

HUU-AY-AHT FIRST NATIONS



Report of Executive Council on Motion Regarding Risk Management

**For consideration at the session of the
Huu-ay-aht First Nations People's Assembly
on Saturday, November 30th, 2013**

Prepared By: Rob Botterell for Executive Council Approval

Date: October 20, 2013

BACKGROUND

The attached Citizen's Motion will be presented by Robert Jack Dennis Senior for consideration of the Assembly.

Section 73 of the *Financial Administration Act* requires Executive Council to adopt a risk management policy by regulation. On April 1, 2011, Executive Council enacted a Risk Management Policy Regulation.

In March 2013, the Legislature and Executive Council made significant changes to Economic Development legislation and regulations.. HUU-AY-AHT business enterprises are now excluded from the risk management regulation. Instead, operating boards of HUU-AY-AHT business enterprises are required to establish a risk management committee pursuant to article 7.3 of the governance and fiscal agreement to be signed between HFN and HFN businesses.

Section 3 of the Risk Management Policy Regulation sets out the categories of risks to be regularly assessed and mitigated to the extent possible. They include financial risks, business risks, legal risks, human resource risks, risks related to natural phenomena, and risks related to loss of government infrastructure and other physical assets.

DISCUSSION

The motion makes a series of recommendations in relation to a) the Non Replaceable Forest License issued for HFN Treaty Lands and b) risk management generally. These recommendations are largely self-explanatory.

OPTIONS

Option 1 – Approve the motion on Risk Management.

Option 2 – Approve the motion with amendments.

Option 3 – Not approve the motion.

IMPLICATIONS

HFN has a comprehensive set of laws governing many of these recommendations including the *Freedom of Information and Protection of Privacy Act, Financial Administration Act, Governance Act, Code of Conduct and Conflict of Interest Act, and Tribunal Act.*

Executive Council has limited ability to give direction to HUU-AY-AHT businesses or the Chief Executive Officer due to the separation of business from politics under HFN Law.

More specific implications will depend on the motion passed and any action taken by Executive Council.

Proposed Citizen's Motion

1. Whereas the HFN has a regulation regarding Risk Management.
2. Whereas this regulation applies to
 - a) Government
 - b) HFN public bodies
 - c) HFN business enterprises
3. Whereas the purpose of this regulation is to ensure risks to government, HFN public and HFN businesses are regularly assessed and mitigated to the extent possible.
4. Whereas a Risk Management must be;
 - a) Completed before the beginning of each year, and
 - b) Reviewed and adjusted at least once during each fiscal year and more often if there is a significant change to the assessed risks.
5. Whereas the ED is responsible for undertaking, reviewing and adjusting the risk assessment required under subsection (1) for government, HFN public bodies and HFN businesses and for mitigating the risks for those bodies.
6. Whereas the Chief Executive officer of the HDC is responsible for undertaking, reviewing and adjusting the risk management required under subsection (1) for Huu-ay-aht business enterprises and for mitigating the risk for those bodies.
7. Whereas the HFN Executive Council has delegated a lot of authorities to the HFN Executive Director which may result in significant risk to the Nation.

Be it therefore resolved that:

- 1) That the HFN Executive Council at each People's Assembly, report the fees, stumpage or royalties earned from the Non Replaceable Forest License (NRFL) from HFN Treaty Lands.
- 2) That the HFN Executive Council not authorize any expenditures from the fees, stumpage or royalties earned from the NRFL till it has been reviewed and considered at each HFN People's Assembly.
- 3) That Huu-ay-aht Development Corporation Chief Executive Officer, at each HFN People's Assembly report the profits earned from the NRFL.
- 4) That the HFN Executive Council or the Huu-ay-aht Development not authorize any expenditures from the profits earned from the NRFL till it has been reviewed and considered at each HFN People's Assembly.
- 5) That HFN Executive Council will consider a change to the Risk Management regulation that will enable the creation of a Risk Management Committee to be appointed by the HFN People's Assembly.
- 6) That the Risk Management Committee is to develop an annual Risk Management Plan.
- 7) That the Executive Council will make amendments to the Risk Management regulation to enable changes suggested by the People's Assembly.