



FINANCIAL ADMINISTRATION MANUAL



Revised Date: October 2017	Effective Date: Immediate	Responsible Agency: Office of the Comptroller General	Directive No: 000
Chapter: Management of the Financial Function			
Directive Title: CHAPTER INDEX			

- 002 Role of the Financial Management Board
- 003 Role of the Program Manager
- 004 Role of Executive Finance Officer and Directors of Regional Financial Services
- 008 Legislative Audit



Issue Date: Sept 2008	Effective Date: August 29, 2008	Responsible Agency: Expenditure Management	Directive No: 002
Chapter: Management of the Financial Function			
Directive Title: ROLE OF FINANCIAL MANAGEMENT BOARD			

1. POLICY

The *Financial Administration Act (FAA)* gives the Financial Management Board (FMB) responsibility for the financial management and administration of the Government.

The recording of financial data and the reporting of financial results will follow the provisions of the *FAA* and the standards established by the Canadian Institute of Chartered Accountants (CICA) as determined by the Public Sector Accounting Board (PSAB). For standards not established by PSAB those Generally Accepted Accounting Principles, as set out in the CICA Handbook, will be applied. In cases where there is a choice as to which standards to use or there is doubt as to which standard to apply, the standard that most accurately reflects and reports the true meaning and intent of the situation will be adopted.

2. DIRECTIVE

FMB shall provide central direction and control over the financial affairs of the Government and will act and advise the Executive Council on all matters relating to financial planning, management and evaluation for the Government.

FMB has the responsibility for overall financial planning for Government, for budgeting and for developing and implementing the rules governing the accounting process.

3. PROVISIONS

- 3.1. FMB is established by S.3 of the *FAA*. S.4 and S.5 of the *FAA* set out the duties and responsibilities of the FMB. In summary the FMB may issue directives and shall act on all matters related to the financial management and financial administration of the Government in respect of:

- accounting and budgeting policies;
 - the Public Accounts and the Estimates;
 - controlling and recording financial commitments, assets, liabilities expenditures and revenue;
 - evaluating the efficiency, economy and effectiveness of programs;
 - reviewing annual and long-term expenditure, revenue and capital plans; and
 - any other matters referred to it by Executive Council.
- 3.2. FMB may determine their own rules and procedures.
- 3.3. A public officer who receives a directive from the FMB shall ensure that it is implemented in a prompt and efficient manner.
- 3.4. FMB is subject to the direction of Executive Council.
- 3.5. FMB shall make recommendations to Executive Council on the financial aspects of those issues that require Executive Council approval and any other matter that Executive Council directs. In general these will be:
- new, or changes to existing programs or services;
 - remission of tax or penalty;
 - policies that have Government wide application; and
 - any financial matter that Executive Council is required to submit to the Legislative Assembly for approval.
- 3.6. FMB shall develop and prescribe the financial responsibilities of Government departments, including those of Deputy Heads, and Executive Finance Officers.
- 3.7. The approval of FMB is required for significant financial matters and those specifically required under the *FAA*. In general these include:
- matters requiring approval by the Legislature;
 - additional funding requests, including special warrants;
 - write offs, deletions and forgiveness as required by the *FAA*;
 - requests to implement new or enhanced programs;
 - financial status and variance reports; and
 - significant changes to Government revenues.



Issue Date: August 2008	Effective Date: July 10, 2008	Responsible Agency: Office of the Comptroller General	Directive No: 003
Chapter: Management of the Financial Function			
Directive Title: ROLE OF THE PROGRAM MANAGER			

1. POLICY

The *Financial Administration Act (FAA)* gives primary financial management authority to the Financial Management Board (FMB), the Minister of Finance, other Ministers and the Comptroller General. The *Public Service Act* gives Deputy Heads operational authority over their department. Various aspects of this primary authority may be delegated to other public officers or service contractors attached to government departments. Sound financial management supports delegation of financial management responsibilities within an organization to the levels best able to exercise it in a financially prudent manner.

2. DIRECTIVE

Program managers shall be responsible, through the chain of command, to their Deputy Head for the financial management of those accountabilities delegated to them by this directive or by any other directive, regulation or similar authority.

3. PROVISIONS

- 3.1. Program managers are defined as those public officers that have been delegated first line responsibility for the financial management and control of a budget together with the related people and other resources.
- 3.2. Program managers shall be responsible for managing all aspects of the activities within their area of operation, including the following:
 - **Budget Preparation** – providing program information and projections to support appropriate budget preparations.
 - **Budgetary Control** – assuming the responsibility to operate within limits of the budget allocations and to take appropriate action to correct problems identified by variances between planned and actual costs.



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- **Financial Reporting** – providing information in accordance with the requirements of the FMB, using financial reports in the management of their operations and reviewing reports to ensure they correspond to known events.
- **Accounting for Expenditures** – verifying that the methods of cost allocation used are in keeping with observable facts, ensuring that expenditures recorded are:
 - proper charges against an appropriation
 - in accordance with the budgetary guidelines established by the FMB,
 - sufficiently detailed for financial management of the program;
- **Control of Expenditures** – having the primary responsibility for account verification and promptly supplying the information necessary for this verification as well as controlling expenditures through budgetary limitations and delegated spending authority.



Issue Date: August 2008	Effective Date: July 10, 2008	Responsible Agency: Office of the Comptroller General	Directive No: 004
Chapter: Management of the Financial Function			
Directive Title: ROLE OF THE EXECUTIVE FINANCE OFFICER AND DIRECTORS OF REGIONAL FINANCIAL SERVICES			

1. POLICY

It is the policy of the Government of Nunavut to manage its financial affairs in accordance with sound management practices carried out by competent management professionals. These practices involve, among other things, providing departmental and regional managers with the professional financial advice and assistance that they require.

