
GOVERNANCE IN AN ECONOMIC DEVELOPMENT ENVIRONMENT

GLENN FLEETWOOD, CPA, CGA
DIRECTOR, CONSULTING SERVICES



**McClelland
Debusschere**

Chartered Professional Accountants

Assurance Tax Advisory

LAND ACKNOWLEDGEMENT

We take time to acknowledge that we are located on the ancestral lands of the Dakota, Anishinaabeg, Cree, Oji-Cree, Dene and the National Homeland of the Red River Métis.

We acknowledge that we sit on Treaty 1 territory, and acknowledge them as the past, present and future caretakers of this land.

We acknowledge that we are all Treaty People.

INTRODUCTION: YOUR PRESENTER



- Glenn Fleetwood, CPA, CGA
 - 30 years professional experience
 - 14 years post designation experience
 - Over 11 years serving Indigenous Communities and Organizations
 - For 7 years, worked as DOF, CFO and COO for Peguis First Nation, MB's largest First Nation community.
 - Member of the following professional associations: CANDO, AFOA, IPAC, CPA MB & CPA SK.
 - Certified by CPA Canada as an advanced preparer and user of Public Sector Financial Statements

INTRODUCTION: KEYS TO SUCCESS AND PROSPERITY

“Good governance and accountability are the keys to prosperity”

- Chief Donny Smoke, Dakota Plains Wahpeton Nation, unceded Dakota Territory,
present day Manitoba

TABLE OF CONTENTS: WHAT WILL WE COVER IN THIS PRESENTATION?

- 1) Keys to success and prosperity
- 2) Governance
- 3) Accountability
- 4) Sustainability and prosperity
- 5) Corporate Trusts
- 6) Questions and answers

KEYS TO SUCCESS AND PROSPERITY

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KEYS TO SUCCESS AND PROSPERITY

- Good governance is a necessity for any successful organization: for profit, not-for-profit, or public sector alike.

- Good governance provides:
 - Oversight
 - Responsibility for decision making
 - Builds accountability and sustainability
 - Drives culture
 - Ensures alignment with values, mission statements and vision statements.



GOVERNANCE

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GOVERNANCE: WHAT IS IT?

- Governance is:
 - The process of making and implementing decisions within an organization.
 - The way rules, norms, and actions are structured, sustained, regulated, and introduced.
 - Governance body usually takes a traditional form of a Board of Directors, or Chiefs and Council, however less traditional approaches to governance can be taken, and can work.
 - New approaches to onboarding and recruiting Board members

GOVERNANCE: KEY DIMENSIONS

1

Who has the responsibility to lead?

2

Decision making

3

Who is accountable?

