



Your file - Votre référence

SEP 14 2016

30600041617  
CIDM # 966582

Chief and Council  
Poundmaker Band  
Box 610  
Cutknife, SK S0M 0N0

**RE: Poundmaker Band – Expert Resource Requirements**

The department of Indigenous and Northern Affairs Canada (INAC), has reviewed your current intervention status and the Poundmaker Band remains at an Expert Resource level of intervention. Under the Expert Resource level of intervention your First Nation is required to operate under a current Management Action Plan (MAP), as well as employ the services of a qualified Expert Resource.

Within the 2016-2017 Funding Agreement, the requirement for a new MAP was outlined, with a due date of November 1, 2016. In addition to a new MAP, Poundmaker is also required to submit quarterly MAP reporting which includes a narrative update to the MAP and quarterly financial statements.

On September 13, 2016 the Central Budget Center, at INAC, was advised of the appointment of Mark Debusscher of Storozuk McClelland Chartered Professional Accountants, as the Expert Resource for the Poundmaker Band. Mr. Debusschere has advised the Central Budget Center that Marcia Seesequasis will be the on-site personnel who will be the primary point of contact.

Effective September 14, 2016 Mr. Debusschere is acknowledged as the Expert Resource for your community and applicable correspondence will be provided to both himself and Ms. Seesequasis. Should you have any questions please contact the undersigned at (306)953-8641.

Rhonda Dawiskiba  
Funding Services Officer  
Indigenous and Northern Affairs Canada  
Central Budget Center

cc: Justin Wittke, Meyers Norris Penny, Chartered Accountants, Saskatoon, SK  
Corinne Isbister, Associate Director, CBC  
Mark Debusschere, Expert Resource  
Dean Neald, Audit and Intervention Officer, INAC Saskatchewan Region



# POUNDMAKER CREE NATION

**COMMUNITY ENGAGEMENT  
OCTOBER 1, 2016 – MARCH 31, 2018**

## **BACKGROUND**

At the end of November 2015 INAC completed its review of Poundmaker Cree Nation's (PCN) audited financial statements and as a result of those statements PCN was notified that they were required to continue working under the accepted 2012 Management Action Plan (MAP) arrangement. This Expert Resource level of intervention was to remain in effect until all tasks had been completed and goals had been achieved.

The Chief and Council, with the assistance of their Expert Resource Support, Jesse Primeau, continued working on the plan through the 2015/16 fiscal year. It was recognized however by INAC that throughout the year that PCN was still not compliant with its current MAP and the financial affairs did not improve. PCN was notified that they would be required to submit a new MAP on or before November 1, 2016. In the course of these events PCN Chief and Council decided it was in their best interest to seek out a new Expert Resource. The PCN Chief and Council were successful in arranging the appointment of Mark Debusschere, CPA, CA of Storozuk McClelland Chartered Professional Accountants ([www.smdcpa.com](http://www.smdcpa.com)) to be their Expert Resource. Mark is a Partner at the firm and has over 10 years of auditing First Nations and related entities as well he was most recently Director of Operations for a large Saskatchewan First Nation. The professional accounting firm employs Marcia Seeseequasis as their on-site personnel to perform Executive Director Duties and Responsibilities as advised by the accounting firm.

The PCN's Chief and Council will have to establish ambitious deficit recovery targets because of the size of their cumulative deficit. In the past, the team was not successful in achieving their deficit recovery targets. In order for the MAP to be successful they needed adequate information to make informed decisions. With the new Expert Resource team, PCN will be better informed which will help Chief and Council to achieve the results as expected of them, not only for INAC but for the community as well.

PCN does not have financial policies, which has resulted in deficits. The administration can no longer rely on the funds from such resources as gravel/ land lease to provide band membership assistance. These revenues are required to be used to addresses past deficits. There will be limited assistance in the new PBC budget.

## **RESPONSIBILITY**

The Expert Resources responsibility is to work with PCN to build capacity by providing training and development to eliminate the risk of default. The Expert Resource has the

knowledge and experience to manage PCN funds and ensure service delivery. The Expert Resource will demonstrate accountability to the community they serve and establish, communicate and support planning. They will review and authorize expenditures on a daily basis, and assist in revising and developing policies that improve the efficiency of PCN's financial management. In the interim, until such time that the financial policies are finished, the Expert Resource will deliver and implement procedures as outlined in Appendix 1 (see attached) to establish and monitor internal controls immediately.


PCN Chief and Council and the Expert Resource jointly assume responsibility for implementation of this MAP and guarantee all the conditions of the MAP are achieved. The Chief and Council agree to maintain this arrangement for their financial affairs until the cumulative deficit is eliminated.

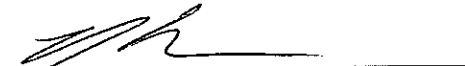
All policies that are ratified and adopted by the PCN will bind the present Chief and Council and its successors.

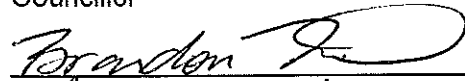
The present Chief and Council and successors of the PCN are in agreement to the above conditions and understand that it shall form part of the Terms and Conditions of PCN's Comprehensive Funding Agreement for the remainder of the Expert Resource Level of intervention or until retirement of the MAP.

