



**FINANCIAL ADMINISTRATION
MANUAL**



Revised Date: October 2019	Effective Date: Immediate	Responsible Agency: Office of the Comptroller General	Directive No: 600
Chapter: GOVERNMENT ACCOUNTING POLICY			
Directive Title: CHAPTER INDEX			

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Issue Date:	Effective Date: March 2009	Responsible Agency: Office of the Comptroller General	Directive No: 602
Chapter: Government Accounting Policy			
Directive Title: CONSOLIDATED FINANCIAL STATEMENTS			

1. POLICY

In accordance with the requirements of s.45 of the *Nunavut Act*, the Territorial Accounts shall be prepared in such form as the Commissioner may direct and in accordance with accounting principles recommended by the Canadian Institute of Chartered Accountants.

2. DIRECTIVE

The Comptroller General will prepare consolidated financial statements that include all of the organizations that make up the government reporting entity, as well as its share of government partnerships, in accordance with Generally Accepted Accounting Principles (GAAP) as recommended by the Canadian Institute of Chartered Accountants through the Public Sector Accounting Board (PSAB). The consolidated financial statements will be tabled in the Legislative Assembly in accordance with s.74 of the *Financial Administration Act (FAA)*.

Where an organization falls within the criteria for inclusion in the government reporting entity, but in the professional judgment of the Comptroller General, its inclusion in the financial statements of the consolidated reporting entity would not be appropriate, the organization may be excluded from the government reporting entity. In assessing the appropriateness of excluding the organization, the Comptroller General shall consider the criteria stated by PSAB for departing from its recommendations. These are: significance of the organization being excluded, cost versus benefit to the users of the financial statements and professional judgment of what constitutes fair presentation or good practice.

Related boards, agencies, funds, and enterprises which are deemed by the Comptroller General to fall within the government reporting entity, as well as any government partnership, shall provide, within the time frames established annually by the Department of Finance, any appropriate accounting information which may be required in order to facilitate the preparation of consolidated financial statements.

The information required above must be prepared in sufficient time to meet the requirements of s.74 of the *FAA*.

3. PROVISIONS

- 3.1. The eligibility of entities to be included in the government reporting entity will be determined by the Comptroller General, in accordance with the recommendations of PSAB.
- 3.2. Government financial statements shall consolidate government units line-by-line on a uniform basis of accounting after eliminating inter-governmental unit transactions and balances.
- 3.3. Government business enterprises will be reflected in the Government's financial statements using the modified equity method of accounting.
- 3.4. Government partnerships will be reflected in the Government's financial statements using the proportionate consolidation method.
- 3.5. Government business partnerships will be reflected in the Government's financial statements using the modified equity method.
- 3.6. Information requirements, formats, and timetables for submission by government organizations and government partnerships, for the preparation of the Public Accounts, will be established by the Comptroller General and provided to the organizations and partnerships on a timely basis.

APPENDIX A

DEFINITIONS

Consolidation

Consolidation is an accounting process whereby the financial statements of the reporting entities are combined on a line by line basis after eliminating inter-governmental transactions and balances. The consolidation is performed using a uniform basis of accounting for the reporting entities.

Control

Control is the power to govern the financial and operating policies of another organization with expected benefits or the risk of loss to the government from the other organization's activities.

Government Organization

A government organization is an organization that is controlled by the Government. They include both government units and government business enterprises.

Government Business Enterprise

A government business enterprise is an organization that has all of the following characteristics:

- (a) it is a separate legal entity with the power to contract in its own name and that can sue and be sued;
- (b) it has been delegated the financial and operational authority to carry on a business;
- (c) it sells goods and services to individuals and organizations outside of the government reporting entity as its principal activity; and
- (d) it can, in the normal course of its operations, maintain its operations and meet its liabilities from revenues received from sources outside of the government reporting entity.

Government Business Partnership

A government business partnership has the same characteristics as a government business enterprise defined above.

