

NUNATSIAVUT ASSEMBLY


AN ACT TO AMEND THE FINANCIAL ADMINISTRATION ACT
CIL F-1 (09-06- 2017)

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Be it enacted by the President of Nunatsiavut and the Nunatsiavut Assembly as follows:

SHORT TITLE


March 7/2018

INTERPRETATION

2.

(1) **Section 2 of the *Financial Administration Act* is amended by deleting the definitions in subsections (a), (f), (g), (j), (l) and (v) and replacing them with the following:**

- (a) “Agency” means NunaKatiget Inuit Community Corporation Inc., Sivunivut Inuit Community Corporation Inc. and any other board, commission, corporation, tribunal, institution or entity under the control of, or established or appointed by, the Nunatsiavut Government that is designated as an agency of the Nunatsiavut Government by an act of the Assembly or a regulation enacted under subsection 3(2) of this Act, but does not include a Department;
- (f) “Budget” means a financial plan for a Department or an Agency:
 - (i) that is proposed for inclusion in the Consolidated Financial Plan for a fiscal year of the Nunatsiavut Government, or
 - (ii) that is approved under, or that comprises a part of, the Consolidated Financial Plan approved by the Assembly for a fiscal year of the Nunatsiavut Government;
- (g) “Communities Joint Management Committee” means the Inuit Communities Joint Management Committee as defined in the *Inuit Communities Financial Administration Act*
- (j) “Controller” means an officer of the Nunatsiavut Government responsible for all monies received into or paid out of the Nunatsiavut Fund appointed pursuant to section 8.2.5 of the Constitution and to section 12 of this Act;
- (l) “Department” means an administrative unit of the Nunatsiavut Government that is under the direction of a Minister and is staffed by employees pursuant to the *Civil Service Act* and includes all divisions of the Department;
- (v) “Nunatsiavut Government” means the President, the Executive Council, the Assembly, and the Departments, and includes all Agencies unless expressly excluded by an Inuit law or by the context;

APPLICATION OF THE ACT

3. **Section 3 of the *Financial Administration Act* and the heading are deleted and replaced with the following:**

Application of this Act and Inconsistencies with other Acts and Accounting Principles

3.

- (1) This Act applies to the Nunatsiavut Government and all Agencies unless otherwise provided under an Inuit law.

- (2) The Treasurer, acting on the advice of the Controller and with the consent of the Executive Council, may, by regulation, designate any board, commission, corporation, tribunal, institution or other entity under the control of, or established or appointed by, the Nunatsiavut Government as an agency for purposes of this Act.
- (3) If there is an inconsistency or conflict between this Act and the provisions of any other Inuit Law, this Act prevails to the extent of the inconsistency or conflict, unless the other Inuit law, or one of its provisions, applies despite the *Financial Administration Act*.
- (4) If there is an inconsistency or conflict between a generally accepted accounting principle and a provision of this Act that pertains to accounting or financial reporting, the generally accepted accounting principle prevails to the extent of the inconsistency or conflict.

HEADINGS FOR SECTIONS 5 AND 6 AMENDED

4. **The heading for section 5 is deleted and replaced with “Disposition of Nunatsiavut Government Property” and the heading for section 6 is deleted and replaced with “Acquisition of Nunatsiavut Government Property”.**

AUTHORITY TO CONTRACT

5. **Subsection 8(1) of the *Financial Administration Act* is deleted and replaced with the following:**
 - (1) The President-in-Council, subject to sections 20 and 21 of the *Nunatsiavut Government Organization (Transitional) Act* may:
 - (a) enter into contracts and agreements for or in the name of the Nunatsiavut Government;
 - (b) authorize one or more Ministers to sign any revenue-based contract or agreement or class of contracts or agreements;
 - (c) establish restrictions, limits and conditions on an authority to enter into contracts or agreements or classes of contracts or agreements; and
 - (d) authorize Deputy Ministers to sign contracts and agreements that give rise to an expenditure or disbursement of money to vendors.

BONDING

6. **Section 9 of the *Financial Administration Act* is amended by inserting the words “or an Agency” immediately following the words “Nunatsiavut Government” in the first line.**

HOW SECURITY GIVEN

7. **Section 10 of the *Financial Administration Act* is amended by inserting the words “or the Agency” immediately following the words “Nunatsiavut Government”.**

NOTICE OF CHANGE

8. Section 11 of the *Financial Administration Act* is amended by deleting the words “public officer” in both places they appear and replacing them with “person”.

ACCESS AND INFORMATION

9. Section 14 of the *Financial Administration Act* is deleted and replaced with the following:

14. The Controller, to the extent necessary for the performance of the Controller's responsibilities under this Act:
- (a) has access at all times to all Departments and Agencies and to their respective personnel, books, records and accounts; and
 - (b) may require from any person who is subject to the authority of the Nunatsiavut Government or an Agency, information and explanations necessary to determine whether money disbursed or spent by the Nunatsiavut Government or the Agency has been or is being applied for the purpose for which it was appropriated under a Budget or Consolidated Financial Plan.