4

Responsibility to/of
Stakeholders

GOVERNANCE: 5 BASIC PRINCIPLES

1

Accountability

2

Leadership

3

Integrity

4

Stewardship

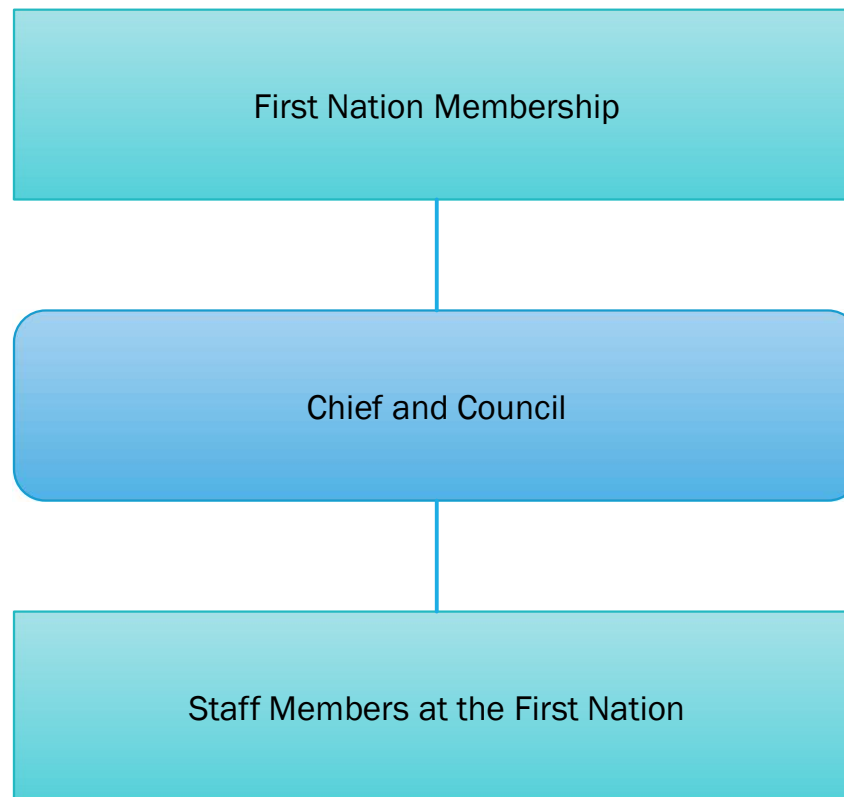
5

Transparency

ACCOUNTABILITY

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THE ACCOUNTABILITY STRUCTURE: THE VERTICAL STAND POINT



Government of Canada (2011). *Archived – Special Study: Evolving Funding Arrangements with First Nations*. Government of Canada – Archived Information. <https://www.rcaanc-cirnac.gc.ca/eng/1340036355882/1544017690830?wbdisable=true>