Government Business-Type Enterprises

A government business-type organization is a government organization that has all of the following characteristics:

- (a) it is a separate legal entity with the power to contract in its own name and that can sue and be sued;

- (b) it has been delegated the financial and operational authority to carry on a business; and
- (c) it sells goods and services to individuals and organizations as its principal activity.

Unlike government business enterprises, government business-type enterprises normally rely on government assistance for their day to day operations and may, in the normal course of operations, sell their goods and services to individuals and organizations within the government reporting entity.

Government Partnership

A government partnership is a contractual arrangement between the government and a party or parties outside of the government reporting entity that has all of the following characteristics:

- (a) the partners cooperate toward achieving significant clearly defined common goals;
- (b) the partners make a financial investment in the government partnership;
- (c) the partners share control of decisions related to the financial and operating policies of the government partnership on an ongoing basis; and
- (d) the partners share, on an equitable basis, the significant risks and benefits associated with the operations of the government partnership.

Government partnerships do not include contracts such as leases and sale-leasebacks; purchase/sale transactions such as outsourcing of services or management contracts; contributions under shared cost arrangements; loans or loan guarantees.

Government Reporting Entity

The government reporting entity includes the government organizations that are controlled by the Government as determined by the Comptroller General.

Government Unit

A government unit is a government organization that is not a government business enterprise. Government units would include: government not-for-profit organizations, and government business-type organizations.

Modified Equity Method



The modified equity method is a method of accounting for the investment in a government business enterprise and government business partnerships in the consolidated financial statements of the Government. Under this method, the net financial position and operating results of government business enterprises or government partnerships are reflected in the consolidated financial statements as a one-line item. While unrealized profits and losses resulting from inter-entity transactions are eliminated, other inter-entity transactions and balances are not. The true equity method is "modified" in that the accounting policies of the component entities are not adjusted to conform to that of the Government.

Proportionate Consolidation Method

Proportionate consolidation is a basis of accounting for a government's interest in government partnerships, other than government business partnerships, whereby a government's pro rata share of each of the assets, liabilities, revenues and expenses that are subject to shared control, is combined on a line-by-line basis with similar items in the government's financial statements using similar accounting policies and eliminating the proportionate share of inter-governmental balances and transactions.



Issue Date: September 2009	Amended Date: October 17, 2019	Responsible Agency: Internal Audit Services	Directive No: 603
Chapter: Government Accounting Policy			
Directive Title: INTERNAL AUDIT SERVICES			

1. POLICY

The oversight of public resources through the Government is strengthened by a professional and objective internal audit function that is independent of departmental or public agency management.

The Government will establish and support an internal audit activity as an independent appraisal function, to examine and evaluate organizational activities. The internal audit function assists in promoting efficiency, effectiveness and economy, and strengthens accountability, risk management and good governance in all government departments and public agencies.

The Internal Audit Services branch is accountable to the Comptroller General for administrative matters and the Central Accountability Committee for operational issues.

2. DEFINITION

Internal auditing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes.

3. DIRECTIVE

In accordance with this directive, the Internal Audit Services branch, Department of Finance, shall conduct compliance audits and operational/performance audits.

They may also conduct investigative audits and perform consulting/advisory services for government departments and public agencies upon request.

In addition to or as part of these audits, the Internal Audit Services branch shall examine internal controls and performance measurements, and make recommendations for improvements to departmental or public agency internal controls. Where these recommendations have a broader application than the individual department or public agency being examined, the Internal Audit Services branch may recommend new or amended Financial Administration Manual (FAM) directives.

The Internal Audit Services branch shall be free from interference in determining the scope of internal auditing, performing work and communicating results.

All government departments and public agencies are subject to this directive. It is, however, the responsibility of government departments and public agencies to implement proper internal controls, and to practice proper and effective program evaluation and program effectiveness monitoring.

