

## **FINANCE POLICY BYLAW**

- 1.0 Ahousaht Chief and Council recognizes the need to adopt rigid financial guidelines to be followed now and forever
- 2.0 Ahousaht will retain a qualified Chartered Professional Accountant (CPA) as Director of Finance
- 3.0 Ahousaht will develop and review a detailed budget process, including input from community, departments, staff and Chief & Council
- 4.0 Ahousaht will develop an annual budget, as well as a Long Term Financial Plan to be updated annually
- 5.0 Ahousaht will ensure the production of monthly financial statements:
  - 5.1 Working with department managers detailing Budget to Actual variances
  - 5.2 presented to Chief and Council on a monthly basis
  - 5.3 ensuring adherence to Ahousaht's Finance Policy
  - 5.4 that avoids program and/or Nation deficits
  - 5.5 elimination and/or reduction of non-essential services
  - 5.6 collection of all revenues due to the Nation
  - 5.7 ensuring no budgeted program and/or Nation surpluses
- 6.0 Ahousaht will continue to improve its financial health by:
  - 6.1 Reducing the Nation's overall debt
  - 6.2 Incurring no new debt unless such debt is matched to revenue producing assets such as rental housing
  - 6.3 Maintaining financial ratios that are equal or better than those recommended by INAC and CMHC including:
    - 6.3.1 Liquidity Ratio (Current Assets / Current Liabilities) of 0.90 or better
    - 6.3.2 Sustainability Ratio (Total Assets / Total Liabilities) of 0.50 or better
    - 6.3.3 Working Capital to Revenue Ratio of 0.08 or better
  - 6.4 Discover new revenue streams such as taxation, licensing, revenue generation
- 7.0 Ahousaht ensures integration, transparency and IFRS audits of all owned, shared and arm's length entities of the Nation
- 8.0 Ahousaht ensures that all reports to funders are filed in a timely manner to avoid clawbacks, revenue paybacks and lost opportunities
- 9.0 Ahousaht will ensure capacity building
  - 9.1 Continue to apply for P&ID and other available funding to further capacity building, training, new and current policy and procedures review
- 10.0 Ahousaht's goal is to have the most positive audit results, including:
  - 10.1 unqualified audit opinion on the Nation's consolidated statements
  - 10.2 concise positive management letter
  - 10.3 adopt auditor recommended changes