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Stop the struggle to get accurate and timely management information in your business.

November 20, 2019

Grant Thornton team

Jeff Merrick

Senior Manager, Business Risk Services

Nicole Deveau

Senior Manager, Business Consulting and Technology

Rob Wadden

Principal, Assurance

John MacNeil

Partner, Assurance

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Agenda

- Why is access to information important?
- Solutions
- Navigating changes for success
- Tips/best practices

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Why is access to information important?

- In 2018, a number of First Nations began to transition to a 10-year transfer agreement with Indigenous Services Canada (ISC)

- To be eligible, a First Nation has to adopt and implement a Financial Administrative Law (FAL)

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What is a Financial Administrative Law?

Set of Governance and Finance Practices that helps a Council and staff make informed decisions and run their First Nation well. A Nation that lives by its FAL commits to good governance and finance practices over the long term *(Per FMB website)*

- Standard Practices – Governance and Finance
- Commitment over the long term
- Informed decisions

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Key Components of the FAL Financial Management

- Financial Reporting
  - Monthly (45 days)
  - Quarterly (45 days)
  - Annual Financial Statement (45 FAC/ 60 Council)
  - Local Revenue / Special Purpose
- Annual Report (180 Days)
  - Progress report on established financial objectives

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Key Components of the FAL
Financial Management

- Financial Plans and Budgets (5 year planning)
  - Must have community informed or involved
  - Must allow community attendance at Council
- Borrowing
  - Community consent for new capital borrowing
  - Open Council when borrowing discussed
- Risk assessment process (Fraud and Business)

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Where do you find YOUR information today?

- First Nations Financial Management Board (FNFMB)
- Paper records
- Financial advisors (reliance on auditors)
- IT systems (Sage, QuickBooks)

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What are we seeing

- Multiple instances of Sage

- Difficulty performing consolidation processes

- Problems with bank reconciliations

- Unable to measure performance against expected FMB ratios

- Significant manual effort to extract information that needs to be reported for funding purposes

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What are we seeing (cont'd)

- Outdated chart of accounts
- Unable to locate information
- Slow month end/year end close
- Authorization bottlenecks

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First Nations have unique requirements

- What are your needs and wants?
  - Access to an up-to-date Band Member list?
  - Have segregation of duties issues?
  - Reporting and statistical requirements - as you grow, so will your need to have access and provide information
  - Program reporting to Indigenous Services Canada
  - Reducing workload
  - Access to reports in less time or real time

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First Nations have unique requirements (cont'd)

- What are your needs and wants?
  - Unique reporting requirements
    - Housing, Social
  - Have legislative and regulatory requirements
  - Contingency planning
  - Access to accurate community and band membership records

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What are your business requirements?

- Opportunity to re-think your business processes and reorganize your financial structure

- What do you want your system to look like?

- Do you need to have flexibility?
    - Remote approvals?
    - Ability to work from anywhere?

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What's possible?

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What about infrastructure?

- Do you go to the cloud or stay on the ground?
- Understand the risk vs. the benefit
  - Reliability
  - Privacy
  - Security

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What about cybersecurity?

- What have we been seeing?
  - Phishing attacks
  - Malware/ransomware attacks

- What can you do?
  - Educate staff
  - Back-up and test your systems

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How do pick a vendor

- Things to consider:
  - Cost
  - Integration
  - Training
  - Support/upgrades
  - Customer service
  - Success stories/references

- Request a demo

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What happens once you have made a decision?

You need to create a plan to get you to go-live successfully – while also supporting your team through the change that is soon to come

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What is project management?

- Application of skills, knowledge, tools and techniques to guide project activities in order to meet project requirements

- Includes:
  - Identifying requirements
  - Establishing goals
  - Balancing competing demands
    (time, cost and scope)

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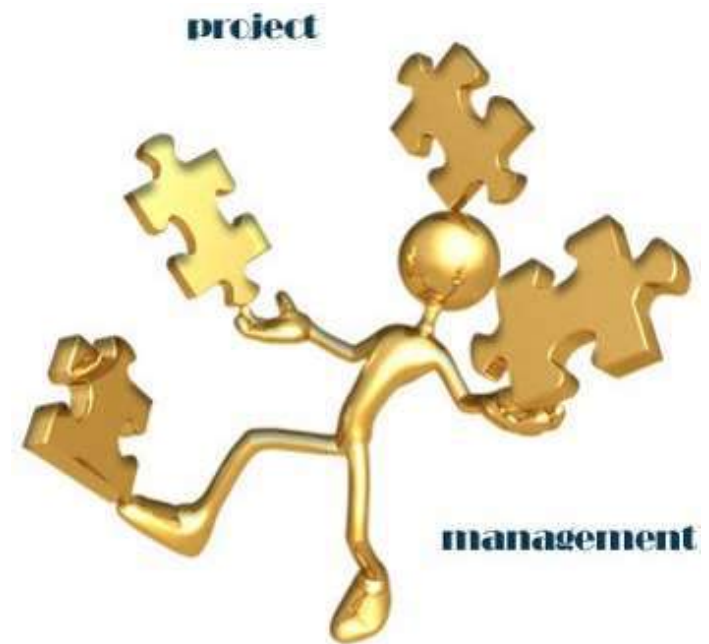
What project management isn't

- Creating a plan, and **hoping** it will stick
    - A successful project manager plans the work, then constantly works the plan through the project life cycle

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What does a successful project look like?