4. PROVISIONS

4.1. Responsibility of the Central Accountability Committee

- 4.1.1. The Central Accountability Committee, formed and co-chaired by the Deputy Minister of Finance, shall approve annual audit plans referred to in provision 4.1.2. below and any material changes to those plans. Notwithstanding the activity of the Central Accountability Committee, the Deputy Minister of Finance or the Comptroller General may request that Internal Audit Services conduct special investigations in situations that they consider appropriate.
- 4.1.2. Based upon ongoing risk assessments and consultations with the senior management of departments and public agencies, Internal Audit Services shall prepare and submit to the Central Accountability Committee, annual and long-range audit plans complete with staffing requirements and a projected budget. A copy of the audit plan and any amendments thereto, shall be provided to the Comptroller General, and the Office of the Auditor General of Canada. Annual audit plans shall identify objectives and propose timeframes, audit staff complement, and other resource requirements of each planned audit; however:

a) A government department or public agency may request a previously unscheduled audit or special investigation, an increase to the scope of a planned audit or a change in the audit schedule. Should such a request produce a conflict with the audit plan or budget approved under provision 4.1.1. above, the matter will be referred to the Central Accountability Committee for resolution; and,

b) The Deputy Minister of Finance or the Comptroller General may request a special audit investigation of any department or public agency and may request a police investigation, consistent with his/her responsibility pursuant to the *Financial Administration Act* and FAM Directive 913 Loss of Cash or Other Assets.

4.1.3. In those rare instances where the audited entity and Internal Audit Services cannot agree on an audit recommendation or compliance with an action plan, the matter will be referred to the Central Accountability Committee for resolution.

4.1.4. Should a dispute arise that affects the ability of Internal Audit Services to determine the scope, work plan or communication of the results of an audit, the matter will be referred to the Central Accountability Committee for resolution.

4.1.5. In resolving the matters referred to in provisions 4.1.3. and 4.1.4. above, the Central Accountability Committee may employ all of the resources available, including requesting the assistance of the Deputy Minister of Finance, the Comptroller General or the Minister of Finance.

4.2. Responsibility of Internal Audit Services

4.2.1. Internal Audit Services shall conduct its activities in accordance with the Standards for the Professional Practice of Internal Auditing, as promoted by the Institute of Internal Auditors. Internal Audit Services may also, as it deems appropriate to each specific audit, apply additional standards set out by various professional associations like the Chartered Professional Accountants of Canada, the Association of Certified Forensic Investigators, the Association of Certified Fraud Examiners, and the Information Systems and Audit Control Association.

4.2.2. As a minimum, all internal audits performed by the Government shall comply with the objectivity, proficiency, planning, performance and communicating results standards of the Institute of Internal Auditors.

- 4.2.3. Internal Audit Services shall plan and conduct a variety of internal audits of government departments and public agencies on an ongoing basis as well as carry out special assignments from time to time as required by the Deputy Minister of Finance, the Comptroller General, or Deputy Heads of departments and public agencies. These audits shall include:
- Compliance audits, which determine whether the terms and conditions of a contribution agreement or other agreements with an external organization and the rules and regulations applicable to an activity or practice prescribed in an agreement by either the external organization or the Government, are being followed by both parties.
 - Operational/performance audits, which examine the efficiency (resource utilization versus output) and effectiveness (goal accomplishment) of operational and administrative processes; reliability and integrity of financial and operational information; safeguarding of assets; compliance with laws, regulations and contracts; and to determine whether internal controls are adequate and working as intended.
 - Financial assurance engagements which examine the supporting documents of financial statement components or Government's financial claims, to provide assurance that the statements and claims are accurate and in compliance with applicable standards and conditions.
 - Investigative audits, which are normally requested by senior management and focus on alleged irregular conduct. This may include internal theft, fraud, misuse of property, and conflict of interest.
 - Consulting/advisory services, which may be requested by senior management or the Comptroller General, consist of providing advice on internal controls, risks and vulnerabilities, effective controllership and good governance in terms of values and ethics, stewardship, performance measurement, fraud prevention and risk management.
- 4.2.4. Prior to the conclusion of each audit, the audit findings and recommendations will be presented, in draft form, to senior management and the Deputy Head of the department or public

