

MICMACS OF GESGAPEGIAG FINANCIAL ADMINISTRATION LAW

FREQUENTLY ASKED QUESTIONS



Q1: What is this law?

A1: The Financial Administration Law (FAL) is a set of rules that will govern the decision-making, management, monitoring and reporting of the financial administration of the Micmacs of Gesgapegiag. The Law will have 7 sections that form best practices for the establishment and operation of successful financial administration. Those sections are related to organizational governance, internal control, risk management and financial reporting.

Q2: Why do we need such a law?

A2: Having this law will do 2 things: First, it will ensure that no matter who leads the Council, the set of rules and the policies and procedures established will be respected by the leadership and the administration. Secondly, it will reassure stakeholder and financial market concerns over financial management and reporting.

Q3: What are the advantages?

A3: The most important advantage of having such law is to ensure financial accountability and transparency to you members of Micmacs of Gesgapegiag. The law is based on standards developed by a First Nation organization using existing models and internationally recognized standards dealing with aspects of organizational governance, internal control, risk management and financial reporting. It will provide us guidance as we develop and update our policies and procedures. It will also help us to join a number of First Nations as members of the First Nations Financial Authority. Finally, we will receive certifications from the First Nations Financial Management Board related to: our financial performance and our financial management system. There are not a lot of First Nations across Canada who have those certifications and we want to join them.

Q4: Why you did not consult the Community about this project?

A4: When we were elected, you told us to continue working on improving our financial situation and to ensure we do not return to where the Micmacs of Gesgapegiag were few years ago. Having a Financial Administration is one of the key tool to support our commitment to you.

Q5: Will you consult the Community with the draft law before approving it?

A5: We are following a sample developed by the First Nations Financial Management Board, which supports their standards we have to meet. Once our proposed law receives compliance from that organization, we will celebrate with you and have the law on the community website. The law is based on standards developed by a First Nation organization using existing models and internationally recognized standards dealing with aspects of organizational governance, internal control, risk management and financial reporting.

Q6: Can the law be changed down the road with a change in leadership? How?

A6: Yes, the law can be changed. That said, any change will have to be reviewed by a the First Nations Financial Management Board that will ensure that any change will still meet strict standards

Q7: Can the policies and procedures developed to support the implementation of the law be changed down the road? How?

A7: Yes, we can change the policies and procedures. That said, any change would have to support the strict standards established by the First Nations Financial Management Board. Council will approve all policies and procedures.

Q8: Will it change the way programs and services are delivered?

A8: Yes, as we develop or update policies and procedures related to programs and services, it could change the way the administration delivers its programs and services.

Q9: as an employee, how will this law affect me?

A9: This law will give us an opportunity to develop or update policies and procedures like the financial policy and the Human Resources Policy. As an employee, you will have solid procedures to support how you are doing your job. For an example, an updated Post-Secondary Education Support Program Policy was presented to Council, which they have approved. In doing so, we have also written a Directive with comprehensive procedures so it is clear who is doing what and who is responsible for what and how the program will be administered.

Q10: Who will check to be sure that Council and the Administration implement the law and follow the policies and procedures adopted by Council?

A10: First, the First Nations Financial Management Board will support us over the next three years or so while we are working on all the necessary policies and procedures to meet the standards of the Law. They will also monitor how we are implementing our Law. Secondly, our policies and procedures will be available to employees and members of Micmacs of Gesgapegiag. Finally, we will report to members of Micmacs of Gesgapegiag on an annual basis.

Q11: What will happen if the Council and the Band Office do not implement the law and follow the policies and procedures adopted by Council?

A11: The First Nations Financial Management Board will support us over the next three years or so while we are working on all the necessary policies and procedures to meet the standards of the Law. They will also monitor how we are implementing our Law. If we do not, we will lose our certification.

Q12 I want to read more about this. Where could I have more information?

A12 Go on the First Nations Financial Management Board website: www.fnfmb.com.

Q13 What is the First Nations Financial Authority?

A13 The First Nations Finance Authority (FNFA) is an organization operating under the authority of the *First Nations Fiscal Management Act, 2005*. This federal law was developed jointly between the federal government and First Nations. This organization is a stand-alone organization separate from the Government of Canada. Its borrowing members, represented by the First Nation's Chief and Council appointee, sets its operating policies. The First Nations Financial Authority is for First Nations, by First Nations.

Q14 What are the advantages for Micmacs of Gesgapegiag to join this authority?

A14 The advantages of joining the First Nations Financial Authority as a Borrowing Member are:

1. Access to low rate, below bank prime, loans with repayment terms up to 30 years;
2. First Nations choose the repayment terms that work best for their budget;
3. FNFA loans do not require collateral;
4. FNFA loans can be used to refinance existing debt; and
5. FNFA's interest rates and terms parallel those available to provincial and local governments.

Q15 How many First Nations in Canada have their own Financial Administration Law?

A15 There are 66 First Nations across Canada to date.