- Delivers what was promised
- Meets scheduled commitments
- Stays within resource allocations

> " Remember - if the project finishes on time, on budget and to spec, it will create positive relationships "

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How to think like a successful project manager

- Focus on project success
  - What do we need to accomplish?
  - Get agreement and buy-in on project scope at the onset of the project
- Have a well-stocked tool kit and adapt tools to project (not project to tools)
- Develop a detailed project plan

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What does a detailed project plan look like?

i	Task Mode	Task Name	Duration	Start	Finish	Predecessors
		Chart of accounts/sub accounts	14.25 days	Mon 01/23/1	Fri 02/10/17	
		Get sample COA from Xyntax	0.5 days	Tue 01/03/17	Tue 01/03/17	
		Extract current COA	1 day	Fri 01/20/17	Fri 01/20/17	
		Workshop to develop approach	3 days	Mon	Wed	3
		Develop new go-forward COA	0.5 days	Wed	Wed	4FF
		Clean up and Map new to	15 days	Mon	Fri 02/17/17	5
		Review and sign off	4 days	Wed 03/01/17	Mon 03/06/17	6
		Send to Xyntax	0.25 days	Tue 03/07/17	Tue 03/07/17	7
		Department listing	6.25 days?	Fri 02/03/17	Mon 02/13/1	
		Extract current	1 day	Fri 01/20/17	Fri 01/20/17	
		Meeting to discuss ongoing	0.25 days	Wed	Wed	11,5FF
		Determine entity specific	1 day	Thu 01/26/17	Thu 01/26/17	12
		Develop consolidated/master	5 days	Mon	Fri 02/17/17	13
		Prepare new list going forward	2 days	Mon 02/20/17	Tue 02/21/17	11,12,14
		Review and sign off	1 day	Wed 03/01/17	Wed 03/01/17	
		Send to Xyntax	0.25 days	Thu 03/02/17	Thu 03/02/17	16
		Band Member Listing	39.75 days	Tue 01/03/17	Mon 02/27/1	
		Connect with INAC re:	0.25 days	Tue 01/03/17	Tue 01/03/17	
		Waycobah to sign release for	1 day	Tue 01/03/17	Wed	20
		INAC data	20 days	Wed 01/04/17	Wed 02/01/17	21
		Provide direction on clean up	5 days	Wed 02/22/17	Tue 02/28/17	22,15
		Review and update as required	5 days	Wed 03/01/17	Tue 03/07/17	22,23
		Review and sign off	3 days	Wed 03/08/17	Fri 03/10/17	24
		Send to Xyntax	0.25 days	Mon 03/13/17	Mon 03/13/17	25

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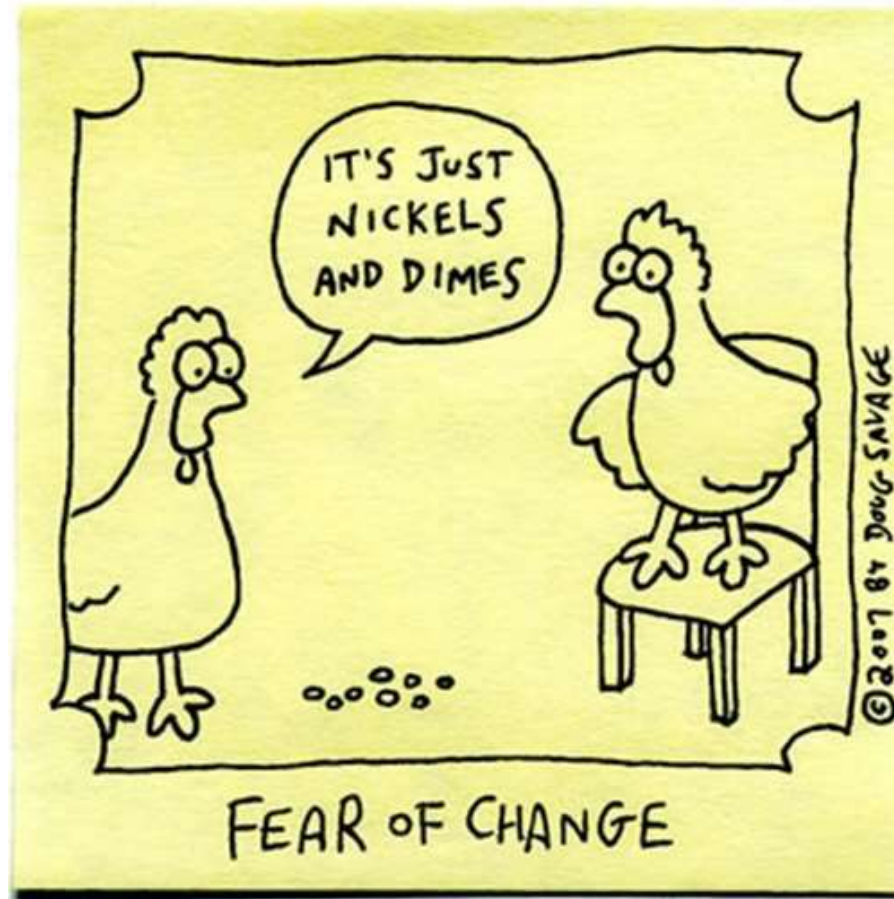
What is change?