- agency being audited. Management will be given appropriate time to respond to and comment on the audit findings.
- 4.2.5. During an audit, Internal Audit Services shall maintain ongoing communication with the senior managers of the audited entity.
- 4.2.6. The senior managers shall include within their response, required under provision 4.2.4. , an action plan to correct the observed deficiency, and shall implement the plan without undue delay. The final audit report shall incorporate the management response as set out in provision 4.2.4. If an action plan is not part of the final report, or if the audit entity disagrees with an audit recommendation, the reason for its omission or disagreement will be stated.
- 4.2.7. All final reports will be issued to senior management and the Deputy Head of the department or public agency being audited. In the case of special investigation, the report will be issued to the party requesting the investigation. A copy of all final and special reports will be forwarded to the Deputy Minister of Finance, the Comptroller General, the Central Accountability Committee and the Office of the Auditor General.
- 4.2.8. Internal Audit Services may conduct follow-up audits, within a reasonable timeframe (as established by the action plan) to test compliance with action plans submitted by government departments or public agencies. Instances of non-compliance shall be reported to the Deputy Minister of Finance, the Comptroller General and the Central Accountability Committee, when considered necessary, but annually at a minimum.
- 4.2.9. The reports on special investigations conducted by Internal Audit Services shall include recommendations for improvements to internal controls, whether further action is considered appropriate, and any recommended recovery steps.
- 4.2.10. Internal Audit Services will assist and cooperate with the Office of the Auditor General in all areas that are of benefit to either organization.
- 4.2.11. Internal Audit Services shall advise the Office of the Auditor General of any matter that, in the opinion of Internal Audit Services, has not been resolved and which affects Internal Audit Services' ability to carry out its responsibilities in accordance with the professional standards recommended by the Institute of Internal Auditors.

4.3. Responsibility of Departments or Public Agencies Being Audited

- 4.3.1. To enable Internal Audit Services to carry out its audit duties and responsibilities, the Deputy Head of the organization being audited shall ensure that Internal Audit Services has full, unrestricted and timely access to all organizational activities, records, property and personnel.
- 4.3.2. In cases where a special investigative audit has been requested that involves suspected loss, criminal offence or negligence, the protocol and reporting requirements of FAM Directive 913 Loss of Cash or Other Assets must be adhered to.
- 4.3.3. In any special investigation, the Deputy Head of the organization being audited shall ensure that the necessary confidentiality and protocols are maintained.
- 4.3.4. Within 180 days of receiving the final report, the senior managers of the audited entity shall report in writing to the Deputy Minister of Finance, with a copy to the Comptroller General and the Chief Internal Auditor, the status of the corrective action taken together with an action plan to correct the observed deficiency.
- 4.3.5. The Comptroller General shall report to the Financial Management Board, when it is considered necessary, but annually at a minimum, all instances of non-compliance with action plans.



Issue Date: February 5, 2008	Amended Date: March 21, 2019	Responsible Agency: Office of the Comptroller General	Directive No: 604
Chapter: Government Accounting Policy			
Directive Title: ACCOUNTING FOR GOODS AND SERVICES TAX (GST) AND HARMONIZED SALES TAX (HST)			

1. POLICY

The Government pays GST/HST on all taxable purchases, claims a rebate for the tax paid under the terms of the Canada – Nunavut Reciprocal Taxation Agreement (RTA), and collects and remits GST on all taxable sales.

2. DEFINITION

Goods and Services Tax (GST), Harmonized Sales Tax (HST)

GST/HST are value-added taxes levied on most goods and services sold for domestic consumption in Canada. GST/HST are imposed under *Part IX* of the *Excise Tax Act*.

3. DIRECTIVE

For the purpose of GST/HST, the Government is registered as an entity with the Government of Canada. This entity consists of all government departments and the Legislative Assembly, as well as public agencies listed in Schedule A of the RTA. For convenience, Schedule A of the RTA is reproduced as Schedule A of this directive.

This directive applies to all government departments, the Legislative Assembly and public agencies listed in Schedule A of the RTA.