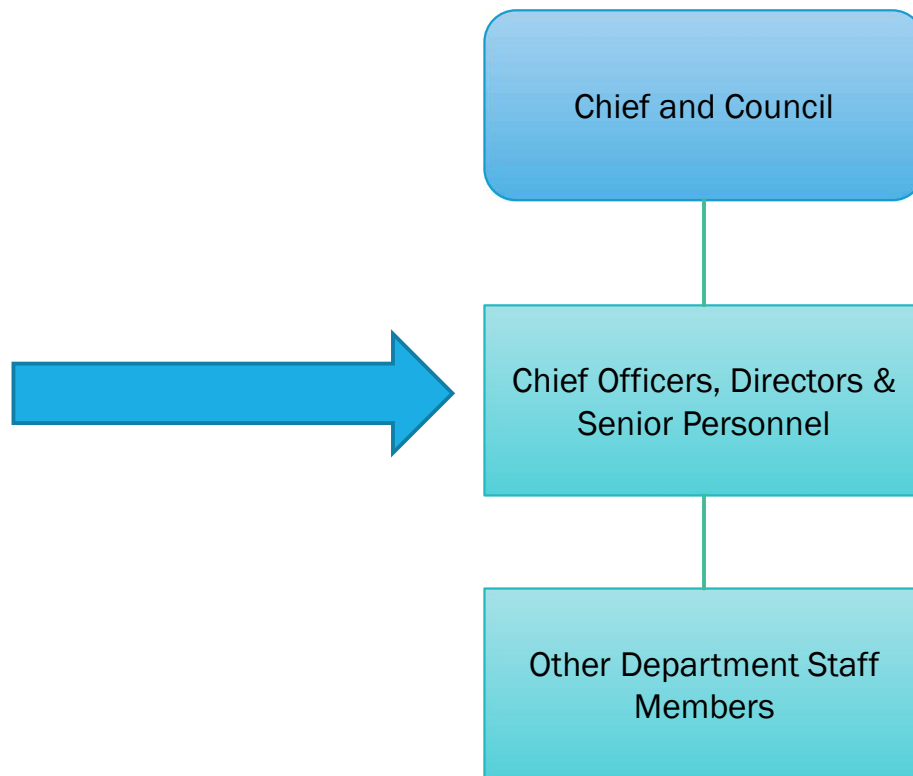
THE ACCOUNTABILITY STRUCTURE: THE HORIZONTAL STAND POINT



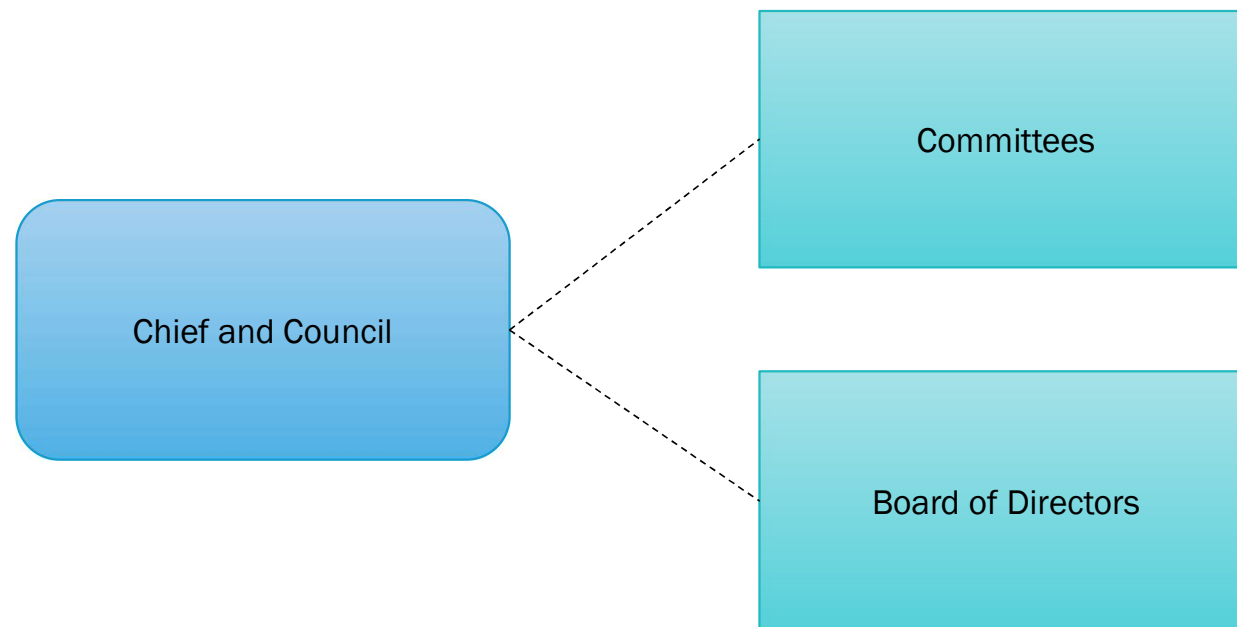
Government of Canada (2011). *Archived – Special Study: Evolving Funding Arrangements with First Nations*. Government of Canada – Archived Information. <https://www.rcaanc-cirnac.gc.ca/eng/1340036355882/1544017690830?wbdisable=true>