Change…

- is all around us – home, work, community
- can be internally or externally motivated
- can be a dramatic departure from what we know – or it can be minor
- can be expected or unexpected

Organizations don't change – people within organizations change

- Any business change requires individuals to do their jobs differently to be successful

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Reaction to change

- Is emotional - regardless of how *"logical"* it may seem to others

- Some employees will rapidly embrace change, others will be reluctant …individuals will move along the spectrum at varying speeds - and there may be some who never get to the end

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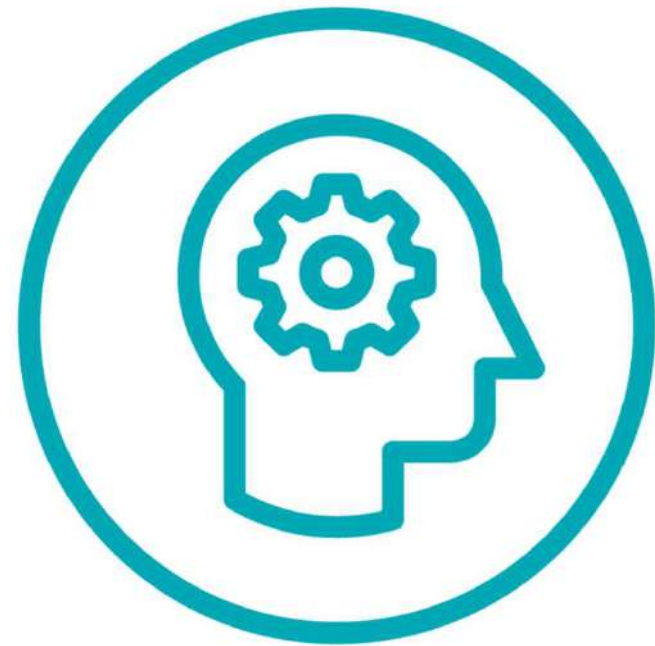
What goes wrong?

Underestimating how those changes will impact the business culture and those people who are used to doing things a certain way.

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Why do people react this way?

- Misunderstanding about the need for change (the 'why")