PREPARATION OF PROVISIONAL BUDGETS

10. Section 16 of the *Financial Administration Act* is deleted and replaced with the following:

16. Provisional Budgets may be prepared by each Department and Agency in accordance with this Act and regulations under this Act and be submitted to the Controller on or before October 1 of each fiscal year.

PREPARATION OF INITIAL DRAFT CONSOLIDATED FINANCIAL PLAN BY CONTROLLER

11. Section 17 of the *Financial Administration Act* is deleted and replaced with the following:

17. On or before November 1 of each fiscal year, the Controller, under the direction of the Treasurer, must:
- (a) prepare an initial draft Consolidated Financial Plan for the Nunatsiavut Government for the next fiscal year (comprised of a Budget for each Department and Agency) completed to the extent required to project the amounts and expected dates of payment of money that will be available in the next fiscal year for or in relation to:
 - (i) each program or service to be delivered by, or on behalf of, the Nunatsiavut Government; and
 - (ii) the capital, operating and program costs of each Department and Agency; and

- (b) advise each Department and Agency of the amounts and expected dates of payment of monies that will be available for or in relation to each of them.

PROPOSED DEPARTMENTAL BUDGETS

12. Section 18 of the *Financial Administration Act* is deleted and replaced with the following:

- 18. On or before December 1 of each fiscal year each Department and Agency must, after taking account of the information provided to it under subsection 17 (b) of this Act, prepare its proposed Budget for the next fiscal year and submit it to the Treasurer and the Controller.

PROPOSED DRAFT CONSOLIDATED FINANCIAL PLAN PREPARED BY TREASURER

13. Section 19 of the *Financial Administration Act* is deleted and replaced with the following:

- 19. On or before January 15 of each fiscal year the Treasurer must prepare and submit to the Executive Council a proposed draft Consolidated Financial Plan for the Nunatsiavut Government for the next fiscal year and provide a copy to each Department and Agency.

CONTENTS OF DRAFT CONSOLIDATED FINANCIAL PLAN

14. Section 22 of the *Financial Administration Act* is deleted and replaced with the following:

- 22. The draft Consolidated Financial Plan presented under section 21 of this Act must meet the requirements of sections 8.8.4 and 8.8.5 of the Constitution, identify any programs or services to be delivered on behalf of the Nunatsiavut Government by a third party, and include:
 - (a) a draft schedule of Inuit Community Government transfers during the next fiscal year;
 - (b) a draft Budget for each Department and Agency for the next fiscal year; and
 - (c) a detailed statement, prepared by the Controller, of the revenues and expenditures of the Nunatsiavut Government for the period commencing on 1 April of the then current fiscal year and ending on December 31 of the then current fiscal year, or a more recent date if practicable..

TREASURER TO DISTRIBUTE CONSOLIDATED FINANCIAL PLAN

15. Section 25 of the *Financial Administration Act* is deleted and replaced with the following:

- 25. The Treasurer must provide a copy of the Consolidated Financial Plan adopted by the Assembly to each Department and Agency and each Inuit Community Government.

NOTICE OF AMENDMENT TO CONSOLIDATED FINANCIAL PLAN

16. **Section 27 of the *Financial Administration Act* is deleted and replaced with the following:**

27. The Treasurer must, as soon as reasonably practicable after an amendment has been made under section 26 of this Act, give written notice to each Department, Agency and Inuit Community Government impacted by the amendment of the effect of the amendment on the amounts and dates of monies to be paid or made available to that Department, Agency or Inuit Community Government.

MONTHLY FINANCIAL STATEMENTS

17. **Section 40 of the *Financial Administration Act* is deleted and replaced with the following:**

40. Monthly financial statements of the Nunatsiavut Government must be prepared by the Controller and be provided by the Controller to a member of the Executive Council at the member's request.

QUARTERLY UPDATES

18. **The heading "Quarterly financial information" and section 41 of the *Financial Administration Act* are deleted and replaced with the following:**

Quarterly updates

41. The Controller must take all reasonable steps to compile information needed by the Treasurer to make quarterly reports on the accuracy of the current consolidated financial plan to the Assembly as required by section 8.9.4 of the Constitution.

ANNUAL FINANCIAL STATEMENTS

19. **The chapeau and clauses (a), (c) and (d) of subsection 42(1) of the *Financial Administration Act* are deleted and replaced with the following:**

- (1) Unaudited consolidated financial statements of the Nunatsiavut Government must be prepared for each fiscal year within 90 days of the end of the fiscal year and must:
- (a) include financial information for the Nunatsiavut Government, all Agencies, and all trusts under the control of the Assembly;
 - (c) contain a statement setting out each amount appropriated and the expenditure of the Nunatsiavut Government or Agency in relation to that appropriation for the fiscal year;
 - (d) separately disclose in respect of each funded capital project of the Nunatsiavut Government or Agency any amounts expended during the fiscal year in relation to the funded capital project;

PRESENTATION OF FINANCIAL STATEMENTS TO THE ASSEMBLY

20. Clauses (c) and (d) of subsection 42(2) of the Financial Administration Act are deleted and replaced with the following:

- (c) as audited and signed, must be presented to the Assembly by the Treasurer within 30 days of receiving the auditor's report or if the Assembly is not then sitting must be provided by the Treasurer to each member of the Assembly by that date; and
- (d) as audited and signed, must be approved by the Assembly at its next sitting following receipt of the auditor's report under paragraph (c).