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THE ACCOUNTABILITY STRUCTURE: USEFUL STRUCTURE CONSIDERATIONS



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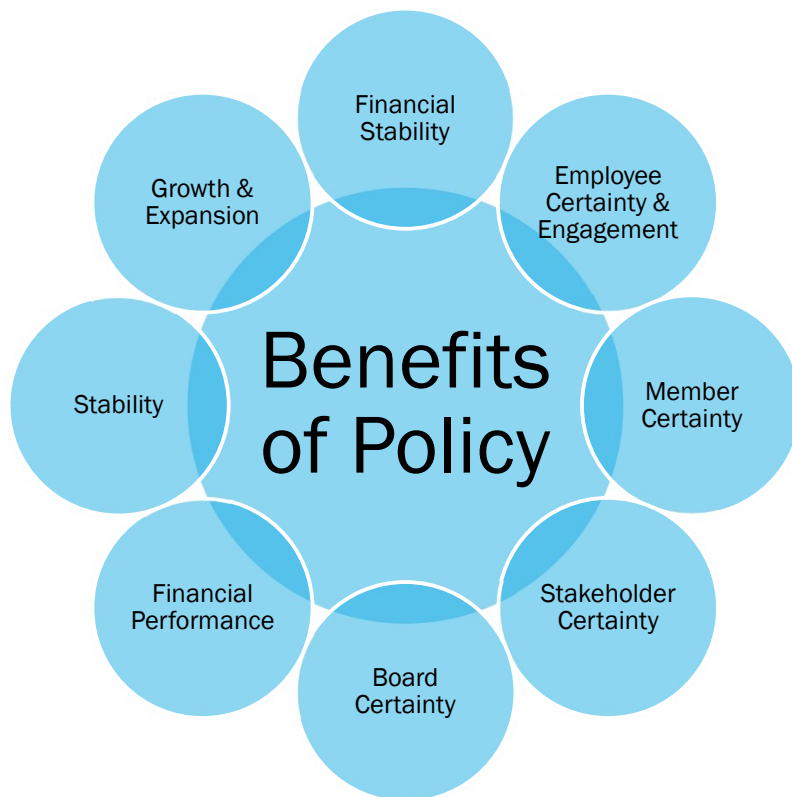
SUSTAINABILITY AND PROSPERITY

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SUSTAINABILITY AND PROSPERITY: THE PATH



SUSTAINABILITY AND PROSPERITY: BENEFITS OF POLICY



- Policy and Procedure will build the right amount of engagement internally and externally, will set the stage for performing financially, and can lead to growth and expansion
- Which leads to Financial Sustainability.

SUSTAINABILITY AND PROSPERITY: EXAMPLES

- Examples of Partnerships and Building Strong Relationships:
 - Indigenous organizations in Yellowknife, have signed agreements with BHP Minerals to provide jobs and build their economy this way
 - Since sanctioning its Jansen potash project in SK, BHP has awarded a total of \$470MM in contracts to Indigenous businesses in that province.
 - Clearwater Seafoods is 50% owned by a coalition of Mi'kmaq First Nations in the Maritimes region of Canada.



TRUSTS

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TRUSTS

- Economic Development in the Indigenous space can be extremely complex. This complexity can lead to (potential) benefits from Economic Development not being realized to their fullest.
- Reasons for the complexity could be:
 - Lack of capacity
 - Lack of opportunities and partnerships
 - Interference from within and without
 - Lack of business planning opportunity
 - Access to appropriate resources for structure

TRUSTS: FORMS

- Trusts, are one way to reduce or even eliminate complexity, and can take many forms, such as
 - Bare Trusts
 - Investment Trusts
 - Corporate Trusts
 - Trust Funds