- Fear of the unknown

- Lack of competence and/or connected to the "old" way of doing things

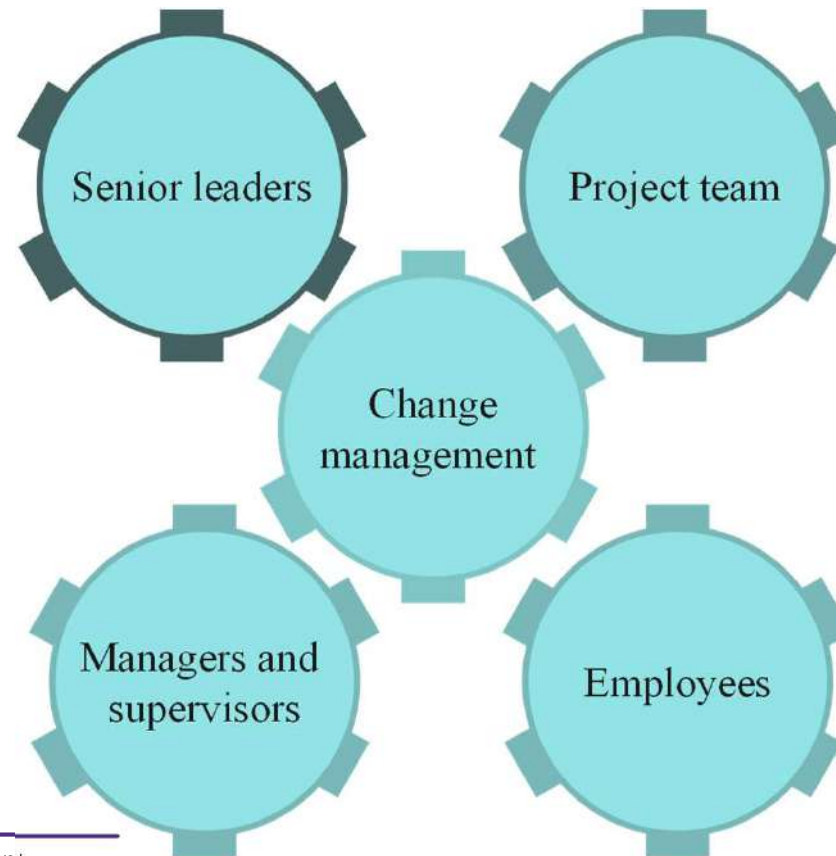GrantThornton | An instinct for growth

Why do people react this way?

- Lack of trust (in those implementing the change)
- Not being consulted or engaged in the process
- Poor communication
- Change saturation/exhaustion
- Lack of understanding of "what's in it for me" (benefit and reward)

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Consequences of not managing the people side of change

- Lower productivity
- Passive resistance
- Active resistance
- Turnover of valued employees
- Disinterest in the current or future state
- Arguing about the need for change
- More people taking sick days or not showing up

- Changes not fully implemented
- People finding work-arounds
- People revert to the old way of doing things
- The change being totally scrapped
- Divides are created between 'us' and 'them'

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Who is involved in managing change

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Without proper change planning

In the absence of:	You will see:
Awareness and Desire	• More resistance from employees. • Employees asking the same questions over and over. • Lower productivity. • Higher turnover. • Hoarding of resources and information. • Delays in implementation.
Knowledge and Ability	• **Lower utilization** or **incorrect usage** of new processes, systems and tools. • Employees worry if they are prepared to be successful in future state. • Greater impact on **customers** and partners. • **Sustained** reduction in productivity.
Reinforcement	• Employees **revert** back to old ways of doing work. • **Ultimate utilization** is less than anticipated. • The organization creates a **history** of poorly managed change.

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Greatest contributors to project success

- Active and visible executive sponsorship

- Frequent and open communication about the need for change

- Structured change management approach

- Dedicated resources and funding for project planning and change management

- Employee engagement and participation

- Engagement with, and support from, middle management

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If you do nothing else!

- **Communicate, communicate and communicate some more!**
- Try and think about everything that needs to be done by each person in the project/process, and how they are interconnected
- Engage those impacted by the change in the process.

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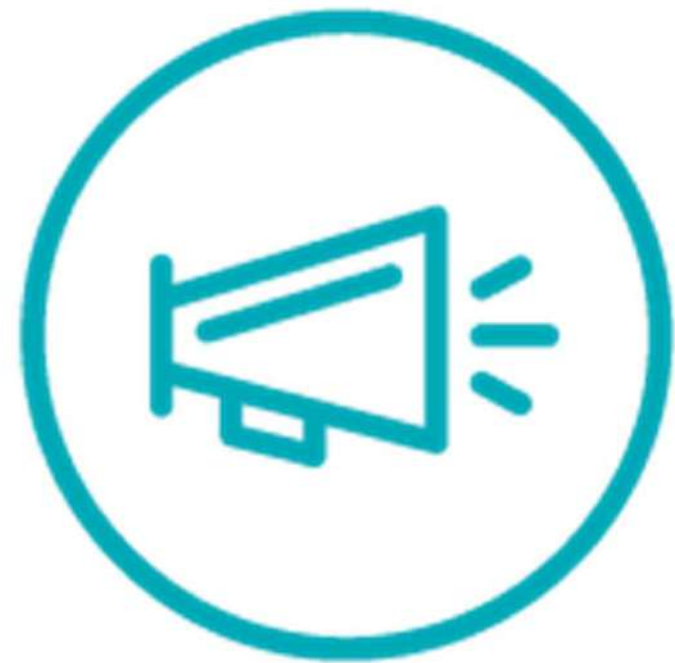
What's next?

- Talk to us about your options

- For financial assistance, start with your Funding Services Officer (FSO)

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Jeff Merrick
+1 902 420 7197
Jeff.Merrick@ca.gt.com

Nicole Deveau
+1 902 835 5601
Nicole.Deveau@ca.gt.com

Rob Wadden
+1 902 563 3178
Rob.Wadden@ca.gt.com

John MacNeil
+1 902 563 3171
John.MacNeil@ca.gt.com