **APPENDIX “A” - OATH OF CONFIDENTIALITY**

I, \_\_\_\_\_, do solemnly swear that, as an employee of the ***Canadian First Nation***, will not, except as required in the discharge of my duties or as required by law, disclose to any person, any matter relating to the business or affairs of the ***Canadian First Nation***, that is not otherwise public knowledge, so help me God.

Sworn before me at \_\_\_\_\_ )  
in the Province of \_\_\_\_\_ )  
this \_\_\_\_\_ day of \_\_\_\_\_, )  
200\_\_.

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Employee



## **N. ABOUT AFOA**

The Aboriginal Financial Officers Association of Canada (AFOA) is committed to excellence in financial management for aboriginal organizations. It is a national, professional association serving the needs of individuals who are working in, or aspiring to, positions with First Nations organizations. It is responsible for training, certification, and professional development in financial management.

AFOA's mission is to provide leadership in aboriginal financial management by developing and promoting quality standards, practices, research, certification, and professional development to members and aboriginal organizations. Members can assist organizations to maximize the use of resources, strengthen decision-making, and meet accountability requirements. The success of AFOA and its members strengthens the financial management of aboriginal organizations in Canada.

AFOA promotes, and contributes to, the advancement of aboriginal financial management and provides opportunities to share knowledge. Financial officers from across Canada can take advantage of the professional program leading to the Certified Aboriginal Financial Manager professional designation. They can increase their knowledge of financial management and achieve their peak professional growth.

AFOA prepares individuals to work with new knowledge and skills and assists them and their organizations to set strategic goals and successfully implement business plans. AFOA provides a variety of programs and services.

### **Member Benefits**

Members of AFOA benefit from these programs and services:

- CAFM Certification
- Standards of Ethical Conduct
- Standards of Professional Competency and Professional Development Programs
- Annual Conference and Exhibition
- Aboriginal Financial Management News (focusing on practices and issues)
- Chapters
- Research, Information and Networking (enhanced communications with technology)
- Career Support Services
- Members' Directory