

CAPACITY BUILDING



Aboriginal Financial Officers Association of BC

60 – 1959 Marine Drive
North Vancouver, BC V7P 1G1
Telephone: 604-988-5564
Facsimile: 604-988-2625
www.afoabc.org

TOOLBOX CHAPTER SUMMARY

The focus of this First Nations Financial Code Toolbox chapter is Capacity Building. Once the key elements of governance are in place and function efficiently, attention to maintaining high standards becomes important. This chapter was designed specifically to assist financial managers become aware of the need for capacity building in their work with First Nations.

What is capacity building? Simply put... it is building competencies, relationships and models. **Why do we need capacity building?** *To improve job performance and efficiencies.* Every First Nation wants to be assured that their staff and members have the knowledge and skills that reflect the financial management environment and challenges that each face. The competencies capture the shift from the financial manager being primarily a scorekeeper to an expanded role of providing advice and leadership on all financial activities. This becomes important as financial management of First Nations becomes more complex due to self-government initiatives, economic development and new partnerships.

Provincial Level

At the provincial level, AFOABC exists to provide support to its membership in capacity building in a number of ways:

1. Training and Development Conferences

AFOABC hosts 3-4 training conferences or events per year that serve to inform and train members in matters related to administrative and financial management. In conference planning, core competencies are used as guide to develop workshops and training sessions. (see Appendix A for a Financial Officer Self-Assessment Workbook)

2. Aboriginal Financial Manager Certificate Program

The Aboriginal Financial Management Certificate Program is an innovative part-time 18-credit program offered by Capilano College on behalf of AFOABC. This program offers students working in the finances offices of First Nations an opportunity to improve their skills in financial management and administration. Students are trained in basic and intermediate accounting, computer applications, Aboriginal and business law, strategic management and leadership and communications. This program is offered when student demand and sufficient funds available.

National Level

At national level, AFO Canada is the professional organization in Canada responsible for certification of First Nations financial managers and setting high standards for Aboriginal financial management. Competency Standards for Aboriginal financial management have been established. These standards are the basis for development of curriculum used in granting credits towards the Aboriginal Financial Manager Program certificate, diploma, and

the professional designation. They are also used in assessment of practical experience and the professional CAFM exam.

WHAT IS COMPETENCY MODELING?

Competency modeling is the process of identifying the key responsibilities in a specific job function and the observable outcomes and behaviours that can be expected at the learning, full performance and superior performance levels.

Competency modeling enables practitioners, peers, clients and supervisors to reach consensus on skills, motives, attitudes or other personal characteristic that differentiates superior from average performers.

THE NEED FOR MODELING

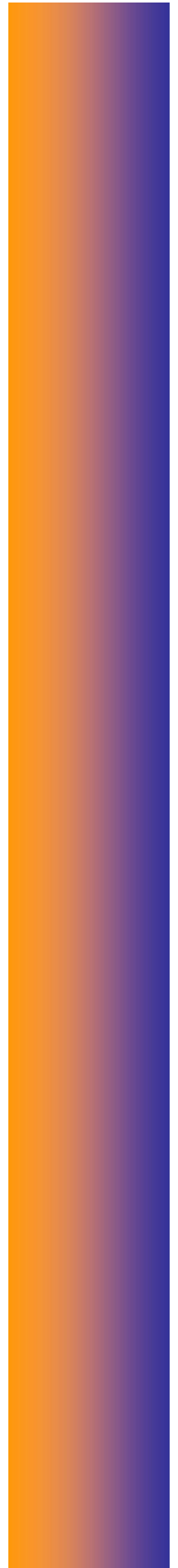
The development of a validated model would add a much-needed visual dimension to the current listing of Financial Manager competencies. Most importantly, the process would enable Aboriginal Financial Officers Association members to reach consensus on the observable outcomes and behaviours associated with superior level performance by Financial Managers. Consensus on this subject will be vital in establishing a course of action to improve the financial management capacity in every First Nations community. The modeling process would also identify and document 'best practices' in the role of the Financial Manager that could then be shared with all First Nations communities.