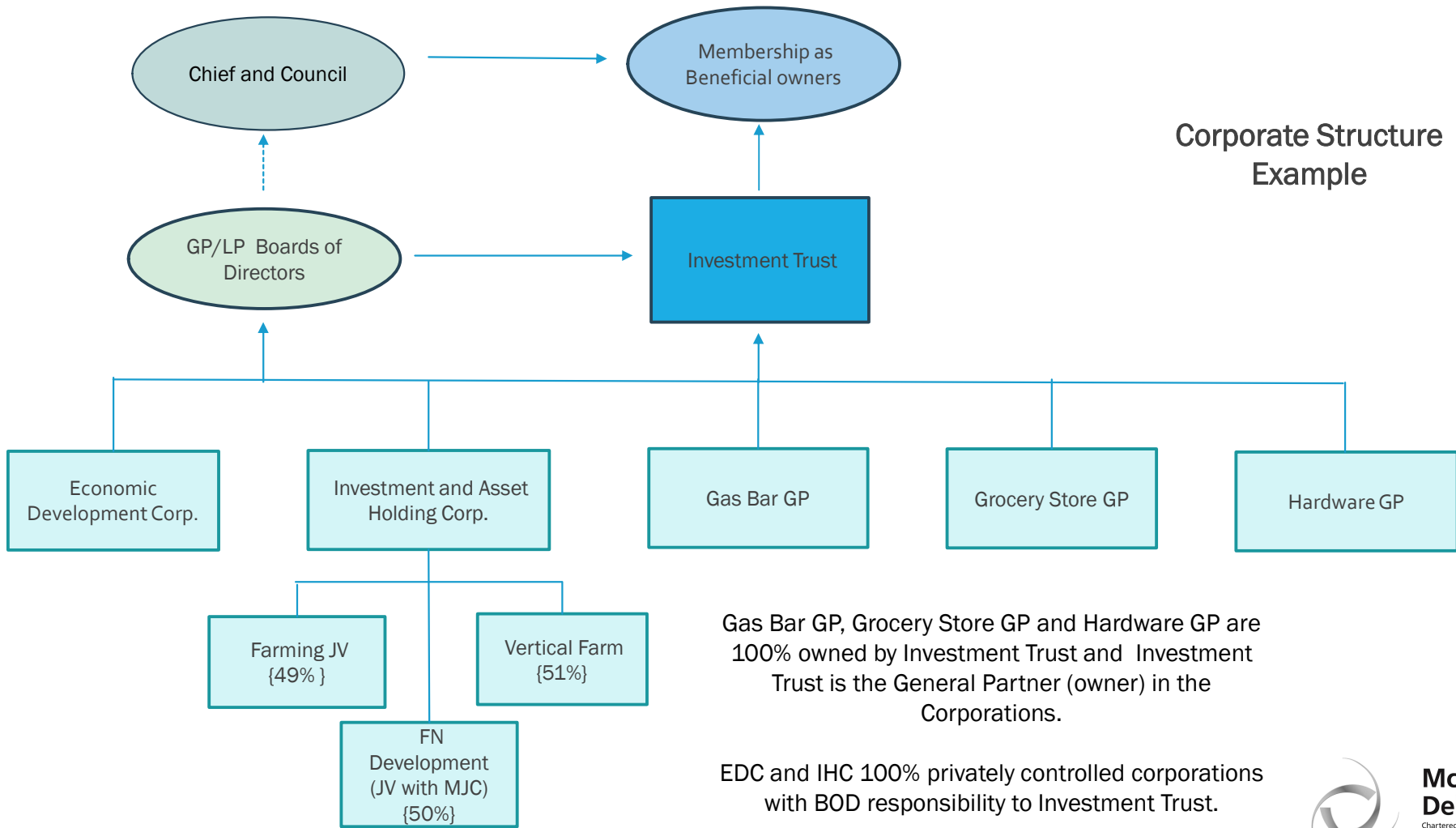
TRUSTS: CORPORATE TRUSTS

Guidelines and Rules on how and when monies may be spent

Assets are Held on Behalf of Beneficiaries

Assets can be Corporations, Trusts can be Incorporated

Hold Financial Settlements of Land Claims and Impact Benefits Agreements



TRUSTS: CORPORATE TRUSTS – BENEFITS OF TRUST ARRANGEMENTS

- Benefits of Trust Arrangements
 - Act as a firewall between Chief and Council, Economic Development operations and membership
 - Membership is the beneficiary
 - Rules based and set out in agreements that require signature from the settlor and the settler.
 - Follows investment rules provided to 3rd party investments managers to grow the wealth

TRUSTS: CORPORATE TRUSTS – CONS OF CORPORATE TRUSTS

Rigid & Inflexible

Majority of funds can only be used as prescribed by the Trust Agreement

Canadian Law – Trusts must be settled with a piece of property that has economic value

Tax Law in Canada can apply to an Indigenous Trust, even if on Treaty Land

Do NOT have to be reported on the consolidated audited financial statements of the Nation

Principal amounts should NOT be leveraged in any way by the local Government

CONTACT INFORMATION

Glenn Fleetwood, CPA, CGA

Director, Consulting Services

McClelland Debusschere CPA

838 48th Street East Unit 190

Saskatoon, SK S7K 3Y4

glenn@mdcpask.com

(204) 471 - 4635

Winnipeg Office

43 Maruca Place

Winnipeg, MB R3W 0H2

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