4. PROVISIONS

4.1. Payment of GST/HST

The Government pays GST/HST on all taxable purchases of goods and services, and such tax must be accounted for separately on each transaction document.

4.2. Collection of GST

The Government will collect GST on all taxable sales of goods and services, as defined in the *Excise Tax Act*, and will account for the tax separately on each transaction.

4.3. Remitting of GST Collected

GST collected under provision 4.2. of this directive will be remitted to the Canada Revenue Agency by the Financial Reporting and Controls division, Department of Finance.

4.4. Recovery of GST/HST Paid

All GST/HST paid will be coded to a separate GST/HST account and will be recovered by the Financial Reporting and Controls division, Department of Finance.

4.5. Rebates of GST/HST

Those entities that are eligible for the GST/HST rebate in the RTA effective as of January 1, 2017, are listed in Schedule A of the RTA.



SCHEDULE A

Government of Nunavut Entities Entitled to Government Rebate

All Government of Nunavut departments and Legislative Assembly

District Education Authorities

Apex District Education Authority
Arctic Bay District Education Authority
Arviat District Education Authority

Baker Lake District Education Authority

Cambridge Bay District Education Authority
Cape Dorset District Education Authority
Chesterfield Inlet District Education Authority
Clyde River District Education Authority
Commission scolaire francophone du Nunavut
Coral Harbour District Education Authority

Gjoa Haven District Education Authority
Grise Fiord District Education Authority

Hall Beach District Education Authority

Igloolik District Education Authority
Iqaluit District Education Authority

Kimmirut District Education Authority
Kugaaruk District Education Authority
Kugluktuk District Education Authority

Nauyasat District Education Authority

Pangnirtung District Education Authority
Pond Inlet District Education Authority

Qikiqtarjuaq District Education Authority

Rankin Inlet District Education Authority
Resolute District Education Authority



Sanikiluaq District Education Authority

Taloyoak District Education Authority

Whale Cove District Education Authority

Others

Legal Services Board of Nunavut

Nunavut Arctic College

Nunavut Business Credit Corporation

Nunavut Housing Corporation

Qullit Nunavut Status of Women Council

Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut



Issue Date: May 2008	Effective Date: May 20, 2008	Responsible Agency: Office of the Comptroller General	Directive No: 605
Chapter: Government Accounting Policy			
Directive Title: INTERNAL CONTROL - GENERAL			

1. POLICY

S. 12 of the Financial Administration Act (FAA) requires the Comptroller General to establish and maintain proper internal control procedures in the financial administration of the Government.

It is the policy of the Government to maintain strong and effective internal controls over the financial management of the Government's affairs.

2. DIRECTIVE

All departments must maintain adequate internal control systems to provide reasonable assurance on the reliability of financial reporting and in the preparation of the Public Accounts in accordance with the Generally Accepted Accounting Principles. The controls maintained by departments must meet the objectives and contain the elements of internal control that are contained in the provisions of this directive.

3. PROVISIONS

3.1 Proper internal control procedures on financial reporting should accomplish the following objectives:

- a) safeguard and protect government assets;
- b) produce timely, accurate and reliable reports and records;
- c) encourage efficiency, economy and effectiveness;
- d) provide reasonable assurance that applicable laws and regulations are adhered to.

- 3.2 Strong internal control is essential to ensure public funds are administered properly. Practices that contribute to good and effective internal control are:
- a) segregation of duties - financial transactions, processing and record keeping should be handled by different people;
 - b) plan of organization - where it is feasible, each individual in the organization should report to only one superior; incompatible functions should be separated; and all other principles of best practices should be adhered to;
 - c) automatic checks - the work performed by one individual will either be balanced to the work performed by another individual, or reviewed by another individual if practical. Approvals and authorizations are also part of the automatic check process;
 - d) appropriately trained and qualified staff - staff should have the appropriate qualification and experience to carry out the duties they are required to perform;
 - e) sequential control – accountable forms or other systems to maintain a numbering sequence to ensure completeness of all transactions;
 - f) reasonableness checks - transactions can be compared with pre-determined reasonable limits or standards; and
 - g) control totals – transactions entered into and processed should be totalled and the totals compared.
- 3.3 The Comptroller General has responsibility for establishing and maintaining internal controls in accordance with *S.12 of the FAA*. In discharging this responsibility, the Comptroller General works with Deputy Heads and their Executive Finance Officers to ensure that the controls are in place which meet the objectives mentioned in 3.1 above and contain the elements of strong internal control mentioned in 3.2 above.
- 3.4 Any significant changes to internal controls must be approved by the Controller General before the change is implemented.



