



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.