

Placement of Communities into Trust or Co-Management Status	Policy	G1
	Effective Date	April 2002
	Revision Date	January 2019
	Page Number	1 of 2

What is the policy?

This policy outlines the steps to take when circumstances occur where a community may be placed into **trust status** where the department assumes control over the community's affairs or under **co-management status** where a third party is appointed to assume control over the community's affairs.

- **Resignation of the majority of council**
Where the majority of council resigns, the department may order a by-election to fill the vacant seats. As an interim measure, the department may place the community into trust or co-management status to fulfill its obligations.
- **Council not meeting**
Where council is unwilling to meet to conduct its normal business, the department may place the community into trust or co-management status to fulfill council obligations until such time as a functional council exists.
- **Resignation or dismissal of the community administrative officer with no qualified replacement available**
Where there is no community administrative officer and council cannot find a qualified replacement, the community may acquire the services of a qualified accountant on an interim basis until such time as a suitable replacement is found.
- **Evidence of unsatisfactory administrative practices or criminal actions by the community council or community staff**
Where there is evidence of unsatisfactory administrative practices or criminal actions (ex: misuse of funds, missing funds, funds spent outside their intended purpose, fraud, financial mismanagement) the department may place the community into trust or co-management status.
- **Audit denial**
Where the community has received an audit denial, the department may place the community into trust or co-management status. When deciding on the action to take, the department will consider:

 - reason for the denial
 - past audit history of the community
 - any action plans the council has proposed to deal with the denial

All costs associated with a community being placed into trust or co-management status are charged to the community.

Process

Step 1 - Problem Identification

A problem is identified by either the department or community.

Step 2 - Hold Meeting

A meeting will be held by the department with the council and/or community staff to discuss the identified problem, gather information and consider appropriate courses of action.

Step 3 - Department Review

A review will be conducted by department staff and a recommended course of action forwarded by management for executive approval. The department will follow-up as appropriate with council.

Step 4 - Select Appropriate Option

The department will either place the community into trust or co-management status. These include monitoring, performance measures, time frames and, if required, an interim audit to prove corrective action has been taken.

Step 5 - Monitor Progress

This involves a review of the progress and status of the selected option and to develop and implement a plan. It is the goal of the department to assist the community to correct the deficiencies that led to the trust or co-management status, and return the community to its previous level of operation, where feasible.

Where a decision is made to place the community into co-management status, a sample standard agreement (see Appendix G1-A) can be modified to fit the particular circumstance.

Other information

- Appendix G1-A Standard Co-Management Agreement