



ʔAKISQ'NUK FIRST NATION

AFOA BC 2015 Best Practices Awards Submission

On behalf of Council, Community, and Staff, it is a pleasure to be nominated for a Best Practice Award for 2015. The past year for the Finance Department has been very busy and great strides have been made in our ongoing efforts to meet the Finance Department's goals for ʔAkisq'nuq First Nation (AFN) as follows:

- To have reliable and accurate management of finances;
- To provide transparent and understandable reporting to Band members, Council and staff; and,
- To strengthen efficient and effective finance department operations.

One of the more notable accomplishments was to develop and ratify our 2015 Financial Administration Law (FAL). This is a comprehensive set of rules that form the foundation of an internal control environment. It represents continuous processes and actions that will govern the decision making, management, monitoring, and reporting of the financial administration of AFN. The FAL defines roles and responsibilities for band employees and leadership, and clearly lays out financial management practices and policies in a cohesive and transparent manner. This project involved a great deal of work by the Finance Department and collaboration with and contributions by the community and leadership. Some of the steps taken to achieve this milestone are outlined below.

- A new accounting system was purchased in 2013. This system was purchased in order to: provide the Finance Department with the ability to produce more useful information to Council, Band Members and staff; improve on internal controls and reduce financial reporting and fraud risks; streamline processes and create efficiencies; and, decrease the amount of manual work being done thereby improving on the timeliness of financial reporting to Council.
- Unfortunately, due to a shortage of trained staff and an inordinate amount of time working through the conversion, the Finance department fell behind on entering expenses and revenues. Cheques were being deposited in the bank and then photocopied – nothing was being entered into the system. As a result, proper financial

information was not being provided to Council on a timely basis and a budget for the fiscal year ending March 31, 2014 had not been approved.

- AFN hired me as the Senior Financial Officer in February 2014 and I quickly assessed the financial reporting risks and determined that a framework of clear financial management policies and procedures (a FAL) needed to be put in place so that Council would be able to govern more effectively.
- The Finance Department worked an excessive amount of overtime to get the records caught up and in the proper condition for the March 31, 2014 year end audit. The budget was then prepared for the year ended March 31, 2015 in the fall of 2014. The budget for the fiscal year ending March 31, 2016 was prepared in the winter of 2015. Bank reconciliations, sub-ledger to general ledger reconciliations, variance analysis, and scrutiny of all records were completed as part of this process.
- During all of this we were also working on the FAL. This initiative was fully supported by Council and the community as it was positively viewed as bringing structure and discipline to financial management and transparency to financial reporting.
- Numerous meetings were held to ensure that the FAL was appropriate for AFN, and understood by Council and Management. Our lawyer was an integral part of this process and assisted us in making sure the law fit, would be achievable, and clearly understood by all. The First Nations Financial Management Board was a great support in this process as well and worked with us to achieve our FAL.
- The FAL was approved by Chief and Council on March 18, 2015.
- A Financial Performance Certificate was issued to AFN on March 31, 2015 by the First Nations Financial Management Board. This certification provided AFN the ability to become a borrowing member of the First Nation Finance Authority (FNFA).
- AFN was accepted as a borrowing member of First Nations Finance Authority on April 17, 2015.

The impact has been very positive:

- When Chief and Council approved the budget for 2015/2016 they were able to complete a detailed review of the proposed budget and determine a fair way to ensure that only eligible revenue was spent and budgets were balanced. The budgeting process was a valuable exercise for Program managers to understand what they could spend.
- Financial Statements for the year ended March 31, 2015 were prepared and the audit completed in record time and earlier than anyone can recall. The auditors were very pleased with the state of the financial records. This is a result of numerous positive

changes to the accounting processes and procedures in order to improve reliability, accuracy, and efficiency.

- The financial statements were attached to the annual report and presented at the Annual General Meeting in August 2015. In an ongoing effort to provide transparency in financial reporting and to inform and educate our Band Members and staff, I explained the financial statements in a more basic way. The goal, in addition to presenting the results for the year, was to increase the level of understanding on how to read financial statements. AFOA was quite helpful. They were able to provide useful information on how to incorporate explaining the fundamentals of financial statements into presenting financial results so I did not have to start from scratch with my presentation.
- We are now in the position where we can provide useful and current information to Council, Community and Managers. Overtime has been significantly reduced and we hope to maintain regular hours moving forward.
- On a timely basis, Council will receive monthly and quarterly financial statements and other financial reports to assist them in their decision making and oversight responsibilities.

The main focus this year will be on policy and procedure development and improving communication.

Sincerely,



Lorna Pollock, CPA, CA
Senior Financial Officer
?Akisq̓nuk First Nation