Issue Date: March 2009	Effective Date:	Responsible Agency: Comptroller General	Directive No: 605-1
Chapter: Government Accounting Policy			
Directive Title: INTERNAL CONTROL-ACCOUNTABLE ASSETS			

1. POLICY

The Government maintains complete and accurate records of accountable assets so as to fulfill the accountability requirements of s.61 of the *Financial Administration Act* and Generally Accepted Accounting Principles. The Government also exercises adequate physical control over assets to prevent their misuse or loss.

2. DEFINITIONS

2.1. Tangible Capital Asset

Non-financial assets having physical substance that:

- are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- have useful economic lives extending beyond one accounting period;
- are to be used on a continuing basis; and
- are not for sale in the ordinary course of business and operations

Tangible capital assets are employed to deliver government programs and services.

2.2. Accountable Asset

All assets with an acquisition cost greater than \$500 and assets with an acquisition cost less than \$500 that are attractive targets for pilferage and/or are readily convertible into cash such as computer printers, digital cameras, outboard motors, and mobile communication devices.

Classification as an accountable asset does not depend on whether it is charged to capital or operations and maintenance, but is more related to the nature of the asset and the risk of it being pilfered or misused.



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Accountable assets are public property.



3. DIRECTIVE

Deputy Heads are responsible for ensuring that adequate records are maintained for all accountable assets in their departments and that proper physical controls are in place to prevent misuse or loss of the assets.

4. PROVISIONS

- 4.1. The Executive Finance Officer (EFO) in each department must maintain a register of all accountable assets within the department. This record must contain sufficient details to be able to locate the physical asset and provide proper monitoring and accounting for the item.
- 4.2. Accountable assets must bear an identification tag that is traceable to the asset records maintained by the department.
- 4.3. The EFO in each department must verify the record of accountable assets against the physical assets each year. All discrepancies are to be investigated and corrected.
- 4.4. The EFO in each department must provide the Office of the Comptroller General with the information concerning accountable assets that is requested as part of the year end procedures.
- 4.5. The disposal of accountable assets (public property) must be in accordance with Directive 704-3.



Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Department of Finance	Directive No: 606
Chapter: Government Accounting Policy			
Directive Title: PROTECTION OF PERSONAL FINANCIAL INFORMATION			

1. POLICY

The collection, use, disclosure and storage of personal financial information shall be accomplished in a manner that ensures that the data is used only for the purpose for which it is collected and is protected against unauthorized use by persons inside or outside of Government.

The handling of personal financial information shall be in accordance with the provisions of the *Access to Information and Protection of Privacy Act (ATIPP)* and the *Archives Act*.

S.5 of the *Financial Administration Act* authorizes the Financial Management Board to issue directives concerning the controlling and recording of financial data.

2. DIRECTIVE

Departments may only collect personal financial information that is required to perform the duties of the department. The collection of all other personal financial information is prohibited.

Deputy Heads are responsible for ensuring that systems are in place to safeguard personal financial information and that it is only used for its intended purpose.

The systems and procedures must comply with *ATIPP*, the *Archives Act* and the provisions of this directive.

3. PROVISIONS

3.1. Collection of Information

- 3.1.1. Personal information is defined in S. 2 of *ATIPP* as information about an identifiable individual, including (among other things):

- (a) the individual's name, home or business address or home or business phone number;
- (b) an identifying number, symbol or other particulars assigned to the individual.