#### **POUNDMAKER CREE NATION**


On Behalf of Poundmaker Cree Nation

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Councillor

  
\_\_\_\_\_  
Councillor

  
\_\_\_\_\_  
Councillor

  
\_\_\_\_\_  
Councillor



# POUNDMAKER CREE NATION

## Appendix 1

### Co signer

The Management Action Plan (MAP) outlines a commitment to sound financial management practices. The hiring of the new Expert Resource Advisor with the onsite Financial Officer ensures that we are compliant to the MAP. To provide quality assurance, the Finance Officer will be given signing authority on all operating bank accounts. As a mandatory signing authority, the Finance Officer has the capacity to review and approve all payments as well as authorize purchase orders and contracts.

Administration staff will complete bank reconciliations on a timely basis and provide the Finance Officer with daily balances and transaction details to ensure there is no unusual activity. The Finance Officer will review Poundmaker Cree Nation (PCN) monthly cash flow requirements and communicate any changes with Funding Agencies so that pay and obligations are met on time.

### Spending Restraints

#### Discretionary spending

Expenditure cuts on discretionary expenditures will include but not limited to the following:

- Chief, Council and staff travel, supplies, meeting, training and workshops.
- Travel per position will be outlined in the budget and will be limited to their allowance.
- Supplies and materials will be also be outlined in the budget. The budget will be set in accordance with the funding arrangements expenditure limits and spread out evenly throughout the fiscal year.
- Meetings, training and workshops will be based on budget availability and determined on a needs basis.
- Capital projects such as housing renovations must be approved before the start of the project to ensure there are funds available.

Admin costs including salary and travel will be restricted to the budget and not be allowed to exceed the annual budgets. Once a budget has been fully exhausted, additional funds will need to be sought out by the program manager.

There will be no new staff positions added unless budgeted or unless there is additional funding received for programs and services. The Finance Officer will ensure that all programs and services are being delivered and that all health and safety concerns are being addressed. Any unexpected occurrences that require a significant expenditure that are not included in the budget will be applied to the Capital or Revenue trust as communicated to INAC by the Finance Officer.

#### Band Membership Assistance

Band Membership assistance (BMA) will be restricted to the following:

- Bereavement contribution
- Natural disaster such as a fire or flood to home
- Life threatening emergency of an immediate family member

A BMA applicant must fill out an application request for assistance and provide documentation to support the application. Definition of an immediate family member would be limited to either a mother/father and/or a sister/ brother.

#### Own Source Revenues

All incremental revenues such as oil/gas and gravel will be put towards the Christmas Distribution and deficit recovery to pay down loans, outstanding payables and replenish the replacement reserve. We will also have to pay for our shortfall on our housing mortgages due to non-payment of rent for those not on Social Assistance.

There will be no salary increments besides the teacher salary increments as outlined in the STF agreements, which should be funded by INAC.

These spending restraints must be aggressive considering the increase in the overall Net Debt as per the 2015/16 Audited Financial Statements. In the event that the spending restraints are not adhered to, the targeted goals of the MAP will not be achieved. INAC will be contacting PCN and the Expert Resource Advisor to determine if viable options are available and if not then may result in further intervention for PCN.

#### **Internal Controls**

The Chief and Council have agreed to the above and as such will continue to support the implementation of the following sound financial management practices and procedures.

A Finance Committee will be developed The Finance Committee members will be based on competency and commitment to the MAP. They are as follows:

Finance Officer; Council Representative; Director of Operations/Expert Resource;  
Executive Assistant; Education Coordinator; Social Assistance Administrator

A terms of reference will be developed for the committee as approved by Chief and Council. The committee will determine the signing authorities for the operating bank accounts. The change in the signing authorities is a directive of the MAP to give professional liability assurance to the Chief and Council on behalf of all stakeholders. The committee will forward their recommendations to the Chief and Council for approval and the signing of the BCR's. The committee will work on the Financial Policy and Procedure manual in accordance with best practices. They will engage a legal review of the manual and then present it to Chief and Council for ratification. The committee will complete the manual on/before March 1, 2017, thus to be implemented effective March 31, 2017.

#### Expense authorization

No individual Council member should be approving expenses. If an expense is to be approved by Council, it will be only by quorum of Council.

Managers of departments will be able to approve expenditures of up to \$1,000.  
The Expert Resource will approve everything under \$20,000.  
Chief and Council through quorum will approve all expenditures greater than \$20,000

#### **Interim Procedures**

There will be one cheque run per week which will be on Thursday.

All requests/requisitions are to submitted to Finance before the end of day on Monday to allow for time to process the request. Submission of the request on Monday does not guarantee payment on Thursday. All requisitions must be signed off by the program manager and must include the following:

Date; Vendor Name; Vendor Address; Department Code and Class; Supporting Documentation

Purchase orders will be centralized and will be treated in the same manner as a request/requisition. Purchase order will be handled by the Finance department. Obtaining services without a purchase order may lead to non-payment of the expense and you may be held personally liable for the expense.

All requests will be reviewed by the Finance department after submission to ensure all criteria has been met and to confirm eligibility within the department to which the requested expenditure has been coded. If all requirements have not been adhered as stated above the request will be denied. The team will also ensure that the department is within budget and/or that is not in conflict with the spending restraints. If approved the Finance Officer will then sign to authorize the expenditure.