SUBSECTION 42(3) OF ACT DELETED

21. Subsection 42(3) of the Financial Administration Act is deleted.

FUNDS

22. Section 44 of the Financial Administration Act is deleted and replaced with the following:

44

- (1) The Treasurer must establish the following funds:
 - (a) the Nunatsiavut Fund which shall be both the consolidated revenue fund of the Nunatsiavut Government and the banking fund through which all funds and accounts, including bank accounts, of the Nunatsiavut Government are managed;
 - (b) the contingency fund described in section 8.5.5 of the Constitution;
 - (c) an investment fund for the investment of monies; and
 - (d) other funds as directed by the President-in-Council.
- (2) In addition to the funds required under subsection (1) the Treasurer may set up other funds the Treasurer considers necessary from time to time for the better management and administration of the accounts, Departments, projects, programs and business of the Nunatsiavut Government.

LABRADOR INUIT LANDS

23. Section 45 of the Financial Administration Act is amended by deleting the words "in the non-renewable resources fund".

SECTIONS 46, 47 AND 48 OF THE ACT DELETED

24. Sections 46,47 and 48 of the Financial Administration Act are deleted.

TRANSFER BETWEEN FUNDS

25. Section 49 of the Financial Administration Act is deleted and replaced with the following:

If the Controller determines in his or her sole discretion that the amount to the credit of a fund referred to in or established under section 44 of this Act is greater than required, the President-in-Council may, by Executive Order, direct the transfer of all or part of that amount to another fund established under this part.

LIMITS ON USE OF TRUST AND RESERVE FUNDS

26. Section 51 is amended by deleting the words “law creating the” in the last line.

AUDITOR REQUIREMENTS

27. Section 89 is amended by deleting subsection (1) and replacing it with the following:

- (1) The Auditor for the Nunatsiavut Government must be a member in good standing of the Chartered Professional Accountants of Canada or the Chartered Professional Accountants of Newfoundland and Labrador.

AUDITOR’S DUTIES

28. Subsection 93(b) is amended by deleting the word and number “June 30” and replacing them with “September 30”.

SPECIAL REPORT ON IRREGULARITIES

29. Section 94 of the *Financial Administration Act* is deleted and replaced with the following:

94. The Auditor must in a separate written report call to the attention of the Assembly each misappropriation or irregularity in the funds, accounts, assets, liabilities or financial obligations of the Nunatsiavut Government or an Agency that comes to the notice of the Auditor in the course of providing audit services.

AUDITOR’S POWERS

30. Subsections 96(1) and 96(2) of the *Financial Administration Act* are deleted and replaced with the following:

- (1) At all reasonable times the Auditor may:
- (a) inspect, audit and examined the financial records and any other book's and records of, and any document or component of the financial system of, the Nunatsiavut Government and Agencies that relates or may relate to the information that is or should be in the books or records of the Nunatsiavut Government or Agency; and
 - (b) examine property of the Nunatsiavut Government or Agency and any property, process of, or matter relating to the Nunatsiavut Government or an Agency, an examination of which may assist the Auditor in ascertaining or determining the

accuracy of the information that is or should be in the books and records of the Nunatsiavut Government or Agency.

- (2) The Auditor may require any information or explanation necessary to the performance of the Auditor's duties from any member of the Assembly, any Minister, any member, employee or agent of an Inuit Community Government, any employee or agent of the Nunatsiavut Government, and any officer, employee or agent of an Agency.

PART 5 OF THE ACT DELETED

31. Part 5 of the *Financial Administration Act* is deleted in its entirety and all subsequent parts and sections, as amended by this Act, and all cross-references to them are renumbered accordingly.

SCHEDULE A DELETED

32. Schedule "A" to the *Financial Administration Act* is deleted.

CONSEQUENTIAL AMENDMENTS

33.

- (1) Section 7 of the *Budget Act 2017* is amended by deleting the number "64" and replacing it with the number "52".
- (2) Section 8 of the *Budget Act 2017* is amended by deleting the word and number "Part 9" and replacing them with "Part 8".
- (3) Section 11 of the *Budget Act 2017* is amended by deleting the numbers "49" and "50" and replacing them with the numbers "37" and "39" respectively.
- (4) Subsection 9(4) of the *Nunatsiavut Elections Act* is amended by deleting the numbers "68(4)" and replacing them with "57(4)".

LIDC LOAN GUARANTEES ACT REPEALED

34. The *LIDC Loan Guarantees Act*, CIL 31-12-2012, L-3, is repealed.

COMMENCEMENT

35. This Act comes into force on a date to be set by order of the President.