APPLICATIONS AND BENEFITS

A Financial Manager competency model would provide a visual reference of the specific attributes at three distinct levels of performance and would be used in a variety of applications including:

- Serving as a base for curriculum development.
- Identifying and measuring work experience requirements.
- Developing continuing professional development services.
- Conducting guided assessments to identify professional development needs.
- Recruitment and selection.
- Providing a source of best practices to support governance initiatives and sound financial management.
- Conducting performance appraisals.
- Compensation Analysis.

The Aboriginal community is engaged in the development of organizations and is looking to be successful in its efforts. Financial management and its effective application is a key and must factor for organizations desiring to be successful. The Aboriginal Finance Officers Association of Canada (AFOA) plays a key role in effective financial management and developing successful organizations. AFOA is committed to excellence in expanding financial management capacity for aboriginal organizations in Canada. AFOA takes a leadership role in aboriginal financial management activities by developing and promoting quality standards, practices, research, certification and professional development to expand capacity for members and Aboriginal organizations. The AFOA has developed national competency standards in Aboriginal financial management to



support efforts to develop capacity.

The Core Competency Domains for a Certified Aboriginal Financial Manager are:

1. ABORIGINAL HISTORY & CULTURES	7. MANAGEMENT INFORMATION SYSTEMS
2. COMMUNICATION & PERSONAL SKILLS	8. ECONOMICS
3. FINANCIAL ACCOUNTING	9. LAW
4. MANAGEMENT ACCOUNTING	10. QUANTITATIVE METHODS
5. COMPUTER APPLICATIONS	11. STRATEGY & DECISION MAKING
6. FINANCIAL MANAGEMENT	12. ABORIGINAL HUMAN & FISCAL ISSUES

This toolbox chapter includes the Financial Officer Competency Model Workbook. The model was developed by Aboriginal Financial Officers Association BC members and illustrates the different outcomes and behaviours that can be observed at the learning stage, full performance and superior performance levels in the above noted competency areas.

Sample excerpt from the Financial Officer Competency Model Workbook

<i>Competency</i>	<i>Learning Stage</i>	<i>Full Performance</i>	<i>Superior Performance</i>
<p>Fiscal Management Issues</p> <ul style="list-style-type: none"> Identifying and developing financial opportunities Developing strategic alliances and partnerships Monitoring challenges in aboriginal fiscal relations Tax-exempt status Negotiating and managing funding arrangements Special reporting requirements - Aboriginal accounting standards Identifying and following Aboriginal financial management best practices Accountability requirements 	<ul style="list-style-type: none"> <input type="radio"/> I have a limited number of personal relationships or alliances with potential business partners. <input type="radio"/> I am developing an understanding of the differences and the advantages or disadvantages of different funding arrangements. <input type="radio"/> I play a minor role in the negotiation of funding arrangements. <input type="radio"/> I am developing an awareness of First Nations taxation issues. <input type="radio"/> I am seeking information and advice on best practices for Aboriginal financial management. <input type="radio"/> I need to learn more about sources of program funding. 	<ul style="list-style-type: none"> <input type="radio"/> I have a thorough understanding of the terms and conditions of the funding arrangement currently in place. <input type="radio"/> I use and share my best practices in Aboriginal financial management. <input type="radio"/> I have a network of potential economic development partners. <input type="radio"/> I am able to identify taxation issues as they arise and take appropriate action including calling in outside expertise. <input type="radio"/> I work closely with others to meet the reporting requirements for funded programs. <input type="radio"/> I support or suggest actions to improve financial accountability in our community. 	<ul style="list-style-type: none"> <input type="radio"/> I document and willingly share my best practices in financial management. <input type="radio"/> I have a broad knowledge of available sources of funding. <input type="radio"/> I have a detailed knowledge of the differences and advantages and disadvantages of each type of funding agreement. <input type="radio"/> I focus on developing new business relationships as our community becomes more economically independent. <input type="radio"/> I am able to provide accurate advice on taxation issues when our community is considering new partnerships or joint ventures. <input type="radio"/> I am able to effectively apply taxation principles in specific circumstances. <input type="radio"/> I maintain a personal awareness of proposed changes to funding arrangements. <input type="radio"/> I actively promote policy and procedure to improve financial accountability in our community.

