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Chapter: Using the Manual			
Directive Title: CENTRAL AGENCY RESPONSIBILITIES			

1. POLICY

The control and authority over the receipt and spending of public money shall follow the governmental structure created by the *Nunavut Act* and the provisions of the *Financial Administration Act (FAA)*.

The *Nunavut Act* creates a parliamentary system of government with the Commissioner being the representative of the Government of Canada and the Legislative Assembly being the representatives of the people of Nunavut. The Executive Council is appointed by the Commissioner upon the recommendation of the Legislative Assembly.

The *FAA* creates the Financial Management Board, which is a committee of the Executive Council, and gives it the responsibility for the financial management and administration of the Government.

2. DIRECTIVE

The roles of the entities within the Government that are listed below, with regards to the financial administration of the Government, shall be as set out in this Directive and the provisions of the *FAA* and any other applicable legislation.

Legislative Assembly and its standing committees
Executive Council
Financial Management Board
Minister of Finance
Minister and Deputy Ministers
Office of the Comptroller General

3. PROVISIONS

3.1. Legislative Assembly and Its Standing Committees

The *Nunavut* Act established the Legislative Assembly which consists of members elected to represent an electoral district. Nunavut has been divided into 19 such districts.

The Legislative Assembly establishes overall Government priorities and approves final expenditure plans through the appropriation bills.

The standing committee with oversight responsibility for financial administration has specific oversight responsibilities that include:

- expenditure appropriations proposed in the budget estimates;
- capital project plans, in consultation with affected communities and individual Members of the Legislative Assembly representing those communities;
- the terms and conditions of borrowing, lending and investing funds;
- revenue sources available to the Government;
- the financial implications of existing and proposed Government programs;
- the Government Public Accounts submitted to the Legislative Assembly annually by the Commissioner and the Minister of Finance;
- the Auditor General of Canada's reports to the Legislative Assembly; and
- financial and public accounts matters that are referred to standing committees by the Legislative Assembly or that, in the opinion of a standing committee, require investigation.

3.2. Executive Council

The Executive Council is the senior decision making body of Government. The Council establishes priorities and overall policy direction for the management of program and financial functions.

The Council is made up of members appointed by the Legislative Assembly, is chaired by the Premier and is accountable to the Legislature. The Premier

appoints individual members to be Ministers of their respective Department(s).

The Executive Council is responsible for the day-to-day administration of the government. Individual Ministers are responsible for developing policy for ratification by the Executive Council. They also propose legislation in response to the needs of the public. Individual Ministers are responsible for controlling and administering the funds that have been allocated to their Department through the budget process.

3.3. Minister of Finance

The principal duties and powers of the Minister of Finance are contained in *S. 8 and S.9 of FAA*. These sections give the Minister broad duties and powers concerning the fiscal policy of the Government and the management of the Consolidated Revenue Fund. The Consolidated Revenue Fund is established by the *Nunavut Act* and contains all public money over which the Legislative Assembly has the power of appropriation. *S.28 and S.29 of the FAA* require the Minister of Finance to prepare the Estimates for each fiscal year and to present to the Legislative Assembly an appropriation bill based on the Estimates. The Minister of Finance also has the power to examine any record and require any public officer to provide information and explanations that the Minister requires to perform his duties.

3.4. Office of the Comptroller General

S.12 (1) of the FAA requires the Minister of Finance to appoint a member of the public service to be the Comptroller General. *S.12(2) of the FAA* gives the Comptroller General the responsibility to prepare the Public Accounts each year and to establish the form and contents of the Government's financial records and accounting system. The section also gives the Comptroller General the responsibility to establish and maintain a system of controls over the receipt and spending of public money and the control over public property.

A number of other specific responsibilities are vested with the Comptroller General under the *FAA*, including:

- the accruing of liabilities and provisions for losses;
- the designation of accounting officers;
- the prohibition of disbursements;
- the establishment and use of petty cash funds and imprest bank accounts; and
- accountable advances.

Flowing out of the broad responsibilities contained in the *FAA*, the Office of the Comptroller General is responsible for ensuring that the accounting records are maintained in a accurate and efficient manner and that they produce information that is useful to senior management within departments and that the Public Accounts can be produced. This is accomplished, in part, by developing standard financial procedures that are to be utilized by all departments and by ensuring that proper and effective internal controls are in place and are being utilized.

3.5. Financial Management Board (FMB)

The FMB is a committee of the Executive Council, established under S. 3 of the *FAA*. It has primary responsibility for the financial management and administration of the Government, subject to Executive Council direction. The Board is composed of the Minister of Finance and other members of the Executive Council who are designated by the Executive Council. It is chaired by the Minister of Finance.

The FMB has broad responsibilities over approving resources, overall financial planning and providing direction on financial management to departments and agencies. The *FAA* gives specific responsibility to the FMB in respect to the following:

- accounting and budgeting issues;
- the Public Accounts and the Estimates;
- controlling and recording financial commitments, assets, liabilities, expenditures and revenues;
- evaluating the efficiency, economy and effectiveness of programs;
- reviewing annual and long-term expenditure and revenue plans; and
- any other matter referred to it by the Executive Council.

The FMB provides advice and guidance to departments through the issue of Financial Administrative Manual Directives and delegates some of its powers to public officers who are in the best position to ensure that the responsibilities of the FMB are carried out.

A more complete description of the role of the FMB may be found in Directive 002 in this Financial Administration Manual.

3.6. Ministers and Deputy Ministers

Ministers are responsible for the financial affairs of the department for which they are responsible. This includes preparing business plans and estimates



for their department and ensuring that the expenditures and activities of the department comply with these plans and estimates as well as with the *FAA* and regulations. They are subject to the direction of the FMB and the Minister of Finance with respect to matters within the authority of the FMB and the Minister of Finance.

Ministers delegate the responsibility for the day-to-day operation of their departments to Deputy Ministers. Deputy Ministers are responsible for ensuring that departmental activities and expenditures meet legislative, executive, FMB and departmental requirements for financial planning, control and accountability. This includes ensuring that financial reports are reviewed to determine whether transactions have been recorded properly and activities are proceeding according to operational plans.

Deputy Ministers, in turn, delegate the responsibility for the financial management of the department to Executive Finance Officers (EFO). The EFO is the chief financial resource within the department and they advise and assist all levels within the department on a wide range of financial matters. A detailed description of the duties of EFOs can be found in Directive 004 of this Financial Administrative Manual.