Personal financial information is personal information, as defined above, which is used by the Government in conducting a financial transaction.

- 3.1.2. This directive covers personal financial information relating to employees of the Government as well as to all non-employees dealing with the Government.
- 3.1.3. Only personal financial information that is essential for the conducting of the affairs of the Government shall be collected. The information should, where possible, be collected directly from the individual and that individual must be advised of the purpose for which the information is collected and the legal authority for the collection. The reason that the information is required must be documented and retained by the Executive Finance Officer (EFO) of the Department collecting the information.
- 3.1.4. Any agreements entered into by the Government that involve the collection of personal financial data must be reviewed by the Department of Finance and the Department of Executive and Intergovernmental Affairs before they are concluded to ensure that the proper controls and safeguards are in place to comply with the terms and conditions of the proposed agreement regarding personal financial information.
- 3.1.5. The Deputy Head is responsible for reviewing all new programs or activities undertaken by their department to ensure that personal financial information collected, if any, is handled in accordance with the provisions of this Directive and *ATIPP*.
- 3.1.6. Departments may consult the Directorate of Executive and Intergovernmental Affairs and/or the Records Management section of Community and Government Services (CGS) for assistance and advice concerning the definition and handling of personal financial information.
- 3.1.7. The Deputy Head is responsible for ensuring that all public officers within their department are aware, and are familiar with, the requirements of *ATIPP*, the *Archives Act* and the provisions of this

directive, as they apply to the handling of personal financial information.

3.2. Storage and retention of information

- 3.2.1. Information is more difficult to protect if it is stored in different locations. The duplication of information in different files or electronic folders is to be avoided unless absolutely necessary for the operation of the program involved. The reason that duplicate information is required is to be documented and retained by the EFO of the department.
- 3.2.2. All personal financial information collected electronically shall be stored on a central computer server that has password, firewall, virus protection and backup features to guard against misuse of the data. The storage of personal financial information on stand alone computers, laptops, handheld or removal storage devices is prohibited.
- 3.2.3. All personal financial information collected in other than electronic format shall be stored in secure, locked storage containers (safe, file cabinets, etc.) and accessible only to public officers who require the information to carry out the activities for which the information was collected.
- 3.2.4. The retention, storage and disposal of personal financial information shall be in accordance with the Records Management policies of CGS and the provisions of the *Archives Act* as well as rules established by the Public Records Committee established under the *Archives Act*.
- 3.2.5. The EFO in each department shall ensure that a review is conducted periodically (annually recommended) of the personal financial information that is collected within their department to determine if the reason for collecting the information still exists.

3.3. Use of Information

- 3.3.1. Personal financial information must only be used or disclosed for the purpose for which it was collected, and the other uses and disclosures permitted in Divisions B and C of Part 2 of *ATIPP*, unless consent for other uses and disclosures has been granted.
- 3.3.2. Access to personal financial information stored electronically shall be limited, via password or other such method, to public officers who

require the information to carry out the activities for which the information was collected.

3.4. Rights of persons providing the information

- 3.4.1. The Government cannot refuse to provide an individual with a service because that individual has refused to provide personal financial information, unless the information is essential to the provision of that service.
- 3.4.2. The person from whom the personal financial information is collected must have reasonable access to the information retained by the Government and must have the opportunity to request that changes be made to such information.

3.5. Third party service providers

- 3.5.1. The electronic processing of personal financial information sometimes requires that the information be handled and stored by third party service providers. In these instances, the Department of Finance is responsible for obtaining assurance from these third party providers that they have the systems and safeguards in place to protect the data from being misused. The third party provider will also be required to advise the Government if the data becomes compromised and the preventative action they have taken to recover the data and prevent a reoccurrence.
- 3.5.2. Deputy Heads are responsible for ensuring that all third party services providers, who are processing or storing Government personal financial information, are complying with the requirements of any contracts or agreements that the department has entered into dealing with such information.
- 3.5.3. Any personal financial information that is electronically transmitted across open, public networks must be encrypted to current industry standards.