2. DIRECTIVES

Executive Finance Officers (usually Directors of Finance or Corporate Services) shall provide assistance to program managers and financial staff to ensure that financial responsibilities are properly exercised. They will be responsible for the administration and managing the financial components of the department's systems and for providing the department with professional financial advice and assistance. The financial function that relates to the information making up the Public Accounts is carried out on behalf of the Comptroller General. The Comptroller General may advise and direct Executive Finance Officers (EFOs) in any aspects of this function.

Department of Finance Directors of Regional Financial Services shall be accountable to the Comptroller General and shall manage regional financial administration and systems to provide regional offices with financial advice.

3. PROVISIONS

3.1. Executive Finance Officers

- 3.1.1. Financial administration is primarily the responsibility of program managers. EFOs perform a support role to the department, region and program managers by providing advice to promote effective and efficient financial management. They also perform financial accounting and reporting functions on behalf of the Comptroller General. They are responsible for the financial administration and systems of their

department and to advise the Deputy Head on the financial implications of plans or decisions as well as legislative proposals.

3.1.2. EFOs are the chief financial resource in the department and they advise and assist all levels of the department with such matters as:

- budget preparation;
- monitoring of expenses;
- advice on training;
- financial reporting;
- internal controls;
- financial staffing levels;
- financial risk assessment
- financial planning
- notification of changes to directives, standards and procedures; and
- working with other departments on financial matters of common concern.

3.1.3. EFOs shall ensure that the Expenditure Management section of the Department of Finance is advised of large cash requirements.

3.1.4. Although EFOs have a line responsibility to their Deputy Heads, they have a functional responsibility to the Comptroller General.

3.1.5. When delegated such authority by their Deputy Heads, EFOs shall exercise commitment and payment authority for expenditures within their departments.

3.2. Department of Finance Directors of Regional Financial Services

3.2.1. Department of Finance Directors of Regional Financial Services also have a dual role:

- They represent the Comptroller General in the region; and
- They provide support services such as payroll processing, cheque issue services and other similar activities as may be delegated to them by the Comptroller General or Deputy Heads of the departments in the region.

3.2.2. Department of Finance Directors of Regional Financial Services are not involved in the budgeting process for departments in the regions. Budgeting processes are the responsibility of the individual departments. The Department of Finance Directors of Regional Financial Services may provide advice and assistance, when required.

- 3.2.3. Department of Finance Directors of Regional Financial Services provide a support role for regional financial activities. They provide advice and assistance in a broad range of regional financial matters. These include:
- the financial implications of regional plans;
 - proposed legislation;
 - financial administration systems;
 - staffing levels;
 - training; and
 - expenditure control.
- 3.2.4. Department of Finance Directors of Regional Financial Services are the Comptroller General's representative in the region and direct the design, communications and maintenance of financial administration systems within the region.
- 3.2.5. When delegated the authority, Department of Finance Directors of Regional Financial Services shall exercise commitment and payment authority.



Issue Date: August 2008	Effective Date: July 10, 2008	Responsible Agency: Office of the Comptroller General	Directive No: 008
Chapter: Management of the Financial Function			
Directive Title: LEGISLATIVE AUDIT			

1. POLICY

It is the policy of the Government of Nunavut to have its accounts audited annually by the Auditor General of Canada in accordance with S.46 of the *Nunavut Act*.

2. DIRECTIVE

Each department is responsible for co-operating with the Office of the Auditor General and with the Comptroller General and for providing all information, reports and explanations that the Auditor General or Comptroller General consider necessary. Departments are also responsible for responding to and acting on the observations raised by the Office of the Auditor General relating to concerns arising from audits in accordance with the provisions of this directive.

3. PROVISIONS

3.1. Powers of the Auditor General

The *Nunavut Act* provides that the Auditor General of Canada has, in connection with the audit of the accounts of Nunavut, all of the powers that the Auditor General of Canada has under S. 48(1) of the *Auditor General Act* in connection with the audit of the accounts of Canada.

3.2. Access to information by the Office of the Auditor General

- 3.2.1. S. 48 (2) of the *Nunavut Act* provides that the Office of the Auditor General shall have free access, at all convenient times, to information that relates to the fulfillment of the auditors responsibility and is entitled to require and receive such information, reports and explanations as the auditor considers necessary for that purpose.

- 3.2.2. The information referred to in 3.2.1 above shall be provided to the Auditor General by public officers, subject to the provisions of this directive and the provisions of any act of the Legislature which specifically refers to S. 48 (2) of the *Nunavut Act*.
- 3.2.3. Each department shall consult with the Comptroller General on issues raised by the Office of the Auditor General before responding to the Office of the Auditor General, unless the issues are not material or significant.
- For the purposes of this provision, the Executive Finance Officer in each department shall, in consultation with the Comptroller General, determine whether a matter is material or significant. An item of information, or an aggregate of items, is deemed to be material if it is probable that its omission or misstatement would influence or change a decision.
- 3.2.4. Each department shall advise the Comptroller General of any issues in dispute which cannot be resolved to the satisfaction of the Office of the Auditor General.
- 3.3. Recommendations of the Auditor General

Deputy Heads, in consultation with Executive Finance Officers, are responsible for acting on any recommendation made by the Auditor General relating to their department.

The Comptroller General is responsible for coordinating the Government's response to recommendations made by the Auditor General.

The Comptroller General shall monitor the status of the recommendations in the Auditor General's report to the Legislative Assembly and on any other matter raised by the Office of the Auditor General.